

InterVISTAS

2024

# Economic Impact Study

MEMPHIS INTERNATIONAL AIRPORT (MEM)

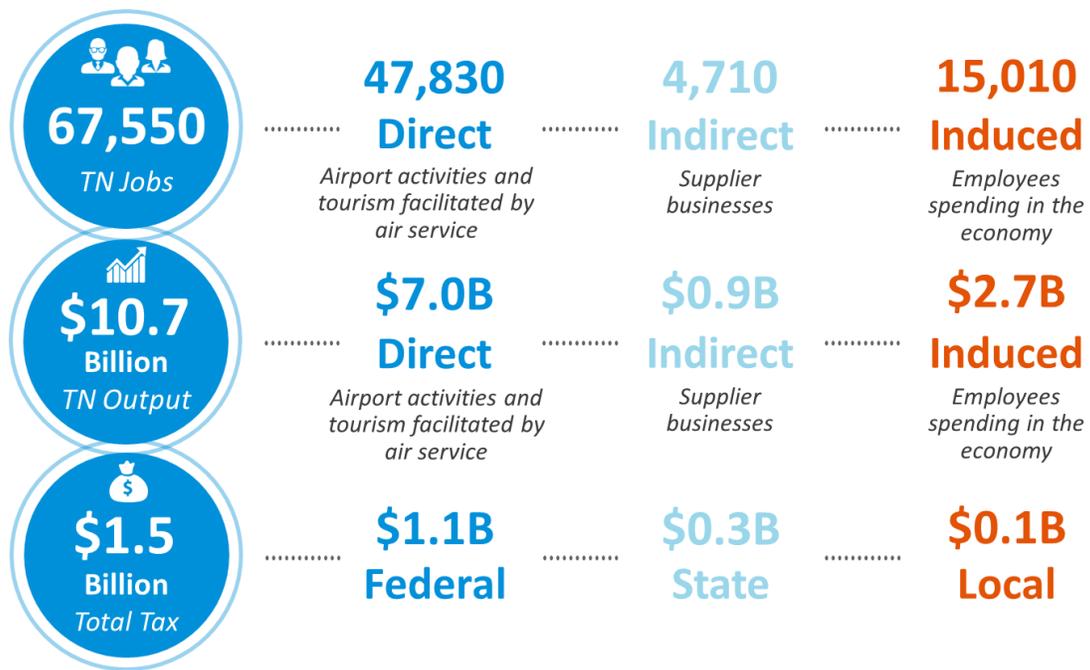


# Executive Summary

Memphis International Airport (MEM) plays a pivotal role in the economies of the City of Memphis, the State of Tennessee, and beyond. The airport has grown alongside the important cargo and logistics operations it supports, facilitating the movement of an average of approximately 9 billion pounds of cargo each year. In addition, commercial passenger traffic has increased steadily since the COVID-19 pandemic, surpassing 2019 levels and reaching a record high of nearly 4.9 million enplaned and deplaned passengers in 2024.

The ongoing functions of MEM rely on a broad network of businesses and organizations. This includes airlines and crew bases, cargo and logistics providers, ground handling services, air traffic control, security screening, aircraft maintenance and repair facilities, terminal retail and dining, and ground transportation. Economic activity is further stimulated by capital improvements, as well as the airport's capacity to facilitate tourism and visitation to Memphis and the State of Tennessee.

This study examined the economic impact of Memphis International Airport for 2024.



*Memphis International Airport is a key economic engine, supporting 67,550 jobs and \$10.7 billion in economic output.*

*It also generates \$1.5 billion in government revenues — \$1 billion federal, \$0.3 billion state, and \$0.1 billion local taxes.*

Airport operations, capital investments, and tourism businesses benefiting from visitor expenditures directly support 47,830 jobs, which go on to generate additional ripple effects in the economy.<sup>1</sup>



**Daily airport operations** generate 35,540 direct jobs. Aviation-related suppliers and support businesses create 2,030 indirect jobs, and employee spending produces another 12,480 induced jobs in the general economy.



**Airport capital improvements**, with an estimated average annual in-state expenditure of \$218 million, account for 1,470 direct jobs. Supplier impacts support 340 indirect jobs, and employee spending sustain another 550 induced jobs.



**Visitor expenditures** by non-local passengers flying via MEM, estimated at \$1.2 billion in 2024, facilitate 10,810 direct jobs. Supplier impacts create 2,340 indirect jobs, and spending by those employed directly or indirectly generates an additional 1,980 induced jobs.

Figure E-1: Consolidated Economic Impact of MEM, 2024

	Impact	Employment (Jobs)	Labor Income (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
<b>Airport Operations</b>	Direct	35,540	\$3,282	\$5,321	\$5,712
	Indirect	2,030	\$153	\$206	\$381
	Induced	12,480	\$752	\$1,381	\$2,245
	<b>Total</b>	<b>50,060</b>	<b>\$4,187</b>	<b>\$6,907</b>	<b>\$8,337</b>
<b>Capital Improvements</b>	Direct	1,470	\$113	\$118	\$218
	Indirect	340	\$26	\$45	\$85
	Induced	550	\$33	\$61	\$99
	<b>Total</b>	<b>2,360</b>	<b>\$173</b>	<b>\$224</b>	<b>\$402</b>
<b>Visitor Spending</b>	Direct	10,810	\$364	\$648	\$1,082
	Indirect	2,340	\$158	\$254	\$478
	Induced	1,980	\$119	\$219	\$356
	<b>Total</b>	<b>15,130</b>	<b>\$642</b>	<b>\$1,121</b>	<b>\$1,915</b>
<b>Consolidated</b>	Direct	47,830	\$3,760	\$6,087	\$7,012
	Indirect	4,710	\$337	\$505	\$943
	Induced	15,010	\$904	\$1,660	\$2,699
	<b>Total</b>	<b>67,550</b>	<b>\$5,001</b>	<b>\$8,253</b>	<b>\$10,654</b>

Notes: Dollar figures expressed in 2024 figures. Figures may not sum to totals due to rounding.

<sup>1</sup> Indirect impacts result from the direct impacts and involve employment in upstream industries (suppliers) that depend upon activities at MEM. Induced impacts are generated from spending by the direct/indirect employees and businesses.

MEM's contribution extends to government revenues at the federal, state, and local levels. In 2024, taxes generated from direct, indirect, and induced employment and business activities of ongoing airport operations, airport capital improvements, and visitor spending are estimated at approximately \$1.5 billion: 79% of taxes are attributed to airport operations, 3% is associated with airport capital improvements, and the remaining 18% is estimated to be generated by visitor spending facilitated by MEM.

Of this amount, approximately 27% (nearly \$0.4 billion) of these tax impacts supports state and local government functions within Tennessee.

**Figure E-2: Tax Impact of MEM, 2024 (Millions)**

	Impact	Federal	State	Local	Total
<b>Airport Operations</b>	Direct	\$692.3	\$88.8	\$28.2	\$809.3
	Indirect	\$30.8	\$9.6	\$5.0	\$45.5
	Induced	\$167.4	\$88.2	\$44.1	\$299.8
	<b>Subtotal</b>	<b>\$890.6</b>	<b>\$186.6</b>	<b>\$77.3</b>	<b>\$1,154.6</b>
<b>Capital Improvements</b>	Direct	\$20.6	\$1.2	\$0.6	\$22.4
	Indirect	\$5.8	\$2.9	\$1.5	\$10.2
	Induced	\$7.4	\$3.9	\$1.9	\$13.2
	<b>Subtotal</b>	<b>\$33.8</b>	<b>\$8.0</b>	<b>\$4.1</b>	<b>\$45.9</b>
<b>Visitor Spending</b>	Direct	\$80.5	\$52.9	\$27.7	\$161.0
	Indirect	\$33.8	\$10.3	\$4.9	\$49.0
	Induced	\$26.6	\$14.0	\$7.0	\$47.6
	<b>Subtotal</b>	<b>\$140.8</b>	<b>\$77.3</b>	<b>\$39.5</b>	<b>\$257.6</b>
<b>Consolidated</b>	Direct	\$793.4	\$142.9	\$56.4	\$992.8
	Indirect	\$70.4	\$22.9	\$11.4	\$104.7
	Induced	\$201.4	\$106.1	\$53.1	\$360.6
	<b>Total</b>	<b>\$1,065.2</b>	<b>\$272.0</b>	<b>\$120.9</b>	<b>\$1,458.1</b>

Notes: Dollar figures expressed in 2024 figures. Figures may not sum to totals due to rounding.

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# 1 Introduction

The Memphis-Shelby County Airport Authority (MSCAA) commissioned InterVISTAS Consulting Inc. (InterVISTAS) to conduct an economic impact study of Memphis International Airport (MEM) for the year 2024, serving as an updated snapshot of the airport's annual economic contribution to the State of Tennessee since MEM's previous studies in 2019 and 2017. Since the previous studies were completed, the airport has experienced changes in air traffic, cargo handling, and onsite operations, and those studies do not reflect the impacts of the COVID-19 pandemic.

Airports are vital to the development of the economy, enabling the efficient movement of people, goods, and services across the country. They drive employment and foster economic growth in local communities by promoting tourism, investment, trade, and improvements in productivity. At MEM, the expansion of aviation operations and related activities has positioned the airport as a significant economic engine for the State of Tennessee.

## 1.1 Memphis Area

Memphis, the 2<sup>nd</sup> largest city in Tennessee, has more than 1.3 million residents that live within the broader Memphis Metropolitan Statistical Area, which incorporates both the city limits as well as 10 surrounding counties.<sup>2</sup> Memphis' home county of Shelby County has a population of over nine hundred thousand itself. The region hosts a fast-growing market in terms of GDP, which rose by 27.6% between 2017 and 2022, from just under \$75.3 billion to \$96.1 billion dollars.<sup>3</sup>

The local economy of Memphis is driven by its diverse industries including transportation, logistics, healthcare, and a range of manufacturing sub-industries. Memphis is a major hub for global logistics operations, largely as it is the host of FedEx's global headquarters. Memphis International Airport plays a crucial role in working in tandem with the local economy by facilitating high volumes of freight and employing thousands of individuals from around the greater metropolitan area.

Beyond the FedEx Global Hub located at Memphis International Airport, the greater Memphis area has a variety of healthcare networks that employ individuals across the Southwestern Tennessee area. Hospital systems, such as Baptist Memorial Healthcare and St Jude's Children's Research Hospital, attract medical professionals, administrators, and researchers to take part in some of North America's most cutting-edge medical developments.<sup>4</sup>

*Memphis International Airport's strategic location, weather reliability, and willingness to invest in infrastructure helped make it the launch point for FedEx's network in 1973, helping transform the region into one of the world's busiest cargo hubs and catalyzing long-term economic growth throughout the Memphis area.*

*-FedEx History*

*(<https://www.fedex.com/en-us/about/history.html>)*

<sup>2</sup> Federal Reserve Bank of St. Louis 2025 MPHPOP

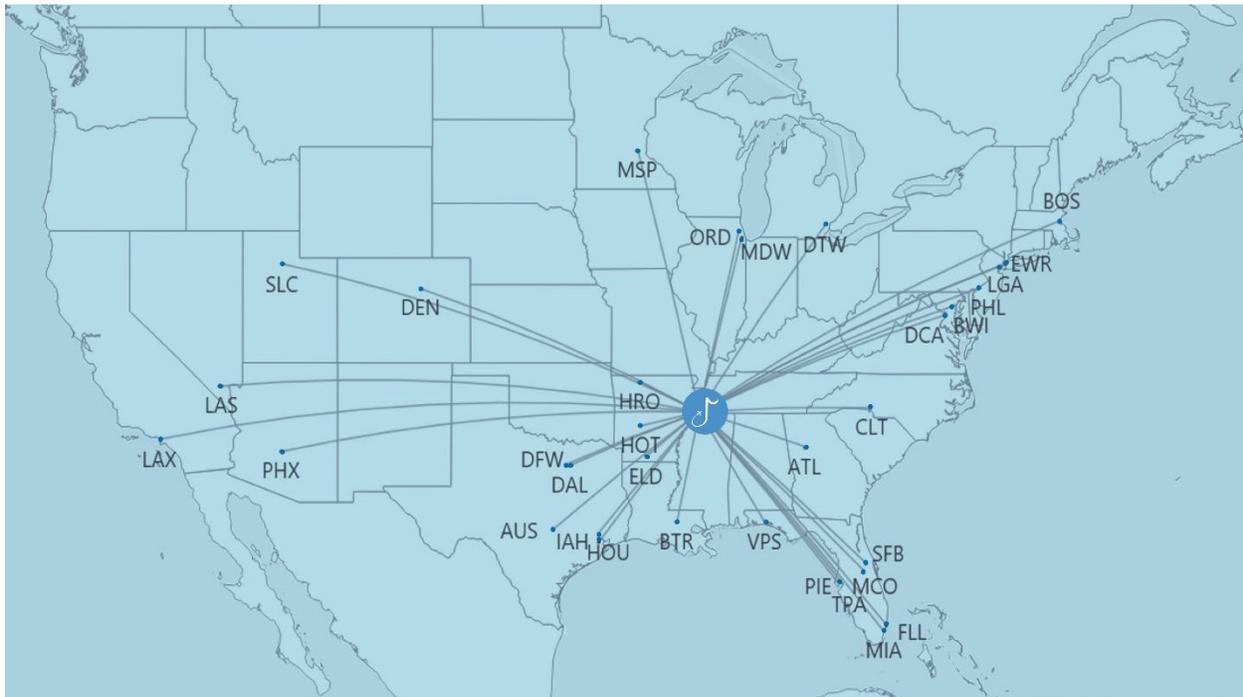
<sup>3</sup> Federal Reserve Bank of St. Louis 2025 NGMP32820

<sup>4</sup> Memphis Chamber of Commerce Healthcare & Life Science Report. <https://memphismoves.com/industries/healthcare-life-science/>

## 1.2 Memphis International Airport

Memphis International Airport, under the FAA’s 2025-2029 National Plan of Integrated Airport Systems (NPIAS), was designated as a medium-hub commercial airport. This makes MEM one of the largest medium-hub facilities in the nation and the only one in Tennessee.<sup>5</sup> MEM continues to support a diverse passenger network. In 2024, the airport offered nonstop service to 33 U.S. destinations, ensuring strong connectivity across the nation. **Figure 1-1** portrays a route map of non-stop domestic markets served by MEM in 2024.<sup>6</sup> In 2024, MEM also offered seasonal nonstop service to Cancun International Airport (CUN) from May 19 through July 14.<sup>7</sup>

**Figure 1-1: Domestic Nonstop Routes from MEM, 2024**



Source: Cirium Diio Mi.

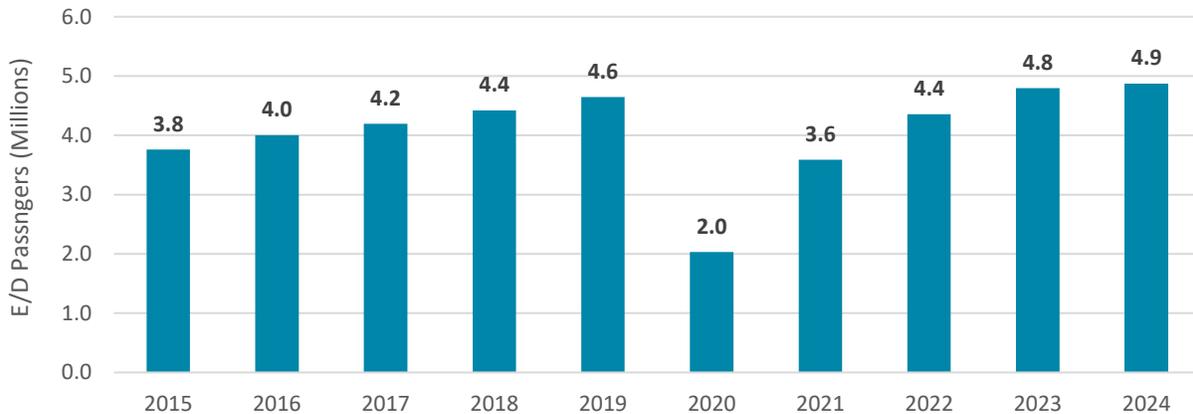
Commercial passenger traffic at MEM has increased over the past decade, as shown in **Figure 1-2**. Passenger traffic grew steadily from 2015 to 2019, peaking at 4.6 million enplaned and deplaned passengers in 2019, before the pandemic caused this total to decrease by 56%. As of 2024, the total commercial enplaned and deplaned passengers at MEM has exceeded pre-COVID levels and now stands at 4.9 million.

<sup>5</sup> FAA NPIAS 2025-2029

<sup>6</sup> Memphis International Airport

<sup>7</sup> <https://flymemphis.com/2024/04/23/vacation-express-resumes-nonstop-memphis-cancun-flights-2/>

Figure 1-2: Commercial Enplaned/Deplaned Passengers at MEM, 2015-2024



Source: Memphis-Shelby County Airport Authority (MSCAA).

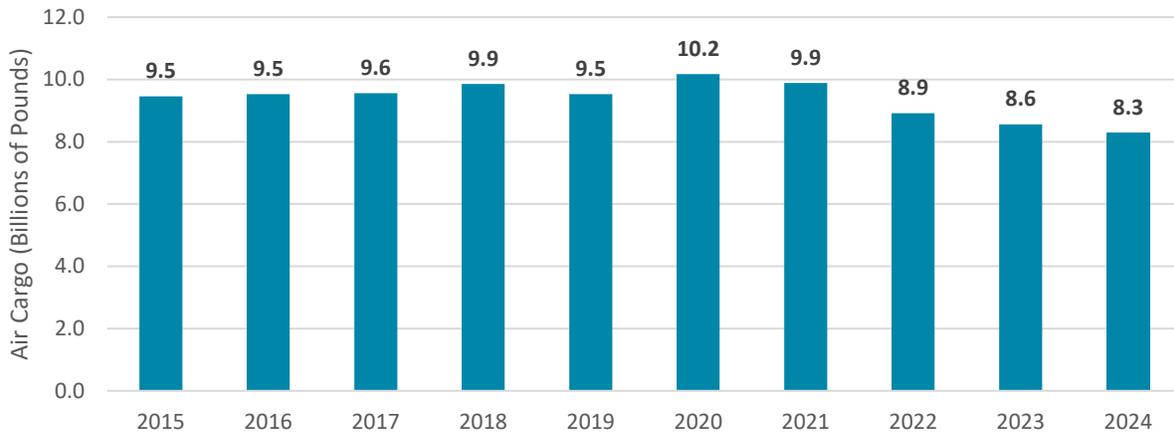
As most major cargo operations around the world slowed in 2020 due to the COVID-19 pandemic, the FedEx Global Hub located at Memphis International Airport, along with MEM’s ancillary cargo operations, remained busy, handling approximately 10 billion pounds of cargo that year (see **Figure 1-3**), driven in part by strong demand for pharmaceuticals, personal protective equipment (PPE), and a surge in e-commerce.<sup>8</sup> This ten-year high amidst the pandemic encapsulates the essential nature of MEM as a global cargo center. However, in the years since the pandemic, cargo volumes handled at MEM have declined to 8.3 billion pounds, a 14% decline from 2015 and a 23% from the peak seen in 2020. The decline reflects the expiration of the contract between FedEx and USPS in September 2024, combined with broader post-pandemic adjustments in air cargo demand and carrier network strategies.<sup>9</sup> Despite this reduction, Memphis International Airport continues to rank as the busiest cargo airport outside of Asia and among the top three cargo airports globally, based on 2024 Airports Council International (ACI) annual air cargo rankings, following Hong Kong and Shanghai.<sup>10</sup>

<sup>8</sup> <https://www.stattimes.com/news/memphis-overtakes-hkia-as-worlds-busiest-airport-for-2020-aci-world-air-cargo/>

<sup>9</sup> <https://newsroom.fedex.com/newsroom/global-english/fedex-statement-regarding-expiration-of-usps-contract#:~:text=Note:%20In%20a%20Form%208,terms%20on%20September%2029%2C%202024.>

<sup>10</sup> [https://blog.aci.aero/airport-economics/busiest-airports-in-the-world-2024/#:~:text=In%202024%2C%20the%20busiest%20cargo%20airports%20in,\(ANC\)%20\\*%20Louisville%20Muhammad%20Ali%20International%20\(SDF\)](https://blog.aci.aero/airport-economics/busiest-airports-in-the-world-2024/#:~:text=In%202024%2C%20the%20busiest%20cargo%20airports%20in,(ANC)%20*%20Louisville%20Muhammad%20Ali%20International%20(SDF))

Figure 1-3: Enplaned/Deplaned Air Cargo at MEM, 2015-2024

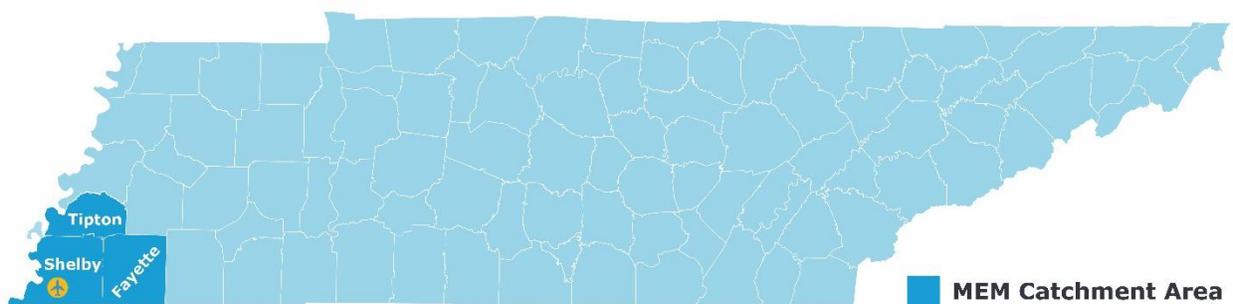


Source: Memphis-Shelby County Airport Authority (MSCAA).

### 1.2.1 Core Catchment Area

Located in Shelby County, Memphis International Airport serves nearly all of Southwestern Tennessee, as illustrated in **Figure 1-4**. Together, these counties and economic and population centers form the Memphis Metropolitan Statistical Area, within which MEM is the state’s second-largest commercial passenger airport. In addition, MEM serves as a regional hub, attracting demand from neighboring states, particularly northern Mississippi and eastern Arkansas. For the purposes of this study, however, the analysis focuses exclusively on MEM’s economic impact within the State of Tennessee.

Figure 1-4: MEM Tennessee Catchment Area



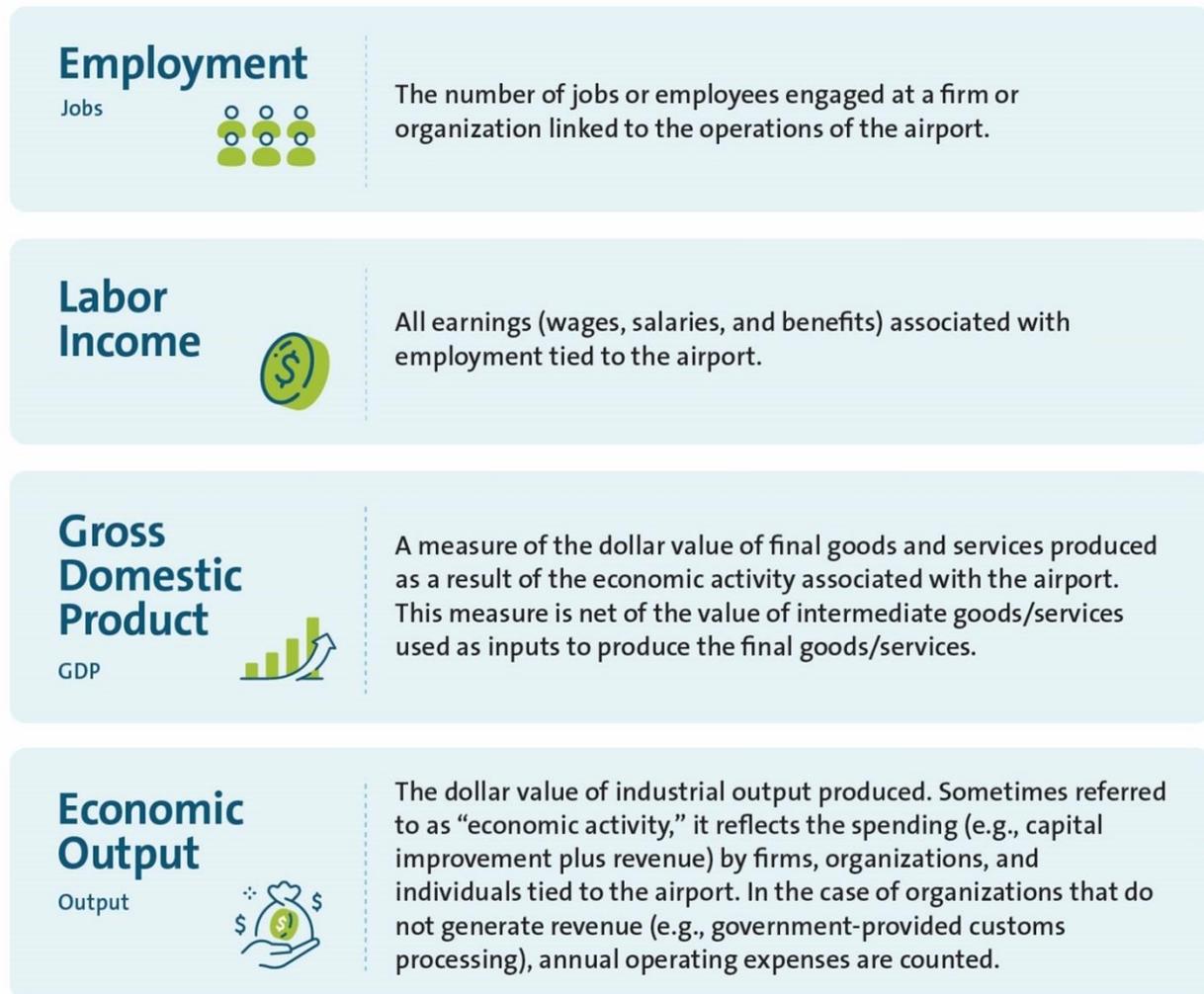
Source: Memphis-Shelby County Airport Authority (MSCAA)

### 1.3 Overview of Economic Impact

Economic impact refers to the spending and employment generated by a specific sector, project (such as the construction of a new facility), or policy change. This study examines the jobs and expenditures associated with Memphis International Airport.

Economic impact is commonly measured using several metrics including employment, labor income, Gross Domestic Product (GDP), and economic output, all of which are defined in **Figure 1-5**. These measures quantify the overall economic activity generated by the airport. The airport’s economic benefits are reflected not only in the employment and income it supports directly, but also in its broader contributions to the regional economy through GDP and economic output.

Figure 1-5: Measures of Economic Impact



## 1.4 How Airports Generate Economic Impacts

This analysis looks at three primary ways through which Memphis International Airport contributes to the regional economy – day to day airport operations, airport capital development projects, and visitor spending.

- **Airport Operations** covers all aviation activity along with the services and business functions carried out by the airport and its onsite tenants.
- **Airport Capital Improvement** refers to construction and infrastructure upgrades at the airport. These projects are evaluated separately from routine operations because they create temporary, project specific economic effects.
- **Visitor Spending** reflects the economic benefits produced when the airport brings travelers from outside the area who then spend money locally, on things like lodging, dining, transportation, entertainment, and retail purchases.

## 1.5 Categories of Economic Impact

Economic impacts are generally categorized into three levels: *direct*, *indirect*, and *induced* impacts. Each of MEM's core activities – airport operations, capital improvements, and visitor spending – produces impacts across these categories. Together, they represent the airport's total economic contribution. Different analytical methods are used to assess each type of impact. By evaluating the employment, labor income, GDP, and overall economic output generated or supported directly and indirectly by the airport, this study captures a comprehensive view of MEM's economic footprint.

**Figure 1-6:**  
Categories of Economic Impact Generated and Facilitated by Memphis International Airport

### Direct Impact

Direct impacts reflect the economic activity generated by the sector itself. For airport operations, direct impacts encompass employment, labor income, GDP, and economic output attributable to the operation and management of Memphis International Airport (MEM), including both onsite businesses and offsite activities directly involved in airport functions. Direct employment impacts include all personnel working at MEM, such as airport management staff (MSCAA), locally based employees of passenger and cargo carriers, fixed-base operators (FBOs), ground handlers, aircraft maintenance engineers, concessionaires, and military personnel.



For airport capital improvements, direct employment impacts include construction workers, contractors, engineers, and others directly engaged in airport construction projects.

For visitor spending, direct employment impacts include a portion of employees at hotels, restaurants, retail stores, and other hospitality businesses throughout Southwestern Tennessee where MEM travelers spend their money.

### Indirect Impact

Indirect impacts arise because of direct impacts. They capture employment, labor income, GDP, and economic output generated by *supplier industries* that support airport operations, capital improvements, and tourism-related businesses serving visitors. For airport operations, indirect impacts occur in industries that provide goods and services to the aviation sector, such as jet fuel suppliers, aircraft parts manufacturers, or accounting and legal service providers supporting airport tenants.

Indirect impacts also result from the direct effects of capital improvements and visitor spending. Examples include suppliers of construction materials and equipment for airport infrastructure projects or food and beverage wholesalers serving restaurants patronized by out-of-state visitors.<sup>11</sup>

### Induced Impact

Induced impacts result from the spending of wages, salaries, and profits earned through direct and indirect economic activities. They reflect the economic activity generated when employees of businesses connected to MEM spend their earnings in the broader economy. For example, when a ramp agent at MEM, an engineer working on a terminal modernization project, or a restaurant host serving MEM visitors spends their income on groceries, dining, childcare, dental services, home improvements, and other goods and services, this spending supports employment across a wide range of sectors. Induced impacts are often referred to as the “household spending effect.”

### Total Impact

Total impacts are the sum of the direct, indirect, and induced impacts collectively associated with ongoing airport operations, capital improvements, and visitor spending.

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<sup>11</sup> The indirect impacts of aviation can include some impacts associated with the hospitality industry. Similarly, the indirect impacts of tourism accounts can include aviation. Adjustments have been made to mitigate any double-counting in the overall economic impacts of airport operations and visitor spending.

## 2 Methodology

This chapter outlines how the economic impact of Memphis International Airport was measured, including the methods and data sources used.

### 2.1 Data Collection and Assumptions

A robust economic impact analysis depends on comprehensive data that accurately captures the direct economic activity under evaluation. To support this assessment, key inputs were gathered through two surveys described below and complemented with information provided by the airport authority, MSCAA, and the local destination marketing organization (DMO), Travel Memphis.

#### Airport Employment Survey

The first step in the analysis was measuring the direct employment base associated with MEM's ongoing operations, as job figures are more easily understood and accurately reported than financial data. This approach also reduced the risk of double counting, providing a clearer assessment of the airport's economic impact.

The employment survey was distributed to all businesses operating at Memphis International Airport. It was used to gain a better understanding of their operations at the airport, estimate the number of workers engaged in airport-related activities, and to classify total direct employment by business type. The survey collected the following information:

- Type of business/activity
- Employee headcounts and working hours
- Payroll and average wages
- Proportion of revenue or activity associated with airport operations

Employment attributable to ongoing activity at the airport was measured by surveying 46 businesses involved in airport operations. In total, 70% of the businesses contacted responded to the survey, including the largest employers at the airport, representing 99% of the overall direct job estimates related to airport operations. For firms that did not respond to the survey, employment was estimated by referencing alternative data sources, such as airport security badge counts from the MSCAA, publicly available business information, and survey results from similar businesses.

#### General Aviation Survey

Fixed Base Operators (FBOs) at MEM contributed data on general aviation (GA) activity, with a particular emphasis on transient (non-local) traffic. The information collected includes detailed estimates of itinerant operations attributable to non-local visitors, average passenger counts per transient aircraft arrival, and

key visitor characteristics, such as typical trip duration and primary travel purpose. This data supports a more accurate assessment of GA visitor volumes and behavior at MEM.

## Supplementary Data and Analysis

Additional airport activity data was provided by MSCAA and supplemented with information compiled by the project team from other sources, such as the U.S. Department of Transportation (USDOT), the Federal Aviation Administration (FAA), and federal and local tourism agencies. These data informed the estimation of specific elements of direct economic activity, including the following:

- **Ground Transportation Employment** – beyond onsite tenants offering car rentals, Memphis International Airport is supported by an extensive network of taxis, shuttle services, ride-hailing services (e.g., Uber and Lyft), and other for-hire drivers, which together account for a significant portion of trips to and from MEM. MSCAA provided detailed trip data (i.e., pick-ups and drop-offs) from commercial operators, which were used to estimate driver hours and the total employment associated with ground transportation services connected to the airport.
- **Airport Capital Expenditures** – MSCAA provided historical expenditures for MEM's capital improvement program from 2020-2024, including annual spending and the estimated proportion sourced within Tennessee. This data was used to quantify the direct economic activity and related employment generated by the airport's capital investments. Tenants also provided data on their capital expenditures at MEM to include in the analysis.
- **Commercial Air Visitor Traffic and Visitor Expenditures** – the impacts of commercial air visitors and their spending in the region were analyzed using data from Travel Memphis, which was provided directly from the DMO. The estimates provided in the data from Travel Memphis were then applied to the IMPLAN model to derive the associated economic impacts.
- **Average Expenditure by GA Visitor** – In the absence of direct survey data for general aviation travelers, average visitor spending was estimated using publicly available local data on key expenditure categories, such as hotel Average Daily Rates (ADRs) and ground transportation fees, and validated against broader Memphis tourism data. Key sources included General Services Administration (GSA) per diem rates, local transportation rates, hospitality benchmarks, and tourism statistics from Travel Memphis. These inputs, together with average trip length and trip type reported by FBOs in the general aviation survey, were used to estimate spending per trip by GA visitors.

## 2.2 Estimating Multiplier Impacts

The direct inputs described in the previous section, specifically, airport employment, capital expenditures, and visitor spending, were used in the IMPLAN model to estimate the broader economic impacts. This included indirect and induced effects, as well as certain direct measures not directly captured in the surveys, such as GDP and economic output.

IMPLAN is a widely recognized and accepted economic model that identifies interconnections within a regional economy and quantifies the effects of economic activity; the model was used in the prior economic impact studies conducted for MEM in 2017 and 2020. It is constructed from numerous data sources, including the Bureau of Economic Analysis (BEA) Benchmark Input-Output (I-O) tables, the Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages, the U.S. Census Bureau, and the U.S. Department of Agriculture.

The multipliers applied in this study are based on IMPLAN's 2023 Input-Output data for each county in the State of Tennessee. All multipliers and economic ratios were adjusted to 2024 price levels, without assuming structural changes in the economy.

To estimate statewide impacts, IMPLAN's Multi-Regional Input-Output (MRIO) analysis was employed. This method first calculates the indirect and induced impacts within the airport's catchment area, then extends the analysis to the indirect and induced impacts occurring outside the catchment, but elsewhere in the state. This approach follows IMPLAN's recommended methodology and provides a more precise estimation of total statewide economic effects than using aggregated state-level multipliers.

## **2.3 Estimating Tax Impacts**

Another aspect of MEM's overall economic impact contribution is the tax revenue generated for federal, state, and local governments. Taxes arise not only from the jobs directly connected to airport activity, but also from additional state and local taxes levied. The airport's supply chain and the jobs supported through indirect and induced impacts further expand government revenues.

To quantify these impacts, the IMPLAN model was used to estimate tax revenues linked to airport operations, capital improvement projects, and visitor spending.<sup>12</sup> These estimates capture all federal, state, and local taxes generated through direct, indirect, and induced economic activity.

## **2.4 Note on Rounding and Dollar Figures**

The results in this report are portrayed using rounded numbers, since economic impact values are estimates rather than precise audit or accounting figures. Unless stated otherwise, all monetary amounts are reported in 2024 dollars.

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<sup>12</sup> IMPLAN makes use of regional averages per industry to estimate tax impacts.

## 3 Economic Impact of Airport Operations

This chapter outlines the direct, indirect, induced, and total impacts of MEM’s ongoing operations. Additional impacts related to capital improvement projects and visitor spending are addressed in the following chapters.

### 3.1 Direct Impacts of Airport Operations

Direct impacts encompass employment located on airport property or otherwise directly associated with the operation of MEM. Accordingly, direct employment attributable to ongoing operations is defined as the combined employment of airport authority staff and all airport tenant employees.<sup>13</sup>

Direct labor income, GDP, and economic output impacts are estimated using the IMPLAN model with direct employment figures collected from employment surveys as inputs.

#### Direct Impacts of Airport Operations

MEM’s operations play a pivotal role in sustaining jobs and driving regional economic activity. Beyond its core function as an airport, MEM acts as a catalyst for business growth and community development. Each aircraft movement at the airport triggers a wide range of employment activities, from cargo handling and passenger services to technical and administrative support. These roles span flight crew, airport and FBO management, air traffic control, maintenance engineers, ramp agents, and numerous support personnel essential to airport operations.

The direct impacts of ongoing operations at MEM in 2024 are shown in **Figure 3-1**. In total, the airport directly supported 35,540 jobs, generating almost \$3.3 billion in wages (an average of approximately \$92,300 per job). This figure significantly exceeds the 2024 average annual wage in Tennessee (\$66,500) and the national average (\$73,200), underscoring the high-value nature of airport-related employment.<sup>14</sup> Furthermore, MEM generated a direct contribution of \$5.3 billion to the state’s GDP and produced \$5.7 billion in total economic output.

**Figure 3-1: Direct Impacts of MEM Airport Operations, 2024**

Impact	Employment (Jobs)	Labor Income (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
Direct	35,540	\$3,280	\$5,320	\$5,710

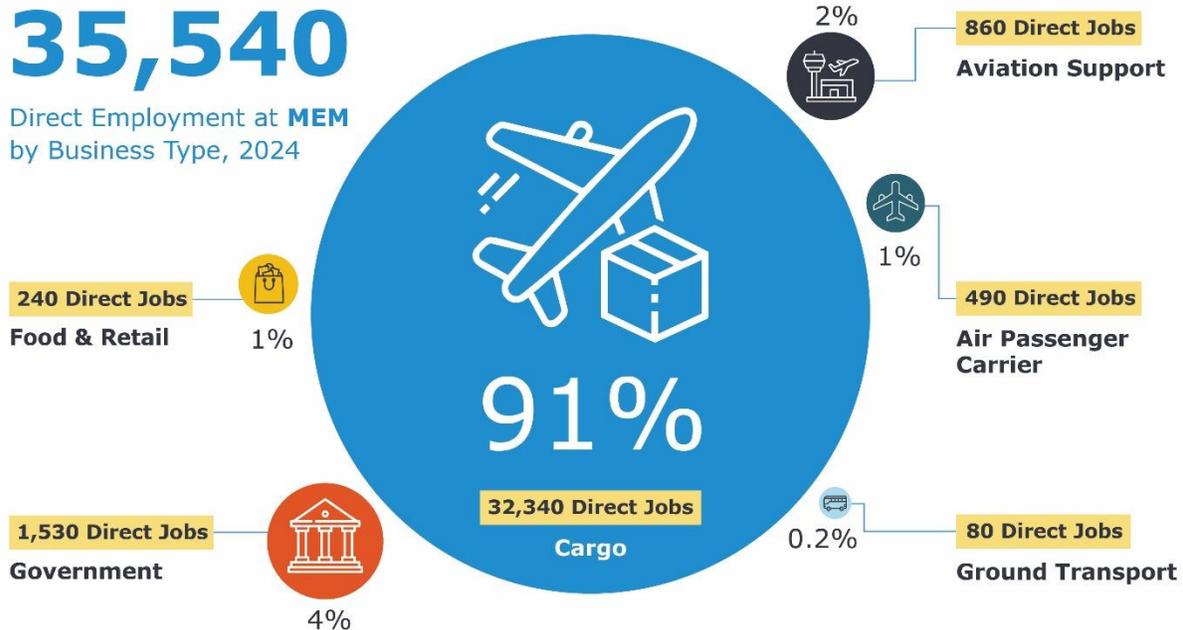
<sup>13</sup> All employment figures in this report are measured in jobs or headcount.

<sup>14</sup> U.S. Bureau of Economic Analysis.

### Direct Employment by Business Type at MEM

The breakdown of direct employment by business type at MEM is presented in **Figure 3-2**. FedEx is by far the largest employer at MEM, comprising a significant number of employees at the airport. Other major employers involved in airport operations include the airport authority, several air passenger carriers, government agencies, concessionaires, and ground handlers.

**Figure 3-2: Direct Employment at MEM by Business Type, 2024**



The business categories shown above can be summarized as follows:

- **Cargo Operations** refers to employment related to the transport of freight and cargo. This includes dedicated cargo carriers, integrators, freight forwarders, and cargo agents. This category accounts for 32,340 jobs (91% of direct employment) at MEM.
- **Government** accounts for employment related to government agencies involved in airport security and operations (FAA control tower, Transportation Security Administration, customs, etc.), as well as military aviation activities. This category accounts for roughly 1,530 jobs, or 4% of total onsite employment.
- **Aviation Support** encompasses employment associated with ground handling, aircraft repair and servicing, airport authority operations, fueling, FBOs, and other airside support functions, collectively representing 860 jobs (2% of direct employment) at MEM.
- **Air Passenger Carrier** jobs include employment primarily related to commercial airlines and other air service operators at MEM. This category accounts for 490 jobs (1% of direct employment).

- **Food and Retail** employment consists of workers employed by airport concessionaires who staff terminal dining and retail establishments, including customer service, food preparation, and sales roles. This category accounts for 240 jobs, comprising 1% of direct employment.
- **Ground Transportation** represents employment associated with on-airport car rental operations and for-hire passenger transportation services to and from MEM, such taxis, limos, and Transportation Network Companies (TNCs), amounting to 80 jobs (0.2% of total onsite employment).

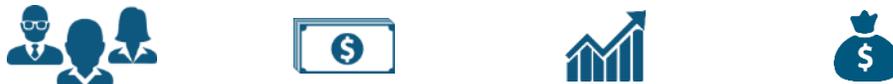
### 3.2 Indirect and Induced Impacts of Airport Operations

#### Indirect Impacts of Airport Operations

Indirect impacts capture the economic activity of businesses that supply goods and services to airport operations. This includes employment within industries that depend on sales to the air transport sector, for example, oil refineries that provide jet fuel to carriers.

MEM operations in 2024 supported a total of 2,030 indirect jobs, which paid \$150 million in labor income. This activity resulted in an estimated \$210 million in indirect GDP and \$380 million in indirect economic output, with figures shown in **Figure 3-3**.

**Figure 3-3: Indirect Impacts of MEM Airport Operations, 2024**



Impact	Employment (Jobs)	Labor Income (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
Indirect	2,030	\$150	\$210	\$380

#### Induced Impacts of Airport Operations

Induced impacts arise from the spending of wages, salaries, and profits earned through direct and indirect airport-related activities. These effects represent the broader “ripple” or household spending impacts that occur as income circulates through the state economy. For example, induced employment reflects jobs supported by the expenditures of individuals whose income is tied to airport operations.

**Figure 3-4** illustrates the induced impacts supported by MEM operations. This totals 12,480 induced jobs that paid \$750 million in earnings. Induced contributions amounted to \$1.4 billion in GDP and \$2.2 billion in economic activity.

Figure 3-4: Induced Impacts of MEM Airport Operations, 2024



Impact	Employment (Jobs)	Labor Income (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
Induced	12,480	\$750	\$1,380	\$2,240

### 3.3 Total Economic Impact of Ongoing Airport Operations

Ongoing MEM operations, including multiplier (indirect and induced) effects, supported over 50,060 jobs and almost \$4.2 billion in wages in 2024. Including multiplier impacts, operations at the airport also contributed over \$6.9 billion in total GDP and \$8.3 billion in total economic output for the state, as shown in **Figure 3-5**.

Figure 3-5: Total Economic Impact of MEM Airport Operations, 2024



Impact	Employment (Jobs)	Labor Income (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
Direct	35,540	\$3,280	\$5,320	\$5,710
Indirect	2,030	\$150	\$210	\$380
Induced	12,480	\$750	\$1,380	\$2,240
<b>Total</b>	<b>50,060</b>	<b>\$4,190</b>	<b>\$6,910</b>	<b>\$8,340</b>

# 4 Economic Impact of One-Time Airport Capital Improvements

## 4.1 Capital Improvements in 2024

The yearly capital spending of MEM and its tenants represents significant infrastructure upgrades required to maintain airport operations and prepare for expected future increase in activity. Each of these improvement projects produces economic effects above and beyond those created by the airport’s typical daily functions.

From 2020 to 2024, MEM reported over \$981 million in capital expenditures, with a five-year annual average of \$196 million.<sup>15</sup> Expenditures that occurred within the state constitute roughly 53% of this spending on capital improvements, equivalent to an average of \$104 million each year, therefore generating economic impacts for local and statewide economies.<sup>16</sup> Several key projects were undertaken during this timeframe. This includes the Concourse B Modernization project, which focuses on enhancing passenger experience with wider corridors, natural light, and upgraded concessions, and the Consolidated De-Ice Facility, which features 12 de-ice pads and supporting infrastructure. In addition to the annual average of \$104 million spent by the airport authority, capital investments from MEM tenants were included in analysis. An annual average of approximately \$114 million in tenant capital expenditures on various projects in 2024 brings the total capital spending in 2024 to \$218 million.

As shown in **Figure 4-1**, capital spending in 2024 alone supported 1,470 direct jobs that generated \$113 million in direct earnings as well as \$118 million in direct GDP and \$218 million in direct economic output. Including multiplier effects, the average annual capital spending at MEM supported a total of 2,360 jobs earning \$173 million in wages, with a total contribution of \$224 million in GDP and over \$402 million in economic output.

**Figure 4-1: Total Economic Impact of MEM Capital Improvements, 2024**

Impact	Employment (Jobs)	Labor Income (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
Direct	1,470	\$113	\$118	\$218
Indirect	340	\$26	\$45	\$85
Induced	550	\$33	\$61	\$99
<b>Total</b>	<b>2,360</b>	<b>\$173</b>	<b>\$224</b>	<b>\$402</b>

Note: Figures may not sum to totals due to rounding.

<sup>15</sup> Capital expenditures at MEM provided by the MSCAA.

<sup>16</sup> Share of in-state capital expenditures of 53% was provided by the MSCAA.

## 5 Economic Impact of Visitor Spending

### 5.1 Visitor Spending

A separate economic impact tied to airport activity comes from travelers who enter and leave the region by air instead of by other modes of transportation (e.g., auto). These visitors significantly support the local hospitality sector through their spending on hotels, food, entertainment, car rentals, and retail. The impacts generated by this visitor spending include their own set of direct, indirect, and induced effects, which are reported independently to avoid any overlap with the economic impacts attributed to airport operations.

#### Air Visitor Profile

Data from Travel Memphis indicates that over 28% of the economic impact of tourism in Shelby County, Tennessee, can be attributed to expenditures from inbound visitors to the region who flew in through MEM, demonstrating the importance of the airport’s operations to fostering local economic growth.<sup>17</sup> The share of passenger traffic attributable to outbound residents versus inbound visitors can vary widely by airport. In 2024, MEM welcomed almost 967,000 commercial visitors and roughly 60,000 GA visitors, which comprises a smaller portion of traffic at the airport. Altogether, it is estimated that expenditures in Tennessee by visitors arriving via MEM amounted to just over \$1.2 billion.

**Figure 5-1** provides an overview of the visitor spending profiles of international and domestic travelers to MEM through commercial aviation. Domestic visitors spend an average of \$1,251 per trip, while international visitors spend an average of \$1,357 per trip. Majority of visitors to MEM are domestic, with non-local domestic visitors totaling roughly 893,600 compared to the international total of 76,200, as indicated by Travel Memphis’ statistics.

**Figure 5-1: MEM Commercial Air Visitor Spending, Avg. Per Visitor Spend (Trip Total), 2024**

Spend Category	Domestic Visitor	International Visitor
Hotel	\$346	\$438
Restaurants	\$190	\$145
Bars	\$100	\$101
Entertainment	\$190	\$204
Retail	\$200	\$203
Transportation	\$225	\$266
<b>Total</b>	<b>\$1,251</b>	<b>\$1,357</b>

Source: Travel Memphis.

<sup>17</sup> Memphis Tourism Report – MEM Visitors, 2024 EOY

Importantly, GA visitors and commercial visitors tend to vary in terms of visitation and spending profiles. **Figure 5-2** shows the visitor profiles of GA visitors to Tennessee through MEM. This information provides important parameters for understanding potential spending rates and patterns for this visitor market.

**Figure 5-2: MEM General Aviation Air Visitor Profile, 2024**

Air Service	Number of Visitors	Trip Purpose	Avg. Person-Trip (Nights)	Avg. Per Visitor Spend (Trip Total)	Avg. Per Visitor Spend (per Night)	Total Expenditures (Millions)
<b>General Aviation</b>	59,000	60% Business / 40% Personal	1.0	\$330	\$330	<b>\$19</b>

Source: InterVISTAS surveys and analysis.

### Visitor Expenditure Impacts

In 2024, visitor spending associated with travelers flying in via MEM is estimated to have supported 10,810 direct jobs that paid \$360 million in wages, further generating \$650 million in direct GDP and \$1.1 billion in direct output. Including the indirect and induced impacts, visitor spending by MEM's air traffic is associated with a total of 15,130 jobs paying \$640 million, along with \$1.1 billion in total GDP and \$1.9 billion in total output. The economic impact of non-local visitors who arrived via MEM are summarized in **Figure 5-3**.

**Figure 5-3: Economic Impact of Visitor Spending Facilitated by MEM, 2024**

				
Impact	Employment (Jobs)	Labor Income (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
Direct	10,810	\$360	\$650	\$1,080
Indirect	2,340	\$160	\$250	\$480
Induced	1,980	\$120	\$220	\$360
<b>Total</b>	<b>15,130</b>	<b>\$640</b>	<b>\$1,120</b>	<b>\$1,920</b>

Note: Dollar figures expressed in 2024 dollars. Figures may not sum to totals due to rounding.

## 6 Consolidated Economic Impact of MEM

MEM’s overall economic impact reflects the combined effects of its daily operations, its capital development projects, and the spending generated by travelers who arrive through the airport. This total impact includes the direct effects of each component, along with the associated supply chain effects (indirect impacts) and the household spending that occur as a result (induced impacts).

### 6.1 Summary of 2024 Economic Impact

As shown in **Figure 6-1**, the consolidated economic impact of MEM surpassed 67,550 total jobs with wages of \$5.0 billion, along with a total GDP contribution of \$8.3 billion and \$10.7 billion in total economic output.

**Figure 6-1: Consolidated Economic Impact of MEM, 2024**



	Impact	Employment (Jobs)	Labor Income (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
<b>Airport Operations</b>	Direct	35,540	\$3,282	\$5,321	\$5,712
	Indirect	2,030	\$153	\$206	\$381
	Induced	12,480	\$752	\$1,381	\$2,245
	<b>Total</b>	<b>50,060</b>	<b>\$4,187</b>	<b>\$6,907</b>	<b>\$8,337</b>
<b>Capital Improvements</b>	Direct	1,470	\$113	\$118	\$218
	Indirect	340	\$26	\$45	\$85
	Induced	550	\$33	\$61	\$99
	<b>Total</b>	<b>2,360</b>	<b>\$173</b>	<b>\$224</b>	<b>\$402</b>
<b>Visitor Spending</b>	Direct	10,810	\$364	\$648	\$1,082
	Indirect	2,340	\$158	\$254	\$478
	Induced	1,980	\$119	\$219	\$356
	<b>Total</b>	<b>15,130</b>	<b>\$642</b>	<b>\$1,121</b>	<b>\$1,915</b>
<b>Consolidated</b>	Direct	47,830	\$3,760	\$6,087	\$7,012
	Indirect	4,710	\$337	\$505	\$943
	Induced	15,010	\$904	\$1,660	\$2,699
	<b>Total</b>	<b>67,550</b>	<b>\$5,001</b>	<b>\$8,253</b>	<b>\$10,654</b>

Note: Figures may not sum to totals due to rounding.

## 7 Tax Impacts

### 7.1 Tax Impacts

Another component of Memphis International Airport's economic contribution is the substantial tax revenue it helps generate at the federal, state, and local levels. Jobs directly tied to airport activity produce millions in tax receipts, complemented by additional taxes collected by local government and the State of Tennessee. The airport's supply chain, along with the employment supported through indirect and induced economic activity, also adds to overall government revenue.

Tax revenue contributions include the following categories based on the IMPLAN model:

#### Federal Taxes

- **Personal Taxes.** This category contains the personal income tax impacts generated by households linked to MEM and payable at the federal level.
- **Other Taxes and Fees.** This category includes corporate profits taxes and other business-paid taxes on production and imports, net of subsidies, such as excise and customs taxes. In addition, this category includes employee and employer contributions to federal social insurance taxes.

#### State and Local Taxes

- **Property Taxes.** This category contains all property taxes paid by either households or businesses.
- **Sales Taxes.** This category contains all state and local sales taxes.
- **Other Personal Taxes.** Excluding property taxes (noted separately above), this category contains other taxes and fees paid by households at the state and local level. Given that Tennessee does not have a state income tax, this category includes relatively minor amounts related to motor vehicle licensing fees, fishing and hunting licensing fees, and other applicable taxes.
- **Other Taxes and Fees.** Excluding property and sales taxes (noted separately above), this category includes other business-paid taxes on productions and imports, net of subsidies, at the state and local levels including motor vehicle licensing fees, severance taxes, as well as other taxes and special assessments.

**Figure 7-1** summarizes the estimated federal, state, and local tax revenues generated via airport operations, capital improvements, and visitor spending. Altogether, total tax revenues attributable to MEM (including direct, indirect, and induced impacts) reached \$1.5 billion in 2024. Approximately 73% of this was attributable to contributions to the federal government while 19% went toward state revenues, primarily through state sales taxes. The remaining 8% percent was attributable to local revenues.

Figure 7-1: MEM Tax Impacts, 2024

Source	Impact	Federal			State				Local					TOTAL
		Personal Taxes	Other Taxes/Fees	Total Federal	Sales Taxes	Other Personal Taxes	Other Taxes/Fees	Total State	Property Taxes	Sales Taxes	Other Personal Taxes	Other Taxes/Fees	Total Local	TOTAL TAX
Airport Operations	Direct	\$230,713,000	\$461,626,000	\$692,340,000	\$41,721,000	\$2,566,000	\$44,513,000	\$88,800,000	\$18,463,000	\$6,850,000	\$1,104,000	\$1,744,000	\$28,161,000	\$809,301,000
	Indirect	\$11,616,000	\$19,230,000	\$30,846,000	\$7,641,000	\$126,000	\$1,875,000	\$9,642,000	\$3,375,000	\$1,256,000	\$53,000	\$317,000	\$5,000,000	\$45,488,000
	Induced	\$58,360,000	\$109,077,000	\$167,437,000	\$67,742,000	\$626,000	\$19,838,000	\$88,206,000	\$29,927,000	\$11,131,000	\$261,000	\$2,812,000	\$44,130,000	\$299,773,000
	<b>Subtotal</b>	<b>\$300,689,000</b>	<b>\$589,934,000</b>	<b>\$890,623,000</b>	<b>\$117,103,000</b>	<b>\$3,319,000</b>	<b>\$66,226,000</b>	<b>\$186,647,000</b>	<b>\$51,764,000</b>	<b>\$19,237,000</b>	<b>\$1,418,000</b>	<b>\$4,872,000</b>	<b>\$77,291,000</b>	<b>\$1,154,561,000</b>
Capital Improvements	Direct	\$9,698,000	\$10,897,000	\$20,595,000	\$910,000	\$99,000	\$193,000	\$1,202,000	\$403,000	\$149,000	\$41,000	\$38,000	\$631,000	\$22,428,000
	Indirect	\$2,031,000	\$3,733,000	\$5,764,000	\$2,293,000	\$22,000	\$629,000	\$2,943,000	\$1,011,000	\$377,000	\$9,000	\$94,000	\$1,491,000	\$10,198,000
	Induced	\$2,582,000	\$4,812,000	\$7,394,000	\$2,987,000	\$28,000	\$874,000	\$3,889,000	\$1,318,000	\$491,000	\$11,000	\$123,000	\$1,944,000	\$13,227,000
	<b>Subtotal</b>	<b>\$14,311,000</b>	<b>\$19,442,000</b>	<b>\$33,753,000</b>	<b>\$6,189,000</b>	<b>\$149,000</b>	<b>\$1,696,000</b>	<b>\$8,034,000</b>	<b>\$2,731,000</b>	<b>\$1,017,000</b>	<b>\$61,000</b>	<b>\$256,000</b>	<b>\$4,066,000</b>	<b>\$45,852,000</b>
Visitor Spending	Direct	\$27,273,000	\$53,186,000	\$80,458,000	\$42,443,000	\$298,000	\$10,195,000	\$52,936,000	\$18,782,000	\$6,969,000	\$127,000	\$1,774,000	\$27,652,000	\$161,046,000
	Indirect	\$12,234,000	\$21,554,000	\$33,788,000	\$7,468,000	\$132,000	\$2,742,000	\$10,342,000	\$3,297,000	\$1,227,000	\$54,000	\$309,000	\$4,888,000	\$49,018,000
	Induced	\$9,280,000	\$17,308,000	\$26,588,000	\$10,751,000	\$100,000	\$3,148,000	\$13,998,000	\$4,746,000	\$1,767,000	\$41,000	\$445,000	\$6,998,000	\$47,584,000
	<b>Subtotal</b>	<b>\$48,786,000</b>	<b>\$92,048,000</b>	<b>\$140,834,000</b>	<b>\$60,662,000</b>	<b>\$529,000</b>	<b>\$16,085,000</b>	<b>\$77,276,000</b>	<b>\$26,825,000</b>	<b>\$9,964,000</b>	<b>\$222,000</b>	<b>\$2,528,000</b>	<b>\$39,538,000</b>	<b>\$257,649,000</b>
Consolidated	Direct	\$267,684,000	\$525,709,000	\$793,393,000	\$85,073,000	\$2,963,000	\$54,901,000	\$142,937,000	\$37,648,000	\$13,969,000	\$1,272,000	\$3,556,000	\$56,445,000	\$992,775,000
	Indirect	\$25,881,000	\$44,517,000	\$70,398,000	\$17,402,000	\$280,000	\$5,246,000	\$22,927,000	\$7,682,000	\$2,860,000	\$116,000	\$720,000	\$11,378,000	\$104,703,000
	Induced	\$70,221,000	\$131,198,000	\$201,419,000	\$81,480,000	\$754,000	\$23,860,000	\$106,093,000	\$35,991,000	\$13,389,000	\$313,000	\$3,380,000	\$53,072,000	\$360,584,000
	<b>TOTAL</b>	<b>\$363,786,000</b>	<b>\$701,424,000</b>	<b>\$1,065,210,000</b>	<b>\$183,955,000</b>	<b>\$3,996,000</b>	<b>\$84,007,000</b>	<b>\$271,957,000</b>	<b>\$81,320,000</b>	<b>\$30,218,000</b>	<b>\$1,701,000</b>	<b>\$7,656,000</b>	<b>\$120,895,000</b>	<b>\$1,458,062,000</b>

Note: Figures shown are rounded to the nearest thousand. Figures may not sum to totals due to rounding.

## Appendix A: Glossary of Terms

**Direct Employment:** Direct employment is employment that can be directly attributable to the operations in an industry, firm, etc. It is a literal head count of those people who work in a sector of the economy.

**Economic Activity:** (also Output, Production) The end product of transforming inputs into goods. The end product does not necessarily have to be a tangible good (for example, knowledge), nor does it have to create utility (for example, pollution). Or, more generally, the process of transforming the factors of production into goods and services desired for consumption.

**Economic Output:** (also Economic Activity, Production) The end product of transforming inputs into goods. The end product does not necessarily have to be a tangible good (for example, knowledge), nor does it have to create utility (for example, pollution). More generally, it is defined as the process of transforming the factors of production into goods and services desired for consumption.

**Employment Impact:** Employment impact analysis determines the economic impact of employment in terms of jobs created and salaries and wages paid out. In the case of the airport, the direct, indirect, induced and total number of jobs created at the airport is examined to produce a snapshot of airport operations.

**Gross Domestic Product:** (GDP, also value-added) A measure of the money value of final goods and services produced as a result of economic activity in the nation. This measure is net of the value of intermediate goods and services used up to produce the final goods and services.

**Indirect Employment:** Indirect employment is employment which results because of direct employment. For the airport, it would include that portion of employment in supplier industries which are dependent on sales to the air transport sector. In some cases, contract work would be considered indirect employment.

**Induced Employment:** Induced employment is employment created because of expenditures by direct and indirect employees.

**Multiplier Analysis:** Analysis using economic multipliers in which indirect and induced economic impacts are quantified. Essentially, a multiplier number is applied to the "directly traceable economic impact" to produce indirect and total effects (see Multiplier.)

**Multiplier:** Economic multipliers are used to infer indirect and induced effects from a particular sector of the economy. They come in a variety of forms and differ in definition and application. A multiplier is a number which would be multiplied by direct effects in order to calculate indirect or induced effects. In the case of the airport, as in many other cases, multipliers can lead to illusory results, and thus must be used with great care.

**Tenant:** A firm which pays a lease to a leasing company or to the airport authority directly.

**Value-Added:** (also GDP) A measure of the money value of final goods and services produced as a result of economic activity in the nation. This measure is net of the value of intermediate goods and services used up to produce the final goods and service.



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