

Economic and Fiscal Impacts of DFW International Airport's Disadvantaged, Minority- and Women-Owned Business Enterprise: Detailed Findings and Updates

Prepared for:

**The Business Diversity & Development Department
DFW International Airport**

Prepared by:

**Terry L. Clower, Ph.D.
Bernard L. Weinstein, Ph.D.
Michael Seman, M.S.
Mehmet Adalar**

**Center for Economic Development and Research
University of North Texas**

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Executive Summary

The following analysis updates the 2004/2005 analyses of the regional economic activity generated by Disadvantaged, Minority- and Women-Owned Business Enterprise (DMWBE) contractors and vendors operating at Dallas Fort Worth International Airport (DFW Airport). In addition, we expand our analysis to include estimates of the impacts of firms within several DMWBE categories such as female-owned enterprises and those owned by individuals representing specified ethnic/racial minorities. Our analysis also includes an examination of the role played by DFW Airport's Business Diversity and Development Department in the success of DMWBE contractors, vendors, and concessionaires.

- DFW Airport continues to strengthen the region's capacity to grow and maintain its competitiveness in a global marketplace by ensuring that vendor opportunities are available to businesses that reflect the cultural and ethnic diversity of the Metroplex.
- Between September 29, 2006 and August 30, 2008, DMWBE firms provided more than \$280 million in construction services, professional services, other procured goods and services to DFW Airport (see Table ES1).
- During the study period, DMWBE Concessionaires realized \$354 million in revenues from DFW Airport outlets.
- In terms of extended economic impact, DMWBE spending and concession operations at DFW Airport boosted total economic activity in the DFW Metropolitan region by \$1.2 billion, created over **14,000 job years of employment**, increased regional labor income by \$455 million, and supported \$170 million in property income (Table ES2).
- The economic activities, direct and indirect, associated with DMWBE contracts and concessions at DFW Airport generate substantial tax revenues for state and local jurisdictions. During the study period, we estimate that total state revenues increased by \$63 million, while DFW area cities, counties, and school districts shared over \$46 million in revenue (see Table ES3).
- Based on interviews with a sample of DMWBE businesses, we find that overall satisfaction with the program is high. Noted areas for improvement include more formal networking opportunities, increased marketing efforts, and a reassessment of the size and difficulty level of some of the contracts.

Table ES1

Distribution of Revenues from DMWBE Contracting and Concessions by Gender, Race/Ethnicity September 29, 2006 through August 30, 2008

Contracting	
Description	Revenues
Total Airport Spending with DMWBE Firms	\$ 282,680,000
Female	\$ 131,622,000
All Minority	\$ 188,177,000
Asian	\$ 43,338,000
African American	\$ 60,237,000
Hispanic	\$ 82,715,000
Native American	\$ 1,886,000
Concessions	
Description	Revenues
Total Airport Concession Sales with DMWBE Firms	\$ 354,053,000
Female	\$ 99,855,000
All Minority	\$ 322,126,000
African American	\$ 53,507,000
Hispanic	\$ 189,724,000
Native American	\$ 78,895,000

Note: Minority and Female revenue figures are not additive. Source: DFW Airport

Table ES2

Total Economic Impacts of DMWBE Contracting and Concessions September 29, 2006 through August 30, 2008

Description	Impacts	DMWBE only	Dallas	Tarrant
Airport Spending & Concession Sales	\$ 636,733,000			
Economic Activity	\$ 1,204,240,000	\$ 716,522,000	\$ 705,683,000	\$ 310,452,000
Employment (job yrs)	14,012	8,519	8,211	3,612
Labor Income	\$ 455,862,000	\$ 273,389,000	\$ 267,135,000	\$ 117,520,000
Property Income	\$ 169,718,000	\$ 87,913,000	\$ 99,455,000	\$ 43,752,000

Source: DFW Airport, IMPLAN model, Authors' estimates.

Table ES3

Total Fiscal Impacts of DMWBE Contracting and Concessions September 29, 2006 through August 30, 2008

Description	Impacts
Revenues to State Government*	\$ 63,060,000
Revenues to Local Governments [#]	\$ 46,747,000

* Includes franchise and other business taxes and fees, plus state sales and use taxes.

[#] Includes sales and use taxes, license fees, permit fees, and property taxes paid to municipalities, counties and school districts. Source: DFW Airport, IMPLAN model, Authors' estimates.

SECTION 1: Introduction

DFW Airport is a key component of the North Central Texas economy supporting a vibrant local business climate and contributing to the quality of life of area residents. The airport continues to be a pacesetter in promoting success for many disadvantaged and minority- and women-owned business enterprises.

Our June 2004 study found that Disadvantaged, Minority- and Women-Owned Enterprises (DMWBE) receive more than \$150 million per year in construction, maintenance, service, and procurement contracts from DFW Airport resulting in thousands of permanent, high-quality jobs and the creation of *real* economic opportunities for these firms in the Dallas-Fort Worth region. A follow-up study in November of 2005 showed that these benefits also extend to airport concessionaires with more than \$280 million in annual sales by DMWBE companies providing a boost to regional economic activity exceeding \$400 million per year (Table 1).

Table 1.1

**Economic and Fiscal Impacts of DMWBE Concessionaires
(September 29, 2002 through September 24, 2005)**

Description	DFW Metroplex Impacts	Dallas Area Impacts	Ft. Worth-Arlington Area Impacts
Gross sales	\$ 287,310,000		
Total Economic Activity	\$ 431,306,000	\$ 313,991,000	\$ 117,315,000
Total Salaries and Wages	\$ 157,231,000	\$ 114,461,000	\$ 42,767,000
Employment (jobs) #	2,214	1,612	602
Property Income*	\$ 48,591,000	\$ 35,373,000	\$ 13,218,000
State & Local Tax Revenues ⁺	\$44,920,421		

* Includes rents, royalties, dividends, and corporate profits. + Includes sales and property taxes, as well as excise taxes and fees for licenses and permits. # Employment is measured in jobs and expresses estimates for 2005. Source: IMPLAN model, Authors' estimates.

The research presented here updates the 2004 analysis and extends our examination by categorizing the impacts of DMWBE firms by ownership type, including

female-owned enterprises and businesses owned by specified ethnic/racial minorities. Our current analysis also assesses the role of the DFW Airport's Business Diversity & Development Department in promoting small and DMWBE business development from the perspective of business owners.

Disadvantaged, Minority- and Women-Owned Business Enterprises engage in a wide range of activities at DFW International Airport including construction contracting, providing business and building services, and operating retail establishments within airport facilities or on airport grounds. Many of these businesses have been engaged with DFW Airport since it opened in 1971, while others have only recently joined an impressive list of entrepreneurs and small businesses pursuing their dreams with the help of DFW Airport.

Our previous findings show that DFW Airport is perhaps the most successful publicly-owned airport in achieving diversity and promoting business opportunities for DMWBE firms.¹ These businesses, in turn, hire employees, contract for business services, and purchase goods to support their operations. Therefore, our analysis includes an examination of how contractor and vendor business activities translate into broader economic activity across the region. Our estimates of the economic activity associated with the airport's disadvantaged, minority- and women-owned business contractors, suppliers, and vendors are based on an IMPLAN input-output model developed by the Minnesota IMPLAN Group.

¹ While most airports do not publicly discuss their DM/WBE participation levels, there are some comparisons that can be made. In 2004, the Minneapolis airport touted a new program that would increase underutilized business participation in concession businesses from 10% to 19%. A similar program at the pre-Katrina New Orleans airport targeted 39% participation, up from 25%, for airport concessions.

The IMPLAN model measures how a given change in output at a firm supports economic activity across many firms and households within a study area. The direct impacts represent operations at the given firm. Indirect effects generally measure the secondary economic activity that is created when the firm purchases goods and services from their suppliers. Induced impacts are a result of the firm paying salaries and wages to its employees, who then spend a portion of their earnings in the local economy for goods and services. When added together, the direct, indirect, and induced impacts create a “multiplier” effect such that the total impacts are greater than the initial value of output of the firm. The IMPLAN model is widely used in academic and professional studies and is judged to offer reasonable, conservative estimates of the impacts of firm activities.

In presenting our findings, we offer estimates of the impacts of DMWBE firms that are women-owned, and those that are majority-owned by African Americans, Hispanics, Asians, and Native Americans, as well as total minority contracting. Our analysis covers the time period September 29, 2006 through August 30, 2008, and the region of impact is the Dallas-Fort Worth Metropolitan Statistical Area.² We also offer estimates of the impacts that are strictly related to DMWBE firms in the indirect and induced components of total impacts. This shows how DMWBE firms across the Metroplex benefit from activities at DFW Airport. We base these estimates on the relative presence of certified DMWBE firms in the regional economy as reported by federal data agencies. Finally, we have estimated the impacts that accrue to businesses located in Dallas and Tarrant Counties.

² The Dallas-Fort Worth Metropolitan Statistical Area includes Collin, Dallas, Delta, Denton, Ellis, Hunt, Kaufman, Rockwall, Johnson, Parker, Tarrant, and Wise counties.

SECTION 2: Economic and Fiscal Impacts of DMWBE Contracting

Total DMWBE

In total, DMWBE firms providing construction, professional services, and goods and services to DFW Airport received more than \$280 million in revenue during the study period. These revenues supported about 4,900 job years of employment³ paying almost \$215 million in wages, salaries and benefits over the 23-month period. When added to indirect and induced effects of the activities of these firms and their employees, DMWBE spending at DFW Airport boosted total economic activity in the DFW Metropolitan region by \$535 million, created over 4,800 job years of employment, increased regional labor income by \$215 million, and supported \$78 million in property income⁴ (see Table 2.1).

Table 2.1

**Economic Impact of DMWBE Contracting
(September 29, 2006 through August 30, 2008)**

Description	Impacts	DMWBE Only	Dallas	Tarrant
DFW Airport Spending	\$ 282,680,000			
Economic Activity	\$ 540,274,000	\$ 321,463,000	\$ 316,600,000	\$ 139,282,000
Employment (job yrs)	4,878	2,819	2,858	1,257
Labor Income	\$ 215,247,000	\$ 134,314,000	\$ 126,135,000	\$ 55,490,000
Property Income	\$ 78,339,000	\$ 40,579,000	\$ 45,907,000	\$ 20,195,000

Source: DFW Airport, IMPLAN model, Authors' estimates.

Economic Impacts by Gender & Race/Ethnicity

When examined closer, economic and fiscal impacts can be associated directly to separate groups. Women-owned business enterprises were responsible for \$254 million in

³ A job-year of employment represents one job, full-time or part-time, for one year. We use this expression because the time period of this analysis is more than one year. For example, 1000 job years would translate to about 526 jobs over the 23 months covered by this analysis.

⁴ Property income includes rents, royalties, dividends, and corporate profits.

economic activity supporting over 2,400 job years of employment resulting in \$105 million in labor income. Business enterprises owned by minorities afforded more than \$358 million in economic activity resulting in about 3,100 job years of employment and more than \$130 million in labor income (Table 2.2). Further disaggregation of the “Minority” category in Table 2.2 allows for economic and fiscal impacts to be examined by race and ethnicity (Table 2.3). Keep in mind that female and minority figures are not additive since some firms are owned by minority females, and thus count in both categories.

Table 2.2

**Economic Impacts of DMWBE Contracting
By Gender and Minority Status
(September 29, 2006 through August 30, 2008)**

Female				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 131,622,000			
Economic Activity	\$ 253,643,000	\$ 150,917,000	\$ 148,634,000	\$ 65,389,000
Employment (job yrs)	2,457	1,420	1,440	633
Labor Income	\$ 105,065,000	\$ 65,560,000	\$ 61,568,000	\$ 27,085,000
Property Income	\$ 35,099,000	\$ 18,181,000	\$ 20,568,000	\$ 9,048,000
Minority				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 188,177,000			
Economic Activity	\$ 358,528,000	\$ 213,324,000	\$ 210,097,000	\$ 92,428,000
Employment (job yrs)	3,158	1,825	1,851	814
Labor Income	\$ 139,676,000	\$ 87,158,000	\$ 81,850,000	\$ 36,008,000
Property Income	\$ 53,577,000	\$ 27,753,000	\$ 31,396,000	\$ 13,812,000

Source: DFW Airport, IMPLAN model, Authors' estimates.

Table 2.3

**Economic Impacts of DMWBE Contracting
By Race and Ethnicity
(September 29, 2006 through August 30, 2008)**

Asian				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 43,338,000			
Economic Activity	\$ 80,274,000	\$ 47,763,000	\$ 47,040,000	\$ 20,694,000
Employment (job yrs)	598	346	351	154
Labor Income	\$ 25,723,000	\$ 16,051,000	\$ 15,073,000	\$ 6,631,000
Property Income	\$ 12,945,000	\$ 6,705,000	\$ 7,585,000	\$ 3,337,000
African American				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 60,237,000			
Economic Activity	\$ 113,941,000	\$ 67,794,000	\$ 66,769,000	\$ 29,373,000
Employment (job yrs)	1,000	578	586	258
Labor Income	\$ 43,210,000	\$ 26,963,000	\$ 25,321,000	\$ 11,139,000
Property Income	\$ 18,475,000	\$ 9,570,000	\$ 10,826,000	\$ 4,763,000
Hispanic				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 82,715,000			
Economic Activity	\$ 160,590,000	\$ 95,551,000	\$ 94,106,000	\$ 41,400,000
Employment (job yrs)	1,516	876	888	391
Labor Income	\$ 69,197,000	\$ 43,179,000	\$ 40,549,000	\$ 17,839,000
Property Income	\$ 21,650,000	\$ 11,215,000	\$ 12,687,000	\$ 5,581,000
Native American				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 1,886,000			
Economic Activity	\$ 3,721,000	\$ 2,214,000	\$ 2,181,000	\$ 959,000
Employment (job yrs)	44	26	26	11
Labor Income	\$ 1,544,000	\$ 963,000	\$ 905,000	\$ 398,000
Property Income	\$ 674,000	\$ 349,000	\$ 395,000	\$ 173,000

Source: DFW Airport, IMPLAN model, Authors' estimates.

Fiscal Impacts

The economic activities generated through DFW Airport operations create revenue for state and local taxing jurisdictions. As a public facility, DFW Airport is

exempt from many direct taxes, but the Disadvantaged, Minority- and Women-Owned businesses supported by airport contracts pay state and local sales and use taxes, property taxes, and a host of fees for licenses and permits. This also applies to the vendors and business activity categorized as indirect and induced impacts in this analysis. Finally, the labor income generated by these combined activities results in taxable spending and supports the purchase of homes or rents paid to landlords. The value of these homes and rental properties are in turn taxed by local city and county governments, as well as local school districts. Based on the input-output models and our estimates, the State of Texas enjoyed a \$15.6 million boost to revenues from business activity and personal spending related to DFW Airport's contracts with DMWBE firms (see Table 2.4). Similarly, local governments, including school districts, received \$18 million in revenue during the study period related to the airport's spending with DWMBE firms.

Table 2.4

**Fiscal Impacts of DMWBE Contracting
By Gender and Minority Status
(September 29, 2006 through August 30, 2008)**

Description	Impacts
Revenues to State Government*	\$ 15,624,000
Revenues to Local Governments [#]	\$ 18,223,000

* Includes franchise and other business taxes and fees, plus state sales and use taxes.

Includes sales and use taxes, license fees, permit fees, and property taxes paid to municipalities, counties and school districts. Source: DFW Airport, IMPLAN model, Authors' estimates.

SECTION 3: Economic and Fiscal Impacts of Goods & Services

In this section we consider specific impacts of DFW Airport's spending for goods and services procurement. This could include office supplies, janitorial services, and a host of other operating expenditures. Overall, total spending for goods and services

procurement to disadvantaged, minority- and women-owned businesses during the study period exceeded \$91.5 million (see Table 3.1). Of this total, \$41 million went to women-owned firms and \$70.7 million of these expenditures went to minority-owned businesses (see Table 3.2). Table 3.3 breaks out the impacts by specific minority classification.

Table 3.1

**Economic Impacts of Goods & Services Procurement with DMWBEs
(September 29, 2006 through August 30, 2008)**

Description	Impacts	DMWBE Only	Dallas	Tarrant
DFW Airport Spending	\$ 91,504,000			
Economic Activity	\$ 169,563,000	\$ 100,890,000	\$ 99,364,000	\$ 43,713,000
Employment (job yrs)	1,548	966	907	399
Labor Income	\$ 57,652,000	\$ 33,323,000	\$ 33,784,000	\$ 14,862,000
Property Income	\$ 28,196,000	\$ 14,605,000	\$ 16,523,000	\$ 7,269,000

Source: DFW Airport, IMPLAN model, Authors' estimates.

Table 3.2

**Economic Impacts of Goods & Services Procurement with DMWBEs
By Gender and Minority Status
(September 29, 2006 through August 30, 2008)**

Female				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 41,332,000			
Economic Activity	\$ 78,011,000	\$ 46,417,000	\$ 45,714,000	\$ 20,111,000
Employment (job yrs)	887	512	520	229
Labor Income	\$ 29,920,000	\$ 18,670,000	\$ 17,533,000	\$ 7,713,000
Property Income	\$ 11,957,000	\$ 6,194,000	\$ 7,007,000	\$ 3,082,000
Minority				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 70,701,000			
Economic Activity	\$ 130,201,000	\$ 77,469,000	\$ 76,297,000	\$ 33,565,000
Employment (job yrs)	1,095	633	642	282
Labor Income	\$ 42,222,000	\$ 26,346,000	\$ 24,742,000	\$ 10,884,000
Property Income	\$ 22,451,000	\$ 11,629,000	\$ 13,156,000	\$ 5,787,000

Source: DFW Airport, IMPLAN model, Authors' estimates.

Table 3.3

**Economic Impacts of Goods & Services Procurement with DMWEs
By Race and Ethnicity
(September 29, 2006 through August 30, 2008)**

Asian				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 35,004,000			
Economic Activity	\$ 64,156,000	\$ 38,173,000	\$ 37,595,000	\$ 16,539,000
Employment (job yrs)	466	269	273	120
Labor Income	\$ 18,918,000	\$ 11,805,000	\$ 11,086,000	\$ 4,877,000
Property Income	\$ 10,813,000	\$ 5,601,000	\$ 6,336,000	\$ 2,787,000
African American				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 25,775,000			
Economic Activity	\$ 47,790,000	\$ 28,435,000	\$ 28,004,000	\$ 12,320,000
Employment (job yrs)	423	244	248	109
Labor Income	\$ 16,517,000	\$ 10,306,000	\$ 9,679,000	\$ 4,258,000
Property Income	\$ 8,210,000	\$ 4,253,000	\$ 4,811,000	\$ 2,116,000
Hispanic				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 9,309,000			
Economic Activity	\$ 17,022,000	\$ 10,128,000	\$ 9,975,000	\$ 4,388,000
Employment (job yrs)	188	108	110	48
Labor Income	\$ 6,303,000	\$ 3,933,000	\$ 3,694,000	\$ 1,625,000
Property Income	\$ 3,258,000	\$ 1,687,000	\$ 1,909,000	\$ 840,000
Native American				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 615,000			
Economic Activity	\$ 1,232,000	\$ 733,000	\$ 721,000	\$ 317,000
Employment (job yrs)	18	11	11	5
Labor Income	\$ 482,000	\$ 300,000	\$ 282,000	\$ 124,000
Property Income	\$ 168,000	\$ 87,000	\$ 98,000	\$ 43,000

Source: DFW Airport, IMPLAN model, Authors' estimates.

SECTION 4: Economic Impacts of Professional Services

The impacts in this section describe those related to spending by DFW Airport for contracted professional services. These services include architects and engineers,

computer programming, legal services, advertising agencies, consulting and training, and a host of other services. Overall, DFW Airport spent over \$95 million during the study period for professional services provided by disadvantaged, minority- and women-owned enterprises boosting regional economic activity by \$188 million (see Table 4.1). This increase in economic activity supported almost 1,700 job years of employment paying about \$82 million in salaries wages and benefits. In addition, property income in the region rose by \$25 million as a result of this spending. Tables 4.2 and 4.3 break out these impacts by gender and race/ethnicity.

Table 4.1

**Economic Impacts of DMWBE Professional Services
(September 29, 2006 through August 30, 2008)**

Description	Impacts	DMWBE Only	Dallas	Tarrant
DFW Airport Spending	\$ 95,405,000			
Economic Activity	\$ 188,395,000	\$ 112,094,000	\$ 110,399,000	\$ 48,568,000
Employment (job yrs)	1,690	1,055	990	436
Labor Income	\$ 81,993,000	\$ 47,391,000	\$ 48,047,000	\$ 21,137,000
Property Income	\$ 25,026,000	\$ 12,963,000	\$ 14,665,000	\$ 6,451,000

Source: DFW Airport, IMPLAN model, Authors' estimates.

Table 4.2

**Economic Impacts of DMWBE Professional Services
By Gender and Minority Status
(September 29, 2006 through August 30, 2008)**

Female				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 38,467,000			
Economic Activity	\$ 76,318,000	\$ 45,409,000	\$ 44,722,000	\$ 19,674,000
Employment (job yrs)	672	419	394	173
Labor Income	\$ 33,060,000	\$ 19,108,000	\$ 19,373,000	\$ 8,522,000
Property Income	\$ 9,931,000	\$ 5,144,000	\$ 5,819,000	\$ 2,560,000

TABLE 4.2 continued				
Minority				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 72,375,000			
Economic Activity	\$ 143,130,000	\$ 85,162,000	\$ 83,874,000	\$ 36,899,000
Employment (job yrs)	1,300	811	762	335
Labor Income	\$ 63,012,000	\$ 36,421,000	\$ 36,925,000	\$ 16,244,000
Property Income	\$ 18,924,000	\$ 9,802,000	\$ 11,089,000	\$ 4,878,000

Source: DFW Airport, IMPLAN model, Authors' estimates.

Table 4.3

**Economic Impacts of DMWBE Professional Services
By Race and Ethnicity
(September 29, 2006 through August 30, 2008)**

Asian				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 5,663,000			
Economic Activity	\$ 11,341,000	\$ 6,748,000	\$ 6,646,000	\$ 2,923,000
Employment (job yrs)	102	64	60	26
Labor Income	\$ 5,262,000	\$ 3,041,000	\$ 3,083,000	\$ 1,356,000
Property Income	\$ 1,367,000	\$ 708,000	\$ 801,000	\$ 352,000
African American				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 26,022,000			
Economic Activity	\$ 50,545,000	\$ 30,074,000	\$ 29,619,000	\$ 13,030,000
Employment (job yrs)	454	283	266	117
Labor Income	\$ 21,026,000	\$ 12,153,000	\$ 12,321,000	\$ 5,420,000
Property Income	\$ 7,413,000	\$ 3,840,000	\$ 4,344,000	\$ 1,911,000
Hispanic				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 39,761,000			
Economic Activity	\$ 79,418,000	\$ 47,254,000	\$ 46,539,000	\$ 20,474,000
Employment (job yrs)	725	452	425	187
Labor Income	\$ 35,942,000	\$ 20,774,000	\$ 21,062,000	\$ 9,265,000
Property Income	\$ 9,898,000	\$ 5,127,000	\$ 5,800,000	\$ 2,551,000

TABLE 4.3 continued				
Native American				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 930,000			
Economic Activity	\$ 1,824,000	\$ 1,085,000	\$ 1,069,000	\$ 470,000
Employment (job yrs)	19	12	11	5
Labor Income	\$ 782,000	\$ 452,000	\$ 458,000	\$ 201,000
Property Income	\$ 168,000	\$ 87,000	\$ 98,000	\$ 43,000

Source: DFW Airport, IMPLAN model, Authors' estimates.

SECTION 5: Economic Impacts of Construction Services

Construction contracting is the most variable category of spending at DFW Airport. Depending on the number and scope of projects, this category can represent spending in the tens of millions of dollars per year, or several hundred million dollars per year. However, even when there are no major expansion projects underway, such as a new terminal or runway, there is always some construction activity going on at the airport. There were no major construction projects underway during the analysis period of September 2006 through August 2008. Still, DWMBE firms were awarded over \$95 million in prime and sub contracts, which supported more than \$182 million in regional economic activity (see Table 5.1). This activity supported 1,600 job-years of employment paying in excess of \$75 million in salaries, wages, and benefits. In addition, property income in the form of rents, royalties, dividends, and corporate profits increased by \$25 million due to these economic activities. About \$105 million of total economic activity related to DFW Airport's construction contracting benefited DWMBE firms in the Dallas-Fort Worth region. Tables 5.2 and 5.3 show how the various categories of DWMBE firms were impacted.

Table 5.1**Economic Impacts of DMWBE Construction Services
(September 29, 2006 through August 30, 2008)**

Description	Impacts	DMWBE Only	Dallas	Tarrant
DFW Airport Spending	\$ 95,771,000			
Economic Activity	\$ 182,316,000	\$ 108,478,000	\$ 106,837,000	\$ 47,001,000
Employment (job yrs)	1,640	1,023	961	423
Labor Income	\$ 75,602,000	\$ 43,698,000	\$ 44,302,000	\$ 19,490,000
Property Income	\$ 25,117,000	\$ 13,010,000	\$ 14,718,000	\$ 6,475,000

Source: DFW Airport, IMPLAN model, Authors' estimates.

Table 5.2**Economic Impacts of DMWBE Construction Services
By Gender and Minority Status
(September 29, 2006 through August 30, 2008)**

Female				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 51,824,000			
Economic Activity	\$ 99,313,000	\$ 59,091,000	\$ 58,197,000	\$ 25,602,000
Employment (job yrs)	898	560	526	232
Labor Income	\$ 42,084,000	\$ 24,325,000	\$ 24,661,000	\$ 10,849,000
Property Income	\$ 13,210,000	\$ 6,842,000	\$ 7,741,000	\$ 3,405,000
Minority				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 45,100,000			
Economic Activity	\$ 85,196,000	\$ 50,691,000	\$ 49,925,000	\$ 21,963,000
Employment (job yrs)	763	476	447	197
Labor Income	\$ 34,441,000	\$ 19,907,000	\$ 20,182,000	\$ 8,878,000
Property Income	\$12,202,631	\$6,320,963	\$7,150,742	\$3,145,838

Source: DFW Airport, IMPLAN model, Authors' estimates.

Table 5.3

**Economic Impacts of DMWBE Construction Services
By Race and Ethnicity
(September 29, 2006 through August 30, 2008)**

Asian				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 2,672,000			
Economic Activity	\$ 4,775,000	\$ 2,841,000	\$ 2,798,000	\$ 1,231,000
Employment (job yrs)	30	19	18	8
Labor Income	\$ 1,541,000	\$ 891,000	\$ 903,000	\$ 397,000
Property Income	\$ 763,000	\$ 395,000	\$ 447,000	\$ 196,000
African American				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 8,441,000			
Economic Activity	\$ 15,605,000	\$ 9,285,000	\$ 9,144,000	\$ 4,023,000
Employment (job yrs)	123	77	72	32
Labor Income	\$ 5,667,000	\$ 3,275,000	\$ 3,321,000	\$ 1,461,000
Property Income	\$ 2,851,000	\$ 1,477,000	\$ 1,670,000	\$ 735,000
Hispanic				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 33,645,000			
Economic Activity	\$ 64,149,000	\$ 38,169,000	\$ 37,591,000	\$ 16,537,000
Employment (job yrs)	603	376	353	155
Labor Income	\$ 26,951,000	\$ 15,577,000	\$ 15,793,000	\$ 6,948,000
Property Income	\$ 8,493,000	\$ 4,399,000	\$ 4,977,000	\$ 2,189,000
Native American				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 342,000			
Economic Activity	\$ 665,000	\$ 396,000	\$ 390,000	\$ 171,000
Employment (job yrs)	7	4	4	2
Labor Income	\$ 280,000	\$ 162,000	\$ 164,000	\$ 72,000
Property Income	\$ 93,000	\$ 48,000	\$ 54,000	\$ 24,000

Source: DFW Airport, IMPLAN model, Authors' estimates.

SECTION 6: Economic and Fiscal Impacts of Airport Concession Operations

DFW Airport engages in an active program to recruit and promote minority and women-owned businesses to bid for retail and service concessions at the airport. These businesses, whether they are independent firms or franchisees, operate the wide range of

retail outlets, personal services providers, and food and beverage establishments largely located inside airport terminals. Concessionaires report their gross revenues to DFW Airport officials. Based on these data, DWMBE firms realized over \$354 million in gross revenues for the study period. As shown in Table 6.1 below, these revenues supported \$663 million in regional economic activity, supported over 9,000 job-years of employment, and created \$241 million in labor earnings. Among the region’s minority firms, these direct, indirect, and induced impacts totaled \$395 million and supported 5,700 job-years of employment. Table 6.2 and Table 6.3 break out these impacts for the various groups.

Table 6.1

Economic Impacts of DMWBE Airport Concessions Operations

September 29, 2006 through August 30, 2008

Description	Impacts	DMWBE only	Dallas	Tarrant
Concessionaire Sales	\$ 354,053,000			
Economic Activity	\$ 663,966,000	\$ 395,059,650	\$ 389,083,000	\$ 171,170,000
Employment (job yrs)	9,134	5,700	5,353	2,355
Labor Income	\$ 240,615,000	\$ 139,075,000	\$ 141,000,000	\$ 62,030,000
Property Income	\$ 91,379,000	\$ 47,334,000	\$ 53,548,000	\$ 23,557,000

Source: DFW Airport, IMPLAN model, Authors’ estimates.

Table 6.2

Economic Impacts of DMWBE Airport Concessions Operations

By Gender and Minority Status

September 29, 2006 through August 30, 2008

Female				
Description	Impacts	DMWBE only	Dallas	Tarrant
Concessionaire Sales	\$ 99,855,000			
Economic Activity	\$ 187,325,000	\$ 111,458,000	\$ 109,772,000	\$ 48,292,000
Employment (job yrs)	2,613	1,631	1,531	674
Labor Income	\$ 67,823,000	\$ 39,201,000	\$ 39,744,000	\$ 17,484,000
Property Income	\$ 25,541,000	\$ 13,230,000	\$ 14,967,000	\$ 6,584,000

TABLE 6.2 continued				
Minority				
Description	Impacts	DMWBE only	Dallas	Tarrant
Concessionaire Sales	\$ 322,126,000			
Economic Activity	\$ 604,904,000	\$ 359,918,000	\$ 354,473,000	\$ 155,944,000
Employment (job yrs)	8,321	5,192	4,876	2,145
Labor Income	\$ 220,234,000	\$ 127,295,000	\$ 129,057,000	\$ 56,776,000
Property Income	\$ 83,166,000	\$ 43,079,000	\$ 48,735,000	\$ 21,440,000

Source: DFW Airport, IMPLAN model, Authors' estimates.

Table 6.3

**Economic Impacts of DMWBE Airport Concessions Operations
by Race/Ethnicity
September 29, 2006 through August 30, 2008**

African American				
Description	Impacts	DMWBE only	Dallas	Tarrant
Concessionaire Sales	\$ 53,507,000			
Economic Activity	\$ 99,801,000	\$ 59,381,000	\$ 58,483,000	\$ 25,728,000
Employment (job yrs)	1,425	889	835	367
Labor Income	\$ 36,122,000	\$ 20,878,000	\$ 21,167,000	\$ 9,312,000
Property Income	\$ 13,777,000	\$ 7,136,000	\$ 8,073,000	\$ 3,551,000
Hispanic				
Description	Impacts	DMWBE only	Dallas	Tarrant
Concessionaire Sales	\$ 189,724,000			
Economic Activity	\$ 357,436,000	\$ 212,674,000	\$ 209,457,000	\$ 92,147,000
Employment (job yrs)	4,839	3,020	2,836	1,247
Labor Income	\$ 129,891,000	\$ 75,077,000	\$ 76,116,000	\$ 33,485,000
Property Income	\$ 49,251,000	\$ 25,512,000	\$ 28,861,000	\$ 12,697,000
Native American				
Description	Impacts	DMWBE only	Dallas	Tarrant
Concessionaire Sales	\$ 78,895,000			
Economic Activity	\$ 147,667,000	\$ 87,861,000	\$ 86,532,000	\$ 38,068,000
Employment (job yrs)	2,057	1,284	1,205	530
Labor Income	\$ 54,220,000	\$ 31,339,000	\$ 31,773,000	\$ 13,978,000
Property Income	\$ 20,136,000	\$ 10,430,000	\$ 11,800,000	\$ 5,191,000

Source: DFW Airport, IMPLAN model, Authors' estimates.

Fiscal Impacts

Similar to the fiscal impacts of DFW Airport’s contracting described in Section 2 of this report, economic activities associated directly or indirectly with concessionaires running the businesses creates revenues for state and local taxing jurisdictions. In addition, much of the concessions sales are subject to retail sales and use taxes or alcoholic beverage taxes. Based on the IMPLAN model combined with authors’ estimates, the State of Texas enjoyed over \$47 million in business and consumption taxes during the study period as a result of DWMBE concession business activities at DFW Airport. Local taxing jurisdictions, including cities, counties, and school districts enjoyed \$28.5 million in sales and use taxes, property taxes, fees for permits and licenses over this same time period.

Table 6.4

**Fiscal Impacts of DMWBE Airport Concessions Operations
(September 29, 2006 through August 30, 2008)**

Description	Impacts
Revenues to State Government*	\$ 47,436,000
Revenues to Local Governments[#]	\$ 28,524,000

* Includes franchise and other business taxes and fees, plus state sales and use taxes.

Includes sales and use taxes, license fees, permit fees, and property taxes paid to municipalities, counties and school districts. Source: DFW Airport, IMPLAN model, Authors’ estimates.

SECTION 7: Total Economic Impacts of Contracting and Concessions

When combined, airport spending and concession sales created over \$600 million in revenue for DMWBE firms during the study period. This revenue supported almost \$1.2 billion in regional economic activity, supported almost 14,000 job-years of employment paying \$455 million in salaries, wages, and benefits, and boosted property income in the form of rents, royalties, dividends and corporate profits by \$169 million

(see Table 7.1). Of these total impacts, DWMBE firms received an estimate \$716 million in business activity either directly and indirectly from contracting and concession revenues at DFW Airport. Dallas County's share of the economic activities exceeded \$700 million, while Tarrant County enjoyed a \$300 million boost to its economy. Tables 7.2 and 7.3 offer estimates of the impacts by gender and race/ethnicity.

Table 7.1

**Total Economic Impacts of DMWBE Contracting and Concession Activities
September 29, 2006 through August 30, 2008**

Description	Impacts	DMWBE only	Dallas	Tarrant
Airport Spending & Concession Sales	\$ 636,733,000			
Economic Activity	\$ 1,204,240,000	\$ 716,522,000	\$ 705,683,000	\$ 310,452,000
Employment (job yrs)	14,012	8,519	8,211	3,612
Labor Income	\$ 455,862,000	\$ 273,389,000	\$ 267,135,000	\$ 117,520,000
Property Income	\$ 169,718,000	\$ 87,913,000	\$ 99,455,000	\$ 43,752,000

Source: DFW Airport, IMPLAN model, Authors' estimates.

Table 7.2

**Total Economic Impacts of DMWBE Contracting and Concession Activities
by Gender and Minority Status
September 29, 2006 through August 30, 2008**

Female				
Description	Impacts	DMWBE only	Dallas	Tarrant
Airport Spending & Concession Sales	\$ 231,477,000			
Economic Activity	\$ 440,968,000	\$ 262,375,000	\$ 258,406,000	\$ 113,681,000
Employment (job yrs)	5,070	3,051	2,971	1,307
Labor Income	\$ 172,888,000	\$ 104,761,000	\$ 101,312,000	\$ 44,569,000
Property Income	\$ 60,640,000	\$ 31,411,000	\$ 35,535,000	\$ 15,632,000

TABLE 7.2 continued				
Minority				
Description	Impacts	DMWBE only	Dallas	Tarrant
Airport Spending & Concession Sales	\$ 510,303,000			
Economic Activity	\$ 963,432,000	\$ 573,242,000	\$ 564,570,000	\$ 248,372,000
Employment (job yrs)	11,479	7,017	6,727	2,959
Labor Income	\$ 359,910,000	\$ 214,453,000	\$ 210,907,000	\$ 92,784,000
Property Income	\$ 136,743,000	\$ 70,832,000	\$ 80,131,000	\$ 35,252,000

Source: DFW Airport, IMPLAN model, Authors' estimates.

Table 7.3

**Total Economic Impacts of DMWBE Contracting and Concession Activities
by Race/Ethnicity
September 29, 2006 through August 30, 2008**

Asian				
Description	Impacts	DMWBE only	Dallas	Tarrant
DFW Airport Spending	\$ 43,338,000			
Economic Activity	\$ 80,274,000	\$ 47,763,000	\$ 47,040,000	\$ 20,694,000
Employment (job yrs)	598	346	351	154
Labor Income	\$ 25,723,000	\$ 16,051,000	\$ 15,073,000	\$ 6,631,000
Property Income	\$ 12,945,000	\$ 6,705,000	\$ 7,585,000	\$ 3,337,000
African American				
Description	Impacts	DMWBE only	Dallas	Tarrant
Airport Spending & Concession Sales	\$ 113,744,000			
Economic Activity	\$ 213,742,000	\$ 127,175,000	\$ 125,252,000	\$ 55,101,000
Employment (job yrs)	2,425	1,467	1,421	625
Labor Income	\$ 79,332,000	\$ 47,841,000	\$ 46,488,000	\$ 20,451,000
Property Income	\$ 32,252,000	\$ 16,706,000	\$ 18,899,000	\$ 8,314,000
Hispanic				
Description	Impacts	DMWBE only	Dallas	Tarrant
Airport Spending & Concession Sales	\$ 272,439,000			
Economic Activity	\$ 518,026,000	\$ 308,225,000	\$ 303,563,000	\$ 133,547,000
Employment (job yrs)	6,355	3,896	3,724	1,638
Labor Income	\$ 199,088,000	\$ 118,256,000	\$ 116,665,000	\$ 51,324,000
Property Income	\$ 70,901,000	\$ 36,727,000	\$ 41,548,000	\$ 18,278,000

TABLE 7.3 continued				
Native American				
Description	Impacts	DMWBE only	Dallas	Tarrant
Airport Spending & Concession Sales	\$ 80,781,000			
Economic Activity	\$ 151,388,000	\$ 90,075,000	\$ 88,713,000	\$ 39,027,000
Employment (job yrs)	2,101	1,310	1,231	541
Labor Income	\$ 55,764,000	\$ 32,302,000	\$ 32,678,000	\$ 14,376,000
Property Income	\$ 20,810,000	\$ 10,779,000	\$ 12,195,000	\$ 5,364,000

Source: DFW Airport, IMPLAN model, Authors' estimates.

State and local governments also benefit greatly from the economic activities supported by DFW Airport's Business Development and Diversity Department. When totaled across all impact sources, contracted spending and concession activities at DMWBE firms created \$63 million in estimated state tax revenues between September 2006 and August 2008 (see Table 7.4). During this same period, local taxing entities in the DFW Metropolitan area, including cities, counties, and school districts, enjoyed almost \$47 million in revenue associated with the airports Business Diversity Program participants.

Table 7.4

**Total Fiscal Impacts of DMWBE Contracting and Concession Activities
September 29, 2006 through August 30, 2008**

Description	Impacts
Revenues to State Government*	\$ 63,060,000
Revenues to Local Governments [#]	\$ 46,747,000

* Includes franchise and other business taxes and fees, plus state sales and use taxes.

[#] Includes sales and use taxes, license fees, permit fees, and property taxes paid to municipalities, counties and school districts. Source: DFW Airport, IMPLAN model, Authors' estimates.

SECTION 8: Business Owners' Perspective of the DMWBE Program

Along with quantitatively analyzing the success of the DMWBE program, we also performed qualitative research to gain better insight on how business owners perceived the program. Results were overwhelmingly positive, with some opportunities for improvement noted. Information was gained through semi-structured interviews with business owners involved in the DMWBE program. Contractor, vendor, and concessionaire businesses were represented in the mix of interviewees with the nature of their businesses falling into the categories of construction, electronics, food and beverage, newsstands, currency exchange, specialty retail, industrial products distribution, and fire protection systems.

With one exception, all of businesses we interviewed were operating before the DMWBE program was launched. DMWBE businesses at DFW Airport have experienced stable to 30 percent annual growth rates over the past five years in both revenue and employment. In most cases, contracts with DFW Airport account for about half of the companies' revenues, though for one firm business with the airport accounts for 90 percent of revenues.

All of the firms we interviewed take advantage of a culture that supports networking within the DMWBE program, and they also strive to hire DMWBE businesses in their own subcontracting. Future plans for these businesses include increasing revenues at DFW, bidding on Federal contracts, broadening products and services, and exploring additional opportunities at other airports.

All respondents found the DMWBE program helpful in overall business development. The program is credited with increasing sales, strengthening company

resumes, and improving the overall quality of companies. The staff of the DMWBE program receives high praise and has been helpful in facilitating new business relationships both at DFW Airport and elsewhere. The staff is also found to be easily accessible and knowledgeable about small business operations. In sum, relationships with DFW Airport and its DMWBE program have been a great source of opportunity and training for participating minority businesses.

Respondents suggested several ways to improve the DMWBE program. While networking is already fostered, some businesses felt the networking process could be more formalized. One respondent offered the idea of having a “mixer” or social event at DFW Airport wherein DMWBE participants could meet and network.

When focusing on obtaining contracts outside of the DMWBE network, a desire for the DMWBE program to write letters of recommendation was voiced. Concern was also expressed about whether future DFW Airport Boards would be supportive of the program. At the same time, several respondents worry that the public benefits from the airport’s DMWBE program are not well understood.

One of the key features of the Business Diversity and Development program at DFW Airport is to have smaller value contracts available that are within the bonding and operations capabilities of smaller DMWBE. Still, some participants feel that more could be done in this area. Specific mention was made regarding the requirements for a \$10 million dollar liability umbrella policy as a barrier to entry for some small businesses wanting to contract with DFW Airport.

SECTION 9: Conclusions

DFW Airport continues to be one of the largest and most consistent generators of economic opportunity for disadvantaged, minority- and women-owned businesses in the Dallas-Fort Worth region. The airport has attracted competitive DMWBE contractors, suppliers, vendors, and concessionaires who received almost \$635 million in revenues during the study period. The economic and fiscal impact of these business operations are spread across the Metroplex, creating \$1.2 billion in regional economic activity – some of which is captured by other DMWBE firms. Included in that economic activity is the creation of 14,000 job-years of employment, \$455 million in labor income, and \$169 million in property income.

The Dallas-Fort Worth region continues to grow both in population and as a hub of international commerce, and DFW Airport is the effective transportation heart of this burgeoning region. The success of the airport's DMWBE program demonstrates that DFW Airport, in addition to serving the region's transportation needs, is also a facilitator of local economic development.