

Economic Impact Study of Montana Airports

2026

Prepared for the Montana Department of Transportation

Prepared by Zenith Economics, LLC

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Study Overview

In 2025, the Montana Department of Transportation commissioned a comprehensive update to its statewide aviation economic impact analysis. Zenith Economics, in partnership with Montana State University, led this effort.

Study Objectives

- Quantify economic, fiscal, and qualitative contributions of Montana's 75 public-use airports
- Update and expand upon prior studies (2008, 2016) with modern methods
- Provide defensible estimates for policy, planning, and federal funding decisions
- Document qualitative benefits: emergency response, healthcare, wildfire, agriculture

Approach

- FAA-compliant methodology using IMPLAN multi-regional input-output (MRIO) modeling
- Extensive primary data: surveys of airport managers, tenants, passengers, hospitals, and businesses
- Supplemented by BEA, BLS, FAA, and IMPLAN 2024 data

Disclosure

- All figures are based on numerous estimates and assumptions and should not be interpreted as a guarantee of the actual economic impact that was realized by any region or entity in the State of Montana.
- This report does not offer financial, legal, strategic, economic, political, or other advice in any form.

Statewide Aviation: At a Glance

\$6.5B

Total Economic
Output

39,000+

Jobs
Supported

\$2.4B

Labor
Income

\$328M

State & Local
Tax Revenue

Supporting Montana's economy through passenger travel, business connectivity, freight, emergency response, and specialized aviation services

Source: IMPLAN 2024 Data, all-county Montana model. Analysis by Zenith Economics

Overview of the Montana Economy

Context for Aviation's Role in a Transforming State

A Larger, Wealthier, More Diversified Economy

Montana's economy has undergone a profound structural transformation since the last airport Economic Impact Study (EIS) in 2016, pivoting from resource extraction toward a diversified, service-led model.

Key Changes Since 2016

- Real GDP grew ~25%, from \$47.2B (2016) to \$60.6B (2024)
- Population reached 1,137,233 — up ~97,000 since 2016, driven by net domestic in-migration
- Unemployment fell to 3.0% (Sept. 2025), down from 4.2% average in 2016
- Average annual wage reached \$60,040; Professional Services sector averaging \$102,000
- Median home price rose from ~\$235,000 (2016) to ~\$543,000 (2024)
- Nonresident travelers spent a record \$5 billion in 2024

Source: BEA, Census Bureau, BLS, QCEW, Redfin, University of Montana. Analysis by Zenith Economics



Economic Impacts of Aviation

Quantifying Aviation's Contribution to Montana's Economy

Total Economic Impact: \$6.5 Billion

Montana's statewide aviation system produces approximately \$6.5 billion in total economic output, supporting over 39,000 annual jobs, \$2.4 billion in labor income, and \$3.6 billion in gross regional product.

Primary Drivers of Economic Activity

- **Visitor Spending:** \$3.7B in total output, supporting 25,000 jobs
- **Airport Tenant Operations:** \$2.1B in output, sustaining 10,000 jobs
- **Capital Expenditures:** \$292.4M in output, supporting 1,600 jobs
- **GA Visitor Spending:** \$241.3M in output from general aviation visitors

Source: IMPLAN 2024 Data, all-county Montana model. Analysis by Zenith Economics.

Direct Spending Categories

Five primary categories of direct spending serve as initial inputs for the economic impact modeling process, representing immediate financial injections prior to secondary multipliers.

- **Commercial Visitor Spending:** \$2.1 billion — the largest single category
- **Airport Tenant Operations:** \$1.2 billion in on-airport business activity
- **Capital Investment:** \$170.4 million in airport infrastructure development
- **GA Visitor Spending:** \$143.9 million from private and business aviation visitors
- **Direct Airport Operations:** \$90.3 million in airport authority operations

Collectively, these direct spending categories total approximately \$3.7 billion — the primary driver behind the system's \$6.5 billion in total economic output after multiplier effects.

Airport Operations and Capital Investment

Montana's airports function as economic engines through their own operational activities and infrastructure investments, well beyond their role in facilitating travel.

On-Airport Activity (Direct)

- \$919 million in direct labor income from airport and tenant operations
- Over 11,000 direct jobs across airport authorities, FBOs, concessionaires, and service providers

Total Impact (with Multiplier Effects)

- **12,800 jobs** supported statewide from operations and capital investment
- **\$1.0 billion** in labor income, **\$2.6 billion** in total economic output
- GA facilities contribute meaningfully, especially in rural communities where the airport may be among the largest local employers

Source: IMPLAN 2024 Data, all-county Montana model. Analysis by Zenith Economics.

Commercial Visitor Spending Impacts

Montana's eight commercial service airports connected approximately 2.6 million arriving visitors in 2025 who collectively spent an estimated \$1.9 billion during their trips.

Total Impact of Commercial Visitor Spending

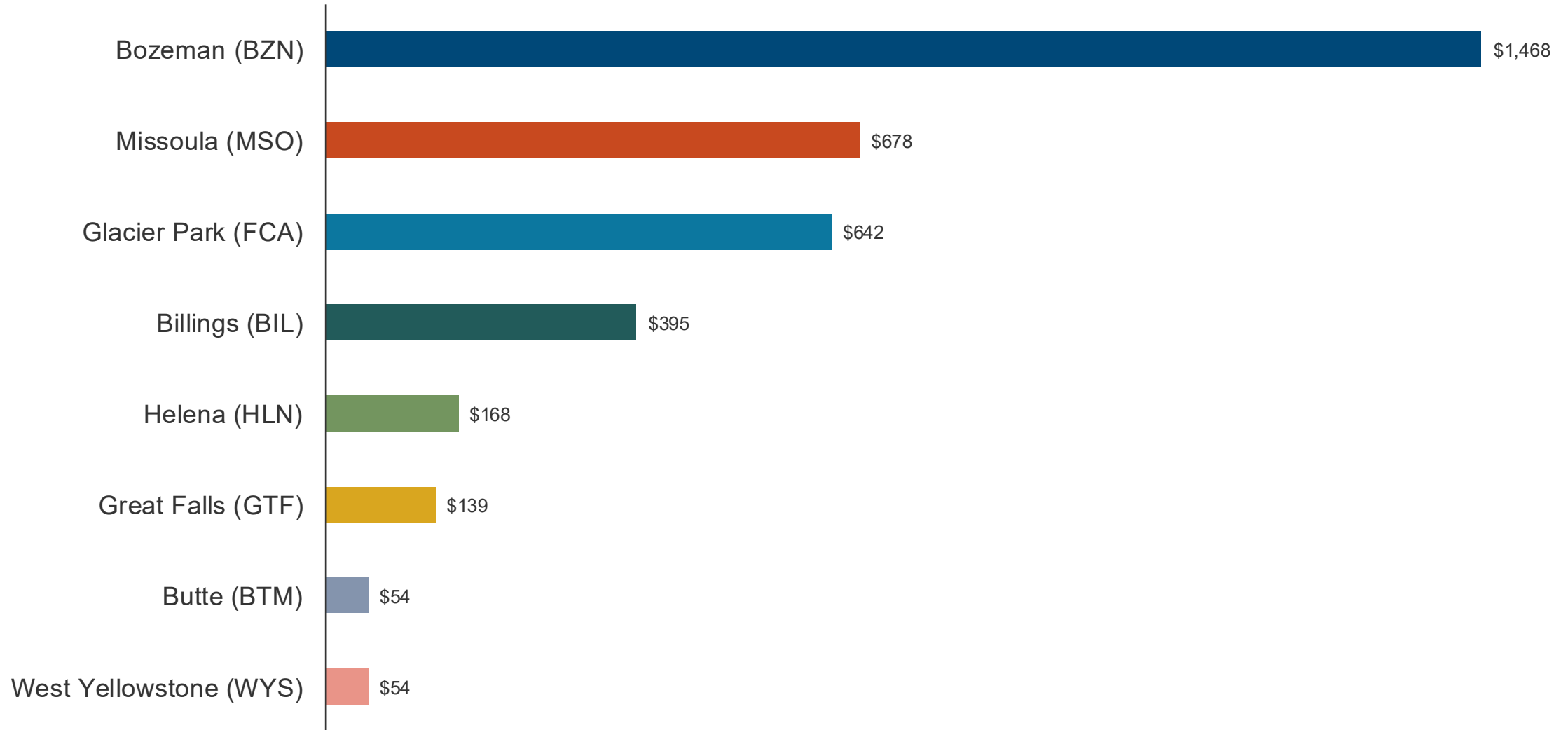
- **25,000 jobs** supported and **\$1.2 billion** in labor income
- **\$3.6 billion** in total economic output across Montana
- Expenditures span lodging, dining, retail, transportation, and recreation

Secondary Effects

- Indirect and induced effects supported an additional 8,200 jobs, \$493M in labor income, and \$1.5B in economic output
- Bozeman Yellowstone International accounts for 40.8% of total visitor spending impacts

Source: IMPLAN 2024 Data, all-county Montana model. Analysis by Zenith Economics.

Visitor Spending Output for Largest Airports (\$M), 2025



Source: IMPLAN 2024 Data, all-county Montana model. Analysis by Zenith Economics.

General Aviation Visitor Spending

Montana's 67 general aviation and small commercial (EAS) airports facilitate access for private pilots, charter flights, and recreational flyers visiting the state.

GA Visitor Spending Impacts

- Approximately \$162 million in direct expenditures in 2025
- Total contribution including multipliers: **1,600 jobs, \$86M labor income, \$241M output**
- Visitors contribute through fuel, lodging, meals, and recreational activities
- While individual GA airports see modest volumes, collectively they provide dispersed economic benefits to rural communities across the state

Source: IMPLAN 2024 Data, all-county Montana model. Analysis by Zenith Economics.

Fiscal Impacts

Montana's airport system generates substantial tax revenues across multiple jurisdictions, funded largely through the economic activity driven by visitor spending and on-airport operations.

Total Fiscal Contributions

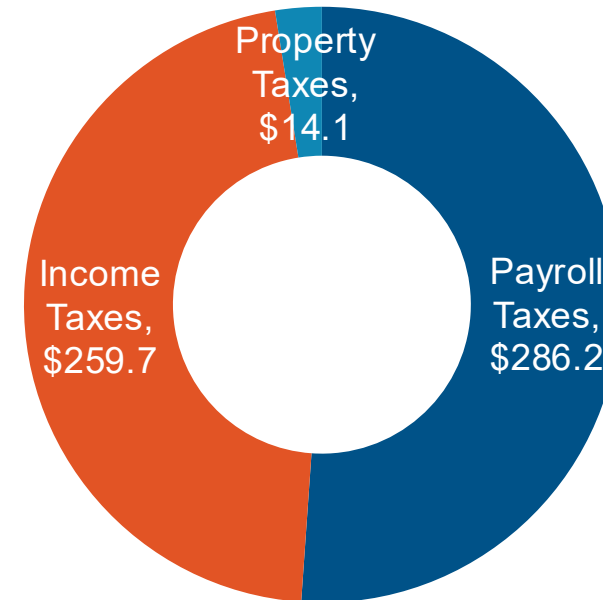
- **\$327.6M** in combined state and local tax revenues
- **\$527.2M** in federal tax contributions
- Visitor spending alone accounts for \$460.4M in total tax value

By Revenue Source

- Payroll taxes: \$286.2M | Income taxes: \$259.7M | Property taxes: \$14.1M
- State captures \$205.1M; counties receive \$44.1M; sub-county districts receive \$50.2M

Fiscal Revenue by Type (\$M)

■ Payroll Taxes ■ Income Taxes ■ Property Taxes



Source: IMPLAN 2024 Data, all-county Montana model. Analysis by Zenith Economics.

Qualitative Impacts of Aviation

Beyond the Numbers: Aviation as Enabling Infrastructure

Business Use of Montana Airports

Zenith Economics, in collaboration with the Montana Department of Labor, surveyed approximately 50 throughout the state across a broad cross-section of industries.

Key Survey Findings

- **56%** of respondents reported employees using commercial airports for business travel
- Employees averaged **3.4 business trips** per year via commercial air
- Airport access influences **business location and expansion decisions**
- Commercial airports ranked among the top factors for firms considering expansion or relocation
- Airports support productivity, market access, and workforce mobility in a state defined by geographic distance

Source: 2025 Montana Business Survey. Analysis by Zenith Economics.

Hospital and Healthcare Access

In collaboration with the Montana Hospital Association, Zenith Economics surveyed 42 hospital and clinic locations statewide, collecting 17 complete responses. Aviation reliance across Montana's healthcare system is widespread.

Hospital Survey Findings

- **94.1%** of responding hospitals transfer patients via air ambulance (16 of 17)
- **3,085 air ambulance transfers** reported annually across respondents
- **70.6%** of hospitals have helipads; **52.9%** use air cargo for drug/supply shipments
- **29.4%** of all respondents report specialists traveling by aircraft for clinics — including cardiology, orthopedics, and pediatric subspecialties

Source: Montana 2025 Hospital Survey. Analysis by Zenith Economics.

Wildfire Response and Aerial Firefighting

Aerial firefighting is a critical element of Montana's wildfire suppression system. Public-use airports provide the physical backbone for federal, state, tribal, and local wildfire response operations.

Firefighting Aviation in Montana

- **36 airports** confirmed involvement in aerial or wildland firefighting operations
- Airports serve as tanker bases, helicopter bases, reload points, crew staging areas, and logistical coordination centers
- Resources deployed via BLM, U.S. Forest Service, and MT Dept. of Natural Resources
- Distributed network allows agencies to adapt to shifting fire conditions across large distances
- Includes smokejumper deployment, air tanker operations, and helicopter rappel crew insertion

Source: 2025 Airport Manager Survey, BLM, U.S. Forest Service, MTDNR. Analysis by Zenith Economics.

Agriculture and Aviation

With more than 57 million acres of farmland and rangeland, Montana's agricultural sector is deeply intertwined with the state's airport system and broader aviation infrastructure.

Aviation's Role in Agriculture

- **26 airports** confirmed involvement in agricultural spraying operations
- Aerial application critical for time-sensitive crop management — fertilizers, herbicides, fungicides, and pesticides across large acreages
- Livestock management: herd monitoring, fencing inspection, predator control across ranches spanning thousands of acres
- Export-oriented sector — airports connect producers to domestic and international markets for wheat, barley, and pulse crops

Source: IMPLAN 2024 Data, all-county Montana model. Analysis by Zenith Economics.

Air Cargo and High-Value Trade

In 2024, Montana reached a record \$2.4 billion in total international goods exports — a 53% increase over the previous decade. Air cargo handles a disproportionately high percentage of freight by value.

High-Value Air-Reliant Commodities

- Chemicals and pharmaceuticals: \$533M (largest manufacturing export category)
- Aircraft parts: \$219.2M | Semiconductor machinery: \$153.9M
- 41% of hospitals use air cargo for drug shipments; 38.5% for diagnostics/testing
- Enplanement growth at key hubs: Missoula +11.6%, Glacier Park +10.4% in 2024

Source: OEC, USTR, MDT, 2025 Montana Hospital Survey. Analysis by Zenith Economics.

Conclusion

Key Takeaways and Looking Ahead

Key Takeaways

- Montana's airports generate **\$6.5 billion in total economic output**, supporting over 39,000 jobs and \$2.4 billion in labor income
- Visitor spending is the primary economic driver — **2.6 million arriving visitors** spent \$1.9B during their trips in 2025
- The aviation system generates **\$854.8 million in total tax revenue** (\$328M state/local, \$527M federal)
- Airports serve as **critical enabling infrastructure** for healthcare, wildfire response, agriculture, business, and trade
- Both commercial and general aviation airports contribute to a **statewide integrated system** that underpins Montana's economic resilience

Source: IMPLAN 2024 Data, all-county Montana model. Analysis by Zenith Economics.

Looking Ahead

Montana's economy has successfully diversified, but managing the pace of growth and its demands on infrastructure remain the defining challenge of the coming decade.

The Role of Aviation Going Forward

- Continued population growth and tourism expansion will increase demand on air service capacity
- Airports remain essential for healthcare access, workforce mobility, and emergency response in a large, rural state
- Wildfire seasons are growing in intensity — maintaining and investing in the airport network enhances statewide resilience
- Investments in airport infrastructure yield measurable returns through jobs, tax revenue, and economic development across both urban and rural communities
- This study provides the data foundation to support policy, planning, and federal funding decisions for the next decade

Thank You

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Appendix

Methods, Definitions, Disclaimers, and ADA Statements

Study Limitations and Disclosure

Assumptions and Limitations

- Current economic relationships captured in IMPLAN 2024 model year data are assumed to remain relatively stable into 2025.
- The analysis assumes constant returns to scale and industrial homogeneity consistent with standard input-output modeling conventions.
- Impact results represent estimated contributions based on data collected during the study period and may vary with different levels of data granularity.
- 100% of estimated capital investment and on-site employment are attributed to study airports and their respective counties.
- All reported figures are in current (2026) dollars. No figures are escalated for future inflation.
- Visitor surveys are assumed to represent a representative sample of air passengers. The commercial passenger survey collected 7,500+ raw responses — over 25 times the sample of the prior study iteration.
- Hospital and business survey results should be interpreted as descriptive of respondents rather than as statistically weighted statewide estimates.
- Detailed public comparison of results across prior study iterations (2008, 2016) is not advised due to significant differences in methods, airport counts, and IMPLAN modeling weights.

Disclosure

All figures are based on numerous estimates and assumptions and should not be interpreted as a guarantee of the actual economic impact that was realized by any region or entity in the State of Montana. This report does not offer financial, legal, strategic, economic, political, or other advice in any form.

About This Report

This study updates upon the previous 2008 and 2016 Montana Economic Impact of Airports studies to provide a comprehensive, FAA-compliant evaluation of the economic, fiscal, and qualitative contributions of Montana's statewide airport system, delivering defensible impact estimates, updated methodologies, and accessible tools to support policy, planning, and federal funding decisions.

About the Authoring Firm

Zenith Economics, LLC is an independent and nonpartisan economic consultancy practice providing leading expertise in Economic Impact Analysis, Land Use, and Economic Development to a wide variety of public, private, and nonprofit clients.

www.zenithecon.com

Methodology

For more detailed information, please see the complete Technical Report.

Economic Modeling

- IMPLAN Multi-Regional Input-Output (MRIO) model with 2024 data
- County-level and multi-region framework capturing inter-county dynamics
- FAA-compliant methodology; consistent with prior Montana studies where appropriate

Primary Data Collection

- Six survey instruments: airport managers, tenants, commercial passengers, GA visitors, businesses, and hospitals
- In-person site visits to a sample of airports across Montana
- Secondary data from BEA, BLS, FAA, U.S. Census, and IMPLAN
- 75 airports analyzed including larger commercial service and GA/small commercial facilities

Source: IMPLAN 2024 Data, all-county Montana model. Analysis by Zenith Economics.

Key Terms: Economic Impact Definitions

Input-Output Model

A quantitative framework used to estimate how airport-related spending circulates through the economy via inter-industry transactions.

MRIO Model

Extends standard input-output by linking multiple geographic regions, capturing trade flows and commuting patterns.

Employment (Jobs)

Total full-time, part-time, and seasonal jobs supported by airport operations, visitor spending, and capital investment.

Labor Income

Total wages, salaries, and employer-paid benefits earned by workers in aviation-related economic activity.

Value Added

Labor income plus property income and taxes on production; comparable to GDP at the state or county level.

Output

Total value of goods and services produced as a result of aviation-related activity.

Tax Revenue

Revenues generated for state and local governments through taxes on production, property, sales, and income.

Direct Effects

Activity occurring as a direct result of airport operations, on-airport businesses, visitor spending, or capital investment.

Indirect Effects

Activity generated through supply-chain purchases by businesses directly supported by aviation activity.

Induced Effects

Activity generated when workers supported by direct and indirect effects spend earnings on household goods and services.

Secondary Effects

The combined indirect and induced effects beyond initial direct aviation-related activity.

Total Effects

The sum of direct, indirect, and induced effects, representing overall economic contribution.

Leakage

Spending that leaves the study region due to purchases from businesses or workers outside the region.

Multiplier

A ratio expressing how one unit of direct activity results in additional indirect and induced activity.

Key Terms: Aviation and Study Definitions

Public-Use Airport

An airport open to the general public and eligible for federal and state aviation funding.

Commercial Service Airport

A public-use airport with scheduled passenger air service meeting the 2,500-enplanement federal threshold.

General Aviation Airport

A public-use airport used for private, business, agricultural, medical, emergency, or recreational aviation, or offering limited commercial service.

Enplanement

The act of a passenger boarding an aircraft at a commercial service airport; a standard measure of passenger activity.

On-Airport Activity

Employment, operations, and business activity occurring on airport property, including administration, tenants, and support functions.

Fixed-Base Operator (FBO)

A commercial business at an airport providing fueling, maintenance, hangar storage, ground handling, and pilot amenities.

Visitor Spending

Expenditures by non-resident air travelers, including lodging, food, transportation, recreation, and retail.

Aerial Application

The use of aircraft to apply fertilizers, herbicides, pesticides, or fungicides over agricultural land.

Aerial Wildland Firefighting

Use of aircraft to support wildfire detection, suppression, and management through retardant application and personnel deployment.

SEAT

Single-Engine Air Tanker. A small aircraft delivering fire retardant, typically from shorter runways at regional airports.

Large Air Tanker

A larger aircraft delivering substantial volumes of fire retardant, requiring longer runways and specialized infrastructure.

Air Ambulance

Fixed-wing or rotary-wing aircraft transporting patients, medical personnel, or organs for emergency care.

Air Cargo

Transportation of goods by aircraft, typically time-sensitive, high-value, or specialized commodities.

Surge Airport

An airport without permanent operations for a specific activity, activated temporarily during periods of elevated demand.

Multi-Airport County

A county containing more than one study airport, requiring separate treatment to isolate airport-specific activity.

Statewide Airport System

The integrated network of public-use airports supporting passenger travel, freight, emergency response, and specialized aviation.

ADA Statement:

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