PALM SPRINGS INTERNATIONAL AIRPORT

ECONOMIC IMPACT

A new economic impact study confirms the vital role PSP plays as a powerful economic engine for our region — supporting thousands of jobs, generating billions in local economic activity, and delivering hundreds of millions in tax revenue to the Coachella Valley and beyond.

2.5B+
Total Economic Impact (FY2024)

BY THE NUMBERS • FY2024 Economic Impact

18,377
JOBS SUPPORTED

$864M
WAGES PAID

$1.1B
SPENT BY TRAVELERS

$1.5B
VALUE ADDED (GDP)

$382M
TAX REVENUE

98%
STAYS LOCAL

BUILDING WHAT'S NEXT • Projected 10-Year Impact (2025-2034)

PSP is investing in the future with major improvements that will enhance the travel experience, expand capacity, and support long-term economic growth. In the next 10 years, projects like a new concourse, rental car center, and international facilities will create jobs and deliver lasting benefits to the Coachella Valley.

9,800
JOBS CREATED OVER 10 YEARS

$1.8B
FUTURE ECONOMIC IMPACT

$641M
FUTURE WAGES

$253M
NEW TAX REVENUE

UNISON CONSULTING

Economic Impact Study of

PALM SPRINGS INTERNATIONAL AIRPORT

April 2025

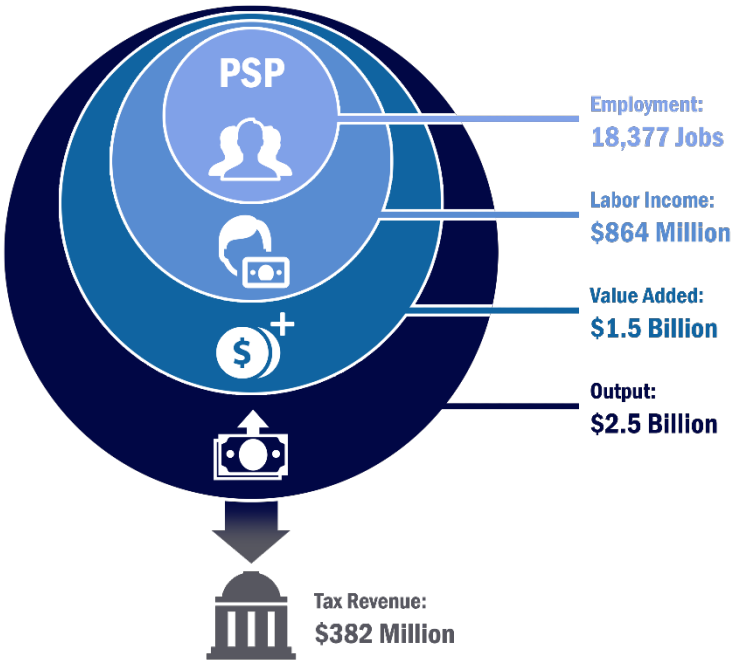
Table of Contents

List of Tables

List of Figures

ECONOMIC IMPACT OF PALM SPRINGS INTERNATIONAL AIRPORT
EXECUTIVE SUMMARY

Palm Springs International Airport (PSP, Airport) is a significant economic driver for the Riverside-San Bernardino-Ontario MSA (Riverside MSA), Riverside County, Coachella Valley, and the City of Palm Springs. This study evaluates PSP's economic impact on these areas, considering aviation services, capital outlays, and passenger visitor spending.



In Fiscal Year (FY) 2024, the Airport supported 18,377 jobs, $864 million in labor income, $1.5 billion in value added (GDP), and $2.5 billion in output across the Riverside MSA in 2025 dollars. Its impact extends beyond aviation, fueling job growth in tourism, hospitality, and construction. With strong passenger demand and robust post-pandemic growth, PSP is vital to the Coachella Valley's long-term economic health.

The Airport's economic contributions come from three primary sources:

Airport Operations: Aviation and terminal services generated 7,223 jobs, $385 million in labor income, $586 million in value added, and $956 million in output. Airport operations include commercial airline service, general aviation, air cargo, on-airport car rentals, federal government employment, and terminal concessions.

Capital Outlays: Infrastructure investments at PSP contributed 29 jobs, $1.8 million in labor income, $2.9 million in value added, and $5.2 million in output.

Visitor Spending: Visitors traveling through PSP supported 11,126 jobs, $477 million in labor income, $889 million in value added, and $1.5 billion in output

The Airport's economic impacts also generated $382 million in federal, state, county, and sub-county tax revenues.

Looking to the future, the recently approved Airport Master Plan outlines significant capital improvements. The near- and mid-term capital improvement program (FY2025-2034) is estimated to support approximately 980 jobs annually, totaling 9,803 job-years. This program is also expected to generate $641 million in labor income, $1.0 billion in value added, and $1.8 billion in total output within the Riverside MSA. The capital program is projected to generate $351 million in total tax revenues across federal, state, county, and sub-county levels.

Key Terms

Economic Impact Study: A study examining the total economic impact of end-user purchases on a regional economy.

Components of Total Economic Impact

Direct impact: Change in economic activity resulting from the initial round of inputs purchased by the final-demand industry.

Indirect impact: Change in economic activity resulting from the subsequent rounds of inputs purchased by industries affected by a final-demand change.

Induced impact: Change in economic activity resulting from the changes in spending by workers whose earnings are affected by a final demand change.

Measures of Economic Impact

Employment: Number of full- and part-time employees and self-employment.

Labor Income: Also called earnings, the compensation of employees plus the net earnings of sole proprietors and partnerships.

Output: Also called gross output, the total market value of industry output (gross sales revenues). Gross output is the sum of intermediate inputs and value added.

Value added: Sum of labor income, taxes on production activities, and profits earned after taxes. Value added measures the contribution to the overall gross domestic product (GDP).

Other Key Terms

Final demand: Purchases for final use by customers from outside the region; investment in new buildings, equipment, and software; purchases by government; and purchases by households.

Final-demand change: Change in final users' purchases of goods or services.

Final-demand region: Also called the study region, the geographic area used for estimating the impacts of a final-demand change.

Gross domestic product (GDP): Market value of final goods and services produced in an economy.

Inputs: Intermediate inputs and labor used by an industry to produce output.

Input-output tables: Accounts that show the goods and services produced by each industry and the use of these goods and services by industries and final users.

Intermediate inputs: Goods and services used by an industry to produce output. Intermediate inputs exclude investment purchases and labor costs.

Leakages: Money that no longer circulates in an economy because of savings, taxes, or imports.

Taxes (Sub County General): City and township taxes.

Taxes (Sub County Special Districts): Taxes for fire districts, school districts, and similar items.

Taxes (TOPI, Taxes on Production and Imports Net of Subsidies): Includes sales and excise taxes, customs duties, property taxes, motor vehicle licenses, severance taxes, and special assessments, net of government subsidies.

Geographic Terms

Census County Division (CCD): U.S. Census-defined sub-county region used for statistical purposes.

Coachella Valley: Region in Riverside County consisting of the Cathedral City, Palm Desert, Coachella Valley, Desert Hot Springs, and Palm Springs CCDs.

Riverside-San Bernardino-Ontario, CA, Metropolitan Statistical Area (Riverside MSA): U.S. Census-defined metropolitan region consisting of Riverside and San Bernardino Counties.

SECTION 1 | INTRODUCTION

Airports conduct economic impact studies to assess their role in regional economies, quantify their contributions, guide future development, and advocate for continued investment. As major economic drivers, airports generate jobs, income, business revenue, and overall economic value. These studies help justify infrastructure investments and garner stakeholder support.

In 2022, the Federal Aviation Administration (FAA) estimated that U.S. civil aviation supported $1.8 trillion in economic activity, 9.4 million jobs, and contributed 4 percent of the nation's gross domestic product (GDP).[1] Commercial aviation, a key pillar of the U.S. and global economies, relies on well-functioning airports.

The economic activities at Palm Springs International Airport (PSP or the Airport), arising from aviation services, capital outlays, and passenger visitor spending, contribute significantly to the regional economy. This study evaluates PSP's economic impact on Riverside County, California, including spillover effects in neighboring San Bernardino County. These two counties comprise the Riverside-San Bernardino-Ontario, CA, Metropolitan Statistical Area. Additionally, the report details PSP's impact on the City of Palm Springs and the Coachella Valley.

The analysis uses primary and secondary data sources. Primary sources include PSP records and a passenger survey. Secondary sources include the FAA, Bureau of Transportation Statistics (BTS), Census Bureau, Bureau of Labor Statistics (BLS), and Data Axle.

The remainder of this report is structured as follows:

Section 2 provides an overview of aviation activity at the Airport.

Section 3 assesses the national and regional socioeconomic trends influencing the Airport's economic impact.

Section 4 describes the economic impact study's conceptual framework, methodology, and model inputs.

Section 5 presents the results of the economic impact study, including tax revenue generation.

Section 6 projects the economic impacts of planned construction under the Airport Master Plan.

An appendix provides additional details on the methodology.

[1] Federal Aviation Administration, *The Economic Impact of U.S. Civil Aviation*, September 2024, https://www.faa.gov/2024-economic-impact-report.

SECTION 2 | AVIATION ACTIVITY AT THE AIRPORT

Palm Springs International Airport serves commercial passenger and air cargo traffic, as well as noncommercial operations by general aviation (GA) users and the military. As a primary commercial service airport, PSP is classified as a small hub facility handling between 0.05 percent and 0.25 percent of the annual U.S. commercial enplanements.[2] In 2024, PSP is estimated to account for a 0.15 percent share, which has grown from less than 0.09-0.10 percent before 2012. Among U.S. airports, PSP ranked 81st by total passengers, 143rd by total aircraft operations, and 157th by total air cargo, according to the Airports Council International-North America (ACI-NA) traffic rankings in 2023.

2.1 | Commercial Passenger Traffic

PSP is a vital gateway to the scenic Coachella Valley, attracting a diverse mix of tourists, business travelers, and seasonal residents. Over the years, PSP has evolved significantly with increasing passenger volumes. This section provides an overview of PSP's historical and recent passenger traffic trends, offering insights into the airport's growth and recovery patterns across different periods.

2.1.1 | Historical Enplanement Trends (1986-2024)

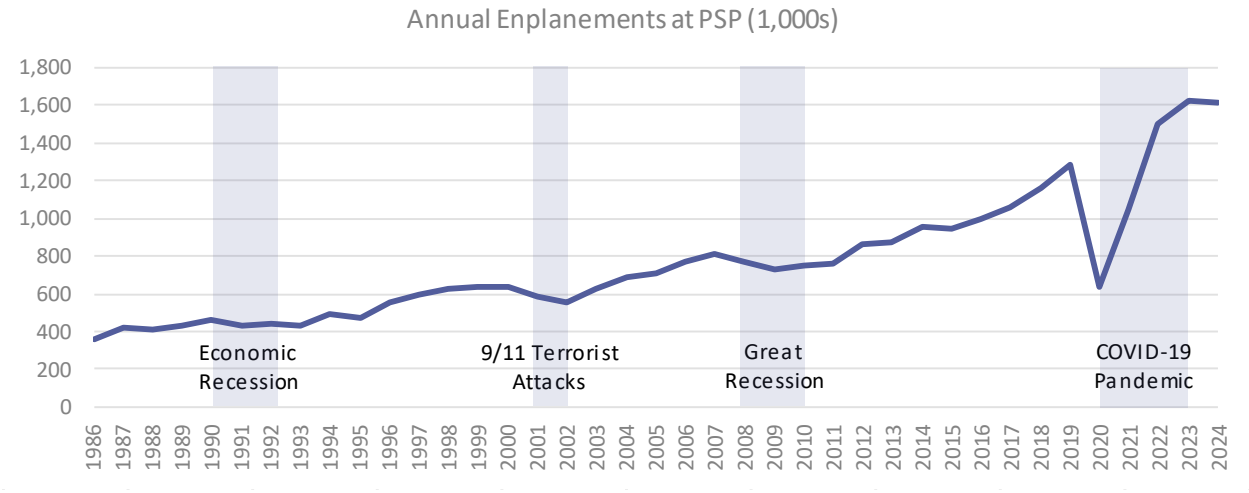
Figure 1 illustrates PSP's annual enplanement history from 1986 to 2024, revealing a consistent upward trajectory. This growth pattern has been interrupted only by industry-wide disruptions, such as the 9/11 terrorist attacks, the Great Recession, and, most recently, the COVID-19 pandemic. Notably, PSP has demonstrated remarkable resilience, typically recovering within two or three years of these setbacks and resuming growth.

The COVID-19 pandemic triggered the most significant decline in the Airport's history, with enplanements falling 50.9 percent from 2019 to 2020. Nevertheless, PSP recovered impressively, surpassing its pre-pandemic peak of 1.3 million enplanements (2019) by reaching 1.5 million in 2022. This robust growth continued into 2023, establishing a new record of 1.6 million enplanements—a level that has been primarily maintained through 2024.

PSP's growth has accelerated since 2010, outpacing national growth (Figure 2). PSP's 2024 enplanement level grew to about 215.4 percent of its 2010 level, compared with the U.S. system's 140.0 percent. As a result, the Airport's share of total U.S. commercial enplanements grew from 0.10 percent in 2010 to 0.15 percent in 2024.

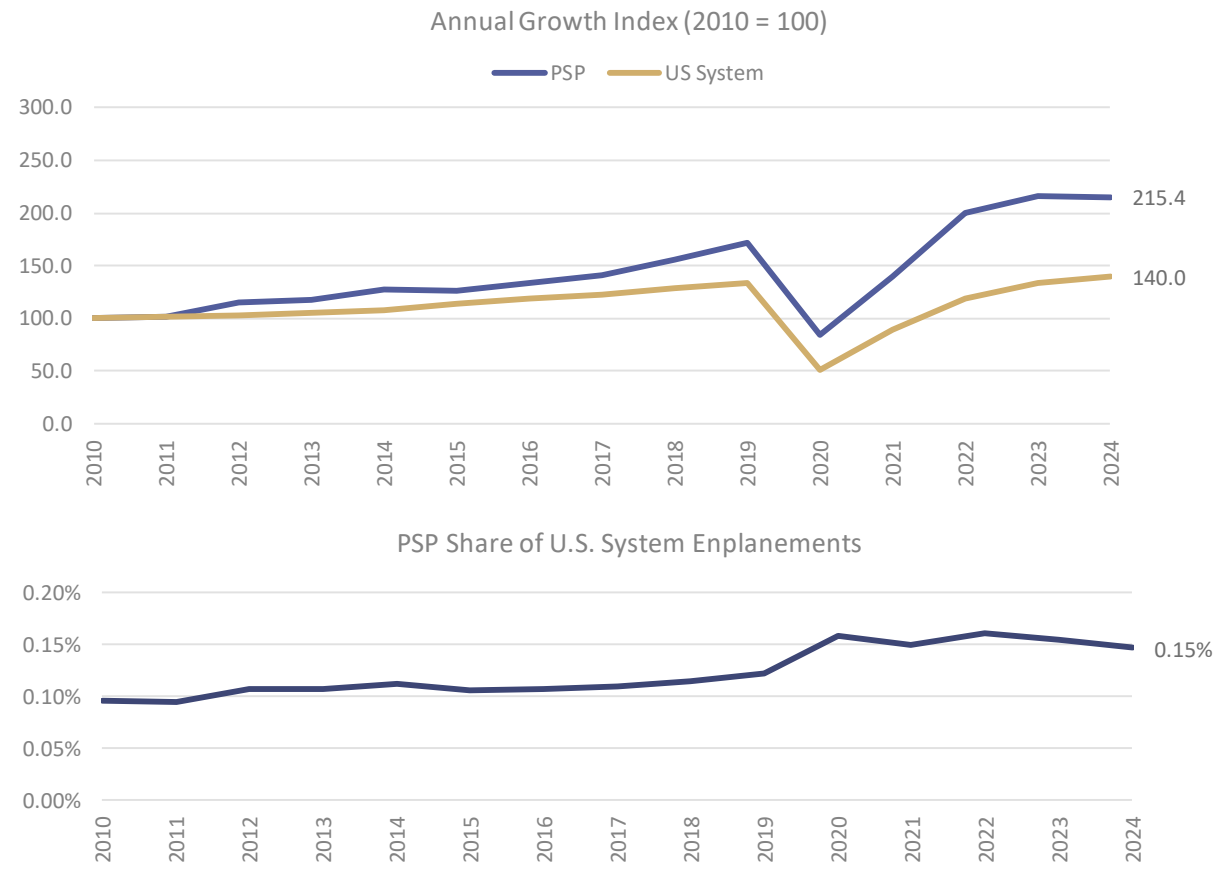
[2] For the FAA airport categories, see: https://www.faa.gov/airports/planning_capacity/categories.

Figure 1 | PSP Annual Enplanement Trends, 1986-2024



Source: Bureau of Transportation Statistics for the US system, and airport records for PSP enplanements.

Figure 2 | PSP vs. US System Enplanement Trends, 2010-2024

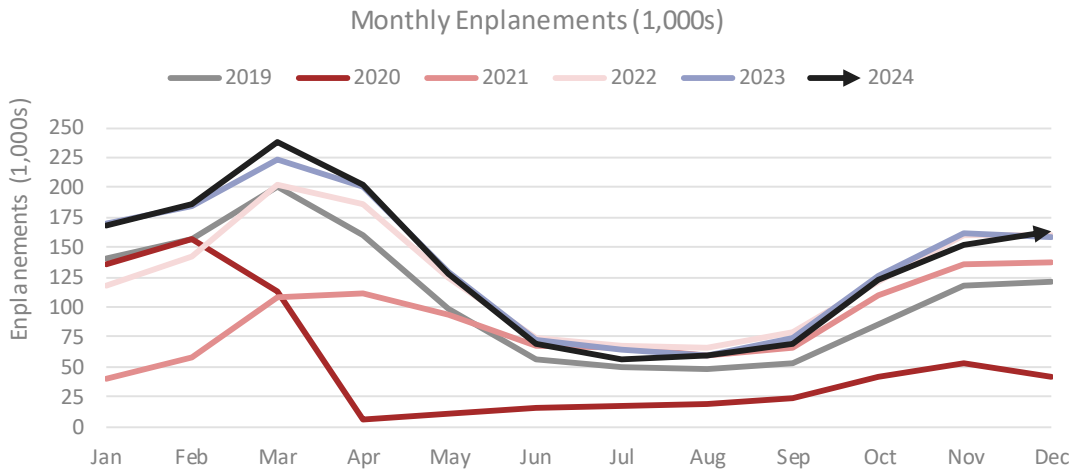


Source: Bureau of Transportation Statistics for the US system, and airport records for PSP enplanements.

2.1.2 | Monthly Enplanement Trends (2019-2024)

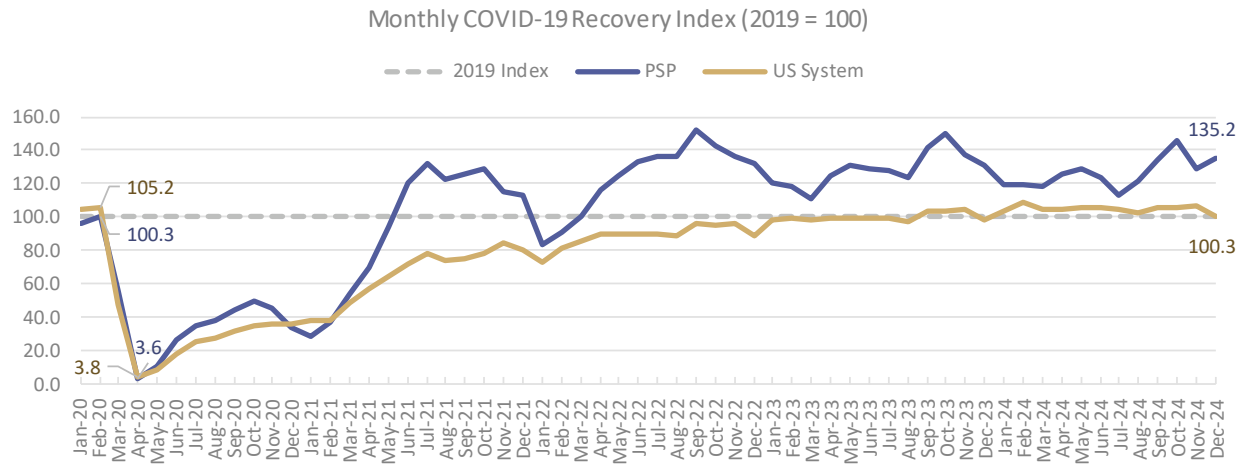
Figure 3 presents monthly enplanement data from January 2019 through December 2024. The trends depict the dramatic impact of the COVID-19 pandemic, which reached its nadir in April 2020. The Airport's recovery began in earnest after February 2021, coinciding with the widespread distribution of COVID-19 vaccines. By June 2021, monthly enplanements returned to their typical seasonal pattern and exceeded pre-pandemic levels from 2019. Beyond the pandemic-related disruption and subsequent recovery, PSP exhibits distinct seasonal patterns. Enplanements consistently peak in March, followed by a gradual decline through the mid-to-late summer months, before steadily increasing during the fall and winter. Figure 4 highlights PSP's swift post-pandemic recovery, which significantly outpaced the national trend by December 2024. PSP reached 135.2 percent of its December 2019 enplanement level, compared to the U.S. system's recovery of 100.3 percent.

Figure 3 | PSP Monthly Enplanement Trends, January 2019 - December 2024



Source: Airport records.

Figure 4 | PSP and U.S. COVID-19 Monthly Recovery Index, January 2020 - December 2024



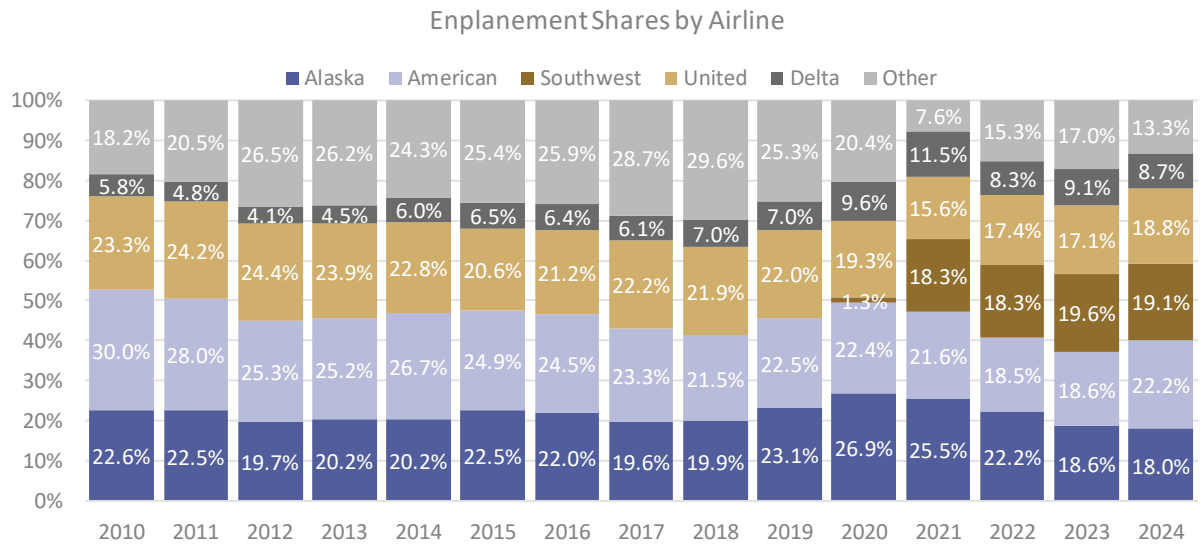
Source: Airport records and U.S Bureau of Transportation Statistics.

2.1.3 | Airline Market Shares (2024)

As shown in Figure 5 and Table 1, American Airlines held the largest market share at PSP in 2024 at 22.2 percent, followed closely by Southwest (19.1 percent), United (18.8 percent), and Alaska (18.0 percent). Delta secured the fifth position with 8.7 percent, while the remaining 13.3 percent was distributed among other airlines.

Throughout the 2010s, the airline shares at PSP have shifted significantly. American initially dominated with around 30 percent market share in the early 2010s. Since then, other airlines, particularly Southwest and Alaska, have risen prominently. Southwest, introduced in 2020, quickly grew to one of the top positions by 2023 due to aggressive growth before a slight readjustment in 2024 favored American's resurgence.

Figure 5 | PSP Annual Enplanement Trends by Airline, 2010-2024



Source: Airport records.

Table 1 | PSP Annual Enplanements by Airline, 2010-2024

Enplanements by Airline (Thousands)																CAGR		
Airline	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2010-2019**	**2019-2024**	**2010-2024**
Alaska	169.3	170.3	170.7	177.5	193.7	212.7	220.0	206.7	232.2	298.0	170.3	267.0	333.5	302.1	290.5	6.5%	-0.5%	3.9%
American	225.1	212.5	219.4	221.4	255.2	235.5	245.8	245.8	250.0	290.2	141.9	226.2	277.1	301.8	357.8	2.9%	4.3%	3.4%
Southwest										0.0	8.3	191.7	274.9	318.1	307.9			
United	174.9	183.8	211.4	209.4	218.3	194.7	212.7	234.1	255.4	283.4	122.1	163.0	260.8	277.7	303.3	5.5%	1.4%	4.0%
Delta	43.7	36.2	35.6	39.6	57.3	61.6	64.0	64.9	81.7	90.3	60.7	120.3	124.6	148.0	141.1	8.4%	9.3%	8.7%
Other	136.7	155.3	229.1	229.5	232.7	240.1	259.5	303.2	345.0	325.6	129.1	79.3	229.7	276.3	214.2	10.1%	-8.0%	3.3%
Total	**749.7**	**758.0**	**866.1**	**877.5**	**957.2**	**944.6**	**1002.0**	**1054.8**	**1164.3**	**1287.5**	**632.3**	**1047.6**	**1500.6**	**1624.0**	**1614.7**	**6.2%**	**4.6%**	**5.6%**
AGR		1.1%	14.3%	1.3%	9.1%	-1.3%	6.1%	5.3%	10.4%	10.6%	-50.9%	65.7%	43.2%	8.2%	-0.6%			

Enplanement Shares by Airline															
Airline	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Alaska	22.6%	22.5%	19.7%	20.2%	20.2%	22.5%	22.0%	19.6%	19.9%	23.1%	26.9%	25.5%	22.2%	18.6%	18.0%
American	30.0%	28.0%	25.3%	25.2%	26.7%	24.9%	24.5%	23.3%	21.5%	22.5%	22.4%	21.6%	18.5%	18.6%	22.2%
Southwest											1.3%	18.3%	18.3%	19.6%	19.1%
United	23.3%	24.2%	24.4%	23.9%	22.8%	20.6%	21.2%	22.2%	21.9%	22.0%	19.3%	15.6%	17.4%	17.1%	18.8%
Delta	5.8%	4.8%	4.1%	4.5%	6.0%	6.5%	6.4%	6.1%	7.0%	7.0%	9.6%	11.5%	8.3%	9.1%	8.7%
Other	18.2%	20.5%	26.5%	26.2%	24.3%	25.4%	25.9%	28.7%	29.6%	25.3%	20.4%	7.6%	15.3%	17.0%	13.3%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Airport records.

2.1.4 | Top Domestic O&D Markets

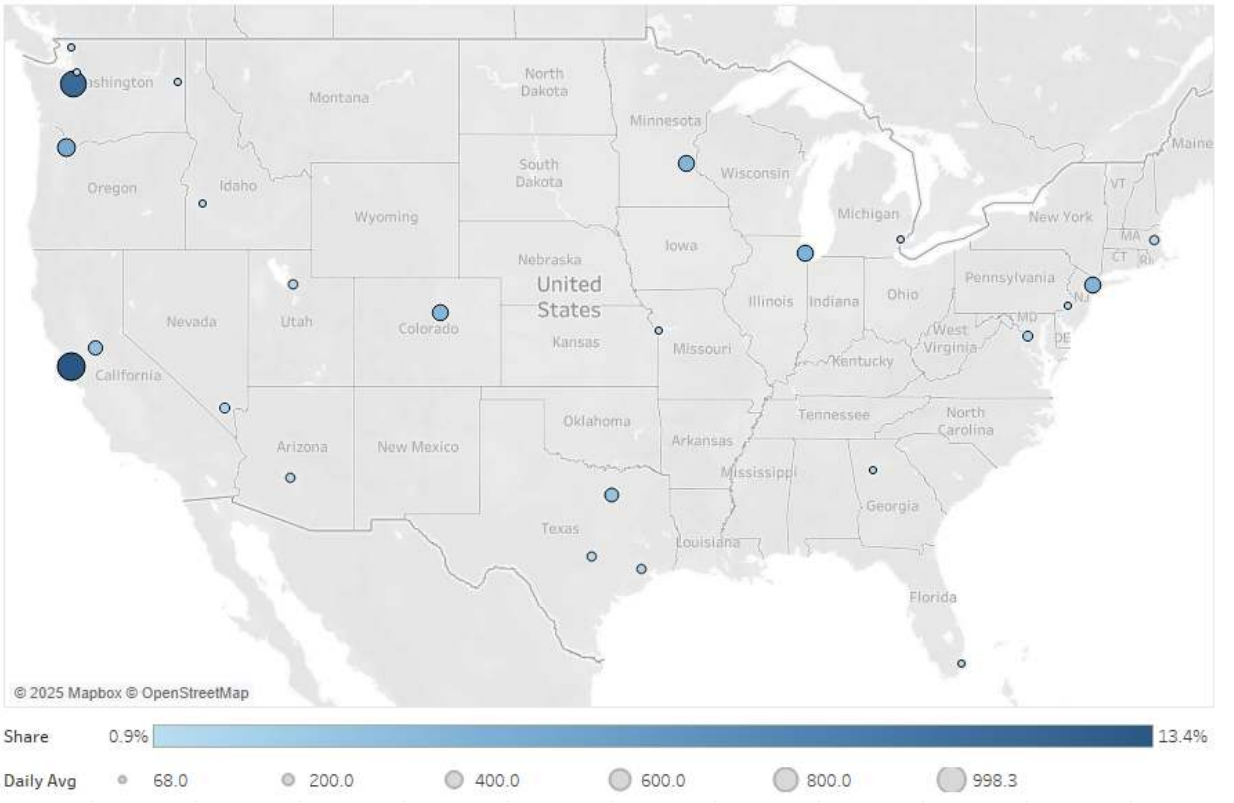
Table 2 and Figure 6 present the Airport's top 25 domestic origin and destination (O&D) markets in 2023, accounting for 75.5 percent of all daily O&D enplanements. The largest markets include San Francisco (13.4 percent), Seattle (11.6 percent), Portland (5.5 percent), Chicago (4.8 percent), and Minneapolis/St. Paul (4.5 percent).

Table 2 | Top 25 Domestic O&D Markets, 2023

PSP Top 25 O&D Markets, 2023					
Rank	**City**	**State**	**PAX**	**Daily Avg**	**Share**
1	San Francisco (Metropolitan Area)	CA	364,390	998.3	13.4%
2	Seattle	WA	315,530	864.5	11.6%
3	Portland	OR	150,700	412.9	5.5%
4	Chicago	IL	131,070	359.1	4.8%
5	Minneapolis/St. Paul	MN	123,170	337.5	4.5%
6	New York City (Metropolitan Area)	NY	122,410	335.4	4.5%
7	Denver	CO	120,880	331.2	4.5%
8	Sacramento	CA	95,800	262.5	3.5%
9	Dallas/Fort Worth	TX	89,630	245.6	3.3%
10	Washington (Metropolitan Area)	DC	53,570	146.8	2.0%
11	Las Vegas	NV	47,220	129.4	1.7%
12	Houston	TX	43,120	118.1	1.6%
13	Salt Lake City	UT	40,460	110.8	1.5%
14	Boston (Metropolitan Area)	MA	36,360	99.6	1.3%
15	Phoenix	AZ	34,950	95.8	1.3%
16	Austin	TX	32,960	90.3	1.2%
17	Bellingham	WA	31,070	85.1	1.1%
18	Atlanta (Metropolitan Area)	GA	30,620	83.9	1.1%
19	Boise	ID	30,510	83.6	1.1%
20	Kansas City	MO	27,740	76.0	1.0%
21	Miami (Metropolitan Area)	FL	26,620	72.9	1.0%
22	Detroit	MI	26,520	72.7	1.0%
23	Spokane	WA	25,720	70.5	0.9%
24	Philadelphia	PA	25,280	69.3	0.9%
25	Everett	WA	24,830	68.0	0.9%
Top 25 Subtotal			**2,051,130**	**5,619.5**	**75.5%**
Other			**664,530**	**1,820.6**	**24.5%**
Total			**2,715,660**	**7,440.2**	**100.0%**

Source: U.S. Department of Transportation DB1B data.

Figure 6 | Top 25 Domestic O&D Destination Map, 2023



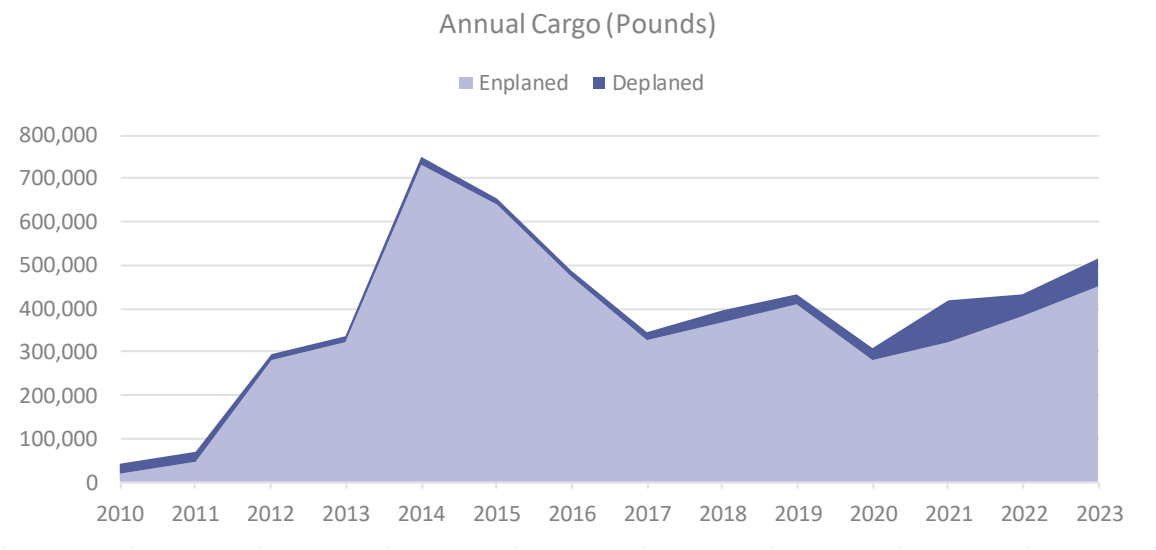
Source: U.S. Department of Transportation DB1B data.

2.2 | Air Cargo

Figure 7 illustrates PSP's annual air cargo volume from 2010 to 2023, revealing a dynamic pattern of growth and fluctuation over this period. The Airport experienced dramatic early-decade expansion, with cargo volumes surging from 41,000 pounds in 2010 to 749,000 enplaned and deplaned pounds by 2014—an eighteen-fold increase in just four years, primarily attributable to Alaska Airlines.

Following this initial spike, cargo volumes underwent a significant correction, declining by 54 percent to 346,000 pounds in 2017. Subsequently, the trend resumed an upward trajectory, albeit at a more modest rate, dipping slightly in 2020 during the COVID-19 pandemic. By 2023, PSP handled approximately 514,000 pounds of enplaned and deplaned cargo. Outbound cargo is far greater than inbound cargo.

Figure 7 | Annual Enplaned and Deplaned Cargo, 2010-2023

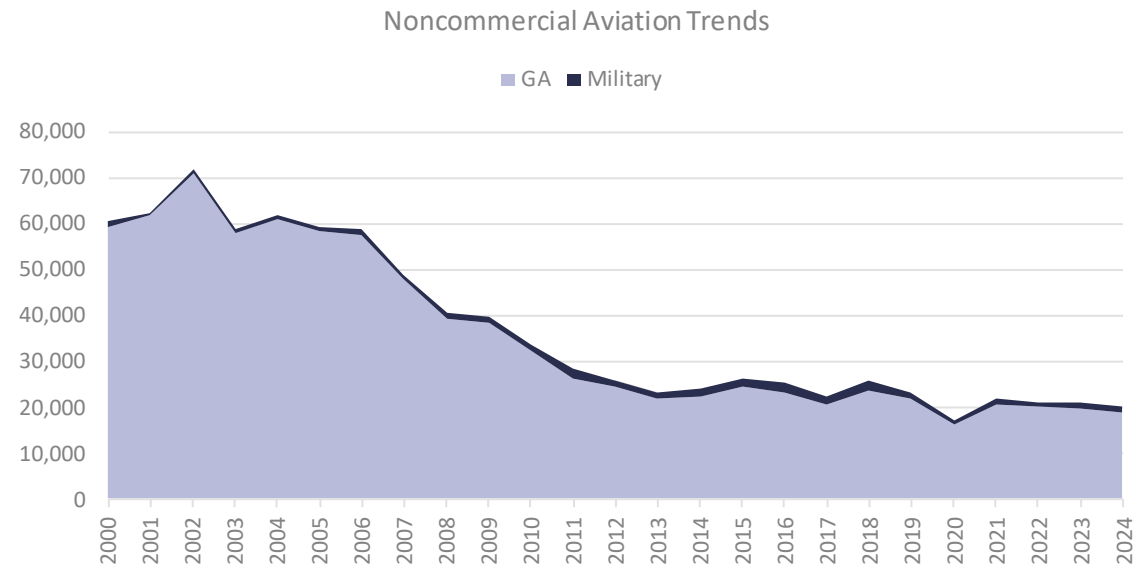


Source: Airport records.

2.3 | Noncommercial Operations

Figure 8 shows the long-term trend in noncommercial operations at PSP from 2000 to 2024. The trend has declined from around 60,000 operations in 2000 to approximately 20,000 in 2024. General aviation makes up more than 90 percent of noncommercial operations, with military operations never exceeding 10 percent.

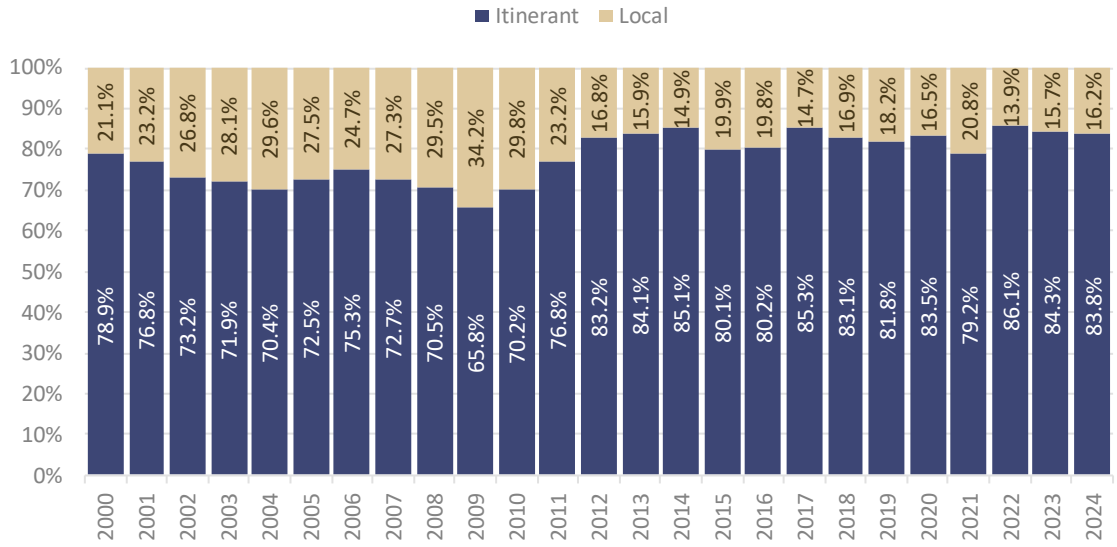
Figure 8 | Annual Noncommercial Operations by GA & Military, 2000-2024



Source: ATADS.

Figure 9 breaks down GA operations by itinerant and local shares. Itinerant operations comprise the majority, consistently accounting for over 80 percent of GA operations since 2012. Itinerant operations are aircraft operations that originate from outside the airport area and land at the airport or depart the airport for a destination outside the airport area. Itinerant operations originating from outside the airport area bring visitors into the area. Local operations remain in the local traffic pattern within a 20-mile radius of the tower, taking off and landing at the airport.

Figure 9 | Annual Itinerant vs. Local GA Shares, 2000-2024



Source: ATADS.

2.4 | Summary

Section 2 comprehensively analyzes the Airport's aviation activities across three main areas: commercial passenger traffic, air cargo, and noncommercial operations.

PSP is a significant hub for commercial passenger traffic, demonstrating substantial growth since 2010 and a strong post-COVID recovery. Passenger volumes have rebounded and surpassed pre-pandemic levels, outpacing national growth rates. This resilience and continuing expansion reflect the Airport's vital role in connecting the Coachella Valley to broader networks and bringing visitors into the region.

Air cargo volumes show an upward trend despite fluctuations, with outbound shipments exceeding inbound shipments. Outbound cargo represents exports that bring new money and multiplier impacts into the regional economy.

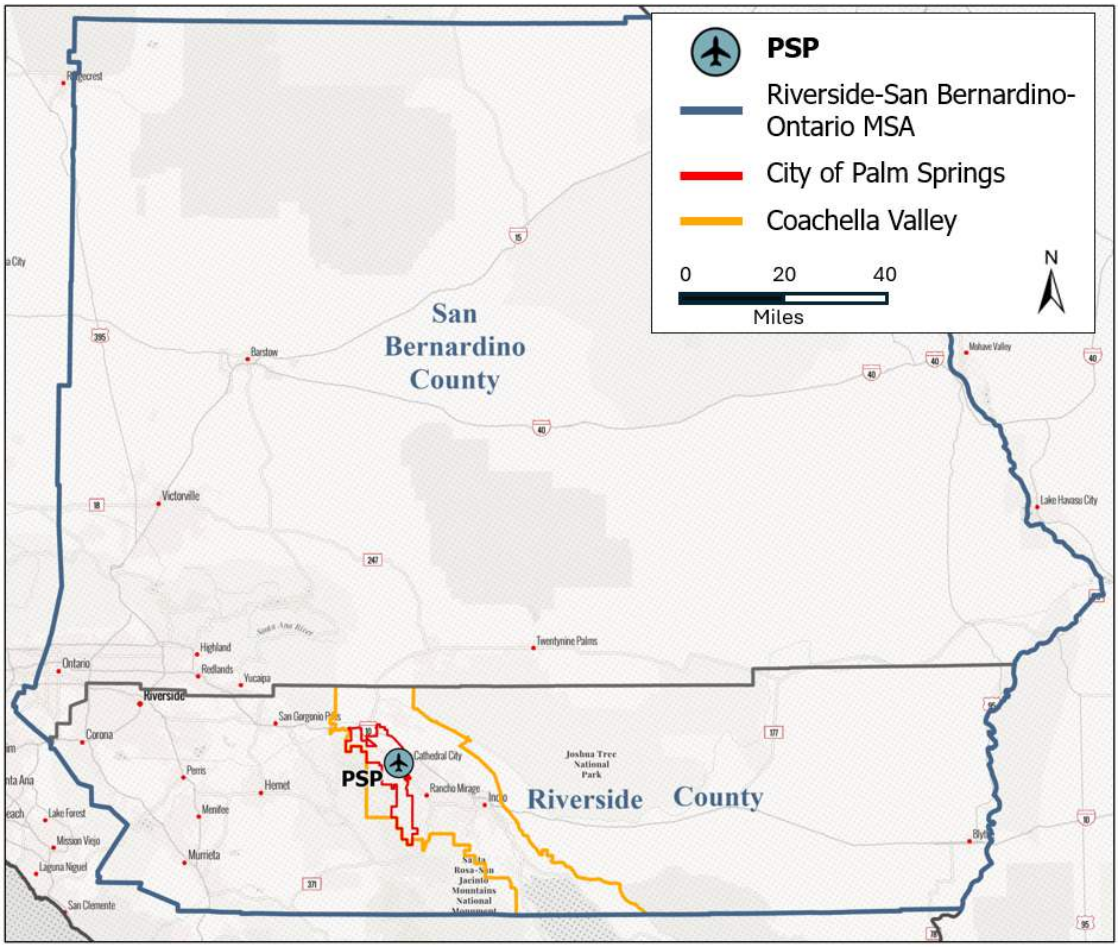
Noncommercial operations, primarily general aviation, have declined over the years but remain a key component of the Airport's total activity. Itinerant operations, which bring visitors into the region, consistently form the majority of GA activity at PSP.

Overall, the Airport plays an integral role in regional transportation through its robust passenger growth, airline diversity, and essential cargo and noncommercial operations—collectively establishing the PSP as a significant economic driver for the Coachella Valley and the Riverside-San Bernardino-Ontario, CA, MSA.

SECTION 3 | REGIONAL ECONOMIC ENVIRONMENT

Regional factors, including population growth, economic expansion, labor market conditions, industry composition, income trends, cost of living, and tourism, significantly influence both demand for PSP's airline services and the scope of its economic impact. The primary study area is Riverside County, with additional impacts extending into San Bernardino County. These two counties form the Riverside-San Bernardino-Ontario metropolitan statistical area (Riverside MSA). The analysis focuses on the Riverside MSA, the Coachella Valley,[3] and the City of Palm Springs (Figure 10 and Figure 11).

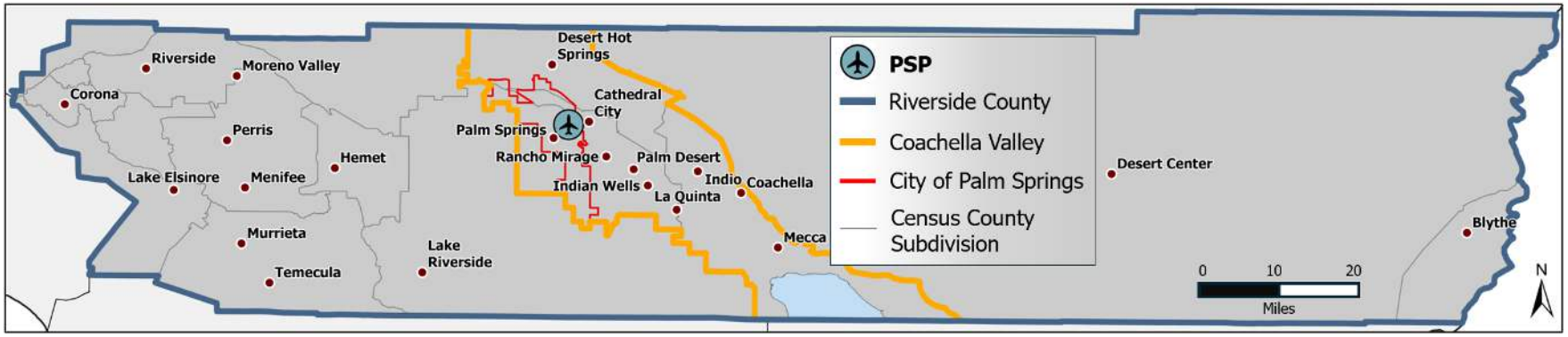
Figure 10 | Economic Impact Study Region



Source: Unison Consulting, Inc.

[3] The Coachella Valley comprises the Cathedral City-Palm Desert, Coachella Valley, Desert Hot Springs, and Palm Springs Census County Divisions.

Figure 11 | Riverside County and Subdivisions



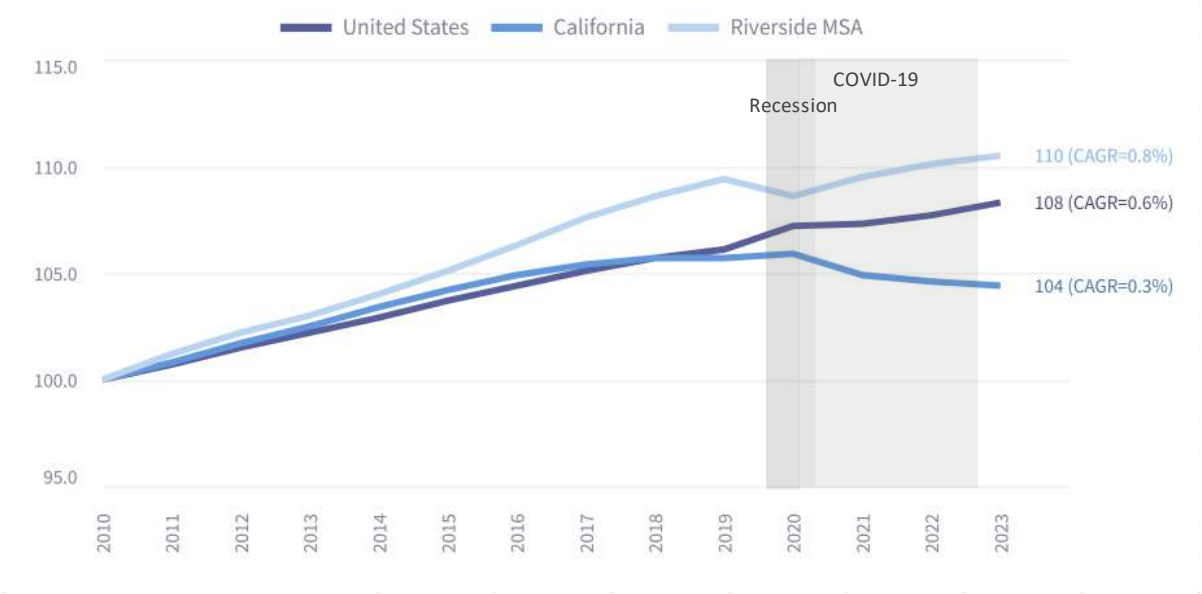
Source: Unison Consulting, Inc.
The Coachella Valley comprises the Cathedral City-Palm Desert, Coachella Valley, Desert Hot Springs, and Palm Springs Census County Divisions.

3.1 | Population

The Riverside MSA had a population of 4.7 million in 2023, with 53 percent in Riverside County and 47 percent in San Bernardino County. Residents accounted for about 28 percent of PSP enplanements that year.

Despite outmigration due to high living costs,[4] the region's population grew by 10 percent from 2010 to 2023 (0.8 percent CAGR), surpassing national and state growth rates (Figure 12). After slight pandemic-related declines, growth resumed in 2021, with the MSA's 2023 population reaching approximately 1.0 percent above its 2019 level.

Figure 12 | Population Index (2010=100), 2010-2023

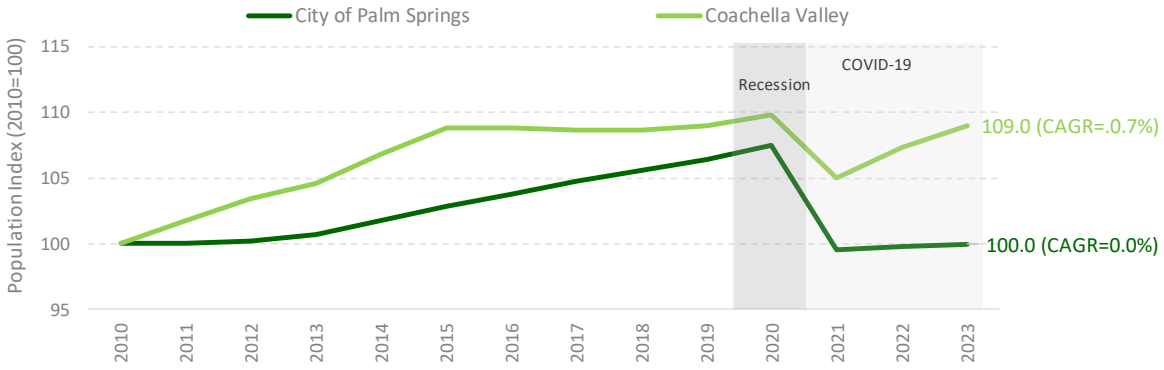


Sources: U.S. Census Bureau and Unison Consulting Inc.

Coachella Valley, which comprises Cathedral City-Palm Desert, Coachella Valley, Desert Hot Springs, and Palm Springs, experienced a slightly slower overall population growth of 9 percent (0.7 percent CAGR) (Figure 13). After experiencing steady growth through 2020, the City of Palm Springs saw its population fall to the 2010 level in 2021, where it remained through 2023.

[4] H. Johnson, E. McGhee, C. Subramaniam, and B. Hsieh, "What's Behind California's Recent Population Decline—and Why It Matters," Public Policy Institute of California, October 2023.

Figure 13 | Population Index (2010=100), City of Palm Springs and Coachella Valley, 2010-2023

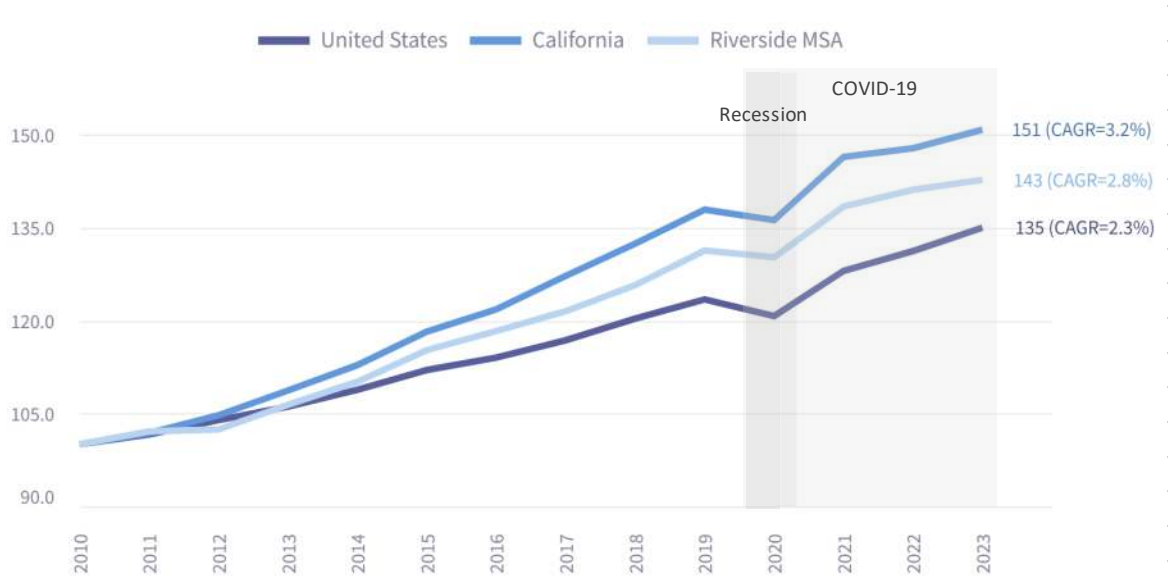


Source: U.S. Bureau of Economic Analysis and Unison Consulting, Inc.

3.2 | Regional GDP

Between 2010 and 2023, real GDP in the Riverside MSA generally followed national business cycles while growing more rapidly (Figure 14). The region's real GDP expanded by 43 percent (2.8 percent CAGR), outpacing the national rate of 35 percent (2.3 percent CAGR) but lagging California's 51 percent growth (3.2 percent CAGR). By 2023, the Riverside MSA, the state, and the nation had all surpassed pre-pandemic economic levels despite the brief recession in 2020.

Figure 14 | Real GDP Index (2010=100), 2010-2023

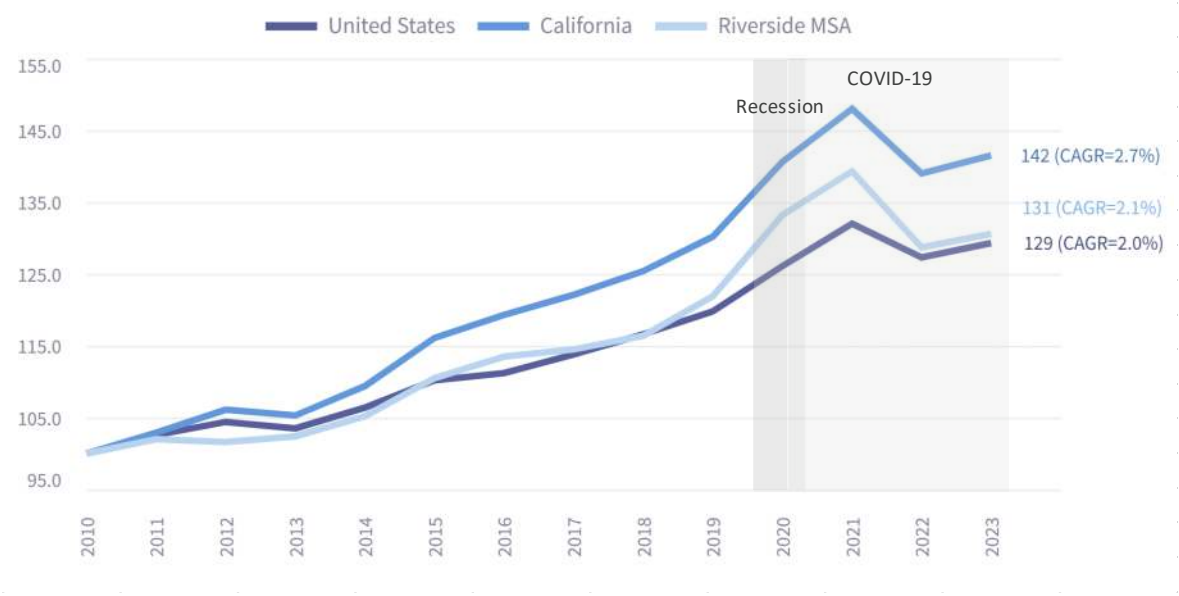


Source: U.S. Bureau of Economic Analysis and Unison Consulting, Inc.

3.3 | Personal Income

Personal income[5] directly influences spending and air travel demand. Between 2010 and 2023, personal income in the Riverside MSA grew by 31 percent (2.1 percent CAGR), slightly outpacing national growth of 29 percent (2.0 percent CAGR) but trailing California's 42 percent growth (2.7 percent CAGR). Government stimulus programs provided a temporary income boost in 2020 and 2021 (Figure 15).

Figure 15 | Real Personal Income Per Capita Index (2010=100), 2010-2023

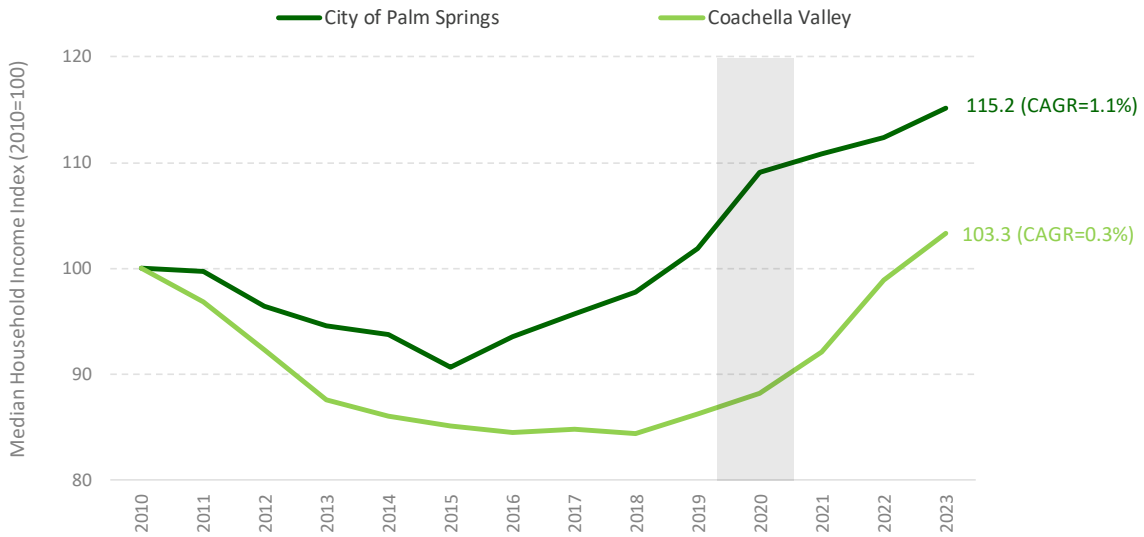


Sources: U.S. Bureau of Economic Analysis and Unison Consulting, Inc.

Personal income data is unavailable for the City of Palm Springs and the Coachella Valley. However, household income data show slower growth (Figure 16). From 2010 to 2023, the real median household income in the City of Palm Springs increased by 15.2 percent (1.1 percent CAGR), while the Coachella Valley saw a modest gain of 3.3 percent (0.3 percent CAGR).

[5] Personal income includes wages, salaries, government benefits (Social Security), investment earnings, and business profits. See BEA, "BEA: Taking Economic Statistics Personally Since 1938," BEA's Official Blog, August 5, 2024, https://www.bea.gov/news/blog/2024-08-05/bea-taking-economic-statistics-personally-1938.

Figure 16 | Real Median Household Income Index (2010=100), City of Palm Springs and Coachella Valley, 2010-2023



Sources: U.S. Census Bureau and Unison Consulting, Inc.

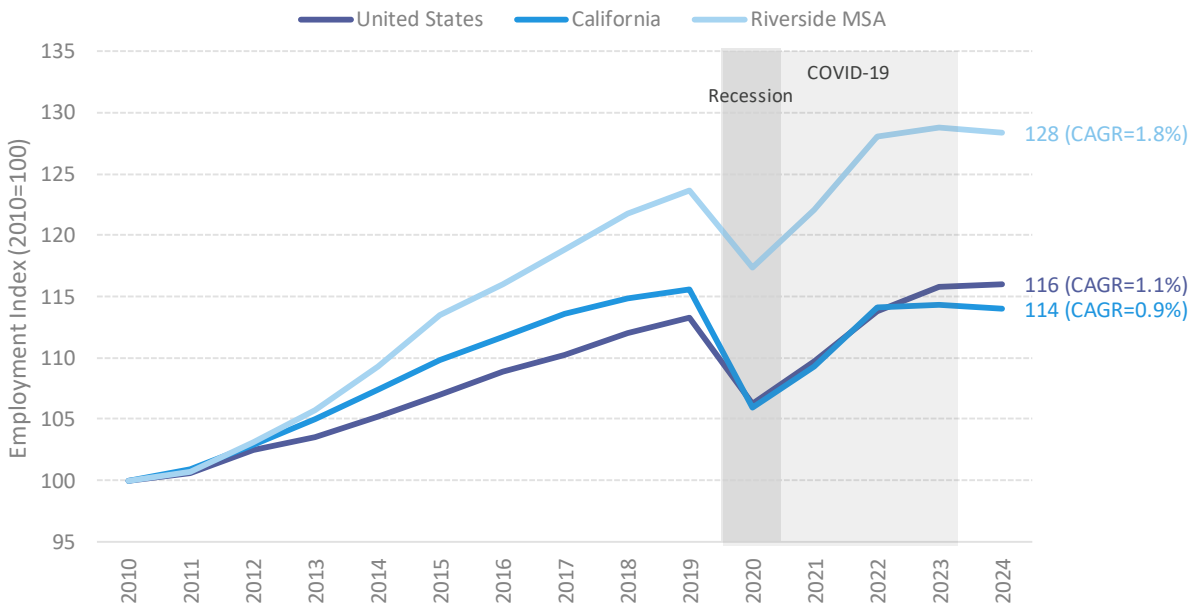
3.4 | Employment and Unemployment

Employment in the Riverside MSA stood at over 2 million in 2024, with 53 percent within Riverside County. The region has shown strong employment growth since 2010, at 1.8 percent annually, compared with 1.1 percent nationwide and 0.9 percent in California (Figure 17). This robust employment growth supports higher disposable incomes and, consequently, greater demand for air travel.

The Riverside MSA experienced less severe pandemic-related decreases in employment (5.1 percent) than California (8.4 percent) and the nation (6.2 percent). By 2022, employment in the MSA had surpassed pre-pandemic levels and, by 2024, had grown nearly 4 percent beyond 2019.

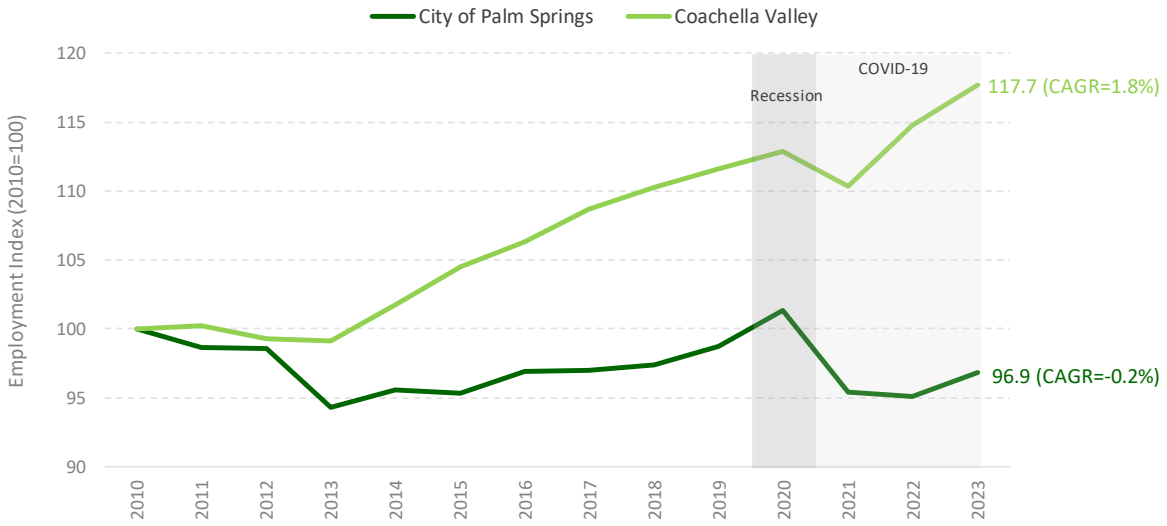
Coachella Valley kept pace with the Riverside MSA's 1.8 percent annual employment growth (Figure 18). In Coachella Valley, employment continued to increase in 2020; the pandemic-induced decline in employment occurred in 2021. Employment levels fully recovered in the following year and, by 2023, stood at 4.3 percent above the 2020 level. In Palm Springs, however, employment in 2023 was still 4.4 percent below the 2020 peak.

Figure 17 | Employment Index (2010=100), 2010-2024



Sources: U.S. Bureau of Labor Statistics, Current Population Survey and Local Area Unemployment Statistics; and Unison Consulting, Inc.

Figure 18 | Employment Index (2010=100), City of Palm Springs and Coachella Valley, 2010-2023

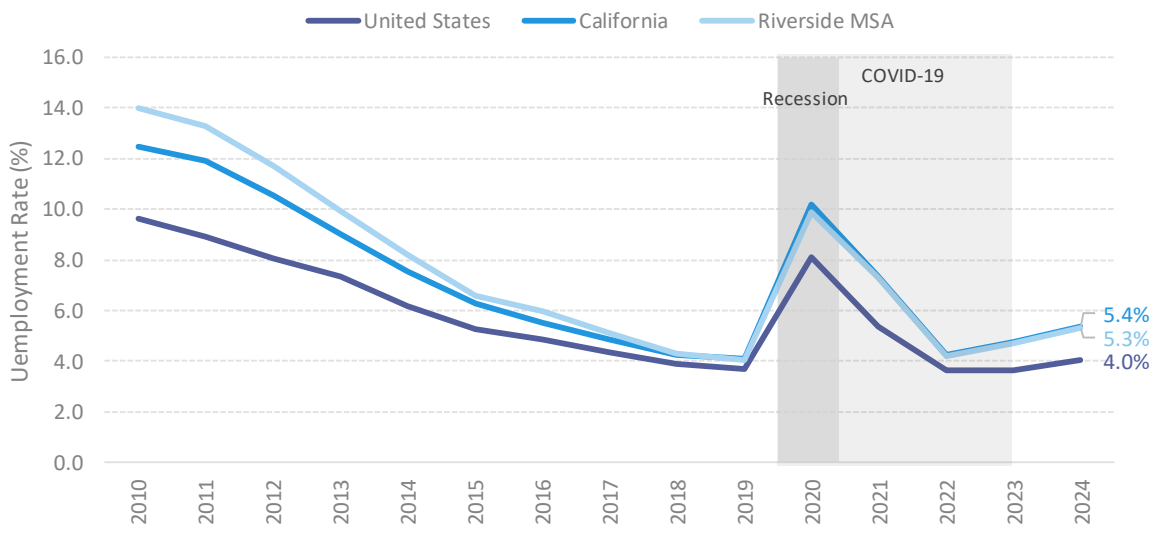


Source: U.S. Census Bureau and Unison Consulting, Inc.

Unemployment rates in the Riverside MSA have typically been slightly higher than national averages but have shown considerable improvement, falling to about 5.2% by late 2024 (Figure 19). Lower unemployment rates enhance consumer confidence and spending capability, benefiting

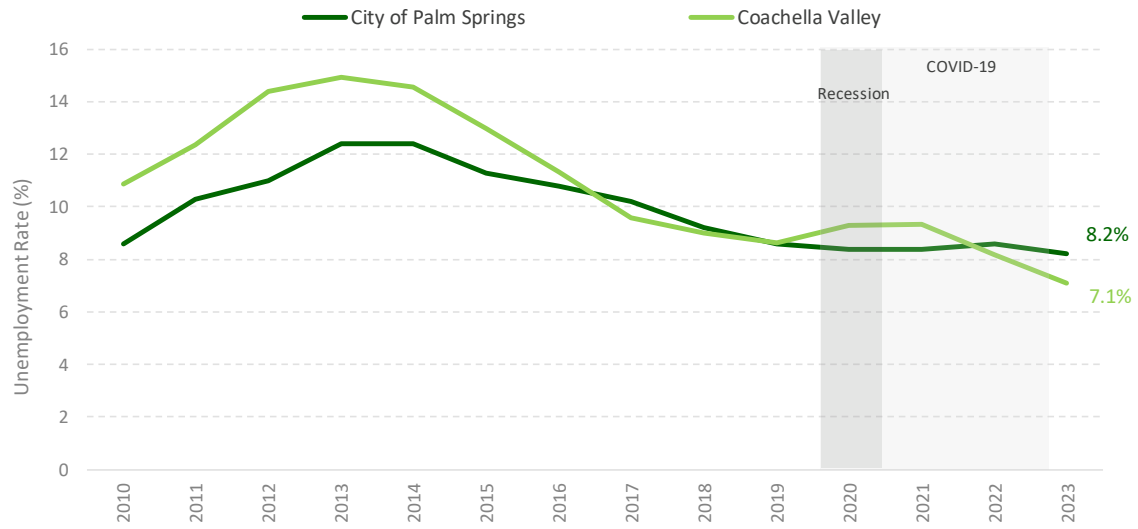
air travel demand. The Coachella Valley and Palm Springs have historically experienced higher unemployment than the Riverside MSA, state, and nation (Figure 20), though the general trend has been downward.

Figure 19 | Unemployment Rate, 2010-2024



Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.

Figure 20 | Annual Unemployment Rate, City of Palm Springs and Coachella Valley, 2010-2023



Sources: U.S. Census Bureau 2019-2023 American Community Survey 5-year estimates and Unison Consulting, Inc.

3.5 | Nonfarm Employment by Industry

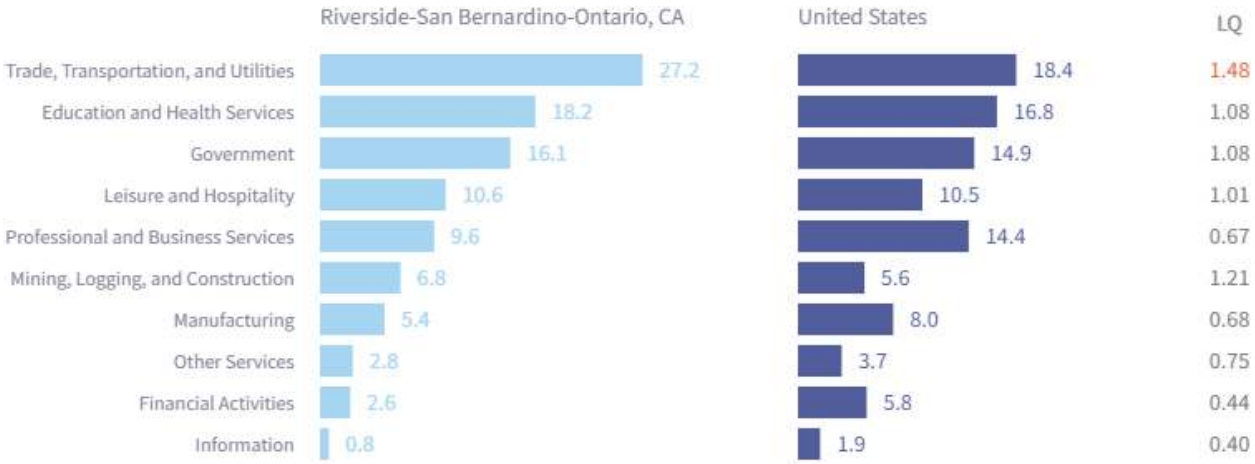
Industry composition shapes economic impacts through diversification, supply chain linkages, and resilience. A diverse economy fosters strong inter-industry linkages, minimizes spending leakages, and enhances stability, amplifying multiplier effects.

When various industries are present, businesses are more likely to source goods and services locally, strengthening supply chain connections, keeping a larger share of spending within the region, and increasing multiplier effects. Diversification also supports long-term economic stability and resilience. Areas with a broad industry base are less susceptible to sector-specific downturns and are better positioned to adapt to changing economic conditions.

In 2024, trade, transportation, and utilities represented the largest nonfarm employment sector in the Riverside MSA, accounting for more than 27 percent of jobs, followed by education and health services (18 percent), government (16 percent), and leisure and hospitality (11 percent) (Figure 21).

The region's industry composition can be further analyzed using Location Quotients (LQ), which measure an industry's concentration in the region relative to the nation. An LQ of one indicates that an industry's share of regional employment matches its national share. Values below one suggest the sector is underrepresented locally, while values above one indicate a higher concentration, signifying regional specialization.

Figure 21 | Employment Share (%) and Location Quotient by Industry, Riverside-San Bernardino-Ontario MSA, 2024



Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc. Gray areas indicate economic recession periods. Data are through September 2024.

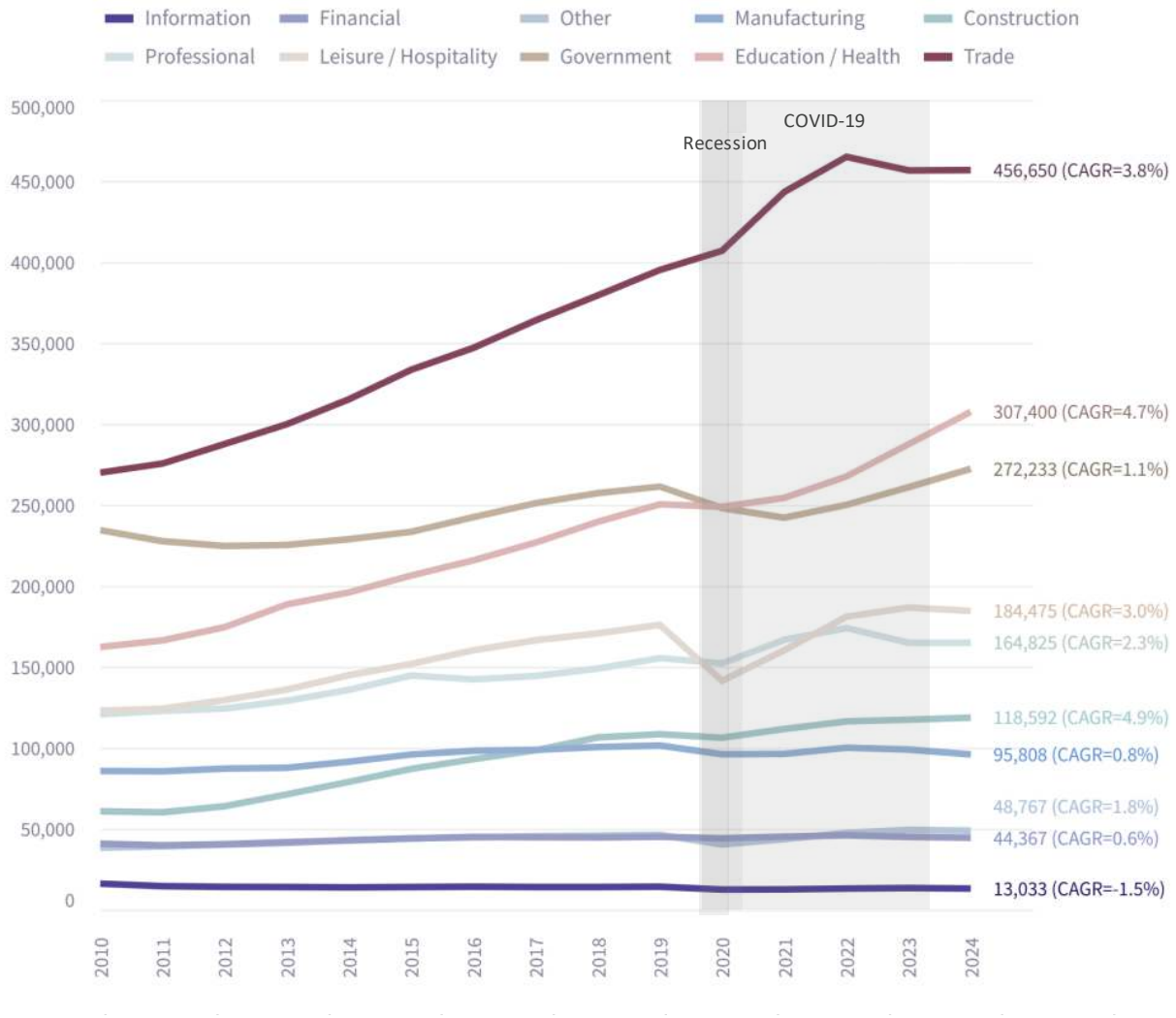
Analysts typically use an LQ threshold of 1.25 to indicate moderate specialization and a threshold of 1.5 or higher to identify significant specialization. In the Riverside MSA, only the trade, transportation, and utilities sector, with an LQ of 1.48, surpasses the moderate specialization

threshold. This suggests that the region maintains a relatively diversified economy overall. However, the region's financial activities and information sectors are significantly underrepresented.

While the leisure & hospitality sector does not show high specialization in the Riverside MSA, tourism employment is highly concentrated in the Coachella Valley. In 2023, the Coachella Valley's accommodation, food services, arts, entertainment, and recreation had an estimated LQ of 1.8, confirming the area's visitor-driven economy.

Figure 22 shows sectoral employment trends from 2010 to 2024. Professional and business services (4.9 percent CAGR), education and health services (4.7 percent CAGR), trade, transportation, and utilities (3.8 percent CAGR), and leisure and hospitality (3.0 percent CAGR) have experienced the highest growth rates. While the leisure and hospitality sector experienced the sharpest pandemic decline, it recovered to surpass 2019 levels by 2022, though employment has remained flat.

Figure 22 | Employment by Industry, Riverside-San Bernardino-Ontario MSA, 2000-2024



Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.

3.6 | Commuting

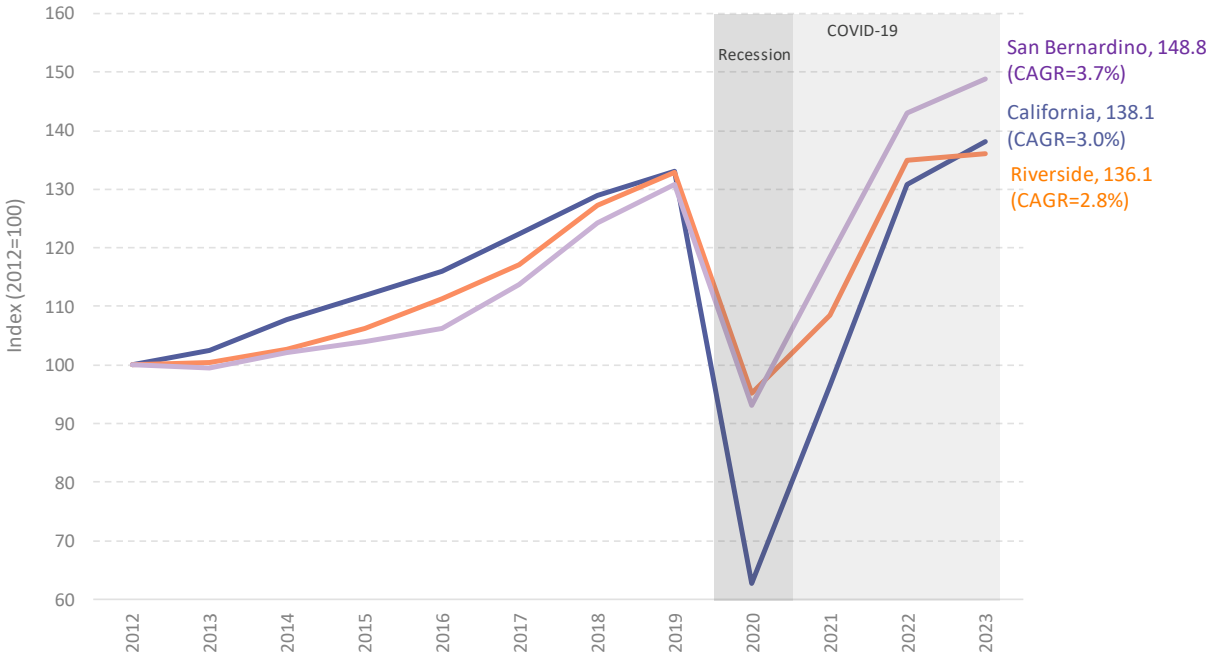
Approximately 75 percent of Riverside County workers also reside in either Riverside or San Bernardino Counties. About 68 percent of workers in the Coachella Valley live within the Valley, while 83 percent reside in Riverside or San Bernardino County. Among workers in the City of Palm Springs, 66 percent live in the Coachella Valley, and 84 percent reside in Riverside or San Bernardino Counties.[6] The high percentage of workers who live locally suggests that a substantial share of household spending remains within the region, enhancing induced multiplier effects.

[6] U.S. Census Bureau 2022 Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics.

3.7 | Visitor Spending

Visitor spending introduces new money into a region, driving multiplier effects. In 2023, visitors spent approximately $9.2 billion in Riverside County and more than $6.5 billion in San Bernardino County. Since 2012, visitor spending has increased 36 percent in Riverside County (2.8 percent CAGR) and 49 percent in San Bernardino County (Figure 23). Both counties experienced less severe pandemic declines in visitor spending than the state and had fully recovered by 2022.

Figure 23 | Visitor Spending Index (2012=100), Riverside and San Bernardino Counties, 2012-2023



Sources: Visit California and Unison Consulting, Inc.

Visitor spending is central to Palm Springs's economy. In 2023, more than 14 million visitors to Greater Palm Springs spent over $7 billion, generating $1.9 billion in labor income and supporting approximately 51,000 jobs.[7] Figure 24 presents visitor spending distribution by category. Compared to California averages, visitors to Riverside County allocate a slightly higher share to recreation, food service, and retail while spending somewhat less on accommodation, local transportation, and airfare.

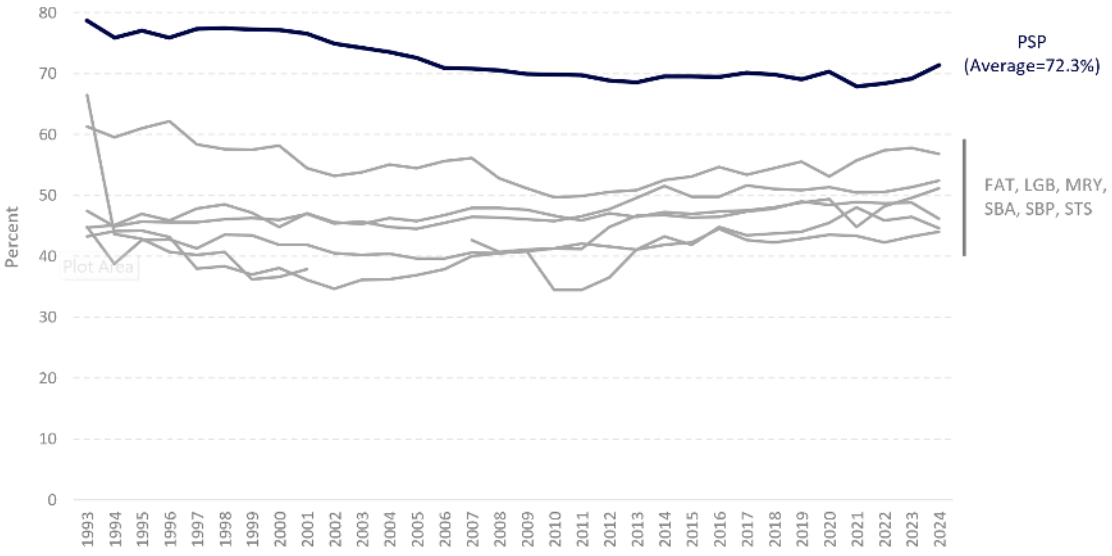
[7] Tourism Economics, *2023 Economic Impact of Tourism in Greater Palm Springs*, August 2024.

Figure 24 | Visitor Spending Distribution by Category, Riverside and San Bernardino Counties, 2012-2023

Sources: Visit California and Unison Consulting, Inc.

Figure 25 highlights PSP's distinctive role in the regional visitor economy. For more than 30 years, visitors accounted for a higher share of enplanements at PSP (72.3 percent on average) than at many other mid- and small-sized airports in California.

Figure 25 | Visitors' Share of PSP Enplanements, 1993-2024



Sources: U.S. Bureau of Transportation Statistics and Unison Consulting, Inc.
Other California airports: FAT (Fresno), LGB (Long Beach), MRY (Monterey), SBA (Santa Barbara), SBP (San Luis Obispo), and STS (Santa Rosa).

3.8 | Summary

Section 3 examines the regional socio-economic factors that significantly drive aviation demand at PSP and its economic impact.

The regional analysis of the Riverside-San Bernardino-Ontario MSA, Coachella Valley, and City of Palm Springs reveals how local demographics, employment trends, income trends, and industry composition contribute to the Airport's economic impact. The region's impressive growth in real GDP, income, and employment, exceeding national rates, has fueled increased Airport activity.

Visitor spending emerges as a critical economic driver for the Coachella Valley, highlighting PSP's dual role as a tourist gateway and a connectivity hub for residents.

This section demonstrates how PSP benefits from healthy economic conditions and contributes to regional economic vitality. The analysis provides stakeholders with valuable insights into the relationship between regional economic health and airport operations.

SECTION 4 | ECONOMIC IMPACT ANALYSIS: CONCEPTUAL FRAMEWORK

Economic activities generate business revenue, contribute to GDP, create jobs, and provide household income. They also trigger ripple effects throughout the economy as businesses purchase supplies, pay their workers, and workers spend their earnings locally.

Economic impact analysis evaluates these effects within a defined geographic area, capturing both the direct impact of an activity and the additional economic transactions it generates. This study quantifies the overall impact using IMPLAN, a specialized software for economic impact analysis.

4.1 | Measures of Economic Impact

Economic impacts are reported using four economic indicators (Figure 26).[8]

Employment: The number of jobs, including full-time, part-time, and self-employment.

Labor income: The sum of employee compensation and proprietor income, representing both payroll costs (wages and salaries, benefits, and payroll taxes) and payments received by self-employed individuals or unincorporated businesses.

Value Added: The total value of income generated from production, including labor income, other property income, and taxes on production. This measures the contribution to GDP and represents the difference between output and intermediate input costs.

Output: The broadest measure denoting the total value of industry production or sales, encompassing value added and intermediate inputs.[9]

Figure 26 | Measures of Economic Impact

Economic impacts also generate tax revenues, which fund government services and infrastructure. These tax revenues represent income transfers rather than additions to economic impact.

[8] This report uses IMPLAN's terms and definitions.

[9] For wholesale and retail sectors, output is equal to gross wholesale margin or gross retail margin, respectively, not gross sales.

4.2 | Components of Economic Impact

Total economic impact has three components (Figure 27):

Direct Impact: The initial economic activity generated by an end-user purchase (an initial change in final demand).

Indirect Impact: Additional economic transactions arising from business-to-business purchases within the regional economy to meet end-user demand.

Induced Impact: Additional economic transactions resulting from household spending by employees within the regional economy.

Economic impact analysis estimates indirect and induced effects using multipliers derived from economic models that trace the input-output linkages across industries and household spending patterns.

Figure 27 | Economic Impact Components

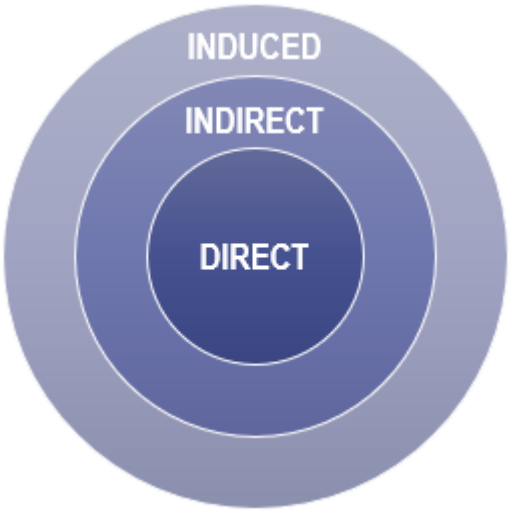
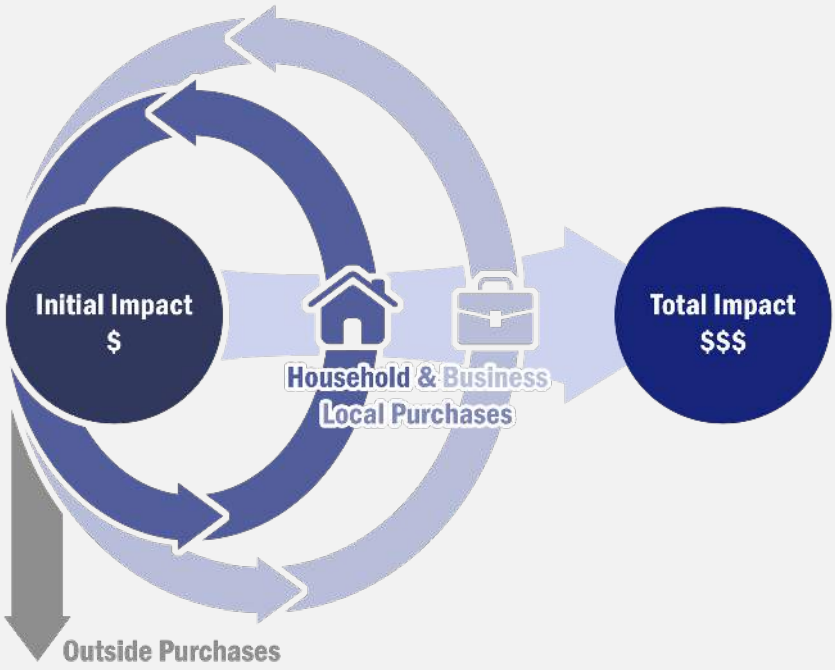


Figure 28 | How Do Multiplier Effects Happen?

An initial purchase triggers additional rounds of spending in the local economy when businesses spend those dollars to buy from other local businesses and pay their workers. Then workers spend their pay on local purchases for household needs, resulting in a larger economic impact.



4.3 | Defining the Study Region

Multipliers vary by both industry and region. Each region has a unique mix of industries, employment levels, household spending patterns, and economic interconnections that influence multiplier size and overall economic impacts. Multipliers tend to be larger in diversified regional economies with extensive inter-industry supply chain linkages and in broader geographic areas where economic leakages are smaller.

For this study, Riverside County, with interregional links to San Bernardino County, forms the primary study area, ensuring a comprehensive assessment of the airport's regional influence.[10]

4.4 | Sources of Airport Economic Impact

At airports, there are three primary sources of economic impact (Figure 29):

Airport Operations: Activities of airlines, tenants, and other entities providing service to passengers and cargo shippers.

Capital Outlays: Spending for capital improvements at the Airport.

Visitor Spending: Visiting passengers' local purchases outside the Airport.

These activities are directly attributable to the Airport and align with the scope defined by FAA guidelines and established practices for estimating airport economic impacts.[11,12]

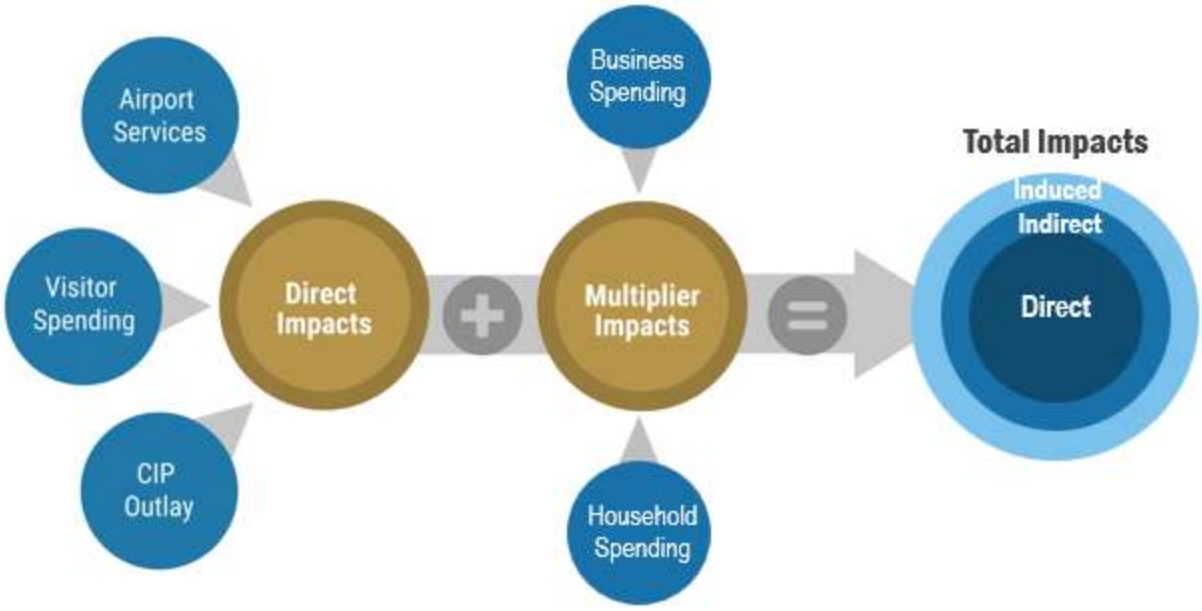
Technical details on the IMPLAN model can be found in a supplement at the end of the report.

[10] This study employs a multi-region input-output (MRIO) analysis.

[11] Stewart E. Butler, Volpe National Transportation Center, and Laurence J. Kiernan, Federal Aviation Administration, Estimating the Regional Economic Significance of Airports, September 1992.

[12] Joakim Karlsson, J. Richard Ludders, Dale Wilde, Darren Mochrie, and Craig Seymour, ACRP Synthesis 7, Airport Economic Impact Methods and Models, Transportation Research Board, Washington, D.C., 2008.

Figure 29 | Sources and Components of Airport Economic Impacts



4.5 | Model Inputs

The first and most important step in economic impact analysis is identifying end-user purchases that stimulate multiplier effects throughout the regional economy. This requires distinguishing services to end-users, such as airline passengers and cargo shippers, from business-to-business transactions, which are captured as indirect effects. For example, airline support services are considered indirect effects rather than initial final demand change sources.

The revenue or funding source also determines what qualifies as an initial final demand change. For example, federal government agencies such as the Transportation Security Administration (TSA) obtain funding from government appropriations and user fees. However, capital outlays are treated as initial final demand changes, regardless of the funding source, because they generate significant economic activity beyond regular operations.

Multiple measures, including revenues, employment levels, capital expenditures, and operating budgets for government services, serve as indicators for estimating initial final demand changes. We took a conservative approach to maintain analytical integrity to avoid overestimation and double-counting. Table 3 outlines the data used to estimate initial final demand changes from airport operations and capital outlays. We use the Airport's fiscal year (FY) 2024 data. Below are key operations categories with significant initial final demand contributions:

- Commercial passenger service is the largest contributor, with $464 million in airline revenue from passenger airfare, calculated by multiplying the visiting passenger count by average airfare.
- On-airport rental car concessions generate substantial revenue at $102.3 million, attributed entirely to visitors based on gross revenue data.

- Food & beverage concessions ($9.8 million) and retail concessions ($5.7 million) contribute over $15 million in gross sales from visitor purchases.
- Capital outlays average $4.2 million annually (FY2022-2024), with 60 percent allocated to construction and 20 percent each to professional services and equipment purchases.
- Air cargo generates $332,000 in airline revenue from outbound cargo, calculated by multiplying enplaned cargo by average air cargo rates, and $133,000 in freight forwarder margin.
- General aviation contributes 53 Fixed-Base Operator (FBO) jobs and customs fees of $435,000.
- The Airport also supports 135 Transportation Security Administration (TSA) positions.

Visitor spending brings new money into the region—spending that would not have otherwise occurred locally. A passenger intercept survey conducted at PSP on December 5-8, 2024, provided estimates of visitor spending across various categories (Table 4). The key findings are as follows:

- Visitors arriving through the Airport are estimated to have spent over $1.1 billion off-airport within the study region, with commercial service passengers accounting for approximately $1.11 billion and GA users contributing about $25.7 million.
- Accommodation is the highest spending category overall at $335.6 million, followed by Food Service/Restaurants at $286.6 million and Transportation Services at $208.8 million.
- Commercial service passengers spend significantly more per person than GA visitors ($1,000.74 vs $609.90 per visitor, on average).

The data shows the airport generates significant economic activity across diverse sectors, with visitor spending creating broad impacts throughout the local economy.

Table 3 Data Sources for Initial Final Demand Changes from Airport Operations and Capital Outlays

Airport Operations Category	Initial Final Demand Measure	Data Sources
Commercial Passenger Service	**Airline Revenue from Passenger Airfare:** $464 million (calculated by multiplying the visiting passenger count by the average airfare)	Airport records BTS
Air Cargo	**Airline Revenue Air Cargo:** $332,000 (calculated by multiplying enplaned cargo by average air cargo rates)	Airport records Carrier records BTS
Freight Forwarding	**Freight Forwarder Margin:** $133,000 (estimated at 40% of total cargo value)	Airport records Industry study
Food & Beverage Concessions	**Gross Sales:** $9.8 million (portion attributable to visitor purchases)	Airport records BTS
Retail Concessions	**Gross Sales:** $5.7 million (portion attributable to visitor purchases)	Airport records BTS

On-Airport Rental Cars	**Gross Revenues:** $102.3 million (based on gross revenue data, attributed entirely to visitors)	Airport records
Government Operations	**TSA Employment:** 135 positions	TSA
General Aviation	**FBO Employment:** 53 jobs **Customs Fees:** $435,000	FBO Airport records
Capital Outlays	**Average Annual Capital Expenditures, FY2022-2024:** $4.2 million, allocated as follows: construction (60%), professional services (20%), and equipment purchases (20%)	Airport records

Source: Unison Consulting, Inc.

Table 4 | Visitor Spending by Category

	Per Visitor ($)		Total ($)		
Spending Category	**Commercial Service**	**General Aviation**	**Commercial Service**	**General Aviation**	**Total**
Accommodation	295.09	181.04	327,966,472	7,635,144	335,601,616
Transportation Services	183.72	108.64	204,186,036	4,581,797	208,767,833
Food Service - Restaurants	252.03	154.63	280,112,824	6,521,099	286,633,923
Food & Beverage - Retail	96.57	59.25	107,325,480	2,498,565	109,824,045
Retail Merchandise	71.23	43.70	79,165,397	1,842,991	81,008,388
Entertainment	33.84	20.76	37,615,412	875,697	38,491,109
Other Services	68.26	41.88	75,865,550	1,766,170	77,631,720
Total	**1,000.74**	**609.90**	**1,112,237,172**	**25,721,462**	**1,137,958,634**

Source: Unison Consulting, Inc.

SECTION 5 | ECONOMIC IMPACTS OF PALM SPRINGS INTERNATIONAL AIRPORT

This section presents the economic impact analysis of PSP based on FY2024 activity. The monetary impacts are expressed in 2025 dollars. The report is structured as follows:

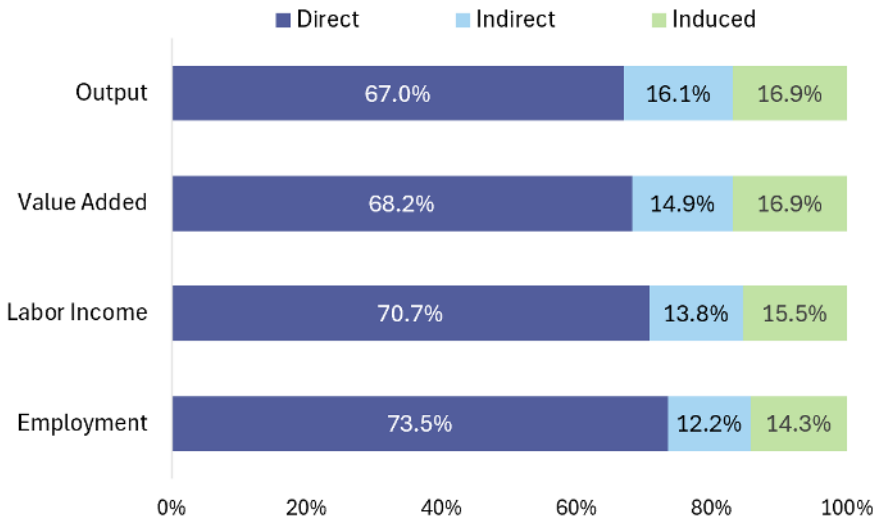
- Section 5.1 presents the Airport's total economic impacts in FY2024.
- Section 5.2-5.4 details the economic impacts of airport operations, capital outlays, and visitor spending, respectively.
- Section 5.5 presents a geographic allocation of economic impacts, focusing on Riverside County, the Coachella Valley, and the City of Palm Springs.
- Section 5.6 estimates the tax revenue arising from economic impacts.

5.1 | Total Economic Impacts

In FY2024, the Airport supported 18,377 jobs, $864 million in labor income, $1.5 billion in value added, and nearly $2.5 billion in total output (Figure 30). Depending on the measure, direct impacts account for 67-74 percent of total impacts. The results indicate overall multipliers of 1.36 for jobs, 1.41 for labor income, 1.47 for value-added, and 1.49 for output.

Figure 30 | Total Economic Impacts

Impact	Employment (Jobs)	Labor Income ($M)	Value Added ($M)	Output ($M)
Direct	13,510	611	1,008	1,645
Indirect	2,244	119	220	395
Induced	2,623	133	250	416
Total	**18,377**	**$864**	**$1,478**	**$2,456**



Source: Unison Consulting, Inc.
Monetary values are in 2025 dollars.

Table 5 categorizes economic impacts by source. Visitor spending emerges as the primary economic driver, accounting for approximately 55 to 61 percent of total impacts, depending on the measure used.

Table 5 | Share of Total Economic Impact by Impact Category

Impact Category	Employment	Labor Income	Value Added	Output
Operations	39.3%	44.6%	39.7%	38.9%
Capital Outlays	0.2%	0.2%	0.2%	0.2%
Visitor Spending	60.5%	55.2%	60.1%	60.9%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Source: Unison Consulting, Inc.

The Airport's economic impacts benefit various industries within the region (Table 6). The accommodation and food services and the transportation and warehousing sectors receive the largest benefits, underscoring the significant contribution of visitor spending and the strong logistics supply chain linkages.

Table 6 | Total Economic Impact by Industry Sector

Industry Sector	Employment (Jobs)		Labor Income ($M)		Value Added ($M)		Output ($M)	
	Total	Share	Total	Share	Total	Share	Total	Share
Accommodation and Food Services	6,219	33.8%	230	26.7%	396	26.8%	699	28.5%
Transportation and Warehousing	5,774	31.4%	308	35.7%	363	24.6%	598	24.3%
Other Services (except Public Administration)	1,512	8.2%	67	7.8%	76	5.1%	118	4.8%
Retail Trade	991	5.4%	45	5.2%	102	6.9%	134	5.5%
Real Estate and Rental and Leasing	872	4.7%	37	4.2%	288	19.5%	423	17.2%
Administrative and Waste Management Services	651	3.5%	29	3.3%	37	2.5%	70	2.8%
Health Care and Social Assistance	553	3.0%	35	4.1%	41	2.7%	63	2.6%
Arts, Entertainment, and Recreation	482	2.6%	19	2.2%	25	1.7%	49	2.0%
Finance and Insurance	318	1.7%	10	1.2%	19	1.3%	62	2.5%
Professional, Scientific, and Technical Services	253	1.4%	16	1.8%	22	1.5%	40	1.6%
Construction	146	0.8%	10	1.2%	16	1.0%	28	1.2%
Wholesale Trade	136	0.7%	13	1.5%	31	2.1%	55	2.2%
Administrative Government	135	0.7%	15	1.8%	18	1.2%	18	0.7%
Government Enterprises	103	0.6%	12	1.3%	13	0.9%	39	1.6%
Management of Companies and Enterprises	94	0.5%	9	1.1%	11	0.8%	20	0.8%
Educational Services	60	0.3%	3	0.3%	3	0.2%	5	0.2%
Information	47	0.3%	3	0.4%	9	0.6%	22	0.9%
Manufacturing	13	0.1%	1	0.1%	2	0.1%	6	0.2%
Agriculture, Forestry, Fishing and Hunting	10	0.1%	1	0.1%	1	0.1%	1	0.1%
Utilities	6	0.0%	1	0.1%	5	0.3%	8	0.3%
Mining, Quarrying, and Oil and Gas Extraction	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**18,377**	**100.0%**	**864**	**100.0%**	**1,478**	**100.0%**	**2,456**	**100.0%**

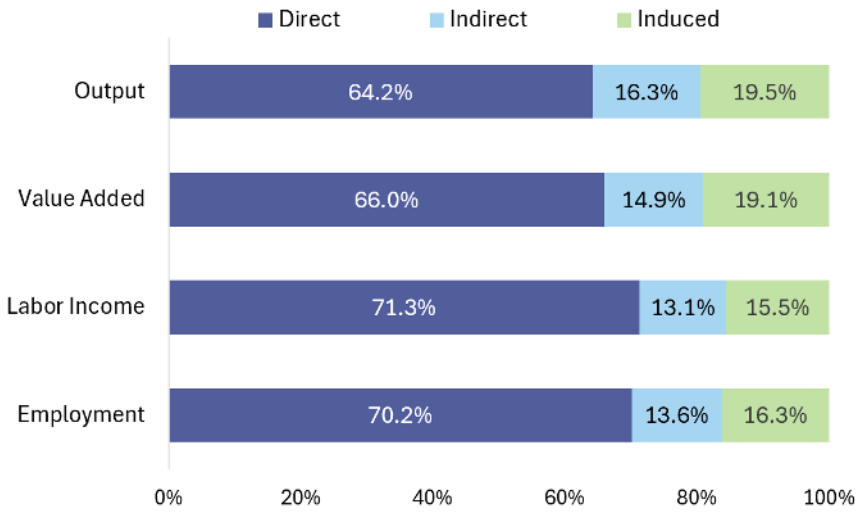
Source: Unison Consulting, Inc.
Results are sorted by employment impact.
Monetary values are in 2025 dollars.

5.2 | Airport Operations

Airport operations encompass all the airlines and other entities that provide services to airport users. They generate approximately 39 percent of the Airport's total employment, 45 percent of labor income, 40 percent of value added, and 39 percent of output impacts. In FY2024, they supported 7,223 jobs, $385 million in labor income, $586 million in value added, and $956 million in total economic output (Figure 31).

Figure 31 | Economic Impact of PSP Operations

Impact	Employment (Jobs)	Labor Income ($M)	Value Added ($M)	Output ($M)
Direct	5,070	275	387	614
Indirect	979	51	87	156
Induced	1,174	60	112	186
Total	**7,223**	**385**	**586**	**956**



Source: Unison Consulting, Inc.
Monetary values are in 2025 dollars.

At the industry sector level, transportation and warehousing receive the largest share of economic impacts from airport operations: nearly 69 percent of total employment, 69 percent of labor income, 54 percent of value added, and 54 percent of output.

Table 7 | Economic Impact of Airport Operations by Industry Sector

Industry Sector	Employment (Jobs)		Labor Income ($M)		Value Added ($M)		Output ($M)	
	Total	Share	Total	Share	Total	Share	Total	Share
Transportation and Warehousing	5,002	69.3%	267	69.3%	315	53.7%	518	54.2%
Real Estate and Rental and Leasing	357	4.9%	15	3.9%	118	20.1%	173	18.1%
Administrative and Waste Management Services	299	4.1%	13	3.4%	17	2.9%	32	3.3%
Accommodation and Food Services	283	3.9%	10	2.7%	18	3.1%	32	3.3%
Health Care and Social Assistance	247	3.4%	16	4.1%	18	3.1%	28	2.9%
Retail Trade	217	3.0%	10	2.5%	22	3.8%	29	3.1%
Other Services (except Public Administration)	211	2.9%	9	2.4%	11	1.8%	16	1.7%
Finance and Insurance	141	2.0%	5	1.2%	8	1.4%	27	2.9%
Administrative Government	135	1.9%	15	4.0%	18	3.1%	18	1.9%
Professional, Scientific, and Technical Services	78	1.1%	5	1.2%	7	1.2%	12	1.3%
Construction	54	0.7%	4	1.0%	6	1.0%	10	1.1%
Wholesale Trade	53	0.7%	5	1.3%	12	2.1%	21	2.2%
Government Enterprises	43	0.6%	5	1.3%	6	1.0%	16	1.7%
Arts, Entertainment, and Recreation	32	0.4%	1	0.3%	2	0.3%	3	0.3%
Educational Services	26	0.4%	1	0.3%	1	0.2%	2	0.2%
Management of Companies and Enterprises	18	0.3%	2	0.5%	2	0.4%	4	0.4%
Information	15	0.2%	1	0.3%	3	0.5%	7	0.8%
Manufacturing	4	0.1%	0	0.1%	1	0.1%	2	0.2%
Agriculture, Forestry, Fishing and Hunting	2	0.0%	0.1	0.0%	0.2	0.0%	0.3	0.0%
Utilities	2	0.0%	0.3	0.1%	2	0.3%	3	0.3%
Mining, Quarrying, and Oil and Gas Extraction	0	0.0%	0.0	0.0%	0.0	0.0%	0.1	0.0%
Total	**7,223**	**100.0%**	**385**	**100.0%**	**586**	**100.0%**	**956**	**100.0%**

Source: Unison Consulting, Inc.
Results are sorted by employment impact.
Monetary values are in 2025 dollars.

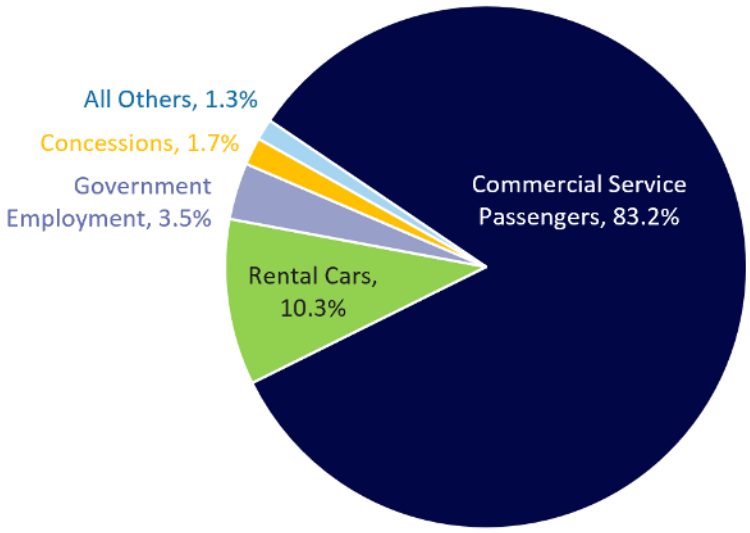
Table 8 details economic impacts by airport operations category. As expected, commercial passenger service makes the most significant contribution: 88 percent of employment, 87 percent of labor income, 78 percent of value added, and 79 percent of output—on average, 83 percent of airport operations' total impacts (Figure 32).

Table 8 | Economic Impact by Airport Operations Category

Operations Category	Employment (Jobs)	Labor Income ($M)	Value Added ($M)	Output ($M)
Commercial Service Passengers	6,383	336.7	455.1	759.4
Rental Cars	424	19.4	90.7	139.9
Government Employment	189	18.1	23.1	26.5
Concessions	133	5.5	10.2	17.2
FBO/GA (Includes Customs Fees)	77	4.2	5.6	9.6
Ground Transport	10	0.7	1.0	2.4
Cargo	6	0.3	0.5	0.8
Total	7,223	384.9	586.2	955.8

Source: Unison Consulting, Inc.
Monetary values are in 2025 dollars.

Figure 32 | Share of Airport Operations Impact by Category (Average)



Source: Unison Consulting, Inc.

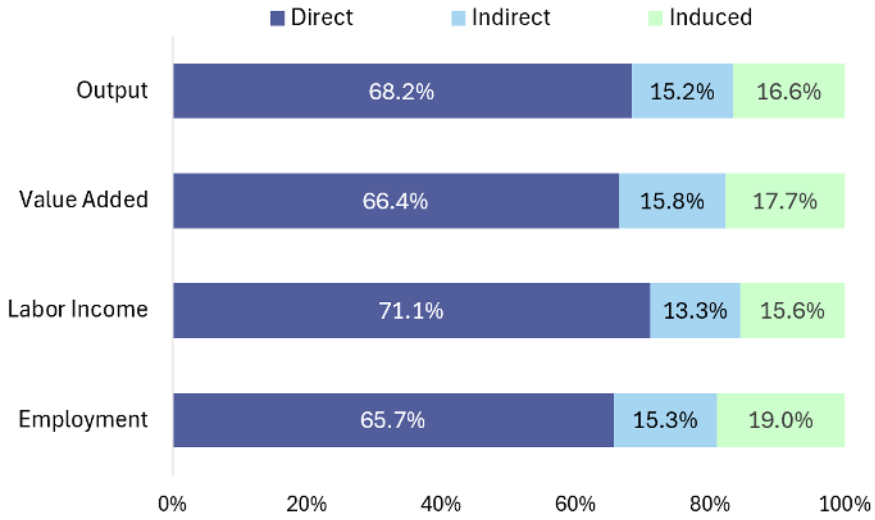
5.3 | Capital Outlays

Capital expenditures at airports vary over time, with higher spending during major construction projects and lower spending during routine upgrades and maintenance. To estimate the economic impact of capital expenditures, we used the three-year (FY2022–2024) average of $4.15 million to represent capital outlays in a typical year (see Section 4). The Airport did not undertake significant capital improvements during this period.

In FY2024, capital outlays supported 29 jobs, approximately $1.8 million in labor income, $2.9 million in value added, and $5.2 million in total output (Figure 33).

Figure 33 | Economic Impact of Capital Outlays

Impact	Employment (Jobs)	Labor Income ($M)	Value Added ($M)	Output ($M)
Direct	19	1.3	1.9	3.6
Indirect	4	0.2	0.5	0.8
Induced	5	0.3	0.5	0.9
Total	**29**	**1.8**	**2.9**	**5.2**



Source: Unison Consulting, Inc.
Monetary values are in 2025 dollars.

Table 9 This section details the economic impacts of capital outlays by industry sector. As expected, construction accounts for the largest share, followed by professional, scientific, and technical services.

Table 9 | Economic Impact of Capital Outlays by Industry Sector

Industry Sector	Employment (Jobs)		Labor Income ($M)		Value Added ($M)		Output ($M)	
	Total	Share	Total	Share	Total	Share	Total	Share
Construction	13	45.8%	0.9	50.7%	1.4	47.4%	2.5	49.0%
Professional, Scientific, and Technical Services	6	21.3%	0.4	21.1%	0.5	18.2%	1.0	18.5%
Retail Trade	2	5.8%	0.1	4.2%	0.2	5.9%	0.2	4.3%
Health Care and Social Assistance	1	4.0%	0.1	4.1%	0.1	2.9%	0.1	2.5%
Administrative and Waste Management Services	1	4.1%	0.1	2.9%	0.1	2.3%	0.1	2.4%
Accommodation and Food Services	1	3.2%	0.0	1.9%	0.1	2.0%	0.1	2.0%
Other Services (except Public Administration)	1	3.2%	0.0	2.3%	0.0	1.6%	0.1	1.4%
Wholesale Trade	1	3.3%	0.1	5.1%	0.2	7.4%	0.4	7.2%
Transportation and Warehousing	1	3.0%	0.0	2.6%	0.1	1.9%	0.1	1.7%
Real Estate and Rental and Leasing	1	2.2%	0.0	1.5%	0.2	7.0%	0.3	5.8%
Finance and Insurance	0	1.6%	0.0	0.8%	0.0	0.9%	0.1	1.7%
Manufacturing	0	0.2%	0.0	0.2%	0.0	0.2%	0.0	0.4%
Educational Services	0	0.4%	0.0	0.3%	0.0	0.2%	0.0	0.2%
Arts, Entertainment, and Recreation	0	0.6%	0.0	0.4%	0.0	0.3%	0.0	0.3%
Information	0	0.3%	0.0	0.4%	0.0	0.7%	0.0	0.9%
Management of Companies and Enterprises	0	0.4%	0.0	0.6%	0.0	0.4%	0.0	0.4%
Government Enterprises	0	0.5%	0.0	0.9%	0.0	0.6%	0.1	1.0%
Agriculture, Forestry, Fishing and Hunting	0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Utilities	0	0.0%	0.0	0.1%	0.0	0.2%	0.0	0.2%
Mining, Quarrying, and Oil and Gas Extraction	0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Administrative Government	0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total	**29**	**100.0%**	**1.8**	**100.0%**	**2.9**	**100.0%**	**5.2**	**100.0%**

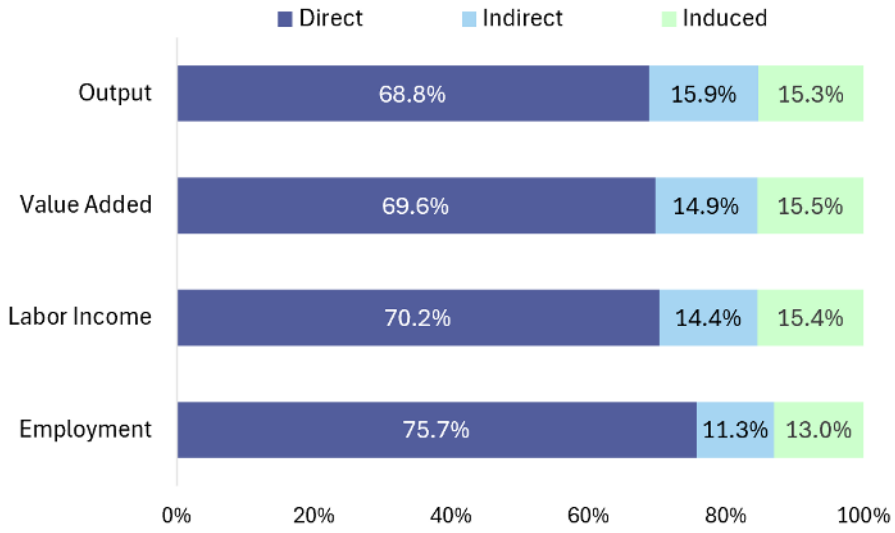
Source: Unison Consulting, Inc.
Results are sorted by employment impact.
Monetary values are in 2025 dollars.

5.4 | Visitor Spending

Among the three primary sources of the Airport's economic impact—operations, capital outlays, and visitor spending—visitor spending accounts for the largest share of the Airport's total economic impacts: 61 percent of employment, 55 percent of labor income, 60 percent of value added, and 61 percent of output. In FY2024, local spending by visitors arriving through the Airport, estimated at $1.1 billion, supported more than 11,000 jobs, $477 million in labor income, $889 million in value added, and $1.5 billion in total output in the regional economy (Figure 34).

Figure 34 | Economic Impact of Visitor Spending

Impact	Employment (Jobs)	Labor Income ($M)	Value Added ($M)	Output ($M)
Direct	8,421	335	619	1,028
Indirect	1,260	69	132	238
Induced	1,444	73	138	229
Total	**11,126**	**477**	**889**	**1,495**



Source: Unison Consulting, Inc.
Monetary values are in 2025 dollars.

Accommodation & food services, arts, entertainment, & recreation, and retail trades comprise the largest share of impacts since these sectors are closely aligned with visitor activity (Table 10).

Table 10 | Impact of Visitor Spending by Industry Sector

Industry Sector	Employment (Jobs)		Labor Income ($M)		Value Added ($M)		Output ($M)	
	Total	Share	Total	Share	Total	Share	Total	Share
Accommodation and Food Services	131,644	45.9%	5,486	33.9%	9,236	31.0%	15,478	32.3%
Arts, Entertainment, and Recreation	33,603	11.7%	2,283	14.1%	3,414	11.4%	5,433	11.3%
Retail Trade	18,062	6.3%	912	5.6%	1,986	6.7%	2,563	5.3%
Transportation and Warehousing	17,463	6.1%	1,052	6.5%	1,423	4.8%	2,342	4.9%
Real Estate and Rental and Leasing	17,392	6.1%	703	4.3%	5,436	18.2%	7,916	16.5%
Other Services (except Public Administration)	13,160	4.6%	625	3.9%	731	2.4%	1,124	2.3%
Health Care and Social Assistance	11,473	4.0%	815	5.0%	947	3.2%	1,416	3.0%
Administrative and Waste Management Services	10,504	3.7%	643	4.0%	787	2.6%	1,320	2.8%
Professional, Scientific, and Technical Services	8,448	2.9%	981	6.1%	1,374	4.6%	2,015	4.2%
Finance and Insurance	7,956	2.8%	675	4.2%	1,061	3.6%	2,228	4.6%
Management of Companies and Enterprises	3,853	1.3%	559	3.5%	673	2.3%	1,026	2.1%
Wholesale Trade	2,930	1.0%	320	2.0%	744	2.5%	1,266	2.6%
Information	2,375	0.8%	382	2.4%	841	2.8%	1,406	2.9%
Educational Services	2,362	0.8%	145	0.9%	157	0.5%	220	0.5%
Manufacturing	1,817	0.6%	203	1.3%	400	1.3%	1,045	2.2%
Construction	1,692	0.6%	132	0.8%	200	0.7%	350	0.7%
Government Enterprises	1,317	0.5%	179	1.1%	194	0.6%	477	1.0%
Agriculture, Forestry, Fishing and Hunting	374	0.1%	20	0.1%	25	0.1%	40	0.1%
Utilities	220	0.1%	52	0.3%	188	0.6%	274	0.6%
Mining, Quarrying, and Oil and Gas Extraction	38	0.0%	3	0.0%	8	0.0%	19	0.0%
Administrative Government	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**289,022**	**100.0%**	**16,017**	**100.0%**	**29,492**	**100.0%**	**47,427**	**100.0%**

Source: Unison Consulting, Inc.
Results are sorted by employment impact.
Monetary values are in 2025 dollars.

5.5 | Geographic Allocation of Economic Impacts

IMPLAN's Multi-Region Input-Output (MRIO) model permits the allocation of economic impacts across the study region's component counties (Table 11). More than 98 percent of PSP's impacts accrue to Riverside County, where the Airport is located.

Table 11 | Allocation of Economic Impacts: Riverside and San Bernardino Counties, 2024

	Employment (Jobs)		Labor Income ($M)		Value Added ($M)		Output ($M)	
County	Total	Share	Total	Share	Total	Share	Total	Share
Riverside	18,140	98.7%	850	98.4%	1,453	98.3%	2,415	98.3%
San Bernardino	237	1.3%	14	1.6%	25	1.7%	41	1.7%
Total	18,377	100.0%	864	100.0%	1,478	100.0%	2,456	100.0%

Source: Unison Consulting, Inc.
Monetary values are in 2025 dollars.

Many airport stakeholders are specifically interested in the Coachella Valley and the City of Palm Springs (see Figure 11). While IMPLAN's models are primarily designed for broader regional analysis, we derive a sub-county allocation of Riverside County impacts by integrating various data sources, including regional employment patterns, commuting trends, and industry-sector data. In addition, we make the following assumptions:

- Since airport operations and capital outlays occur on-airport, direct effects are attributed to the City of Palm Springs. In contrast, indirect and induced effects are distributed based on commuting and employment data.
- Most visitors using the Airport stay and spend in the Coachella Valley.[13] Based on a distance-based model, we attribute approximately 94.8 percent of visitor spending to Coachella Valley and around 10 percent of that share to the City of Palm Springs.[14]

This approach provides reasonable approximations rather than precise allocations.

Table 12 presents the estimated economic impacts of the Airport on the Coachella Valley and the City of Palm Springs. The Airport supports approximately 6,400 jobs in Palm Springs and an additional 10,663 jobs across the rest of the Coachella Valley. This results in $334 million in labor income, $498 million in value added, and $801 million in total economic output for the City of Palm Springs. The remainder of the Coachella Valley benefits from $467 million in labor income, $875 million in value added, and $1.5 billion in total economic output.

[13] Those visiting other areas in Riverside and neighboring counties are likely to use the other commercial service airports such as Ontario International (ONT), John Wayne (SNA), Long Beach (LGB), and Los Angeles International (LAX).

[14] We factored in average travel times to more than 20 resorts in the Coachella Valley and the drive time to the center of tourism-related employment in each of Riverside County's 17 Census County Divisions (CCDs).

Table 12 | Allocation of Economic Impacts: Coachella Valley and City of Palm Springs, 2024

Region	Employment (Jobs)	Labor Income ($M)	Value Added ($M)	Output ($M)
City of Palm Springs	6,411	334	498	801
Remainder of Coachella Valley	10,663	467	875	1,473
Coachella Valley Subtotal	17,075	802	1,373	2,274
Remainder of Riverside County	1,066	48	80	141
Riverside County Total	18,140	850	1,453	2,415

Source: Unison Consulting, Inc.
Monetary values are in 2025 dollars.

5.6 | Tax Revenues

Economic activities generate tax revenues. While these taxes fund essential public services and infrastructure projects that benefit communities, they represent income transfers rather than additional economic impacts.

The Airport's economic impacts generate nearly $382 million in taxes, including $53 million in sub-county taxes, $20 million in county taxes, $100 million in state taxes, and $209 million in federal taxes (Table 13). As with the broader economic impacts, the majority of tax revenue is generated in Riverside County.

Table 13 | Total Tax Revenue Generation ($ Thousands)

	Sub County					
County	General	Special Districts	County	State	Federal	Total
Riverside	23,308	28,832	19,388	97,908	206,083	375,519
San Bernardino	451	411	392	1,640	3,316	6,209
Total	23,758	29,243	19,780	99,548	209,399	381,728

Source: Unison Consulting, Inc.

5.6.1 | Tax Revenue by Impact Category, Tax Category, and Jurisdiction

Table 14 through Table 23 detail tax generation by tax category, impact type, and jurisdiction. Taxes related to Riverside County were estimated directly using the IMPLAN MRIO specification. Tax allocations were based on average tax generation per job for the City of Palm Springs and Coachella Valley. These details illustrate the airport's broad fiscal contributions across multiple levels of government.

Table 14 | Federal Tax Generation: Riverside County

Tax Category	Operations ($K)	Capital Outlays ($K)	Visitor Spending ($K)	Total ($K)
Social Insurance Tax- Employee Contribution	24,033	111	29,782	53,926
Social Insurance Tax- Employer Contribution	19,214	89	24,306	43,609
TOPI: Excise Taxes	644	4	1,953	2,601
TOPI: Custom Duty	568	3	1,722	2,293
OPI: Corporate Profits Tax	7,308	42	13,574	20,925
Personal Tax: Income Tax	37,320	174	45,235	82,729
Personal Tax: Estate and Gift Tax	0	0	0	0
Total	**89,088**	**423**	**116,572**	**206,083**

Source: Unison Consulting, Inc.
TOPI are taxes on production and income.
Monetary values are in 2025 dollars.

Table 15 Federal Tax Generation: City of Palm Springs and Coachella Valley

Tax Category	City of Palm Springs ($K)	Remainder of Coachella Valley ($K)	Total ($K)
Social Insurance Tax- Employee Contribution	19,058	31,700	50,758
Social Insurance Tax- Employer Contribution	15,412	25,635	41,047
TOPI: Excise Taxes	919	1,529	2,448
TOPI: Custom Duty	810	1,348	2,158
OPI: Corporate Profits Tax	7,395	12,300	19,695
Personal Tax: Income Tax	29,238	48,631	77,869
Personal Tax: Estate and Gift Tax	0	0	0
Total	**72,833**	**121,143**	**193,976**

Source: Unison Consulting, Inc.
TOPI are taxes on production and income.
Monetary values are in 2025 dollars.

Table 16 | State Tax Generation: Riverside County

Tax Category	Operations ($K)	Capital Outlays ($K)	Visitor Spending ($K)	Total ($K)
Social Insurance Tax- Employee Contribution	748	3	946	1,697
Social Insurance Tax- Employer Contribution	879	4	1,112	1,996
TOPI: Sales Tax	13,446	78	40,752	54,277
TOPI: Property Tax	481	3	1,459	1,943
TOPI: Motor Vehicle License	418	2	1,267	1,688
TOPI: Severance Tax	17	0	51	68
TOPI: Other Taxes	970	6	2,941	3,917
TOPI: Special Assessments	0	0	0	0
OPI: Corporate Profits Tax	3,769	22	7,000	10,790
Personal Tax: Income Tax	9,232	43	11,226	20,501
Personal Tax: Motor Vehicle License	380	2	465	847
Personal Tax: Property Taxes	8	0	10	19
Personal Tax: Other Tax (Fish/Hunt)	75	0	91	166
Total	**30,424**	**163**	**67,321**	**97,908**

Source: Unison Consulting, Inc.
TOPI are taxes on production and income.
Monetary values are in 2025 dollars.

Table 17 | State Tax Generation: City of Palm Springs and Coachella Valley

Tax Category	City of Palm Springs ($K)	Remainder of Coachella Valley ($K)	Total ($K)
Social Insurance Tax- Employee Contribution	600	998	1,597
Social Insurance Tax- Employer Contribution	705	1,173	1,878
TOPI: Sales Tax	19,182	31,906	51,088
TOPI: Property Tax	687	1,142	1,829
TOPI: Motor Vehicle License	596	992	1,589
TOPI: Severance Tax	24	40	64
TOPI: Other Taxes	1,384	2,302	3,687
TOPI: Special Assessments	0	0	0
OPI: Corporate Profits Tax	3,813	6,343	10,156
Personal Tax: Income Tax	7,245	12,051	19,297
Personal Tax: Motor Vehicle License	299	498	798
Personal Tax: Property Taxes	7	11	17
Personal Tax: Other Tax (Fish/Hunt)	59	97	156
Total	**34,602**	**57,554**	**92,156**

Source: Unison Consulting, Inc.
TOPI are taxes on production and income.
Monetary values are in 2025 dollars.

Table 18 | County Tax Generation: Riverside County

Tax Category	Operations ($K)	Capital Outlays ($K)	Visitor Spending ($K)	Total ($K)
Social Insurance Tax- Employee Contribution	0	0	0	0
Social Insurance Tax- Employer Contribution	0	0	0	0
TOPI: Sales Tax	183	1	555	739
TOPI: Property Tax	4,326	25	13,111	17,462
TOPI: Motor Vehicle License	0	0	0	0
TOPI: Severance Tax	0	0	0	0
TOPI: Other Taxes	170	1	515	686
TOPI: Special Assessments	83	0	251	334
OPI: Corporate Profits Tax	0	0	0	0
Personal Tax: Income Tax	0	0	0	0
Personal Tax: Motor Vehicle License	0	0	0	0
Personal Tax: Property Taxes	75	0	92	167
Personal Tax: Other Tax (Fish/Hunt)	0	0	0	0
Total	**4,837**	**28**	**14,524**	**19,388**

Source: Unison Consulting, Inc.
TOPI are taxes on production and income.
Monetary values are in 2025 dollars.

Table 19 | County Tax Generation: City of Palm Springs and Coachella Valley

Tax Category	City of Palm Springs ($K)	Remainder of Coachella Valley ($K)	Total ($K)
Social Insurance Tax- Employee Contribution	0	0	0
Social Insurance Tax- Employer Contribution	0	0	0
TOPI: Sales Tax	261	434	696
TOPI: Property Tax	6,171	10,265	16,436
TOPI: Motor Vehicle License	0	0	0
TOPI: Severance Tax	0	0	0
TOPI: Other Taxes	242	403	645
TOPI: Special Assessments	118	197	315
OPI: Corporate Profits Tax	0	0	0
Personal Tax: Income Tax	0	0	0
Personal Tax: Motor Vehicle License	0	0	0
Personal Tax: Property Taxes	59	98	157
Personal Tax: Other Tax (Fish/Hunt)	0	0	0
Total	**6,852**	**11,397**	**18,249**

Source: Unison Consulting, Inc.
TOPI are taxes on production and income.
Monetary values are in 2025 dollars.

Table 20 | Sub County-General Tax Generation: Riverside County

Tax Category	Operations ($K)	Capital Outlays ($K)	Visitor Spending ($K)	Total ($K)
Social Insurance Tax- Employee Contribution	0	0	0	0
Social Insurance Tax- Employer Contribution	0	0	0	0
TOPI: Sales Tax	2,832	16	8,584	11,433
TOPI: Property Tax	1,795	10	5,441	7,247
TOPI: Motor Vehicle License	0	0	0	0
TOPI: Severance Tax	0	0	0	0
TOPI: Other Taxes	677	4	2,052	2,733
TOPI: Special Assessments	452	3	1,371	1,826
OPI: Corporate Profits Tax	0	0	0	0
Personal Tax: Income Tax	0	0	0	0
Personal Tax: Motor Vehicle License	0	0	0	0
Personal Tax: Property Taxes	31	0	38	69
Personal Tax: Other Tax (Fish/Hunt)	0	0	0	0
Total	**5,788**	**34**	**17,486**	**23,308**

Source: Unison Consulting, Inc.
TOPI are taxes on production and income.
Monetary values are in 2025 dollars.

Table 21 | Sub County-General Tax Generation: City of Palm Springs and Coachella Valley

Tax Category	City of Palm Springs ($K)	Remainder of Coachella Valley ($K)	Total ($K)
Social Insurance Tax- Employee Contribution	0	0	0
Social Insurance Tax- Employer Contribution	0	0	0
TOPI: Sales Tax	4,041	6,721	10,761
TOPI: Property Tax	2,561	4,260	6,821
TOPI: Motor Vehicle License	0	0	0
TOPI: Severance Tax	0	0	0
TOPI: Other Taxes	966	1,606	2,572
TOPI: Special Assessments	645	1,073	1,718
OPI: Corporate Profits Tax	0	0	0
Personal Tax: Income Tax	0	0	0
Personal Tax: Motor Vehicle License	0	0	0
Personal Tax: Property Taxes	24	41	65
Personal Tax: Other Tax (Fish/Hunt)	0	0	0
Total	**8,237**	**13,701**	**21,938**

Source: Unison Consulting, Inc.
TOPI are taxes on production and income.
Monetary values are in 2025 dollars.

Table 22 | Sub-County Special Districts Tax Generation: Riverside County

Tax Category	Operations ($K)	Capital Outlays ($K)	Visitor Spending ($K)	Total ($K)
Social Insurance Tax- Employee Contribution	0	0	0	0
Social Insurance Tax- Employer Contribution	0	0	0	0
TOPI: Sales Tax	931	5	2,821	3,757
TOPI: Property Tax	5,790	34	17,549	23,373
TOPI: Motor Vehicle License	3	0	10	14
TOPI: Severance Tax	0	0	0	0
TOPI: Other Taxes	50	0	152	203
TOPI: Special Assessments	311	2	944	1,257
OPI: Corporate Profits Tax	0	0	0	0
Personal Tax: Income Tax	0	0	0	0
Personal Tax: Motor Vehicle License	2	0	3	5
Personal Tax: Property Taxes	100	0	123	224
Personal Tax: Other Tax (Fish/Hunt)	0	0	0	0
Total	**7,189**	**42**	**21,602**	**28,832**

Source: Unison Consulting, Inc.
TOPI are taxes on production and income.
Monetary values are in 2025 dollars.

Table 23 | Sub-County Special Districts Tax Generation: City of Palm Springs and Coachella Valley

Tax Category	City of Palm Springs ($K)	Remainder of Coachella Valley ($K)	Total ($K)
Social Insurance Tax- Employee Contribution	0	0	0
Social Insurance Tax- Employer Contribution	0	0	0
TOPI: Sales Tax	1,328	2,208	3,536
TOPI: Property Tax	8,260	13,740	22,000
TOPI: Motor Vehicle License	5	8	13
TOPI: Severance Tax	0	0	0
TOPI: Other Taxes	72	119	191
TOPI: Special Assessments	444	739	1,183
OPI: Corporate Profits Tax	0	0	0
Personal Tax: Income Tax	0	0	0
Personal Tax: Motor Vehicle License	2	3	5
Personal Tax: Property Taxes	79	131	210
Personal Tax: Other Tax (Fish/Hunt)	0	0	0
Total	**10,190**	**16,949**	**27,138**

Source: Unison Consulting, Inc.
TOPI are taxes on production and income.
Monetary values are in 2025 dollars.

5.7 | Summary

Palm Springs International Airport is a vital economic engine for the Coachella Valley region and the Riverside MSA. In FY2024, the Airport generated substantial economic benefits across multiple dimensions: The Airport supported 18,377 jobs, $864 million in labor income, $1.5 billion in value added, and nearly $2.5 billion in total economic output. These impacts demonstrate the Airport's

role as a critical economic catalyst with multiplier effects that extend throughout the regional economy. The economic benefits were geographically concentrated, with over 98 percent accruing to Riverside County. Within this area, the Coachella Valley received the majority of benefits. The Airport's economic activity also generated approximately $382 million in tax revenues across federal, state, county, and local levels, providing essential public services and infrastructure funding.

Visitor spending emerged as the primary economic driver, accounting for approximately 55-61 percent of total impacts. This underscores the Airport's crucial function in facilitating regional tourism and business travel. Commercial passenger service dominated the airport operations category, averaging 83 percent of operational impacts.

PSP's substantial economic footprint confirms its position as an indispensable asset for the economic vitality and continued prosperity of Palm Springs, the Coachella Valley, and Riverside County.

SECTION 6 | PROJECTED ECONOMIC IMPACTS OF THE PSP 2025 MASTER PLAN

The Palm Springs City Council recently approved a new Airport Master Plan, marking a significant milestone in the Airport's development over the next two decades.[15] Planned improvements include enhanced rental car facilities and various terminal upgrades.

This section analyzes the potential economic impact of the capital improvements outlined in the Master Plan. These projections are illustrative and should be interpreted cautiously, as the estimated outlays have not yet occurred. Several administrative and regulatory steps remain before full implementation, and the actual scale and timing of expenditures may vary significantly.

6.1 | Assumptions

To evaluate the economic impact of the Master Plan capital program, we used project timelines and cost estimates from the Master Plan Financial Feasibility Study. The program spans at least 20 years, with expenditures categorized into:

- Near-term (2025–2029)
- Mid-term (2030–2034)
- Long-term (2035–2045)

This analysis focuses on the near- and mid-term impacts from 2025 to 2034.

For modeling purposes, we made the following assumptions:

- Expenditures in each time horizon are distributed evenly across the years.
- Based on projected inflation rates, yearly expenditures are expressed in project-year dollars.
- Annual expenditures will be divided between construction (60 percent), professional services (20 percent), and equipment (20 percent).

Table 24 provides estimates of the magnitude and timing of projected MP capital expenditures through 2034.[16]

[15] Palm Springs International Airport, "City Council Unanimously Approves Airport Master Plan Concept," https://flypsp.com/city-council-unanimously-approves-airport-master-plan-concept/.

[16] To create a uniform region for the calculation of economic impacts over 10 years, the analysis calculates the impact on the Riverside MSA.

Table 24 | Projected Master Plan Capital Spending by Year

Time Horizon	Year	Construction (M$)	Professional Services (M$)	Equipment (M$)	Total (M$)
Near-Term	2025	133	44	44	222
	2026	136	45	45	227
	2027	139	46	46	232
	2028	142	47	47	237
	2029	146	49	49	243
Mid-Term	2030	44	15	15	73
	2031	45	15	15	74
	2032	45	15	15	76
	2033	46	15	15	77
	2034	47	16	16	79
Total		**924**	**308**	**308**	**1,540**

Sources: Airport records and Unison Consulting, Inc.
Monetary values are in project-year dollars.

6.2 | Economic Impact of Master Plan Capital Program, 2025-2034

Table 25 presents the total economic impact of the near- and mid-term capital improvement program outlined in the Airport Master Plan. These estimates account for only the direct effect of construction activities. Additional benefits—such as enhancements to the Palm Springs brand, the potential to attract new air service, and improved capacity to accommodate more visitors—would further contribute to the region's economy beyond the impact of capital expenditures alone.

Over the next 10 years, the program is expected to support approximately 980 jobs per year, totaling 9,803 job-years across the program duration. Additionally, it is expected to generate $641 million in labor income, $1.0 billion in value added, and $1.8 billion in total output.[17]

Table 25 | Estimated Impact of Near- and Mid-Term Master Plan Capital Program

	Employment				
Impact	Annual Average (Jobs)	Job-years (Total)	Labor Income ($M)	Value Added ($M)	Output ($M)
Direct	643	6,432	460	692	1,243
Indirect	145	1,448	80	161	271
Induced	192	1,924	101	190	312
Total	**980**	**9,803**	**641**	**1,043**	**1,826**

Sources: Airport Records and Unison Consulting, Inc.
Monetary values are in 2025 dollars.

[17] Jobs are presented as an average because a job created in year 1 continues to be supported in year 2. A job year represents 1 job for one year. Labor income, value added, and output are summed across project years.

Over the same period, the capital program is estimated to produce $27 million in sub-county tax revenues, $11 million in county tax revenues, $60 million in state tax revenues, and $156 million in federal tax revenues, totaling $253 million (Table 26).

Table 26 | Estimated Tax Impacts of Near- and Mid-Term Master Plan Capital Program

	Sub County ($M)		County	State	Federal	Total
Impact	General	Special Districts	($M)	($M)	($M)	($M)
Direct	5	5	4	32	109	156
Indirect	4	4	3	14	21	46
Induced	4	4	3	14	26	50
Total	**13**	**14**	**11**	**60**	**156**	**253**

Sources: Airport Records and Unison Consulting, Inc.
Monetary values are in 2025 dollars.

6.3 | Investment Return Metrics

From an investment perspective, the return on each $1 million spent is:

- 0.7 jobs
- 6.83 job-years
- $446,775 in labor income
- $727,953 in value added
- $1.3 million in total economic output

These estimates do not include the broader economic impacts of additional air service and visitor traffic that the Airport can accommodate due to these projects. These extra benefits would further increase the overall economic contribution.

6.4 | Summary

The Palm Springs International Airport's 2025 Master Plan represents a strategic investment in the future growth and development of the Airport and the broader regional economy. This analysis of the plan's projected economic impacts reveals substantial potential benefits over the next decade. The near- and mid-term capital improvement program (2025-2034) is expected to generate approximately 980 jobs annually or 9,803 job-years throughout the program's duration, $641 million in labor income, $1.0 billion in value added, and $1.8 billion in total economic output within the regional economy.

From a fiscal perspective, the capital program is estimated to generate $351 million in total tax revenues across various government levels, including $27 million in sub-county taxes, $11 million in county taxes, $60 million in state taxes, and $253 million in federal taxes. These revenues will provide essential funding for the region's public services and infrastructure projects.

From an investment return perspective, each $1 million in capital expenditure yields approximately 6.83 job-years, $446,775 in labor income, $727,953 in value added, and $1.3 million in total economic output. These projections represent conservative estimates that account only for the

direct construction-related impacts of the capital program. The Master Plan improvements will likely yield additional economic benefits through enhanced passenger capacity, potential new air service, improvements to the visitor experience, and strengthening of Palm Springs' brand as a premier destination. While not quantified in this analysis, these secondary impacts would further amplify PSP's economic contributions to the Coachella Valley and Riverside County.

As the Airport implements this ambitious Master Plan, the economic benefits outlined here underscore PSP's continuing role as a vital economic engine and strategic asset for sustainable regional growth and prosperity.

Appendix: Methodology Supplement

IMPLAN is a widely used software for estimating economic impacts. It uses economic models that abstract real-world economics using variables and assumptions to simplify complex economic relationships and predict outcomes.[18] The following sections outline IMPLAN's approach to calculating multipliers, its underlying assumptions, and the use of Multi-Region Input-Output Analysis (MRIO).

IMPLAN Multipliers

IMPLAN utilizes an economic modeling technique called input-output (I-O) analysis and a social accounting matrix (SAM). IMPLAN's I-O model and SAM produce two types of multipliers to calculate the total economic impact:

- **Type I Multiplier** = (Direct Effect + Indirect Effect) / (Direct Effect), which captures direct and indirect effects.
- **Type SAM Multiplier** = (Direct Effect + Indirect Effect + Induced Effect) / (Direct Effect), which captures direct, indirect, and induced effects.[19]

IMPLAN I-O and SAM Model Assumptions

IMPLAN's I-O and SAM models are based on the following assumptions:

- **Constant Returns to Scale:** The same quantity of inputs is needed to produce a unit of output, regardless of the production level. In other words, if output increases by 10 percent, input requirements will also increase by 10 percent.
- **Fixed Input Structure / No Substitution Effects:** Firms do not change the mix of production inputs. There is no input substitution.
- **Industry Homogeneity:** All firms within an industry use a standard production process.
- **Unlimited Supply:** No supply constraints exist on inputs, raw materials, and labor.
- **Common Technology:** An industry uses the same technology to produce each product.
- **Constant Byproduct Coefficients:** An industry will always produce the same product mix regardless of production level. In other words, an industry will not increase the output of one product without proportionately increasing the production of all its other products.
- **Static Model:** I-O models do not consider price changes, general equilibrium effects such as offsetting gains or losses in other Industries or geographies, and diversion of funds from

[18] IMPLAN, "Validity of IMPLAN," IMPLAN Support References, August 30, 2024, https://support.implan.com/hc/en-us/articles/28763413922459-Validity-of-IMPLAN.

[19] Angela Slovachek, "Economic Effects & Multipliers," IMPLAN Support References, September 20, 2023, https://support.implan.com/hc/en-us/articles/18944332362523-Economic-Effects-Multipliers.

other projects. Consumer preferences, government policy, technology, and prices all remain constant.

- **Backward Linked:** Type I multipliers measure only the backward linkages, also known as upstream effects.
- **No Lag in Economic Impacts:** The models assume economic impacts are realized within a year. In reality, the economy may take time to settle into a new equilibrium after an initial change in economic activity.[20]

Multi-Region Input-Output Analysis

Multipliers measure the economic ripple effects within a study region by capturing how end-user purchases generate additional business-to-business and household spending. However, most regions cannot fully meet all end-user demand locally. Economic leakage occurs when goods or services must be sourced from outside the study region.

MRIO analysis allows for the explicit tracking of these leakages between geographic areas. Instead of treating them as lost economic activity, MRIO accounts for their contribution to total impacts across multiple regions.

While this study's primary focus is on the Airport's economic impact within Riverside County, MRIO links these impacts to San Bernardino County, providing a more comprehensive assessment of the Airport's total effect on the MSA.[21]

[20] Candi Clouse, "IMPLAN Report Toolkit," March 13, 2020, IMPLAN Support References, https://support.implan.com/hc/en-us/articles/360044985833-IMPLAN-Report-Toolkit.

[21] Candi Clouse, "MRIO: Introduction to Multi-Regional Input-Output Analysis," "https://support.implan.com/hc/en-us/articles/115009713448-MRIO-Introduction-to-Multi-Regional-Input-Output-Analysis

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