April 19, 2023 Policy Brief: Volume 23, Number 15

PIT February passengers still well below pre-pandemic levels

Overview: Pittsburgh International Airport (PIT) suffered serious setbacks in passenger counts and operations during the COVID pandemic period that began in March 2020. Recovery has been underway for a couple of years but travel to and from the airport remains well below the pre-pandemic levels. This *Policy Brief* describes the ongoing shortfall of activity compared to the period before COVID hit.

Passenger Count

Back on March 17, PIT officials announced that the February passenger count had improved to reach 93.7 percent of February 2019 levels. Or said another way, the February 2023 passenger count (domestic and international) was 6.3 percent below the same month in 2019. (Note that the counts and operations data were not posted on the airport's website until a week and a half later.)

Nonetheless, the reported decline would mark an impressive gain compared to the shortfalls posted last fall when the September through November average decline was well over 12 percent. Bear in mind the large 17 percent decline in December was caused by massive flight cancellations nationwide during the month.

While the 6.3 percent shortfall compared to February 2019 looks favorable, there are two things to bear in mind. First, passenger counts were still growing through February 2020. The pandemic did not take hold in a meaningful way until March 2020. Second, there was a significant 3 percent decline in passengers between January and February 2019, mainly because of a dip in domestic passengers. In 2020 and 2023, passenger totals rose slightly from January to February.

Notably, the count in February 2020 was 41,433 higher than in February 2019, a very healthy gain of 6.5 percent over the 12 months. But, in short, comparing the February 2023 to the February 2019 count is not the best measure of the air travel recovery at PIT. A more accurate measure is to look at the 2023 figures compared to the 2020 levels. Unfortunately, for March and following months of 2023, the pre-pandemic months of 2019 will be the pre-pandemic baseline. Still, by ignoring the ongoing growth in travel through February 2020, the airport is downplaying the extent of the real passenger count decline compared to what was happening prior to COVID.

Not surprisingly, the decline in passengers from February 2020 to February 2023 is much larger than the 2019 to 2023 figure touted by the airport officials. There were 81,488 fewer passengers in February 2023 than in February 2020, a drop of 12 percent and nearly double the 6.3 percent reported with international travelers falling by nearly 50 percent.

Operations

Another cause for concern is that aircraft operations in February remained well below the same month in 2019 (15 percent) and 15 percent behind the February 2020 reading. Operations are defined by the Federal Aviation Administration as any aircraft landing or taking off. Indeed, February operations remain well below the same month five years earlier in 2018, trailing by 14.6 percent. 2018 had the highest annual total of operations since 2016, the first year that annual totals were posted on their website. After February 2020, operations nosedived for many months, dipping to a yearly total of only 91,803, a far cry from the two years prior that averaged almost 150,000. Operations began to pick up in 2021, rising to 108,464 and rose further to 121,650 in 2022. However, unless the pace quickens sharply from the current levels over the rest of the year, 2023 total operations will remain 10 to 15 percent below pre-pandemic levels.

Cargo

The one area where the airport had enjoyed a strong increase in activity over the past few years was cargo handled. In the years leading up to the impacts of the pandemic in 2020 and 2021, cargo volume was enjoying a fairly strong upward trend. From 2015 to 2019 annual cargo volume climbed fairly steadily by 19 percent. Indeed, even during the COVID year of 2020, after an initial weakening, cargo volume began to grow and continued to rise dramatically in 2021 when it posted its highest ever annual volume of 209,700,373 pounds—a jump of 27 percent from the previous high set in 2019.

Volume has declined since the spectacular levels of 2021, falling to 185,725,066 pounds in 2022. Despite coming down from the 2021 record, the cargo volume in January and February 2023 held at levels above the same pre-pandemic months in 2020.

It is not clear whether the growth in cargo provides significant revenue opportunity for the airport, especially in comparison to passenger traffic, gate and landing fees, parking services, etc. Moreover, the cargo volume is not correlated with the number of aircraft operations as the last three years of data show. While operations were plunging in 2020 and 2021, and were quite weak in 2022, cargo volume rose sharply from the second half of 2020 and stayed well above the long-term trend line through the end of 2020.

Undoubtedly, the circumstances attendant to the pandemic pushed a lot of freight onto airplanes that would have normally been carried by truck or involved far more internationally traded goods either inbound or outbound. Whether the increased cargo volume will continue remains to be seen.

Economic weakness

As earlier *Policy Briefs* have noted on multiple occasions, the level of passenger traffic at PIT depends to a significant extent on the strength of the economy, population, jobs and income in the region. And it is now well established (*Policy Briefs Vol. 22, No. 18 and Vol. 23, No. 13*) that population in the region, city and county is not growing and indeed is likely moving downward while nonfarm payroll employment has yet to recover to pre-pandemic levels.

Data from metro areas in several Right-to-Work states with low percentages of public-sector unionization have been studied (*Policy Briefs Vol.23, No. 5* and *Vol. 22, No. 17*) and point to a strong correlation of passenger traffic gains at metro area airports and the vibrancy of the area's economy, job increases and population growth.

Hoping to see large gains in passenger traffic in a region with a stagnant or shrinking economy and moribund job gains is just that—hope. It is hope that is highly unlikely to be realized.

Conclusion

The efforts at PIT to expand air travel through the use of subsidies is a poor substitute for drastic changes in the region's economic and business policies that are a drag on economic growth. A far more friendly labor climate is a must but will be difficult to achieve given the political power of unions, especially the public-sector unions.

Jake Haulk, Ph.D., President-emeritus

Allegheny Institute for Public Policy
305 Mt. Lebanon Blvd.* Suite 208* Pittsburgh PA 15234
Phone (412) 440-0079
E-mail: aipp@alleghenyinstitute.org
Website: www.alleghenyinstitute.org
Twitter: AlleghenyInsti1