

The market for air travel was among the industries most affected by the COVID-19 pandemic. Business and media commentators have speculated about numerous changes to the industry including the decline of business travel and the rise of pandemic-induced "revenge travel." Empirical investigation of these claims is complicated by carriers' rising fuel and labor costs and the endogeneity of flight frequency decisions. I analyze these claims in US domestic air travel in 2022 relative to 2019 using a structural model of air travel demand that assumes heterogeneity in consumers takes two forms: business travellers and leisure travellers. I endogenize the number of daily departures on a given route to account for changes in fuel cost that may affect carriers' flight frequency decisions. I use this model to analyze claims of decreasing business travel and "revenge travel" in the wake of the COVID-19 pandemic, and their effect on airline profits. I find that both consumer "types" became less price-sensitive and average price elasticity decreased in absolute value. There was a large shift in the share of passengers from "leisure"-type to "business"-type. I interpret this as evidence that many leisure travellers behaved as business travellers during 2022 -- forgoing their usual concerns about price to partake in revenge travel. I also conduct counterfactual analyses to examine the effects of these changes on airlines' profits. I show that the change in demand was relatively more important than the change in cost to for airline profits in 2022.