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PIT's post-pandemic passenger recovery falters

One thing is clear: Passenger traffic at Pittsburgh International Airport (PIT), which had been rebounding as the COVID-19 pandemic subsided, faltered in June.

But another thing is quite unclear – the reason for that slippage, concludes an analysis by the Allegheny Institute for Public Policy.

“PIT is struggling to get back to pre-pandemic passengers counts. And in the last couple of months, it has lost ground,” says Jake Haulk, president-emeritus of the Pittsburgh think tank.

“Perhaps the anemic economic recovery, the lack of population growth and failure to return to pre-pandemic job levels are to blame,” he says (in *Policy Brief Vol. 22, No. 29*).

PIT's 2022 the domestic count shortfall from 2019 showed dramatic improvement in April, falling to 12 percent from March's 18.6 percent. But the improvement was short lived with the shortfall in June climbing to 17.6 percent.

For the second quarter, the passenger total was 361,963 *below* the 2019 total; for June alone it was down 152,723.

“In sum, the domestic passenger growth has definitely slowed as measured by the same month in 2019,” Haulk says.

But one must also consider that total passengers for 2019 rose only 1.2 percent from the 2018 yearly total. That small increase followed relatively substantial annual gains of 7.5 percent in 2018 and 82 percent in 2017.

“How much of that was owing to subsidized flights as opposed to improved economic conditions is not clear since passengers by carrier are not included in publicly available airport statistics,” Haulk says, adding that some airports do report passengers by airline.

International travel counts at PIT have been especially depressed so far in 2022. To wit, in the first quarter, the number of international passengers was down an average 63 percent from the first quarter 2019 count.

In the April-through-June period, international passengers began to show stronger gains. From the March shortfall compared to March 2019 of 64.9 percent, the April number fell slightly to 59 percent followed by a significant drop to 44.5 percent in June.

For the three months, international travel was 40,460 (53.4 percent) lower than the passenger count in the April–June period of 2019.

“The June increase in international travel from May—9,673 to 17,632 (82 percent) —no doubt reflects to some extent the return of British Airways in early June,” Haulk notes. “However, bear in mind that there is typically a big jump from May to June as summer travel kicks in.”

For instance, in 2017, the May-to-June jump was 78 percent and in 2018 the increase was 92 percent. But in 2019, it was only 36 percent.

“The weaker May-to-June rise in 2019 no doubt reflected the loss of subsidized carriers and Delta ending its seasonal flights to Paris,” Haulk says. “British Airways had started flights in April but, evidently, its June 2019 passenger total was not sufficient to offset the loss of Delta’s PIT-to-Paris flights.”

Absent British Airways-specific figures, it is not possible to determine how much its taxpayer-subsidized flights contributed to the June upturn in international passengers.

But one number is definite: June 2022’s count of 17,632 international passengers at PIT represents a huge 63 percent *decline* from the 47,000 travelers in June 2018.

“In shorter-run terms, the most important factors affecting passenger demand at a non-hubbing airport—which PIT has been for several years—are regional employment (an indicator of the level of business activity), income and population,” says Haulk, a Ph.D. economist.

“And as we have seen, employment and population gains in the Pittsburgh region have been lackluster for two decades, notwithstanding a handful of years of decent job growth.”

And that unfortunate long-term trend appears to be continuing.

“(U)nless the incomes are growing faster than general inflation as well as air fares, and the propensity to choose air travel is rising, the population stagnation is bound to be a strongly limiting factor for air travel demand” at PIT, the think tank scholar cautions.

So, will PIT’s much touted, now-under-construction \$1.4 billion new terminal fix the ongoing weak passenger numbers?

“That appears to be doubtful -- unless the policymakers decide to enact a much more business-friendly environment that would spark a more vibrant and faster-growing economy,” Haulk concludes.

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