

NEW DATA SHOWS AIRPORT'S EFFECT ON UPSTATE

ECONOMIC IMPACT SOARS

By Angella Davis
Staff writer | davisal@greenvilleonline.com

The so-called "Southwest effect" got further validation Monday with a fresh set of numbers that shows the depth of the air carrier's impact on both Greenville-Spartanburg International Airport and the region's economy.

With the Upstate courting Southwest Airlines in 2009, the airport's economy was responsible for $377 million. That figure has more than doubled since then, with $817 million in economic impact from GSP with the new study, according to Asheville-based Syneva Economics.

One reason for the 2009 study was to "set the baseline" in the event the airport landed Southwest or another low-fare carrier, Dave Edwards, GSP's CEO and president, told Green-

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Greenville-Spartanburg International Airport has shown significant growth with the arrival of Southwest airlines. KEN OSBURN/STAFF

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BRUCE YANDLE, Clemson University economist

GSP

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He had suggested the study just after coming to work in the Upstate in October 2009. The airport landed Southwest in 2010, and the airline began service here in March 2011.

"Then a few years down the road, we could measure again the impact of getting that new carrier into the market and what it meant," he said.

The 2009 report by Syneva said the airport, in addition to its $377 million economic impact, supported 3,692 associated jobs with a $112 million payroll.

GSP decided it was time to update its economic impact report after Southwest completed its first year here and the airport started its terminal improvement program, Edwards said.

Syneva's updated report, completed last month, said GSP's 2012 annual economic impact is more than double what it was in 2009, and has generated 9,528 jobs supported by an annual payroll of nearly $171 million.

GSP grew "significantly" from a passenger standpoint, about 43 percent, over the first 12 months of Southwest's service, Edwards said. Once Southwest grew, the airport's other five carriers grew.

"We saw that in what the business community calls the 'Southwest effect.' Not only does Southwest bring new passengers but you get some reduction in fare levels from your other airlines. You see increases in passenger loads from them as well," he said.

Clemson University economist Bruce Yandle said the passenger flight activity for GSP shows a better than 30 percent increase in activity in 2011 versus 2010, according to data from the Department of Transportation.

But, he said, there's something else going on that isn't as dramatic as Southwest providing service. The economy is recovering from the recession.

So, there's an increase in activity associated with the recovering economy, Yandle said, but it pales in comparison with the presence of Southwest because "Southwest brings direct connections to cities that weren't there before and adds things that did not exist before, and they bring low price.

"Low price is a powerful variable in terms of affecting human behavior, especially flying because that's a very costly activity. People are very conscious of price," Yandle said.

Mike Baur, chief executive officer of Greenville-based ScanSource, wrote in a recent opinion column in *The Greenville News* that GSP gave visitors flying into Greenville for the company's recent partner conference "more flight options, competitive pricing and convenience — all of which are very important when dealing with a significant number of travelers.

"We spent a lot of time in the community back in 2009 with those economic impact numbers, saying this is the kind of impact your airport has on your community and for your community," Edwards said.

The 2012 economic impact numbers, Edwards said, helps give them credibility.

At the end of the day, he said, when they go out into the business community and to elected officials asking for their support, the report shows that "we've done our homework. We know what we're talking about."