PIT’s June passenger count surge: some perspectives

Introduction: Recently posted Pittsburgh International Airport (PIT) passenger counts show a sizable increase in June for both domestic and international travelers. Airport Authority data reports total passengers (enplaned and deplaned) were 970,776, a pickup of 13.8 percent from June 2023 and 7.8 percent higher than the June 2019 reading. It was the highest June level since 2007, which was close to the latest June reading. In short, the June 2007 posting stood for 17 years as the monthly highwater mark for PIT passengers. June is typically one of the highest air travel months.

Passenger count jump in longer term perspective

It is important to keep in mind that between 2000 and 2007, passengers at PIT had fallen by 50 percent, and as noted, have remained below the 2007 level until June 2024.

For most of the period through 2019, monthly counts remained significantly below the June 2007 level. Then, too, both the June 2007 and June 2024 passenger levels are well below counts posted in June 2004 and 2005—well after the USAirways bankruptcy.

For a better longer-term comparison performance, it is useful to look at annual passenger totals to reduce the variations owing to monthly short-term fluctuations due to weather, etc. The following shows PIT’s performance in comparison to the nation and airports that were of similar size in 2007. All historical data taken from the U.S. Bureau of Transportation Statistics.

For the U.S., annual passenger totals rose 26 percent from 2007 through 2019 and moved less than one percent higher from 2019 to 2023. During the same periods, PIT saw a 3.3 percent drop in 2019 compared to 2007 and a further decline of 5.4 percent between 2019 and 2023.

In 2007, PIT ranked 43rd nationally with 4,875,883 in passenger enplanements and in 2019 had 4,715,947 to rank 46th. Note that PIT’s ranking fell to 49th in 2022. The 2023 official rankings are not yet posted.

Four airports were chosen based on 2007 data: William Hobby in Houston (rank 44th), Columbus (50th), San Antonio (49th) and Jacksonville (58th). By 2019, William Hobby passengers had climbed 67 percent, boosting its national rank to 36th. San Antonio’s passenger count rose 28.4 percent, boosting its rank to 44th. Columbus saw a 9 percent increase in passengers through 2019 but its rank was unchanged at 50th. Finally, Jacksonville posted a 10.8 percent passenger gain,
lifting its rank from 58th to 52nd. In each of the four cases the airport either gained or stayed even in their ranking and had passenger growth.

*The role of recent carrier subsidies*

Moreover, it must be noted that the big jump in June 2024 international passengers at PIT was driven in part by the advent of subsidized Icelandic Air flights that contributed to the rise in international travel to its highest count since June 2019. However, international passengers were still 35 percent below the June 2018 level.

Then, too, domestic passenger numbers in June were no doubt boosted significantly by the extremely low introductory fares on additional flights offered by Frontier Airlines following their obtaining a subsidy of $600,000. In addition to introducing twice per day trips to Philadelphia, Frontier added new destinations to Atlanta, Dallas and Raleigh-Durham. The carrier already had flights to Denver and Orlando. With exceptionally low introductory fares to all the cities, it seems fairly certain that passengers on each flight to and from these cities were far above the traveler count prior to the new fares.

According to Frontier Airlines, the extremely low introductory fares will last until December 2024. If losses are being incurred, the low fares might be raised sooner or possibly more blackout dates for the low fares could be added.

It is not known exactly how other carriers are reacting to, or will react to, the Frontier introductory rates. Specifically, what will other carriers with service to Philadelphia, Dallas, Atlanta, etc., do in response to the low Frontier fares? They can ride it out, or perhaps do some fare cutting themselves or even reduce service, although that seems less likely. There could be a fare war or reduction in flights.

Whether the Allegheny County Airport Authority will offer further subsidies to Frontier is unknown. Obviously, the $600,000 will not make up for foregone revenue for very long. And the same is true for Icelandic Air. If Icelandic offers flights to London and starts cutting into British Airways (BA) passengers or forces them to lower fares, the vaunted arrangement with PIT will become less satisfactory for BA.

*The impact of the economy*

Passenger counts at airports that are not hubs or in major travel destinations such as Orlando or Las Vegas will be heavily dependent on the strength of the local economy and regional employment. During the 2000 to 2007 period there was no significant net growth in private sector jobs in the Pittsburgh Metropolitan Statistical Area (MSA). In the nine years from 2007 to 2016, the MSA added 24,850 jobs or 2.4 percent—about 0.3 percent average annual growth. By comparison nationally, private employment rose 5.5 percent during the period. Note that in the Pittsburgh MSA, the increase from 2000 to 2016 was virtually the same as the nine-year 2007 period to 2016 because there was no net jobs growth between 2000 and 2007.

There was an acceleration of job gains beginning in 2017 and lasting through 2019, which in three years produced 25,000 additional jobs, the best three years since the turn of the century. That faster growth was cut off by COVID in 2020. Since then, employment has failed to top pre-pandemic levels while, nationally, job levels are well above the pre-COVID count. And while there has been some acceleration in the first half of 2024, as of June, the five-year earlier employment count in 2019 had not been reached.
Not surprisingly, during the period of very slow employment gains between 2007 and 2017, enplanements at PIT only reached the 4 million mark twice (2008 and 2009). During the much faster employment growth between 2016 and 2019, enplanements at PIT also rose much faster than any period since 2000 with growth of 18.3 percent. 2017 saw an 8.6 percent jump from 2016 with another 9 percent rise from 2017 to 2019.

Comparisons with passengers nationally

Transportation Security Administration (TSA) security checkpoint passenger data for June 2019 and June 2024 show originating travel rose 7.2 percent over the five-year period. This was less than the 7.8 percent rise in passengers at PIT, a marked departure from previous months that showed PIT lagging well behind TSA passenger growth. For example, in May, the checkpoint count was 7.8 percent higher in 2024 than May 2019 while PIT passengers were only 1.9 percent higher over the five years between May 2019 and May 2024.

Meanwhile, international passengers at PIT were down 5.5 percent from May 2019 to May 2024 and in June 2024 were still 4.1 percent below the 2019 count notwithstanding the arrival of Icelandic Air.

Conclusion

The large, nearly 14 percent, increase in June passengers at PIT from 12 months earlier is impressive. However, this jump must be viewed with some skepticism and caution. Clearly, much of the outsized monthly growth was driven by the low introductory fares at Frontier and Icelandic Air. This is not to say that some of the growth was part of the ongoing recovery from the COVID downturn in 2020-21.

Looking ahead, and absent the arrival of sizable hubbing activity, the fundamentals of the regional economy, population and employment will be the principal drivers of passenger growth at PIT. Large gains in passengers resulting from exceptionally low fares cannot be sustained. The experience of low-cost carriers has been littered with bankruptcies.