

The Dallas Morning News

DFW Airport kickstarted North Texas' growth 50 years ago — and it hasn't let up

Story by Alexandra Skores, The Dallas Morning News • October 4, 2023



Dallas Mayor Eric Johnson (left) and Fort Worth Mayor Mattie Parker were introduced to guests by DFW Airport CEO Sean Donohue who delivered the 2023 State of the Airport at the airports Hyatt Regency, October 2, 2023. Donohue spoke about the airport's tremendous growth and upcoming multi-billion dollar capital program which will include a high-end makeover of Terminal C and the development of the new Terminal F. © Tom Fox/The Dallas Morning News/TNS

Editor's note: This is part of a series of stories marking 50 years of DFW International Airport, previously known as Dallas-Fort Worth Regional Airport, which landed its first ceremonial flight in September 1973 and welcomed its first commercial passengers in January 1974, turning Dallas-Fort Worth into a major aviation hub and sparking an economic surge.

Zinat Hossain started working at DFW International Airport in a cafe nearly 25 years ago, dreaming of owning a business and looking out on thousands of travelers a day, shopping, eating and flying.

She made her career at the airport, getting a job with Exchange Concessions in 2009 managing five stores, while raising two kids. Within a few years, she was a minority owner and then in 2020, right before the pandemic had started, she was a full owner of three shops in DFW Airport — a Boar's Head Deli location and two locations for both Boar's Head Deli and Freshens. Hossain, originally from Bangladesh, had always dreamed of owning her own business.

"How I can get in the long line? You have to get to the line," said Hossain, who moved to the U.S. a few years before starting work at DFW. "If I don't get in the line, I'm never going to be in the front."

As DFW International Airport has become a global air hub and travel powerhouse, Hossain has followed the airport's growth to her own success. Five decades after opening, the airport's impact has pushed beyond the 26.9 square miles it occupies between Dallas and Fort Worth.

From startups to some of the largest Fortune 500s, Dallas-Fort Worth has pulled in some major businesses to the region. And nearly all will attribute their relocations, at least in part, to DFW International Airport.

But DFW Airport's CEO tries to not give the airport too much credit, but rather, the partnership between the communities.

"We wouldn't be the size of where we are if it wasn't for the economic success of Dallas and Fort Worth and all the surrounding communities," said DFW Airport CEO Sean Donohue. "We wouldn't be as big as we are. Now, hopefully, we've helped that. Hopefully, we've enabled it and we want to continue to enable it. I really don't fundamentally believe that DFW has been the single biggest trigger."

The airport works for the North Texas region beyond the runway. Planted in the center of the Southwest region, the airport gives a prime location for corporate businesses that need to reach nearly anywhere in the country, or even, the world.

But, contrary to Donohue's belief, Ray Perryman, president and CEO of The Perryman Group, said there isn't any single factor more responsible for the turning of the Metroplex into an economic powerhouse than the opening of DFW Airport 50 years ago.



Travelers make their way around Terminal C at DFW International Airport, Tuesday, Aug. 22, 2023. © Elías Valverde II/The Dallas Morning News/TNS

“The economic impact of DFW Airport is nothing short of massive and extends far beyond what many people think,” Perryman said. “Its benefits are multifaceted, and its operations are essential to the dynamic regional economy.”

Over the last 50 years, the largest airport in Texas and the second busiest airport in the world has drawn talent from all over and generated billions for the metroplex.

The impact

One of Donohue’s first meetings when he arrived to lead DFW Airport 10 years ago was with a room full of people he didn’t know.

The Dallas Regional Chamber had tapped him to talk about the airport but gave no clue to who the meeting was with. So, Donohue did what he was told and talked endlessly about DFW.

“Two months later, we announced Toyota was moving their headquarters,” Donohue said. “It was their group, their forward search team, that’s who I met with, I found out two months later.”

That conversation in a conference room filled with strangers paid off. Toyota Motor North America opened its new headquarters in Plano in 2017, relocating from Torrance, Calif. At the time, 2,800 employees made the move to the new campus located in Plano. Some cited the

airport's growing number of flights to Japan. This year, there are 1,018 flights planned between the two carriers that fly to Japan, American Airlines and Japan Airlines.



DFW Airport CEO Sean Donohue delivers the 2023 State of the Airport to those gathered for a luncheon at the airports Hyatt Regency, October 2, 2023. He spoke about the airport's tremendous growth and upcoming multi-billion dollar capital program which will include a high-end makeover of Terminal C and the development of the new Terminal F. © Tom Fox/The Dallas Morning News/TNS

“DFW is a huge advantage for this region, in terms of attracting companies to move here and talent to move here,” said Dale Petroskey, CEO and president of the Dallas Regional Chamber.

Today, the airport’s overall economic contributions include supporting an annual payroll of \$38 billion in direct and indirect payroll support which benefits over 634,000 jobs. Visitors to DFW Airport in the surrounding region generate \$24 billion in economic activity each year, Donohue said, resulting in over \$3 billion in state taxes and \$2 billion in local taxes annually.

However, in the Perryman Group’s study released this year, the group reported \$119 billion in total expenditures generated by the airport, including air cargo, terminal operations and tenants.

These numbers show a major jump from the group’s last study from 2015, which showed DFW generating \$37 billion in total expenditures, but Perryman said the group added “a very detailed analysis” of the effects of the cargo production activity on local business activity.

Business activity generates tax revenue through sales and hotel occupancy taxes, Perryman said. The property tax base and related taxes are also increased due to higher demand for commercial space and housing due to well-paying jobs.

The Perryman Group estimates that DFW Airport operations, visitor spending and cargo activity lead to an increase in annual tax receipts of approximately \$7.1 billion to the federal government, \$3.1 billion to the state and \$1.9 billion to local government entities across North Central Texas.

“DFW Airport and its operations are essential to the vitality of the region as well as the state, connecting people and businesses to the world,” Perryman said. “In fact, it is difficult to imagine this dynamic region in the absence of this critical infrastructure. As the economy evolves and becomes more globally integrated in the future, DFW Airport will continue to be a defining feature of the potential of the area, the state, and, indeed, the entire world.”

That number is comparable to Atlanta Hartsfield-Jackson International Airport, which released a report in 2020 that showed an \$82 million economic impact, with over 63,000 jobs at the airport. DFW Airport said over 60,000 people work at the airport daily.

DFW International Airport is also self-sustaining, not using any local tax revenue. The airport’s \$1 billion a year budget is paid for with passenger and airline fees, parking, rental car and concessions revenue and federal grants for upgrades. It also rents land to hundreds of businesses on airport property that pay a premium to be closer to the transportation hub.

Money-making history

From the first commercial service on Jan. 13, 1974, the airport was doing more than just providing a new place to travel for North Texas.

Petroskey calls the airport the “brainchild” that met in the middle of Dallas and Fort Worth, driving billions in economic impact over the last 50 years. In its first three months, the airport was averaging 18,000 passengers a day and had 12 airlines operating.

At its opening, a report from the airport in 1974 showed the construction of the airport alone added hundreds of millions of dollars to the regional economy through jobs and the purchase of goods and services to open the \$800 million facility. The airport employed 14,000 people and had an annual payroll of about \$100 million.

By 1986, the airport was generating \$5.5 billion for the metroplex’s economy annually.

In 1992, according to the airport’s annual report, the airport tacked on an extra \$1 billion to the region, generating \$6.5 billion, employing 41,000 people and recording 764,243 takeoffs and landings for the year. That number was expected to rise to 1.2 million by 2010.

Since then, the economic impact has continued to grow, and companies are noticing the opportunity the airport provides. John Boyd Jr., corporate relocation site selection expert and principal of The Boyd Company, Inc., said a major airport is a “critical site selection factor” for corporate headquarters relocations. And headquarters, he said, are the “holy grail” of economic development.

“A big part of DFW’s winning formula, with respect to a large cluster Fortune 500 companies, has been their nonstop service to major global markets,” Boyd said.

Dallas’ central location and nonstop services allow companies to facilitate corporate functions, training activities and client servicing activities from all over, he said.

After Toyota moved to DFW, Charles Schwab announced its relocation in 2019, leaving San Francisco, Calif., to move in by 2021 to its new Westlake campus. It followed McKesson, the nation’s largest pharmaceutical distributor, which moved its headquarters to Irving in 2019, and Core-Mark Holding Co., one of the nation’s largest wholesale suppliers to the convenience store industry, which completed its headquarters move to Westlake in 2019 also.

But the latest large relocation was just last year when Caterpillar Inc. relocated from suburban Chicago to Irving. The move made DFW home to 24 Fortune 500 companies. At the time, Caterpillar praised the Irving location for its “close proximity to two major airports.”

Corporate leaders cite the airport’s 218 nonstop destinations, including 184 in the United States, for quick access to the rest of the world.

Aside from the flights offered and all the perks of the central location DFW has, Donohue’s sell to companies that are interested is simple. He calls the region “easy living.”

“I know we all complain about traffic, but gosh, compared to other major cities, we don’t have those traffic issues that they do and it’s been a tremendous investment in the roadway systems,” Donohue said. “Education is getting better and better. I know housing expenses are going up, but they’re going up everywhere. I think this region is still a pretty reasonable place to live from a cost-of-living perspective. The people are really welcoming. There’s a lot of things that we’ve got going for us here in the region.”

Fort Worth Mayor Mattie Parker said DFW’s “huge impact” continues to haul in businesses from all over.

“When businesses cite why they came here and they always mention DFW — that’s a big reason why,” Parker said. “Whether it’s a direct flight or a short connection to get anywhere in the world, they truly can power their companies right here in North Texas.”

The future

Petroskey says he hopes the community sees just how lucky they are to have a leading airport in the region.

In fact, according to DFW, the airport has exceeded pre-pandemic traffic. In June, July and August, the airport set a record of 22.5 million passengers. On June 30 alone, the airport served 281,000 passengers — the airport’s busiest day in its 50-year history, Donohue said.

It’s an airport that provides Dallas with a unique link to the world, according to Boyd.

“Having an airport not only helps you serve a global marketplace, but it helps facilitate corporate functions and client servicing activities,” Boyd said. “That’s why strong airports are so critical today.”

And it’s just going to keep on growing, as the demand to travel continues to skyrocket, he said.

Dallas Mayor Eric Johnson said having the airport in the region is “critical.”

“DFW Airport is a major economic engine for our city,” Johnson said in an email. “It supports over 60,000 on-airport jobs and about 228,000 jobs across the region. More importantly, DFW Airport is our connection to the world and makes it easy for travelers from across the globe to visit Dallas and dine at our restaurants, experience one of our extraordinary entertainment venues, and stay in one of our hotels, driving more economic activity.”

Long-term, Donohue is thinking big. He looks at the growth in the Legacy area, Uptown Dallas and Fort Worth for an indication of where things are headed.

“We still have room to grow,” Donohue said. “I’ve worked in a lot of different cities in New York, Boston, DC, Chicago. Good cities, good people. But, they don’t have the ability to grow like we do here. I think the success story is going to continue and hopefully, we’ll be part of that.”

In May, the airport and American Airlines came to a deal for \$4.8 billion in expansions, including \$1.6 billion for a new terminal that would include 15 new gates. The new Terminal F would expand the airport’s existing 168 gates and give room to grow up to 100 million passengers in the next six or seven years, Donohue said.

And despite any research or analysis that tries to quantify the airport’s influence, Perryman said there’s one way to truly understand its impact.

“I think that perhaps the best way to understand the true significance of DFW Airport is to imagine the region without it,” Perryman said. “It would be a very different place.”