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Weak jobs & PIT numbers go hand in hand

By Colin McNickle

Despite glowing reports touting increased international passenger counts (even though they remain a shadow of past performance), overall passenger numbers at Pittsburgh International Airport (PIT) remain weak. And weak local jobs numbers appear to be playing a role in that deficit, new research from the Allegheny Institute for Public Policy suggests.

As of August 2023, private employment in the Pittsburgh Metropolitan Statistical Area (MSA) and passenger counts at PIT had failed to recover to 2019 pre-pandemic levels or the five-year earlier readings in August 2018.

“In all likelihood, the weak jobs performance has played a major role in the passenger weakness at the airport,” says Jake Haulk, president-emeritus of the Pittsburgh think tank.

“Indeed, both jobs in the region and airport passenger counts have recorded very weak performances during the 21st century so far,” he says (in *Policy Brief Vol. 23, No. 38*).

Private-sector jobs in the seven-county Pittsburgh MSA in August 2023 remained 7,900 (0.74 percent) below the five-year-earlier level posted in August 2018. Compared to August 2019, four years ago, the private jobs count was still down by 17,800 (1.64 percent).

Viewed over the longer period -- from August 2001 to August 2023 -- the Pittsburgh MSA employment managed a gain of 31,100 from 1,034,800 to 1,065,900. But that represents a paltry 3 percent gain for the 22-year period. Nationally, private jobs rose 22.6 million for a 20.2 percent gain over the same 22 years.

Even the respectable national gain over the period pales in comparison to some fast-growth areas, such as the Dallas-Plano-Irving, Texas, metropolitan division. Its private-sector job count rose 53.4 percent from 2001 to 2023.

Right-to-Work laws appear to continue to play a pivotal role in producing solid economic growth.

Back to PIT's passenger numbers:

Data from the Federal Aviation Administration show that in 2022, the airport's passengers remained significantly below the 2007 and 2019 levels and far below—nearly 60 percent—the enplanements recorded in 2001 before the bankruptcy of USAirways.

“Thus far in 2023, total passenger (domestic and international) counts have improved relative to 2022,” notes Haulk, a Ph.D. economist. But in August, they were still 6.4 percent under the August 2019 reading and 7.2 percent behind the August 2018 level; domestic travelers were 51,000 (5.8 percent) lower than the August 2019 reading.

“But more importantly, despite well-publicized efforts to boost international travel at PIT by using substantial carrier subsidies, the August 2023 international passenger total of 18,587 was 55 percent below the August 2018 count and 28 percent short of the 25,951 posted in August 2019,” Haulk reminds.

Those statistics certainly serve to temper Airport Authority numbers reporting what local media called a “surge” in international passenger counts because of increased (and further subsidized) British Airways flights between 2019 and 2023.

“The fundamental problem for the airport's passenger count lies in the basics that drive air travel,” Haulk says. “Population in the region has not grown appreciably since the turn of the century. And employment growth—a large driver of income gains and potential air travel—has been very tepid except for a brief spurt in the 2016-to-2019 period. Currently, jobs remain below pre-pandemic levels.”

And the much-vaunted new landside terminal project at PIT, whose cost has swelled to \$1.57 billion, “will do nothing to solve the region's and PIT's fundamental problems,” the think tank scholar says.

“The region is being held back by poor economic and fiscal policies driven in large part by the controlling political power of public-sector unions that produce high government costs and anti-private-sector growth regulations,” Haulk concludes.

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