US Airline Earnings Are Up 21.5% in 2019 So Far

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U.S. airlines had a healthy third quarter, with a 21.5% increase over last year's earnings from the same time period according to third-quarter airline financial data released today by the Bureau of Transportation Statistics.

More significantly, it's the 26th consecutive quarter that airlines have posted an after-tax profit and the 34th consecutive quarter of pre-tax profit, meaning they've been making money since at least 2013.

Those profits are mostly due to the golden combination of cheap fuel and a strong economy, according to aviation expert Seth Kaplan. "They have the right conditions on both fronts," Kaplan said. "It's just a pretty good time to be a U.S. airline."

Though the new numbers show that airlines pulled in slightly less this quarter than the previous quarter, that's likely just due to seasonal changes—airlines have still earned significantly higher profits so far in 2019 than last year: $11.7 billion for the first nine months of 2019, compared to $8.8 billion in 2018.

Airlines for America, a national trade association and lobbying group, agreed with Kaplan's interpretation. "A strong domestic economy and 10% lower fuel expenses helped U.S. airlines overcome weakness in international markets to boost earnings in the September quarter compared to the year-ago period," said John Heimlich, the company's vp and chief

economist.

While airlines haven’t exactly been scandal-free over the past few years, the net effect of negative press hasn’t had any measurable effect on profit, said Kaplan. Grounded Boeing planes might mean fewer seats in the sky for some airlines, but that can both drive up prices and offer unaffected airlines the opportunity to pick up new customers and increase capacity.

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