



**Airlines for America<sup>®</sup>**

**We Connect the World**

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

Updated April 14, 2026

<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 ~28K  
**flights** per day  
across the globe



Carrying ~2.7M  
**passengers**  
per day to/from  
~85 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-2025; other statistics reflect daily average for 2025

# Key Points

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- » 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.**

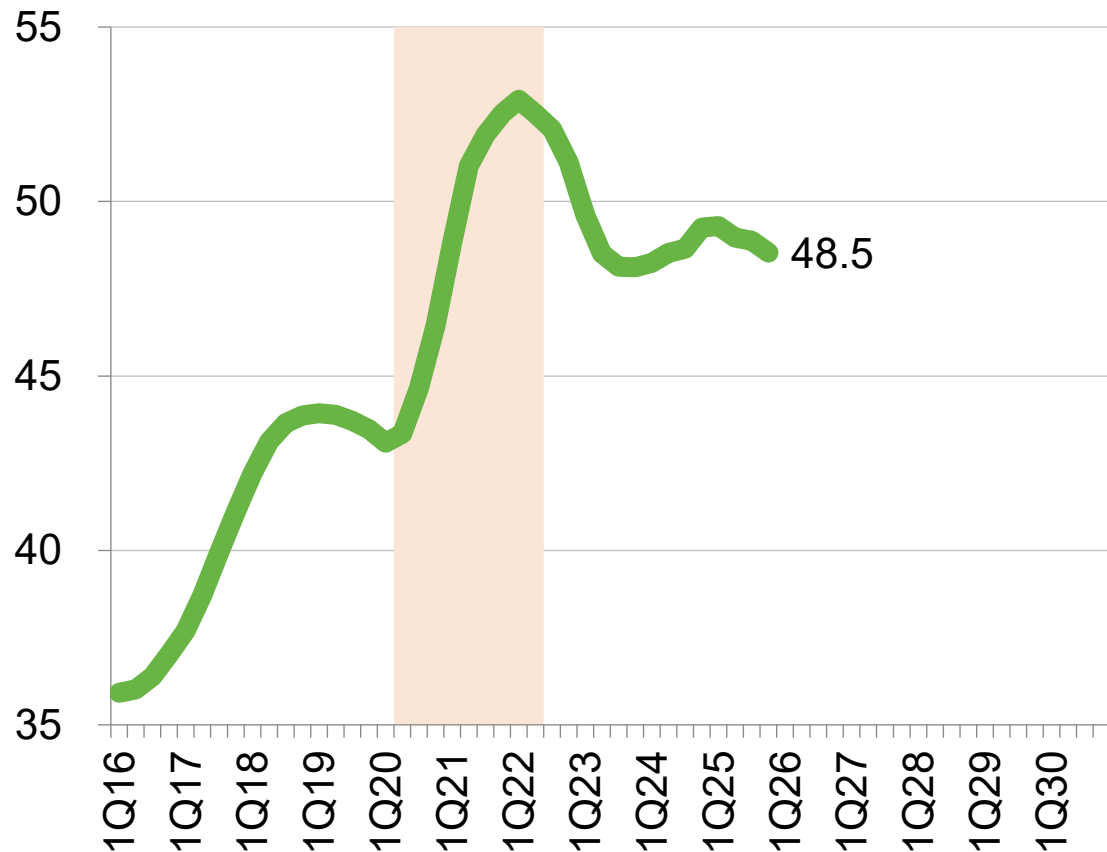
**“[W]e no longer believe cost structures to be the primary determinant of profitability the way they once were, before the industry successfully de-commoditized and product/network quality took on increased relevance with consumers.”** — Jamie Baker, J.P. Morgan (Feb. 12, 2026)

- » 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.

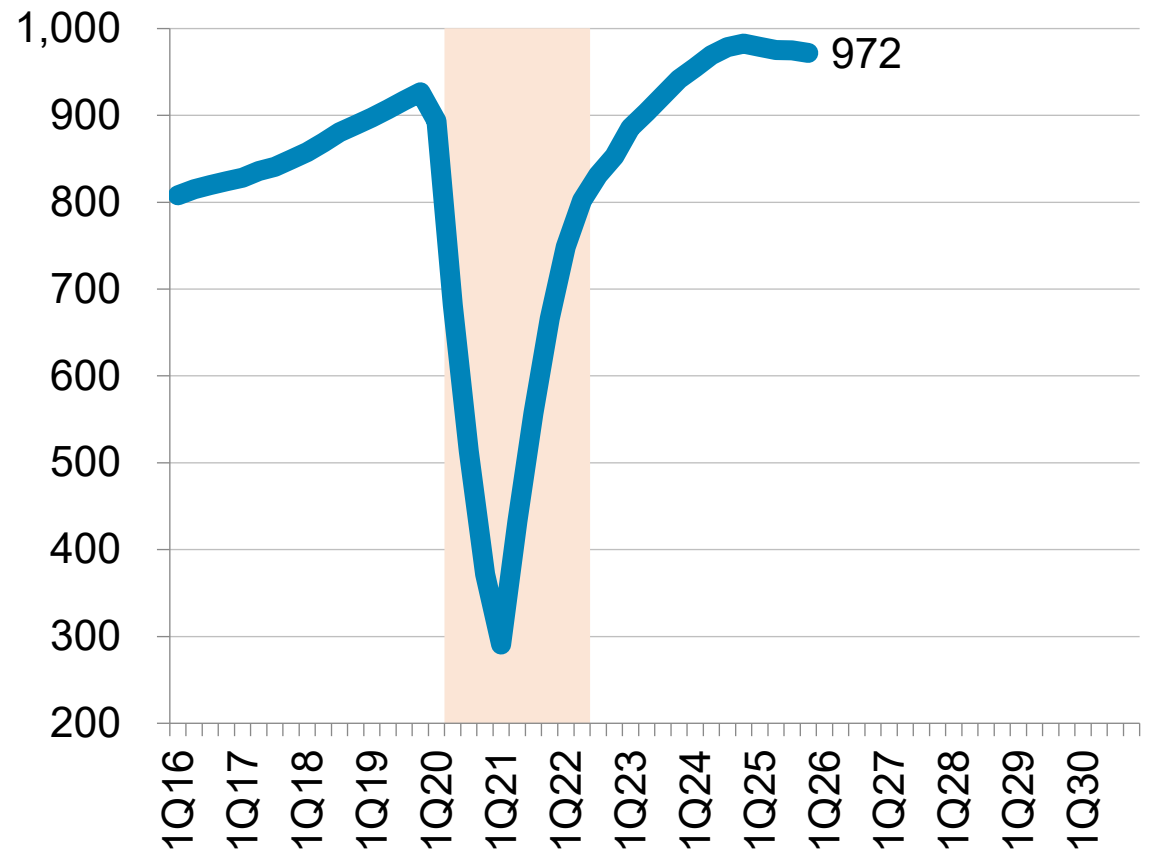
# For U.S. Airlines, Air-Cargo and Air-Travel Volumes Subsidized in 2025

Air-Cargo Demand Fell 1.4% Year-Over-Year; Passenger Enplanements Fell 1.1%

Annualized Air Cargo Revenue Ton Miles\* (Bils)



Annualized Scheduled-Service Passengers (Mils)



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

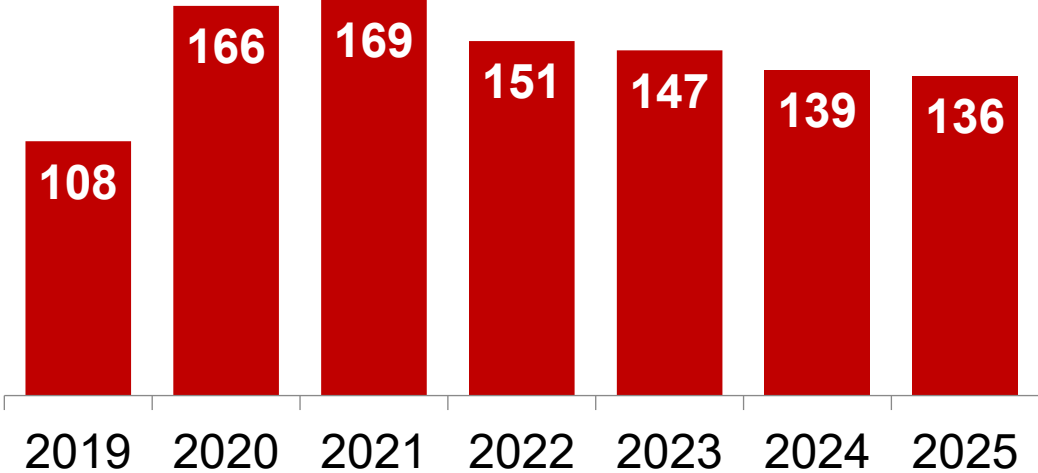
# Airlines Have Prioritized Debt Reduction, Accompanied by Heavy Cash Outlays for Interest

## Debt Levels Fell ~\$33B From 2021 to 2025, But Interest Expense Remains Elevated

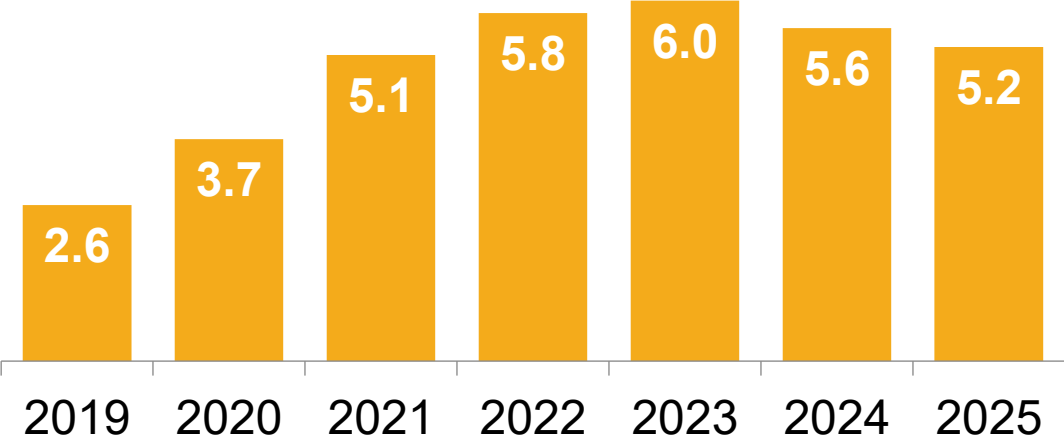
“To suggest that the airlines should have better prepared for this environment seems akin to suggesting Pompeii should have invested more heavily in firefighting technology.” (Jamie Baker, JPMorgan, March 22, 2020)

“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 2025, U.S. Passenger Airlines Collectively Posted a Pre-Tax Profit Margin of 3.2%

## Profitability Fell From 2024 as 2.2% Higher Operating Expenses Outpaced 1.7% Higher Revenues

Financial Results: Calendar Year 2025	\$ Billions	% Chg. YOY	% of Category
Passenger (RPMs +0.3%, yield +0.7%)	212.1	1.0	88
Cargo	3.8	2.1	2
Other <sup>1</sup>	23.7	8.1	10
<b>Total operating revenues</b>	<b>239.7</b>	<b>1.7</b>	<b>100</b>
Salaries, wages and benefits	78.4	7.0	34
Aircraft fuel and taxes (consumption +TBD%, price -TBD%)	44.9	(7.1)	20
Maintenance materials and repairs	13.1	1.8	6
Landing fees and airport (terminal/hangar) rents	16.3	9.8	7
Depreciation and amortization <sup>2</sup>	11.3	(1.4)	5
Regional capacity	10.6	8.4	5
Other <sup>3</sup>	53.3	1.5	23
<b>Total operating expenses</b>	<b>228.1</b>	<b>2.2</b>	<b>100</b>
Interest and other non-op expenses, net	(3.8)	(4.1)	n/a
<b>Pre-tax profit/(loss)</b>	<b>7.7</b>	<b>(8.5)</b>	<b>n/a</b>
<b>Pre-tax margin<sup>4</sup></b>	<b>3.2%</b>	<b>(0.4 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

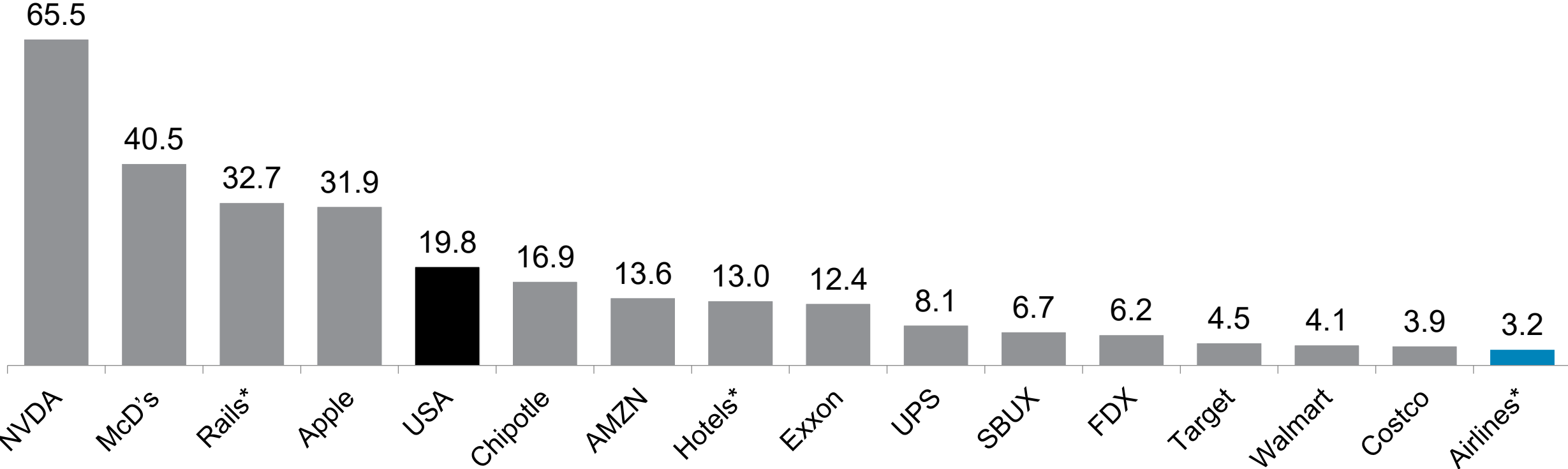
Source: SEC filings of Alaska/Hawaiian, Allegiant, American, Delta, Frontier, JetBlue, Southwest, Spirit, Sun Country and United

# Numerous Fortune 500 Brands Enjoy Significantly Higher Profitability Than U.S. Airlines

## Retaining Multiples More in Profit for Every Dollar of Revenue Generated in 2025

### Pre-Tax Profit Margin (%) for Selected U.S. Companies and Industries in Fiscal Year 2025

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



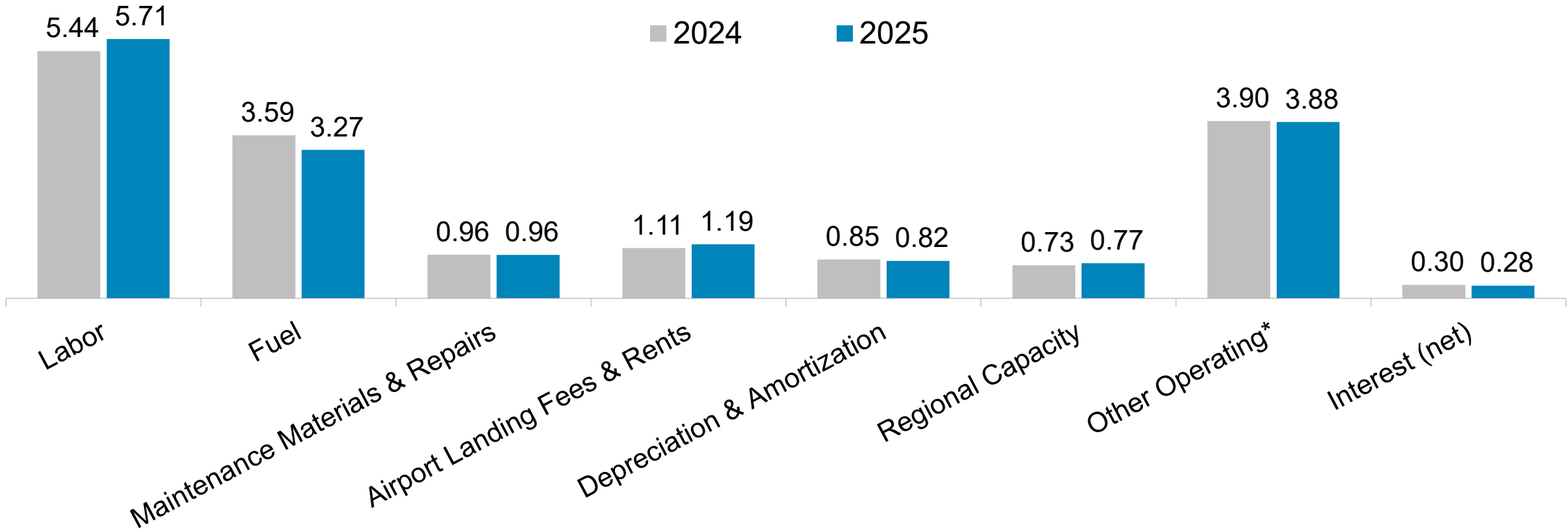
Sources: A4A, Bureau of Economic Analysis and company SEC filings

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

# In 2025, U.S. Airlines' Pre-Tax Unit Costs Were Flat Year-Over-Year

## Unit Labor and Airport Costs Rose, While Unit Fuel and Interest Costs Fell

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



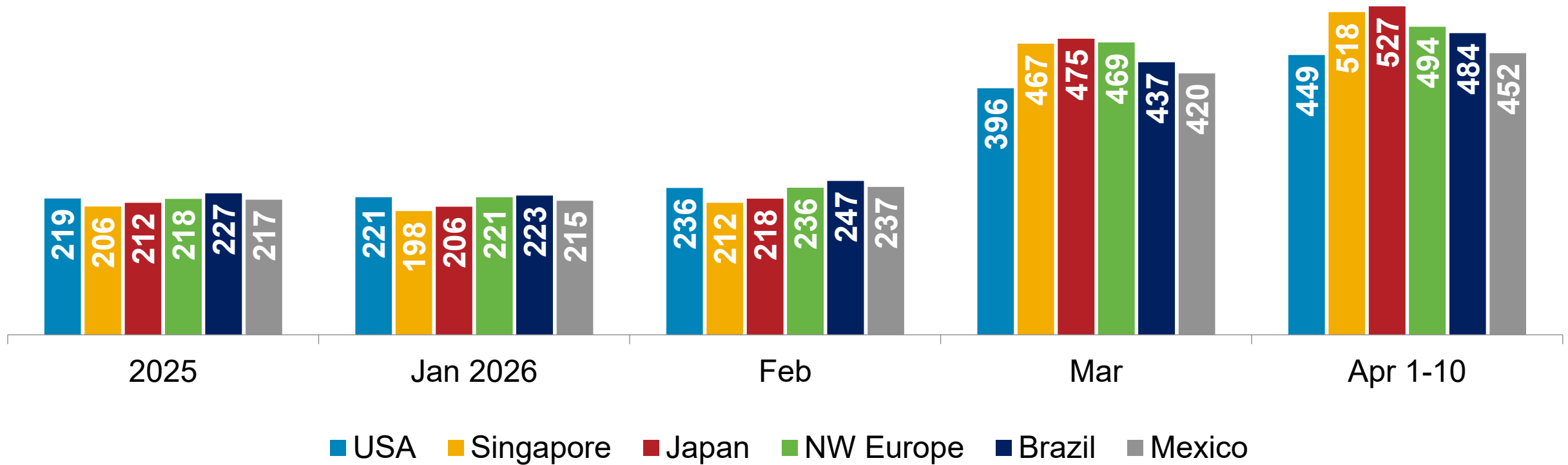
Source: SEC filings of Alaska/Hawaiian, Allegiant, American, Delta, Frontier, JetBlue, Southwest, Spirit, Sun Country and United

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

# Jet Fuel Prices Surged in March/April, Driven by Supply Chain Disruption and Military Demand

Prices Are Especially High in Asia and Europe

Average Spot Price (Cents per Gallon) of Jet Fuel\*



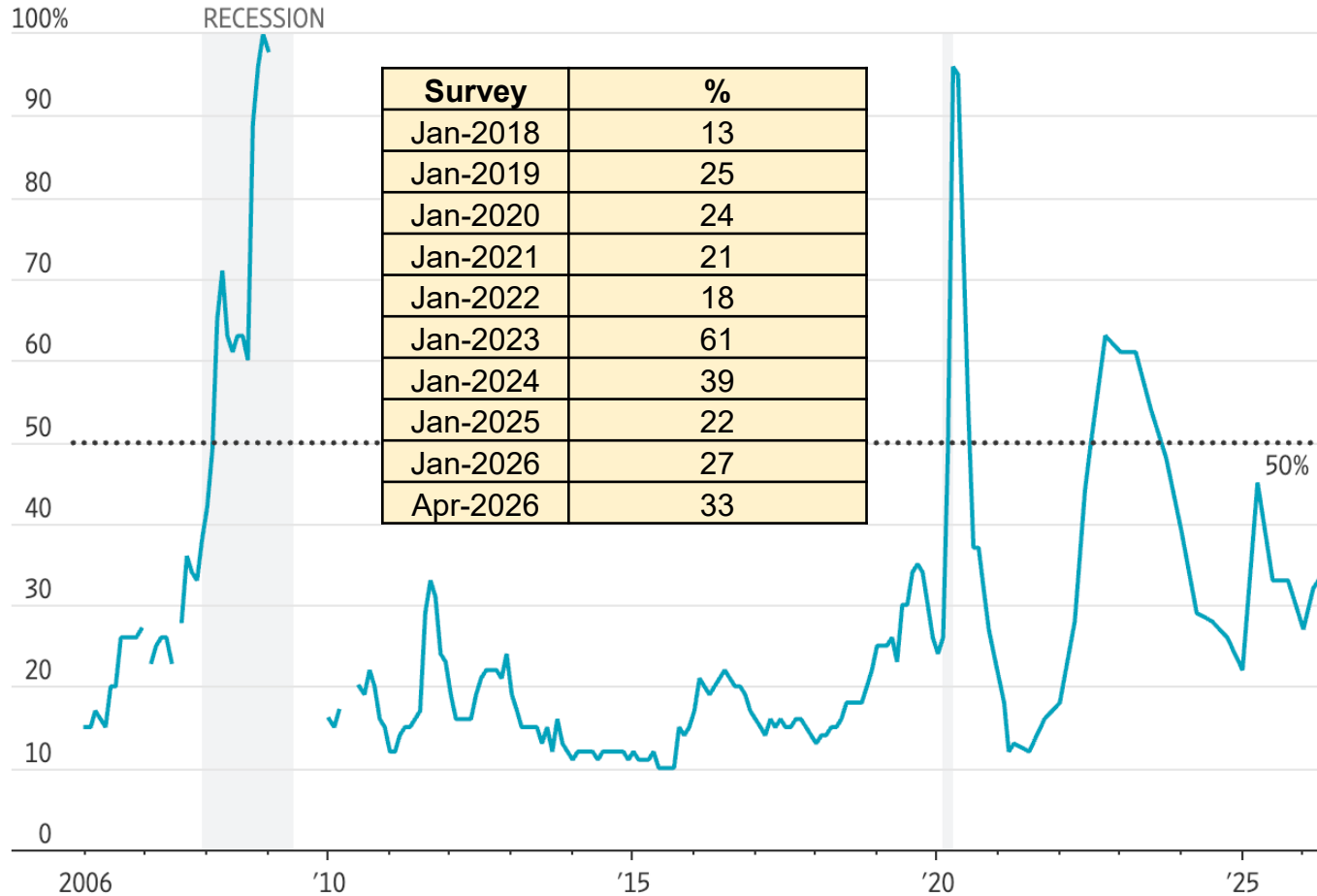
Sources: Argus Media

\* USA = Argus US Jet Fuel Index™ (<https://www.airlines.org/dataset/argus-us-jet-fuel-index/>) average of Chicago/Houston/Los Angeles/New York

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

WSJ Survey: Probability of Recession Over Next 12 Months: 33% (as of April)

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



“Recent months have been marked by slower growth, stubborn inflation and a weaker job market. **Economists worry that the war in Iran could exacerbate all three.** With hostilities paused by a tenuous cease-fire last week, the path ahead for the war itself is highly uncertain—let alone its consequences for American workers and shoppers. But a group of economists regularly surveyed by The Wall Street Journal has broadly dimmed its outlook for the year ahead, compared with their expectations earlier this year.”

Source: Anthony DeBarros and Matt Grossman, “We Asked a Panel of Economists to Forecast the War’s Impact,” *The Wall Street Journal* (April 12, 2026)

## Perspectives on the U.S. Economic Outlook

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“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 (Nov. 28, 2025)

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“**The economy is growing, but its growth is fragile.** Whether the economy strengthens or instead slumps in the coming year depends primarily on how aggressively the Trump administration pursues its **tariff, immigration and other deglobalization policies**; how quickly businesses adopt and incorporate **artificial intelligence** into their workflows; and how much **monetary and fiscal support** is provided by the Federal Reserve and lawmakers.”

Mark Zandi, Chief Economist, Moody's Analytics (Jan. 21, 2026)

Sources: <https://www.linkedin.com/pulse/us-outlook-2026-numbers-mark-zandi-jof6e/>

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## Perspectives on the U.S. Economic Outlook (Continued)

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“There is a **growing divide between assessments of the economy’s performance**. Judging that performance based on recently stronger GDP growth and ebullient investors, the economy is doing well, if not great. But based on jobs and how dour the majority of Americans feel about their finances, the economy’s performance is lagging, if not faltering. So which is it? While **the reality likely lies somewhere between these two widely differing perspectives**, the old saw ‘better to prepare for the worst and hope for the best’ is apt.”

Mark Zandi, Chief Economist, Moody’s Analytics, “U.S. Outlook: GDP Optimists vs. Jobs Pessimists” (Feb. 10, 2026)

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“I mean, there is certainly — pick your description — a **K-shaped economic bifurcation of the consumer**. We continue to see really consistent strength across luxury for the full year.”

Anthony Capuano, Marriott CEO (Feb. 10, 2026)

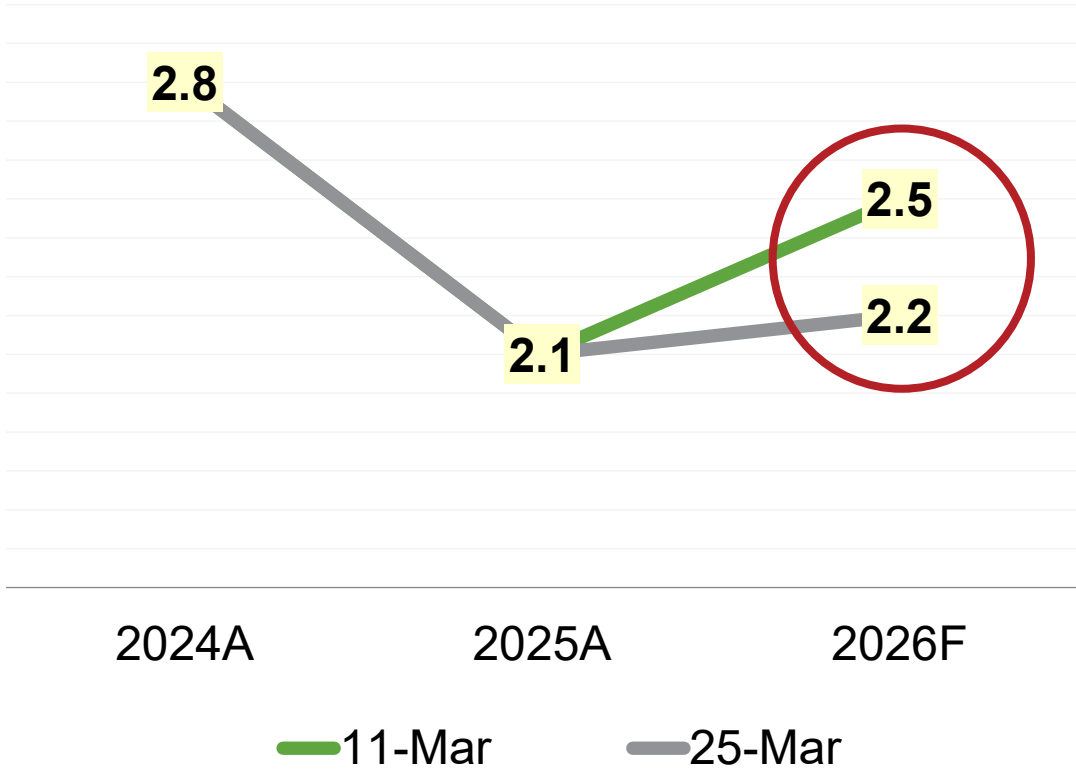
Sources: <https://www.linkedin.com/pulse/us-outlook-gdp-optimists-vs-jobs-pessimists-mark-zandi-ybqpe/> and 0

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# Standard & Poor's Has Lowered Its Expectations for U.S. Economic Growth in 2026

Real GDP Growth Now Pegged at 2.2% Instead of 2.5%

### YOY Change (%) in Real U.S. GDP



“The enthusiasm around U.S. growth momentum that prevailed as recently as February has been tempered by the escalation of the Middle East conflict... While precise estimates are premature, **the near-term macro impulse is unambiguously inflationary and growth-negative for the U.S. economy.** And we cannot summarily dismiss that we may be in the initial phase of a more significant global crisis, and **the window for a moderate, transitory outcome is closing.**”

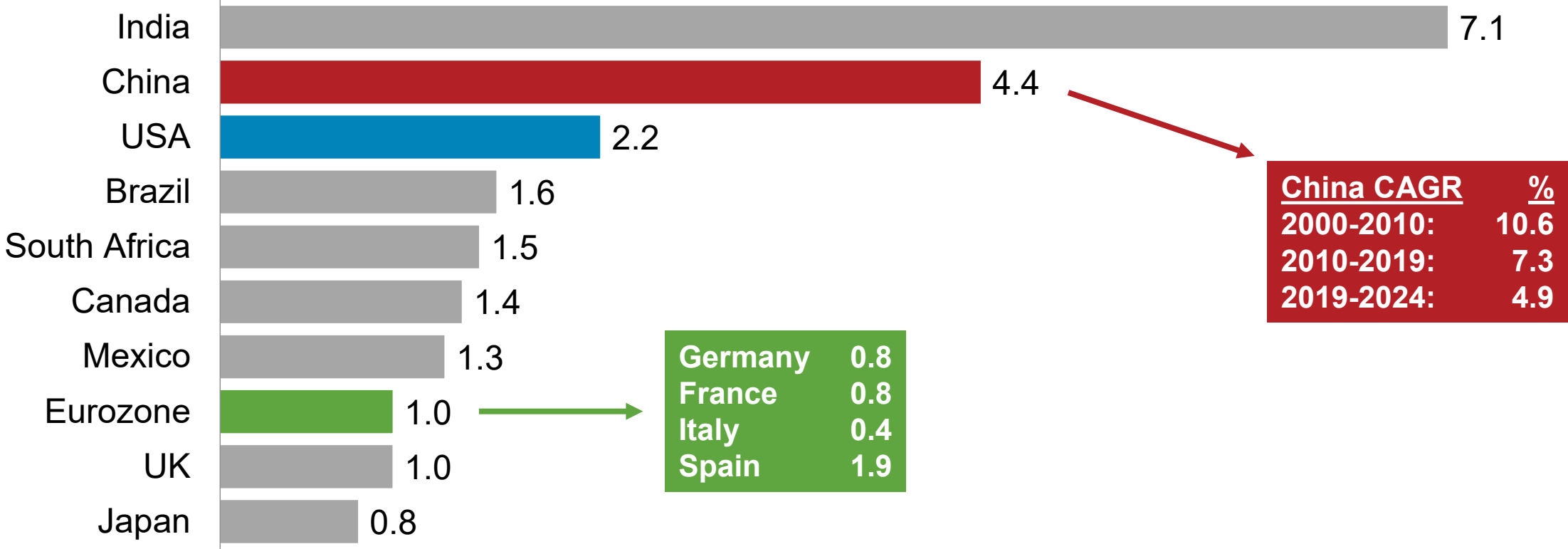
Satyam Panday, Standard & Poor's, “Economic Outlook U.S. Q2 2026: Curb Your Enthusiasm” (March 25, 2026)

Sources: U.S. Bureau of Economic Analysis (March 13, 2026), Standard & Poor's U.S. Economic Outlook (March 25, 2026)

# Standard & Poor's Expects Tepid Growth for Many Large Economies in 2026

## India's Economy to Outpace China's, With Europe, the UK and Japan Lagging Significantly

Projected Real GDP Growth (%) in 2026



Source: S&P Global Economic Outlook Q2 2026: "Middle East War Dents The Forecast" (March 31, 2026) and World Bank

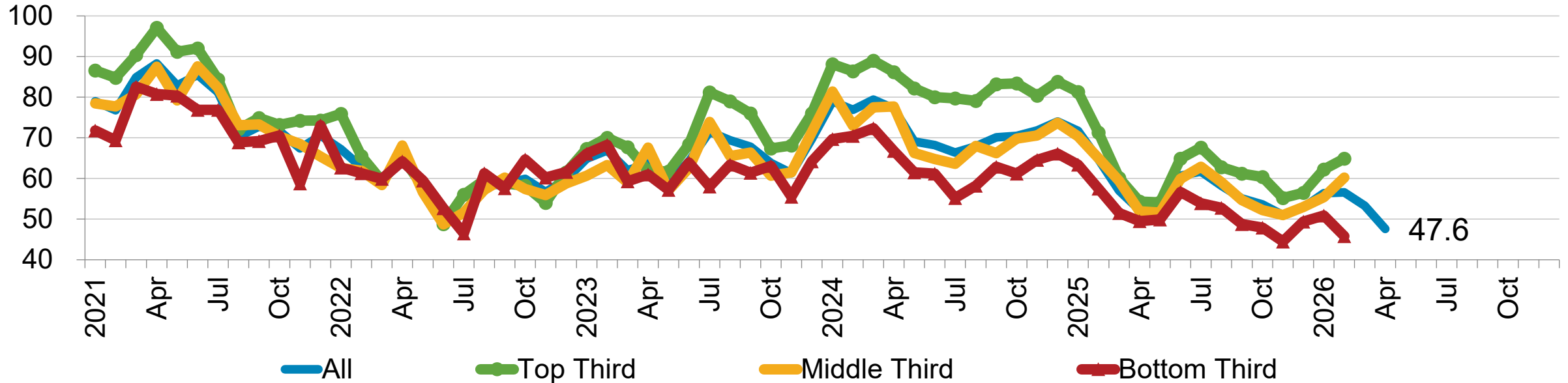
# U.S. Consumer Sentiment Slipped to Record Low in Mid-April

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

“Not all Americans are feeling the affordability squeeze. **The finances of the well-to-do are arguably as good as they have ever been.** They have a job, and they are enjoying sturdy wage growth. If they have any debt, it is a mortgage loan they refinanced during the pandemic at an exceptionally low rate. They have ample cash in their checking and money market accounts...and **their wealth has ballooned with the surge in home values and stock prices.**”

Mark Zandi, Chief Economist, Moody’s Analytics, “The Affordability Squeeze,” *LinkedIn* (Dec. 9, 2025)

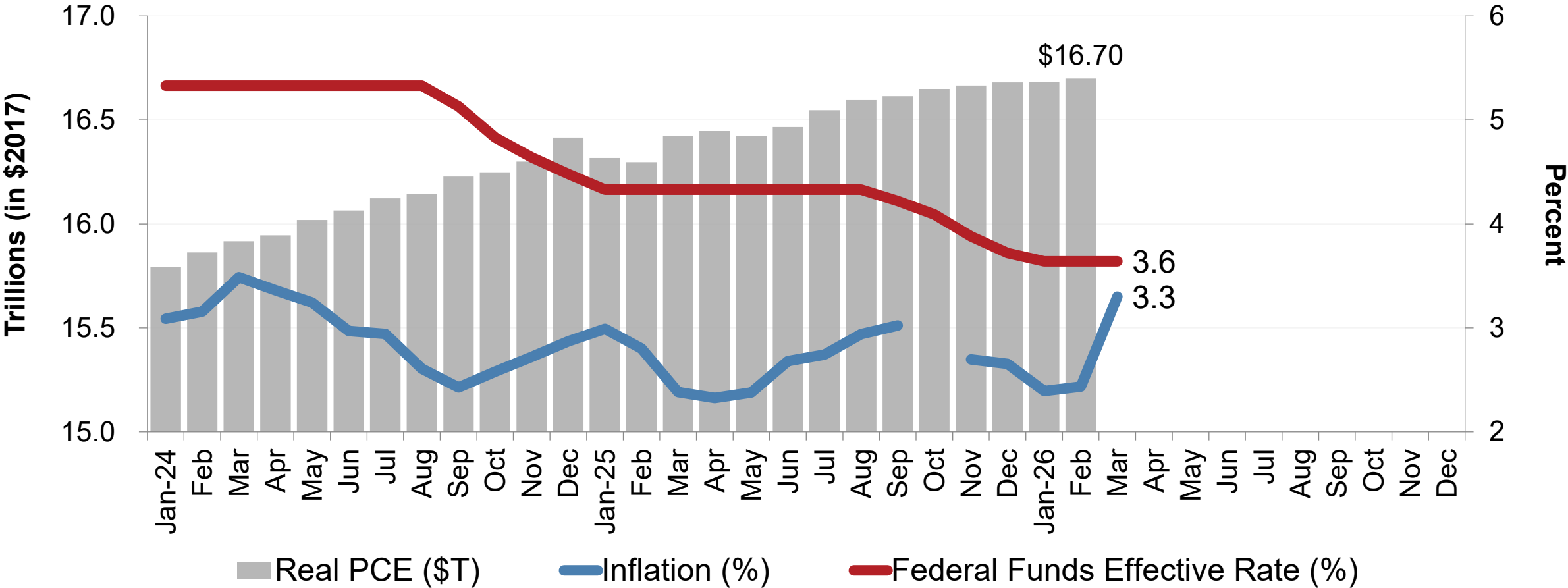
**U.S. Consumer Sentiment by Income Tier: Index: 1Q 1966 = 100**



Sources: University of Michigan and <https://www.linkedin.com/pulse/affordability-squeeze-mark-zandi-xk7re/>

# Real Consumer Spending Rose to Record Level in February

## Boosted in Part by Low Federal Funds Rate



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

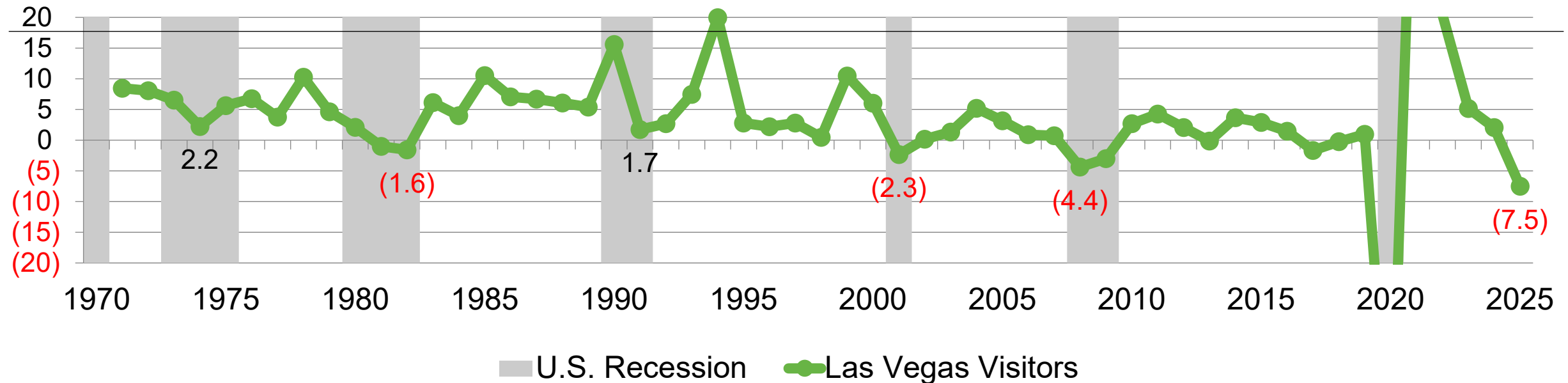
# Aside From 2020, Las Vegas Saw Its Steepest-Ever Drop in Visitors in 2025

## Multiple Factors at Play

**“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)

**“Vegas tourism board to consider \$6M for marketing in Canada,”** *Las Vegas Review Journal* (March 6, 2026)

### YOY Change (%) in Las Vegas Visitors (All Modes)

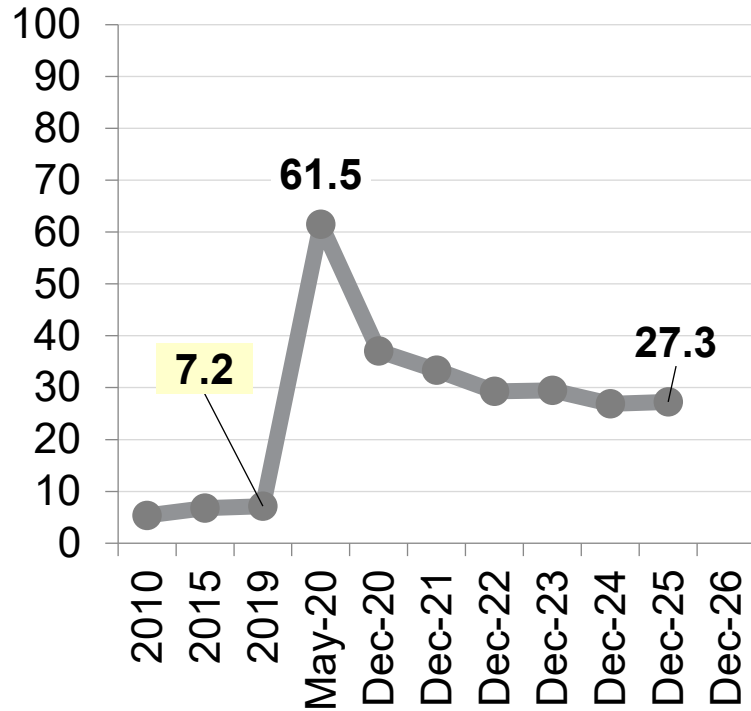


Source: Visual Approach Advisory (Aug. 21, 2025) and LVCVA.com

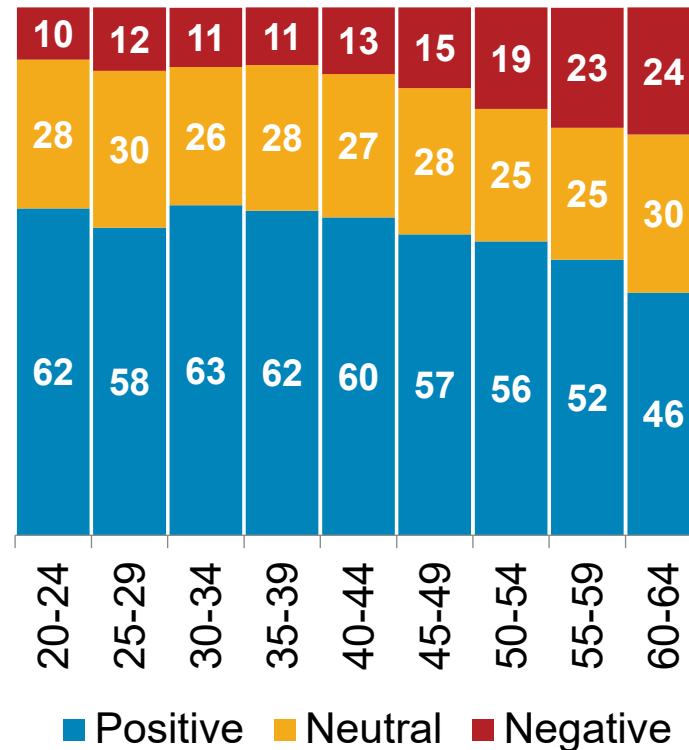
# Share of Remote Work Remains Well Above 2019; Preference for Hybrid Work Persists

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

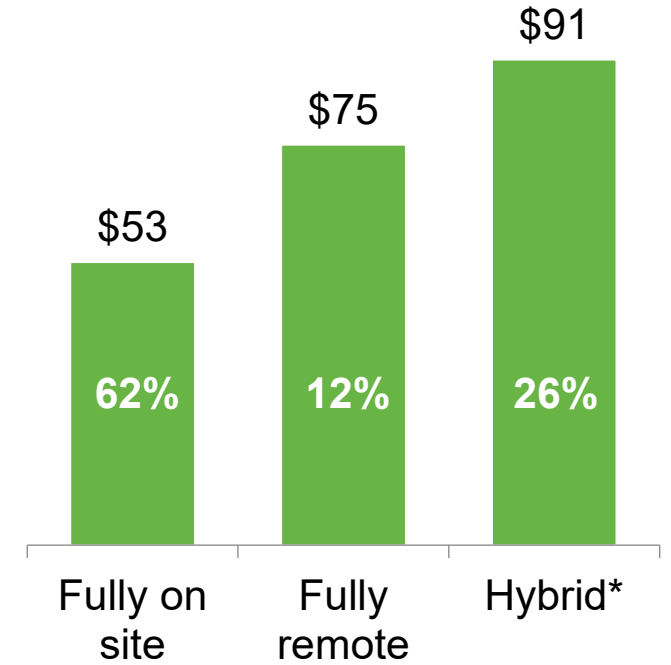
**% of U.S. Resident Paid Workdays Conducted Remotely**



**Attitude Toward Hybrid\* Work (% Viewpoint by Age Group)**



**U.S. Resident Average Earnings (000) by Working Arrangement**

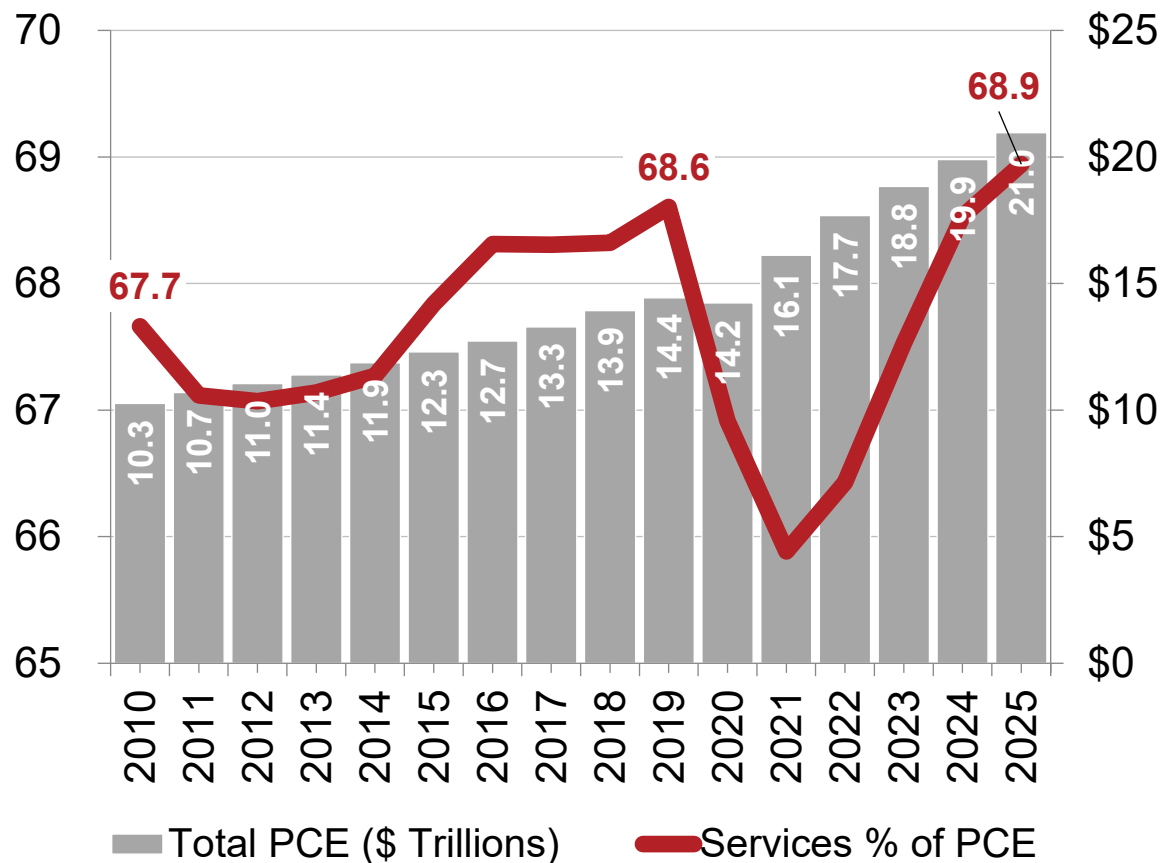


\* Two to three days per week

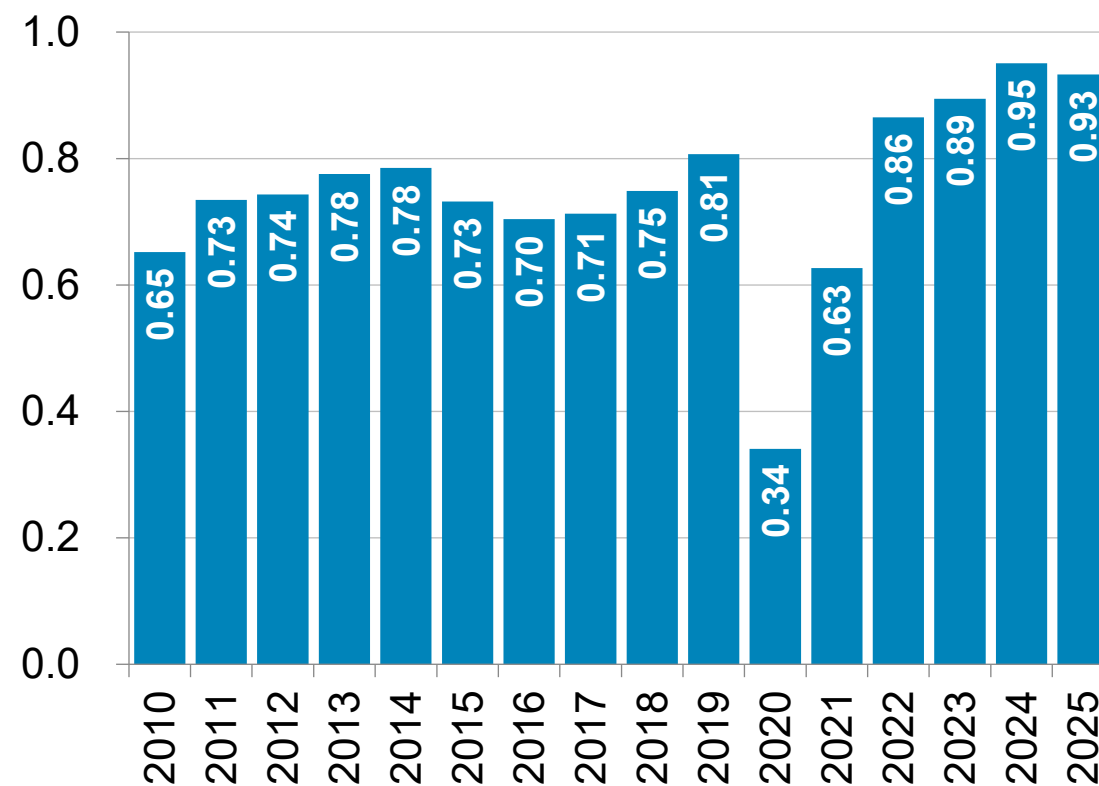
Source: Survey of Working Arrangements and Attitudes (SWAA), Barrero, Jose Maria, Nicholas Bloom, and Steven J. Davis, 2021. "Why working from home will stick," National Bureau of Economic Research Working Paper 28731.

# Once Again, U.S. Consumers Are Allocating 69% of Total Spending (\$21T) to Services And They Have Increasingly Prioritized Air Travel, Albeit With a Small Retrenchment in 2025

### Services Share (%) of Personal Consumption



### Air Travel Share (%) of Personal Consumption



Source: U.S. Bureau of Economic Analysis

Note: PCE = personal consumption expenditures

# “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

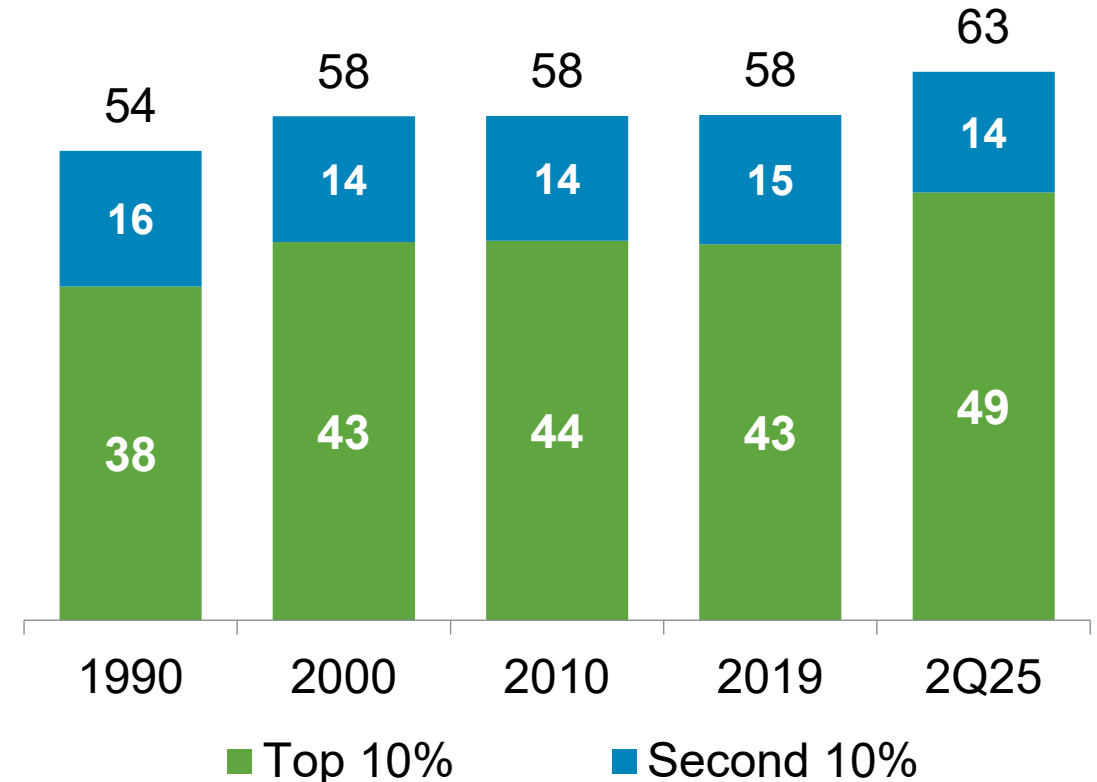
“The economy’s prospects are tethered to the fortunes and spending of the well-to-do,” [Moody’s Analytics Chief Economist Mark] Zandi said.”

*Bloomberg Government* (Sept. 16, 2025)

“Not surprisingly, the well-to-do are thus spending with gusto. Those in the top 10% of the income distribution, who are making more than \$275,000 annually, account for an estimated nearly one-half of all personal outlays, and their spending has significantly outpaced inflation since the pandemic. Those in the next highest 10% of the income distribution...have also spent at a pace measurably greater than inflation during this period.”

“The Affordability Squeeze,” *LinkedIn* (Dec. 9, 2025)

### Share (%) of Spending by Consumers in Top Tiers of Income Distribution

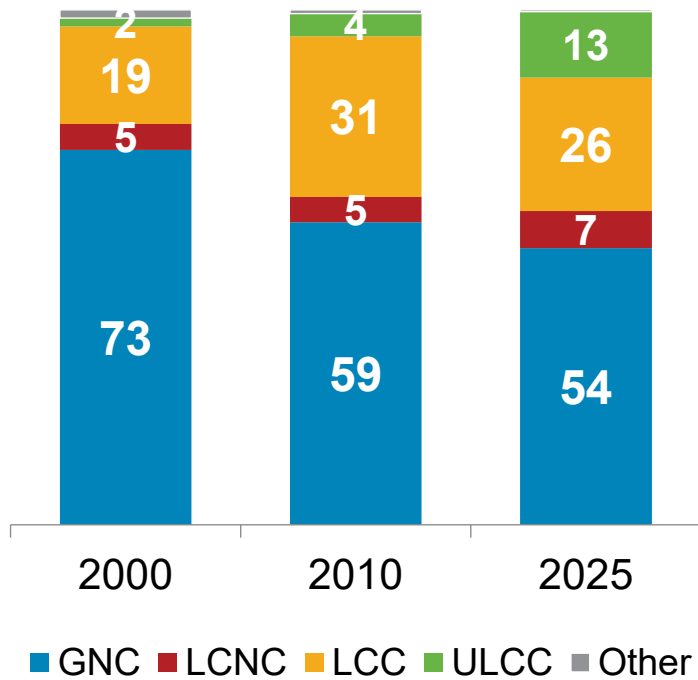


Source: Moody’s Analytics review of Federal Reserve data and Jonnelle Marte, “Top 10% of Earners Drive a Growing Share of US Consumer Spending,” *Bloomberg Government* (Sept. 16, 2025)

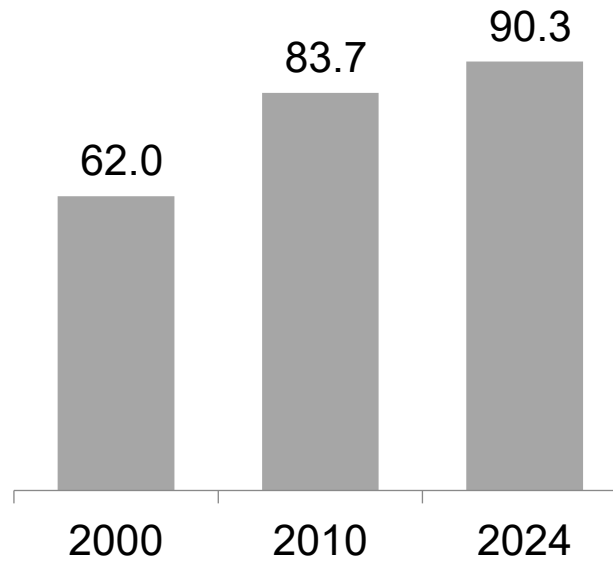
# From 2000-2024, the Number of Competitors per Domestic Air Trip Rose From 3.33 to 3.49

## Global Network Carrier Share of Domestic Passengers Fell From 73% in 2000 to 54% in 2025

**% of Domestic O&D Pax by Airline Business Model**

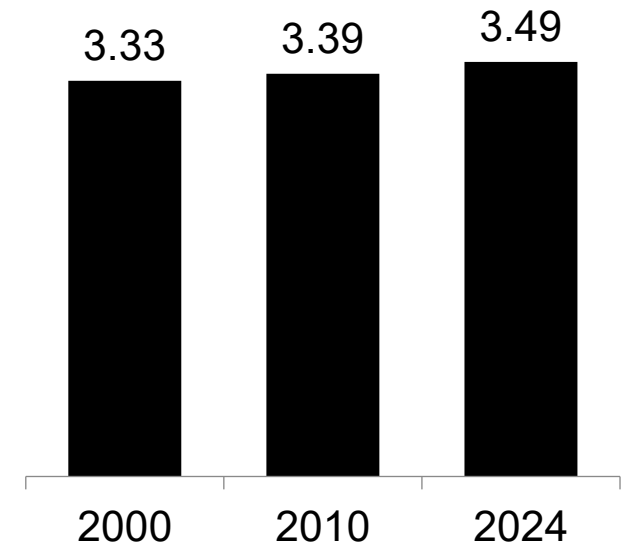


**% of Domestic O&D Pax With Access to Lower-Cost Carriers**



**Average # of Competitors\* in Domestic O&D City Pairs**

\* Per DOT and GAO, carrying at least 5% of O&D passengers in the city pair; average is passenger-weighted across city pairs.

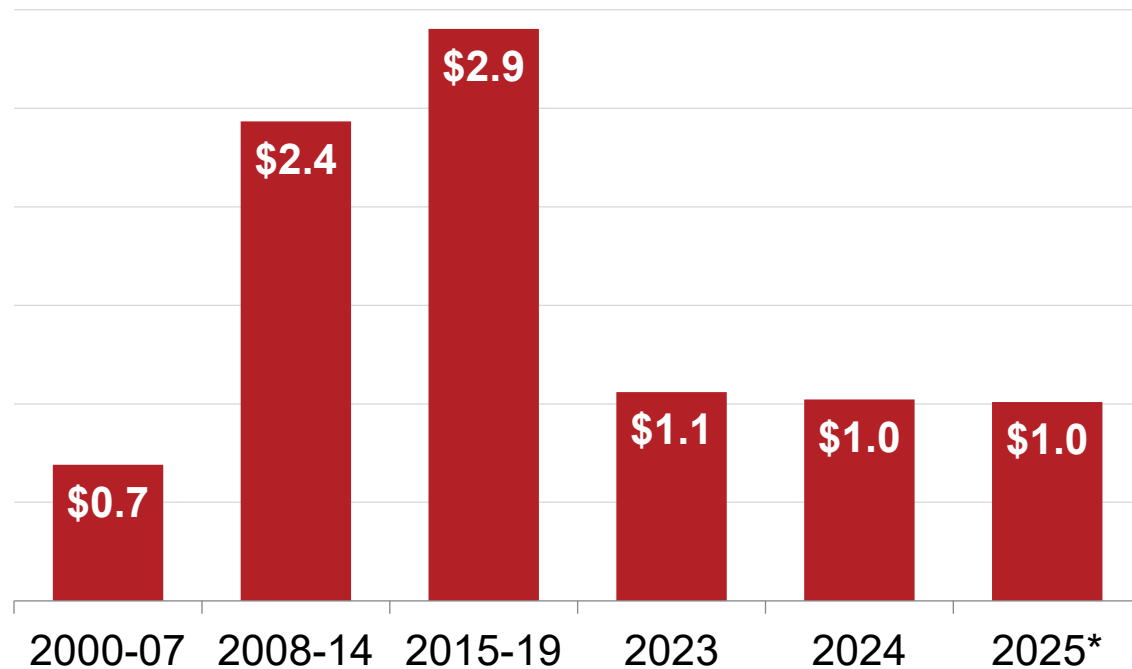


Source: DOT Data Bank 1B and Eonic Partners. Global network carriers (GNCs) include AA/DL/UA and predecessor airlines (e.g., US Airways, America West, TWA, Northwest, Continental) and defunct legacy network carriers (e.g., Eastern, Braniff). Low-cost carriers includes Southwest, JetBlue, Breeze, Reno 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.”

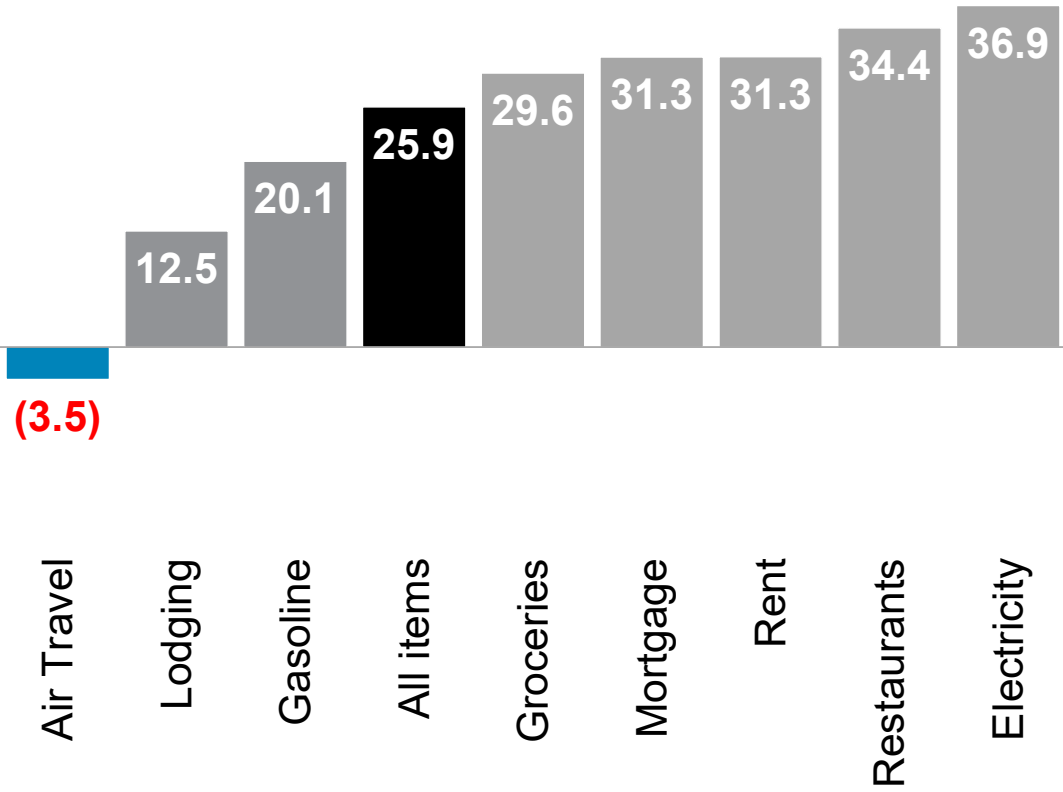
Scott Keyes, Scott’s Cheap Flights (April 4, 2022)

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

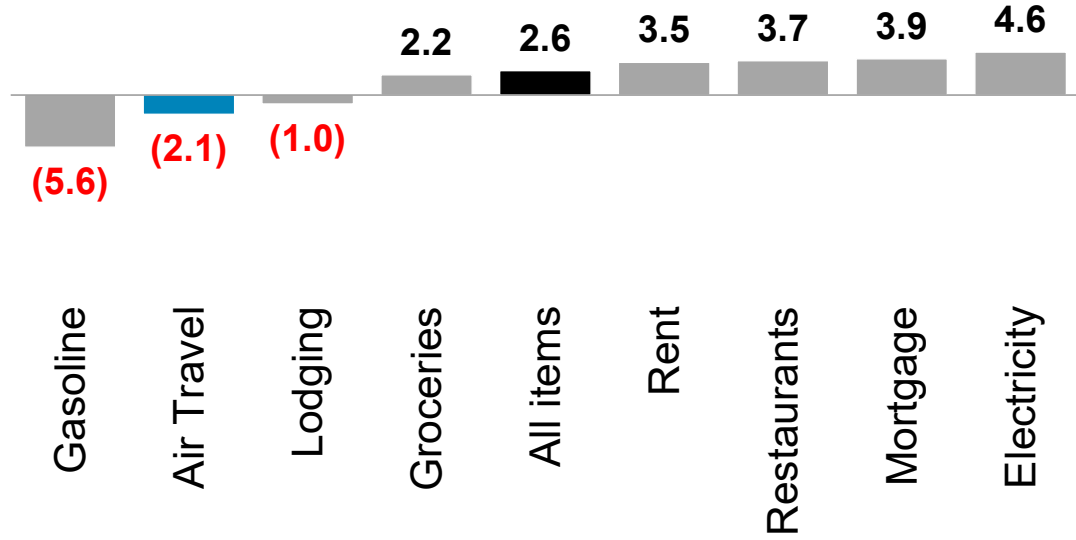
\* Four quarters ended 3Q 2025

**In Contrast to the Overall U.S. CPI (Up ~26%), the CPI for Airfares *Fell* 3.5% From 2019 to 2025**  
 From 2024 to 2025, the CPI for Airfares *Fell* 2.1% While the Overall U.S. CPI Rose 2.6%

**% Change in CPI\* for Selected Items: 2025 vs. 2019**



**% Change in CPI\* for Selected Items: 2025 vs. 2024**

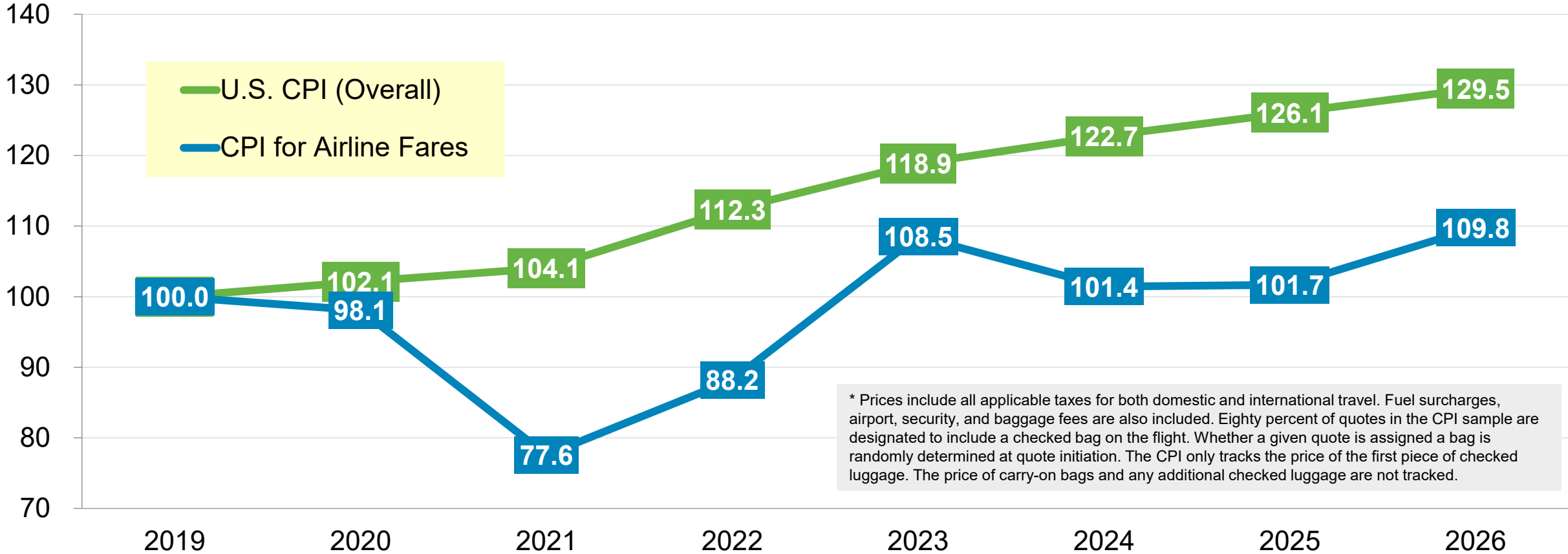


Sources: Bureau of Labor Statistics

\* U.S. Consumer Price Index

# Airfares Gained Some Ground in Early 2026 But Continue to Lag Post-2019 U.S. Inflation

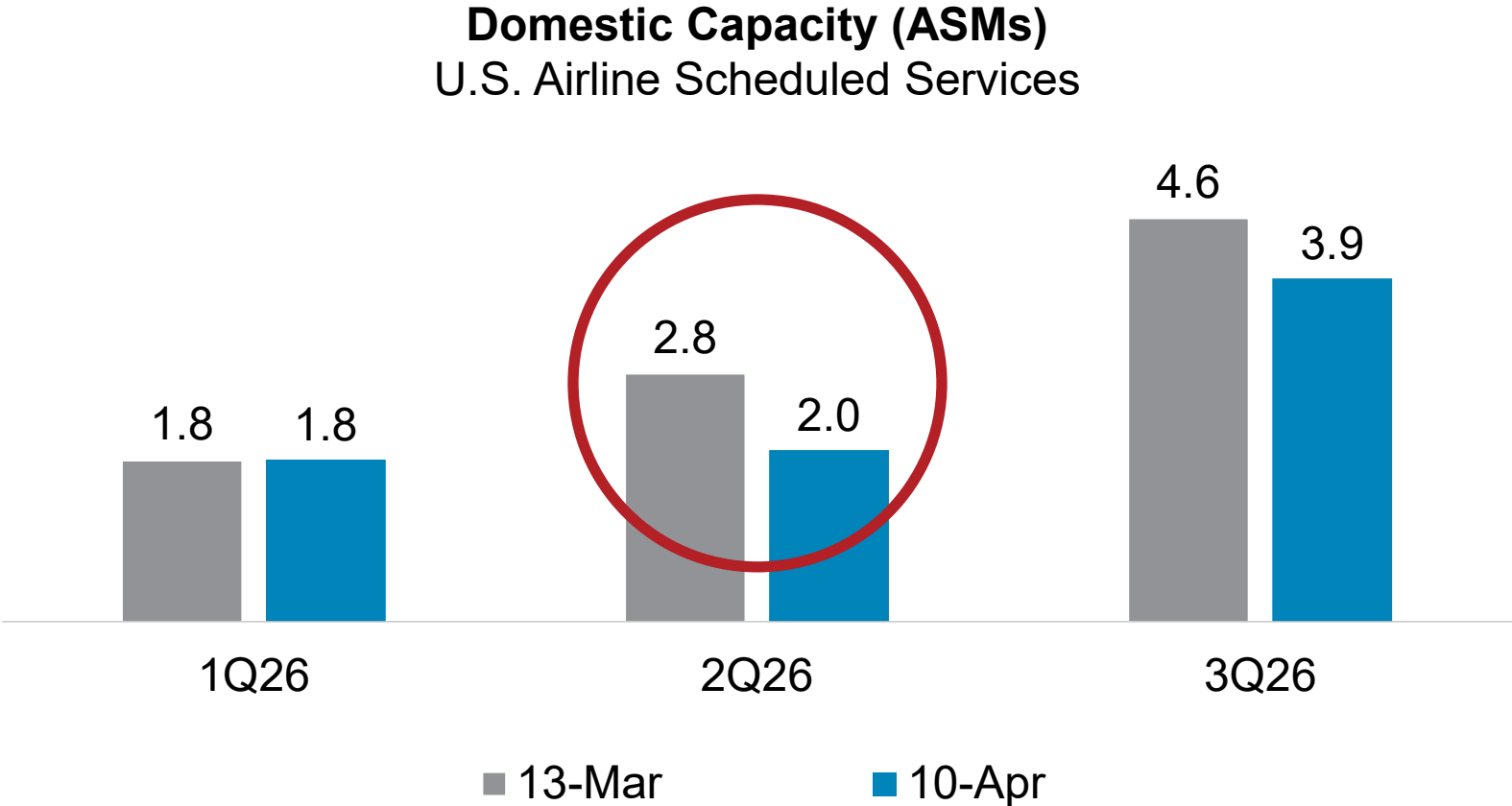
Overall U.S. Consumer Price Index and Airline Fares\* CPI for Jan-Mar (Index: 2019 = 100)



Source: Bureau of Labor Statistics (CPI Series CUUR0000SETG01)

# With Fuel Prices Surging in 2026, U.S. Airlines Have Pared 2Q and 3Q Capacity Growth

Almost a Full Point of Domestic Growth Already Removed From Second Quarter Schedules

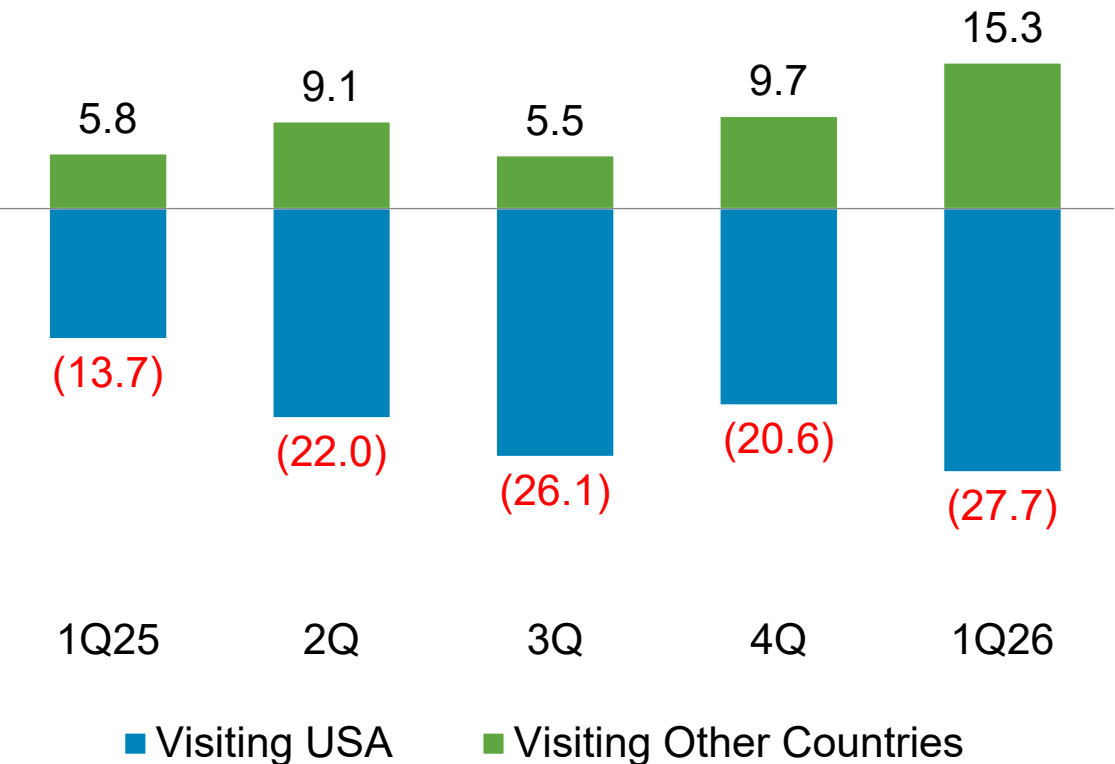


Sources: Bureau of Transportation Statistics Form 41 Schedule T1 and Cirium published schedules

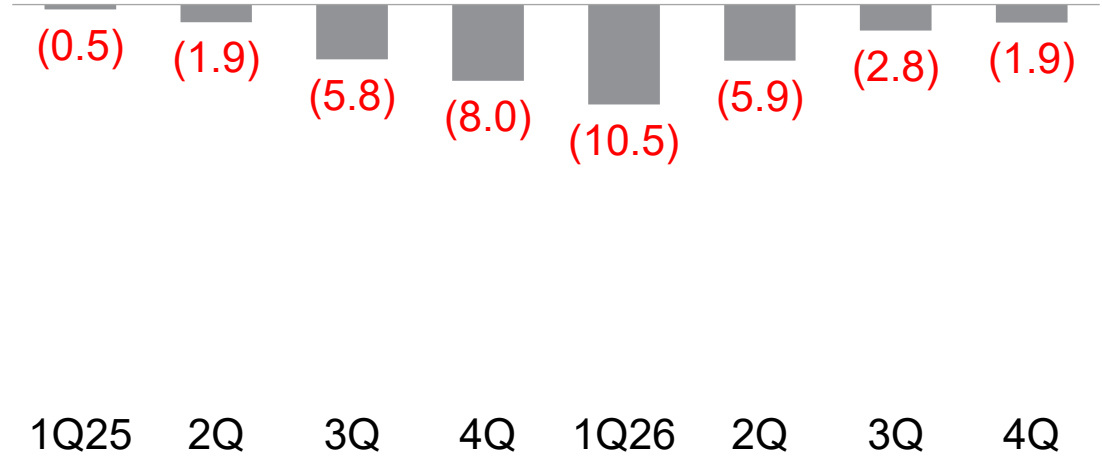
# Canadian-Resident Air Trips to the United States Have Fallen Sharply Since 2024

## In Response, Airlines Have Reduced Transborder Seats

% Change vs. 2024 in Canadians Returning by Air



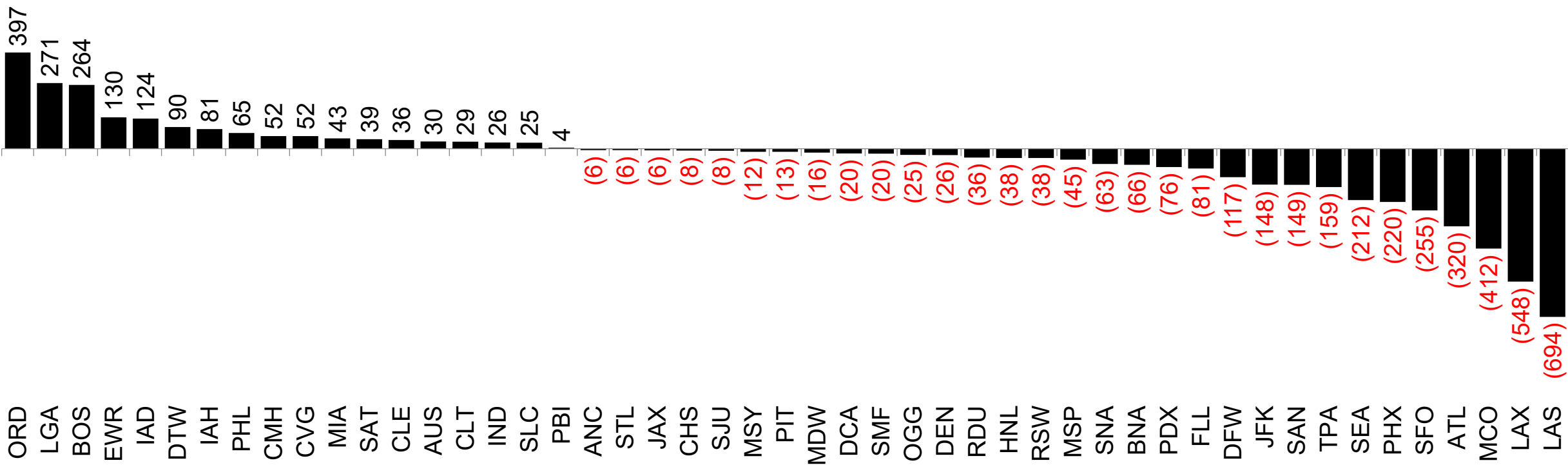
% Change vs. 2024 in U.S.-Canada Seats



Sources: Statistics Canada (<https://www.statcan.gc.ca/en/start>) and Cirium published schedules (April 10, 2026) for all airlines offering scheduled service from the United States to Canada

# Led by Las Vegas and LAX, Many U.S. Airports Continue to See Less Scheduled Service From Canada; Meanwhile, Chicago, New York/Newark and Boston Expect YOY Gains

**Change in Daily Average Scheduled Seats From Canada to U.S. Airports**  
Apr-Jun 2026 vs. Apr-Jun 2025

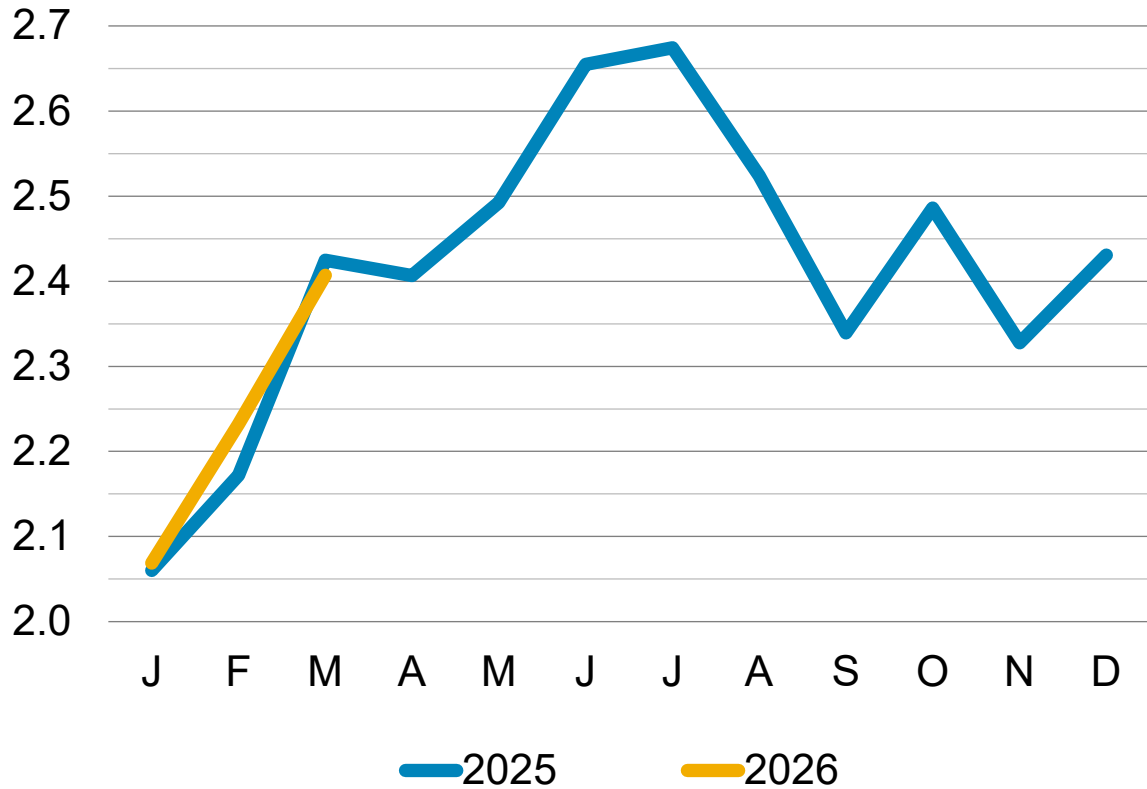


Source: Cirium published schedules (April 10, 2026) for all U.S. and non-U.S. airlines providing scheduled service

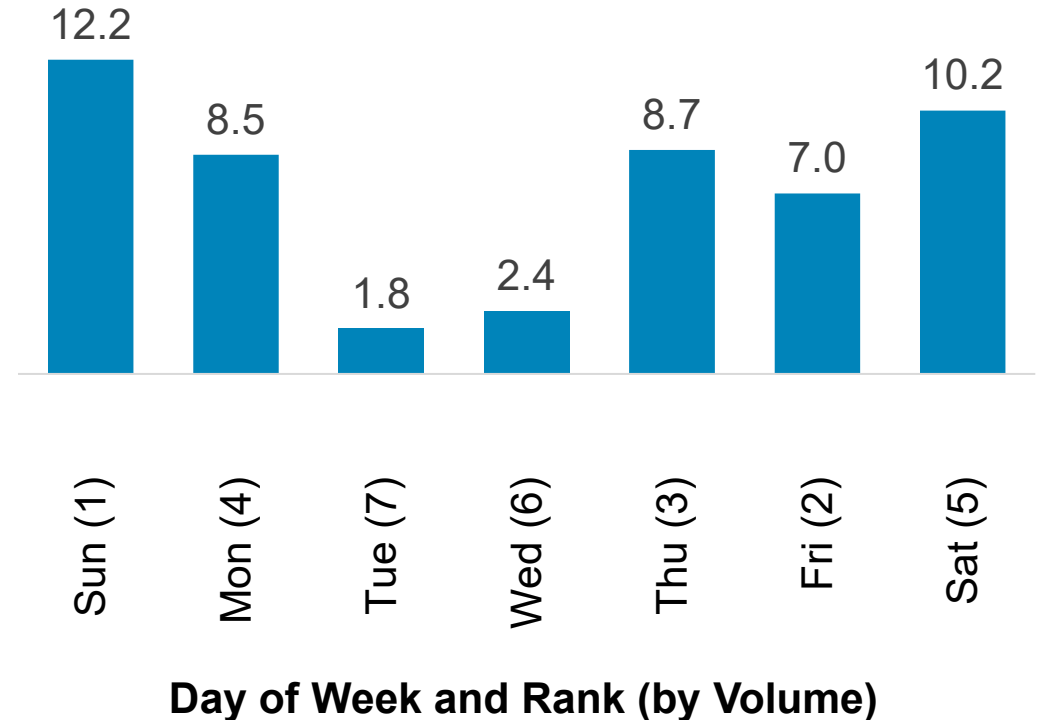
# TSA Passenger Screenings Rose 0.7% YOY in the First Three Months of 2026

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

Daily Average TSA Throughput\* (Millions)



Change (%) in TSA Checkpoint Volume  
Jan-Dec 2025 vs. Jan-Dec 2019



Source: A4A analysis of data from the Transportation Security Administration

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

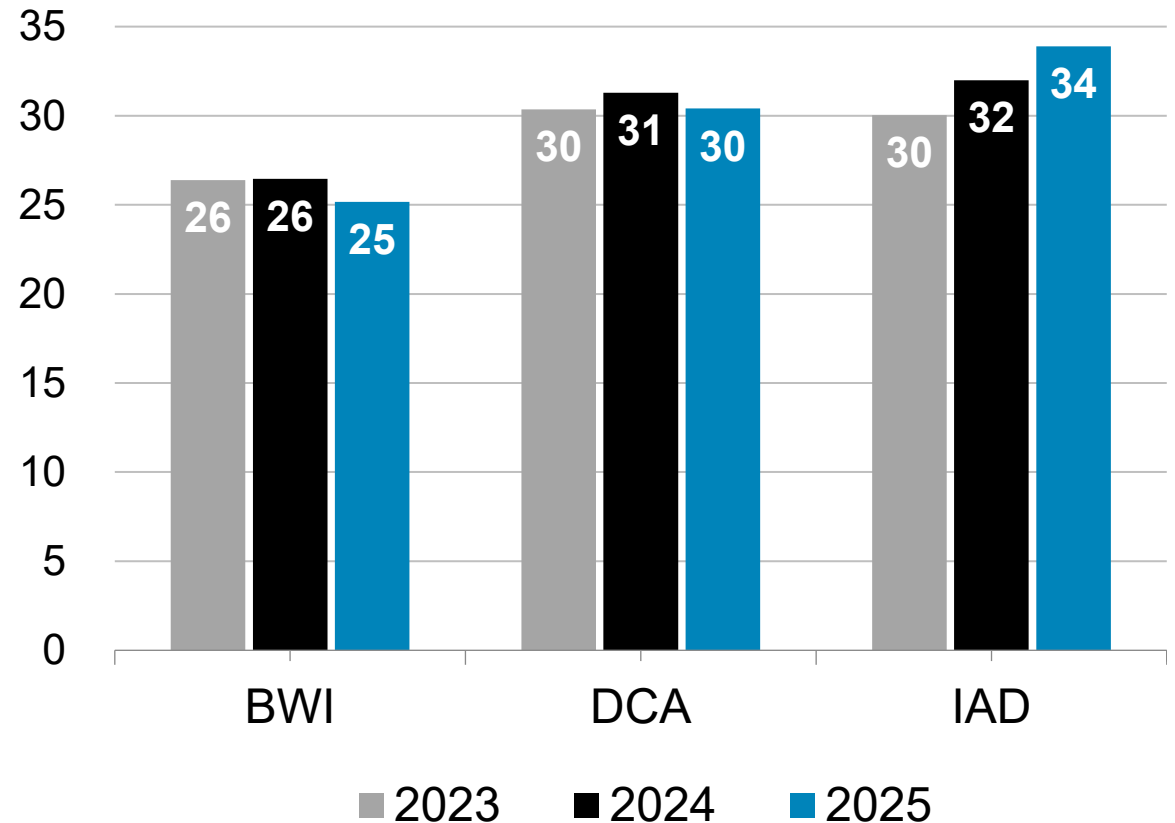
# Combined BWI/DCA Screened Passenger Volumes Fell ~2,200 per Day From 2024 to 2025 But Washington Dulles (IAD) Saw an Increase of Up ~1,900 per Day

**“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)

Daily Average Screened Passengers\* (000)



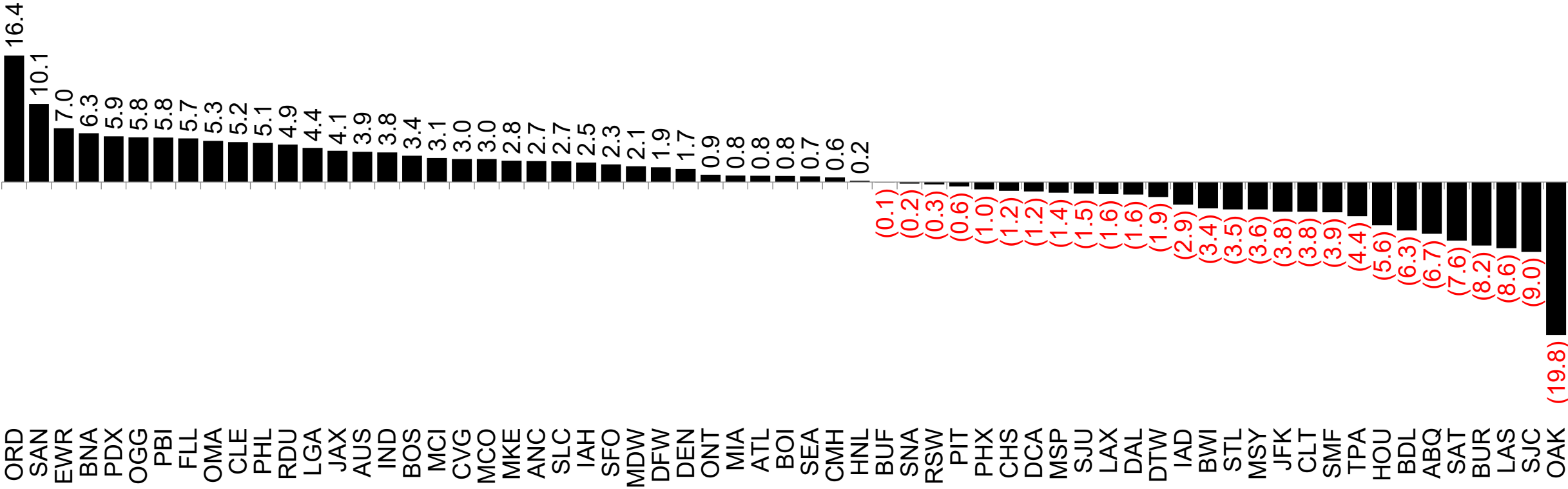
Source: Transportation Security Administration and *The Wall Street Journal* (April 19, 2025)

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

# Schedules for 2Q 2026 Show Chicago O’Hare Gaining the Most Seats Year-Over-Year

## Oakland Seeing the Deepest Year-Over-Year Cuts

**% Change in Systemwide Scheduled Seats\***  
Apr-Jun 2026 vs. Apr-Jun 2025



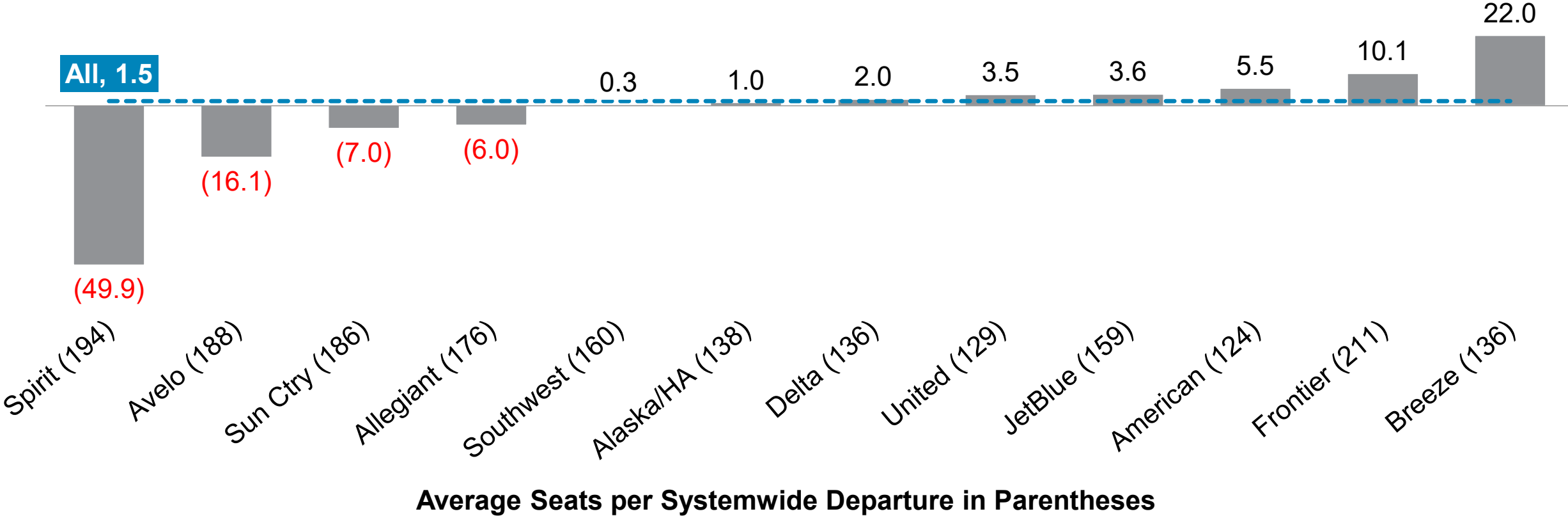
Source: Cirium published schedules (April 10, 2026)

\* All U.S. and non-U.S. airlines providing scheduled service to all U.S. and non-U.S. destinations

# Frontier, American, JetBlue and United Are Poised to Grow More Than 3% YOY in 2Q 2026

## Frontier Has Scheduled Systemwide Capacity Growth of ~10%

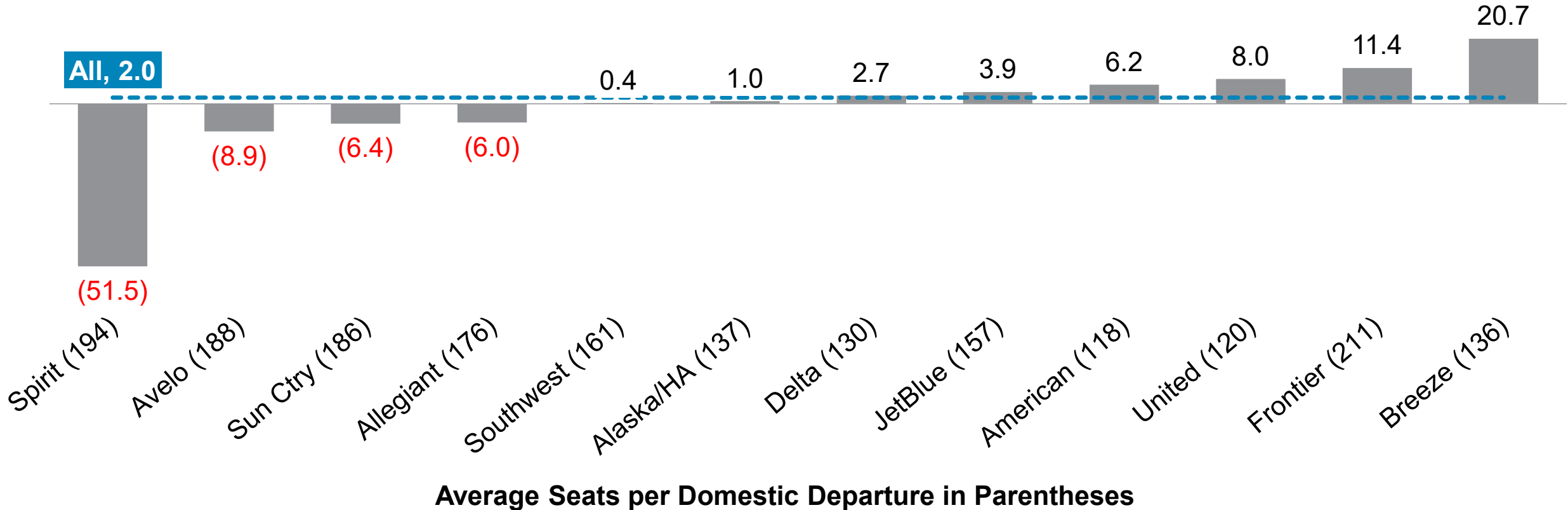
**% Change in Systemwide Scheduled Available Seat Miles by Marketing Airline**  
Apr-Jun 2026 vs. Apr-Jun 2025



Source: Cirium published schedules (April 10, 2026) for selected marketing airlines (including regional affiliates)

# While Spirit Slashes More Than Half of Its 2Q Domestic Capacity, Frontier Growth Exceeds 11% United Has Scheduled ~8% Domestic Growth for the Quarter, Followed by American at ~6%

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

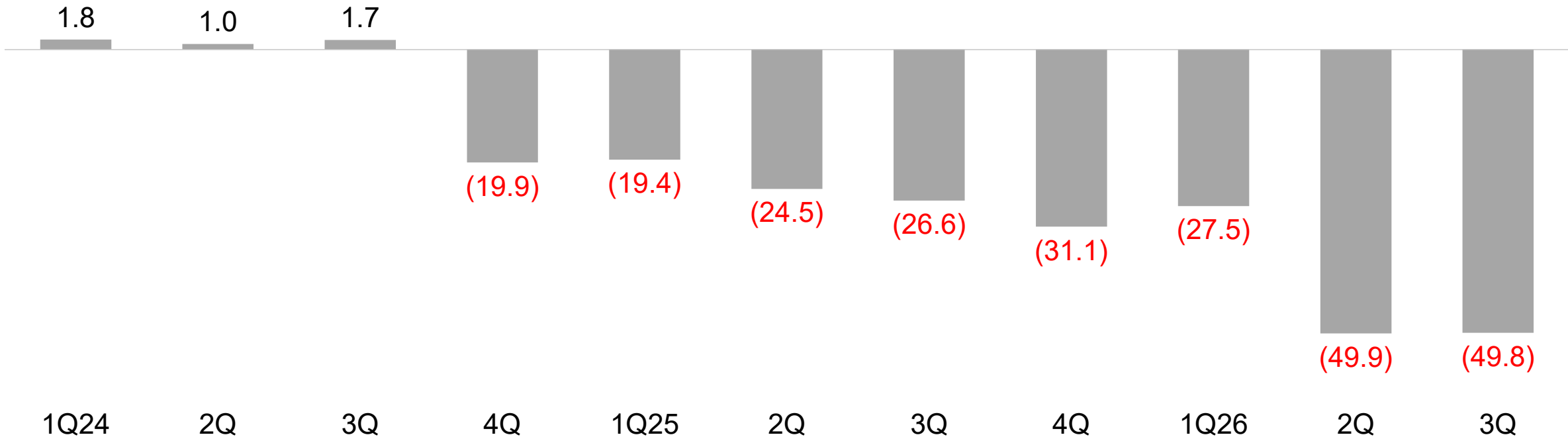


Source: Cirium published schedules (April 10, 2026) for selected marketing airlines (including regional affiliates)

# Spirit's Shrinking Footprint Mirrors Its Dwindling Fleet

Currently Showing April-September Systemwide Capacity About Half What It Was in 2025

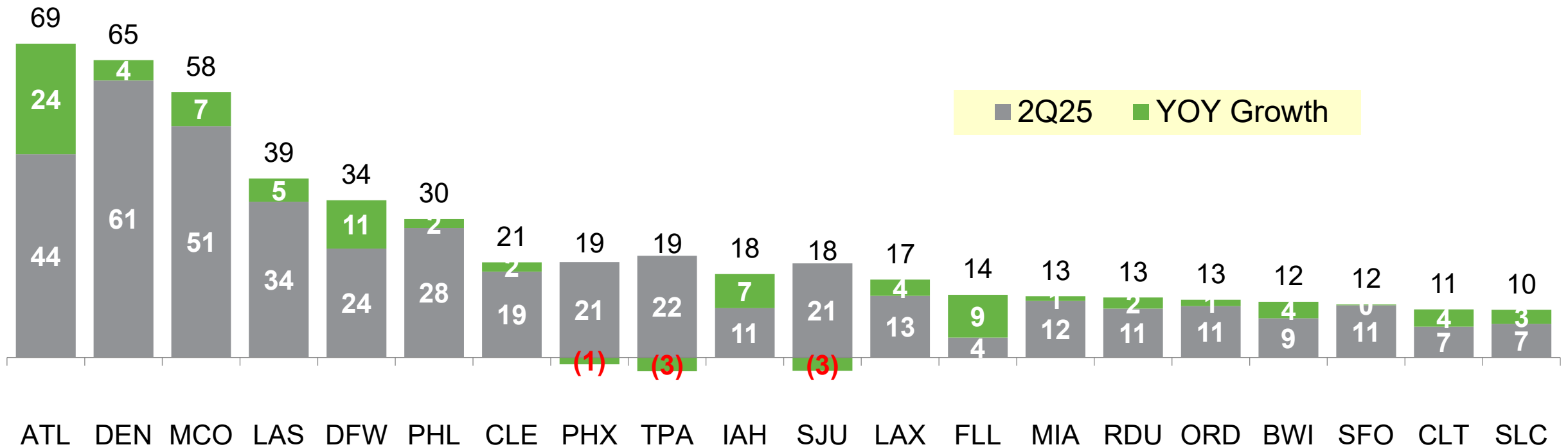
### % Change YOY in Spirit Airlines Systemwide Scheduled Available Seat Miles



Source: Cirium published schedules (April 10, 2026)

# Frontier Is Adding 24 Daily Flights in Atlanta in 2Q 2026, Making It the Airline's Largest Location And the Airline Is Adding 10 Daily Flights at DFW and 9 at FLL, But Shrinking YOY at PHX/SJU/TPA

## Frontier's Largest Airports by Daily Average Scheduled Flights in 2Q 2026



Source: Cirium published schedules (April 10, 2026)

\* All U.S. and non-U.S. airlines providing scheduled service to all U.S. and non-U.S. destinations

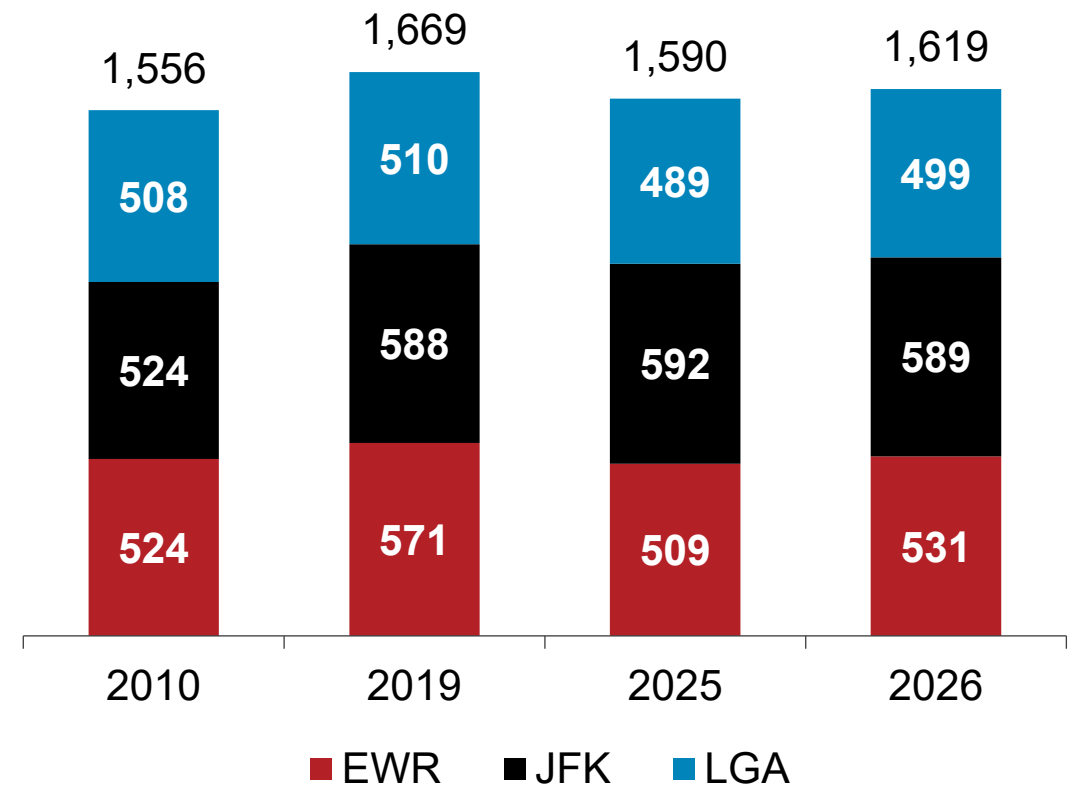
# Airlines Have Up-Gauged Domestic Flying in New York City

Unlike LaGuardia and Newark, JFK Is Poised to See 2026 Departures Reach 2019 Levels

### Scheduled Seats per Domestic Departure



### Daily Average Scheduled Systemwide Departures

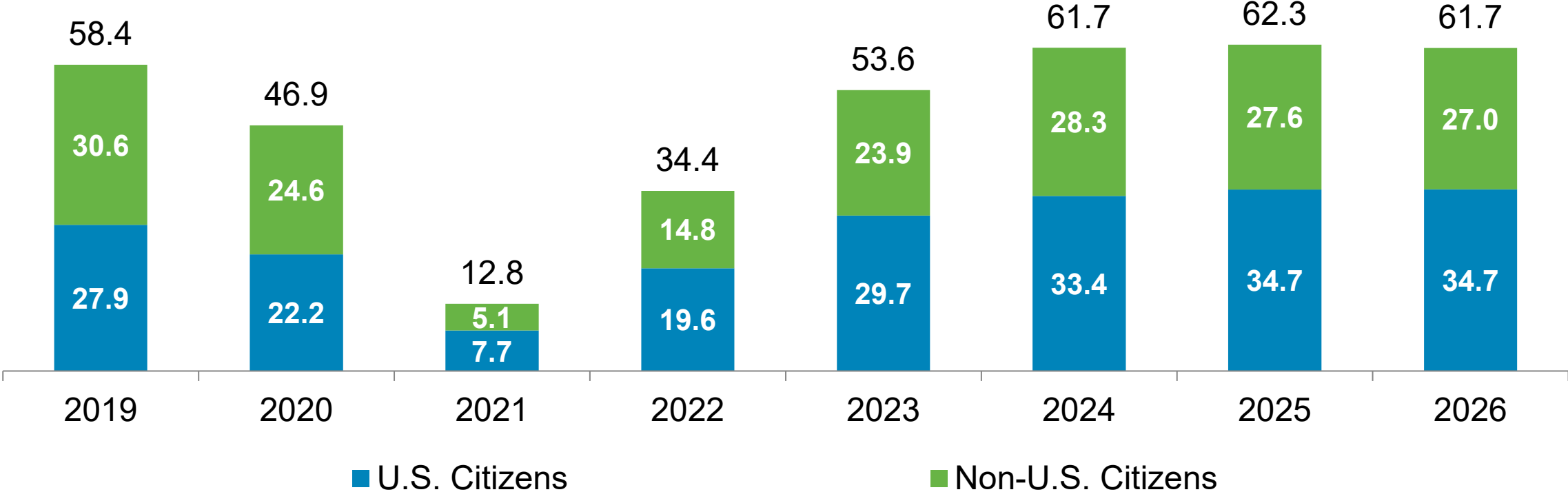


Source: Cirium published schedules (April 3, 2026)

# U.S.-International Air Passengers Subsidied 1% in 1Q 2026 to 61.7 Million

Non-U.S. Citizen Passengers Fell 2.2%

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

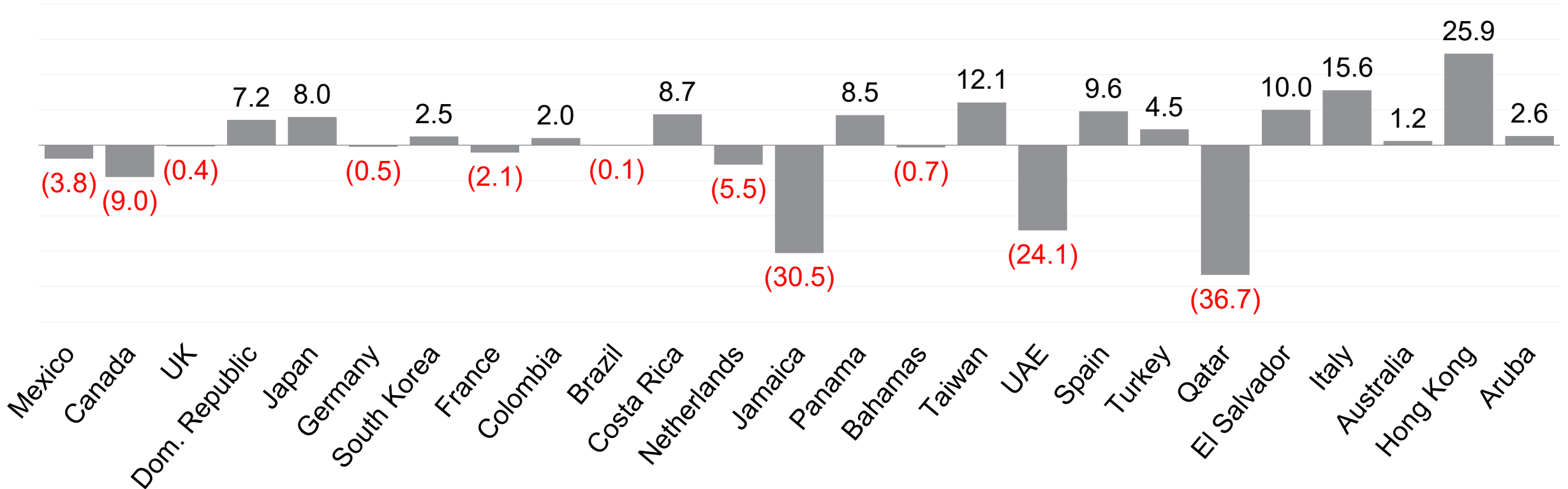


Source: DHS I-92 / APIS data compiled by U.S. Department of Commerce National Travel and Tourism Office

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

# In 1Q 2026, The Three Largest Gateway-to-Gateway Markets Saw Fewer Air Passengers YOY But Volumes Between U.S.-Dominican Republic and U.S.-Japan Rose 7-8%

**Change (%) in Passengers\* for Top 25 Gateway-to-Gateway Markets — 1Q 2026 vs. 1Q 2025**  
Sorted Left to Right by 1Q 2025 Market Size

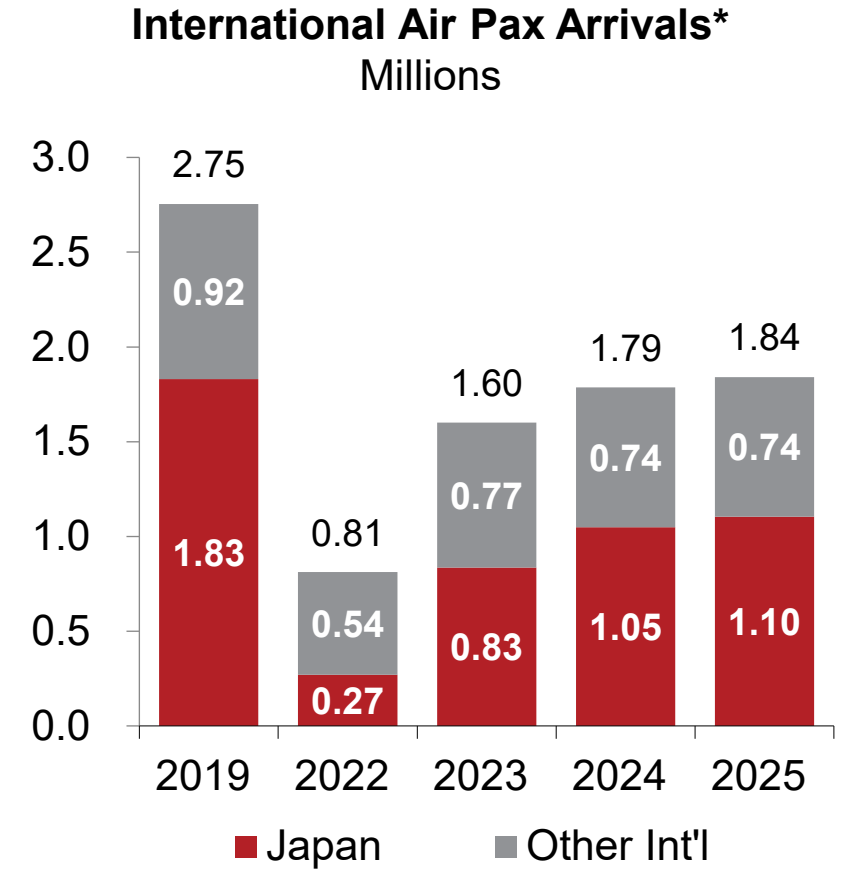
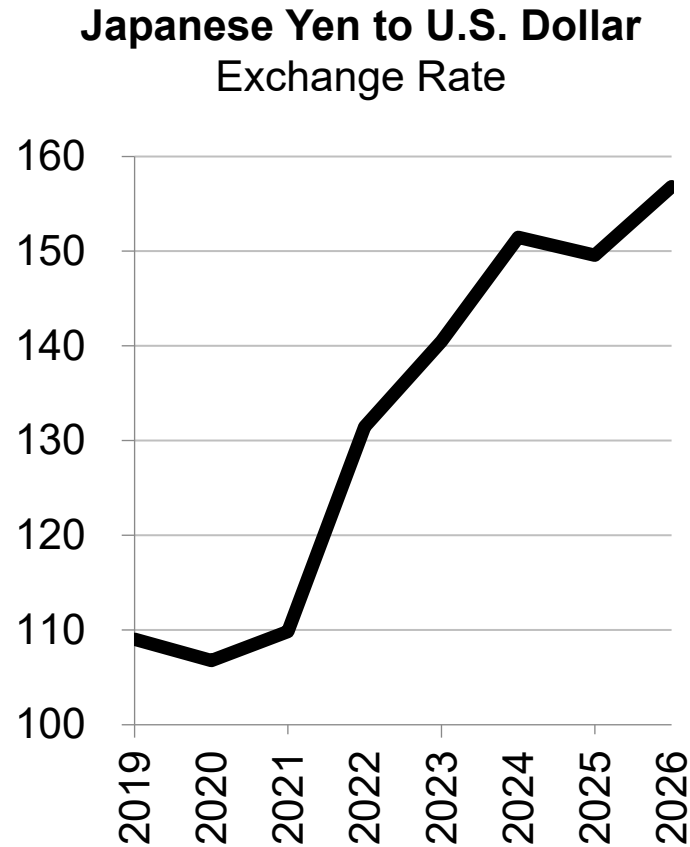
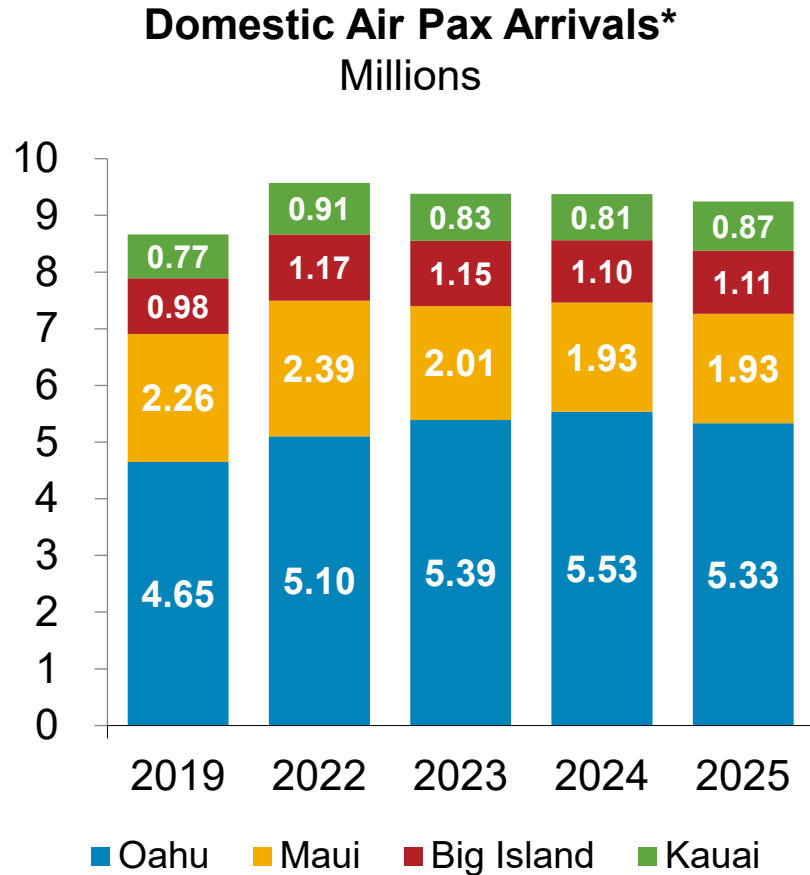


Source: DHS I-92 / APIS data compiled by U.S. Department of Commerce National Travel and Tourism Office

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

# Domestic Arrivals to Oahu Fell in 2025

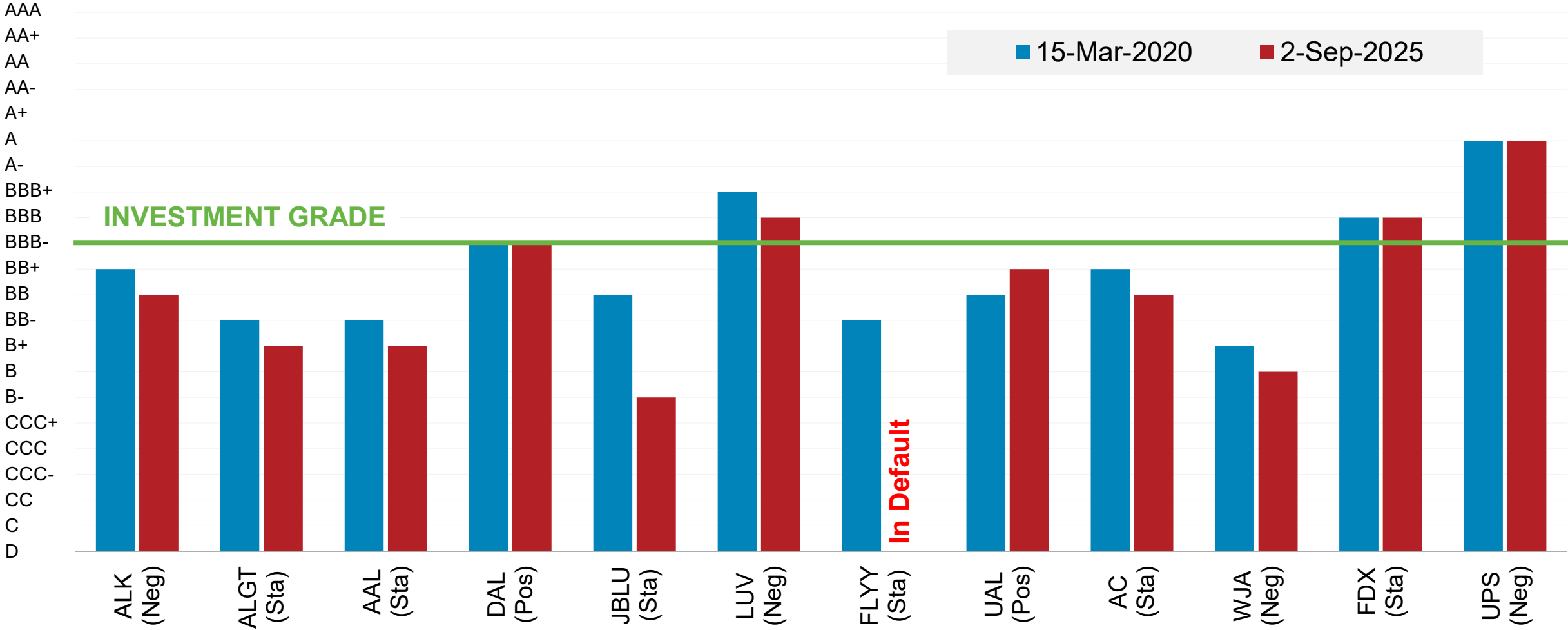
Hawaii Saw More Japanese Visitors in 2025, But Arrivals From Other Nations Were Unchanged



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

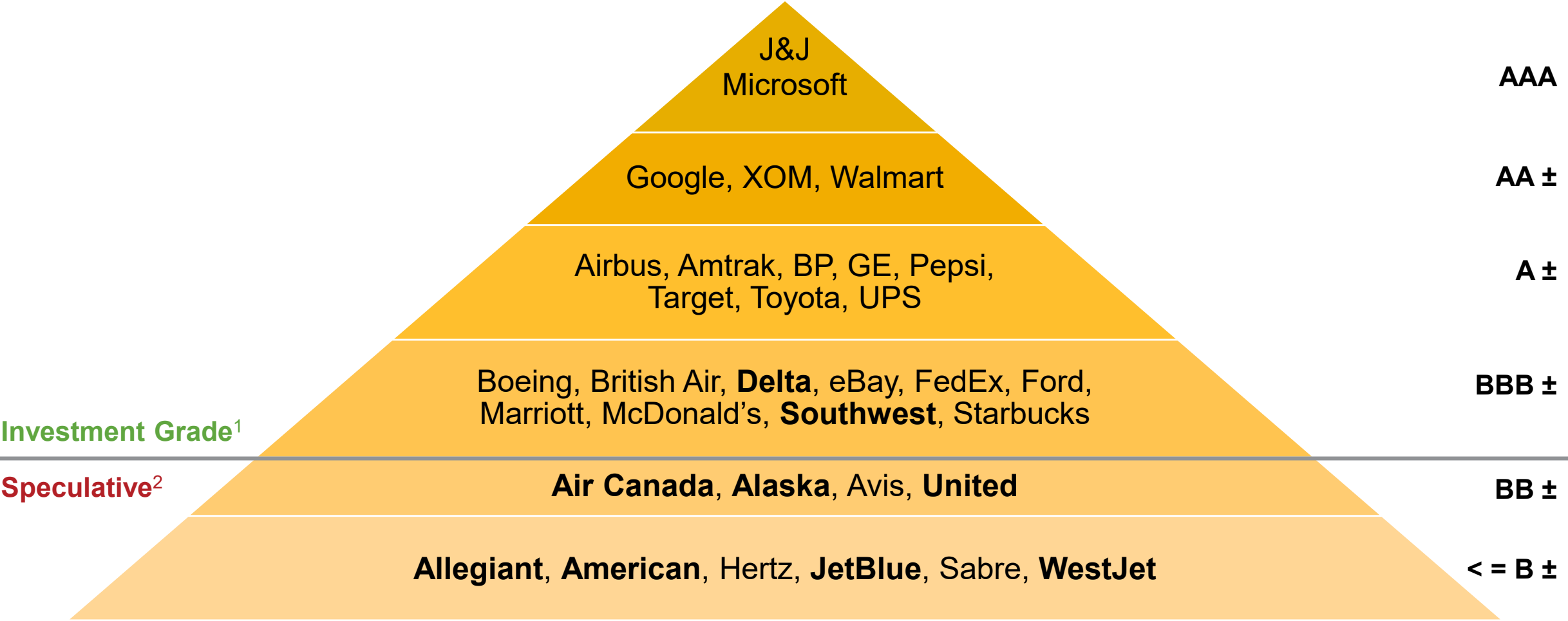


Source: Standard & Poor's issuer ratings and outlook (in parentheses) for publicly traded U.S. and Canadian carriers in the S&P coverage universe

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

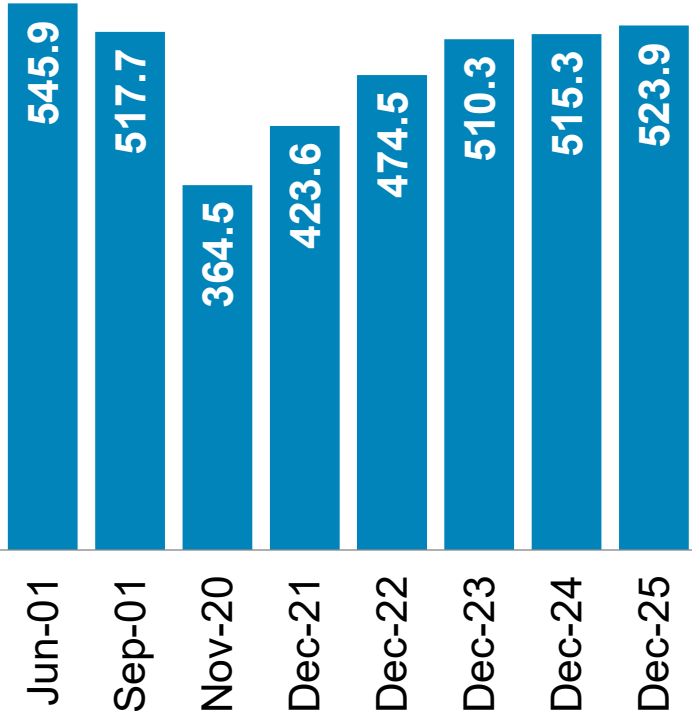


Source: Standard & Poor's (**bold** = air-only companies) as of March 2, 2026

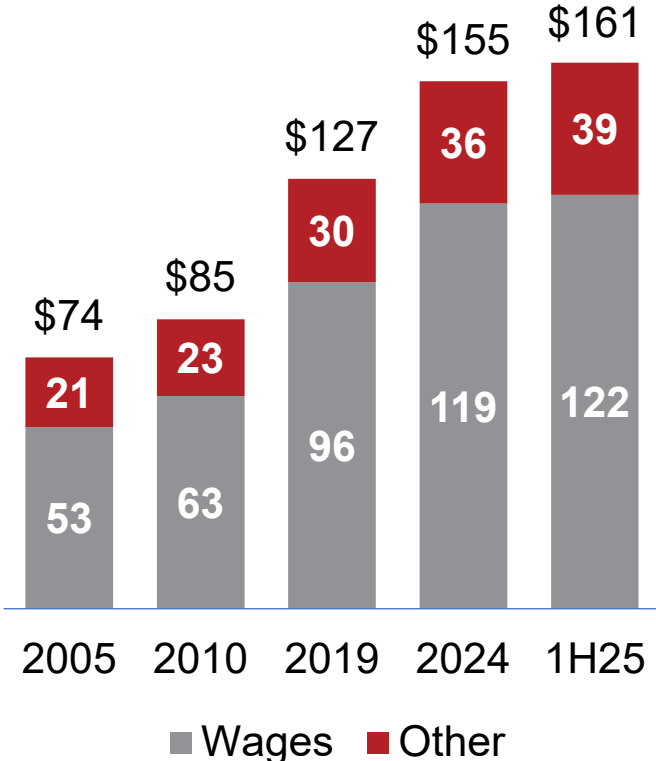
<sup>1</sup> Issuers with relatively high levels of creditworthiness and credit quality  
<sup>2</sup> Issuers with ability to repay but facing significant uncertainties, such as adverse business or financial circumstances that could affect credit risk

# 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

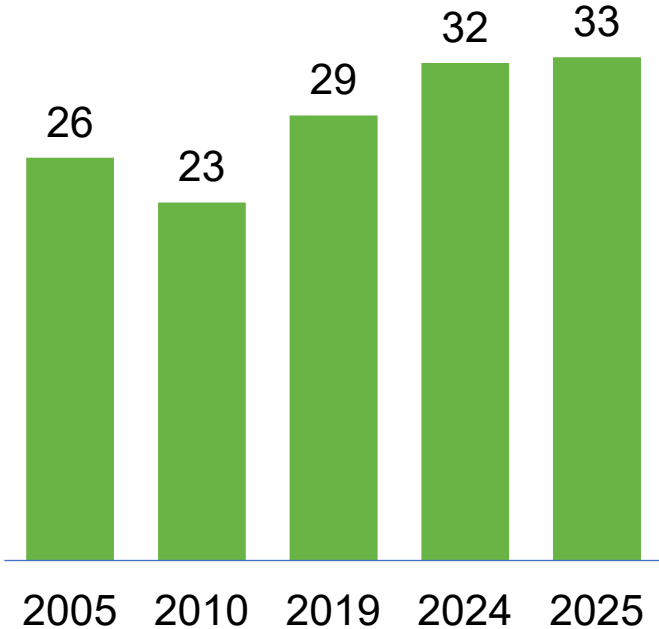
Employees (000 FTEs\*)



Average Compensation (000)



Wages and Benefits as % of Operating Revenues



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

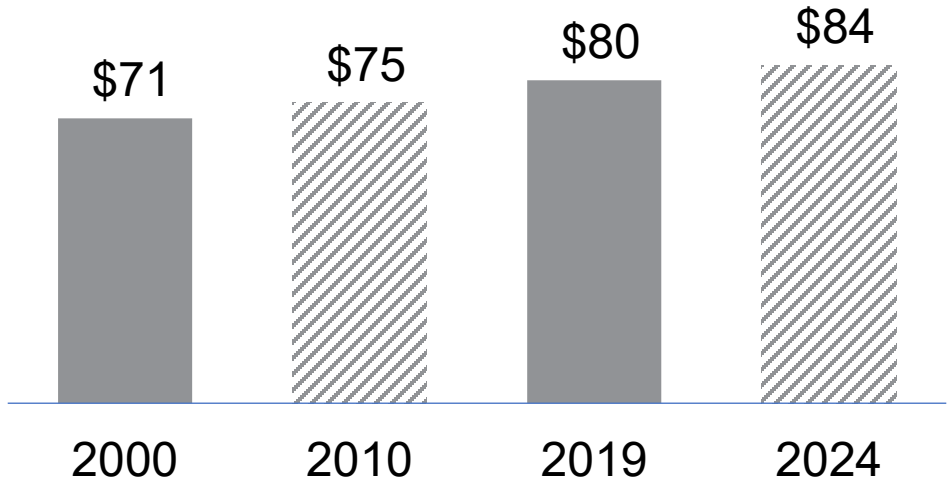
\* Full-time equivalents (FTE) = full-time workers plus 0.5 \* part-time workers

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

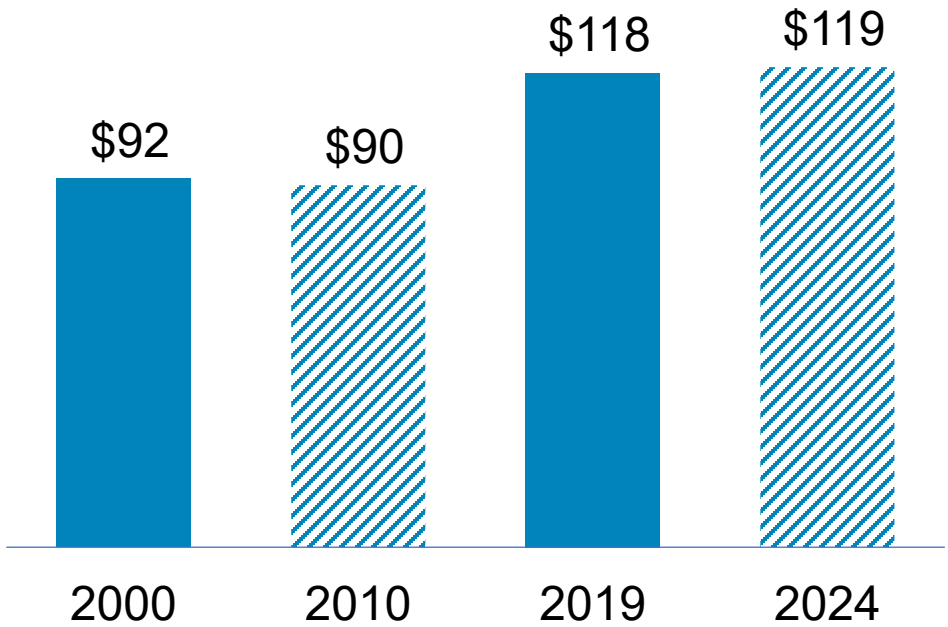
## The Average Private Sector Wage Grew Just 12% in Real Terms Over That Period

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

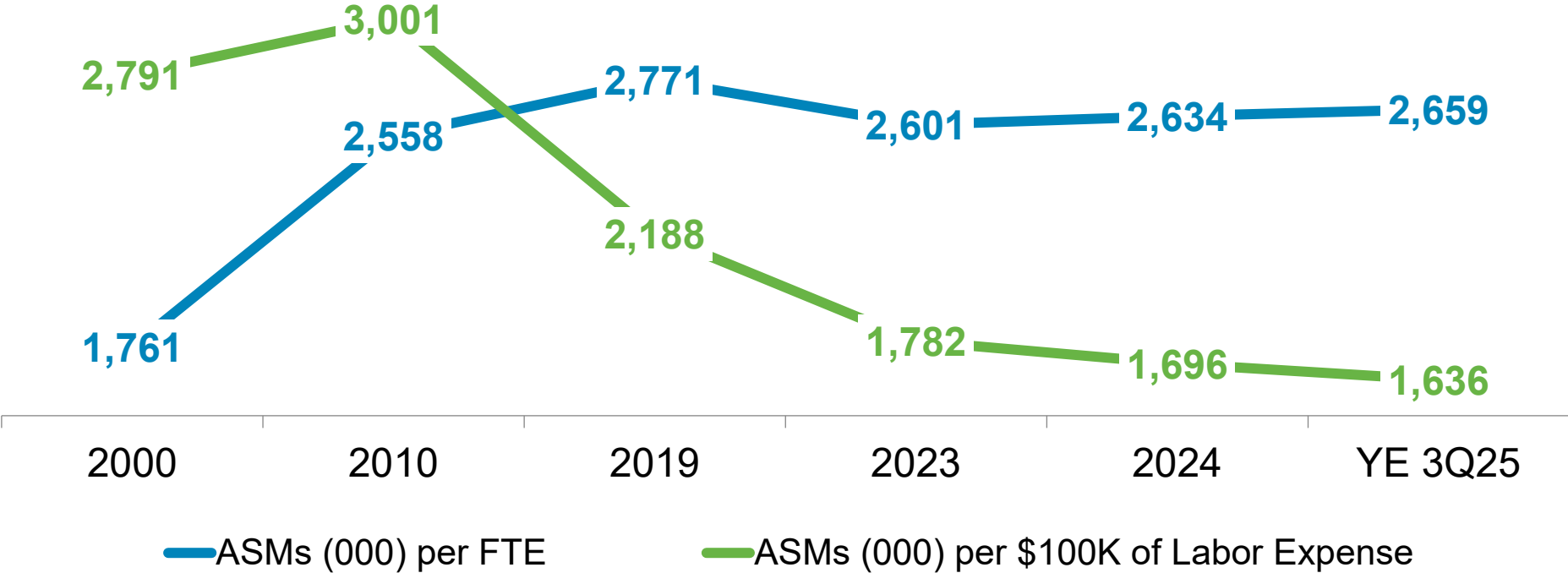


Source: A4A Passenger Airline Cost Index

# U.S. Airline FTE Productivity Rose in 2025, But Labor-Dollar Productivity Was ~25% Below 2019

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

### Trends in U.S. Passenger Airline Productivity



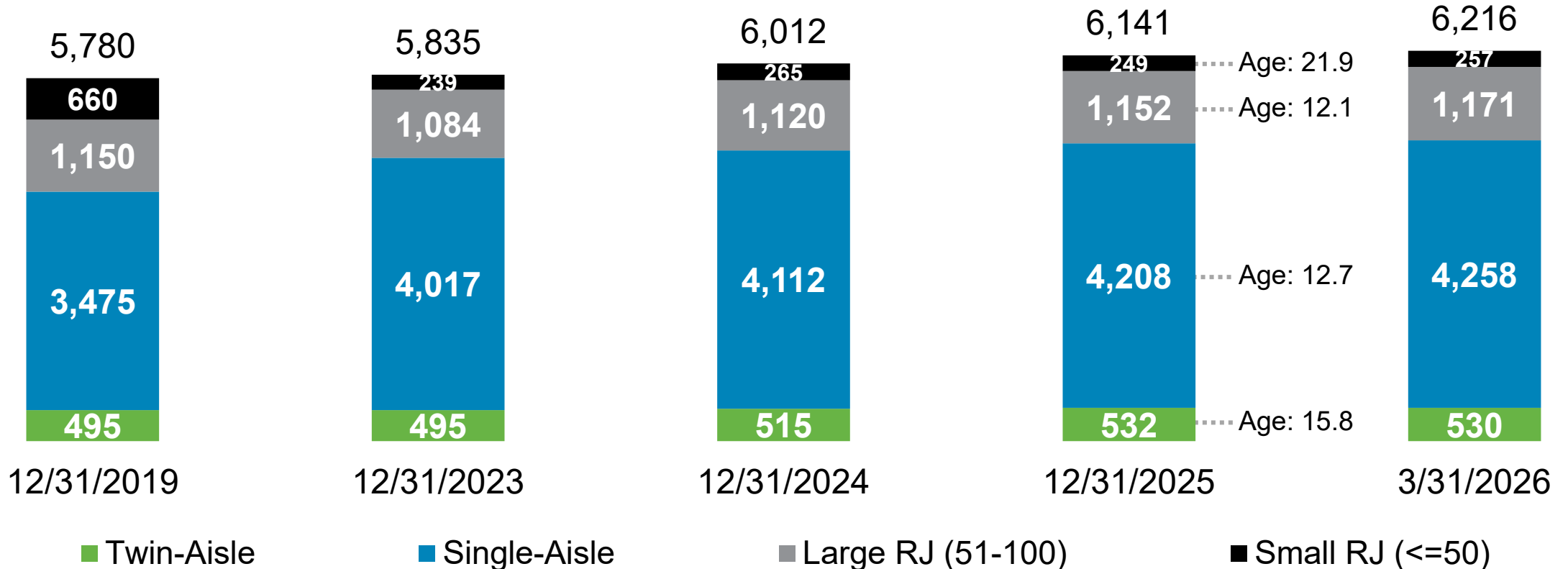
Source: A4A Passenger Airline Cost Index

Note: ASM = available seat mile (basic unit of passenger airline capacity)

# U.S. Passenger Airlines Are Operating 23% More Single-Aisle Aircraft Than at Year-End 2019

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

Number of Active Aircraft\*

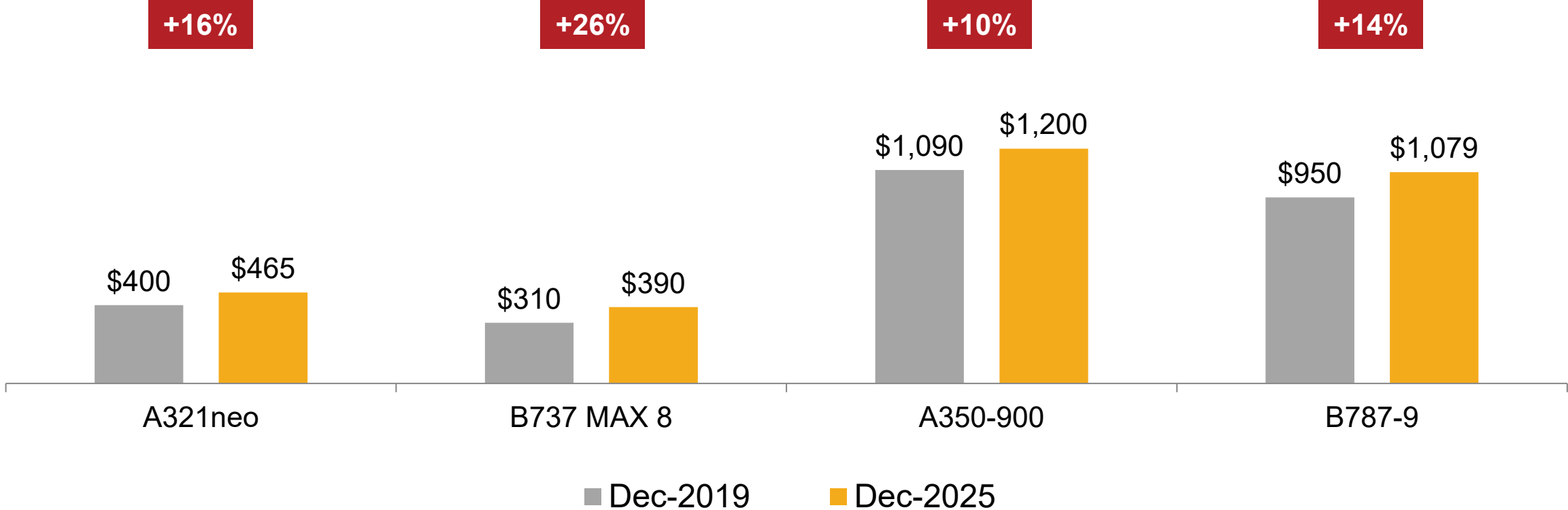


Source: Anuvu (ages as of 12/31/2025)

\* 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

# Airplanes Have Gotten Significantly More Expensive, Reflecting Elevated Interest Rates, General Inflation and Supply Chain Tightness, Among Other Factors

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



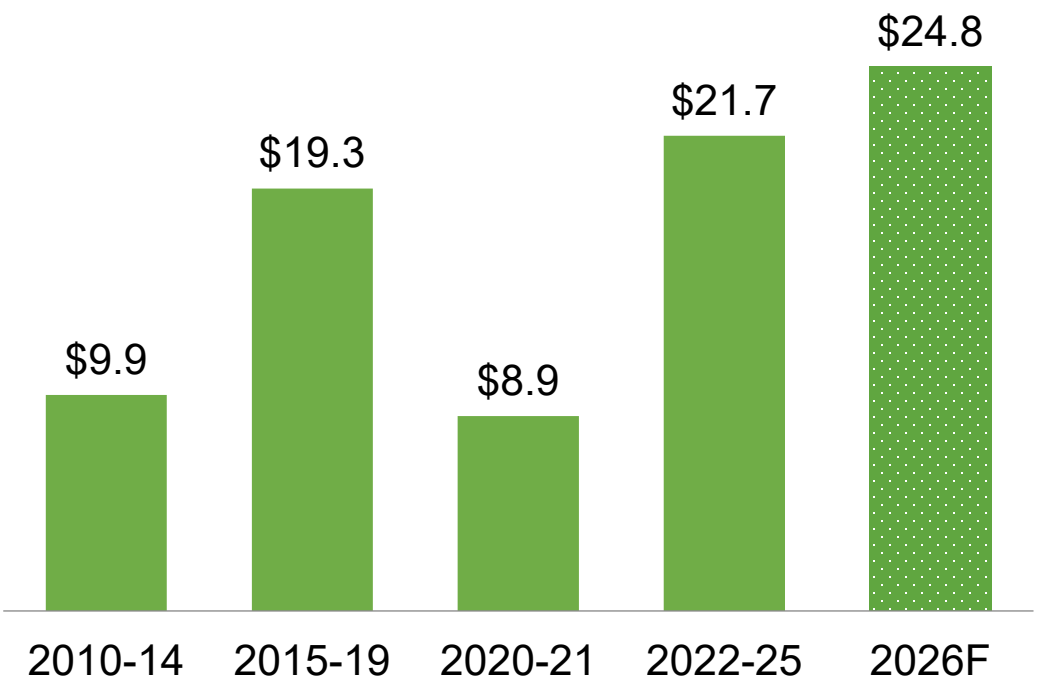
Source: Cirium and Deutsche Bank

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

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



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

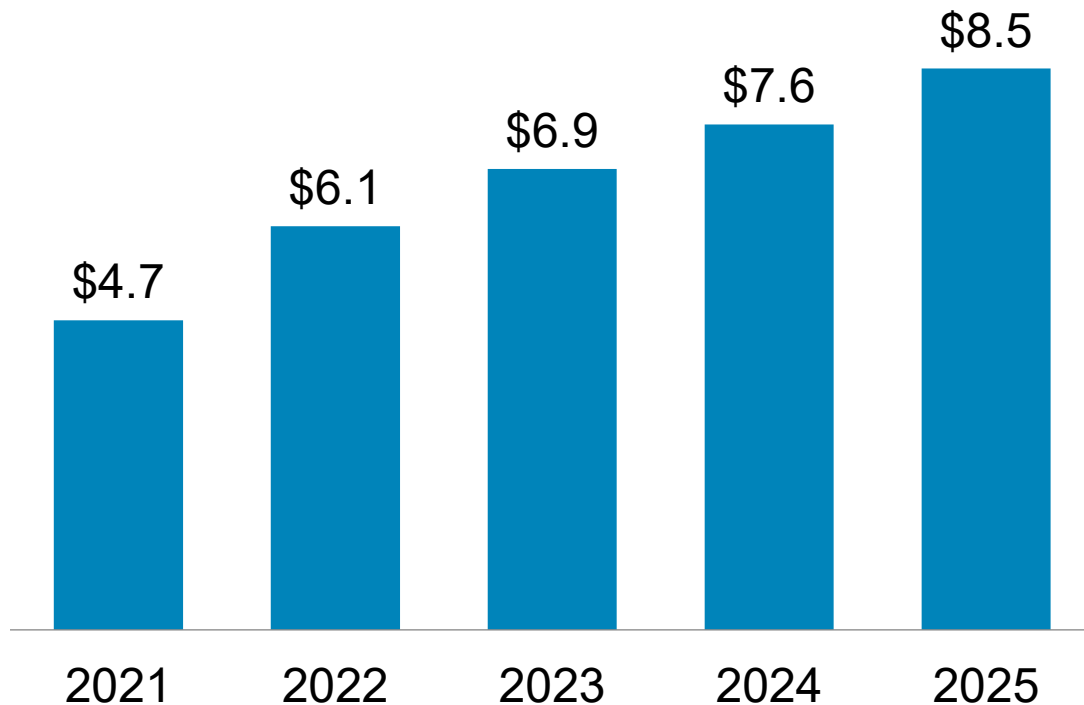


\* Includes payments made for aircraft and other flight equipment, ground and other property and equipment (e.g., baggage carts, lavatory trucks, deicing vehicles), airport and other facility construction and technology  
Sources: CapEx from SEC filings of Alaska/Hawaiian, Allegiant, American, Delta,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

# U.S. Passenger Airlines Have Steadily Increased IT Expenditures, Reaching ~\$8.5B in 2025

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 flights
- Navigate airports
- Check and/or track bags
- Stay apprised of flight status
- Redeem vouchers/loyalty points

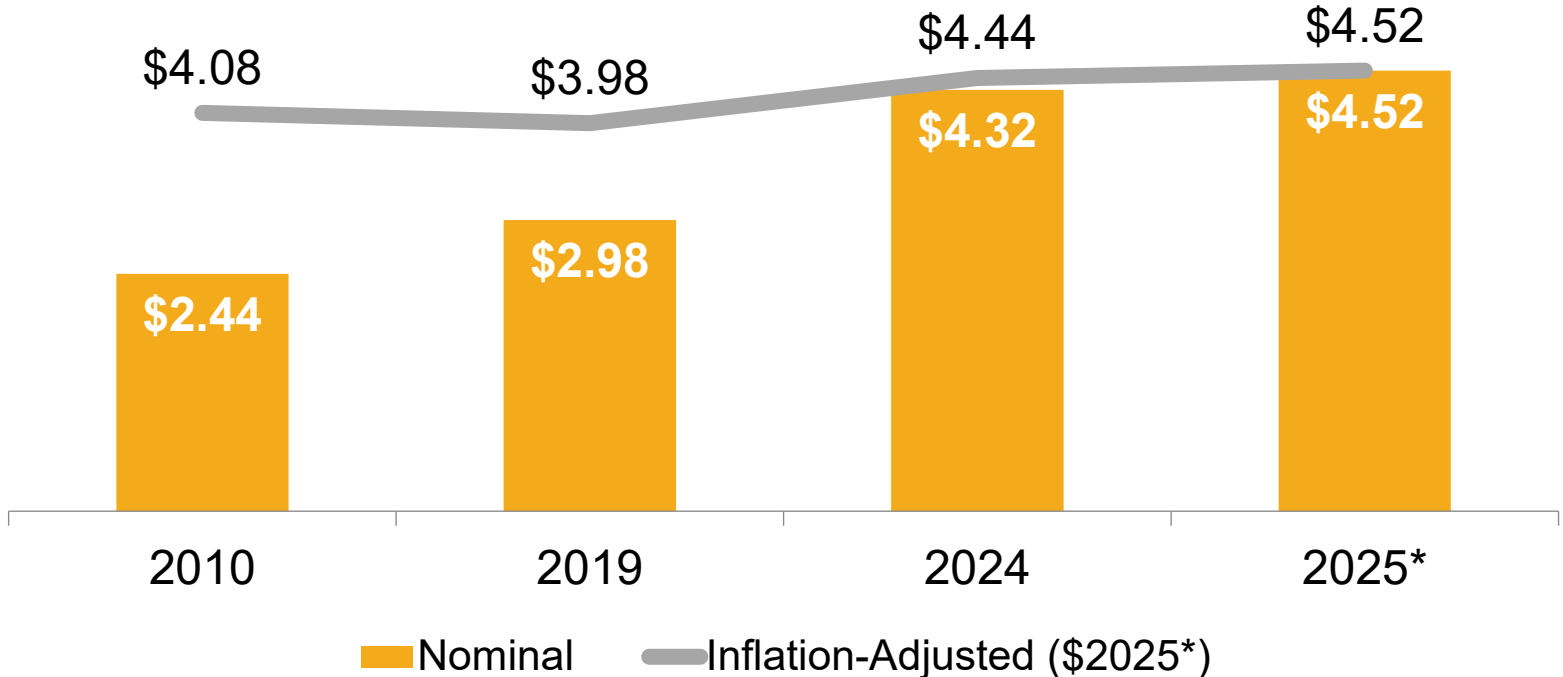
Sources: Alaska/Hawaiian, Allegiant, American, Avelo, Breeze, Delta, Frontier, JetBlue, Southwest, Spirit, Sun Country, United

\* 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

### U.S. Airline Food & Beverage Expense Per Thousand Passenger-Miles Flown

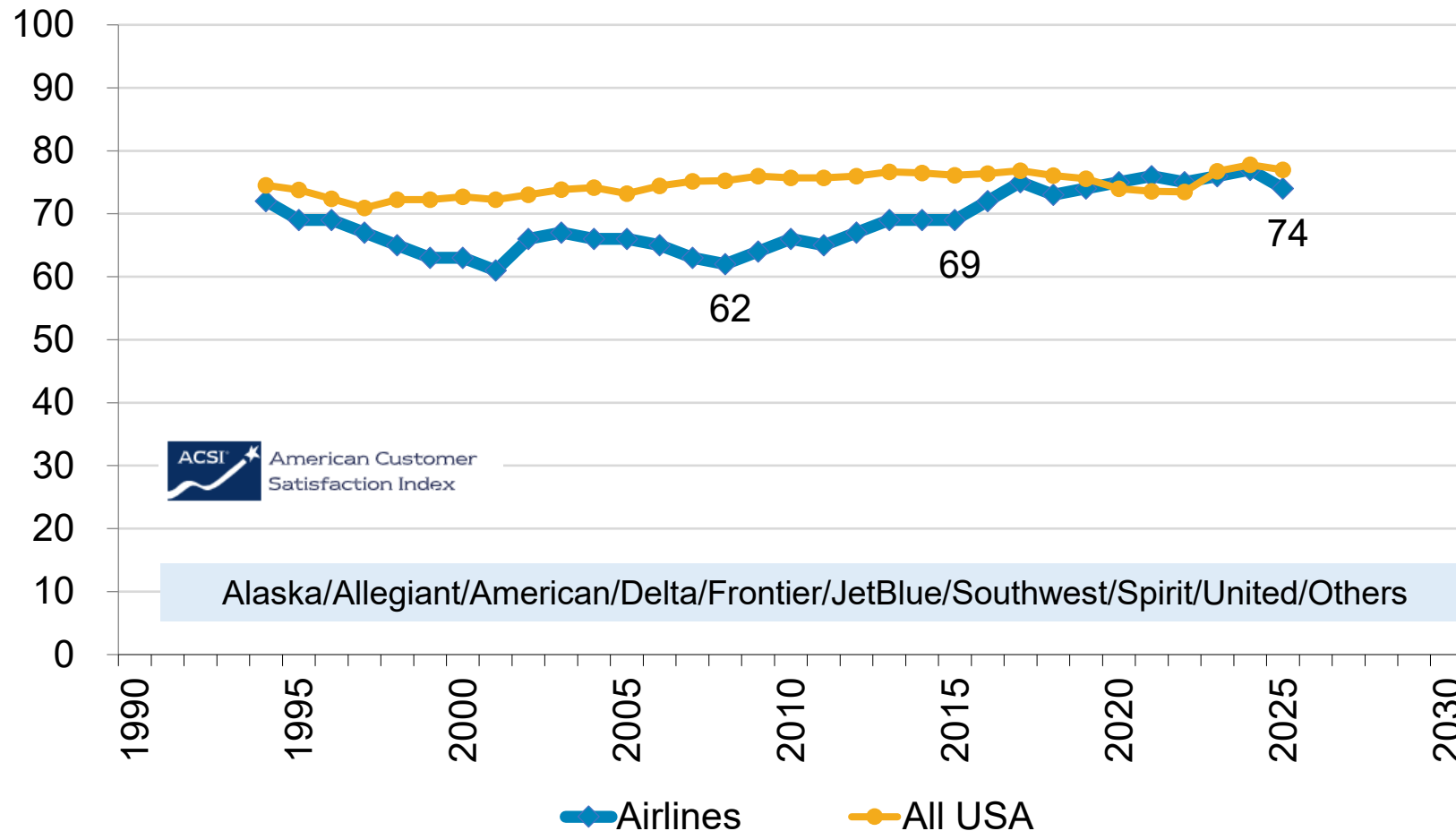


Sources: A4A Passenger Airline Cost Index and Consumer Price Index for All Urban Consumers: Food Away from Home in U.S. City Average (CUUR0000SEFV)

\* Four quarters ended 3Q 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



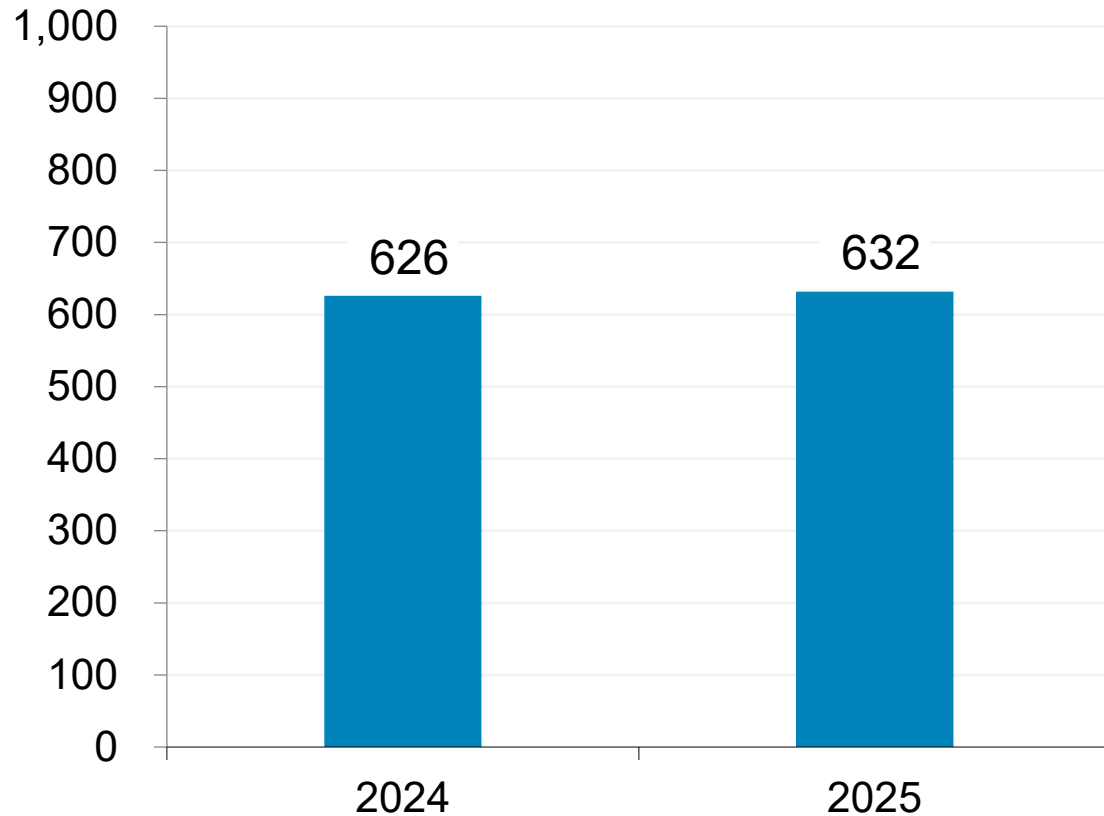
Satisfaction Benchmark	2025
Mobile app quality	82
Mobile app reliability	81
Website satisfaction	81
Ease of making a reservation	80
Ease of check-in process	80
Cabin and lavatory cleanliness	79
Courtesy/helpfulness: flight crew	78
Baggage handling	77
Boarding experience	77
Courtesy/helpfulness: gate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