



# ALLEGHENY INSTITUTE

FOR PUBLIC POLICY

August 5, 2026

Policy Brief: Volume 26, Number 28

## Passengers and prospects with the new terminal

**Introduction:** *Policy Brief* [Vol. 26, No. 24](#), noted that passenger counts at Pittsburgh International Airport (PIT) through May were struggling to match the same period in 2025. This pattern reflects several years of lackluster growth. This *Policy Brief* will compare PIT's annual passenger growth from 2019 to 2025 with growth at several airports around the country. This allows comparison from pre-COVID to the present and measures the extent of rebound from that period's downturn in travel.

### *Passenger counts*

The airports used for comparison are located in Kansas City (Mo.); Indianapolis; Raleigh; Jacksonville; Nashville and Salt Lake City. In 2019, Jacksonville and Indianapolis had fewer total passengers, enplaned and deplaned, than PIT. Indianapolis was only slightly below.

The table below shows each airport and its passenger count for 2019 and 2025.

| City/Airport         | Enplaned and deplaned passengers (millions) |      | % Change |
|----------------------|---------------------------------------------|------|----------|
|                      | 2019                                        | 2025 |          |
| Nashville (BNA)      | 18.3                                        | 24.8 | 35.6     |
| Indianapolis (IND)   | 9.5                                         | 10.6 | 11.6     |
| Raleigh (RDU)        | 14.2                                        | 15.6 | 9.9      |
| Jacksonville (JAX)   | 7.0                                         | 7.6  | 8.6      |
| Salt Lake City (SLC) | 26.8                                        | 28.2 | 5.2      |
| Pittsburgh (PIT)     | 9.8                                         | 9.8  | 0        |
| Kansas City (MCI)    | 11.8                                        | 11.5 | -2.5     |

In this group of seven airports, PIT ranked as 5<sup>th</sup> busiest in 2019 and 6<sup>th</sup> busiest in 2025, ahead of only Jacksonville. In terms of passenger growth over the six years, only Kansas City, with a decline, had a weaker performance than PIT's zero growth.

It's worth noting that both Nashville and Salt Lake City's airports are hub airports. That is, they can rely on passengers transferring planes to reach other destinations. The remaining airports in this sample are non-hub airports and must rely on origination and

destination passengers. Thus, their overall total passenger counts are likely to be smaller than the hub airports.

For the airports in this sample, the combined total passenger count rose 11 percent thanks to Nashville's big gain. Without Nashville, the remaining airports posted a total gain of 5.3 percent. Not surprising, perhaps, in view of the huge decline in travel during COVID.

#### *Expenses per passenger*

The table below shows the 2025 total expense per passenger (enplaned and deplaned) including depreciation at each airport.

| Combined operating and non-operating expenses per passenger |         |
|-------------------------------------------------------------|---------|
| Airport                                                     | Amount  |
| Pittsburgh (PIT)                                            | \$32.76 |
| Kansas City (MCI)                                           | \$28.70 |
| Indianapolis (IND)                                          | \$28.50 |
| Raleigh (RDU)                                               | \$17.30 |
| Nashville (BNA)                                             | \$16.30 |
| Jacksonville (JAX)                                          | \$16.10 |
| Salt Lake City (SLC)                                        | \$15.10 |

The data show that, for this sample, two of the airports with lower per-passenger costs were Salt Lake City and Nashville. As mentioned above, both are hub airports and have higher passenger totals. Among the non-hub cities, those that rely on origination and destination travelers, Jacksonville was an outlier with per-passenger expenses of \$16.10, which were much lower than other non-hub airports in the group. PIT's per-passenger costs were the highest in this sample.

Generally speaking, small non-hub airports in terms of passengers are at a disadvantage in terms of cost per passenger because of relatively large, fixed costs for runways and terminals.

#### *Looking ahead at PIT*

In the case of PIT, the question arises about the impact of interest and debt reduction expense in the years ahead as the borrowing for the costly new terminal is paid down. The Airport Authority has reported potential annual cost savings of \$23 million in the new terminal compared to the cost of operations at the old terminal. However, there is the enormous amount of debt incurred in building the new terminal that must be serviced and paid off.

The Airport Authority has incurred debt of \$1.7 billion dollars to build the new terminal, up from the [\\$1.1 billion](#) originally estimated. How much will it cost per year to pay off the borrowing? If we assume the borrowing has a 30-year payoff and the interest rate is a fairly low 5.1 percent per annum, the annual payment and monthly payment can be calculated.

Using the standard amortization procedure for the \$1.7 billion debt at a 5.1 percent interest rate over 30 years, the annual payment calculation is \$110 million (the Airport Authority's [Annual Comprehensive Financial Report](#) estimates annual payments of \$109.9 million). If only interest is paid and the debt remains at \$1.7 billion after 30 years, the annual payment would be \$87 million.

Either way PIT is looking at a massive annual payment that swamps the claim of a \$23 million yearly savings from moving from the old terminal. Unless the airport can find a source to help fund the huge borrowing, the airport's non-operating costs are going to rise substantially.

### *Conclusion*

The question facing PIT, which already has so much trouble growing its passenger count, is how it will raise the money to cover the massive debt service. Boosting per-passenger gate costs for airlines is likely to be counterproductive.

And as the Allegheny Institute has pointed out over recent years, the local economy and its lack of significant job or population growth does not bode well for substantial increased air travel. Occasionally, deep discounts by some carriers can temporarily boost traffic. But that is often accompanied by airport subsidies. And typically, once the subsidy runs out, so does the airline.

In short, long-term sustained gains in air travel depend on job, income and population increases.

And as noted in an earlier [Policy Brief](#), and it is important to repeat, the Pittsburgh region's population and private-sector job gains have been very weak for quite some time and have failed to recover to pre-COVID levels.

Finally, PIT has made its efforts to boost passenger growth even more difficult with the added cost structure it faces over the next 20 or 30 years. Gate and other carrier costs imposed by the airport to cover the annual bond expense will cause fares to rise and passenger demand to fall or fail to grow. Some low-margin airlines might be forced to leave the airport altogether. And the likelihood of a major hub airline locating at PIT seems very remote.

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