



The background image shows a close-up, slightly blurred view of an airport gate sign. The sign is white with blue and green accents. It lists flight information including flight numbers (C19, E25C, 013, 07, E8, E25B), status (On Time, Departed), and a time (Now 11:25 AM). A large blue sign with the word "GATES" is visible in the lower-left corner. The overall scene is brightly lit, typical of an airport terminal.

Economic Contribution of the American Airlines CLT Hub

How the American Airlines Hub at Charlotte Douglas International Airport Contributes to North Carolina's Economy

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Cover photo credit: Charlotte Douglas International Airport

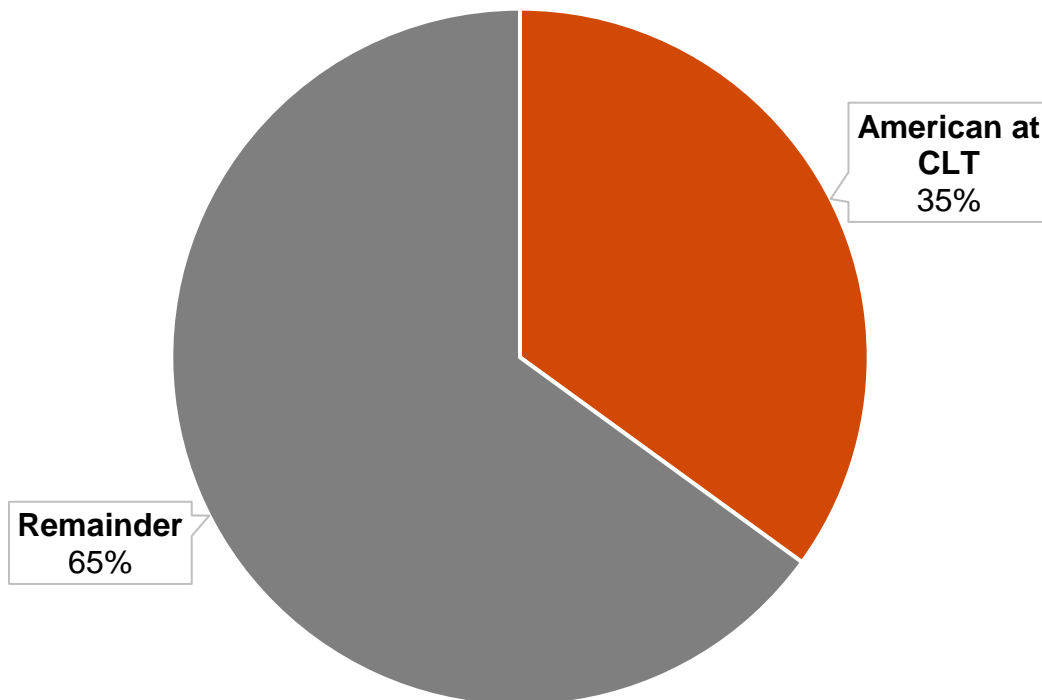
American’s CLT hub also supports a high level of air service throughout the state of North Carolina. American offers the most network carrier seats in Asheville (AVL) and Wilmington (ILM), each airports that have seen their number of seats double since 2004, while over 1 in 10 seats added at Raleigh-Durham (RDU) in that time period was on the RDU-CLT route alone.⁵

Findings

In calendar year 2023, the American Airlines hub operation at Charlotte Douglas International Airport (CLT) supported 147,500 jobs in North Carolina as well as nearly \$31 billion in economic output. In addition, the American hub at CLT supported over \$1.7 billion in tax revenue for North Carolina’s state and local governments. These contributions constitute over one-third of output and jobs supported by North Carolina’s airports (**Figure 2**).

Employment	Labor Income	Output	State and Local Taxes
147,500	\$12.5 billion	\$30.8 billion	\$1.7 billion

Figure 2. Share of NC airport-supported employment and output attributable to American’s hub.



⁵ OAG as of October 3, 2024, via Compass Lexecon.

Methodology

Included Activity

Economic activity attributable to the American Airlines hub at CLT can be divided into two broad categories:

- **On-Airport Activity** and
- **Off-Airport Activity**.

On-Airport Activity

The American Airlines hub at Charlotte Douglas International Airport affects activities at airports across the state, from the mountains to the sea. In addition to CLT, American Airlines serves 8 of the 9 other commercial service airports in North Carolina—with multiple daily nonstop flights to CLT from all eight stations. At these airports, American’s direct activities at the airport are weighted by the share of American Airlines passengers travelling to or from CLT among all American Airlines passengers at the airport, while other activities at the airport are weighted by the share of American Airlines passengers travelling to or from CLT among all passengers at the airport, regardless of carrier. **Figures 3 to 5** show how this weighting would be calculated at a hypothetical airport with 1,000,000 total passengers, with 250,000 of those passengers traveling on American and 100,000 of those passengers to or from CLT; **Figure 4** shows the calculation for the weighting of American Airlines activities at this hypothetical airport, while **Figure 5** shows the calculation for other activities.

Figure 3. Passenger distribution at hypothetical other NC commercial service airport.

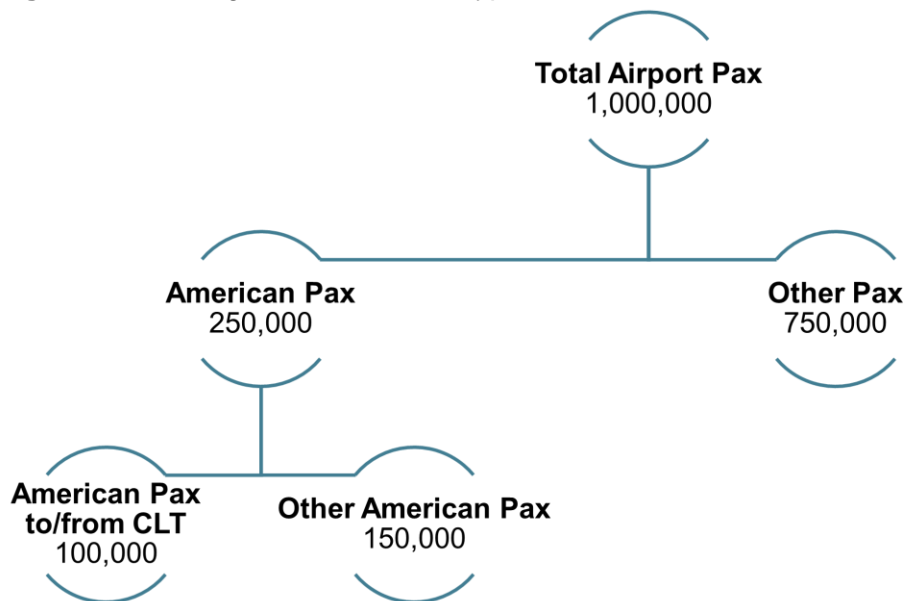


Figure 4. Weighting of American Airlines airport activities at hypothetical other NC commercial service airport.



Figure 5. Weighting of non-American Airlines activities at hypothetical other NC commercial service airport.



On-airport activity at Charlotte Douglas International Airport was attributed to American's hub operation using a modified method. All direct American Airlines activity at CLT was attributed 100% to the American Airlines hub. In addition to passenger operations, American's flight training center, maintenance repair and overhaul (MRO) operation, cargo operations and based crew were also included as airport activity attributable to the presence of the hub. Airside activity by other entities at CLT that is enabled by the American hub was also included, with affected airside activities (e.g., concessions) weighted based on American's share of all passengers at the airport. Landside activities, however, were weighted based on the American Airlines share of local origin and destination (O&D) passengers only, as connecting passengers rarely interface with, e.g., parking at the airport. Capital expenditures were generally excluded from this analysis; however, American made a direct contribution to the airport's Destination CLT capital program, and a prorated amount was included in the analysis.

At all airports, certain activities are excluded, including but not limited to:

- General aviation activities and FBO
- Activities by other airlines (excluding regional affiliates operating as American Eagle)
- Airport administration
- Capital expenditures not directly undertaken by American Airlines (except as noted above)

In general, "American Airlines" includes not only American Airlines mainline but also its wholly owned regional affiliates (Envoy Air, Piedmont Airlines and PSA Airlines) as well as other regional carriers⁶ when flying under the American Eagle brand.

Additionally, direct payments by American Airlines to hotels (for purposes such as crew rest, flight training and IROPS) were included in the model, as this lodging spending was above and beyond what would be associated with a typical non-hub station.

At all airports, on-airport activity was modeled as occurring in the county where the airport is located.

Off-Airport Activity

Off-airport activity attributable to the American Airlines hub at CLT was estimated using the visitor spending model ITRE generates for the biennial *North Carolina: The State of Aviation* report on behalf of the North Carolina Department of Transportation Division of Aviation.

The number of passengers travelling to each of the nine commercial service airports served by American Airlines in North Carolina via its CLT hub was calculated,⁷ and the share of passengers traveling for personal (leisure or VFR) purposes and for business purposes was estimated. Reasonable estimates of local spending were then assigned to each passenger. Spending by business travelers was calculated separately from that by leisure and VFR travelers, reflecting their differing expenditure patterns. At CLT, an adjustment was made to exclude out-of-state spending due passenger leakage to South Carolina.

Additionally, the number of outbound passengers from each airport travelling for business purposes was estimated, and an estimate of a reasonable amount of additional business spending generated by their travel was applied to these passengers.

Spending was modeled as occurring in the metropolitan statistical area where the relevant airport is located.⁸

⁶ Air Wisconsin, Republic Airways and SkyWest Airlines.

(Air Wisconsin resumed flying for American Eagle in March 2023, during the period covered by this report, an arrangement that is expected to terminate in April 2025, shortly after the publication of this report.)

⁷ At CLT, this would be all American Airlines passengers destined for CLT on their outbound trip.

⁸ For CLT, South Carolina counties in the Charlotte–Concord–Gastonia MSA were excluded. For Coastal Carolina Regional Airport (EWN), the New Bern Micropolitan Statistical Area was used.

Modeling Assumptions

The models developed in this contribution study measure how expenditures and travel supported by the American Airlines hub operation at Charlotte Douglas International Airport relate to industries and local economies in the State of North Carolina.

Four measures of economic activity were estimated:

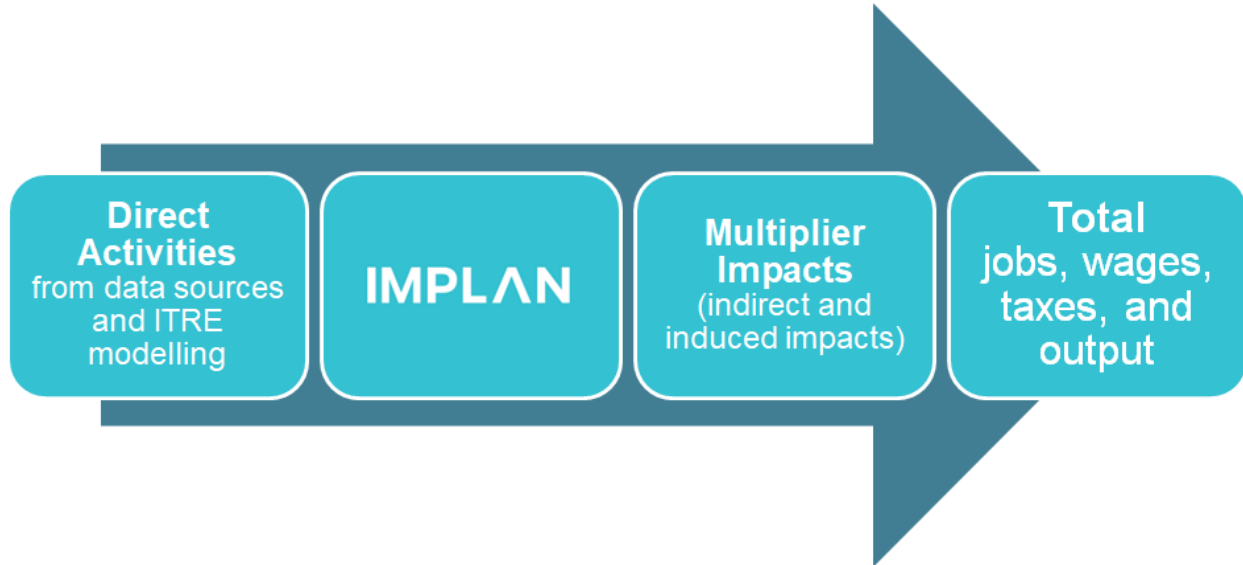
- **Employment** refers to the number of individuals employed, not full-time equivalencies.
- **Labor Income** refers to their compensation.
- **Output** is the total value of production across supported industries.
- **State and Local Taxes** consists of tax revenue supported for either the State of North Carolina or its local government units, including counties, municipalities and special districts.

Three types of economic activity were considered:

- **Direct activities** are the direct expenditures associated with spending by personal and business travelers to North Carolina on flights via American's CLT hub, as well as from new business generated by outbound local business travel, in addition to expenditures associated with on-airport operations.
- **Indirect activities** measure the economic activity of businesses in North Carolina resulting from spending with other suppliers of goods and services by firms directly supported by the airport. (For example, an on-airport restaurant may source from local vendors.)
- **Induced activities** measure the economic activity that results when employees of the directly and indirectly supported firms spend their wages in the area's economy on the purchase of goods and services—which in turn creates further economic activity through the spending of employees and suppliers of those firms.

IMPLAN (IMpact Analysis for PLANning) multipliers were used to generate estimates of indirect and induced activity. A stylized version of the IMPLAN multiplier process is shown in **Figure 6**.

Figure 6. IMPLAN multiplier process.



IMPLAN is an input-output model, and like all such models has inherent limitations. Only backward linkages—the indirect and direct effects described above—due to spending by travelers to the area, local business travel and on-airport operations to support these flights were estimated.

This analysis assumes the human capital resources necessary to facilitate this spending are readily available, without any relevant supply constraints or labor shortages. If visitors to or firms from outside that area were to use these flights, the economic contribution would differ from these estimates; conversely, however, this would mean economic effects on a broader area than what was studied. Events were modeled using IMPLAN’s 2023 dollar year and 2022 data year, using information travel and associated spending and employment from calendar year 2023.

Due to rounding, the figures presented in this document may not precisely equal the stated totals.

Data Sources

Passenger Data

Passenger numbers, itineraries and ticketing carriers were sourced from the following sources:

- USDOT Form 41 T-100 (Market)
- USDOT Airline Origin and Destination Survey (DB1B)

Information on the purpose of passenger journeys was sourced from Airlines for America's 2024 *Air Travelers in America* survey, which effectively covered the time period (12 months up to the second week of January 2024) covered by this study (calendar year 2023).

Information on passenger spending within the state was gathered from a variety of sources, including:

- S&P Global
- EDPNC/Visit NC (collected by Oxford Economics/Tourism Economics)
- CoStar
- Expensify
- Concur

An estimate for additional business activity generated by outbound business travel was derived from S&P Global (formerly IHS Markit) data.

Information about passenger travel before and after their air journey was provided by Placer.ai.

Airport Employment

On-airport employment was sourced from each of the nine commercial service airports from which American Airlines operates in North Carolina, as well as from American directly.

Destination CLT Capital Program

Information on the American Airlines contribution to the Destination CLT capital program was sourced from Charlotte Douglas International Airport financial data and confirmed by the airport.

Appendix: PSA Headquarters Relocation

In January 2025, PSA Airlines, a wholly owned subsidiary of American Airlines Group that operates flights on behalf of American under the American Eagle brand, announced plans to relocate its headquarters to Charlotte over the course of the following year. This relocation, which is being accomplished without state or local tax incentives, will bring PSA’s leadership closer to where much of its crew and fleet is currently based

The relocation of PSA’s headquarters to Charlotte is expected to support over \$228 million in economic output in North Carolina and \$10 million in state and local tax revenue—each and every year. These 400 well-paying jobs can be expected to support an additional 470 jobs with suppliers and community businesses across the state, with 24% of these additional jobs and 11% of local government tax revenue outside of Mecklenburg County.

Employment	Labor Income	Output	State and Local Taxes
870	\$106.3 million	\$227.5 million	\$10.1 million

IMPLAN (IMpact Analysis for PLANning) multipliers were used to generate estimates of indirect and induced activity based on the number of individuals expected to be employed at the new PSA headquarters. IMPLAN is an input-output model, and like all such models has inherent limitations. Only backward linkages—the indirect and direct effects as described in the analysis of the American Airlines hub operation at Charlotte Douglas—due to additional corporate employment were estimated. This analysis assumes the human capital resources necessary to facilitate this spending are readily available, without any relevant supply constraints or labor shortages, and assumes that the level of flight activity is independent of the headquarters relocation. Events were modeled using IMPLAN’s 2023 data year based on the final level of employment expected when the PSA headquarters relocation is completed in January 2026.

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