

# WASHINGTON STATE DEFENSE SECTOR ECONOMIC IMPACT



*A Partnership of more than 50 member cities, counties, the Nisqually Indian Tribe, Joint Base Lewis McChord, State, regional, corporate, and non-profit organizations dedicated to fostering outcomes that are mutually beneficial to the South Sound.*

*SSMCP focuses on the intersection of issues between local governments and the military community*

## **SERVING AT THE NEXUS OF CIVILIAN & MILITARY ISSUES**

- **Business & Economic Development**
- **Childcare**
- **Education**
- **Healthcare**
- **Housing**
- **Land use**
- **Social Services**
- **Transportation**



# STATEWIDE MIL / DEFENSE SECTOR ECONOMIC IMPACT



Legislative Committee on Economic  
Development and International Relations





# STATEWIDE MILITARY / DEFENSE SECTOR ECONOMIC IMPACT



JBLM  
78,890 jobs



Whidbey Island NAS  
14,297 jobs



Fairchild AFB  
7,776 jobs



NAS Everett  
6,748 jobs




Naval Base Kitsap  
61,104 jobs

The state-wide military defense sector economic impact analysis has demonstrated the importance of the military to the State's economy



**Economic Impact**  
**\$30.9B**

**4% of gross state products**



**Statewide Jobs**  
**254,904**

**5% statewide employment**

## DEFINING THE DEFENSE ECONOMY

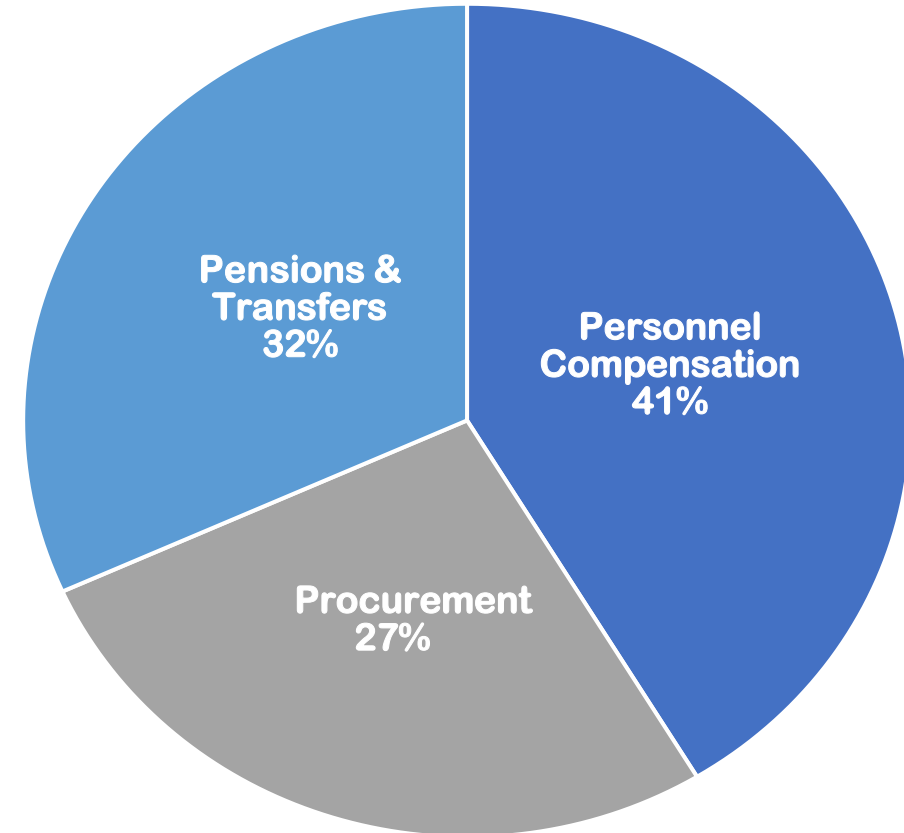
- **Spending flows**
  - Personnel compensation
  - Procurement
  - Veteran and retiree pensions and transfers
- **Economic Impact Analysis**
  - Estimates how defense spending ripples through the state economy
  - Captures direct, indirect (business to business), and induced (consumer spending) impacts
  - Utilizes the industry-standard IMPLAN economic model

Category	Personnel 2023
Active Duty	57,838
Reserve	9,172
National Guard	7,716
DoD Civilian	32,040
Veterans	533,346
Retirees	72,916

# DEFENSE-RELATED SPENDING SUMMARY

Direct Defense Spending

Spending Flow	Amount (FY23)
Personnel Compensation	\$11.2 billion
Procurement	\$7.3 billion
Veteran and Retiree Pensions and Transfers	\$8.6 billion
<b>Total</b>	<b>\$27.1 billion</b>



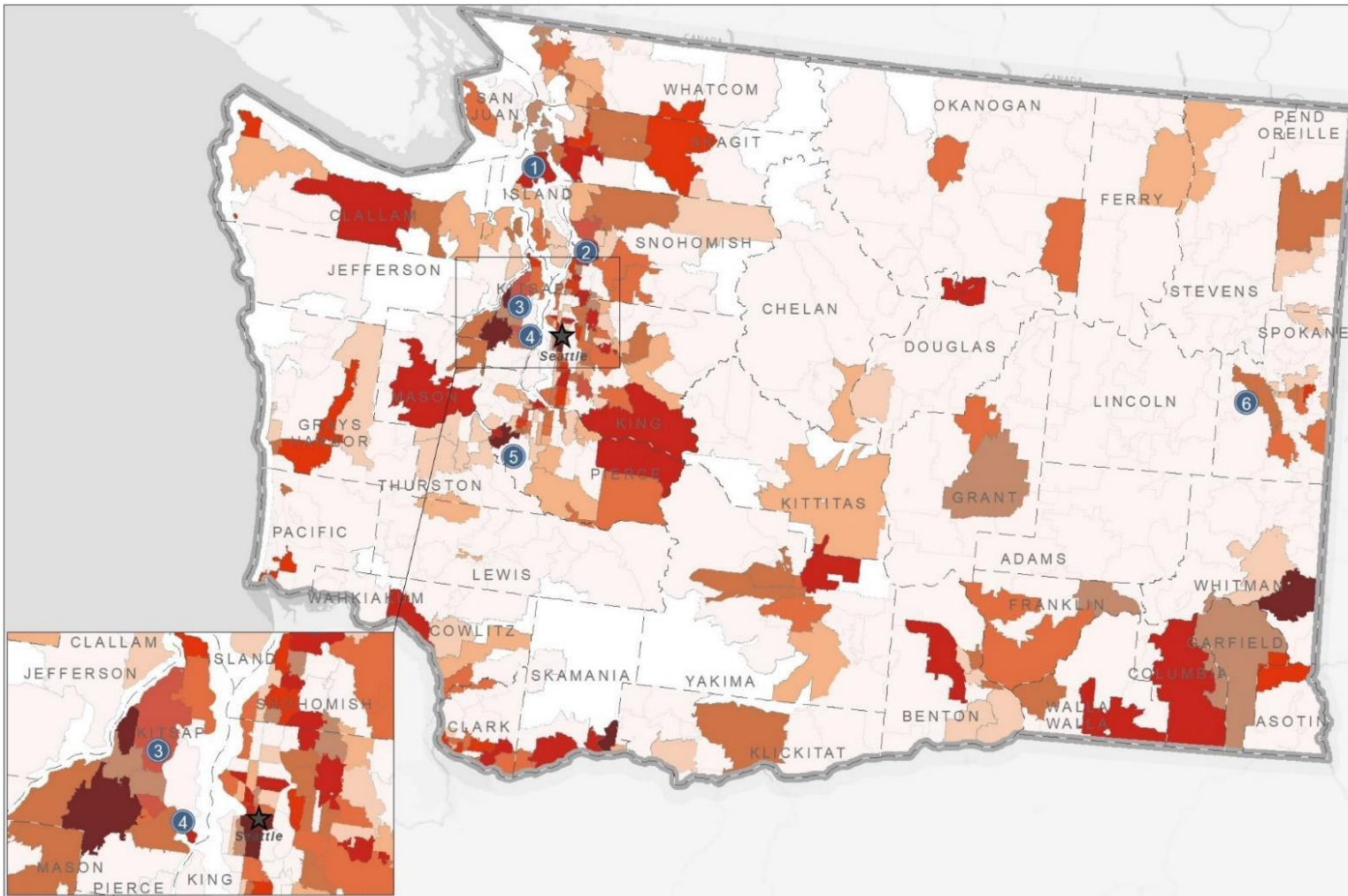
Sources: Bureau of Economic Analysis, [usaspending.gov](https://usaspending.gov), National Center for Veterans Analysis and Statistics

Impacts in current (2024) dollars; include direct, indirect, and induced effects

# DEFENSE CONTRACT SPENDING ACROSS WASHINGTON

## Top 10 Counties by Procurement Spending:

1. King (\$4.5 B)
2. Kitsap (\$1.1 B)
3. Pierce (\$633 M)
4. Snohomish (\$318 M)
5. Island (\$137 M)
6. Klickitat (\$134 M)
7. Whitman (\$119 M)
8. Spokane (\$75 M)
9. Skagit (\$55 M)
10. Douglas (\$54 M)





# ECONOMIC IMPACT ANALYSIS OUTCOMES

*#11 in total defense spending and #7 in number of personnel in the nation*

**Economic Impact = \$30.9B**

**Jobs = 254,904**

## Industry Sector Comparison

1. Aerospace
2. Creative Economy
3. Information & Communication Technology
- 4. Military / Defense**
5. Agriculture
6. Clean Technology
7. Forest Products
8. Life Sciences & Global Health
9. Maritime
10. Tourism

## SWOT Findings

- Need for improved, consistent statewide and local coordination
- Undersubscribed sector which creates massive economic opportunities for the state.
- SWOT analysis IDs military quality of life weaknesses (**affordable housing, childcare, and military spouse employment barriers**).
- Need for an appropriate staff structure



## HOW DO OTHER STATES ORGANIZE?

### Statewide Unified Approach for Defense Community Coordination

Streamline business development, supporting military families, and protecting military installations.

Encourage defense-related businesses to expand or relocate in the state

Maintain and grow military operations in the state, providing insight and recommendations to state leaders

Support the efforts of local and regional organizations to improve partnerships with military installations

Coordinate state and local efforts to enhance the quality of life of all branches of military personnel

Advocate for service members and their families

All have offices that are separate from the Veterans Department, state military department and national guard.



SOUTH SOUND MILITARY &  
COMMUNITIES PARTNERSHIP



# STATEWIDE MIL / DEFENSE SECTOR ECONOMIC IMPACT

## QUESTIONS?

## THANK YOU!

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