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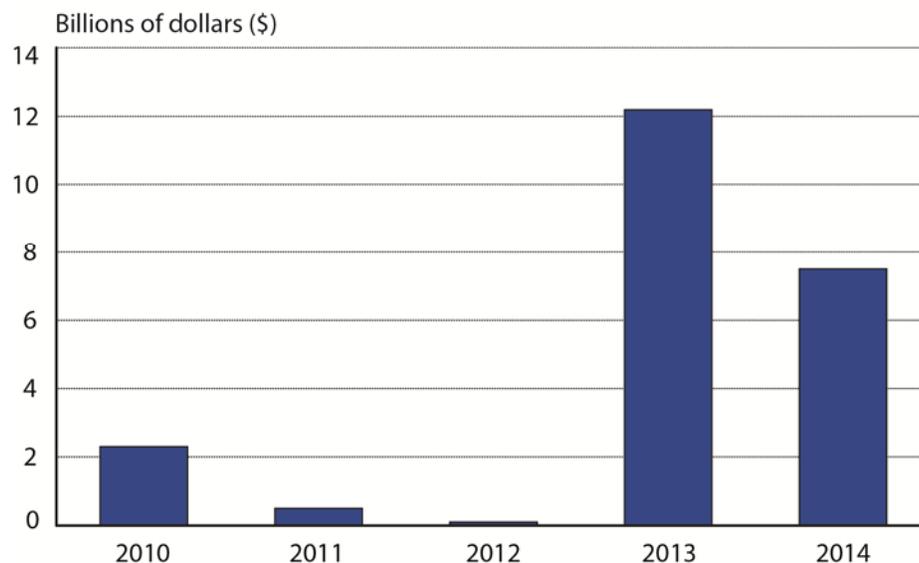
BTS Data

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2014 Airline Financial Data

U.S. scheduled passenger airlines reported a net profit of \$7.5 billion in 2014 down, from \$12.2 billion in 2013, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported today (Table 1).

U.S. Scheduled Service Passenger Airlines Net Income 2010-2014



As a group, the 27 U.S. airlines that operated scheduled passenger service in 2014 reported an after-tax net profit for the fifth consecutive year.

In addition to the after-tax net profit based on [net income](#) reports, the scheduled service passenger airlines reported a \$14.6 billion pre-tax operating profit in 2014, up from \$11.3 billion in 2013. As a group, the airlines reported a pre-tax operating profit for the sixth consecutive year (Tables 1, 4).

Net income or loss, and operating profit or loss, are two different measures of airline financial performance. Net income or loss may include non-operating income and expenses, nonrecurring items or income taxes. Operating profit or loss is calculated from operating revenues and expenses before taxes and other nonrecurring items.

Total [operating revenue](#) for all U.S. passenger airlines in 2014 was \$169.3 billion. Airlines collected \$127.5 billion from fares, 75.3 percent of total 2014 operating revenue (Table 7).

Total operating expenses for all passenger airlines in 2014 were \$154.7 billion, of which fuel costs accounted for \$43.4 billion, or 28.1 percent, and labor costs accounted for \$40.8 billion, or 26.4 percent (Table 7).

In 2014, passenger airlines collected a total of \$3.5 billion in [baggage fees](#), 2.1 percent of total operating revenue, and \$3.0 billion from [reservation change fees](#), 1.8 percent of total operating revenue. Fees are included for calculations of net income, operating revenue and operating profit or loss (Table 7).

Baggage fees and reservation change fees are the only ancillary fees paid by passengers that are reported to BTS as separate items. Other fees, such as revenue from seating assignments and on-board sales of food, beverages, pillows, blankets, and entertainment are combined in different categories and cannot be identified separately.

See [airline financial data press releases](#) and the [airline financial databases](#) for historic data.

Annual Totals for Top 10 Scheduled Passenger Airlines

As a group, the top 10 U.S. scheduled passenger airlines, based on operating revenue, reported an after-tax net profit of \$7.1 billion in 2014, down from a profit of \$11.9 billion in 2013 (Table 2). These airlines carried 79.4 percent of U.S. airlines' [scheduled service passengers](#) in 2014 and accounted for 95.1 percent of the scheduled passenger airline after-tax net profit.

In addition to the after-tax net income reports, the 10 top airlines reported a \$14.0 billion pre-tax operating profit in 2014, up from a \$10.7 billion pre-tax operating profit in 2013 (Table 2).

Annual Margins for All Scheduled Passenger Airlines

All U.S. scheduled passenger airlines reported a combined net income margin of 4.4 percent in 2014, down from a net margin of 7.5 percent in 2013. Net margin measures net income or loss as a percentage of operating revenue. These airlines reported an operating profit margin of 8.6 percent in 2014, up from 7.0 percent in 2013. Operating margin measures operating profit or loss as a percentage of operating revenue (Table 7).

4th Quarter Results for All Scheduled Passenger Airlines

U.S. scheduled passenger airlines reported a net profit of \$241 million in the fourth quarter of 2014, down from \$3.1 billion in the third quarter and down from \$7.2 billion in the fourth quarter of 2013 (Table 4).

As a group, the 27 U.S. scheduled service airlines reported an after-tax net profit for the seventh consecutive quarter.

In addition to the after-tax net profit based on [net income](#) reports, the scheduled service passenger airlines reported a \$2.0 billion pre-tax operating profit in the fourth quarter of 2014, down from \$5.5 billion in the third quarter and down from \$2.3 billion in the fourth quarter of 2013. As a group, the airlines reported a pre-tax operating profit for the 16th consecutive quarter (Tables 4, 6).

Total [operating revenue](#) for all U.S. passenger airlines in the October-December fourth-quarter of 2014 was \$40.9 billion. Airlines collected \$30.6 billion from fares, 74.8 percent of total fourth-quarter operating revenue (Table 8).

Total operating expenses for all passenger airlines in the fourth-quarter of 2014 were \$38.9 billion, of which fuel costs accounted for \$11.0 billion, or 28.1 percent, and labor costs accounted for \$10.3 billion, or 26.4 percent (Table 8).

In the fourth quarter, passenger airlines collected a total of \$879 million in [baggage fees](#), 2.2 percent of total operating revenue, and \$744 million from [reservation change fees](#), 1.8 percent of total operating revenue. Fees are included for calculations of net income, operating revenue and operating profit or loss (Table 8).

4th Quarter Totals for Top 10 Scheduled Passenger Airlines

As a group, the top 10 U.S. scheduled passenger airlines, based on operating revenue, reported an after-tax net profit of \$0.2 billion in the fourth quarter of 2014, down from a profit of \$3.0 billion in the third quarter and down from a profit of \$7.2 billion in the fourth quarter of 2013 (Table 5). These airlines carried 79.3 percent of U.S. airlines' [scheduled service passengers](#) in the fourth quarter and accounted for 88.8 percent of the scheduled passenger airline after-tax net profit.

In addition to the after-tax net income reports, the 10 top airlines reported a \$1.9 billion pre-tax operating profit in the fourth quarter of 2014, down from a profit of \$5.2 billion in the third quarter and down from a \$2.2 billion pre-tax operating profit in the fourth quarter of 2013 (Table 6).

4th Quarter Margins for All Scheduled Passenger Airlines

All U.S. scheduled passenger airlines reported a combined net income margin of 0.6 percent in the fourth quarter of 2014, down from a net margin of 18.2 percent in the fourth quarter of 2013. Net margin measures the net income or loss as a percentage of operating revenue. These airlines reported an operating profit margin of 4.8 percent in the fourth quarter of 2014, down from 5.8 percent in the fourth quarter of 2013. Operating margin measures the operating profit or loss as a percentage of operating revenue (Table 8).

Reporting notes

Additional airline financial data can be found on the BTS website, including industry statistics for other individual low-cost and regional airlines. See tables for [operating profit/loss](#), [operating revenue](#) and [fuel cost and consumption](#). See the BTS [financial databases](#) for more detailed data.

Data are compiled from quarterly financial and monthly traffic reports filed with BTS by commercial air carriers. U.S. scheduled passenger airlines are the U.S. airlines that provide scheduled passenger service within the U.S. and between the U.S. and foreign points. Cargo carriers and foreign airlines operating to and from the U.S. are not included.

Financial and traffic data include data received by BTS as of April 20. Revised carrier data and late data filings will be made available monthly on [TranStats](#) on the Monday following the second Tuesday of the month. All data are subject to revision. BTS will release first-quarter 2015 data on July 21.

Table 1. Annual U.S. Schedule Service Passenger Airlines Financial Reports

Reports from 27 airlines in 2014

(millions of dollars)

	2010	2011	2012	2013	2014	Dollar Change (\$ in Millions) 2013-2014
Net Income	2,263.5	489.6	98.3	12,168.5	7,459.2	-4,709
Operating Profit/Loss	8,309.3	5,246.0	6,003.3	11,311.0	14,605.1	3,294
Operating Revenue*	138,827.0	153,293.9	156,470.3	161,596.7	169,275.1	7,678
Fares	103,978.4	114,299.4	115,974.8	121,332.9	127,454.0	6,121
Baggage Fees	3,401.1	3,392.7	3,449.7	3,350.1	3,529.3	179
Reservation Change Fees	2,297.6	2,389.5	2,538.2	2,814.1	2,980.7	167
Operating Expenses	130,517.7	148,048.0	150,467.0	150,285.7	154,670.1	4,384
Fuel	33,158.6	43,754.8	44,901.9	42,628.9	43,431.5	803
Labor	34,120.9	35,377.0	37,195.3	38,042.7	40,769.8	2,727

Source: Bureau of Transportation Statistics, Form 41; Schedule P1.2

* Passenger airline operating revenue includes two other categories. 1) Transport-related is revenue from services which grow from and are incidental to the air transportation services performed by the air carrier. Examples are in-flight onboard sales (food, liquor, pillows, etc), code share revenues, revenues from associated businesses (aircraft maintenance, fuel sales, restaurants, vending machines, etc). 2) Miscellaneous operating revenue includes pet transportation, sale of frequent flyer award miles to airline business partners and standby passenger fees. See [Schedule P-1.2](#).

Table 2. Annual Large Airline Systemwide (Domestic + International) Net Income
Ranked by 2014 Operating Revenue
(millions of dollars)

Rank	Airline	Net Income	Operating Profit or Loss	Operating Revenue	Revenue from Fares	Percent of Revenue from Fares (%)
1	Delta	649	2,925	40,427	28,225	0.70
2	United	1114	2,376	38,901	26,785	0.69
3	American	1,310	2,338	27,140	20,345	0.75
4	Southwest*	1137	2,225	18,605	17,704	0.95
5	US Airways	1482	1,928	15,750	9,970	0.63
6	JetBlue	396	508	5,817	5,354	0.92
7	Alaska	599	958	5,363	3,792	0.71
8	Hawaiian	80	249	2,311	2,038	0.88
9	Spirit	281	355	1,932	1,221	0.63
10	SkyWest	47	122	1,889	1,822	0.96
10-Carrier Total		7,092	13,984	158,134	117,256	0.74
All Passenger Airlines		7,459	14,605	169,275	127,454	0.75

Source: Bureau of Transportation Statistics, Form 41; [Schedule P-1.2](#)

* In 2014, Southwest Airlines and AirTran Airways reported financial data jointly but reported passenger data separately.

Table 3. Annual Large Airline Systemwide (Domestic + International) Expense
Ranked by 2014 Operating Revenue
(millions of dollars)

Rank	Airline	Operating Expenses	Fuel Costs	Percent for Fuel (%)	Labor Costs	Percent for Labor (%)
1	Delta	37,502	11,653	31.1	9,361	25.0
2	United	36,525	9,497	26.0	9,150	25.1
3	American	24,803	7,196	29.0	5,990	24.2
4	Southwest*	16,380	5,293	32.3	5,707	34.8
5	US Airways	13,822	3,372	24.4	2,999	21.7
6	JetBlue	5,309	1,913	36.0	1,372	25.8
7	Alaska	4,505	1,217	27.0	1,118	24.8
8	Hawaiian	2,062	677	32.8	473	22.9
9	Spirit	1,576	613	38.9	314	19.9
10	SkyWest	1,767	175	9.9	688	38.9
10-Carrier Total		144,251	41,604	28.8	28.8	25.8
All Passenger Airlines		154,670	43,432	28.1	28.1	26.4

Source: Bureau of Transportation Statistics, Form 41; [Schedule P-1.2](#)

* In 2014, Southwest Airlines and AirTran Airways reported financial data jointly but reported passenger data separately.

Table 4. Quarterly U.S. Scheduled Service Passenger Airlines Financial Reports
 Reports from 27 airlines in 4Q 2014
 (millions of dollars)

	4Q 2013	1Q 2014	2Q 2014	3Q 2014	4Q 2014	Dollar Change 4Q2013- 4Q2014
Net Income	7,184	507	3,578	3,133	241	-6,944
Operating Profit/Loss	2,285	1,658	5,499	5,477	1,971	-314
Operating Revenue*	39,549	38,459	44,620	45,287	40,910	1,360
Fares	29,507	28,731	33,670	34,316	30,579	1,072
Baggage Fees	797	791	900	960	879	82
Reservation Change Fees	675	726	753	759	744	69
Operating Expenses	37,264	36,801	39,122	39,809	38,938	2,674
Fuel	10,220	10,190	10,880	11,411	10,950	730
Labor	9,484	9,729	10,294	10,482	10,265	781

Source: Bureau of Transportation Statistics, Form 41; Schedules P1.2 and P6

* Passenger airline operating revenue includes two other categories. 1) Transport-related is revenue from services which grow from and are incidental to the air transportation services performed by the air carrier. Examples are in-flight onboard sales (food, liquor, pillows, etc), code share revenues, revenues from associated businesses (aircraft maintenance, fuel sales, restaurants, vending machines, etc). 2) Miscellaneous operating revenue includes pet transportation, sale of frequent flyer award miles to airline business partners and standby passenger fees. See [Schedule P-1.2](#).

Table 5. Quarterly Large Airline Systemwide (Domestic + International) Net Income
Ranked by 4Q 2014 Operating Revenue
(millions of dollars)

Rank	Airline	4Q 2013	1Q 2014	2Q 2014	3Q 2014	4Q 2014	Dollar Change 4Q2013- 4Q2014
1	Delta	8,482	218	807	362	-703	-9,185
2	United	154	-580	769	933	-9	-163
3	American	-1,791	401	265	466	178	1,969
4	Southwest*	213	152	465	329	190	-22
5	US Airways	-130	126	605	490	261	391
6	JetBlue	47	-1	231	79	87	40
7	Alaska	76	93	166	192	147	71
8	Hawaiian	19	-3	30	38	15	-4
9	Spirit	43	60	106	67	58	15
10	SkyWest	18	7	19	32	-11	-29
10-Carrier Total		7,131	474	3,463	2,986	214	-6,917
All Passenger Airlines		7,346	507	3,578	3,133	241	-7,106

Source: Bureau of Transportation Statistics, Form 41; [Schedule P-1.2](#)

* In 2014, Southwest Airlines and AirTran Airways reported financial data jointly but reported passenger data separately.

Table 6. Quarterly Large Airline Systemwide (Domestic + International) Operating Profit/Loss
Ranked by 4Q 2014 Operating Revenue
(millions of dollars)

Rank	Airline	4Q 2013	1Q 2014	2Q 2014	3Q 2014	4Q 2014	Dollar Change 4Q2013- 4Q2014
1	Delta	870	672	1,616	1,409	-772	-1,642
2	United	238	-341	906	1,185	626	388
3	American	281	577	718	698	345	64
4	Southwest	386	215	775	614	620	235
5	US Airways	3	189	678	566	495	493
6	JetBlue	111	43	141	163	161	50
7	Alaska	131	147	257	314	240	108
8	Hawaiian	34	12	54	106	77	43
9	Spirit	68	60	105	100	90	22
10	SkyWest	39	21	42	64	-5	-44
10-Carrier Total		2,159	1,596	5,292	5,219	1,877	-282
All Passenger Airlines		2,285	1,658	5,499	5,477	1,971	-314

Source: Bureau of Transportation Statistics, Form 41; [Schedule P-1.2](#)

* In 2014, Southwest Airlines and AirTran Airways reported financial data jointly but reported passenger data separately.

Table 7. Jan-Dec. U.S. Scheduled Passenger Airlines Revenue, Expenses and Profits
 Reports from 27 airlines in 2014
 (millions of dollars)

	Jan-Dec 2013	Jan-Dec 2014	Change	2013-2014 % Change	% of YTD 2014 Revenue or Expense Total
Operating Revenue					
Passenger Fares (scheduled/charter)	121,332.9	127,454.0	6,121.1	5.04	75.29
Cargo	2,961.4	3,078.1	116.7	3.94	1.82
Baggage	3,350.1	3,529.3	179.2	5.35	2.08
Reservation Changes	2,814.1	2,980.7	166.6	5.92	1.76
Transport-Related*	27,507.6	28,125.2	617.6	2.25	16.61
Other**	3,630.6	4,109.0	478.4	13.18	2.43
Total Operating Revenue	161,596.7	169,276.4	7,679.7	4.75	100.00
Operating Expense					
Fuel	42,628.9	43,431.5	802.6	1.88	28.08
Labor	38,042.7	40,769.8	2,727.1	7.17	26.36
Rentals	8,757.6	8,507.5	-250.2	-2.86	5.50
Depreciation & Amortization	6,607.3	7,080.5	473.2	7.16	4.58
Landing Fees	2,739.0	2,803.4	64.4	2.35	1.81
Maintenance Materials	2,710.9	2,881.1	170.2	6.28	1.86
Transport-Related*	20,960.6	20,711.0	-249.6	-1.19	13.39
Other***	27,838.7	28,486.0	647.3	2.33	18.42
Total Operating Expense	150,285.7	154,670.7	4,385.0	2.92	100.00
Profits or Losses					
Operating Profit	11,311.0	14,605.1	3,294.1	29.12	N/A
Operating Margin**** (%)	7.0	8.6	1.6	N/A	N/A
Nonoperating Income/(Expense)#	-6,129.2	-4,752.7	1,376.5	-22.46	N/A
Pre-Tax Income	5,181.8	9,852.4	4,670.6	90.13	N/A
Income Tax Benefit/(Expense)	6,997.2	-2,393.2	-9,390.4	-134.20	N/A
Other Income/(Expense)	-10.5	0.0	10.5	-100.00	N/A
Net Income	12,168.5	7,459.2	-4,709.3	-38.70	N/A
Net Margin## (%)	7.5	4.4	-3.1	N/A	N/A

Source: Bureau of Transportation Statistics, Form 41; Schedules [P-1.2](#) and [P6](#)

* Transport-Related is revenue/expenses from services which grow from and are incidental to the air transportation services performed by the air carrier. Examples are in-flight onboard sales (food, liquor, pillows, etc), code share revenues, revenues and expenses from associated businesses (aircraft maintenance, fuel sales, restaurants, vending machines, etc).

** Other revenue includes miscellaneous operating revenue (including pet transportation, sale of frequent flyer award miles to airline business partners and standby passenger fees), and public service revenues subsidy.

*** Other expense includes purchase of materials such as passenger food and other materials; and purchase of services such as advertising, communication, insurance, outside flight equipment maintenance, traffic commissions and other services.

**** Operating margin is the operating profit or loss as a percentage of operating revenue

Nonoperating Income and Expense includes interest on long-term debt and capital leases, other interest expense, foreign exchange gains and losses, capital gains and losses and other income and expenses.

Net margin is the net income or loss as a percentage of operating revenue.

Table 8. Quarterly U.S. Scheduled Passenger Airlines Revenue, Expenses and Profits
 Reports from 27 airlines in 4Q 2014
 (millions of dollars)

	4Q 2013	4Q 2014	Change	2013-2014 % Change	% of 4Q 2014 Revenue or Expense Total
Operating Revenue					
Passenger Fares (scheduled/charter)	29,507.0	30,579.0	1,072.0	3.63	74.75
Cargo	762.6	821.6	59.0	7.74	2.01
Baggage	797.1	879.1	82.0	10.28	2.15
Reservation Changes	674.7	743.5	68.8	10.20	1.82
Transport-Related*	6,945.7	6,859.9	-85.8	-1.24	16.77
Other**	862.0	1,026.5	164.5	19.08	2.51
Total Operating Revenue	39,549.1	40,909.6	1,360.5	3.44	100.00
Operating Expense					
Fuel	10,219.8	10,950.7	730.9	7.15	27.42
Labor	9,483.9	10,264.6	780.7	8.23	25.70
Rentals	653.4	696.9	43.5	6.66	1.75
Depreciation & Amortization	1,691.7	1,819.0	127.3	7.52	4.55
Landing Fees	2,130.0	2,097.9	-32.1	-1.51	5.25
Maintenance Materials	618.2	736.6	118.4	19.16	1.84
Transport-Related*	5,243.1	4,954.5	-288.6	-5.50	12.41
Other***	7,223.8	8,418.1	1,194.3	16.53	21.08
Total Operating Expense	37,263.9	39,938.4	2,674.5	7.18	100.00
Profits or Losses					
Operating Profit	2,285.2	1,971.2	-314.0	-13.74	N/A
Operating Margin**** (%)	5.78	4.8	-1.0	N/A	N/A
Nonoperating Income/(Expense)#	-3,127.3	-1,739.4	1,387.9	-44.38	N/A
Pre-Tax Income	-842.1	231.8	1,073.9	-127.53	N/A
Income Tax Benefit/(Expense)	8,026.4	8.9	-8,017.5	-99.89	N/A
Other Income/(Expense)	-0.1	0.0	0.1	-100.00	N/A
Net Income	7,184.2	240.7	-6,943.5	-96.65	N/A
Net Margin## (%)	18.17	0.6	-17.6	N/A	N/A

Source: Bureau of Transportation Statistics, Form 41; Schedules [P-1.2](#) and [P6](#)

* Transport-Related is revenue/expenses from services which grow from and are incidental to the air transportation services performed by the air carrier. Examples are in-flight onboard sales (food, liquor, pillows, etc), code share revenues, revenues and expenses from associated businesses (aircraft maintenance, fuel sales, restaurants, vending machines, etc).

** Other revenue includes miscellaneous operating revenue (including pet transportation, sale of frequent flyer award miles to airline business partners and standby passenger fees), and public service revenues subsidy.

*** Other expense includes purchase of materials such as passenger food and other materials; and purchase of services such as advertising, communication, insurance, outside flight equipment maintenance, traffic commissions and other services.

**** Operating margin is the operating profit or loss as a percentage of operating revenue

Nonoperating Income and Expense includes interest on long-term debt and capital leases, other interest expense, foreign exchange gains and losses, capital gains and losses and other income and expenses.

Net margin is the net income or loss as a percentage of operating revenue.