

## CASE STUDY

# COLUMBIA, MISSOURI – NON-HUB IN THE SHADOW OF LARGER FACILITIES



The Columbia Regional Airport (COU) is located in central Missouri, roughly halfway between the larger St. Louis and Kansas City metropolitan areas. The region’s economy is anchored by a major university and research system, which has in turn supported a young, growing workforce for private industry sectors including finance, insurance, and management. The airport also serves the Missouri state capital in Jefferson City. Commercial passenger traffic at COU has increased more than tenfold from nearly 22,200 in 2008 to over 256,000 in 2019, as the airport began pursuing nonstop commercial service to more destinations and key routings with daily frequencies.<sup>1</sup>

COU is incorporated under the leadership of the municipal economic development department and, as such, is actively engaged with stakeholders throughout the community.

The airport is an example of one that has succeeded in increasing its capacity and traffic to better serve the regional economy despite operating in the shadow of larger facilities outside of the region.

### Introduction to the Columbia-Jefferson City Region

The combined Columbia-Jefferson City region is home to the major urban areas of central Missouri, encompassing a total population of nearly 410,000 in 2019.<sup>2</sup> Within the region, the City of Columbia accounts for the largest population (also the fourth largest city in the state) followed by the state capital of Jefferson City. The region overall has maintained steady incremental population growth over the past decade, increasing a total of 6.4 percent over the 11-year period from 2008 through 2019 – well above the statewide average over the same period (3.7 percent) but below the national average (8.0 percent).<sup>3</sup>

According to the U.S. Bureau of Economic Analysis (BEA), in 2019, the Columbia MSA had a 2019 population of slightly over 200,000 making it the 216<sup>th</sup> largest MSA in the country (out of 384 total). It produced \$10.6 billion in current-dollar Gross Domestic Product (GDP), ranked 223<sup>rd</sup> among MSAs. The Jefferson City MSA had a 2019 population of slightly over 150,000, making it the 278<sup>th</sup> largest MSA. It produced \$8.1 billion in current-dollar GDP.<sup>4</sup>

<sup>1</sup> U.S. DOT T-100 data for scheduled passenger service.

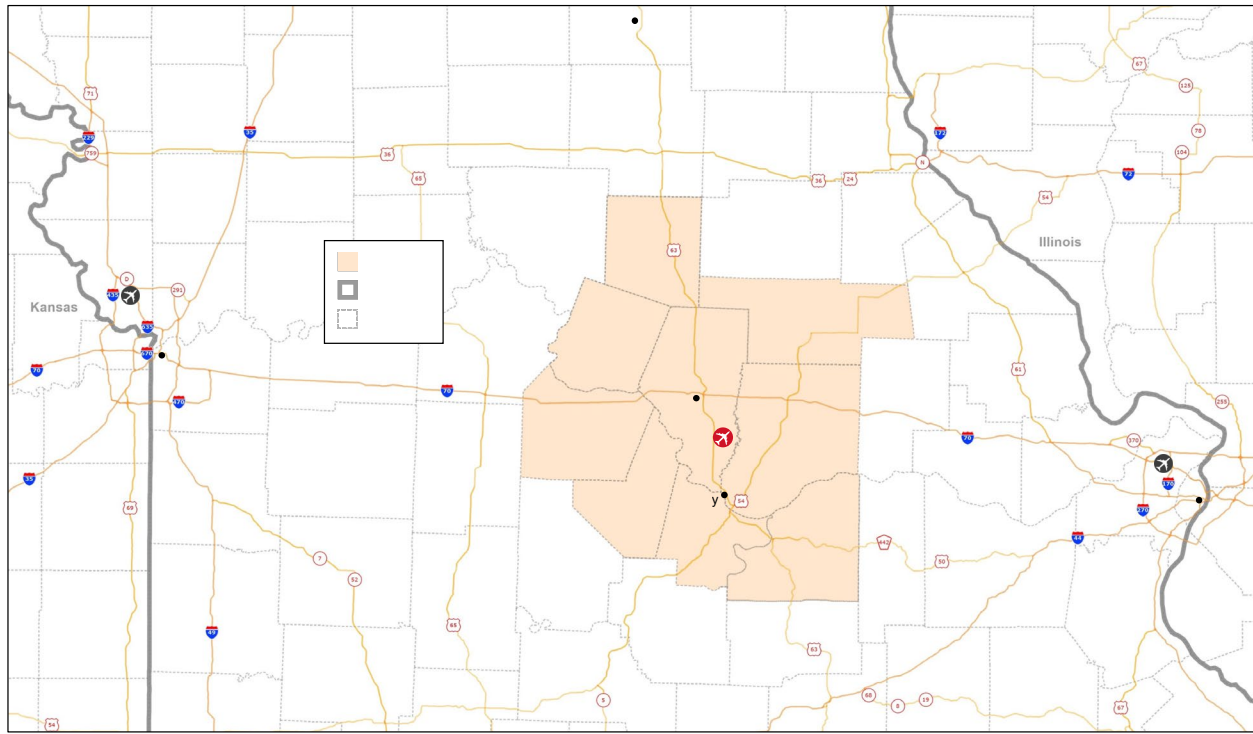
<sup>2</sup> The combined Columbia-Jefferson City region refers to the Columbia-Moberly-Mexico Combined Statistical Area (which includes the 5 counties of Boone, Cooper, Howard, Audrain, and Randolph) as well as the Jefferson City Metropolitan Statistical Area (which includes the 4 counties of Cole, Callaway, Moniteau, and Osage). Source: U.S. Bureau of Economic Analysis (BEA).

<sup>3</sup> U.S. Bureau of Economic Analysis (BEA).

<sup>4</sup> <https://apps.bea.gov/regional/bearfacts/action.cfm>



**Figure 1: The Combined Columbia-Jefferson City Region**



The region's population and employment have grown moderately since 2008. Table 1 summarizes the changes in key socio-economic characteristics for the period. As shown, from 2008 through 2019:

- Total population rose by nearly 25,000 (6 percent). As a point of comparison, population for the entire state of Missouri increased by 4 percent over the same period.
- Total employment increased by almost 18,000 (7 percent). Statewide total employment increased by 5 percent.
- Average per capita income (nominal dollars) rose from \$34,800 to \$45,300 (30 percent).<sup>5</sup> While this falls below the state and national averages (\$48,600 and \$56,500, respectively), the mid-Missouri region also offers a lower cost of living in many respects when compared to other urban areas nationwide.<sup>6</sup>
- The number of establishments operating in the region rose slightly from 2015 to 2019. (Data were unavailable for 2008.)<sup>7</sup>

<sup>5</sup> Expressed in constant 2019 dollars, the increase in per capita income was 7 percent.

<sup>6</sup> Ibid.; C2ER Cost of Living Index 2019 Third Quarter, cited in Regional Economic Development Inc., Facts and Figures – Columbia/Boone County, Missouri.

<sup>7</sup> The BEA uses data from the U.S. Census Bureau on "establishments," which it defines as "a single physical location at which business is conducted or services or industrial operations are performed. It is not necessarily identical with a company or enterprise, which may consist of one or more establishments. ... Establishment counts represent the number of locations with paid employees any time during the year." The count excludes government establishments except for certain situations, such as state-operated retail liquor stores, local government-owned/operated hospitals, and federally-chartered credit unions. <https://www.census.gov/programs-surveys/susb/about/glossary.html>

**Table 1: Socio-economic Summary of the Combined Columbia-Jefferson City Region**

	2008	2015	2019	Change 2008-15		Change 2015-19		Change 2008-19	
				#	%	#	%	#	%
Population	384,892	404,071	409,544	19,179	5.0%	5,473	1.4%	24,652	6.4%
Total employment	256,154	263,626	274,131	7,472	2.9%	10,505	4.0%	17,977	7.0%
Non-farm Private Employment	178,955	190,103	199,302	11,148	6.2%	9,199	4.8%	20,347	11.4%
Gov't Employment	67,591	64,432	65,935	-3,159	-4.7%	1,503	2.3%	-1,656	-2.5%
Income per capita (dollars)	\$34,776	\$40,947	\$45,329	6,170	17.7%	4,382	10.7%	10,553	30.3%
Number of Establishments	-	9,717	9,799	-	-	82	0.8%	-	-

Source: BEA; U.S. Census Bureau QuickFacts, 2019; BLS.

Note: data includes combined figures for the Columbia-Moberly-Mexico Combined Statistical Area and the Jefferson City Metropolitan Statistical Area. Dollar (\$) figures are expressed in nominal terms. Data were unavailable for certain years.

### Regional Economic Strengths

The bulk of economic activity in the region, centered around Columbia and Boone County, is driven by a major post-secondary education system as well as private businesses in a variety of sectors, from professional services to manufacturing. The region hosts more than a dozen colleges and universities supporting a collective annual enrollment exceeding 66,000 students, with the largest institution being the main campus of the University of Missouri (“Mizzou”).<sup>8</sup> Mizzou is a \$2.2 billion enterprise known for its Division I NCAA athletics program and expertise in medical and life sciences research, the latter of which has in turn fostered a local ecosystem of technical and Research & Development activity like the Life Science Business Incubator at Monsanto Place and the Discovery Ridge Research Park. The influence of the higher education system on the community is further reflected in the well-educated population; Columbia in particular has a notable share of residents with college degrees or higher: over 52 percent of adults hold bachelor’s degrees, compared to the statewide and national averages, both of which are around 30 percent.<sup>9</sup> It has also fostered a relatively younger resident population from students who often remain in the region after graduation (or eventually return) and supply a workforce for educated, mid-level positions across various businesses.

Beyond the university system, major employers in the region include headquarters or corporate locations for multiple national finance/insurance firms, local centers for technology and professional services, and major manufacturing and processing facilities in food and beverage as well as consumer goods.<sup>10</sup> In addition, both Columbia and Jefferson City host a substantial government workforce, mostly related to state and local agencies. Since 2008, government-sector employment increased by 5.8 percent. More the 30,000 jobs in the region are related to government activity, including more than 18,000 employees of the state government.

Beyond Mizzou (which is a major generator of air travel demand through its student body, faculty, and research institutions), private interests in air service development span a variety of sectors that generate further demand for business travel from Columbia. These include large local employers in

<sup>8</sup> City of Columbia, MO.

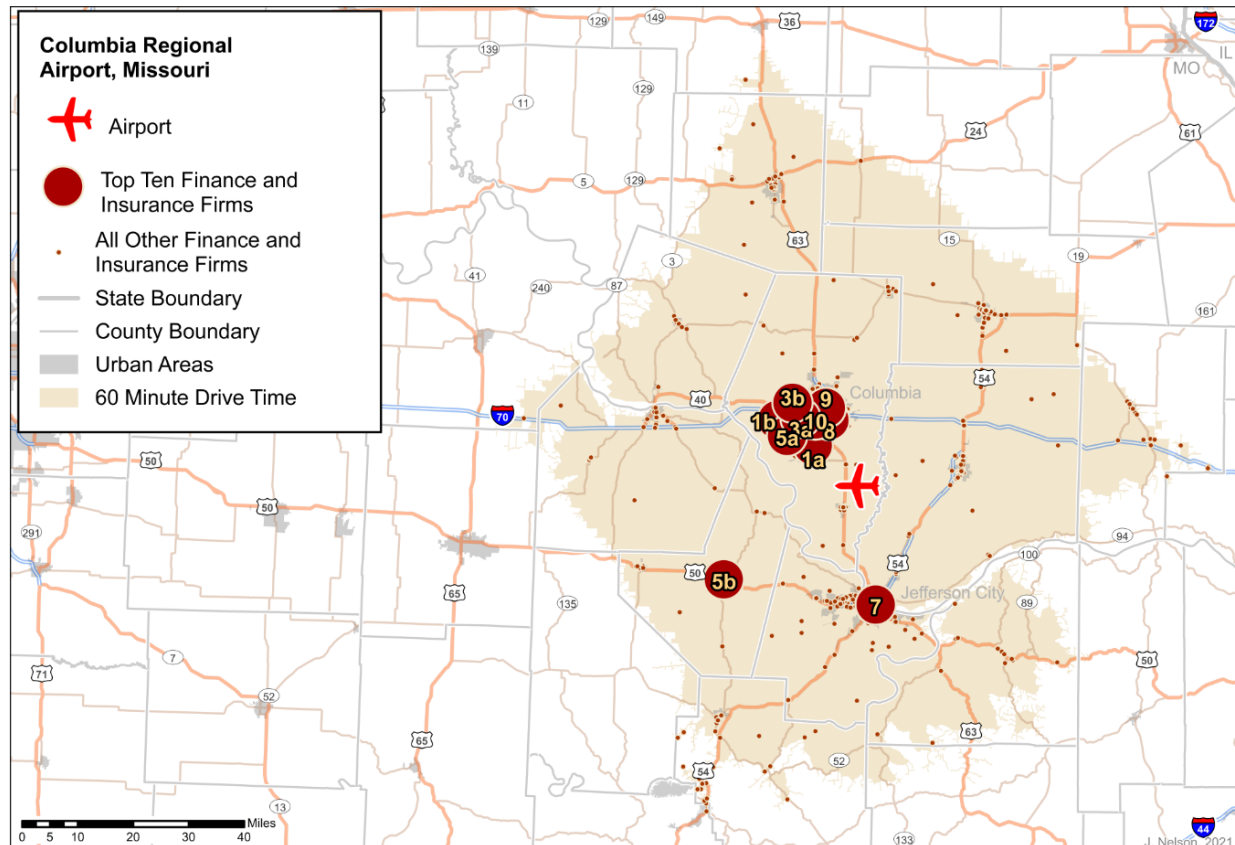
<sup>9</sup> The 52 percent figure refers to the City of Columbia; the average share across the combined Columbia-Jefferson City region, as previously defined, is around 34 percent. U.S. Census Bureau, State & County Quick Facts, 2019.

<sup>10</sup> BEA; Regional Economic Development Inc., Facts and Figures – Columbia/Boone County, Missouri.

finance/insurance and information, as well as corporate personnel involved with local manufacturing or processing operations for food/beverage and consumer goods. While air cargo is not currently served out of COU, some local stakeholders may also have potential air-eligible shipping needs, particularly specialized radiopharmaceutical production out of Mizzou.

Figure 2 illustrates the economic activity within a one-hour drive from the airport. The location of businesses in the Finance and Insurance are indicated.

**Figure 2: Key Business Locations Near COU**



Source: ESRI Business Analyst

Key highlights of socio-economic activity within the 60-minute drive of the airport:

- The total estimated 2019 population was 425,520. Of that, about 273,000 (64 percent) were considered “working age” (between the ages of 18 and 64).
- The region supported nearly 15,600 businesses employing nearly 235,000. In terms of major industry sectors (defined by NAICS codes), the largest based on total employment was Finance, Insurance, and Real Estate (“FIRE”) with nearly 17,000 employees, followed by Professional, Scientific, and Technical Services (PST), with over 13,500, and Manufacturing (about 12,000). The Information sector included about 340 businesses that employed 7,000.

The drive-time analysis and business mapping highlights the predominance of private business in corporate management as well as finance and insurance in Boone County.



Table 2 summarizes the economic strength of the region by focusing on employment in the two counties home to most of the population and jobs. It reveals some notable economic restructuring that has occurred since 2008, with a shift in employment toward professional services.

- Total nonfarm private employment increased by nearly 20,000 from 2008 to 2019, rising at a compound annual growth rate (CAGR) of 1.4 percent. Between 2015 and 2019, the increase was about 7,200 jobs (1.3 percent CAGR).
- The sectors with the largest number of employees were Retail Trade, Health care and social assistance, and Accommodation and food services.
- The greatest rate of growth for the 2008-2019 period was in Finance and insurance; Real estate; and Arts, entertainment, and recreation. Employment in those sectors grew more than twice as fast as employment in the region.
- For the more recent period 2015-2019, the sectors with the greatest growth were Transportation and warehousing (9.4 percent CAGR), Finance and insurance (5.7 percent CAGR), and Arts, entertainment, and recreation (4.1 percent CAGR). In addition, employment in the Manufacturing sector rebounded somewhat during the period, rising by 3.7 percent CAGR.

**Table 2: Employment by Industry Sector in Boone and Cole Counties, Missouri (sorted by employment in 2019)**

Sector	2008	2015	2019	Change 2008-19		Change 2015-19	
				Number	CAGR	Number	CAGR
Retail trade	19,615	21,008	19,893	278	0.1%	(1,115)	-1.4%
Health care and social assistance	16,457	18,785	19,245	2,788	1.4%	460	0.6%
Accommodation and food services	12,031	13,913	15,227	3,196	2.2%	1,314	2.3%
Finance and insurance	7,932	8,812	10,996	3,064	<b>3.0%</b>	2,184	<b>5.7%</b>
Professional, scientific, and technical services	8,035	10,137	10,191	2,156	2.2%	54	0.1%
Real estate and rental and leasing	6,761	8,605	9,386	2,625	<b>3.0%</b>	781	2.2%
Other services (except gov't and gov't enterprises)	8,592	8,761	9,334	742	0.8%	573	1.6%
Administrative / support and waste mgmt / remediation services	7,657	8,646	9,172	1,515	1.7%	526	1.5%
Construction	9,786	8,191	8,431	(1,355)	-1.3%	240	0.7%
Manufacturing	6,513	6,521	7,549	1,036	1.4%	1,028	<b>3.7%</b>
Wholesale trade	4,614	5,147	4,744	130	0.3%	(403)	-2.0%
Transportation and warehousing	N/A	2,933	4,208	N/A	N/A	1,275	<b>9.4%</b>
Management of companies and enterprises	3,568	4,051	3,954	386	0.9%	(97)	-0.6%
Educational services	3,074	3,974	3,836	762	2.0%	(138)	-0.9%
Arts, entertainment, and recreation	2,379	2,835	3,328	949	<b>3.1%</b>	493	<b>4.1%</b>
Information	2,951	2,930	2,934	(17)	-0.1%	4	0.0%
Utilities	N/A	385	395	N/A	N/A	10	0.6%
<b>Total Private Nonfarm Employment</b>	<b>123,600</b>	<b>136,224</b>	<b>143,401</b>	<b>19,801</b>	<b>1.4%</b>	<b>7,177</b>	<b>1.3%</b>

Source: BEA

## Economic Clusters

The U.S. Cluster Mapping Project's analysis of the Columbia region also highlights its broad economic strength. The area's economy features four tradeable clusters in which the region has strength. These are Insurance, Financial Services, Education, and Marketing.

- The Insurance cluster includes insurance companies and related services. Specific industries include life, health, property and casualty insurance. The region's LQ for this sector was 4.98.
- The Financial services cluster includes securities brokers, dealers, and exchanges; credit intermediation; and financial investment activities. The region ranks 33<sup>rd</sup> nationally in securities brokers, dealers, and exchanges. The region's LQ for this sector was 3.64.





- The Education cluster includes colleges, universities, professional schools, research organizations (e.g., biotechnology; physical, engineering, and life sciences), and professional organizations. The region's LQ for this sector was 1.74.
- The Marketing cluster includes publishing (e.g., internet publication and broadcasting, periodical publishers), advertising related services, and interior and graphic design services. The region's LQ for this sector was 1.27.

Table 3 summarizes the changes in the largest tradeable sectors by total employment in 2018 along with employment in each in 2008. It indicates the changes in employment among these sectors. Not all experienced growth commensurate with the change in population or overall employment for the 2008-2019 period (+ 6 percent and 7 percent, respectively). Both Business Services (+1,550, or 54 percent) and Financial Services (+2,100 or 417 percent) grew exceptionally fast. Two of the area's major employment sectors – Insurance and Education – saw decreases in employment. And total employment dropped from 2008 to 2018 in Distribution and Electronic Commerce (-800 or 30 percent).

**Table 3: Changes in Employment in Major Traded Clusters (Sorted by 2018 Employment)**

Cluster Name	2008	2018	Change	Percent
Business Services	2,881	4,433	1,552	54%
Insurance Services	3,713	2,842	(871)	-23%
Financial Services	499	2,580	2,081	417%
Education and Knowledge Creation	2,426	1,960	(466)	-19%
Distribution and Electronic Commerce	2,701	1,885	(816)	-30%
Hospitality and Tourism	1,100	1,597	497	45%
Marketing, Design, and Publishing	599	642	43	7%

Source: Data from U.S. Cluster Mapping Project

### Overview of the Airport and its Air Service

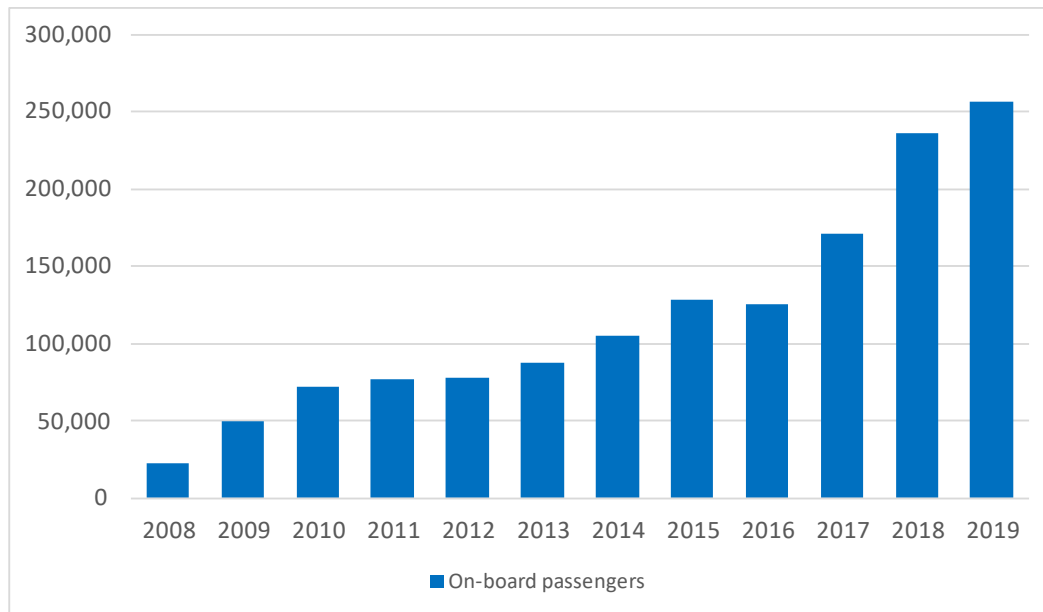
The Columbia Regional Airport (COU) is located midway between the two major population centers of Columbia and Jefferson City. The airport is owned and operated by the City of Columbia, with a reporting structure that directly links the airport to the municipal economic development team. The Airport Manager, who oversees day-to-day operations at COU, reports directly to the Director of the Department of Economic Development.

COU is the 4th busiest commercial service airport in Missouri, with passenger enplanements on scheduled service totalling over 256,000 in 2019.<sup>11</sup> Passenger enplanements experienced more than a ten-fold increase between 2008 and 2019, as commercial scheduled service shifted toward larger hubs that substantially improved direct connectivity out of COU, which predominantly serves origin-destination (O&D) traffic to/from the local region. Scheduled capacity at COU rose from roughly 1,000 total scheduled flights serving two regional destinations (Kansas City and Memphis) in 2008, to nearly 3,300 non-stop flights to three major hubs (Chicago O'Hare, Dallas/Ft. Worth, and Denver) in 2019. Over the same timeframe, average seat capacity per flight grew from 25 in 2008 to 59 in 2019, driven by a broader industry trend of upgauging regional air service from turboprops to larger regional jets.

<sup>11</sup> U.S. DOT T-100 data for scheduled passenger service.



**Figure 3: Total Passengers on Scheduled Service at COU, 2008-19**



Source: U.S. DOT T-100 data for scheduled passenger service.

Estimates developed by the City of Columbia and its air service consultant indicate that the air service catchment area in the combined Columbia-Jefferson City region included approximately 730,000 O&D passengers. Even with improved connectivity from COU, the air travel demand generated in this region still utilizes other airports for air service – most notably St. Louis International (STL) and Kansas City International (MCI). Each of those airports is roughly 2 hours' drive from Columbia but provide a wider range of nonstop destinations. Table 4 summarizes the percentage of that estimated market captured by the area's airports.

**Table 4: Percent of Estimated Regional Passenger Traffic Captured by COU and Other Airports**

Airport	Share of Estimated Regional Traffic Captured
STL	47%
MCI	28%
<b>COU</b>	<b>23%</b>
Other	2%

Source: COU Passenger Demand Analysis

The growth in air service at COU has involved new non-stop flight destinations as well as growing capacity on existing services. Historically, non-stop service at COU was limited to small aircraft services to St. Louis (STL) and Kansas City (MCI). After its merger with Northwest Airlines, Delta Air Lines operated service to Memphis (MEM), but that service was replaced in 2012 for a short time by service to Atlanta (ATL) before being abandoned in 2013. COU service to Dallas/Ft. Worth (DFW) and Chicago O'Hare (ORD) was introduced by American Airlines in 2013, and more recently to Denver (DEN) and ORD



in 2017 by United Airlines. Between 2008 and 2019, total available seat capacity at COU increased nearly eight-fold after the entry by American and United.

As of June 2019, total direct non-stop scheduled services from COU included 1,100 weekly seats to three hubs. Air service fluctuates seasonally at COU, though seasonal trends have changed over time. In 2019, peak months occurred in the summer to accommodate leisure demand, whereas 2008 saw peak capacity throughout the fall and winter months when Northwest operated its Memphis service. (For the other months in 2008, scheduled service was limited to US Airways' operations to MCI.) Table 5 shows the change in available non-stop seat capacity at COU by comparing weekly seats from June 2008 to June 2019. In 2019, American offered 66 percent of the average weekly capacity, against United's 34 percent.

**Table 5: COU Outbound Seat Capacity, June 2008 vs. June 2019**

Destination Airport	Airline	Weekly Seat Capacity	
		2008	2019
DEN	United	-	350
DFW	American	-	1,210
MCI	US Airways	456	-
ORD	United	-	1,050
	American	-	1,820
<b>Total</b>		<b>456</b>	<b>4,430</b>

Source: U.S. DOT T-100 data on scheduled service for the weeks of June 8-14, 2008 and June 9-15, 2019.

As a result of the expansion of air service and traffic levels at COU, the City is undertaking the development of a new passenger terminal. By replacing the existing terminal, a higher quality of space and services will be made available to the traveling public.

### Connectivity Analysis

With the addition of service to American's and United's major hubs in Chicago, Dallas, and Denver, the ability of local passengers to reach large numbers of domestic and international destinations via one-stop flights has expanded significantly. As a result, this improvement in air connectivity facilitates sustained economic growth and increases the appeal and competitiveness of a regional economy. Connectivity (or the ability to reach a wide range of places in a short amount of time) is not simply a matter of the number of routes or number of frequencies operated. Connectivity is fundamentally about access to markets and regions. Connectivity creates efficiencies that make firms more productive, which in turn attracts more high-flying businesses that have their choice of locations and starts a virtuous cycle of economic growth. Even just the time-savings enjoyed by travelers, who are now able to fly in/out of COU and access the region directly instead of driving two hours to MCI or STL, creates substantial efficiencies that enhances the appeal of the region.

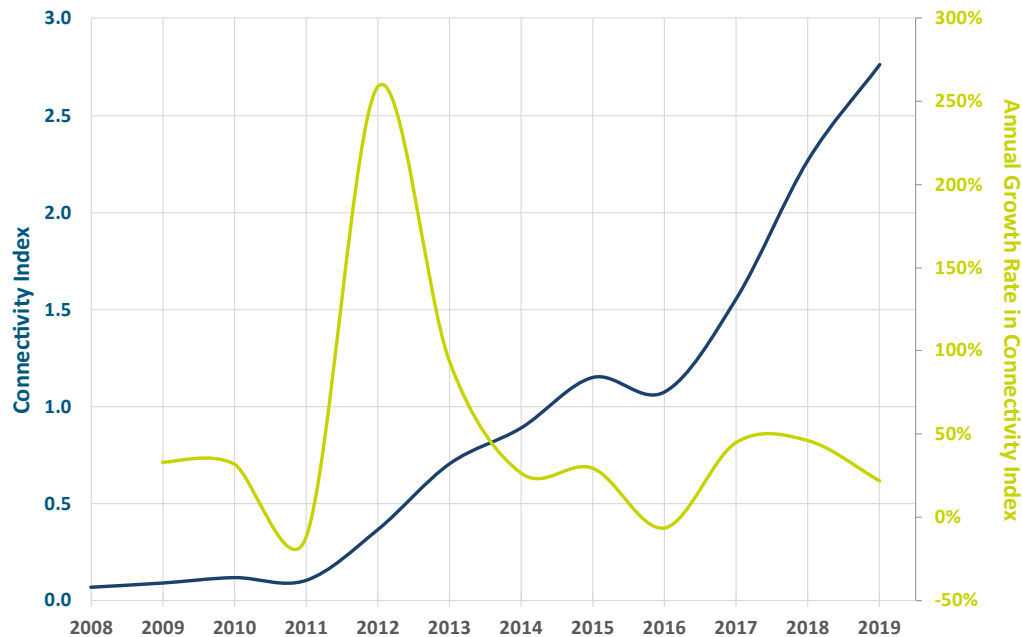
Connectivity growth at COU between 2008 and 2019 has been near-exponential due largely to the fact that commercial capacity in 2008 was so limited. COU's air service development over the past decade





exemplifies how a regional airport's initial entry into major hub networks can invigorate accessibility to the local region.

**Figure 4: COU Connectivity Index, 2008-19**



Source: InterVISTAS analysis using the IATA method.

Note: The spike in connectivity growth between 2011-12 is reflective of service to ATL in 2012. ATL is the world's largest airport in terms of seat capacity, so new service to ATL will retrieve a higher connectivity score relative to other airports (all else being equal). From 2013 onward, COU continued its capacity growth with entry by American which drove COU's continued improvement in connectivity even after Delta removed the ATL service. United added service to Denver and Chicago in 2017

Air service development plans for COU continue to focus on improved nonstop domestic connectivity. In 2019, the COU airport administration placed a high priority on air service to Charlotte Douglas International Airport (CLT), a hub for American. This objective was prioritized by the affiliation of the University of Missouri with the Southeastern Conference (SEC college athletic conference), and the need for better connectivity to the southeastern region of the U.S. more broadly. The U.S. Department of Transportation's "Small Community Air Service Development Program" awarded an \$800,000 grant in 2019 to support COU-CLT service by American. This DOT grant was combined with additional support from the business/economic development and university, totalling over \$1.1 million. The start of service, however, was delayed due to the impacts of the COVID-19 pandemic.

Additional service is a priority for the airport. This includes both service to other destinations especially on the west coast and in the northeast, as well as increased frequencies to existing gateways like DEN. The airport would also like to attract service from an ultra-low-cost airline to leisure destinations.

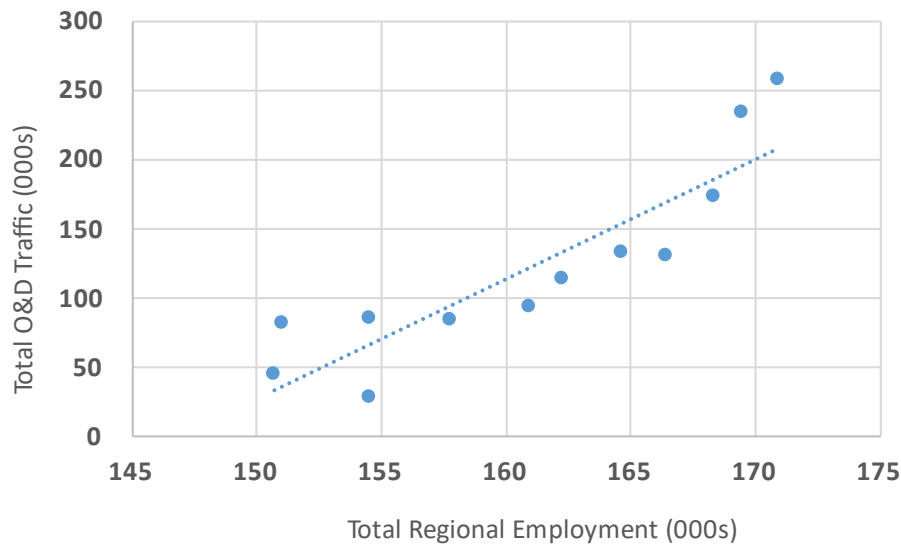
### Analysis of Changes in Air Services and Employment

COU's O&D traffic is highly correlated with total local employment. Figure 5 summarizes how changes in total O&D traffic have aligned with changes in regional employment. The line indicates a basic relationship between the two. As total employment increases, total O&D increases. The correlation



coefficient between the two is 0.89. The chart does not demonstrate causation; that is, it is not evident whether rising total employment levels leads to more air traffic, or whether more air traffic leads to more total employment.

**Figure 5: Relationship Between Air Traffic and Employment** (in thousands)



### Regional Economic Stakeholders

Without dedicated air service development staff, the acquisition of commercial air service at COU has been a community-driven effort supported by various stakeholder groups who understand the impact that local air service can have on economic growth and the welfare of the region at large. Airport staff, public officials, and local businesses identified that the region's growth as well as its higher education and business operations could not be adequately supported by minimal commercial air service out of COU and more substantial air service located two hours away. Efforts to bring American and United into COU over the past decade involved a coordinated strategy by private and public entities who were proactive about approaching these carriers. This involved raising funds from local businesses toward airline revenue guarantees as well as identifying key destinations (e.g. DFW, DEN) that had significant O&D traffic by local businesses but were also major gateways capable of serving all local demand from the region.

The nexus between air service development and economic development is apparent in both the formal organization and COU's continued strategic efforts. Within the City of Columbia, the COU airport administration reports to the Economic Development Department. This municipal Economic Development Department is comprised of staff who work under a non-profit, public-private partnership called Regional Economic Development Inc. (REDI). Founded in 1988, REDI is funded by the City of Columbia, Boone County, the University of Missouri and local private businesses. REDI is responsible for managing Boone County's economic development activities under the strategic priorities "Attract, Expand, Grow"; that is, the pursuit of creating quality jobs in the community by attracting new business, supporting the expansion of existing local business, and helping entrepreneurs grow startups. REDI is the main vehicle through which planning, funding, and engagement between private and public sectors in

the community are coordinated. The airport, as an economic driver in its own right, is actively incorporated into the economic development strategy of the city and the associated activities of REDI.

## REDI'S GOALS

### ATTRACT

NEW BUSINESSES AND  
QUALITY JOBS THAT  
ENHANCE THE AREA'S  
ECONOMY AND  
COMMUNITY

### EXPAND

THE PRESENCE OF  
EXISTING LEGACY  
BUSINESSES AND  
ENSURE A SUSTAINABLE  
WORKFORCE

### GROW

STARTUP BUSINESSES  
AND FOSTER  
A STRONGER  
ENTREPRENEURIAL  
ECOSYSTEM

Source: REDI Overview, 2019.

The integration between the airport and REDI occurs via a process in which the airport and the business community collaborate on expanding air service at COU. REDI staff are involved with air service development and airport initiatives, including coordinating stakeholder support and financing. REDI works with community interests represented by municipal bodies, the University of Missouri, the Columbia Chamber of Commerce, and individual businesses (often major local employers) with particular interests in air service development. Each of these stakeholder groups supports air service development efforts by providing:

- input on identifying new non-stop services that would support the community's travel needs,
- research and marketing support, and
- financial backing (e.g., community-raised funds toward airline revenue guarantees) to successfully obtain these services.

Community interests are also represented in the COU Airport Advisory Board (operating in a strictly advisory role to Columbia City Council), which has in recent years expanded to include individual seats for the higher education system, the insurance sector, healthcare, and the broader business community (via a representative from the Chamber of Commerce), among others.

In turn, air service development initiatives at COU – which have focused so prominently on improved connectivity to destinations that are both key national hubs and have direct links to Columbia businesses – help support the “Attract, Grow, Expand” priorities of the community's economic development strategy. For instance, improved accessibility to Columbia has a “magnetic” effect that can help attract new residents. Local stakeholders note that direct air service and the airport itself play a critical role in supporting the image of Columbia as a robust university/research hub with a vibrant community that appeals to incomers who can supply a capable workforce and investment to the region. This image requires coordination with an airport that should make incomers feel like they are entering that kind of space, which is why direct air service is crucial; otherwise it's difficult to break preconceived notions of the region as a remote, sleepy Midwest enclave. Additionally, airport facilities should be outfitted in a way that sets the tone for the city, as few public infrastructures have the same kind of impact on a region's “feel” and “first impression” than the local airport.



Accessibility also attracts new and more diverse business into the region – particularly from industry sectors that are more reliant on air service and, at the same time, generally bring higher paying job opportunities. REDI’s mandate focuses not only on job creation but also quality; any incentives offered to new businesses looking to locate in the community must offer local jobs that are at or above the county average wage. As a result, REDI seeks out new opportunities in sectors like life sciences, advanced manufacturing, and information – industries which can have higher demand for air service and can be supported by a coordinated air service development strategy out of COU. In this manner, air service facilitates not only economic growth but a high quality of growth that supports a higher standard of living and a more resilient economy.

### Communicating the Airport’s Economic Impact

Airport operations form a substantial part of Missouri’s transport system and deliver a wide range of benefits to the community. The economic impact of the statewide aviation system, including COU, was most recently evaluated in 2012.<sup>12</sup> COU’s economic impacts (including direct, indirect, and induced impacts) amounted to a total of 745 jobs earning \$26.9 million in wages, while generating a total of \$87.2 million in output for the state economy. However, operations at COU have changed significantly since 2012 (passenger traffic in 2012 only amounted to 30 percent of traffic in 2019, as it preceded the entry by American and United); the growth in service and improvements in nonstop connectivity, as previously noted, have likely changed (and presumably increased) the airport’s economic footprint.

For airports similar to COU, economic impact studies can provide useful insight but may not capture the full scale of the airport’s contribution to the regional economy. In cases where an airport’s role can not be easily quantified, or where the airport is not among the largest direct employers of a community, the numbers from an economic impact study can be difficult to put in context or may simply “miss the boat” on communicating the wider economic benefits of having local commercial air service available to residents and businesses. For airports where air service has changed substantially over a relatively short period time, the results from an economic impact study for a given snapshot in time could become outdated.

Instead, as the leadership at REDI explains, the proper narrative is critical in conveying the importance and role of air service to a community. Concise graphics and other visual representations can help stakeholders grasp the concept of their airport as an economic driver that facilitates not only the movement of people and goods but also the development of a robust, resilient economy. For instance, local stakeholders in the Columbia-Jefferson region point out that direct air service out of COU should be understood as more than a mode of transportation; it is also a means to put the local community on display and attract newcomers to experience it as a desirable place to work and live.

Additionally, individual stakeholders like local businesses may be more apt to understand how a specific initiative will affect them directly; for instance, the introduction of a new direct service at COU could lower the cost of doing business by saving affected business travelers from a two-hour commute to/from STL or MCI. Stakeholder outreach initiatives may also benefit from identifying one or two high-profile leaders in the community who can champion the effort and encourage others to get involved.

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<sup>12</sup> <https://www.modot.org/missouri-statewide-airports-economic-impact-study>