



**Airlines for America<sup>®</sup>**

**We Connect the World**

## **The State of U.S. Commercial Aviation**

Updated December 11, 2025

<https://www.airlines.org/dataset/state-of-us-aviation/>

# U.S. Airlines Facilitate the Safe and Efficient Movement of People and Goods Worldwide

Data Reflects Passenger and Cargo-Only Operations\*

> 1M  
**employees**  
around the world



Powering ~27K  
**flights** per day  
across the globe



Carrying ~2.7M  
**passengers**  
per day to/from  
~80 countries



Moving ~61K  
**tons of cargo**  
per day to/from  
more than 220  
countries



Sources: A4A, Bureau of Transportation Statistics, Diio by Cirium and company literature

\* Headcount as of Dec-2024; other statistics reflect daily average for 2024

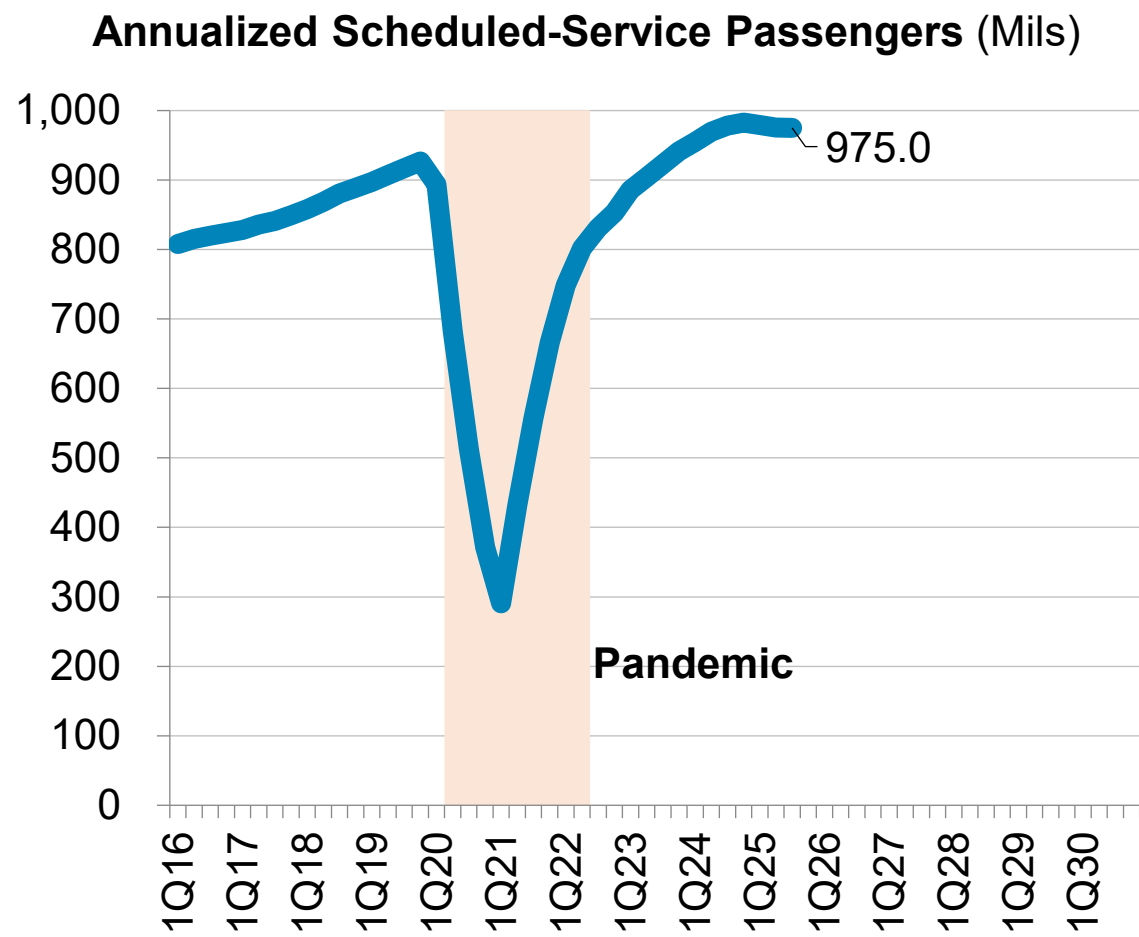
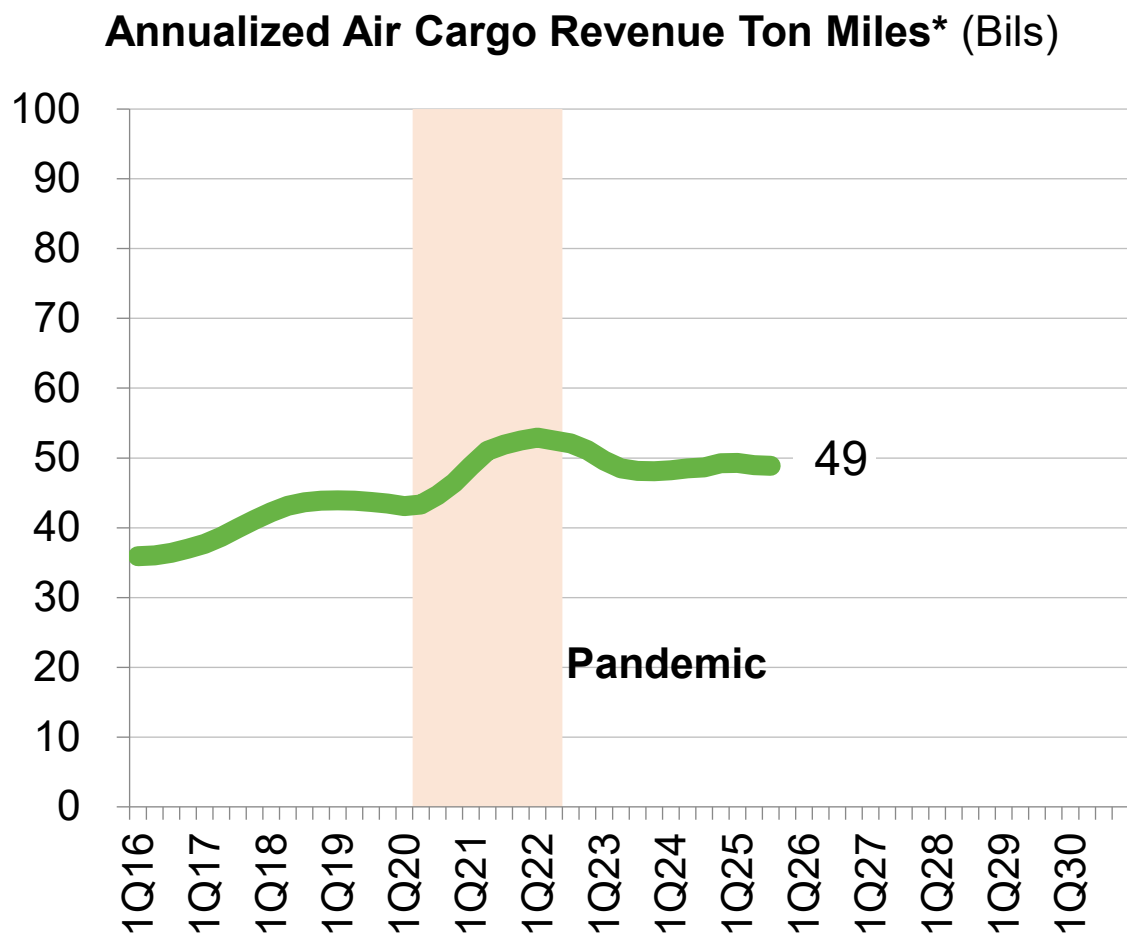
# Key Points

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- » Demand is healthy, but many airlines have seen a **slowdown in domestic main cabin bookings**.
- » Air cargo demand has plateaued but remains well above 2019 levels.
- » Airlines of all shapes and sizes continue to retool products and networks to reflect the changing face of demand and to cope with inflation, but **growth rates—and profit margins—differ widely**.
- » ATC issues, aircraft/engine deliveries, parts scarcity, MRO bottlenecks and workforce juniority have curbed growth and led airlines to hold onto older equipment to accommodate demand.
- » In large part, airlines have been using **cash flow** to add staff, renew fleets, upgrade ground equipment and IT and retire the massive **debt** accumulated in 2020-2021 to weather the pandemic.
- » Most airlines are pursuing high-margin revenue diversification, earnings durability, equity appreciation and balance sheet fortification.

# For U.S. Airlines, Air-Cargo and Air-Travel Demand Subsided in 2Q 2025

## But Demand Remains Well Above Pre-Pandemic Levels



Source: Bureau of Transportation Statistics (Form 41 Schedule T1 and T100 segment data)      \* Cargo revenue ton miles (RTMs) flown on U.S. passenger and cargo-only airlines in scheduled and nonscheduled services

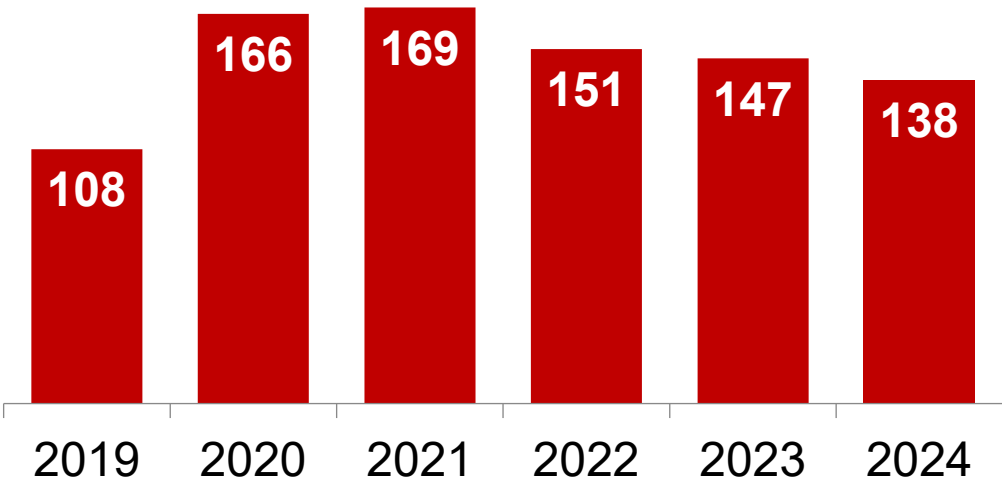
# Airlines Have Prioritized Debt Reduction, Accompanied by Heavy Cash Outlays for Interest

## Debt Levels Fell \$31B From 2021-2024, But Interest Expense Remains Elevated

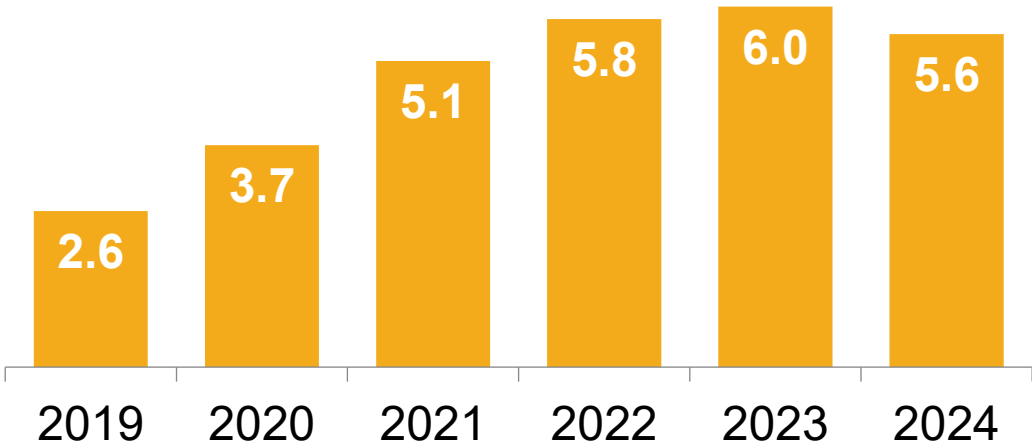
“To suggest that the airlines should have better prepared for this environment seems akin to suggesting Pompeii should have invested more heavily in firefighting technology.” (Jamie Baker, JPMorgan, March 22, 2020)

“For 2021 and beyond, we anticipate a major deleveraging cycle as **the industry will have no choice but to address its significant debt load.**” (Michael Linenberg, Deutsche Bank, July 1, 2020)

Year-End Total Debt\* (\$ Billions)



Interest Expense (\$ Billions)



Source: Alaska/Hawaiian, Allegiant, American, Delta, Frontier, JetBlue, Southwest, Spirit, Sun Country and United 10-Ks

\* Long-term debt and finance leases + operating lease liabilities + pension and postretirement benefits

# In Jan-Sep 2025, U.S. Passenger Airlines Collectively Posted a Pre-Tax Profit Margin of 3.8%

## Lower Interest Expense YOY Helped Offset Higher Operating Costs to Spur Better Pre-Tax Results

Financial Results: Jan-Sep 2025	\$ Billions	% Chg. YOY	% of Category
Passenger (RPMs +0.2%, yield +0.3%)	158.0	1	89
Cargo	3.2	10	2
Other <sup>1</sup>	17.1	6	10
<b>Total operating revenues</b>	<b>178.2</b>	<b>1</b>	<b>100</b>
Salaries, wages and benefits	58.8	7	35
Aircraft fuel and taxes (consumption +1.5%, price -11.6%)	33.7	(10)	20
Maintenance materials and repairs	9.8	3	7
Landing fees and airport (terminal/hangar) rents	12.2	10	7
Depreciation and amortization <sup>2</sup>	8.2	0	5
Regional capacity	8.2	9	5
Other <sup>3</sup>	39.3	2	23
<b>Total operating expenses</b>	<b>170.3</b>	<b>2</b>	<b>100</b>
Interest and other non-op expenses, net	(1.2)	(55)	n/a
<b>Pre-tax profit/(loss)</b>	<b>6.7</b>	<b>18</b>	<b>n/a</b>
<b>Pre-tax margin<sup>4</sup></b>	<b>3.8%</b>	<b>0.5 pts</b>	<b>n/a</b>

1. Sale of frequent flyer award miles to airline business partners, transportation of pets, in-sourced aircraft and engine repair, flight simulator rentals, inflight sales, etc.
2. Related primarily to ownership of aircraft, ground support equipment, information technology, etc.
3. Aircraft rents, professional fees, food/beverage, insurance, commissions, GDS fees, communications, advertising, utilities, office supplies, crew hotels, etc.
4. Pre-tax profit/(loss) ÷ total operating revenues

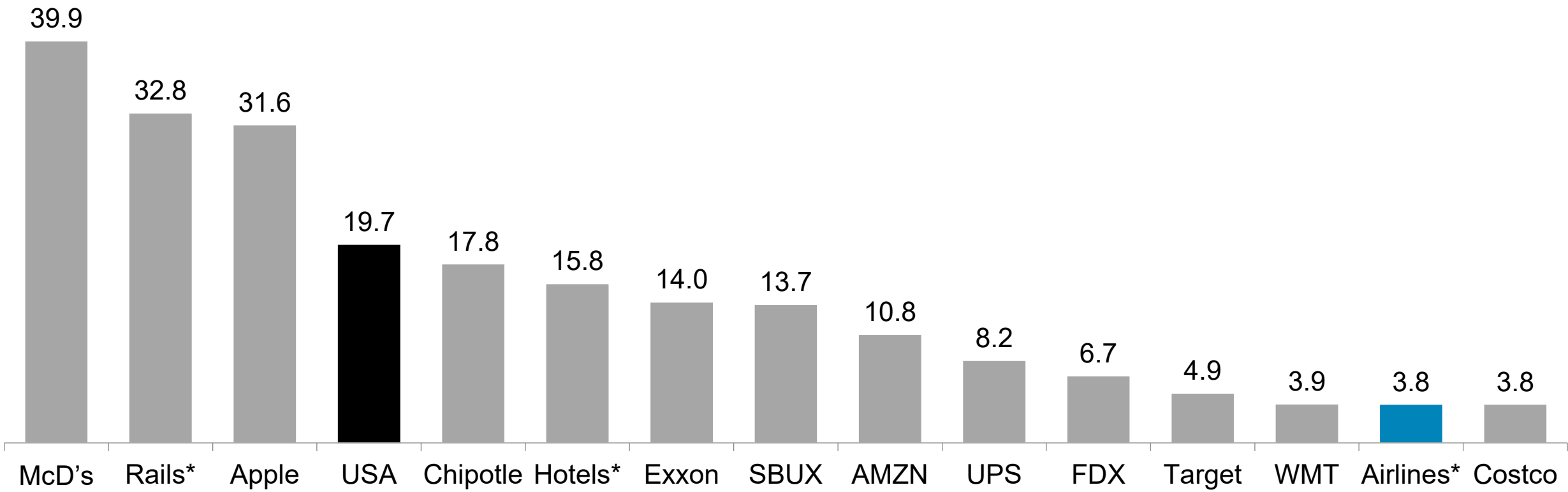
Source: SEC filings of Alaska/Hawaiian, Allegiant, American, Delta, Frontier, JetBlue, Southwest, Spirit, Sun Country and United

# In 2024, the Average U.S. Corporation Was Five Times More Profitable Than U.S. Airlines

## McDonald's Was Over 10 Times More Profitable Than Airlines

Pre-Tax Profit Margin (%) for Selected U.S. Companies and Industries, Fiscal Year 2024

Note: Profit Margin = (Revenues – Expenses) ÷ Revenues



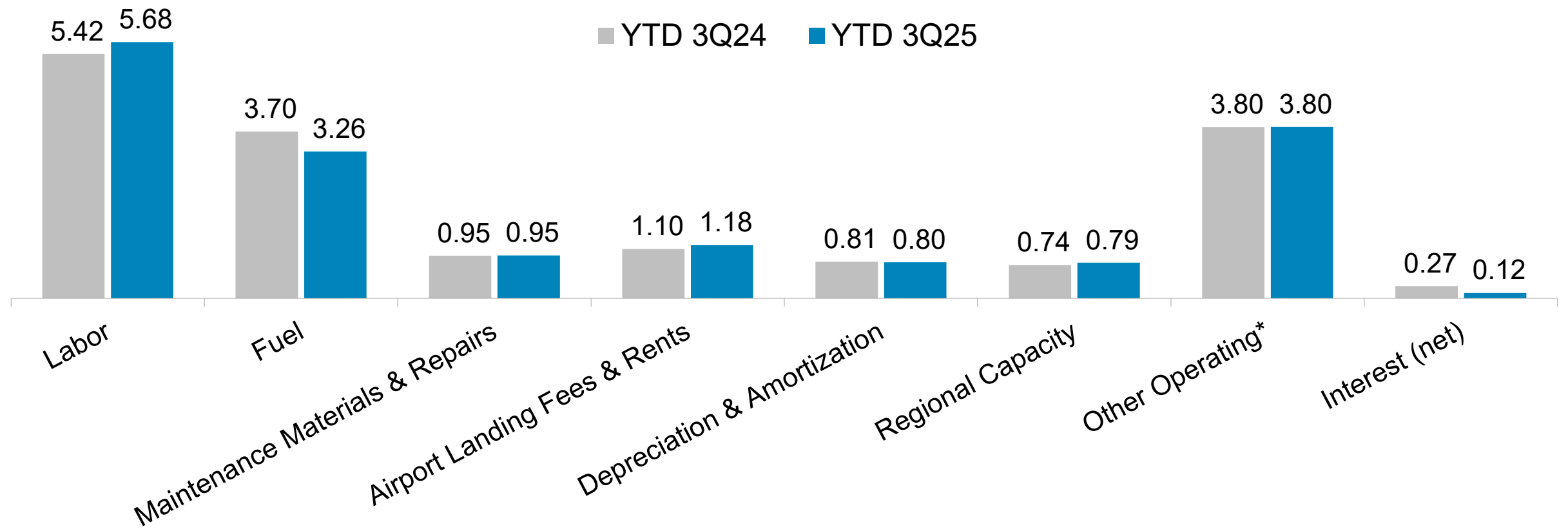
Sources: Bureau of Economic Analysis, DOT Form 41 and SEC filings

\* Airlines = U.S. passenger airlines; Hotels = Choice/Hilton/Hyatt/Marriott/Wyndham; Rails = CSX/Norfolk Southern/Union Pacific

# In Jan-Sep 2025, U.S. Airlines' Pre-Tax Unit Costs Fell 1% YOY on 12% Lower Fuel CASM

Labor CASM Rose 5%, Airport CASM Rose 8%

U.S. Passenger Airlines: Cost (in Cents) per Available Seat Mile



Source: SEC filings of Alaska/Hawaiian, Allegiant, American, Delta, Frontier, JetBlue, Southwest, Spirit, Sun Country and United

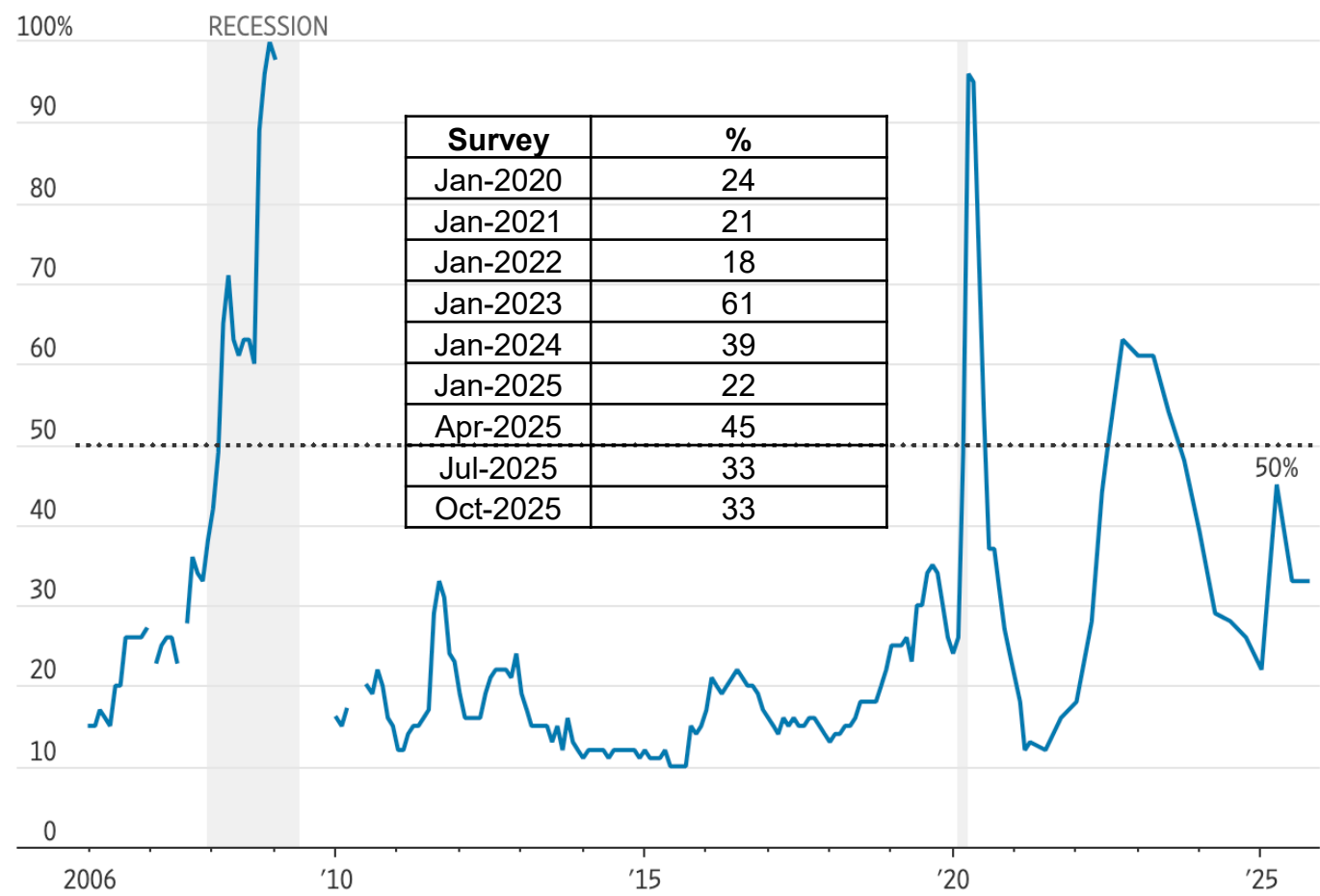
\* Professional fees, food/beverage, insurance, commissions, GDS fees, communications, advertising, utilities, office supplies, crew hotels, etc.



# Economists Remain Downbeat, But Perceived Risk of U.S. Recession Has Subsided

## WSJ Survey: Probability of Recession Over Next 12 Months Remains 33% (as of October)

Probability the U.S. is in a recession in next 12 months including today



**Jan-2023** — *Economists...Still See Recession This Year Despite Easing Inflation*

**Jan-2024** — *It Won't Be a Recession—It Will Just Feel Like One*

**Jan-2025** — *Trump's Return Nudges Economists' Inflation Outlook Higher*

**Jul-2025** — *Economists See Lower Recession Risk and Stronger Job Growth*

**Oct-2025** — *Stronger Growth, Weaker Hiring: Forecasters See a Split-Screen Economy*

**“Employers are reluctant to hire** given political uncertainty and rising costs... Forecasters put the probability of recession in the next 12 months at 33%...”

Source: The Wall Street Journal Economic Forecasting Survey and Harriet Torry and Anthony DeBarros, “Stronger Growth, Weaker Hiring: Forecasters See a Split-Screen Economy,” *The Wall Street Journal* (Oct. 12, 2025)

# Perspectives on the U.S. Economic Outlook

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Nov. 11, 2025    “**The U.S. economy is growing, but its growth is fragile. Deglobalization**, driven by higher tariffs and highly restrictive immigration policies, **is a powerful headwind**. But **artificial intelligence**, which is fueling an investment boom and a surging stock market, **is a strong tailwind**. The net of these crosswinds should be **continued tenuous growth**, which depends on nothing going off script and a deft Federal Reserve.”

Mark Zandi, Chief Economist, Moody's Analytics

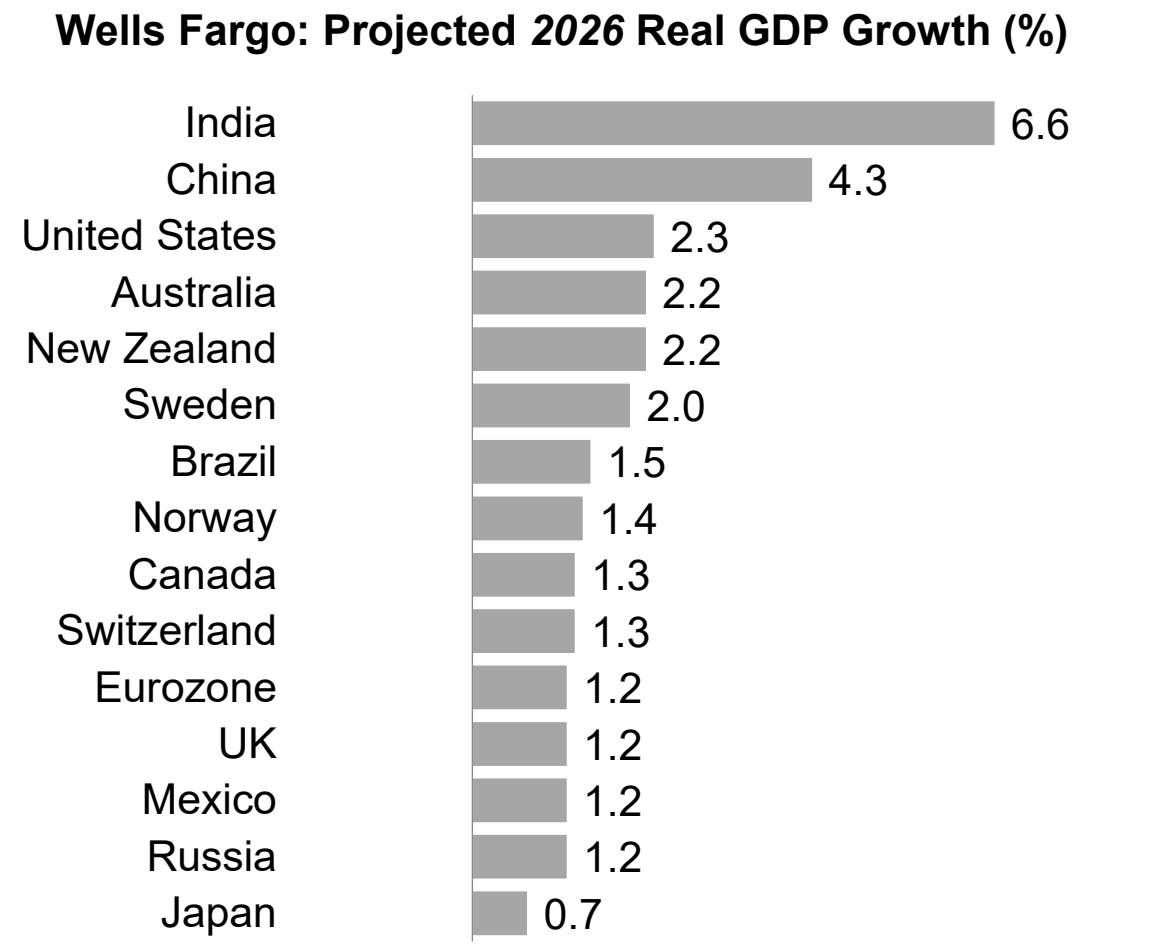
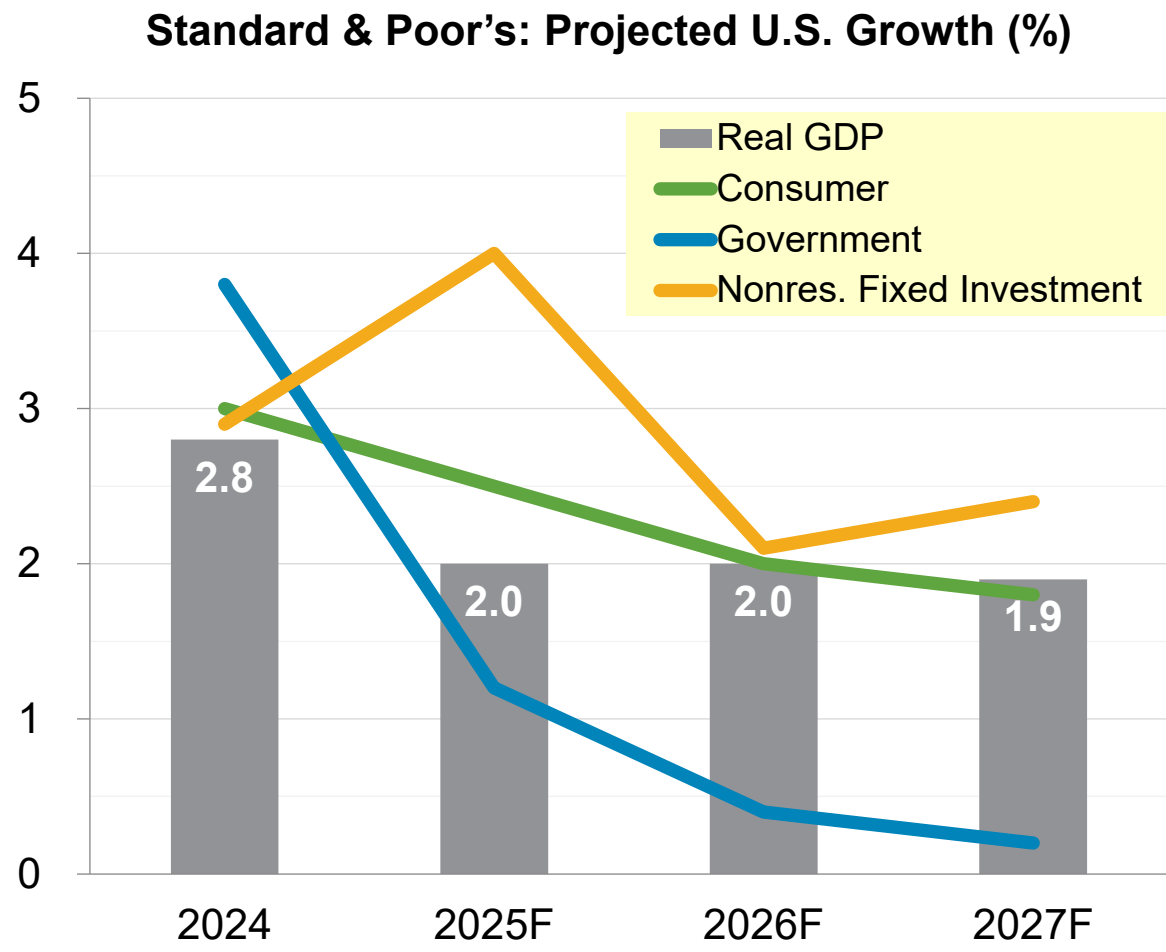
Nov. 28, 2025    “The US economy remains resilient, but **the signal has become harder to read**... Beneath the surface, **the pattern is distinctly K-shaped. Affluent households continue to spend, supported by income and wealth gains, while middle- and lower-income families are turning more cautious** heading into the holiday season. Business investment outside technology has taken on a more defensive tone, and tariff-related cost pressures are gradually filtering through supply chains.”

Gregory Daco, Chief Economist, EY

Sources: <https://www.linkedin.com/pulse/us-outlook-deglobalization-vs-artificial-intelligence-mark-zandi-offde/> and <https://www.linkedin.com/pulse/making-sense-all-gregory-daco-q3aif/>

S&P Expects U.S. Consumer and Government Spending to Slow Further in 2026

Wells Fargo Expects Japan/Mexico/UK/Eurozone/Canada/Brazil/Australia/NZ Growth to Lag USA



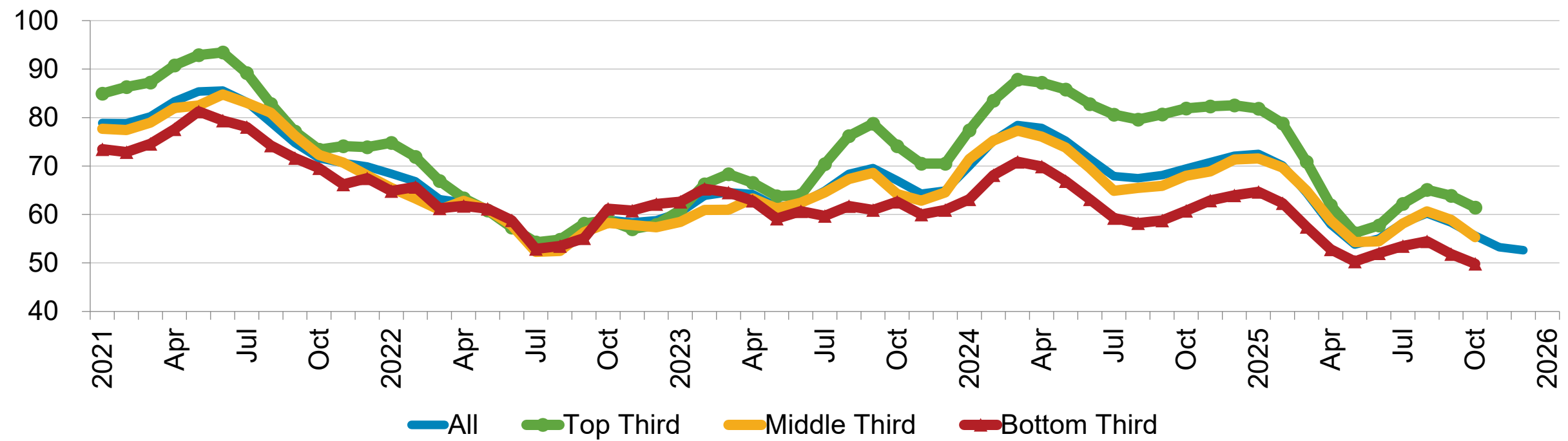
Source: Wells Fargo International Economic Outlook (Nov. 19, 2025) and Standard & Poor's "Economic Outlook U.S. Q1 2026" (Nov. 24, 2025)

# U.S. Consumer Sentiment Has Fallen to Its Lowest Level in Three Years

## Higher Levels of Sentiment Correlated With Higher Levels of Income

“Consumers see **modest improvements from November** on a few dimensions, but the **overall tenor of views is broadly somber**, as consumers continue to cite the burden of high prices.” (Joanne Hsu, Dec. 5, 2025)

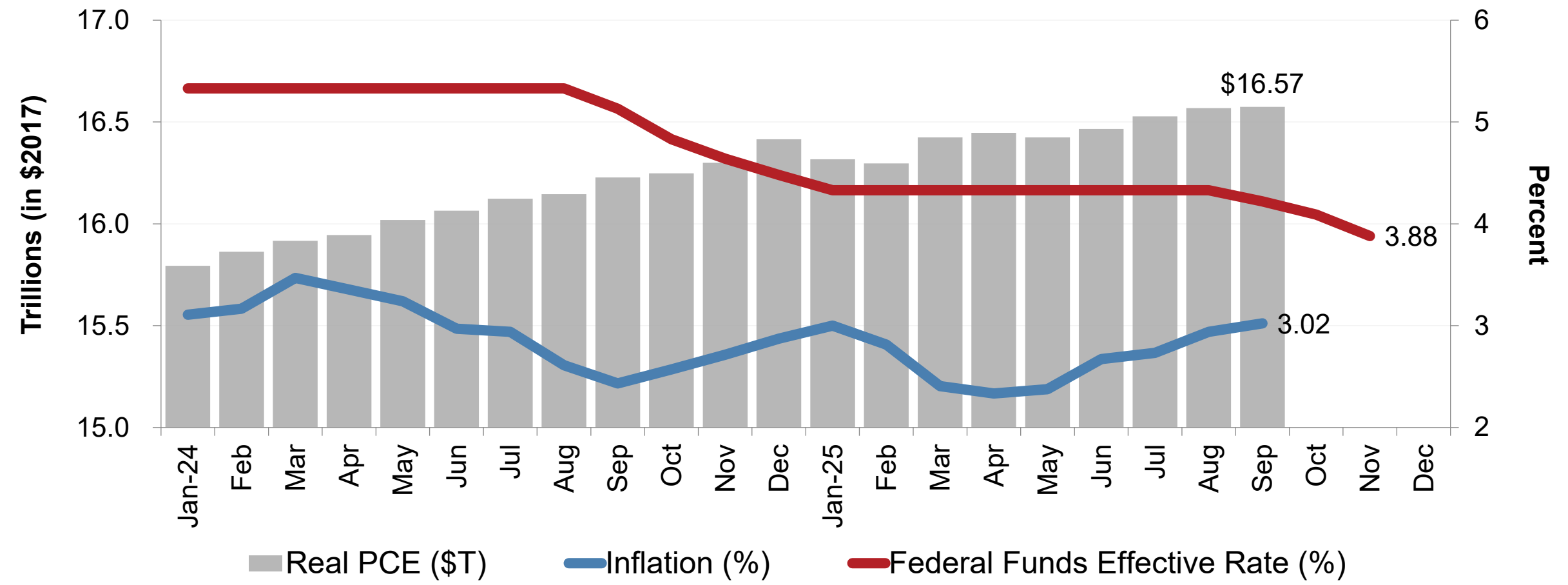
U.S. Consumer Sentiment by Income Tier  
3-Month Moving Average, Index: 1Q 1966 = 100



Sources: University of Michigan

# Real Consumer Spending Rose to a Record Level in September

## Spending Was Strong in the Face of Inflationary Headwinds



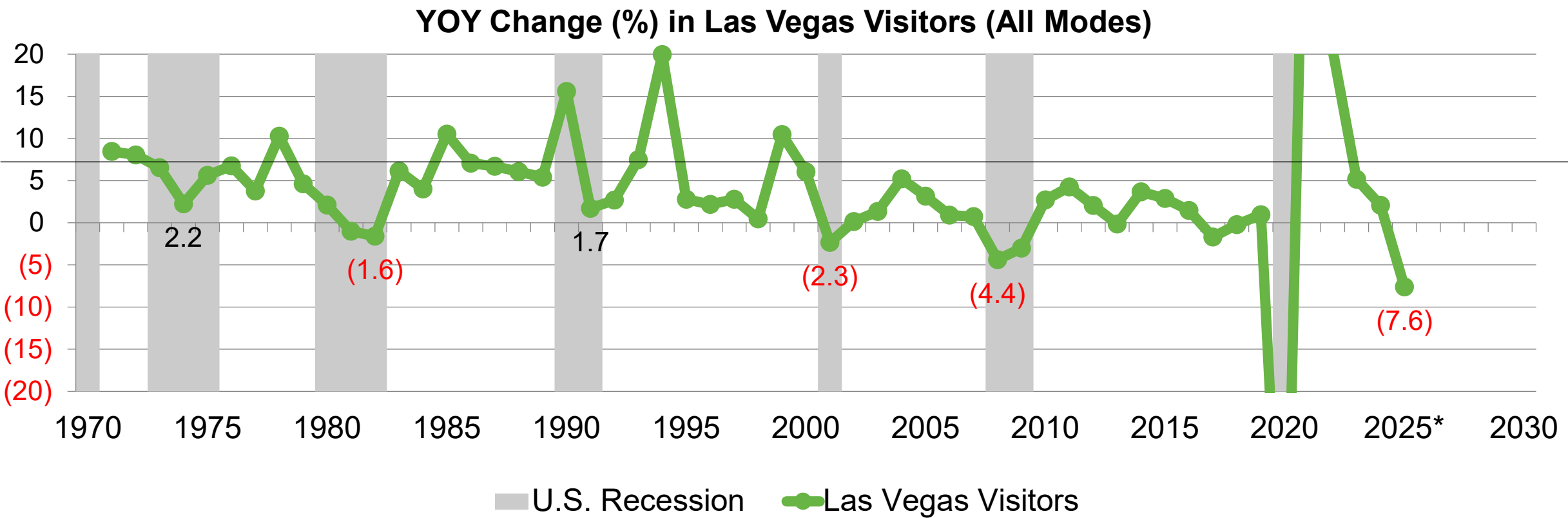
Source: U.S. Bureau of Economic Analysis and Bureau of Labor Statistics via Federal Reserve Bank of St. Louis

Note: Personal consumption expenditures (PCE) and inflation are seasonally adjusted and annualized

# Las Vegas Seeing a Sharp Drop in Visitors (All Modes) in 2025

## Has Often Been a Sign of Recessionary Times

**“A portion of our friends in Canada are not happy with us right now,”** said [Steve] Hill, CEO of the LVCVA...  
“Vegas tourism leaders head north of the border to entice disgruntled Canadians,” *The Nevada Independent* (Sept. 3, 2025)

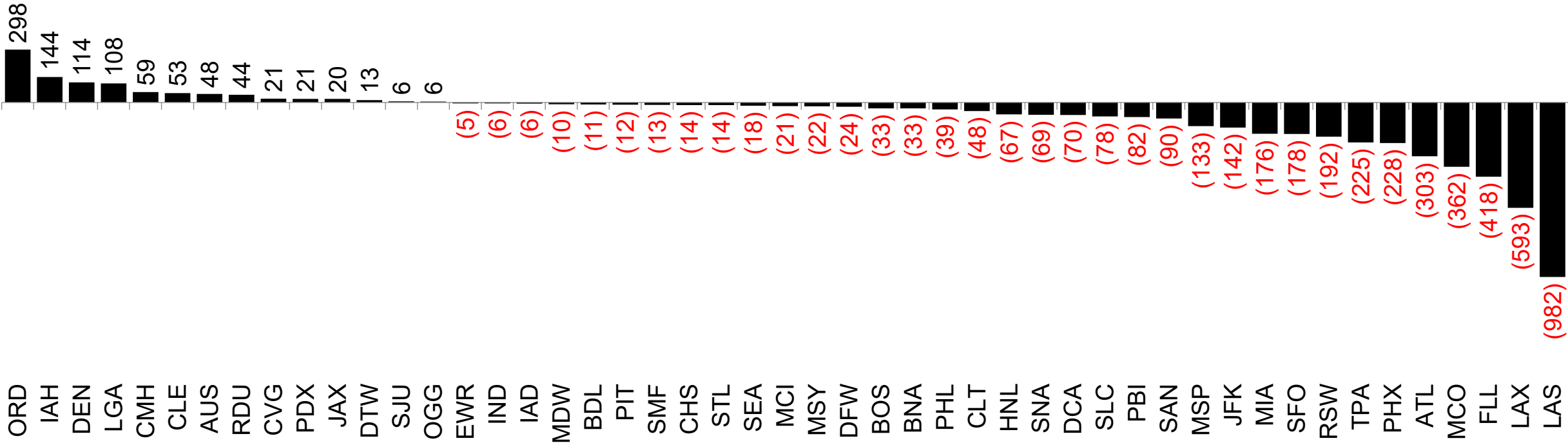


Source: Visual Approach Advisory (Aug. 21, 2025) and “Vegas tourism leaders head north of the border to entice disgruntled Canadians,” The Nevada Independent (Sept. 3, 2025), and LVCVA.com \* Jan-Oct

# Many U.S. Airports Have Seen Sharp Cuts in Scheduled Service From Canada

## Las Vegas Has Seen the Biggest Reduction in Daily Arriving Seats

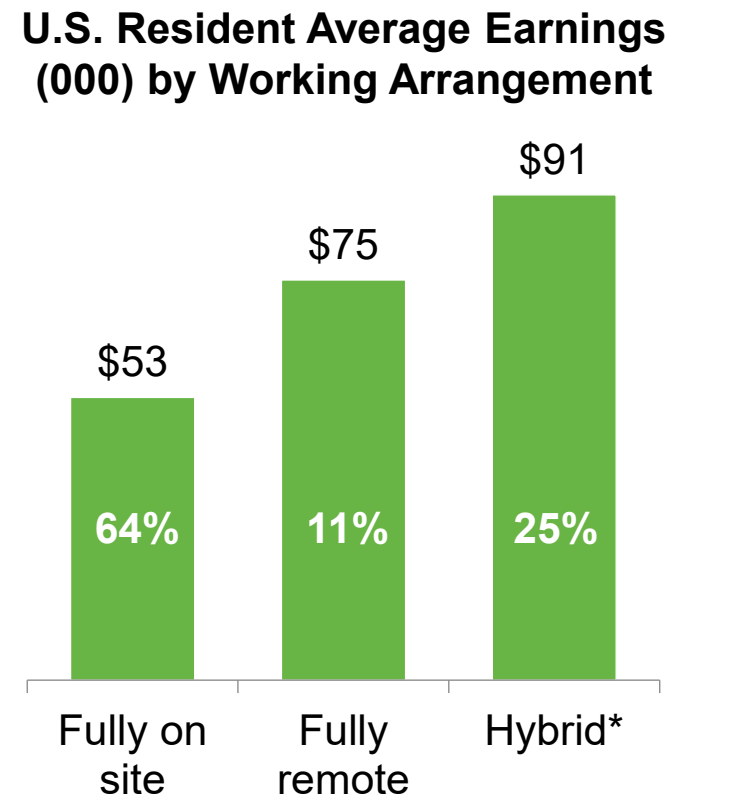
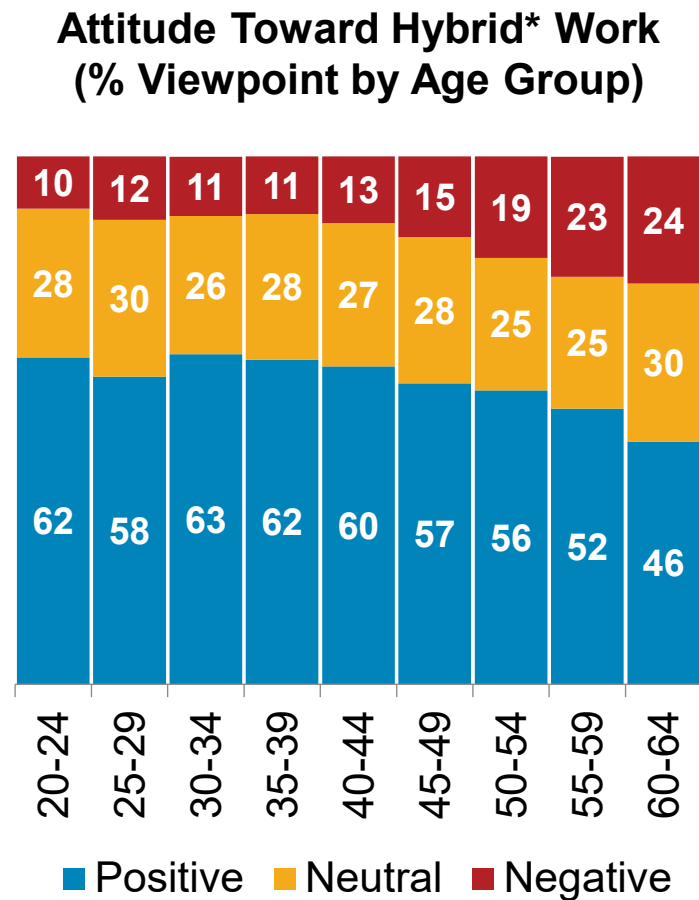
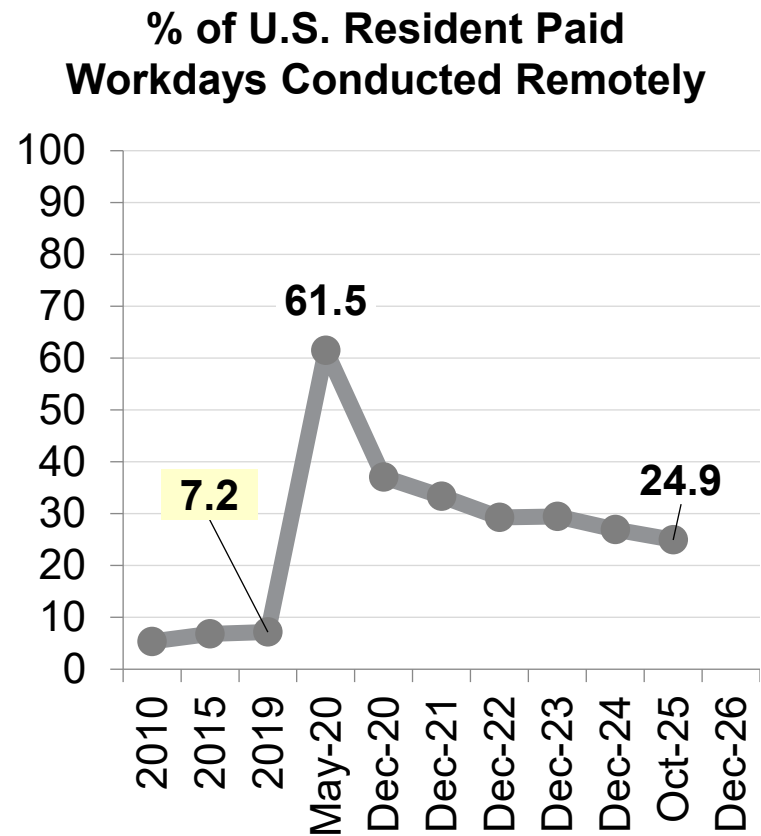
Change in Daily Average Scheduled Seats From Canada to U.S. Airports  
Oct-Dec 2025 vs. Oct-Dec 2024



Source: Cirium published schedules (Dec. 5, 2025) for all U.S. and non-U.S. airlines providing scheduled service

# Share of Remote Work Remains Well Above 2019; Preference for Hybrid Work Persists

## Younger Workers Are Most Enthusiastic About Hybrid Work, Which Commands Greater Earnings



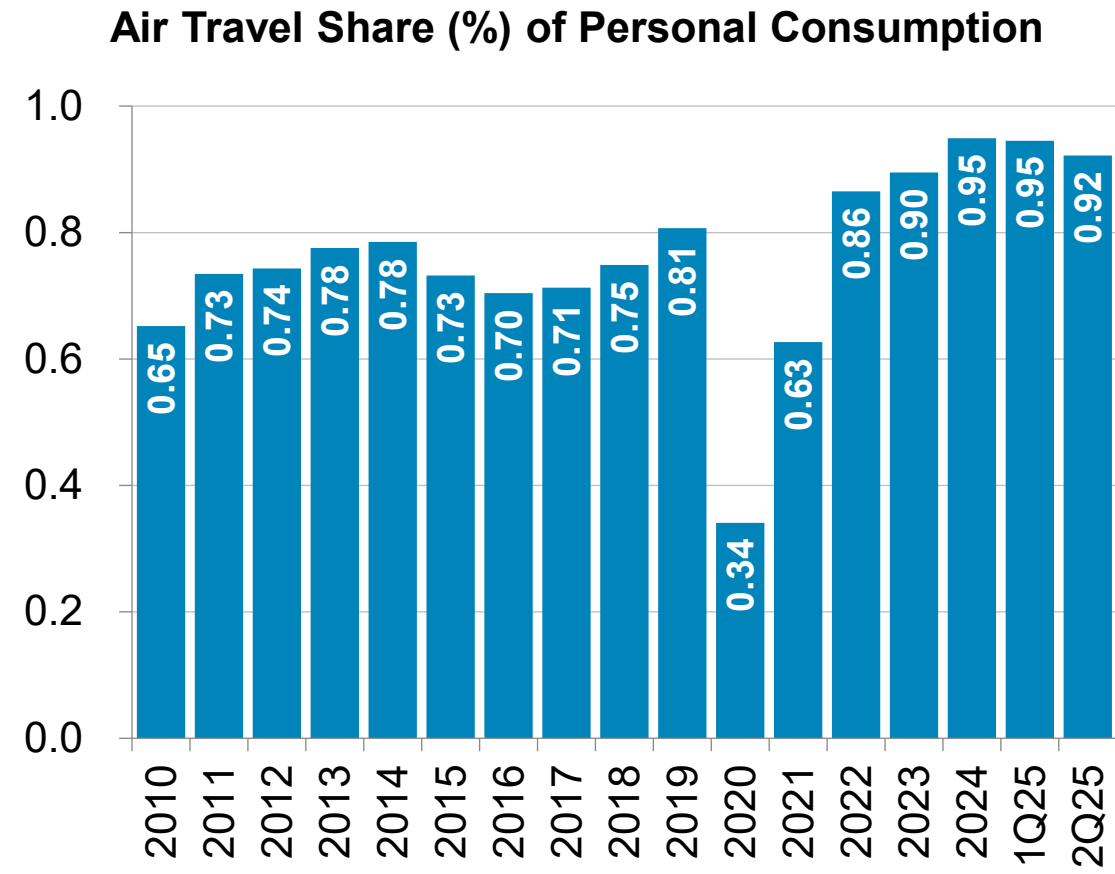
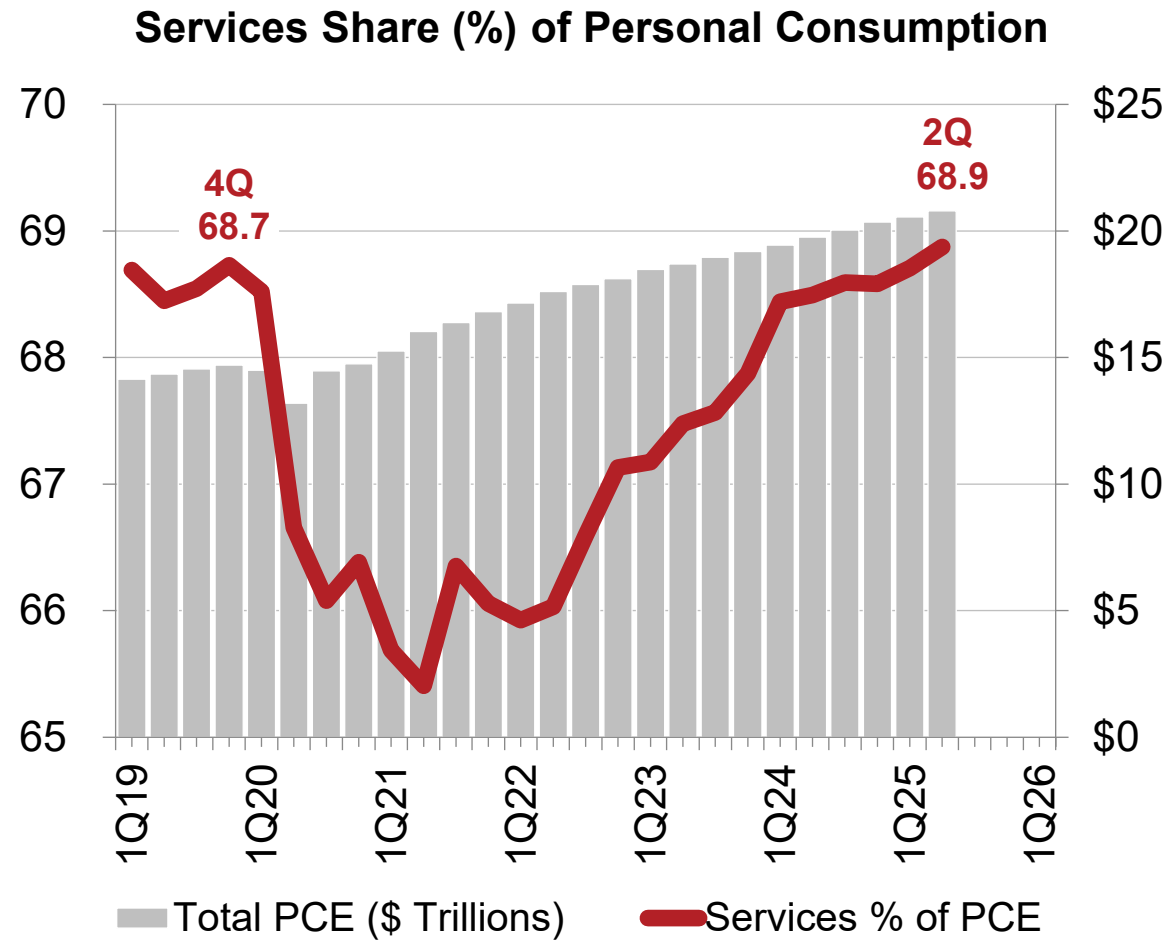
Source: Survey of Working Arrangements and Attitudes (SWAA), Barrero, Jose Maria, Nicholas Bloom, and Steven J. Davis, 2021. "Why working from home will stick," National Bureau of Economic Research Working Paper 28731.

\* Two to three days per week



# Once Again, U.S. Consumers Are Allocating ~69% of Spending to Services

And They Have Increasingly Prioritized Air Travel, Albeit With a Retrenchment in 2Q25



Source: Bureau of Economic Analysis

Note: PCE = personal consumption expenditures

## Traveler Behavior Is Evolving, With Airlines Reacting at Different Speeds

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“We’ve become increasingly more bullish on the setup for the US airlines into year-end given capacity rationalization and the underlying improvement in travel pricing. Spirit’s recent bankruptcy filing has brought back some investor interest as it speaks to **the structural change occurring in the industry – i.e. low fares may no longer be the path to market share gains as consumers are increasingly seeking out premium products, network depth & breadth and loyalty**. The question is who has the potential to lasso the incremental demand that Spirit & others’ network adjustments could create.”

Conor Cunningham, Melius Research (Sept. 7, 2025)

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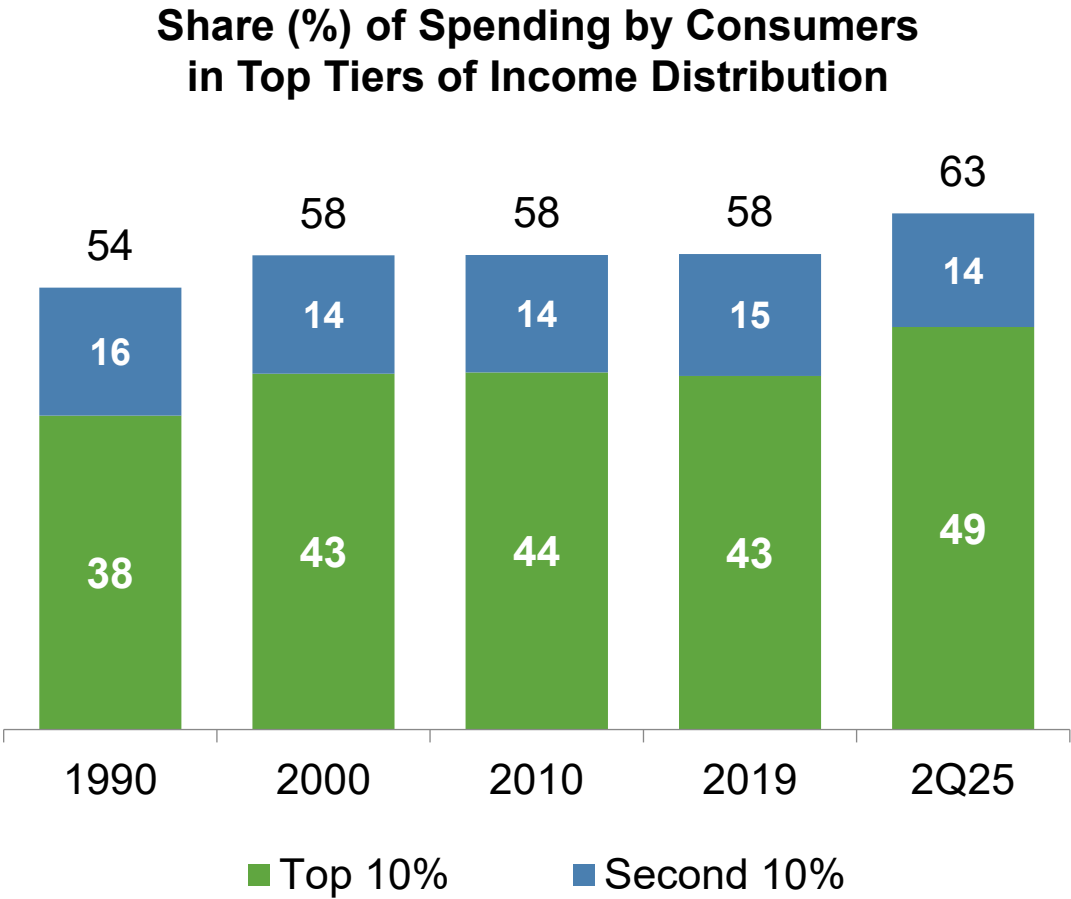
Source: Conor Cunningham, Melius Research, “Sunday Travel Advisory – Finding Value as Demand Improves” (Sept. 7, 2025)

# “Top 10% of Earners Drive a Growing Share of US Consumer Spending”

## High-Income Americans Behind Roughly Half of Spending, Up From a Third in the Early 1990s

“**Wealthy consumers continue to account for a growing share of US consumer spending**, highlighting the lopsided strength of the economy as a slowdown in hiring and wariness among other income cohorts raise fears of a slowdown. **Consumers in the top 10% of the income distribution accounted for 49.2% of total spending in the second quarter**...according to an analysis by Mark Zandi, chief economist for Moody’s Analytics. **‘The economy’s prospects are tethered to the fortunes and spending of the well-to-do,’** Zandi said. ‘If they turn more cautious in their spending, for whatever reason, the economy will suffer a recession.’”

*Bloomberg Government (Sept. 16, 2025)*

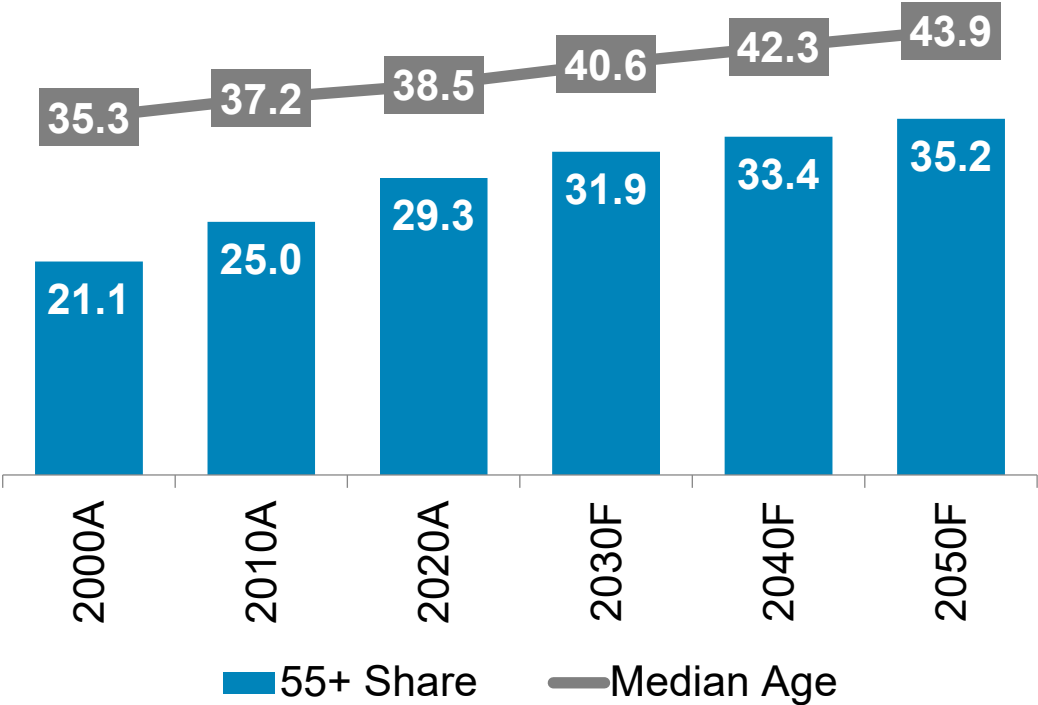


Source: Moody’s Analytics review of Federal Reserve data and Jonnelle Marte, “Top 10% of Earners Drive a Growing Share of US Consumer Spending,” *Bloomberg Government* (Sept. 16, 2025)

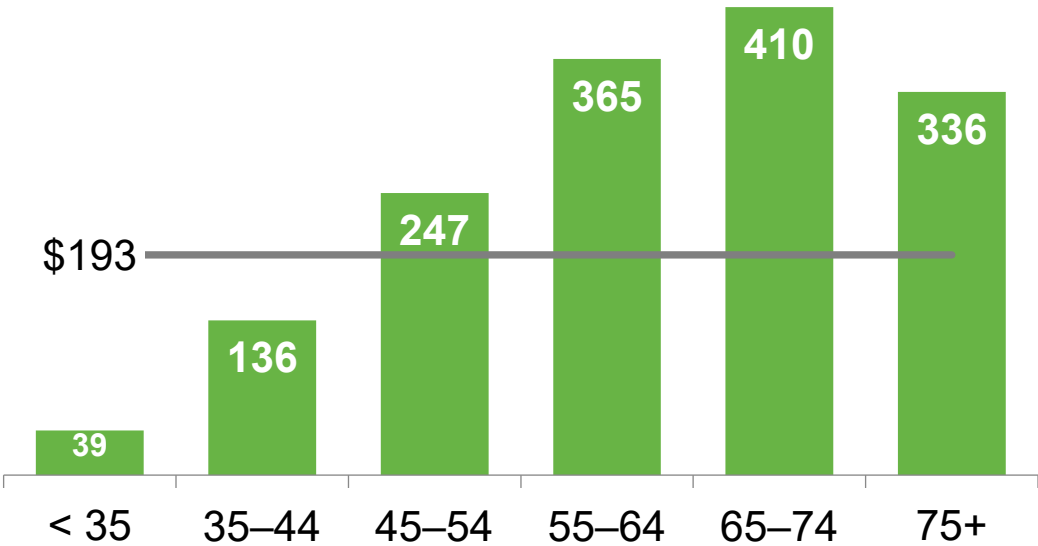
# The Older (and Wealthier) Share of the U.S. Population Is Expected to Continue Growing

That Subset of the Population Has Time and Money to Spend on Air Travel

U.S. Population Age: Median and 55+ Share



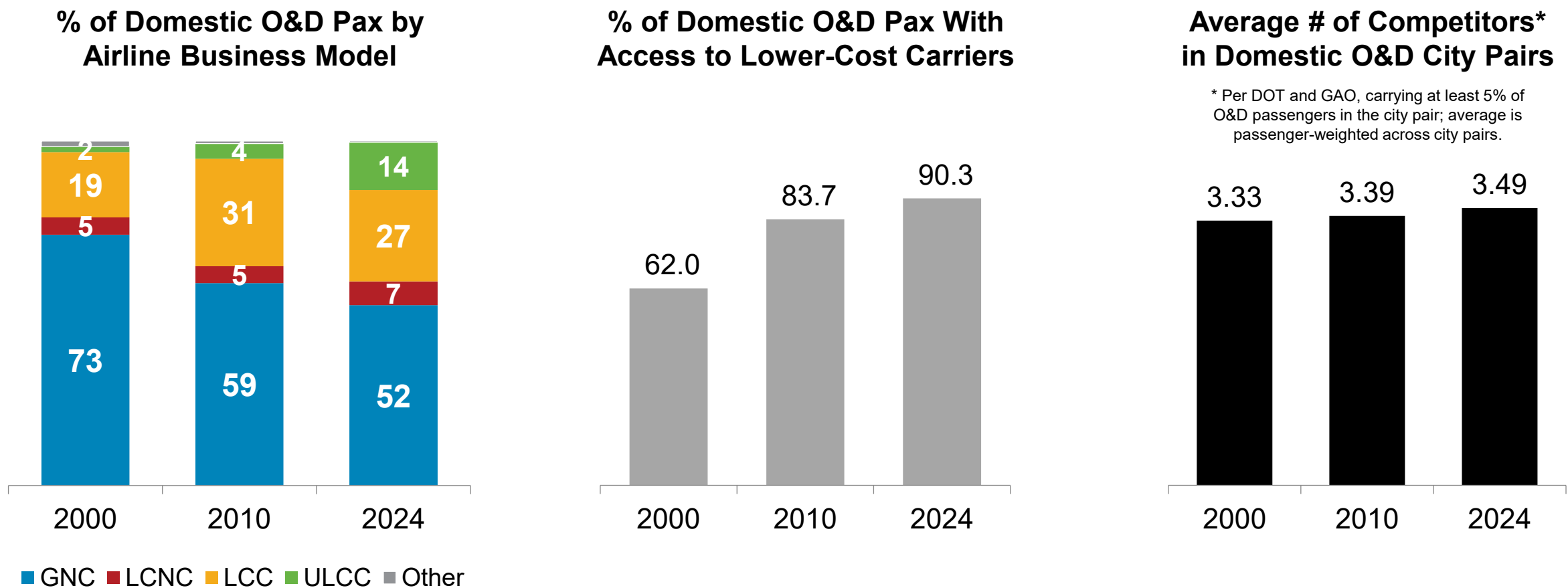
Median Household Net Worth (\$000) by Age, 2022



Source: U.S. Census Bureau and Federal Reserve 2022 Survey of Consumer Finances (Oct. 18, 2023)

# From 2000-2024, the Number of Competitors per Domestic Air Trip Rose From 3.33 to 3.49

## Global Network Carrier Share of Domestic Passengers Fell From 73% in 2000 to 52% in 2024

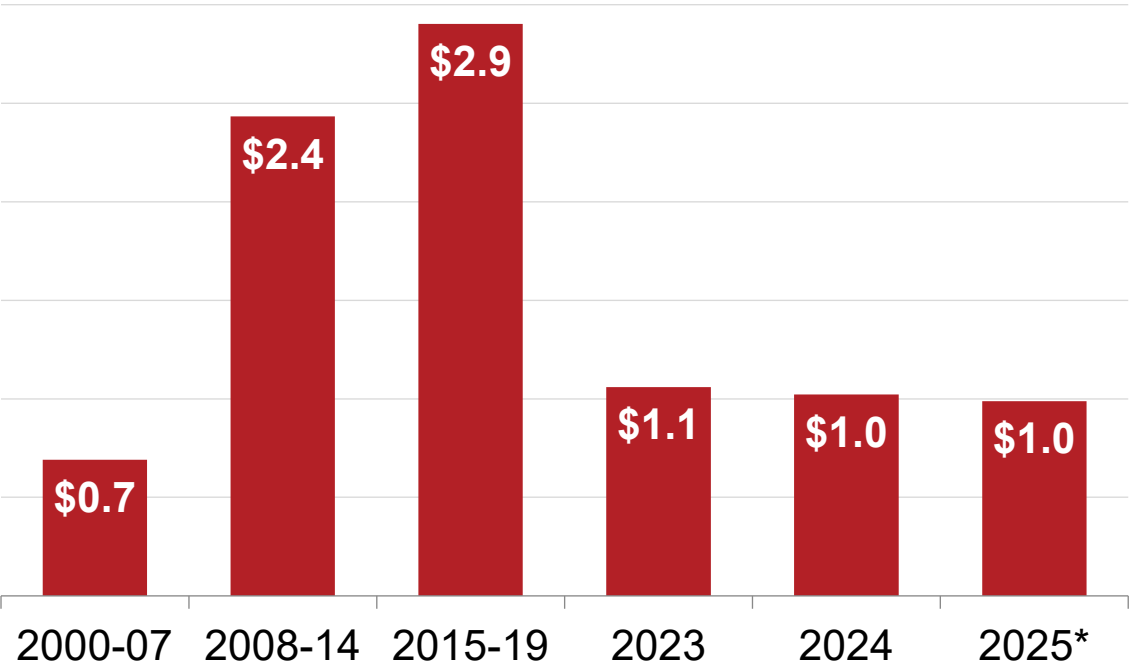


Source: DOT Data Bank 1B and Eonic Partners. Global network carriers (GNCs) include AA/DL/UA and predecessor airlines (e.g., US Airways, America West, TWA, Northwest, Continental) and defunct legacy network carriers (e.g., Eastern, Braniff). Low-cost carriers includes Southwest, JetBlue, Breeze, Reno Air, Midway, Pro Air, Kiwi International, AirTran, Accessair, Independence, Eastwind, National, ValuJet, ATA, Skybus, People Express, Vanguard, Virgin America, Western Pacific, Air South, and Morris Air). Lower cost network carriers include Alaska, Hawaiian and Aloha. Ultra low-cost carriers (ULCCs) include Allegiant, Frontier, Spirit, Sun Country, and Avelo.

# Post Pandemic, Airline Revenues From Reservation Change Fees Have Fallen Sharply

## Widespread Elimination of Change Fees and Same-Day Standby Fees Has Boosted Travel Flexibility

U.S. Airline Change-Fee Revenues  
Annual Average, in Billions



Aug. 30-31, 2020: United/Alaska/American/Delta announce widespread elimination of change fees.

**“It makes me feel a lot better as a consumer.** It makes me feel more willing to book something now.”

Brett Snyder, CrankyFlier.com (Aug. 31, 2020)

**“One of the best changes that the airlines made...**was to quietly get rid of change fees.”

Scott Keyes, Scott’s Cheap Flights (April 4, 2022)

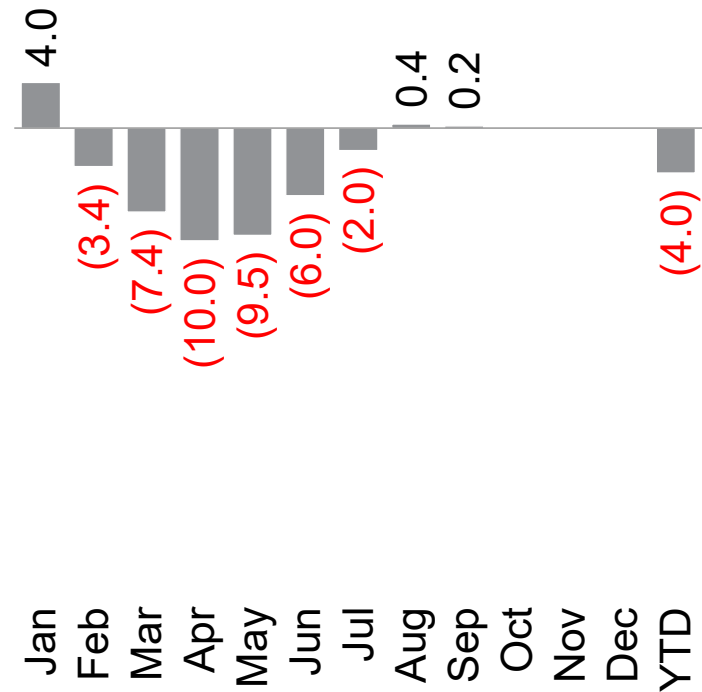
Sources: Bureau of Transportation Statistics Form 41; Kyle Arnold, *The Dallas Morning News* (Aug. 31, 2020); Savannah Levins, 11 Alive (April 4, 2022)

\* Four quarters ended 2Q 2025

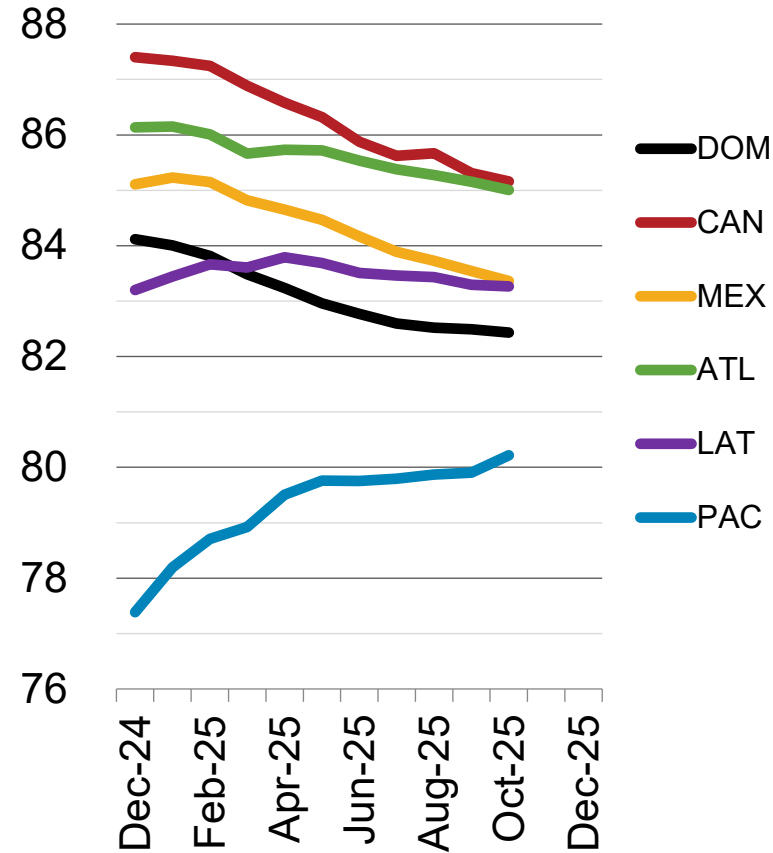
# Weaker Pricing and Softening Load Factors Led to Curtailed Capacity Growth Following 2Q25

Adjusted for Inflation, September Airfare CPI Rose 0.2% YOY; Year-to-Date Down 4% YOY

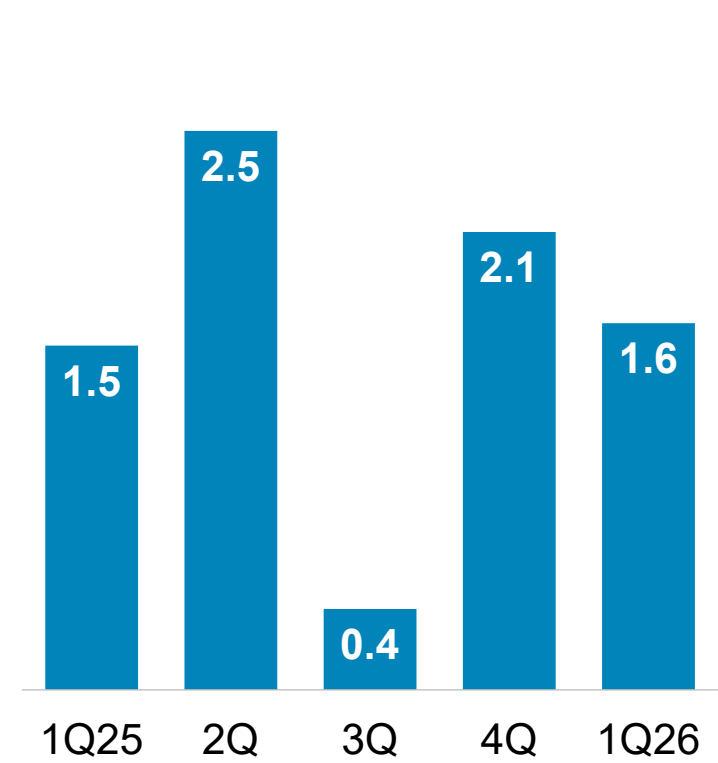
% Change YOY in CPI-Adjusted Fare  
Not Seasonally Adjusted



Passenger Load Factor  
12-Month Moving Average



% Change YOY in Domestic ASMs  
Per Published Schedules

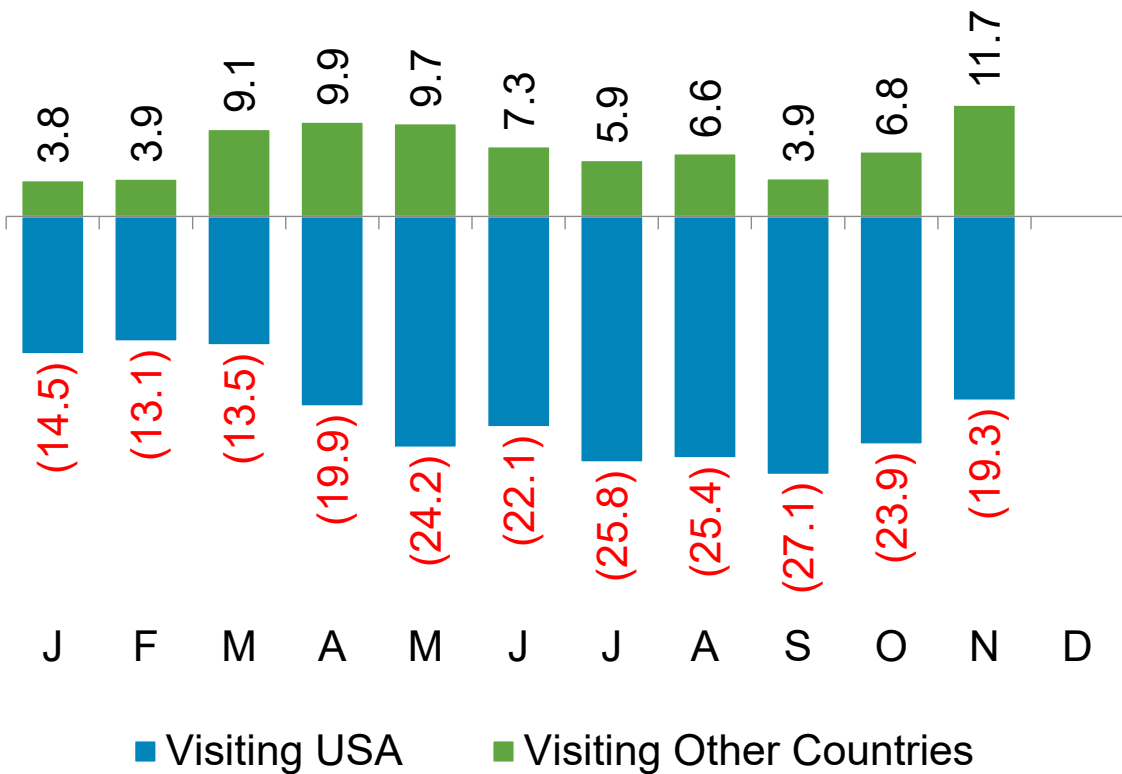


Sources: Bureau of Labor Statistics (CPI Series CUUR0000SETG01) and A4A member passenger airlines (AA, AS/HA, B6, DL, UA, WN) and branded code share partners and Cirium published schedules (Nov. 28, 2025)

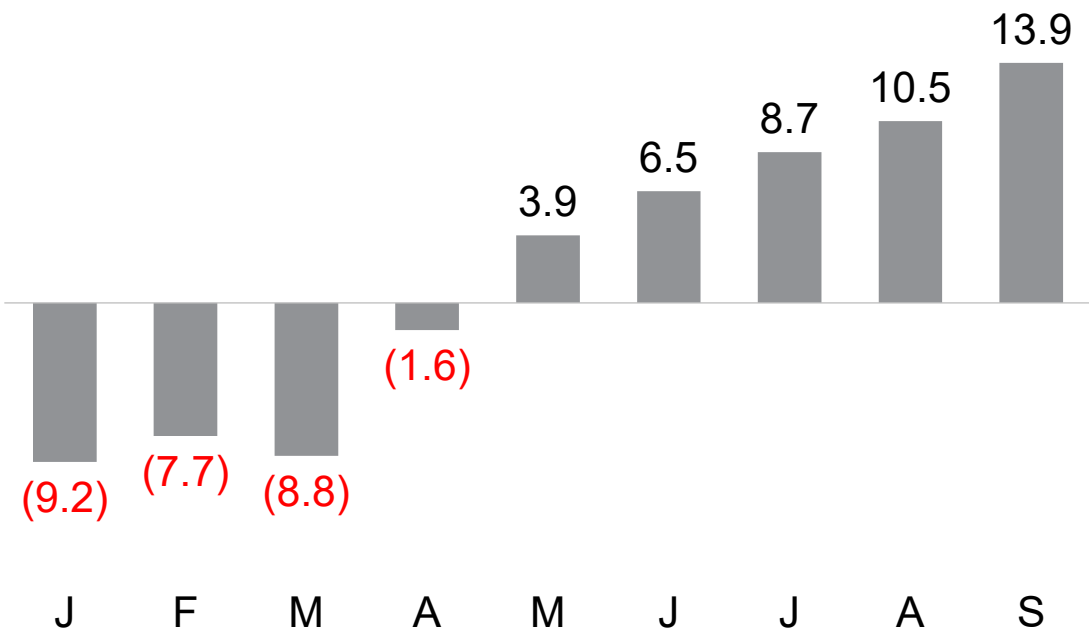
# Canadian-Resident Air Trips to the United States Have Fallen Sharply Throughout 2025

## Airlines Have Reduced Transborder Seats But Are Poised to Add Back in Spring/Summer 2026

% Change YOY in Canadian Residents Returning by Air



% Change YOY in U.S.-Canada Seats: 2026 vs. 2025

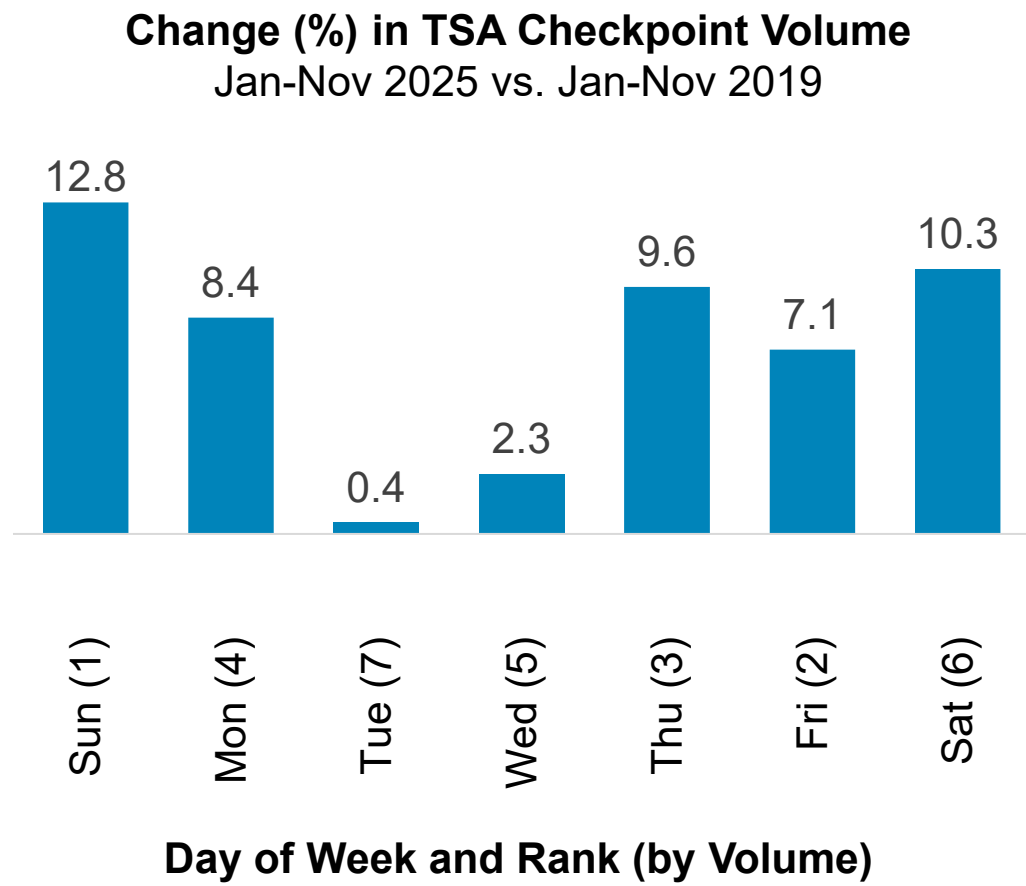
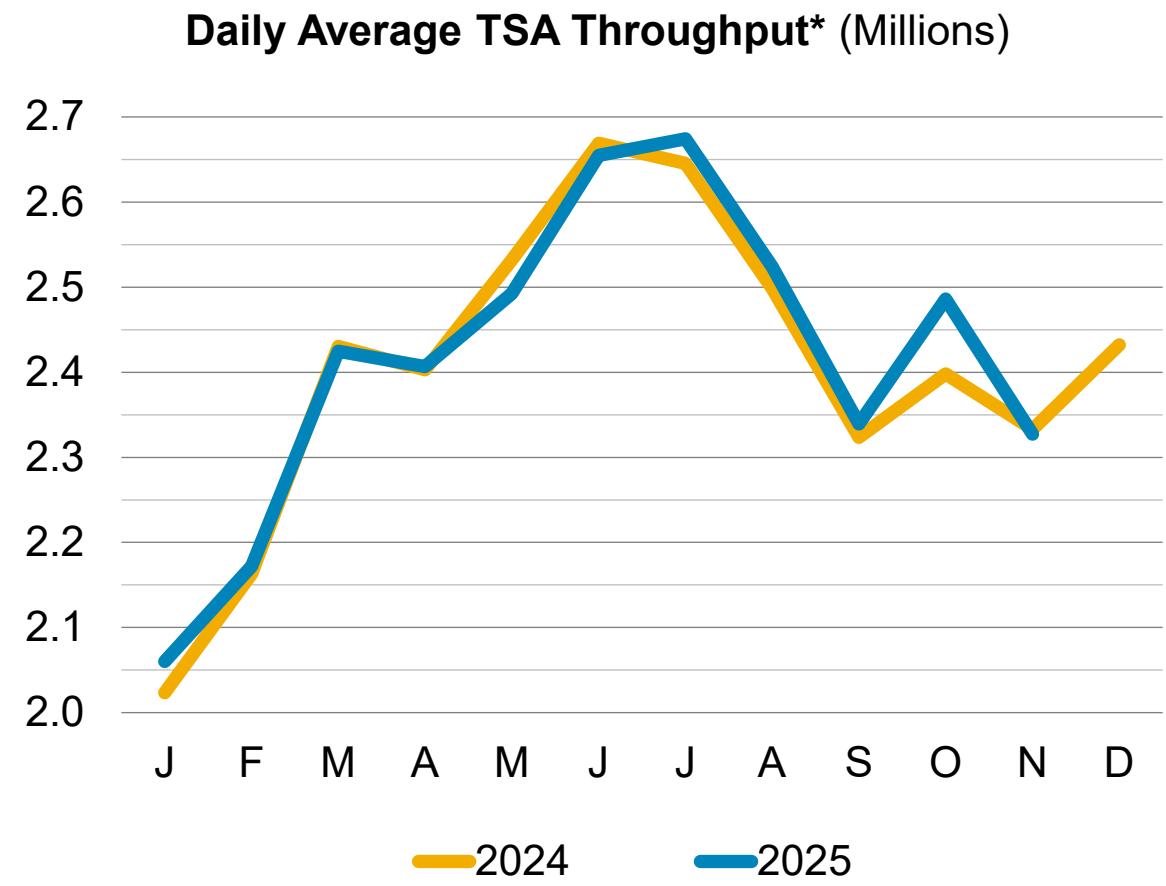


Sources: Statistics Canada (<https://www.statcan.gc.ca/en/start>) and Cirium published schedules (Dec. 5, 2025) for all airlines offering scheduled service from the United States to Canada



# TSA Passenger Screenings Up Slightly YOY Through First 11 Months of 2025

## In Stark Contrast to Tuesdays and Wednesdays, Sundays/Saturdays/Thursdays Have Soared



Source: A4A analysis of data from the Transportation Security Administration

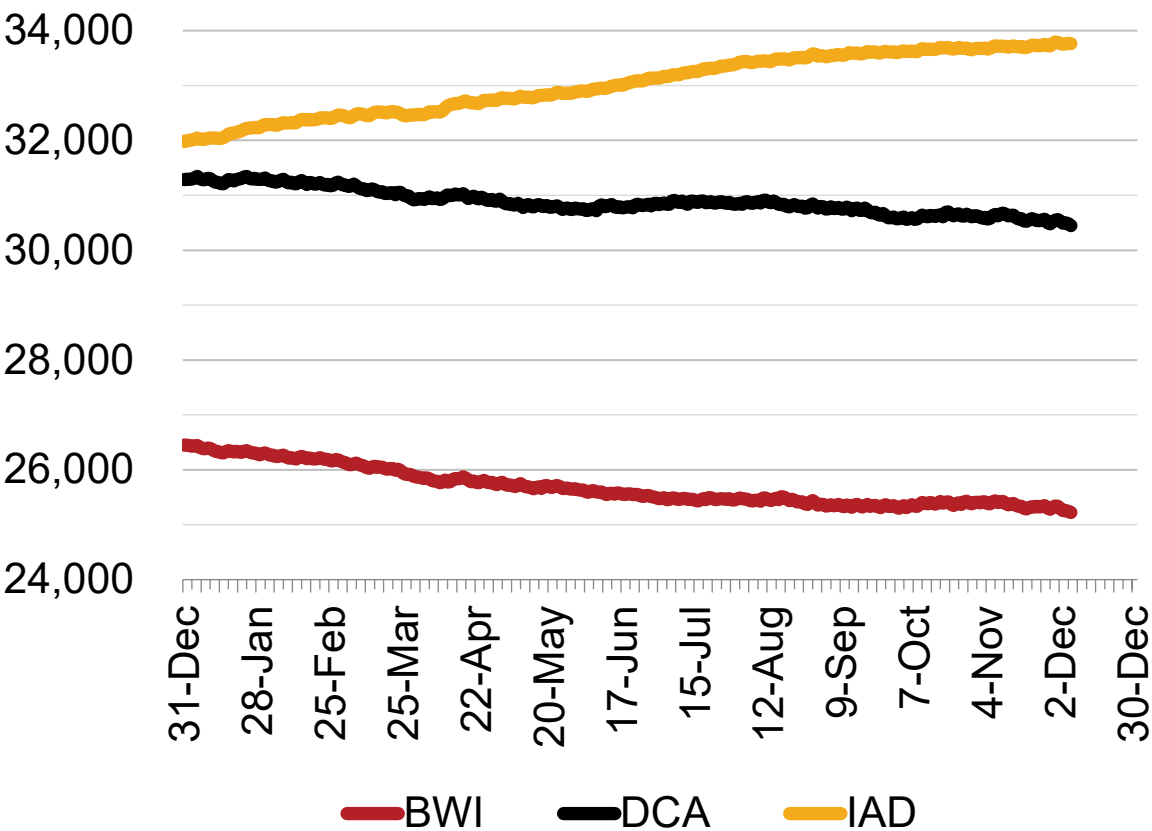
\* U.S. and foreign-carrier customers (excludes Known Crewmember® personnel) traversing TSA checkpoints

# Combined BWI/DCA Screened Passenger Volumes Down ~2,000 per Day But Up ~1,800 per Day at Washington Dulles (IAD)

“Economists believe government layoffs and looming budget cuts will push the Washington, D.C., metro area into a recession, challenging its reputation for economic resilience... The federal government employs around 17% of full-time workers in the Washington metro area, or around 400,000 people. An additional 500,000 or so are employed in ‘professional, scientific and technical services,’ a category that includes government contractors and consultants at firms such as Booz Allen Hamilton, Deloitte and Ernst & Young. ... Enrico Moretti, an economist at the University of California, Berkeley, said **each federal job in the capital region likely creates 1.6 additional jobs in the local economy over a decade, an effect that would be reversed in the event of job cuts.**”

Paul Kiernan and Rachel Louise Ensign, “Government Jobs Insulated DC From Economic Volatility. Not Any More.” *The Wall Street Journal* (April 19, 2025)

365-Day Moving-Average Daily Screened Passengers\*



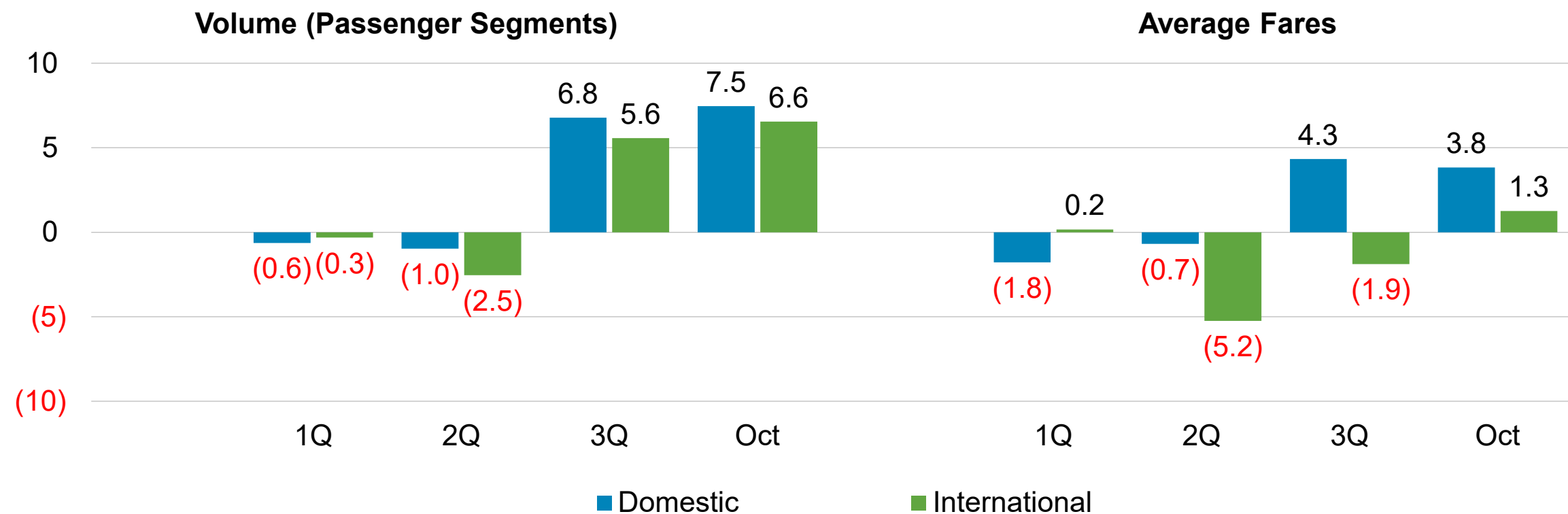
Source: Transportation Security Administration and *The Wall Street Journal* (April 19, 2025)

\* U.S. and foreign-carrier customers (excludes Known Crewmember® personnel) traversing TSA checkpoints

# Ticket Sales Improved in the Third Quarter and October 2025, as Did Domestic Fares

Inflection Followed YOY Declines in the First and Second Quarters

Change (%) in U.S. Ticket Sales\* — 2025 vs. 2024

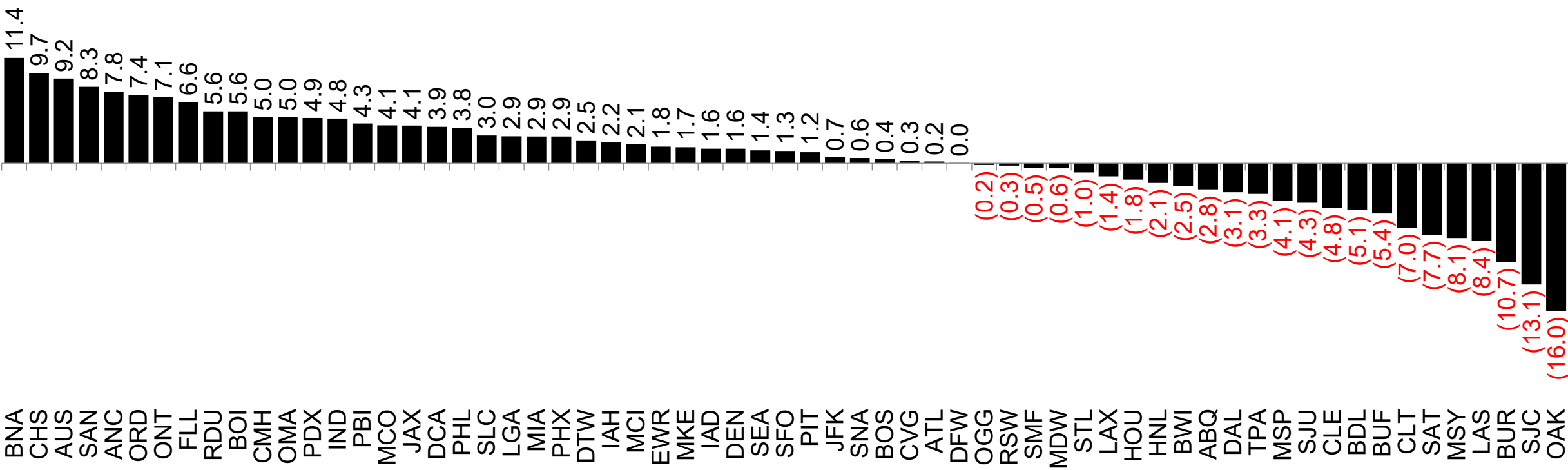


Source: A4A analysis of data from Airlines Reporting Corporation \* Net tickets (gross sales minus refunds) for travel to/from U.S. airports

# Schedules for 1Q 2026 Show Nashville and Charleston Leading U.S. Airports' Growth in Seats

## Oakland and San Jose Seeing the Deepest Year-Over-Year Cuts

% Change in Systemwide Scheduled Seats\*  
Jan-Mar 2026 vs. Jan-Mar 2025

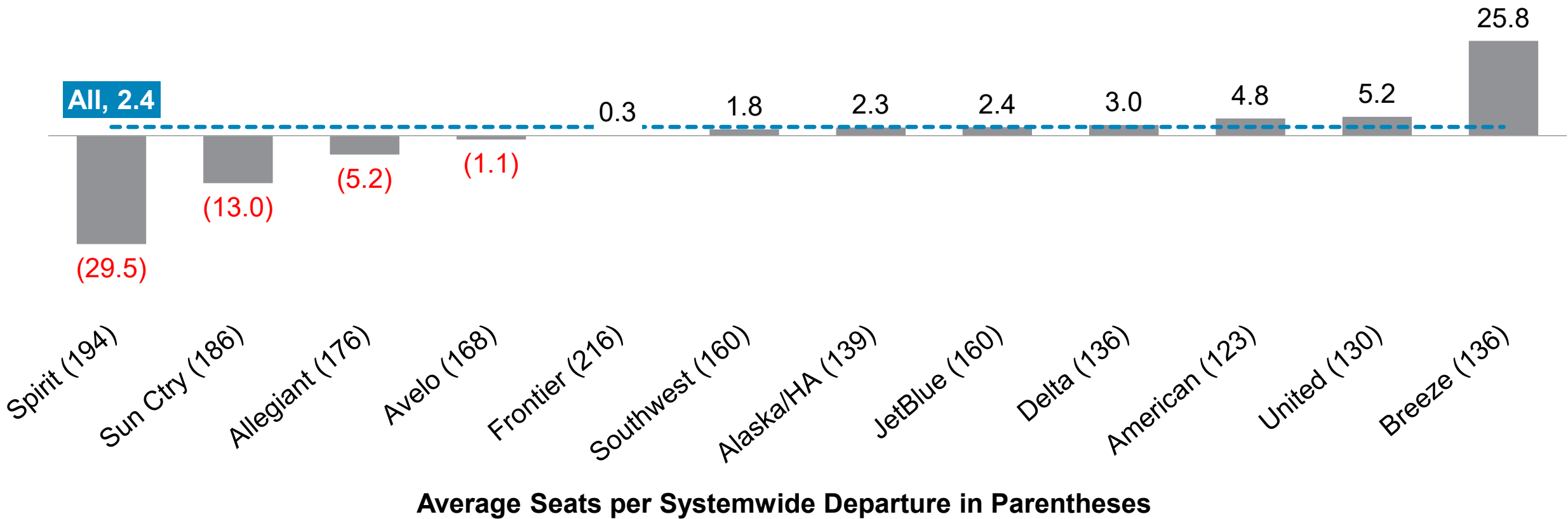


Source: Cirium published schedules (Dec. 5, 2025) \* All U.S. and non-U.S. airlines providing scheduled service to all U.S. and non-U.S. destinations

# Collectively, U.S. Airlines Showing 2.4% Systemwide Capacity Growth in 1Q 2026

## Growth Rates Differ Dramatically by Company

% Change in Systemwide Scheduled Available Seat Miles by Marketing Airline  
Jan-Mar 2026 vs. Jan-Mar 2025

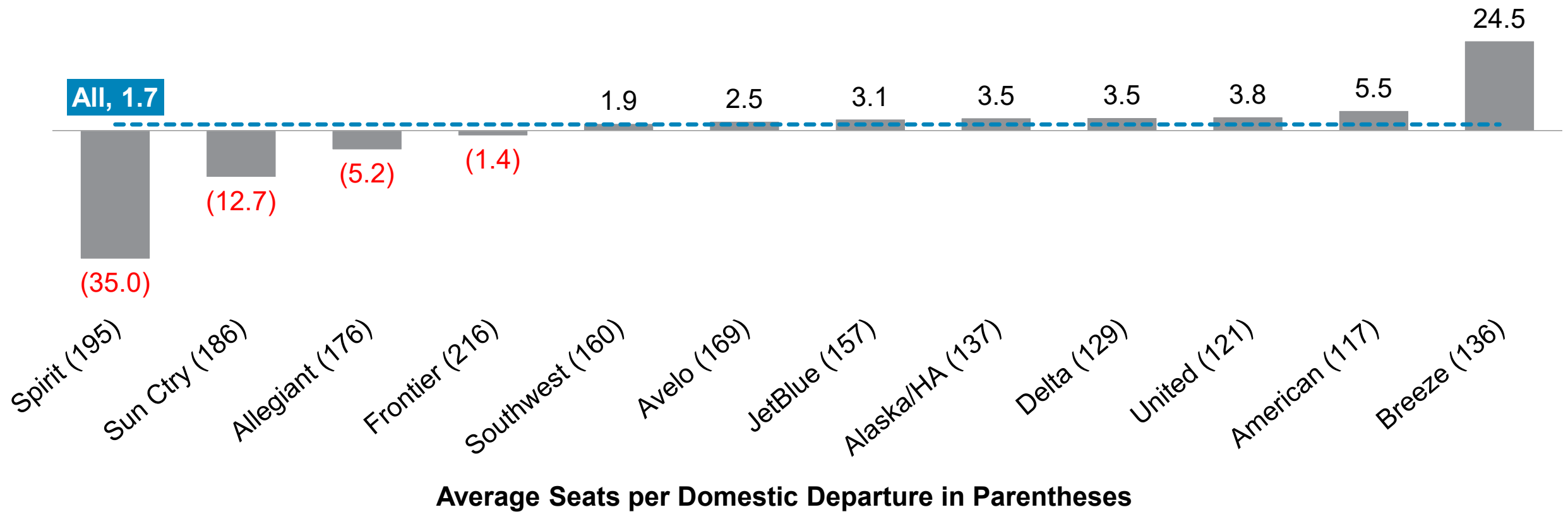


Source: Cirium published schedules (Dec. 5, 2025) for selected marketing airlines (including regional affiliates)

# Collectively, U.S. Airlines Showing 1.7% Domestic Capacity Growth in 1Q 2026

## Growth Rates Differ Dramatically by Company

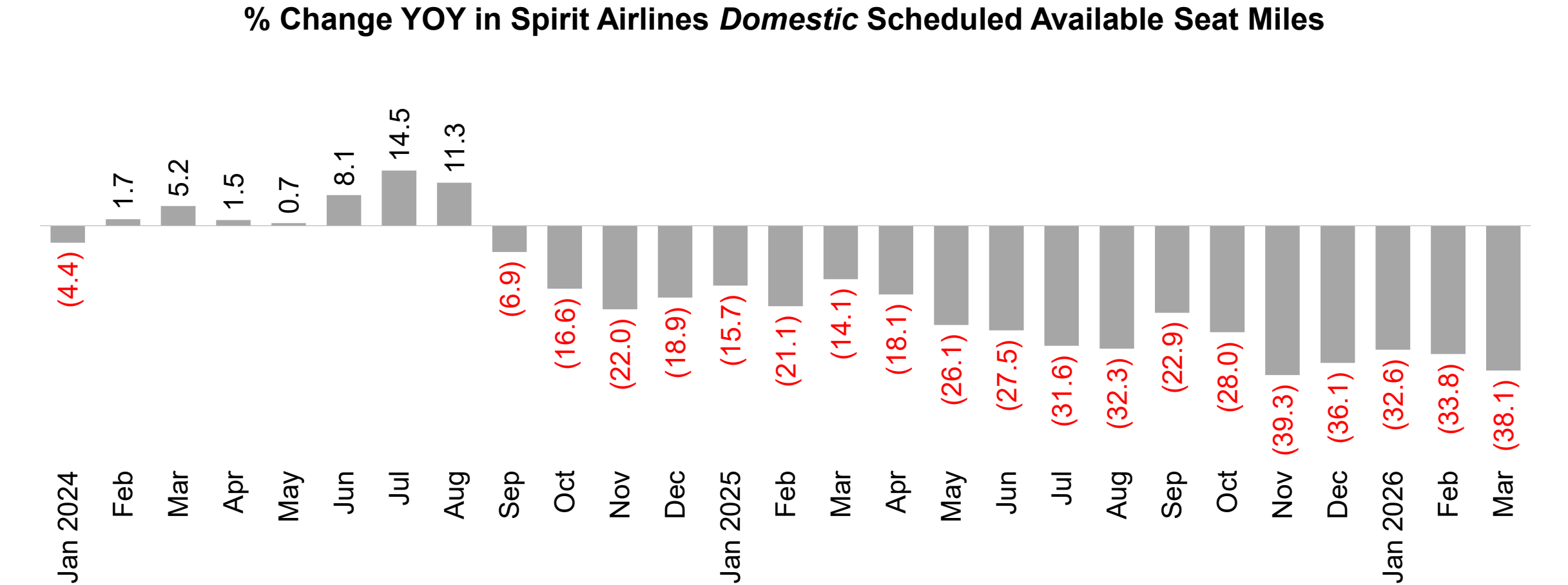
% Change in *Domestic* Scheduled Available Seat Miles by Marketing Airline  
Jan-Mar 2026 vs. Jan-Mar 2025



Source: Cirium published schedules (Dec. 5, 2025) for selected marketing airlines (including regional affiliates)

# Spirit Airlines Cutting Domestic Capacity 39% Year-Over-Year in November 2025

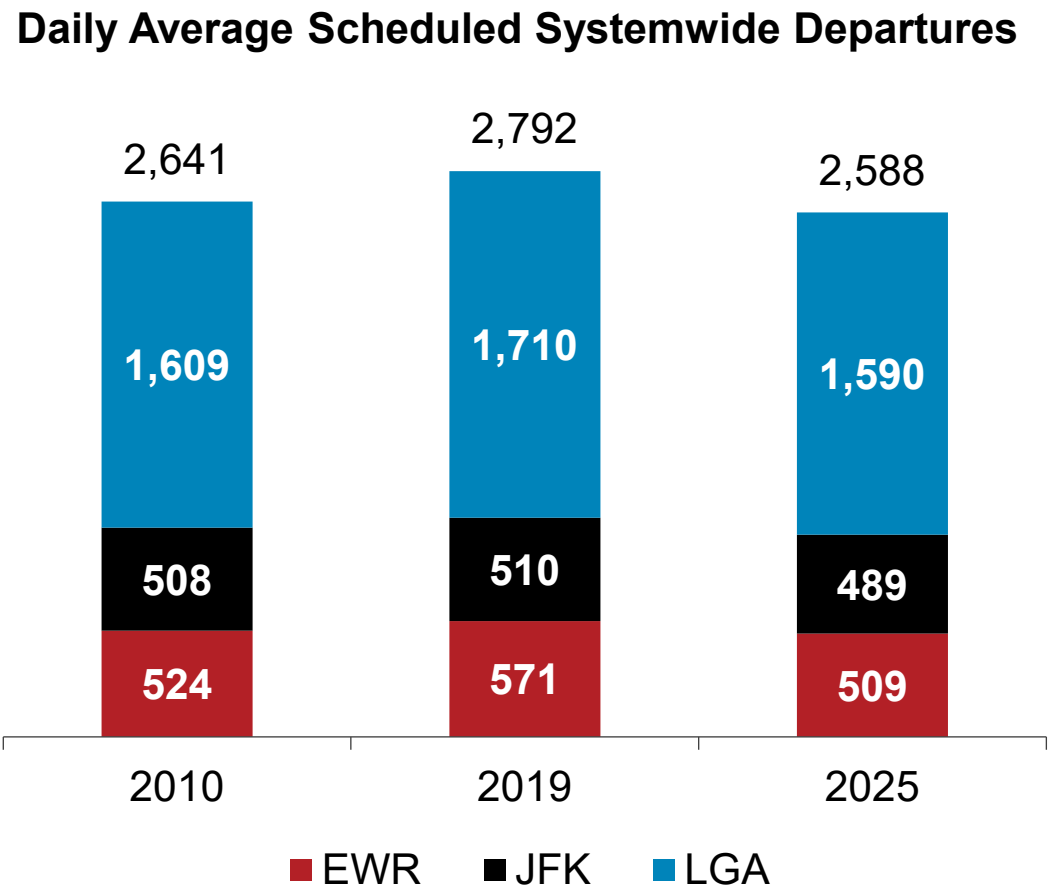
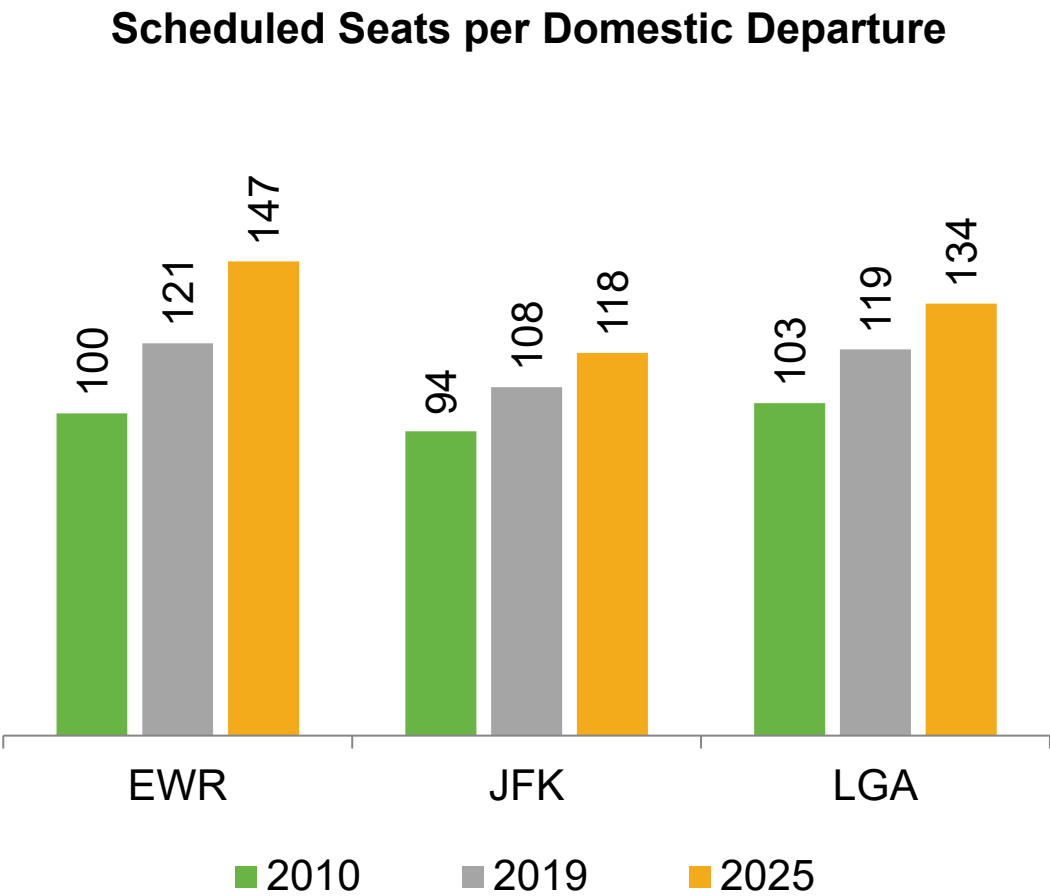
## Domestic Footprint Began to Contract in Fall 2024, With Cuts Deepening in Late 2025



Source: Cirium published schedules (Dec. 5, 2025)

# Airlines Have Up-Gauged Domestic Flying and Pared Systemwide Schedules in New York City

## EWR/JFK/LGA Are Seeing Fewer Flights Than in 2019

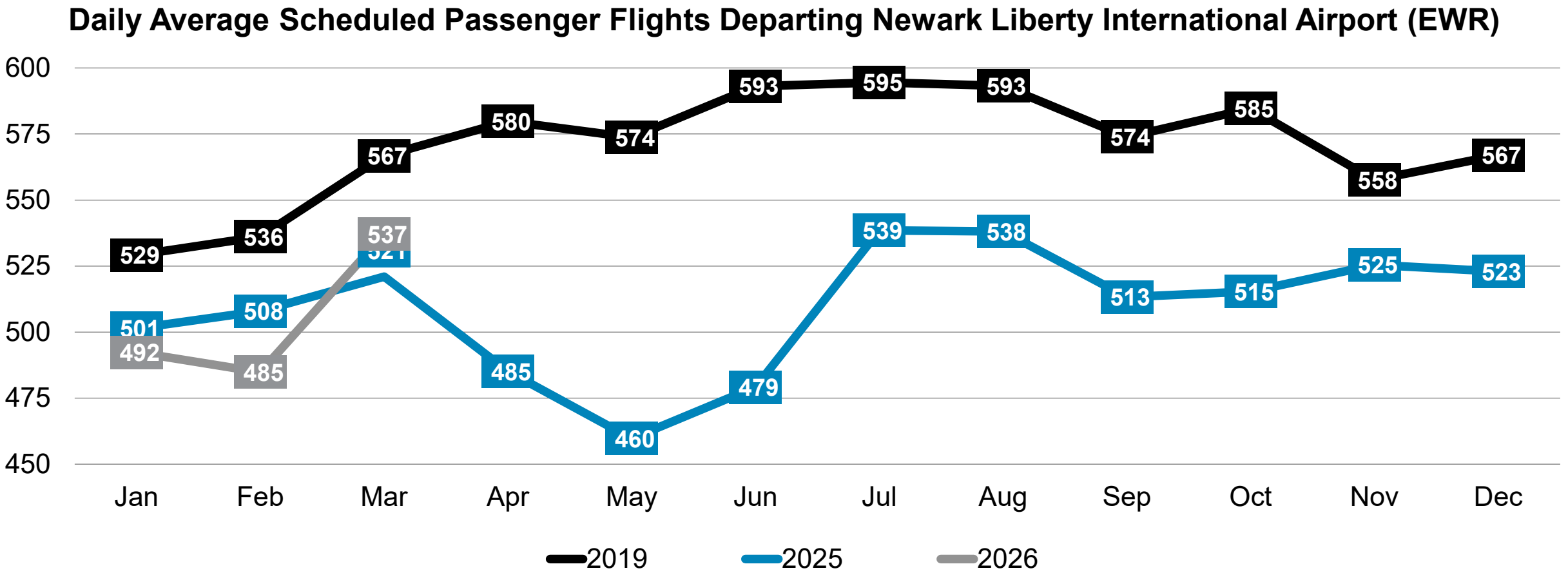


Source: Cirium published schedules (Nov. 28, 2025)



# Newark Seeing Significant Schedule Reductions Due to Air Traffic Control Constraints

## Daily Passenger Flights Remain Well Below 2019 Levels

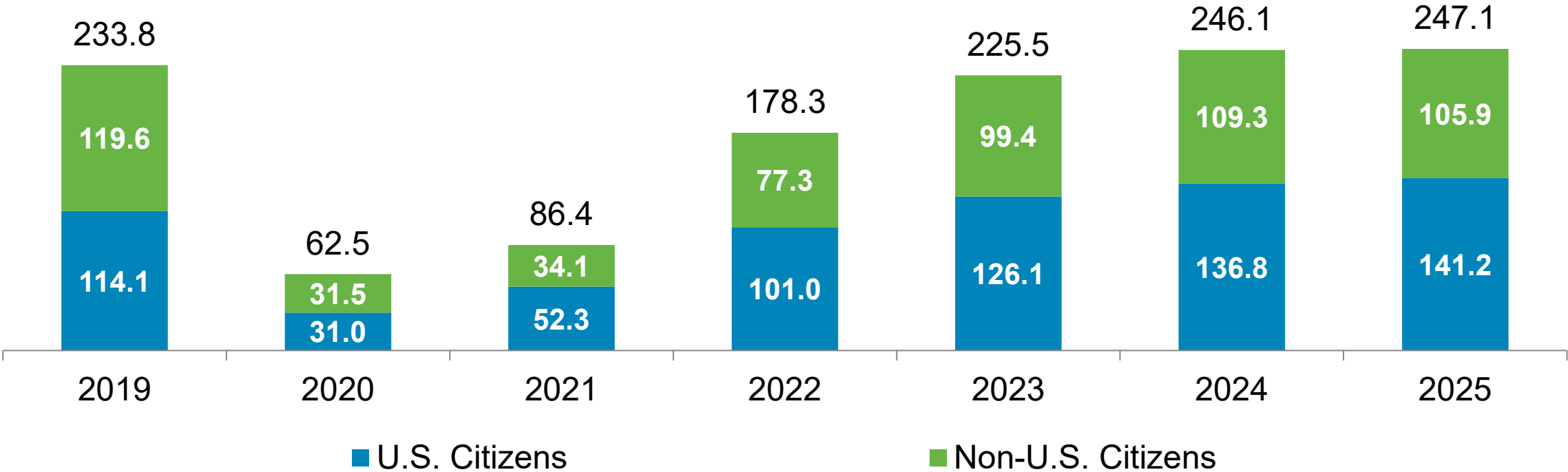


Source: Cirium published schedules (Dec. 5, 2025) for all U.S. and non-U.S. airlines providing scheduled service to all U.S. and non-U.S. destinations

# U.S.-International Air Passengers Up 0.4% YOY in First 11 Months of 2025

## 3.2% Increase in U.S. Citizen Passengers Overcame 3.1% Decrease in Non-U.S. Citizen Passengers

U.S.-International Airline Passengers\* (Millions)  
January through November



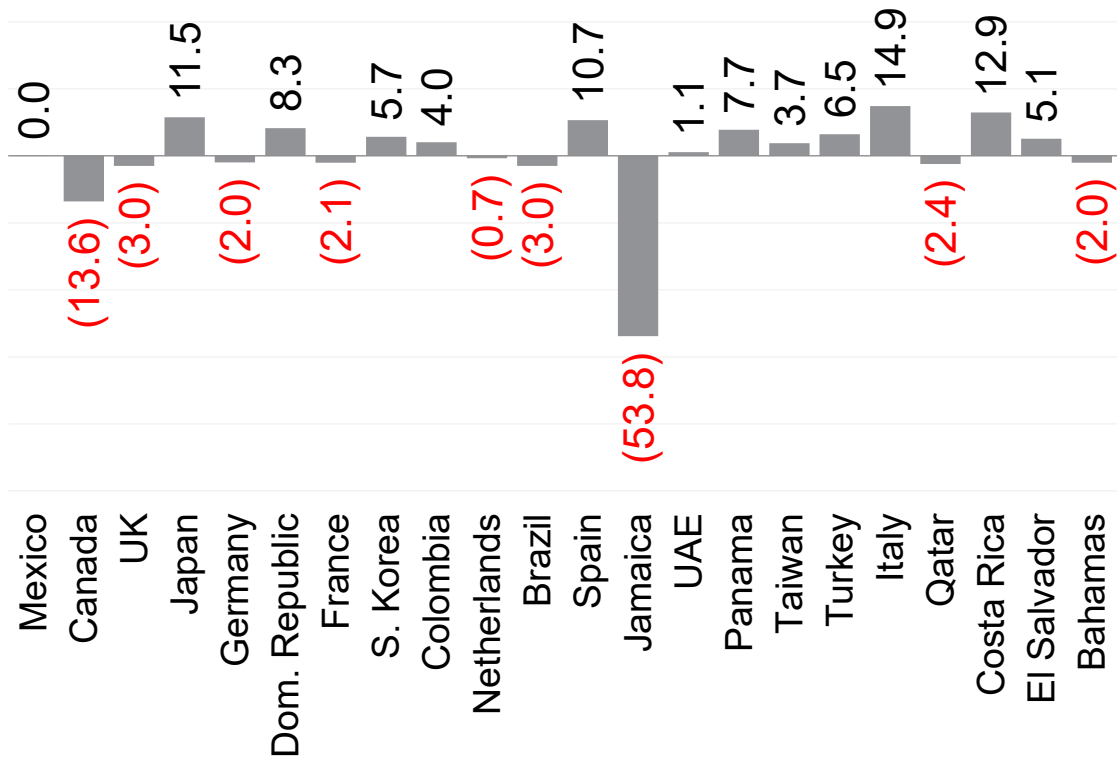
Source: DHS I-92 / APIS data compiled by U.S. Department of Commerce National Travel and Tourism Office

\* Gateway-to-gateway passengers on U.S. and foreign scheduled and charter airlines

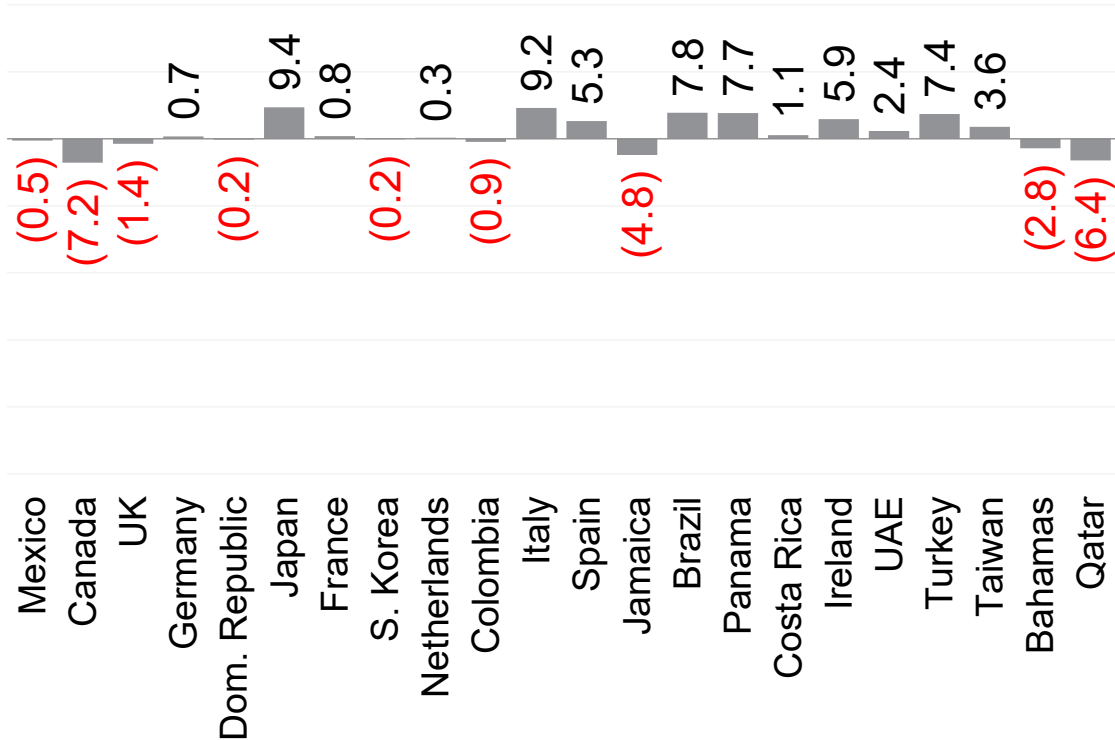
# U.S.-Canada Air Passengers Fell ~14% in November, While U.S.-Italy Volumes Rose ~15%

## For the First 11 Months of 2025, the Three Largest Markets (Mexico/Canada/UK) Saw YOY Declines

November 2025: Change (%) YOY in Passengers\*  
Sorted by November 2024 Market Size



YTD November 2025: Change (%) YOY in Passengers\*  
Sorted by YTD 2024 Market Size

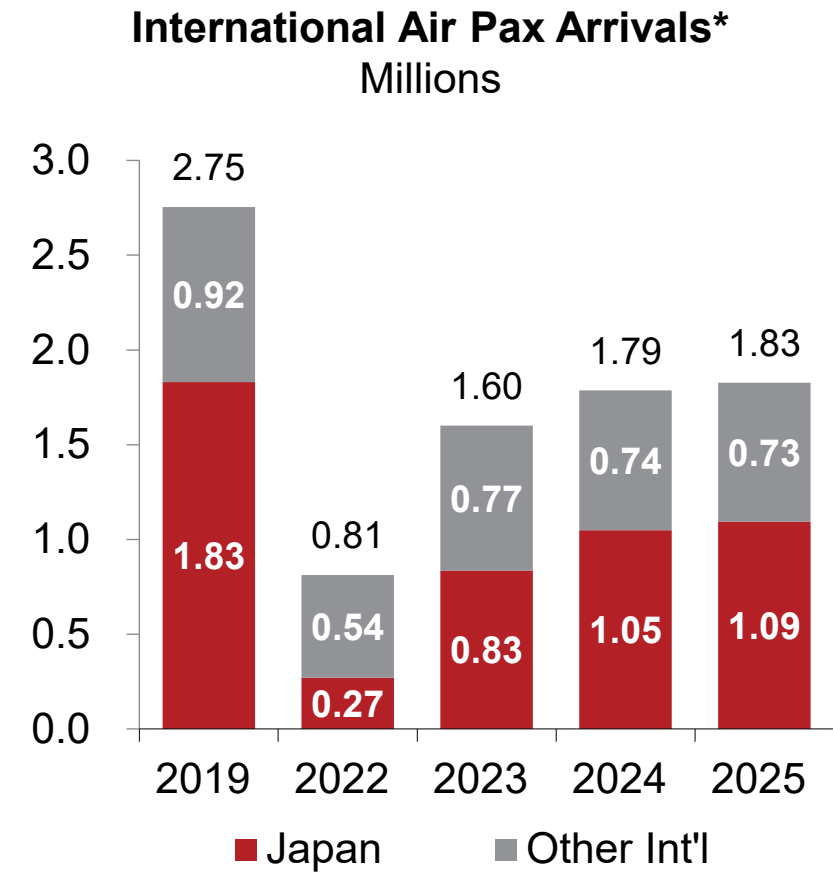
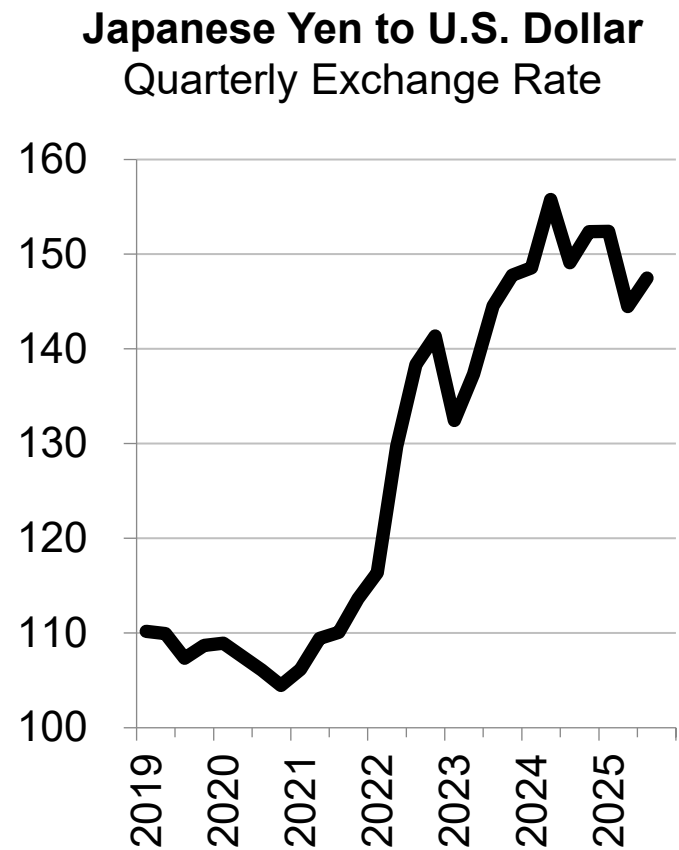
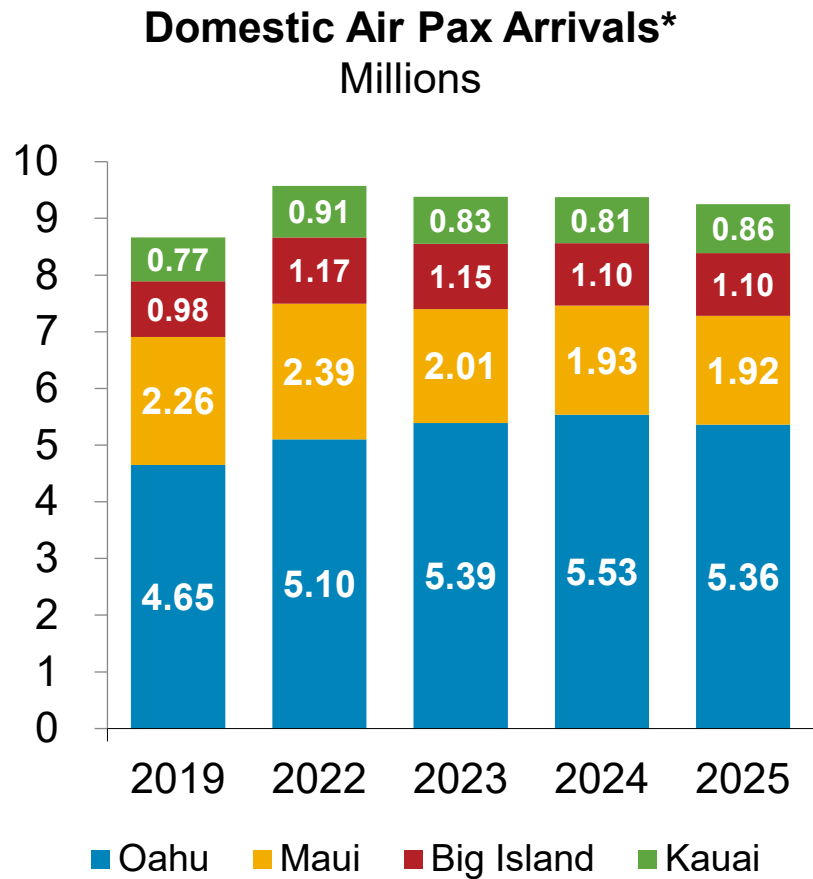


Source: DHS I-92 / APIS data compiled by U.S. Department of Commerce National Travel and Tourism Office

\* Gateway-to-gateway passengers on U.S. and foreign scheduled and charter airlines

# Domestic Arrivals to Oahu Are Down in 2025

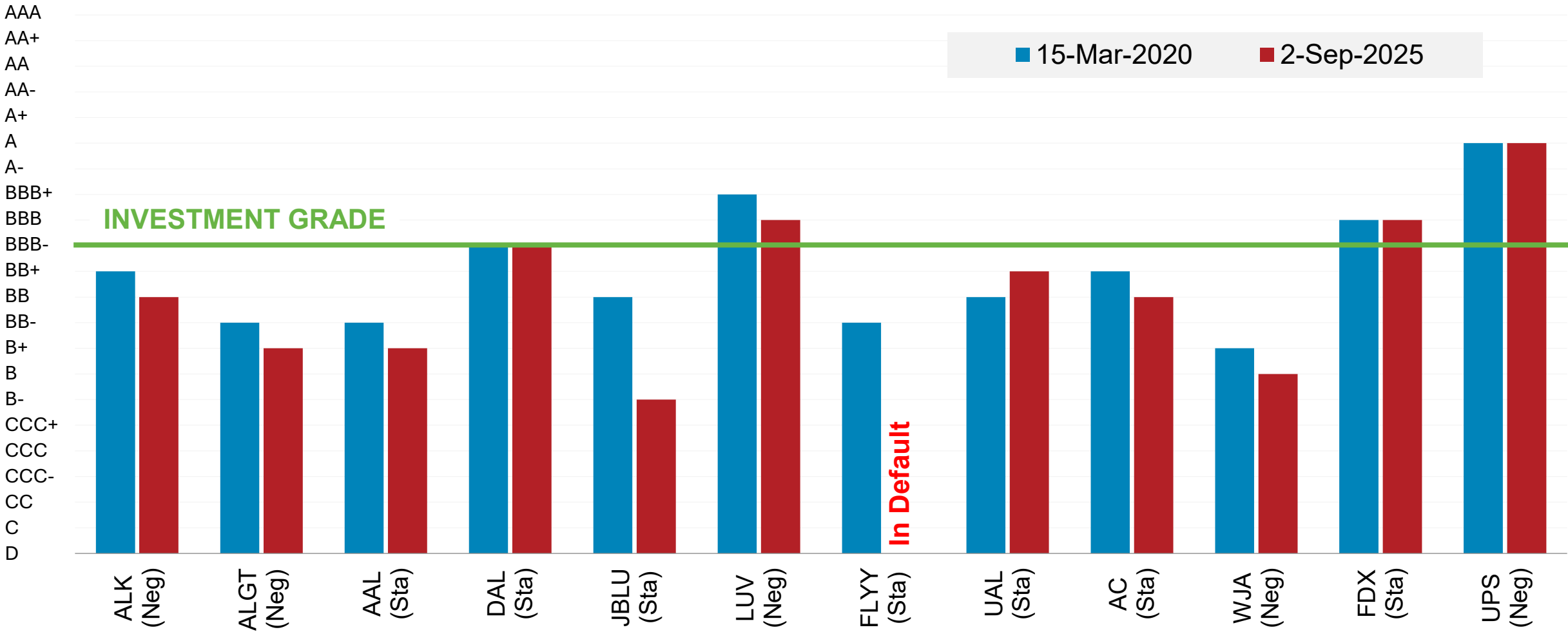
## Hawaii Saw More Japanese Visitors in 2025, But International Air Arrivals Remained Well Below 2019



Source: Hawaii Department of Business, Economic Development & Tourism and Federal Reserve Bank of St. Louis \* Includes returning residents, intended residents and visitors but exclude interisland and Canada passengers

# For Most North American Passenger Airlines, Balance Sheet Quality Remains Depressed

## Ratings Reflect Assessment of Financial Condition and Risk

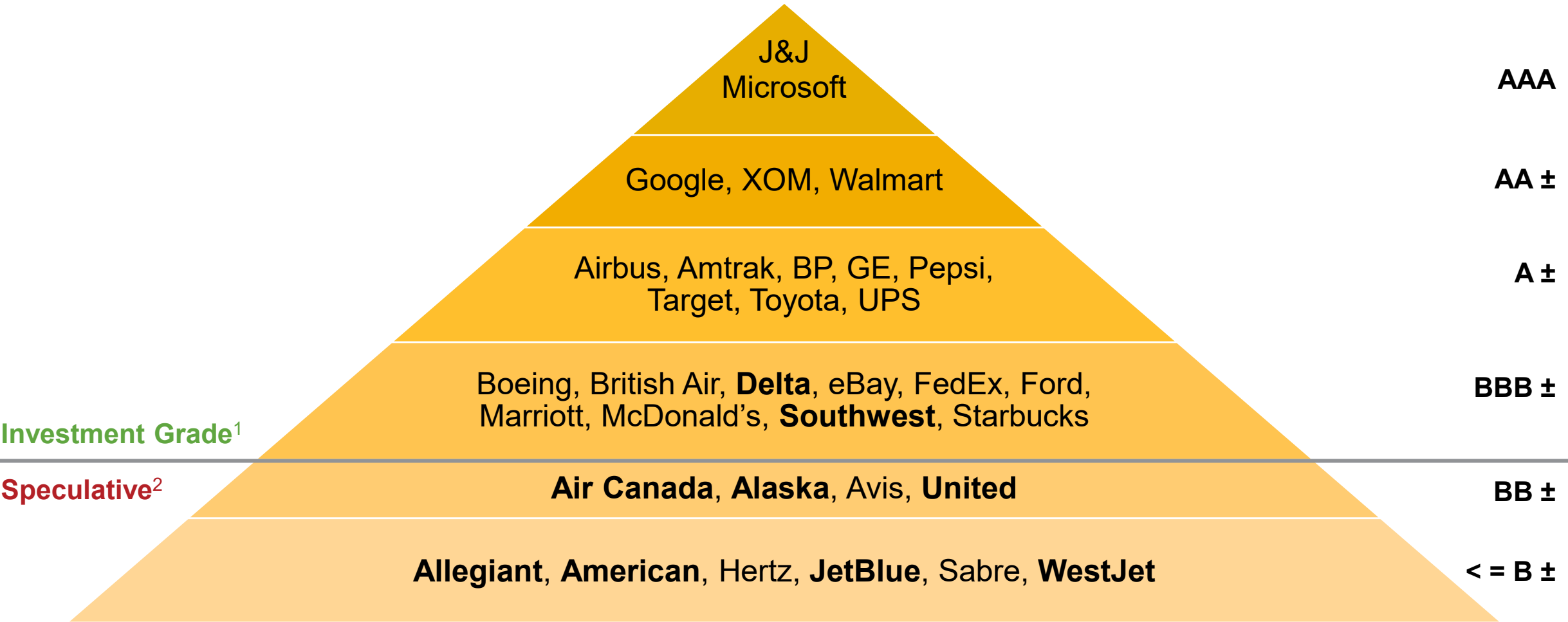


Source: Standard & Poor's issuer ratings and outlook (in parentheses) for publicly traded U.S. and Canadian carriers in the S&P coverage universe

Note: Pos = positive outlook; Neg = negative outlook; Sta = stable

# Airline Balance Sheets Continue to Lag Those of Many Fortune 500s and Amtrak

## S&P Credit Ratings Reflect Assessment of Financial Condition and Risk for Selected Companies

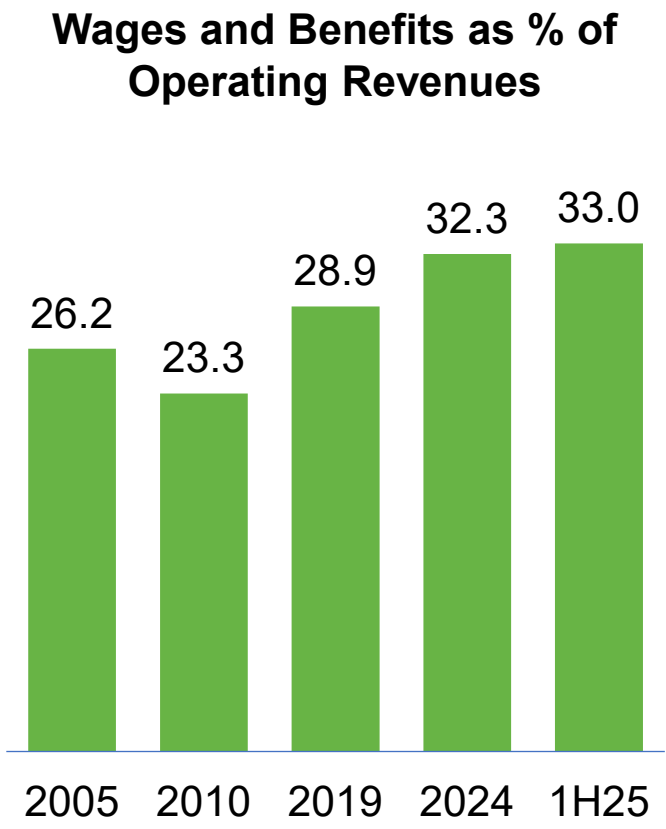
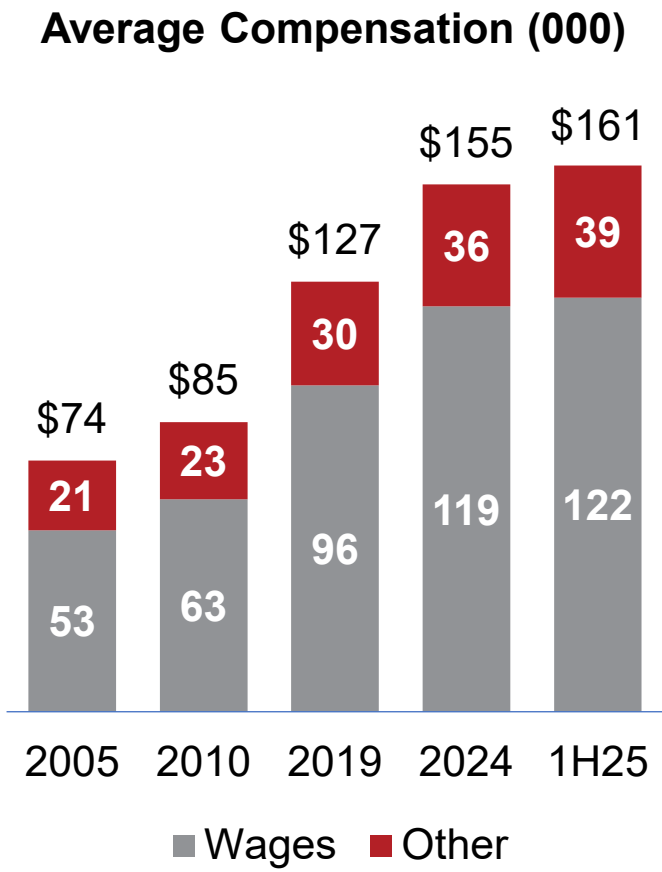
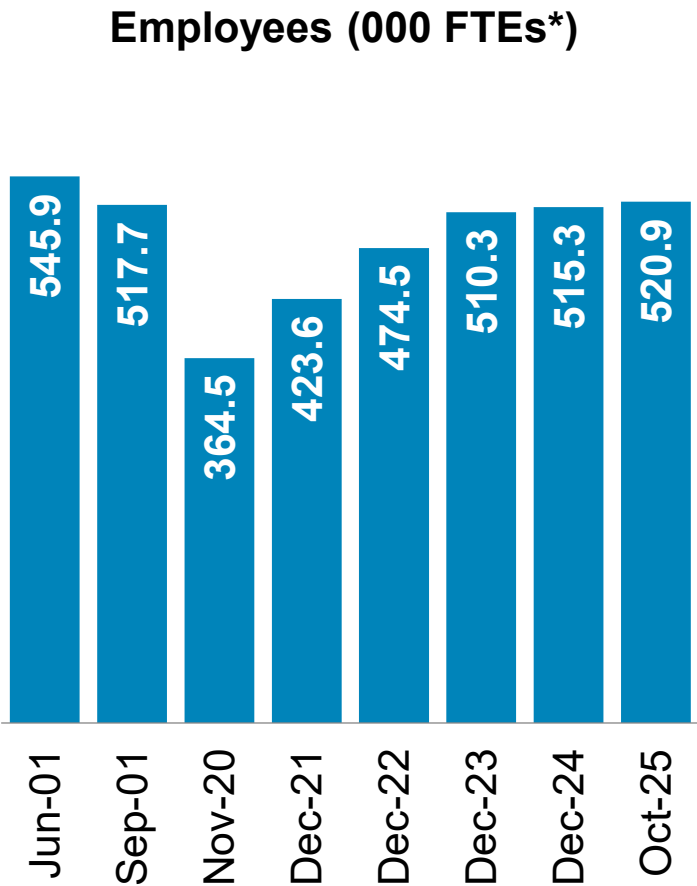


Source: Standard & Poor's (**bold** = air-only companies) as of Sept. 2, 2025

<sup>1</sup> Issuers with relatively high levels of creditworthiness and credit quality

<sup>2</sup> Issuers with ability to repay but facing significant uncertainties, such as adverse business or financial circumstances that could affect credit risk

# Firmer Financial Footing Has Enabled Airlines to Reinvest in Employees, Whose Average Wage Rose 95% from 2010-1H25 (vs. 47% U.S. CPI) and Who Now Garner a Third of Airline Revenues



Source: Bureau of Transportation Statistics for scheduled U.S. passenger airlines and A4A Passenger Airline Cost Index

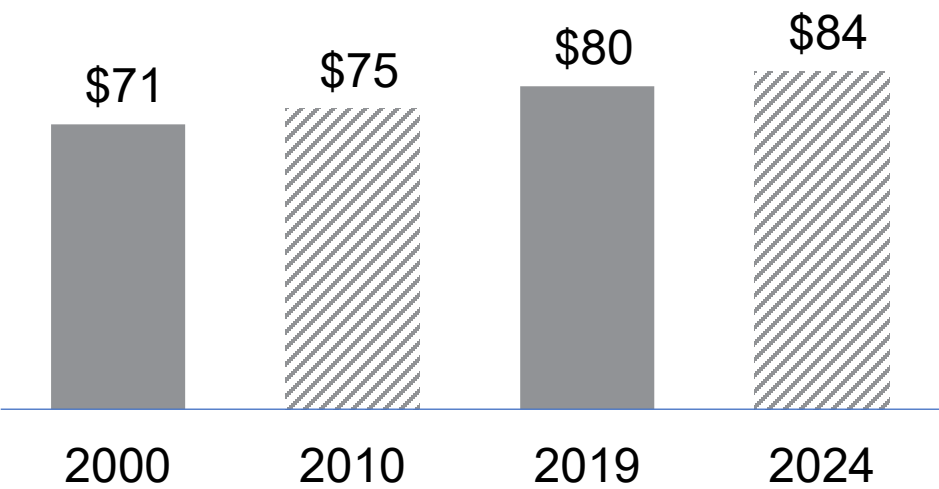
\* Full-time equivalents (FTE) = full-time workers plus 0.5 \* part-time workers

# Real (Inflation-Adjusted) Airline Wages Grew 33% From 2010 to 2024

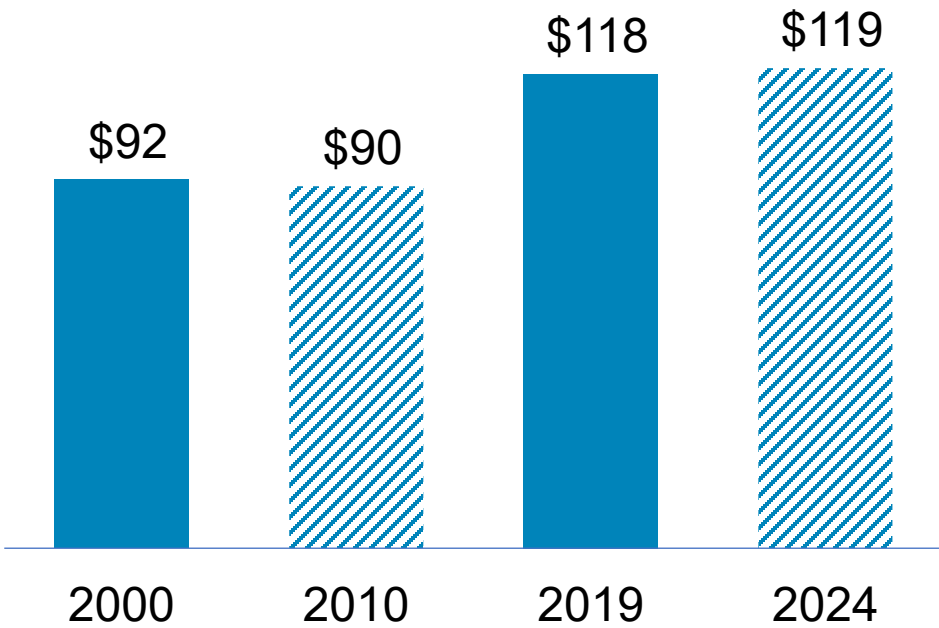
## The Average Private Sector Wage Grew Just 12% in Real Terms Over That Period

Average Wage (000) in Constant 2024 Dollars

U.S. Private Sector  
Real Wages **Up 12%** Since 2010



U.S. Passenger Airlines  
Real Wages **Up 29%** Since 2010

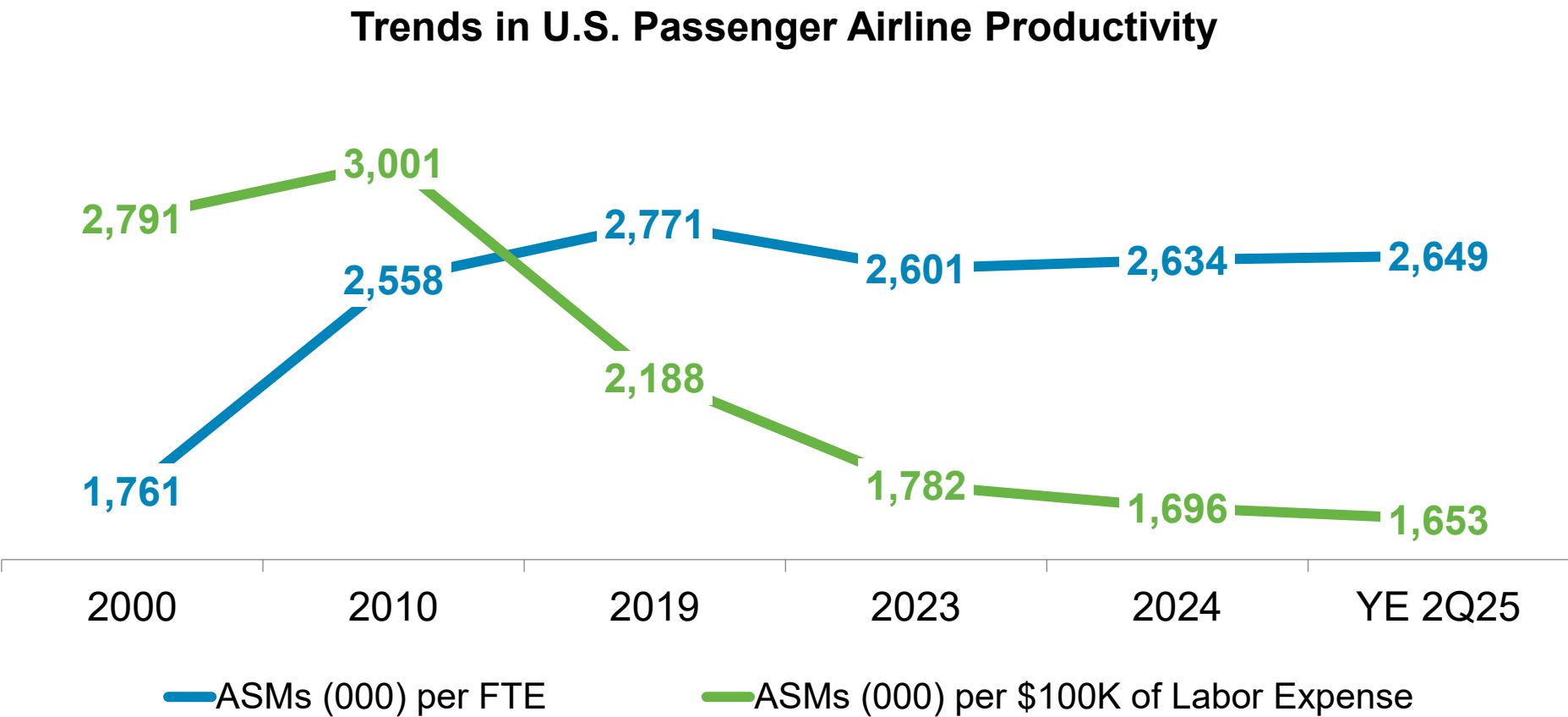


Source: A4A Passenger Airline Cost Index



# U.S. Airline FTE Productivity Rose in 1H25, But Labor-Dollar Productivity Was ~24% Below 2019

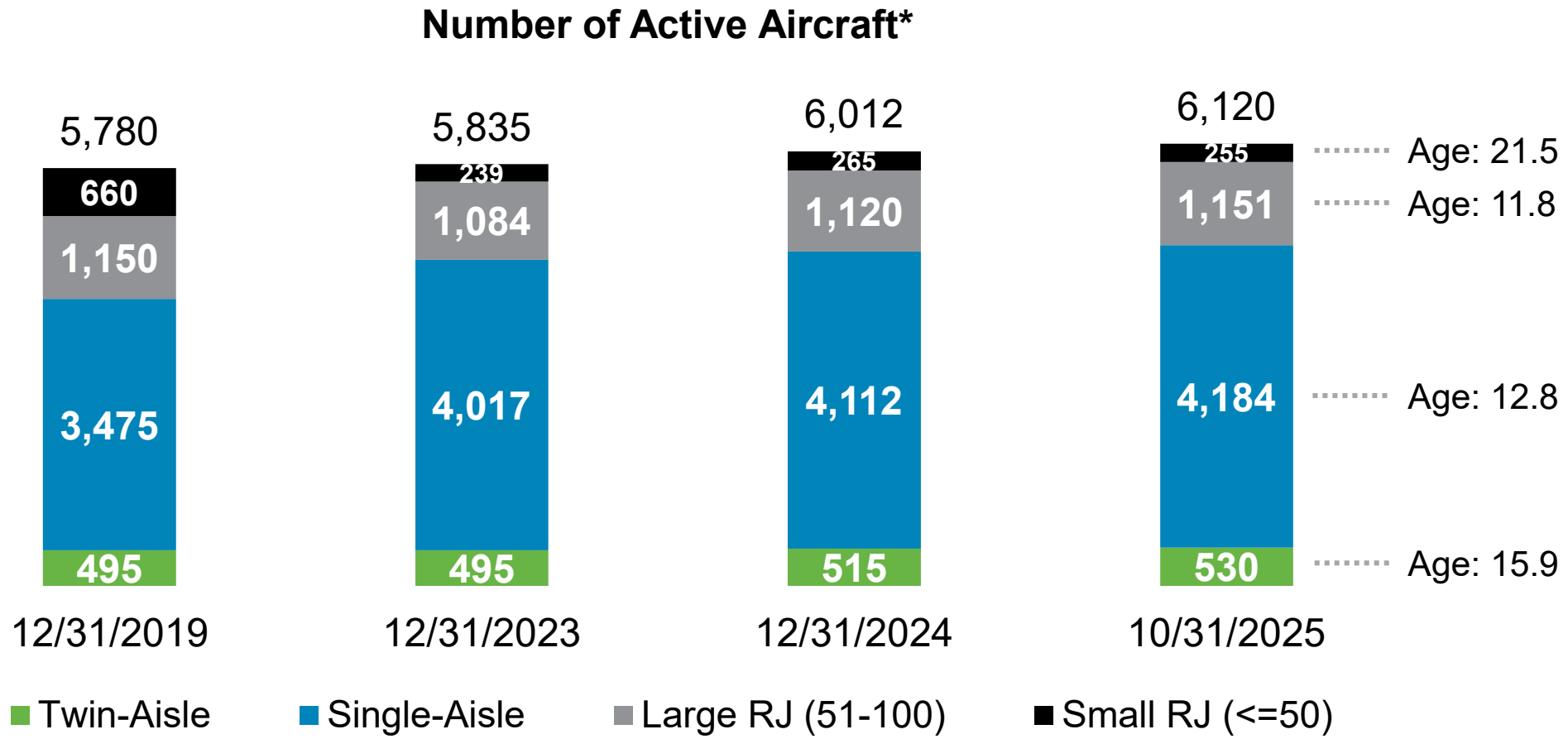
Greater Labor Expense Needed to Generate Pre-Pandemic Levels of Capacity



Source: A4A Passenger Airline Cost Index Note: ASM = available seat mile (basic unit of passenger airline capacity)

# U.S. Passenger Airlines Are Operating ~20% More Single-Aisle Aircraft Than at Year-End 2019

But the Aging Fleet of *Small Regional Aircraft* Is ~61% Smaller



Source: Anuvu (ages as of June 2025)      \* Operated by or on behalf of Alaska/Allegiant/American/Avelo/Breeze/Delta/Frontier/Hawaiian/JetBlue/Southwest/Spirit/Sun Country/United in any of the previous seven days

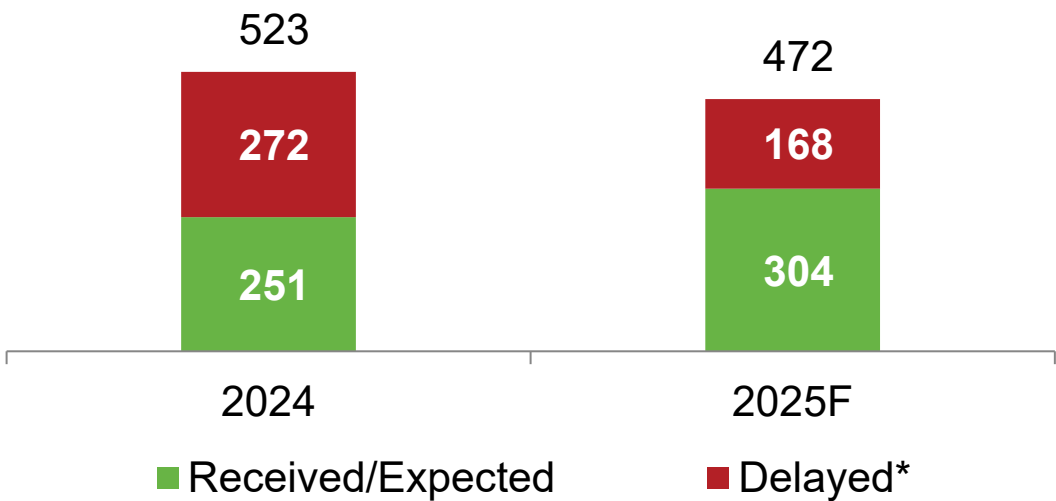
# Aircraft Deliveries in 2024 and 2025 Reduced Materially by Production/Certification Delays

## U.S. Passenger Airlines Received Just Half of Their Contractually Stipulated Aircraft Deliveries

“**A weakened supply chain**...is one of the main culprits. [T]he **dearth of airplanes** has left many carriers unable to respond fully to resurgent demand for air travel, growing competition and pressure to fly cleaner fleets.”

*Bloomberg Government*, “A Lost Decade of Planemaking Costs Airlines Thousands of Jets” (Oct. 29, 2024)

New-Aircraft Deliveries for 11 U.S. Passenger Airlines



Example: United Airlines Deliveries in 2025

(As of Dec. 31, 2024, per UAL 10-K)

Aircraft Type	Contractual	Expected	Diff
B787	28	9	(19)
B737 MAX 8	16	16	—
B737 MAX 9	68	28	(40)
A321 neo	23	20	(3)
Total	135	73	(62)

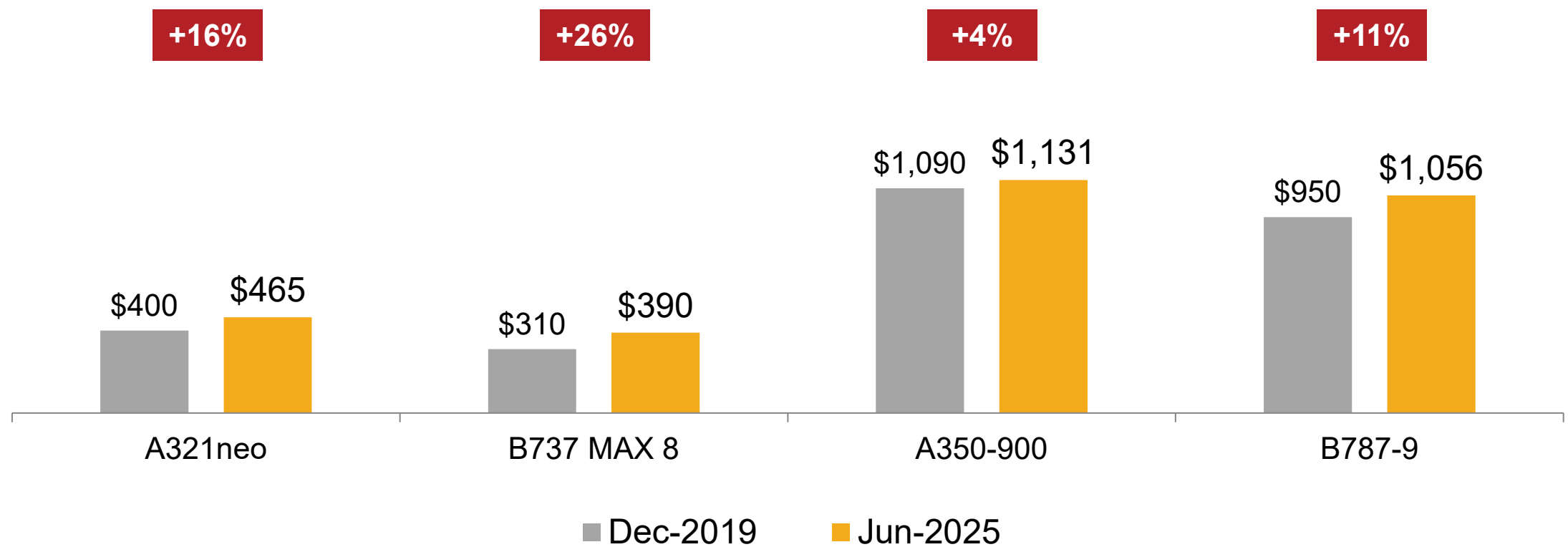
“Airbus is warning airlines that **delays in deliveries will persist for another three years** as it works through a backlog of supply-chain problems, industry sources said.” (Tim Hepher, Reuters, May 28, 2025)

Source: Alaska/Hawaiian, Allegiant, American, Breeze, Delta, Frontier, JetBlue, Southwest, Spirit and United as of March 3, 2025 \* 2024 based on contractual fleet plans as of 10/31/2023

# Single-Aisle Airplanes Have Gotten Significantly More Expensive

Monthly Lease Rates on New Builds Reflect Supply Chain (e.g., Labor, Materials) Tightness

Monthly Market Lease Rates (in \$000) for New Builds



Source: Cirium and Deutsche Bank

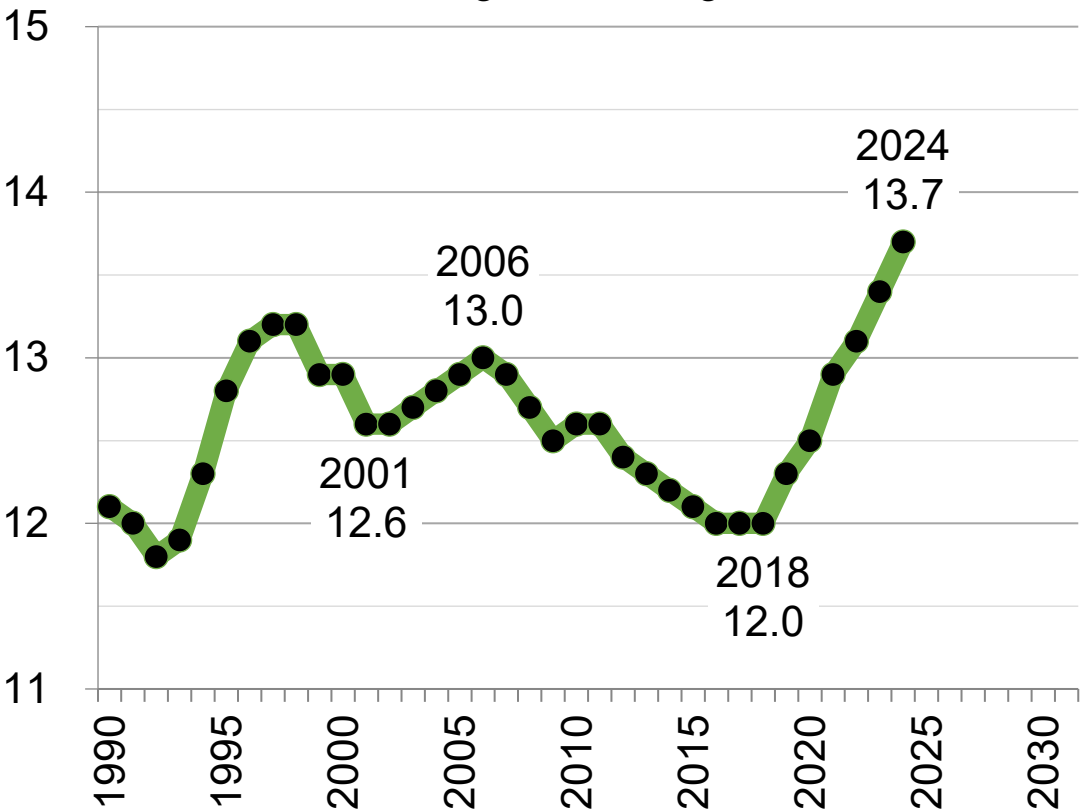
# Globally, Aircraft Delivery Delays Are Translating to an Aging Fleet

## Average Fleet Age Expected to Rise Further Over the Next Several Years

“**Commercial airplane fleets are aging at an alarming rate, and the implications**—ranging from higher maintenance, repair and overhaul costs to reduced ability to meet ambitious sustainability targets—**are troubling for operators**... [We do] not expect a return to 2018 delivery levels until around 2027, and that milestone may slip to the right with the fallout from strikes **and the whack-a-mole nature of supply chain bottlenecks that are difficult to contain**... To return the fleet age to 2019 levels by 2033, 5-10% more narrowbodies and 30-40% more widebodies would have to be delivered than are forecast to be handed over.”

Mike Stengel, AeroDynamic Advisory, “Up Front,”  
*Aviation Week & Space Technology*, (Nov. 25, 2024)

Average Age (Years) of Global Airline Fleet  
Active Passenger and Cargo Aircraft\*



Sources: Mike Stengel (AeroDynamic Advisory) and IATA Sustainability and Economics using Cirium

\* All aircraft types

# Supply Chain Issues Are Exacerbating Airline Cost and Operating Pressures

## Tight Capacity of Maintenance/Repair/Overhaul (MRO) and Parts Could Last Several Years

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**“External MRO capacity is not likely to move materially higher in the near-term**, as facility operators are concerned about overcapacity in the future. The view here is that MROs are likely only 25% of the solution. To get out of this environment, it’s going to take higher OE production, which should accelerate retirements and allow for more parts scrapping. **All indicators are that it should take another two and half to three years before that plays out.**” (Stephen Trent, AeroDynamic Advisory, Nov. 13, 2024)

**“Integral parts of the supply chain like engines are also seeing delays**, with CFM’s delivery target for LEAP engines in 2024 now down 10% year-over-year vs. up 20% to 25% in February 2024. **Aircraft availability is further exacerbated by tight MRO supply, both in terms of slot availability and longer turnaround times. Several airlines in the US are also materially impacted by mandatory accelerated maintenance** for GTF-powered A230neos and A220s...” (Catherine O’Brien, Goldman Sachs Equity Research, Nov. 15, 2024)

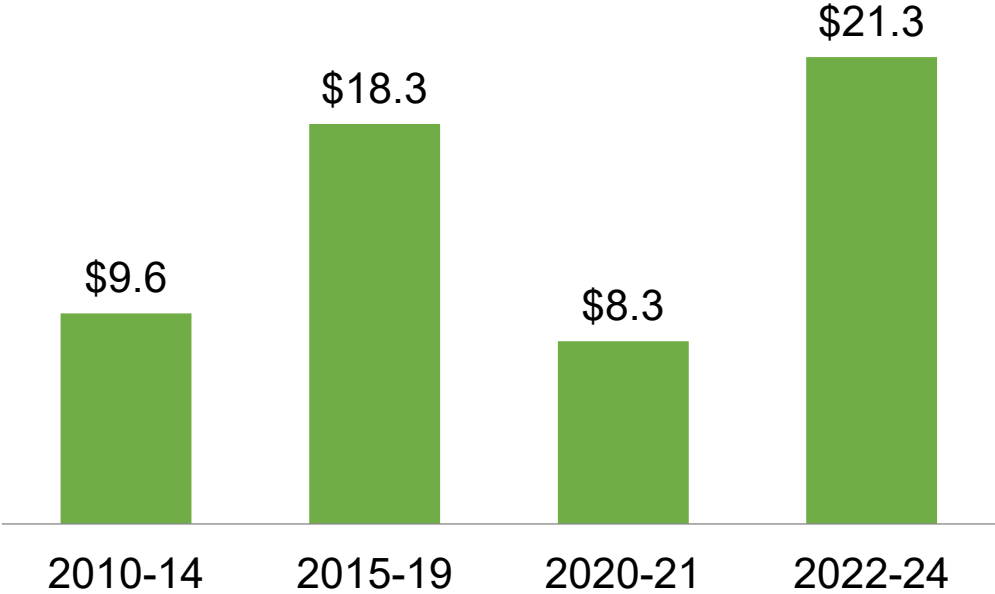
“For airlines, an aging fleet **increases pressure on maintenance costs**... Inflation has certainly played a role..., **but older fleets also drive nonroutine tasks during maintenance events, and parts become more difficult to source**... [M]ost airlines will find their options limited...” (Mike Stengel, AeroDynamic Advisory, Nov. 25, 2024)

# U.S. Airlines Are Investing Heavily in Aircraft, Ground Equipment, Facilities and Technology

Financial Recovery Has Enabled Record Rates of Reinvestment, Averaging \$21B Annually



Average Annual Capital Expenditures\* (Billions)  
U.S. Passenger Airlines



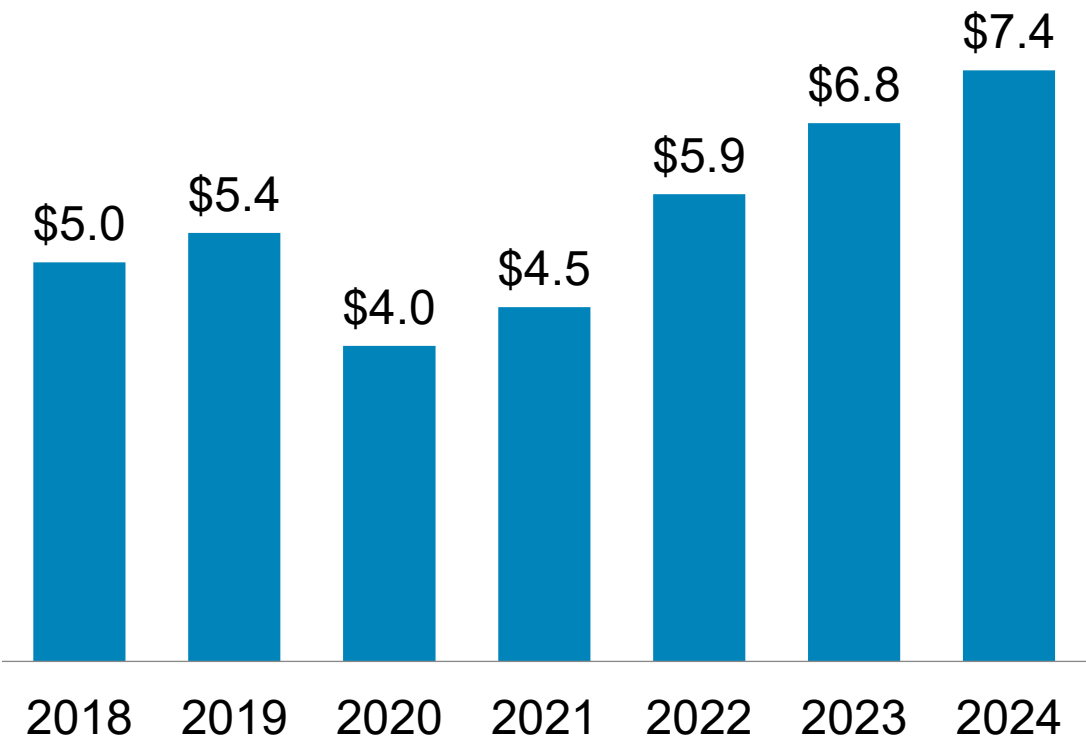
\* Includes payments made for aircraft and other flight equipment, ground and other property and equipment (e.g., baggage carts, lavatory trucks, deicing vehicles), airport and other facility construction and technology  
Sources: CapEx from SEC filings of Alaska/Hawaiian, Allegiant, American, Delta, Frontier, Hawaiian, JetBlue, Southwest, Spirit, Sun Country, United and predecessors




# From 2022-2024, U.S. Passenger Airlines Spent ~\$20 Billion on Information Technology

Goal: Boost Operational Resiliency/Redundancy/Security and Customer Self-Service Functionality

Annual IT Expenditures\* (Billions)  
U.S. Passenger Airlines





Making it easier for travelers to:

- Shop for tickets
- Modify itineraries
- Check in for their journeys
- Navigate airports
- Check and/or track bags
- Stay apprised of flight status
- Redeem vouchers/loyalty points

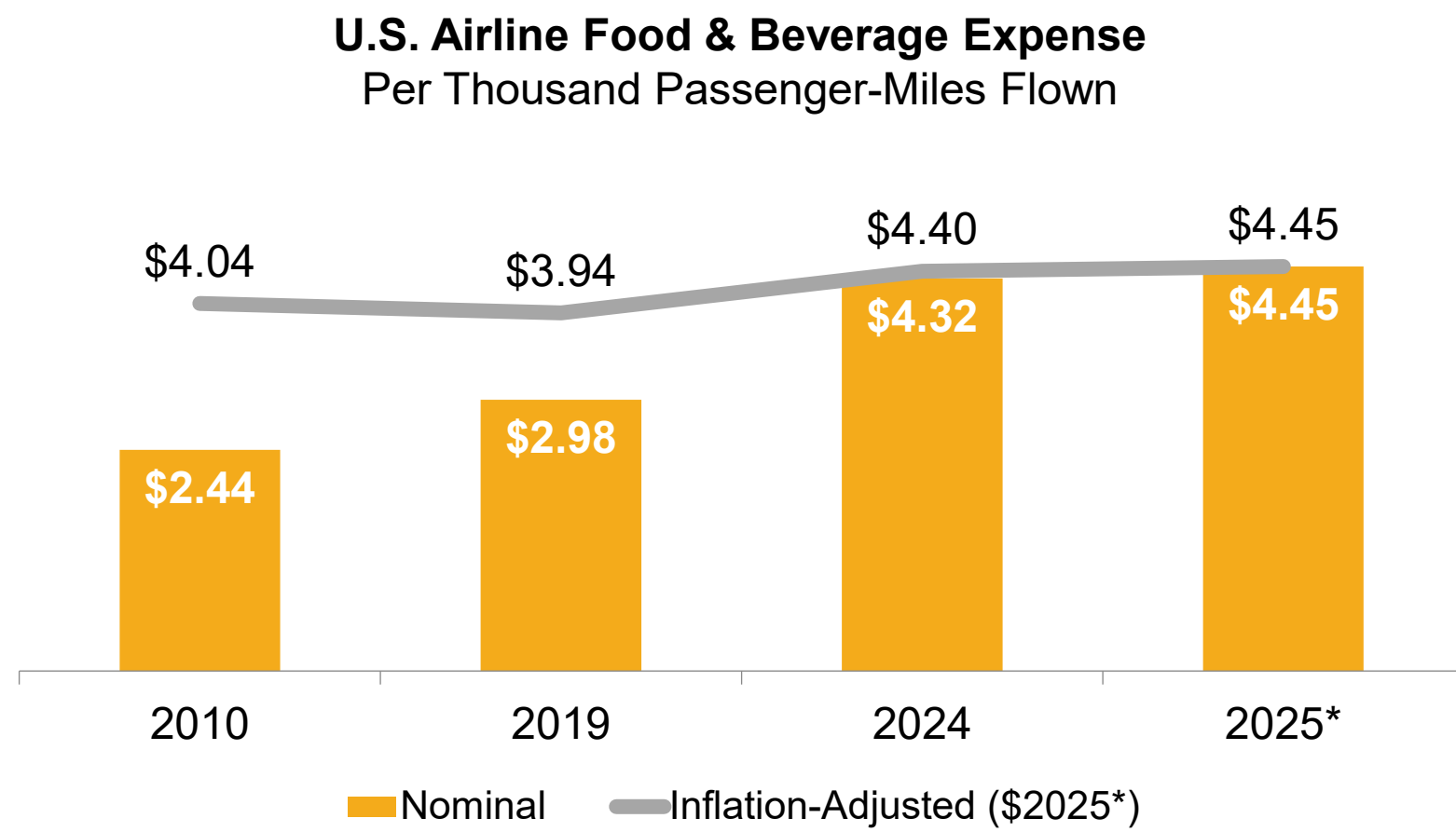
Sources: Alaska/Hawaiian, Allegiant, American, Avelo, Breeze, Delta Frontier, JetBlue, Southwest, Spirit, Sun Country, United

\* IT operating expenses plus capital expenditures, net of depreciation (where available)



# U.S. Airlines Have Greatly Increased Spending on Inflight Food and Beverage

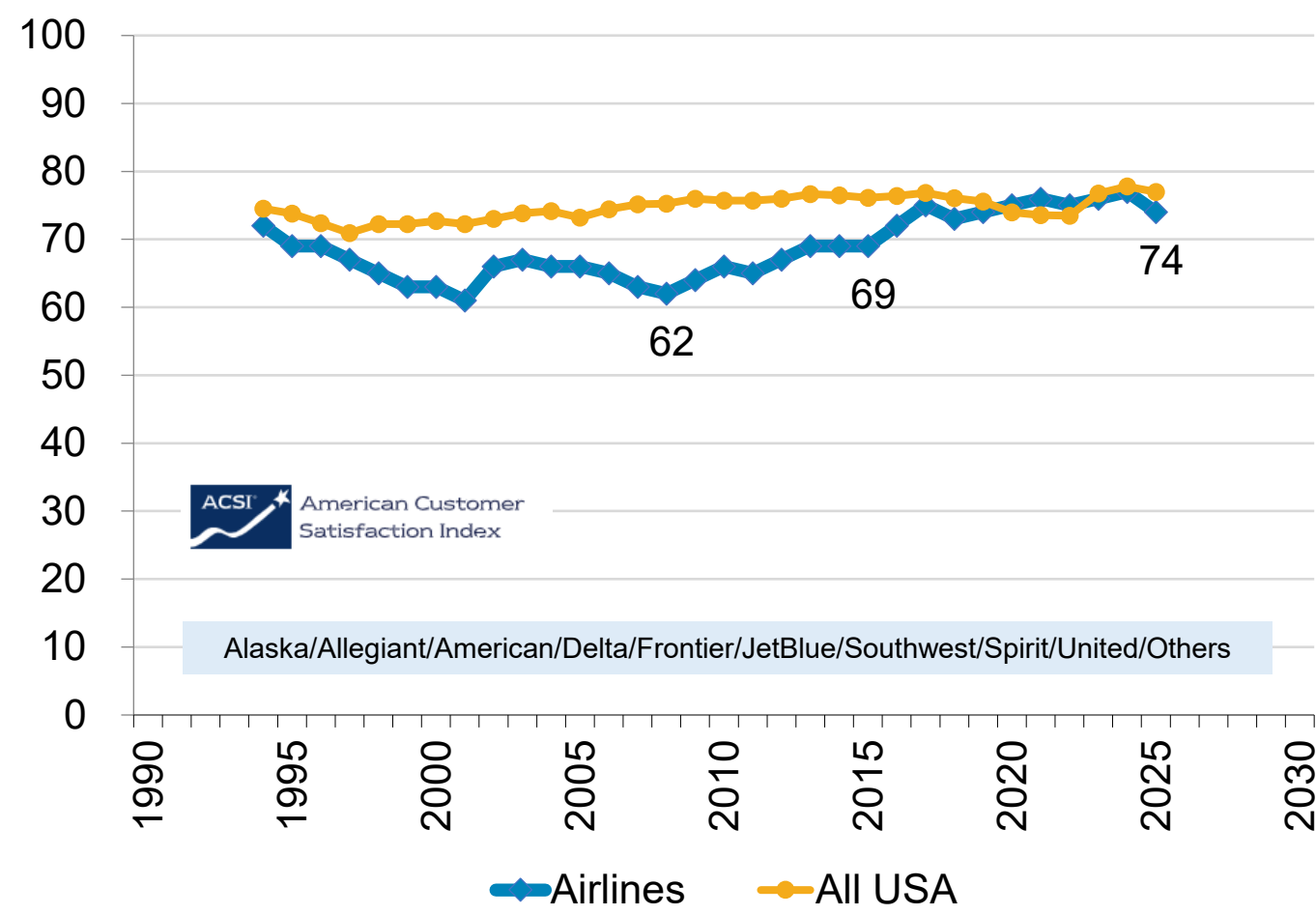
Drivers Include the Pursuit of Brand-Loyal and Premium Customers



Sources: A4A Passenger Airline Cost Index and Consumer Price Index for All Urban Consumers: Food Away from Home in U.S. City Average (CUUR0000SEFV) \* Four quarters ended 2Q 2025

# ACSI Airline Customer Satisfaction Index Now at 74, Up From 62 in 2008 and 69 in 2015

## Airlines Scored 80+ on Five of the 21 Benchmarks and 75-79 on 10 Others



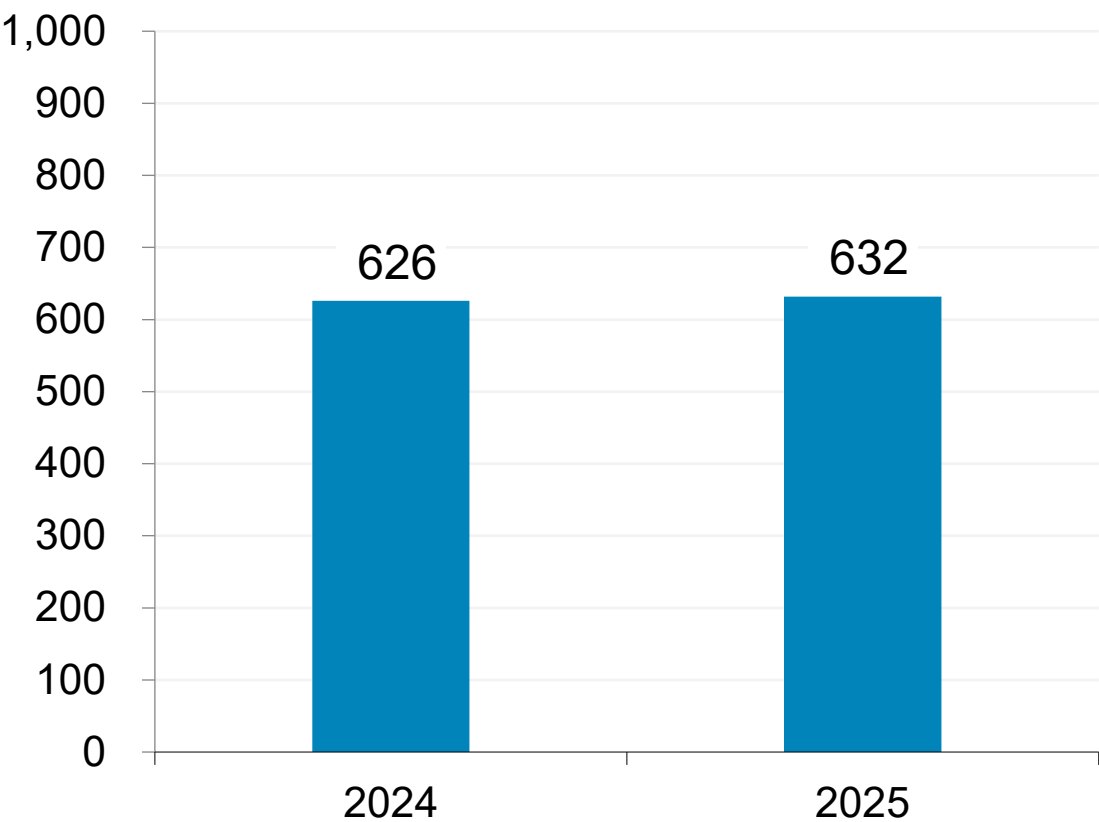
Satisfaction Benchmark	2019	2024	2025
Mobile app quality	82	84	82
Mobile app reliability	82	84	81
Website satisfaction	80	83	81
Ease of making a reservation	81	84	80
Ease of check-in process	82	83	80
Cabin and lavatory cleanliness	78	82	79
Courtesy/helpfulness: flight crew	80	82	78
Baggage handling	79	81	77
Boarding experience	79	81	77
Courtesy/helpfulness: gate staff	80	81	77
Range of flight schedules	77	80	77
Timeliness of arrival	80	81	77
Call center satisfaction	78	81	76
Loyalty program	75	80	76
Availability of overhead storage	73	79	75
Quality: purchased food/beverage	73	78	74
Quality: in-flight entertainment	71	78	74
Quality: free food/beverage	73	76	73
Seat comfort	69	76	73
Usefulness of flight information	NM	NM	71
Quality: in-flight Wi-Fi	NM	NM	66

Source: The American Customer Satisfaction Index (ACSI®), the only national cross-industry measure of customer satisfaction, measures the satisfaction of U.S. household consumers with the quality of products and services offered by firms with significant share in U.S. markets. The ACSI Travel Study 2025 is based on 16,771 completed surveys. Customers were chosen at random and contacted via email between April 2024 and March 2025.

# J.D. Power: North America Airline Customer Satisfaction Rose Six Points in 2025

Note: Study Methodology Changed in 2024

“Airline Passenger Satisfaction Improves Slightly as Industry Confronts Economic Headwinds, J.D. Power Finds”



The North America Airline Satisfaction Study measures passenger satisfaction with airline carriers in North America based on performance in **seven core dimensions**: airline staff; digital tools; ease of travel; level of trust; on-board experience; pre/post-flight experience; and value for price paid.

The 2025 study is based on responses from 10,224 passengers. Passengers needed to have flown on a major North America airline within the past month of completing a survey. **The study was fielded from March 2024 through March 2025.**

Note: The 2025 study reflected responses from 10,224 passengers who flew on a major North America airline within the past month of completing a survey. The study was fielded from March 2024 through March 2025.

Source: J.D. Power North America Airline Satisfaction Study<sup>SM</sup>



**Airlines for America<sup>®</sup>**

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