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## The real & sobering story at PIT

The Allegheny County Airport Authority continues to paint a rosy picture of rebounding passenger traffic at Pittsburgh International Airport. “PIT travel roars back,” part of a headline blared recently on the authority’s website.

But an analysis of the latest publicly available numbers – for November 2022 – shows the Findlay Township airport continues to struggle to return to November 2019 pre-pandemic passenger levels, both domestic and international, concludes the Allegheny Institute for Public Policy.

“Moreover, airport operations—a measure including plane arrivals and departures—lagged further behind the same month in 2019,” says Jake Haulk, president-emeritus of the Pittsburgh think tank (in *Policy Brief Vol. 23, No. 5*).

“Specifically, November 2022 total passengers were 12.3 percent short of the three-year-earlier figure while international passengers remained 34.2 percent below the November 2019 count, notwithstanding the [publicly subsidized] resumption of British Airways service to London earlier in the year,” Haulk says.

“In a very negative development, November 2022 airport operations fell 21.1 percent behind the same month in 2019,” he adds.

Just as troubling is that PIT’s much ballyhooed cargo business has faltered, the Pittsburgh think tank finds.

“(T)he only bright spot in the airport’s performance since the pandemic has faded dramatically,” the Ph.D. economist warns. “While cargo handled was up 5 percent from November 2019, it fell 26.7 percent from the November 2021 reading.”

The lagging recovery of passengers and the large decline in operations at PIT are very worrisome in light of the tremendous expenditures that are being made to build a new terminal facility, whose nearly \$1.4 billion price tag is expected to only grow.

“But the inability to increase the passenger count should not be too surprising considering the near zero population growth in the region PIT serves,” Haulk reminds.

“Moreover, the failure of payroll employment to return to 2019 levels also points to a slow growth in incomes,” the think tank scholar adds. “Population, employment and income are, and will be, important determinants in air travel.”

A comparison shows the importance of job growth and air travel. Nashville’s airport saw its November 2022 passenger count rise 19 percent above the November 2019 reading. Private employment in the Nashville Metropolitan Statistical Area (MSA) in November rose 7.7 percent above its November 2019 posting.

“Meanwhile, Pittsburgh metro private jobs are still 38,000, or 3.5 percent, below the 2019 level and have risen only 3,000, or 0.3 percent, in 10 years,” Haulk says. “The importance of economic strength and growth in non-hub airport traffic is clear.

“Unless PIT becomes a hub again, passenger counts will languish along with the very slow or nearly nonexistent employment growth in the area economy.”

And attempting to juice the number with subsidies, as PIT long has done? It is “doomed to fail as a permanent solution to boosting passenger counts on two grounds,” Haulk says.

“The primary objection is that subsidies merely help people in the area to fly out of the region who might not otherwise fly or to fly more often than they would have absent the subsidy,” he notes. “Lower-cost flights should be provided by the carriers at their expense, not the airport’s.

“How does it help the Pittsburgh economy to use local dollars to subsidize area residents to leave the region and spend money?” Haulk reiterates a long-standing point of economic order.

The key to building passenger traffic at PIT—barring a carrier establishing a major hub—is not using subsidies for airlines. The primary factor is growth in the region’s economy and population. New business startups and investment coming from other parts of the country or overseas will be crucial to achieving acceleration in the economy.

Accomplishing an economic revival in the region will require a dramatic shift in the business climate and the regulatory environment.

“Otherwise, the airport will struggle to grow passengers and will continue to offer subsidies to artificially stimulate demand,” Haulk says. “It should be focused on lowering costs.

“The cost of the new terminal will saddle the airport with bond payment costs for decades,” he says, adding that “county and state help beyond that already in place through gaming dollars will eventually be needed.”

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