

Military Transformation Task Force

Economic Impact of the US Department of Defense in San Antonio

2006

Summary



City of San Antonio



Bexar County



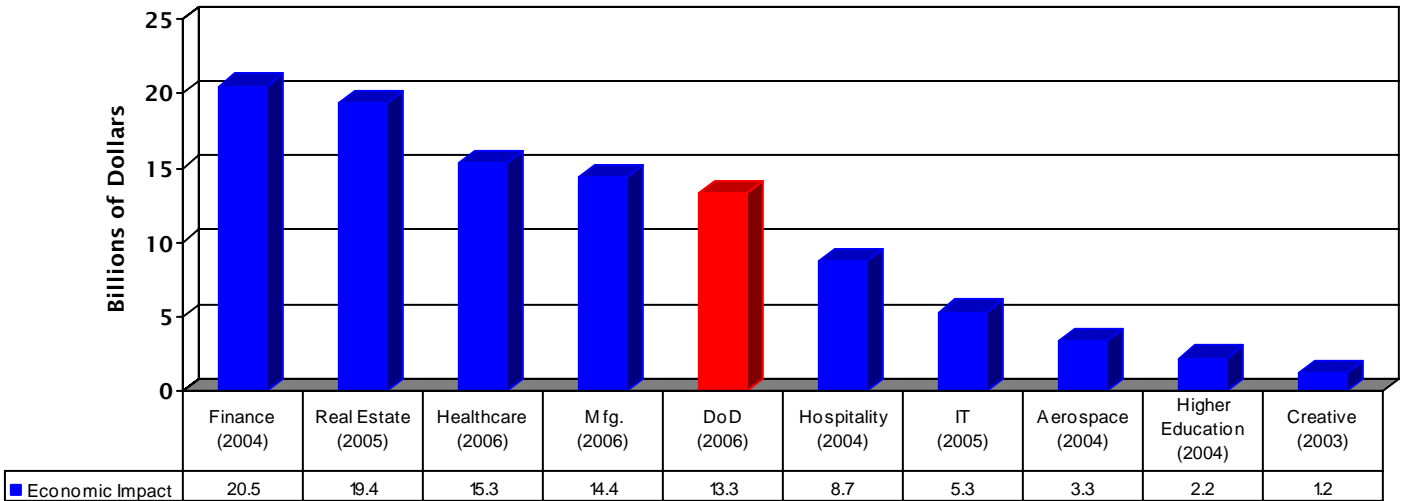
Greater San Antonio
Chamber of Commerce

The US Department of Defense's economic impact in San Antonio for 2006 was over \$13.3 billion—fifth largest behind Finance, Real Estate, Healthcare and Manufacturing.

- The US Department of Defense is the largest generator of employment in the San Antonio metropolitan area supporting the employment of 195,075 people including direct, indirect, and induced employment.* Employment at the local bases is estimated at 68,659.
- The US Department of Defense generates the highest earnings of all industries in San Antonio. Earnings for 2006 totaled over \$9 billion with the bases generating earnings of nearly \$4 billion and spending of civilian and military personnel supported earnings of over \$1.6 billion in other industries.
- San Antonio-based Department of Defense contractors employ 44,423 people in San Antonio and realize earnings of over \$1.7 billion.
- Military retirees have a significant impact on the local economy. There are nearly 48,000 military retirees, they and their beneficiaries support the employment of over 26,000 people and payments to retirees was over \$1.2 billion.
- Base Realignment and Closure (BRAC) 2005 will be one of the largest economic development project in San Antonio's history. San Antonio is expected to receive over 4,000 new personnel, 5,500 new families and \$2.1 billion in construction. Through 2011, BRAC will have an economic impact of \$5.7 billion and support employment of over 46,000 due to the impact of construction. After 2011, BRAC's impact will support the employment of over 11,000 additional people, provide an additional \$621 million economic impact, and increase earnings by over \$500 million.

**Induced employment is derived from the spending of employees. Indirect employment is supported by spending of employers.*

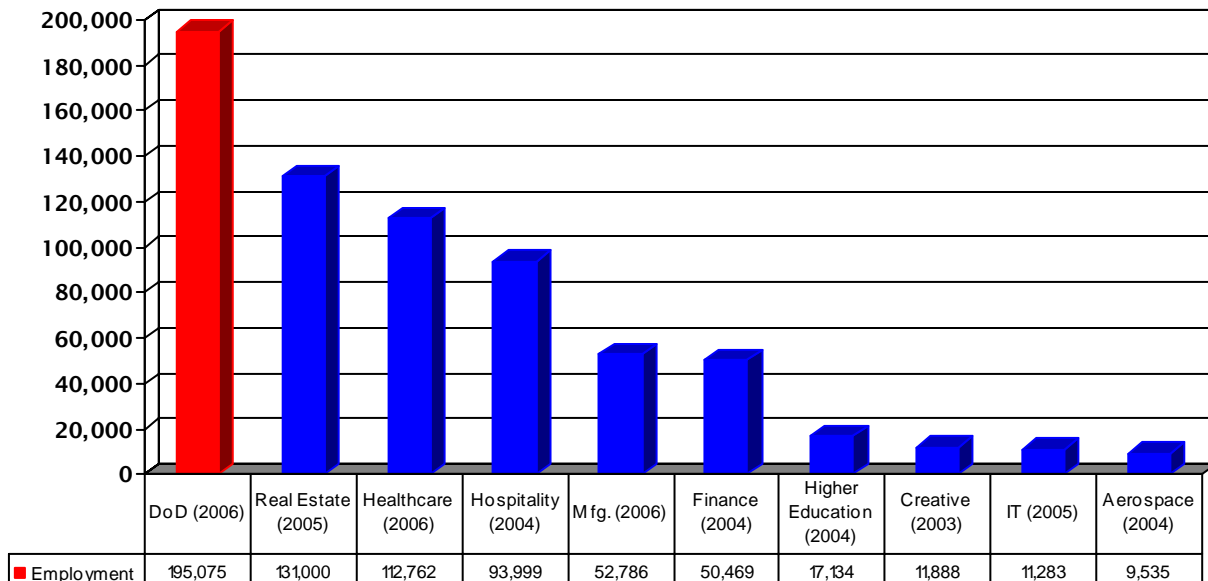
Economic Impact by Industry



In 2006, DoD activities in San Antonio registered an economic impact of \$13,297,753,427. The breakdown of the economic impact is:

- Civilian and military personnel—\$5,404,922,849
- Retirees and beneficiaries—\$2,183,049,308
- DoD contracts—\$5,709,781,270 (DOD Contracts outside San Antonio: \$4,124,914,398; Local Base Contracts: \$1,584,866,872)

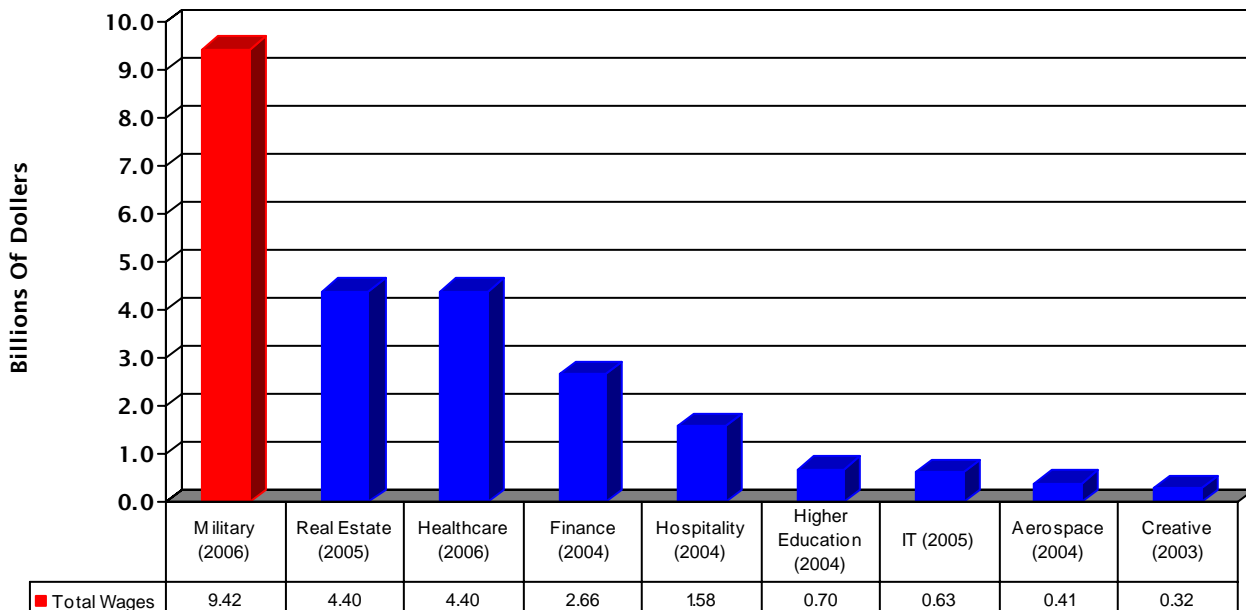
Employment by Industry



DoD activities within the San Antonio metropolitan area support employment of 195,075 people, including direct, indirect, and induced employment.

- Employment at the local bases is estimated at 68,659 (24,404 civilians and 44,255 military personnel).
- Employment due to DoD civilian and military personnel spending is 55,184.
- DoD contract and purchase card activity supports an additional employment of 44,423.
- The spending of the military retirees and their beneficiaries supports employment of 26,809.

Earnings by Industry



Earnings for 2006 was \$9,417,246,605. This includes:

- Earnings at military bases of approximately \$3,968,463,717.
- Spending by civilian and military personnel supported earnings of \$1,689,531,163 in other industries.
- Earnings due to DoD contractors and General Purchase Card expenditures in San Antonio of \$1,744,656,878.
- Direct payments to military retirees and other transfer payments of \$1,253,245,460, and retiree spending supported additional earnings of \$761,349,387.

Military Retirees in San Antonio

San Antonio is the home to one of the largest populations of military retirees in the country. Data on military retirees for the San Antonio metropolitan area indicates that:

- There are 47,924 military retirees* in San Antonio receiving retirement payments from DoD amounting to \$1,253,245,460 in 2006.
- Retiree spending supported over \$761 million in additional earnings.
- An additional \$74,175,680 in transfer payments from DoD flowing into San Antonio in 2006.
- Economic impact of military retirees is \$2,183,049,308.

Many of these retired military do hold employment in the San Antonio, so our economy benefits not only from these additional payments but also from their productivity. The impact of the payments to military retirees and other recipients of DoD-related transfer payments would make for a sizeable “industry” by itself in San Antonio.

*Military Retiree—Individuals who retired from the military after twenty or more years of service or who became totally and permanently disabled due to military service. Veterans—Individuals who served our country in the armed forces who were honorably discharged and/or who became ineligible for active service due to a disability received during active service.

Base Realignment and Closure (BRAC) 2005

The Base Realignment and Closure (BRAC) activities scheduled to occur in San Antonio by September 2011 could arguably be one of the largest economic development projects the city has ever seen. San Antonio is expected to receive 4,886 new personnel, 5,500 family members, 9,000 additional students per year, and \$2.1 billion in construction of military facilities. By comparison, Toyota and its suppliers invested \$1.1 billion in new manufacturing facilities and created 4,100 new jobs.

- Through 2011, BRAC will have an economic impact of \$5.7 billion and support employment of over 46,000 due to the impact of construction.
- After BRAC is completed in 2011, its impact will support the employment of over 11,000 additional people and provide an additional \$621 million economic impact.
- Earnings from BRAC will increase by \$2,174,628,569. BRAC-related construction activity will generate earnings through 2011 of \$1,656,364,000. New missions resulting from BRAC will increase earnings by \$518,264,569.

Acknowledgements

The Military Transformation Task Force would like to acknowledge the hard work and dedication of Steve Nivin, Ph.D., and Miriam Birdwell of the City of San Antonio's Economic Development Department in preparing this report.



For a full copy of the report, "*Economic Impact of the US Department of Defense in San Antonio*", please visit the OMA website at: www.sanantonio.gov/oma

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