



SOUTH SOUND MILITARY & COMMUNITIES PARTNERSHIP

Executive Leadership Team



Steering Committee



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.

Working Group Chairs

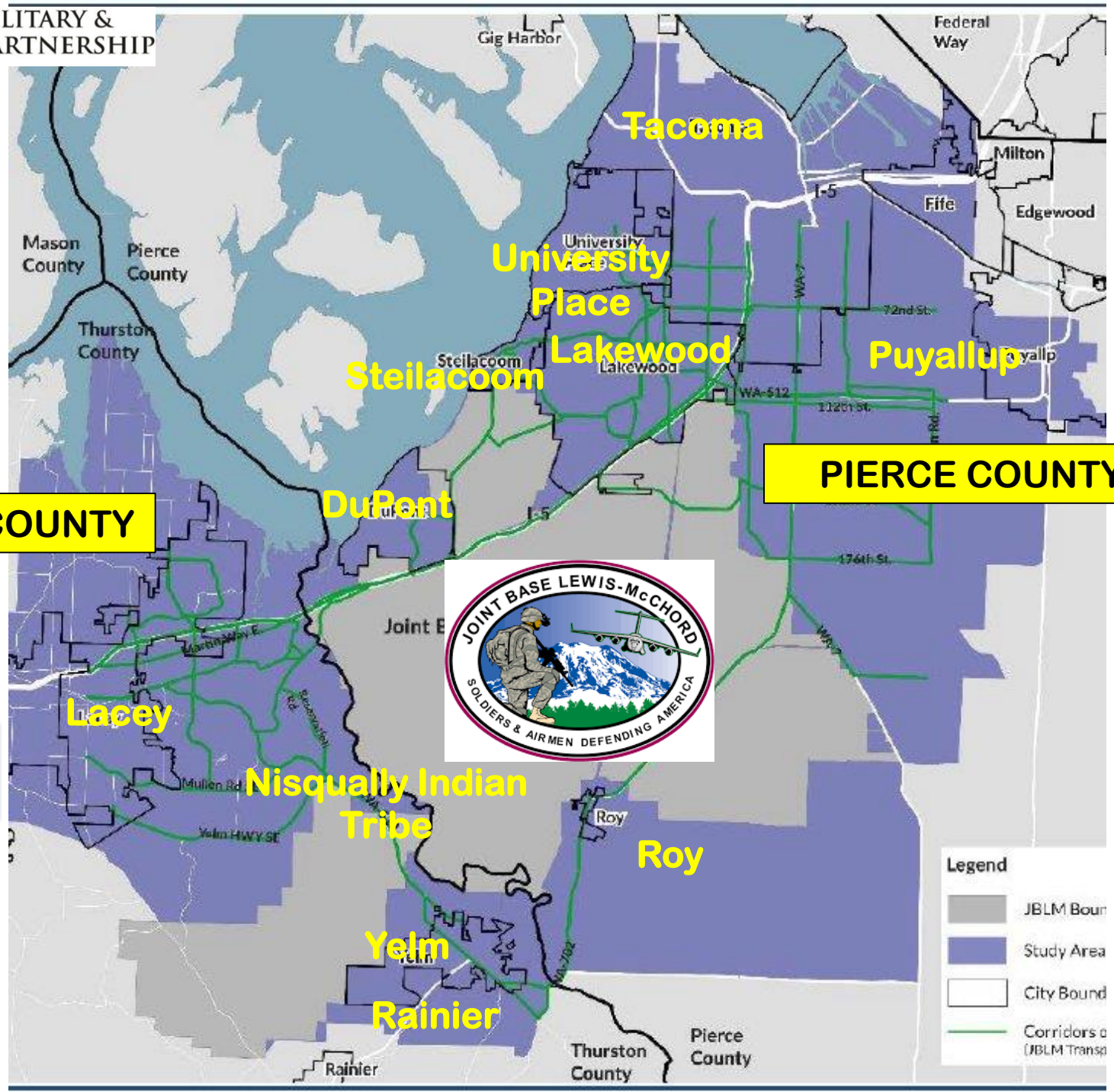


SSMCP focuses on the intersection of issues between local governments and the military community

AGENDA

Purpose: Familiarize chamber audience with SSMCP's work and Joint Base Lewis-McChord's (JBLM) economic impact on the South Sound.

- SSMCP Orientation
- 2023 Legislative Success
- 2023 JBLM Regional Economic Impact Analysis
- Now What? (a Pierce County example)
- 2024 Statewide Military / Defense Sector Economic Impact Analysis



THURSTON COUNTY

PIERCE COUNTY

**Olympia
Tumwater**



Legend

| | |
|---|-----------------------------|
|  | JBLM Bound |
|  | Study Area |
|  | City Bound |
|  | Corridors of JBLM Transport |

WHAT WE'VE DONE

SSMCP Studies / Initiatives

| Historical Grant Funded Studies | Surveys / Analysis | Upcoming short-term |
|--|---|--|
| 2015 Joint Land Use Study | 2016 JBLM Workforce Survey | 2023 Military Installation Resiliency Review |
| 2016 Action Plan NCZ | 2018 JBLM Regional Economic Impact Analysis | 2023 Housing Study 2.0 |
| 2018 Lighting Study | 2018 JBLM Workforce Survey | 2023 Military Spouse Employment Study |
| 2018 Military Influence Area Overlay | 2018 Business Leader Survey | 2023 JBLM Regional Economic Impact Analysis |
| 2018 Land Exchange Business Plan | 2019 SSMCP Member Survey | |
| 2020 Vicinity JBLM Local Traffic Impacts Study | 2020 JBLM Regional Economic Impact Analysis | |
| 2020 Housing Study | 2020 Business Leader Survey | |
| 2020 Prairie Conservation Report | 2023 Membership Survey | |
| 2022 Growth Coordination Plan | | |

WHAT OUR PRIORITIES ARE NOW

2023-24 SSMCP Work Plan

- Manage federal grant funding to:
Improve resiliency planning*, Advocate for Occupational Licensure, Support Development of and access to Attainable Off-base Housing
- Pursue Funding for I-5 improvements
- Pursue military compatibility measures such as clear zone encroachment
- **Measure and Communicate the Economic Benefits of JBLM in the Region**
- Increase communication between JBLM, Child Care providers and military families
- Inform / educate state legislators about SSMCP and advocacy in state-level activities
- ✓ Monitor / engage when appropriate the Commercial Aviation Coordinating Commission's site recommendation for a new airport*
- ✓ Facilitate a state-led, statewide military / defense sector economic impact analysis*
- Conduct JBLM Workforce Survey

* New initiatives

2023 LEGISLATIVE SUCCESS

- ✓ **Defense Community Compatibility Account funded (\$35.8M)**
 - The Defense Community Compatibility Account will help the state leverage federal dollars and fund high priority military infrastructure projects identified by local communities. (7 community submitted projects approved)

- ✓ **Occupational Licensure compacts approved** (occupational therapists, Audiology & speech compact, Mental health counselor comp, Cosmetologists, dentist and dental hygienist compact)

- ✓ Governor Signs **Military Spouse Employment Act**

- ✓ **I-5 funding strategy approved (\$75M spread over FY23-27)**
 - SR507 roundabouts fully funded for construction (\$21M)

- ✓ **State-led, statewide Military / Defense Sector Economic Impact Analysis**
 - 2023-24 funded in Operating Budget (\$250K)



2023 JBLM REGIONAL ECONOMIC IMPACT ANALYSIS

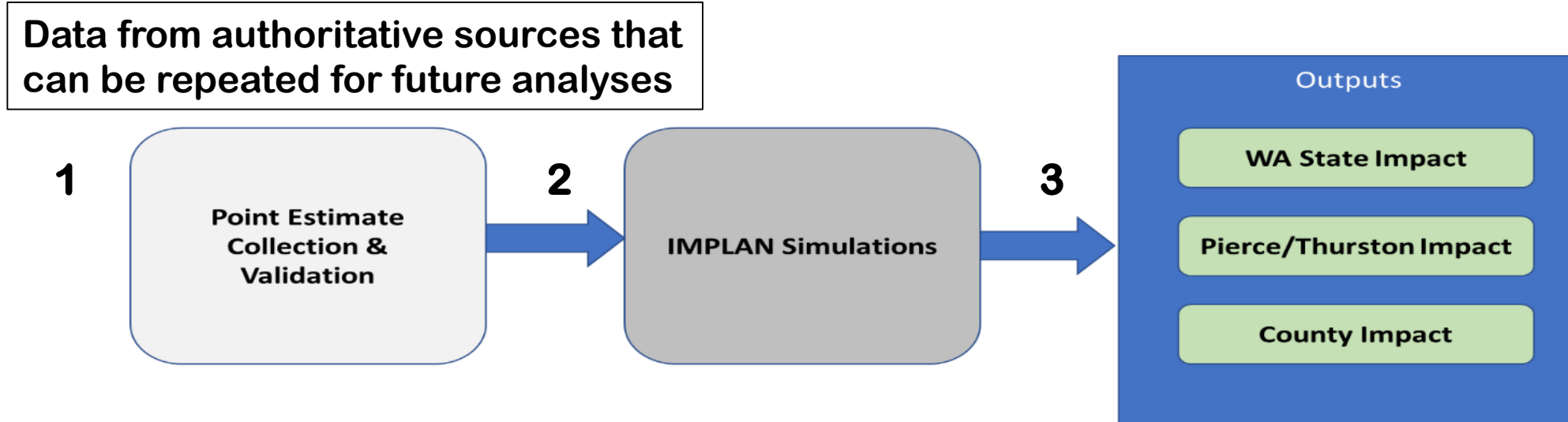
PROBLEM STATEMENT: Determine the economic impact of JBLM on the South Sound

COMMUNICATE THE ECONOMIC BENEFITS OF JBLM ON THE REGION

- **Lead collaborative efforts with the University of Washington - Tacoma or other similar organizations to guide the JBLM regional economic impact analysis.**
- **Lead collaborative efforts with a communications team (TBD) to help develop and implement a communications strategy.**

JBLM REGIONAL ECONOMIC IMPACT ANALYSIS

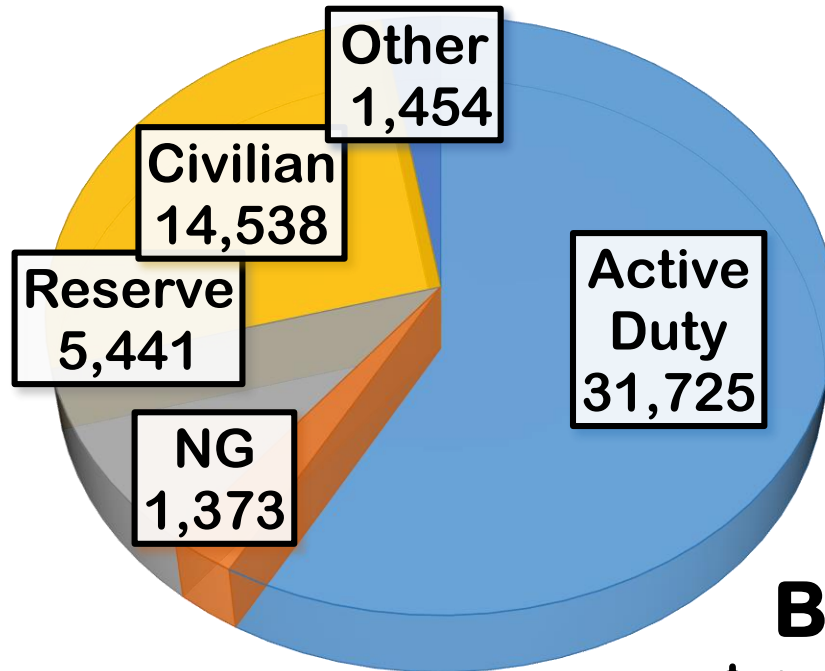
Methodology



IMPLAN is an input/output model that traces the ripple effects of an expenditure that occurs within an economy.

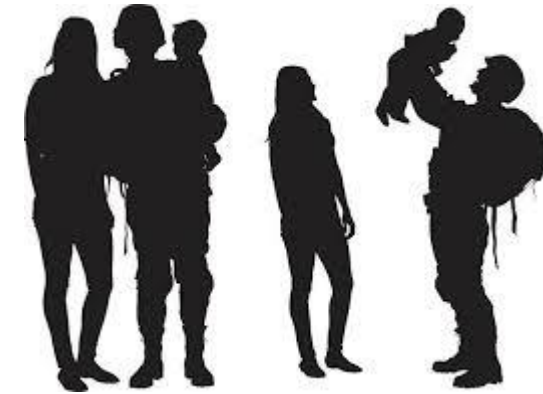
JBLM WORKFORCE / PAYROLL

**JBLM POPULATION:
54,531***



**PAYROLL
\$3.24B***

**BAH
\$1.30B***



380K military affiliated in the South Sound
Veterans, Retiree, spouse, children, AD, NG, RES, GS Civilian, Contractor

#1 employer in the South Sound

#3 employer in the state

* As of end of year 2022

EMPLOYMENT COMPARISON

Total employment of JBLM netted compared to the total employment of Microsoft and Boeing

JBLM Washington State Employment Compared, 2022



RETIREE & VETERAN PAY

- Retiree pay (25,391 retirees) in Pierce / Thurston Counties:

\$1.27B

- Veteran disability pay (48,784 disabled vets):

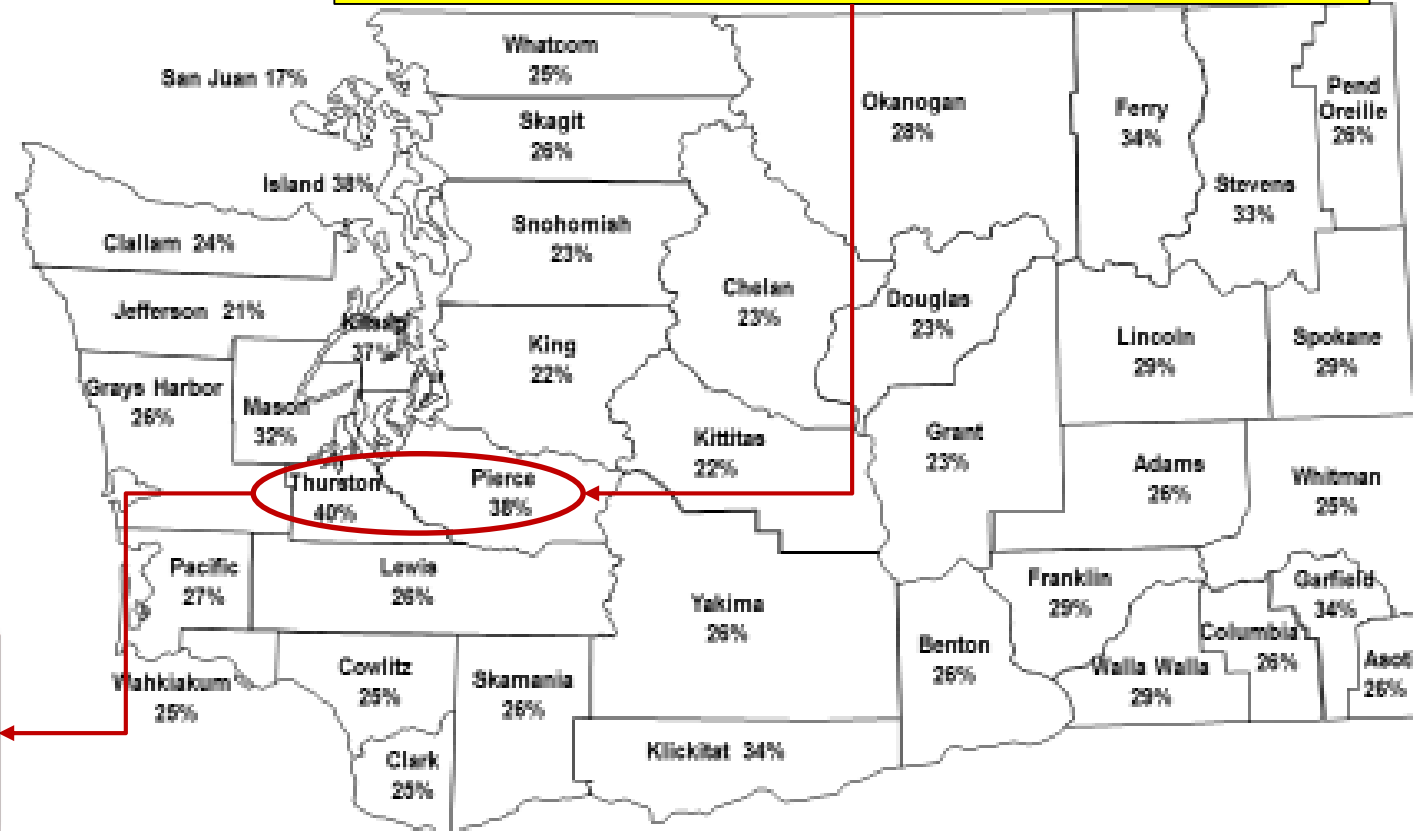
\$1.48B

The South Sound has the highest percentage of disabled veterans statewide

VA Compensation & Pension Rate – FFY21

WA State Average: 29%
National Average: 28%

TOTAL South Sound veteran population (122,185)



2022 DEFENSE CONTRACTS FOR JBLM

usaspending.gov / sort by place of performance

Contracts paid in 2022

\$581.1M

Total obligated amount

\$1.74B

**2,157
active contracts**

Current total value of award

\$3.16B

Potential total value of award

\$3.43B

As of end of year 2022

TOTAL DIRECT IMPACT INPUT

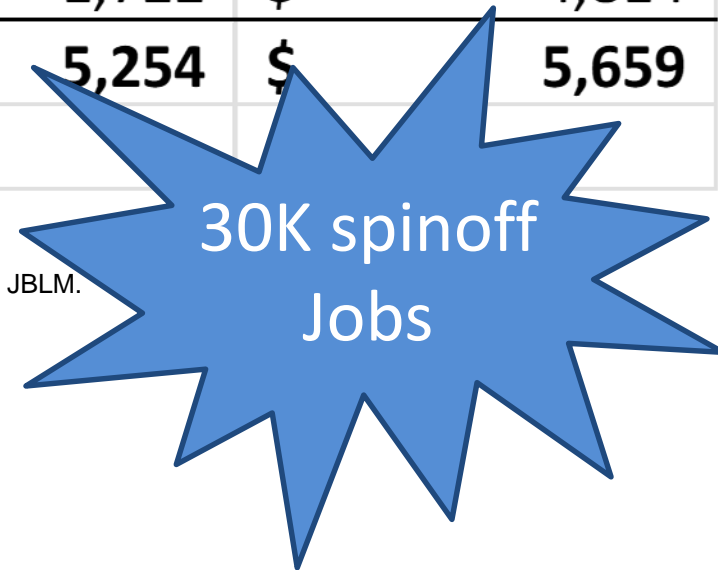
| Point Estimates | Raw Data Value |
|------------------------|------------------------|
| JBLM Payroll | \$ 3,240,000,000 |
| BAH | \$ 1,300,000,000 |
| Retiree Pay | \$ 1,270,000,000 |
| Disability Pay | \$ 1,480,000,000 |
| Purchased Healthcare | \$ 113,000,000 |
| School Impact AID | \$ 12,310,000 |
| Contracts paid in 2022 | \$ 581,100,000 |
| | |
| TOTAL | \$8,000,000,000 |

JBLM IMPACT IN PIERCE AND THURSTON

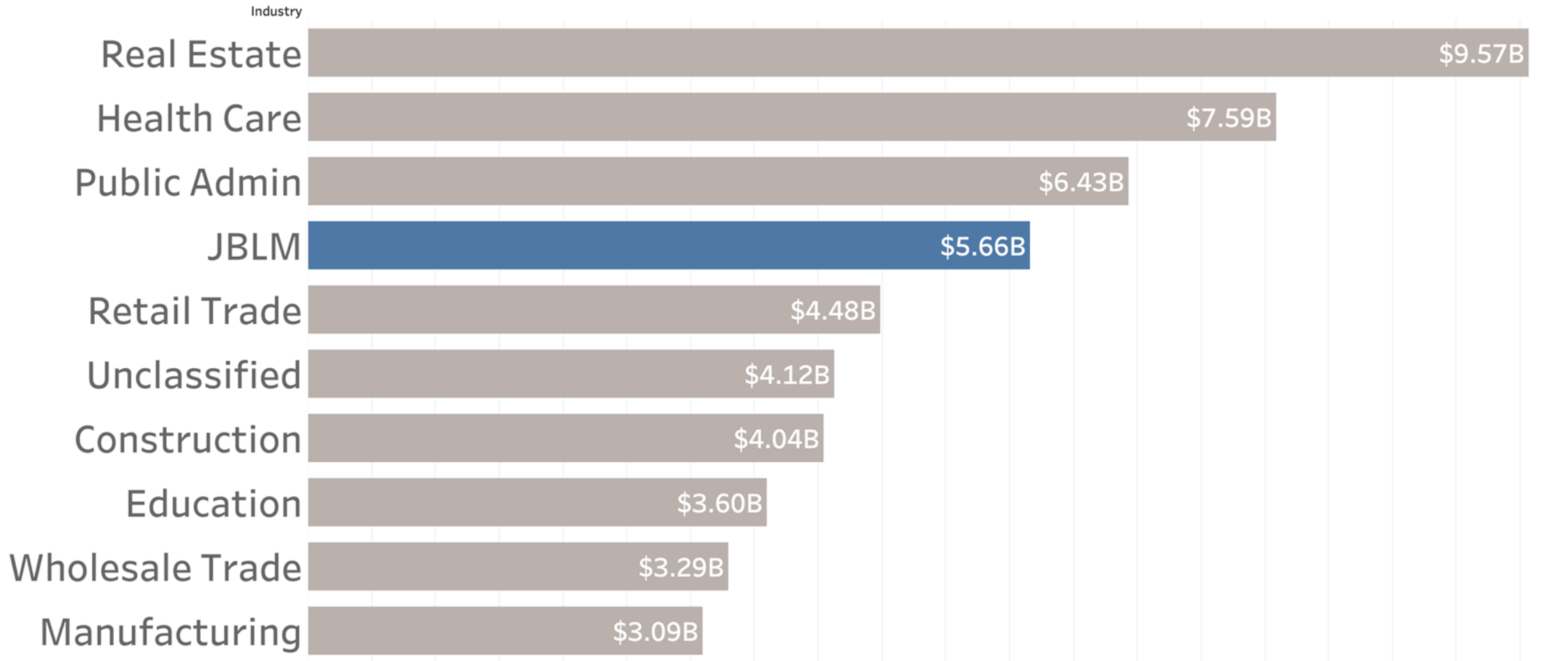
| | Employment | Labor Income * | | Output * |
|------------------------------|---------------|----------------|--------------|-----------------|
| Direct | 56,877 | \$ | 3,489 | \$ 705 |
| Indirect | 646 | \$ | 42 | \$ 140 |
| Induced | 27,888 | \$ | 1,722 | \$ 4,814 |
| Totals | 85,411 | \$ | 5,254 | \$ 5,659 |
| <i>* dollars in millions</i> | | | | |

Thurston and Pierce combined

1. Direct effects are impacts from the portion of direct expenditures made by DoD associated with JBLM.
2. Indirect effects are impacts caused when an industry makes purchases from another industry.
3. Induced effects are impacts that occur from the expenditures of household wages.



JBLM TOTAL OUTPUT GREATER THAN RETAIL, CONSTRUCTION, EDUCATION, MANUFACTURING



Sum of Combined for each Industry. Color shows details about Industry. The view is filtered on Industry, which excludes 11 members.

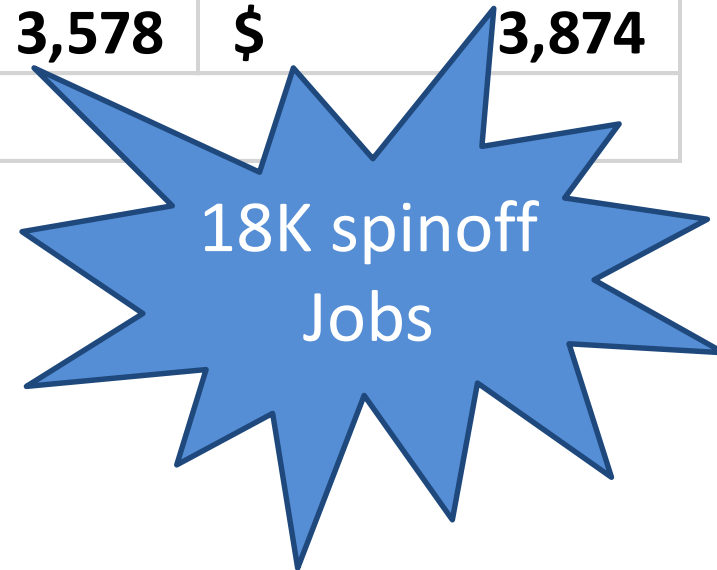
JBLM ECONOMIC IMPACT ON PIERCE COUNTY

Now What?



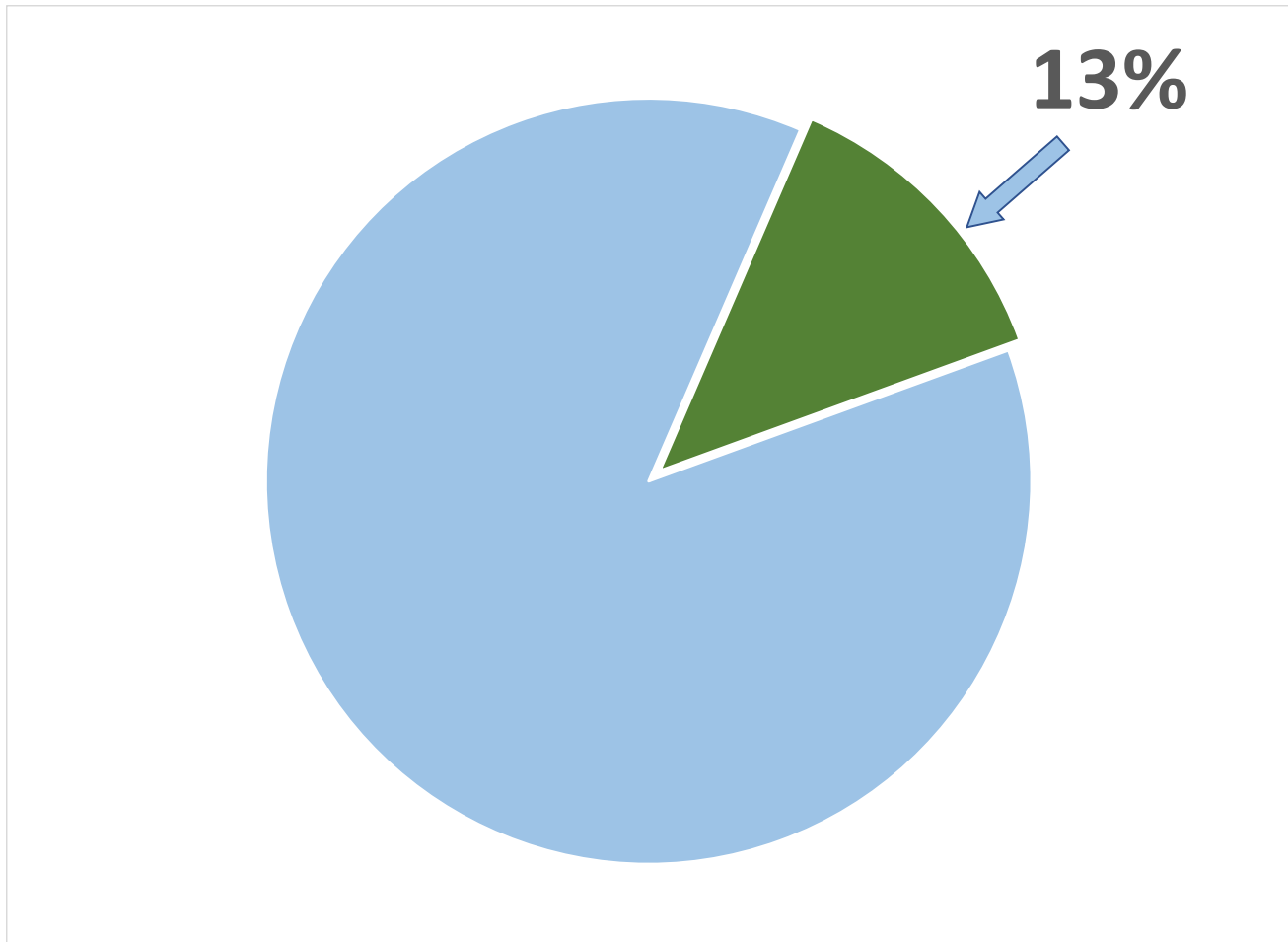
JBLM IS SIGNIFICANT IN PIERCE COUNTY

| Impact | Employment | Labor Income* | Output* |
|-----------------------------|---------------|-----------------|-----------------|
| Direct | 39,222 | \$ 2,425 | \$ 664 |
| Indirect | 588 | \$ 39 | \$ 128 |
| Induced | 17,830 | \$ 1,114 | \$ 3,082 |
| Totals | 57,640 | \$ 3,578 | \$ 3,874 |
| <i>*dollars in millions</i> | | | |



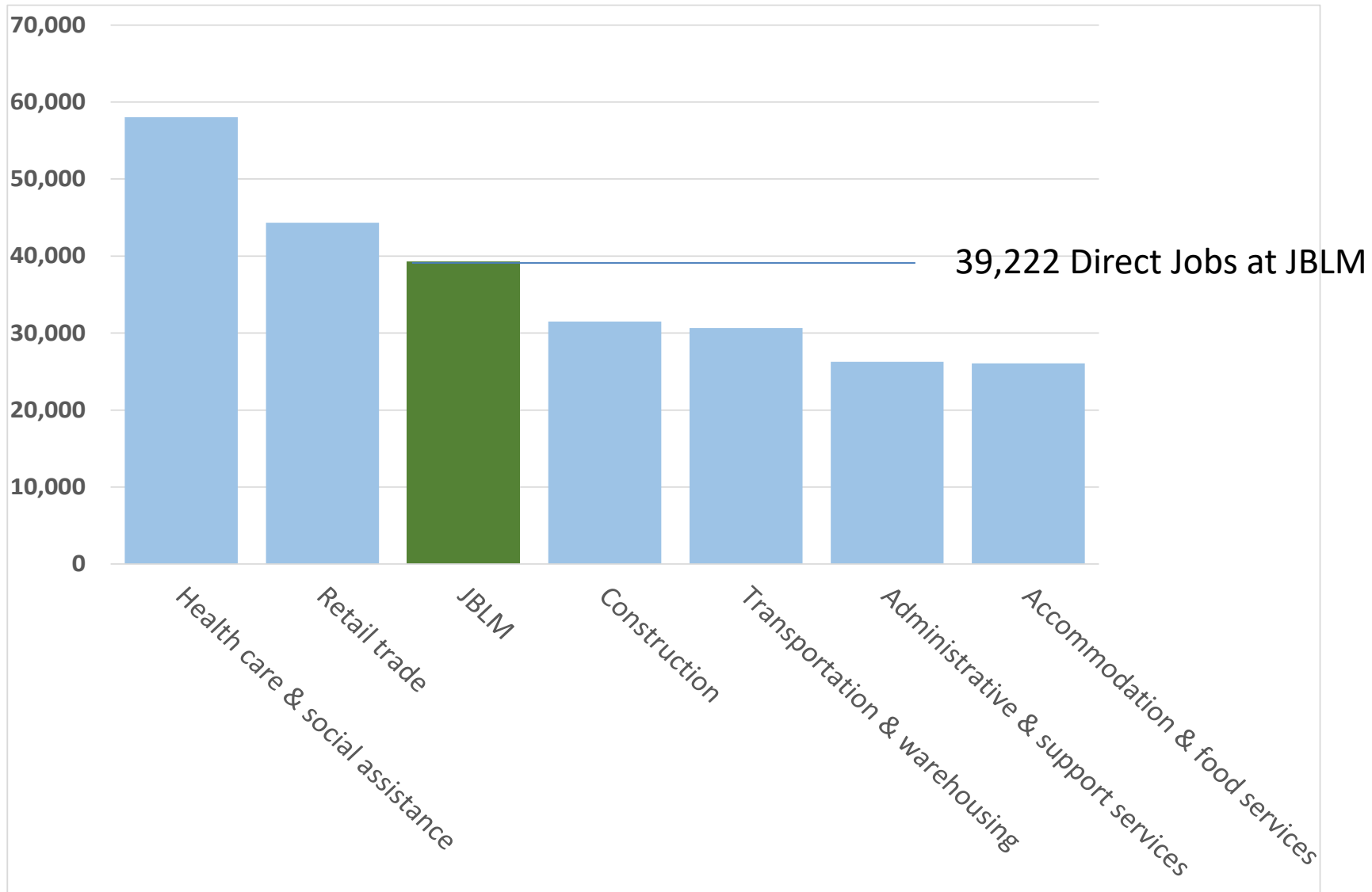
18K spinoff
Jobs

ALMOST 1 IN 7 JOBS IN PIERCE ASSOCIATED WITH JBLM



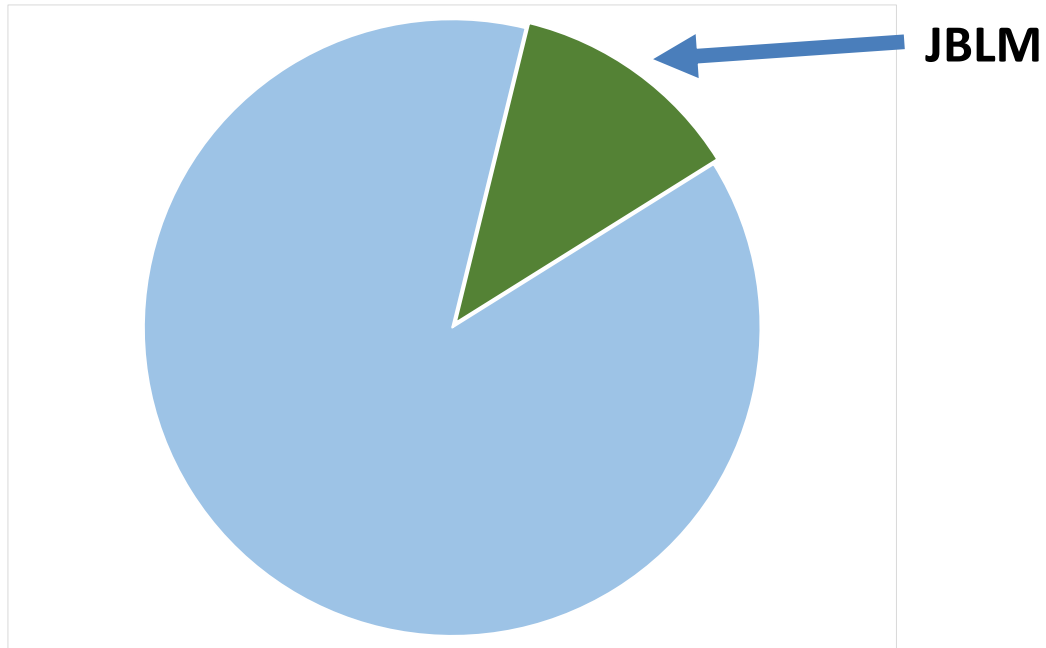
57,640 JBLM direct, indirect, induced employment / 444,860 Pierce Employment = 13%

HOW JBLM COMPARES TO OTHER INDUSTRIES IN PIERCE



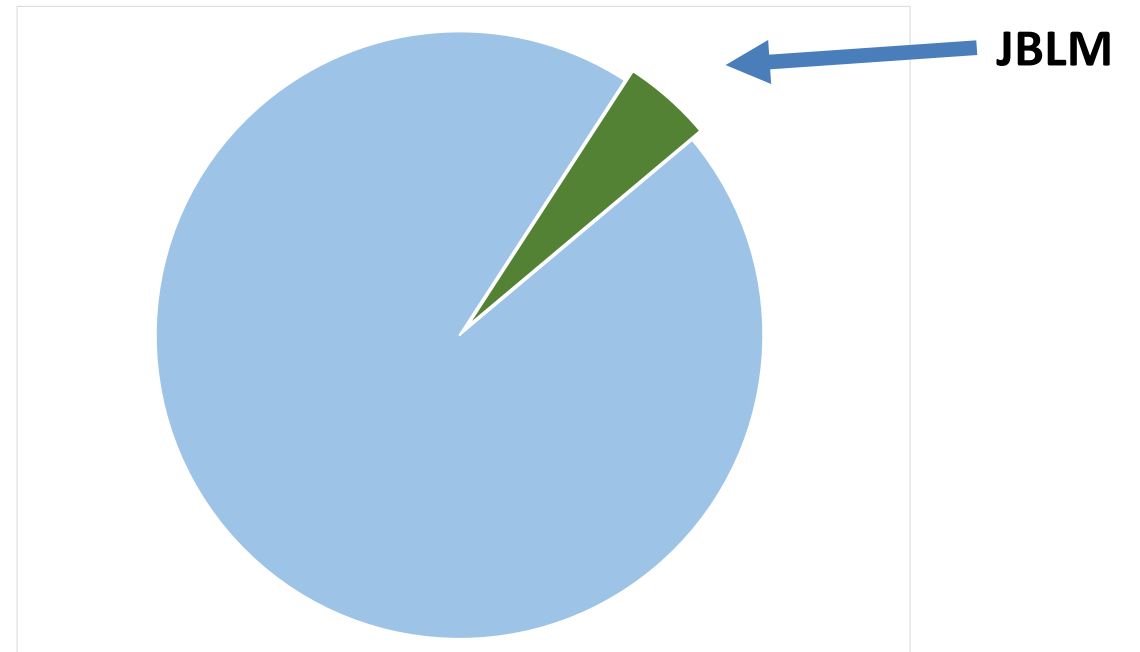
JBLM CONTRIBUTES ABOUT 12% OF PIERCE LABOR INCOME AND 5% OF ECONOMIC OUTPUT

Employee Compensation



$\$3.6\text{B labor income} / \$29,123\text{B employee compensation} = 12.3\%$

Economic Output



$\$3.9\text{B JBLM output} / \$82.0\text{B Pierce output} = 5.0\%$

WHAT DID WE LEARN IN PIERCE COUNTY – PART 1

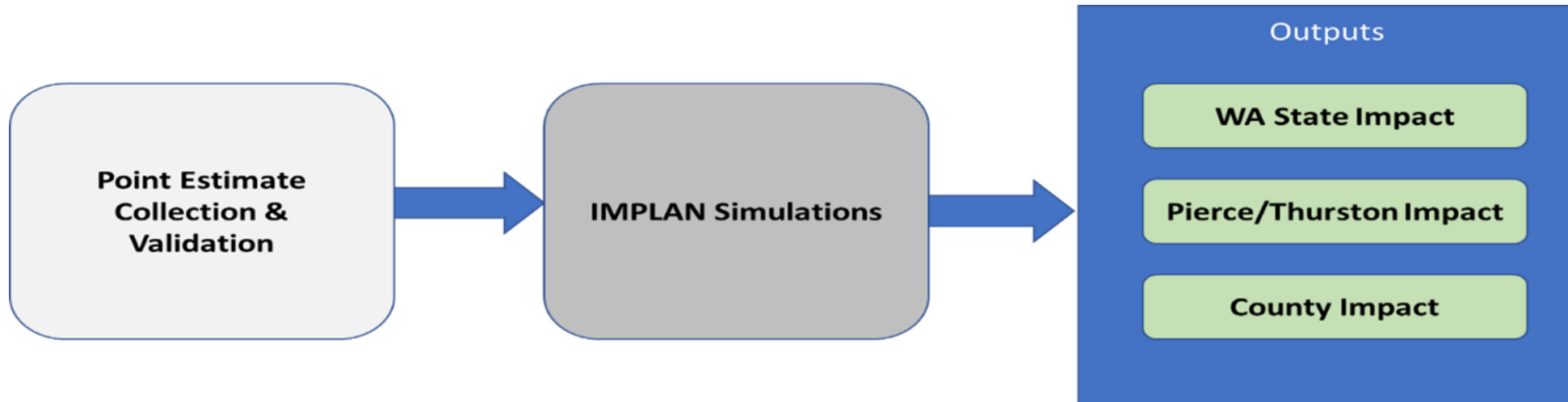
- **The total employment impact attributable to the existence of JBLM is more than 57,640 total jobs in Pierce.**
- **JBLM contributes \$ 3.6 billion in new and sustained labor income and \$3.9 billion in economic output in Pierce.**
- **JBLM accounts for 18,000 spinoff jobs in Pierce**
- **These economic impacts generated \$289 million in state and local taxes in Pierce County alone**

JBLM ECONOMIC IMPACT ON THURSTON COUNTY

Now What?



NOW WHAT?



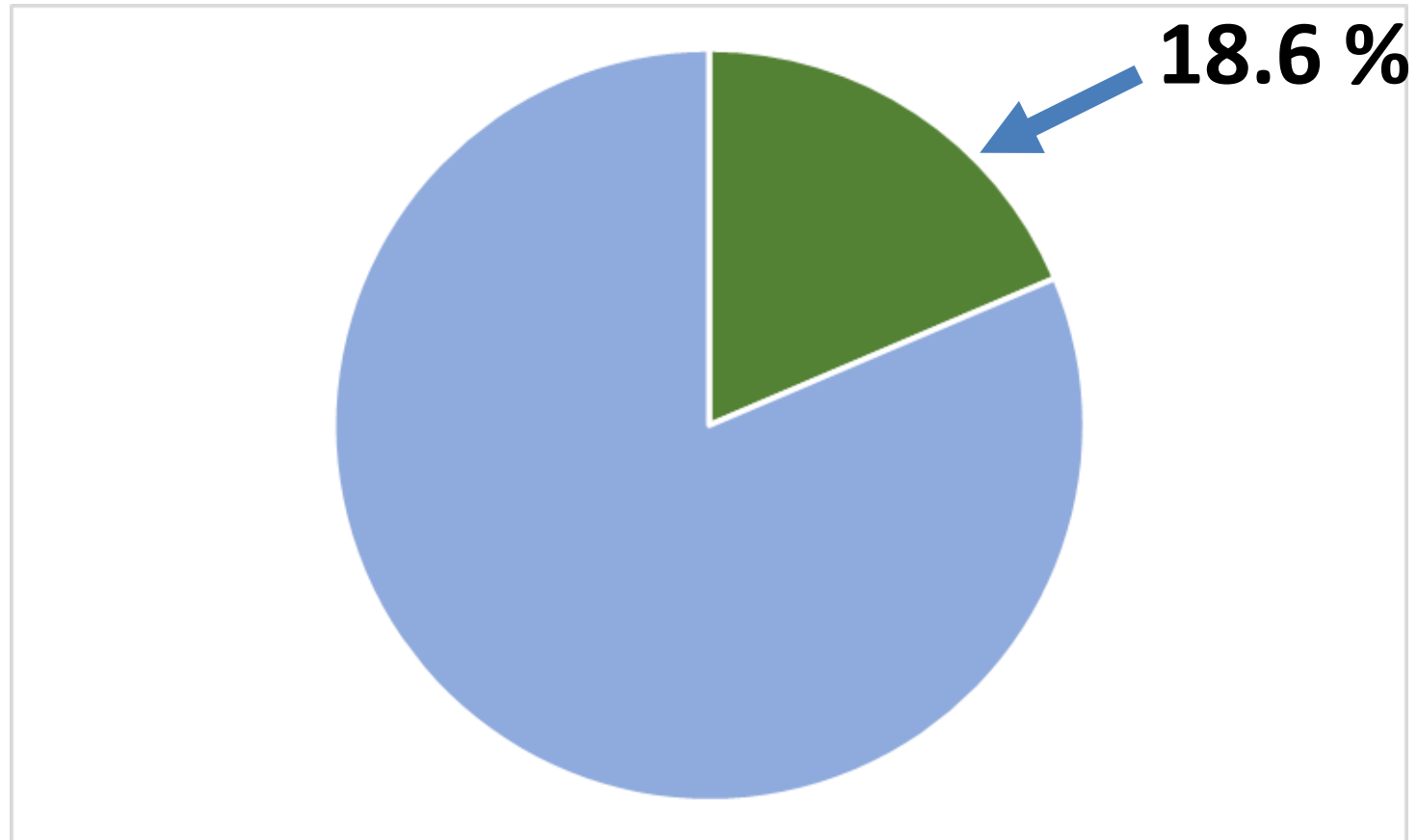
JBLM IS SIGNIFICANT IN THURSTON COUNTY

| | Employment | Labor Income * | | Output * |
|------------------------------|---------------|----------------|--------------|-----------------|
| Direct | 17,655 | \$ | 1,064 | \$ 42 |
| Indirect | 51 | \$ | 3 | \$ 10 |
| Induced | 9,896 | \$ | 599 | \$ 1,703 |
| Totals | 27,602 | \$ | 1,666 | \$ 1,755 |
| <i>* dollars in millions</i> | | | | |



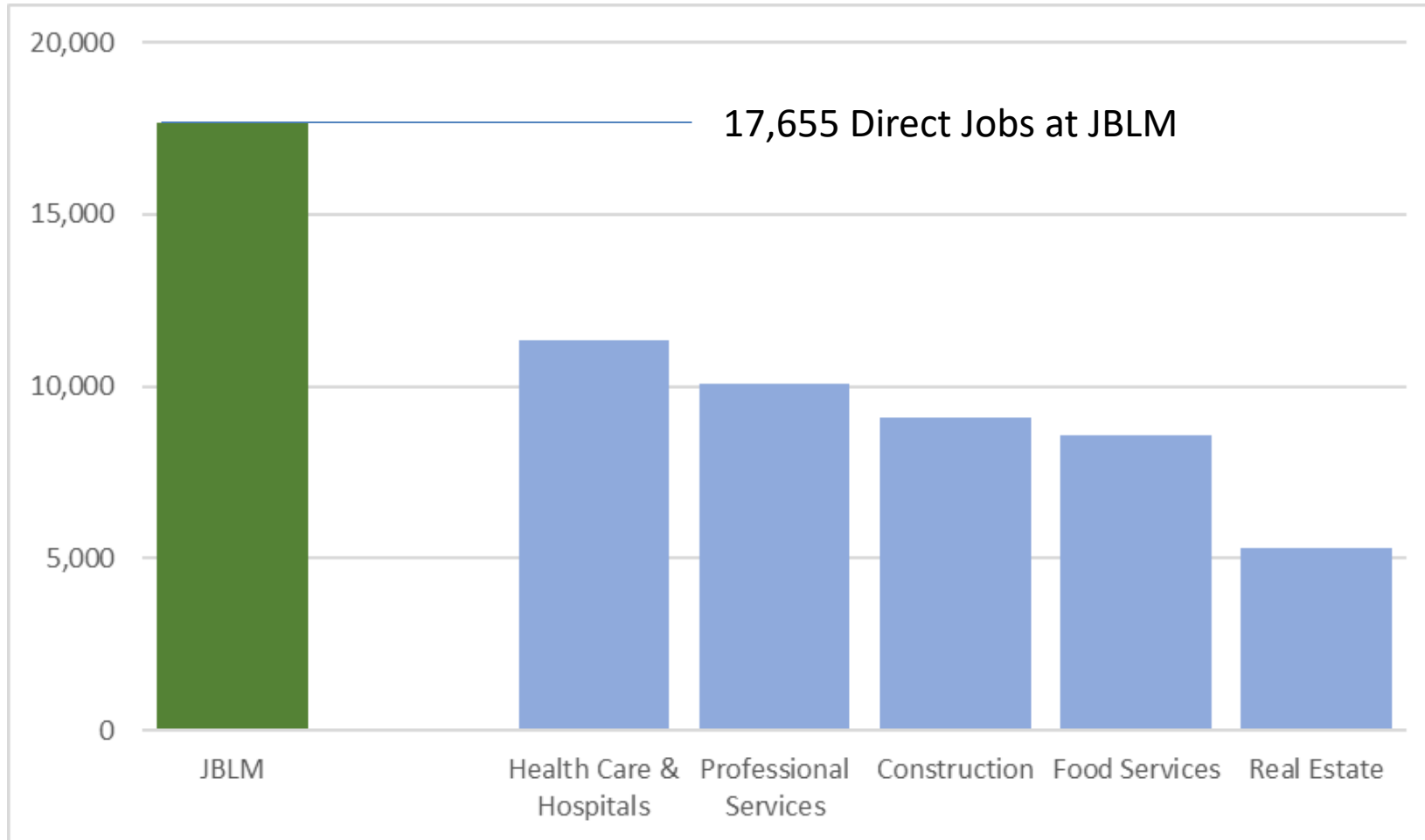
10K spinoff
Jobs

ALMOST 1 IN 5 JOBS IN THURSTON ASSOCIATED WITH JBLM



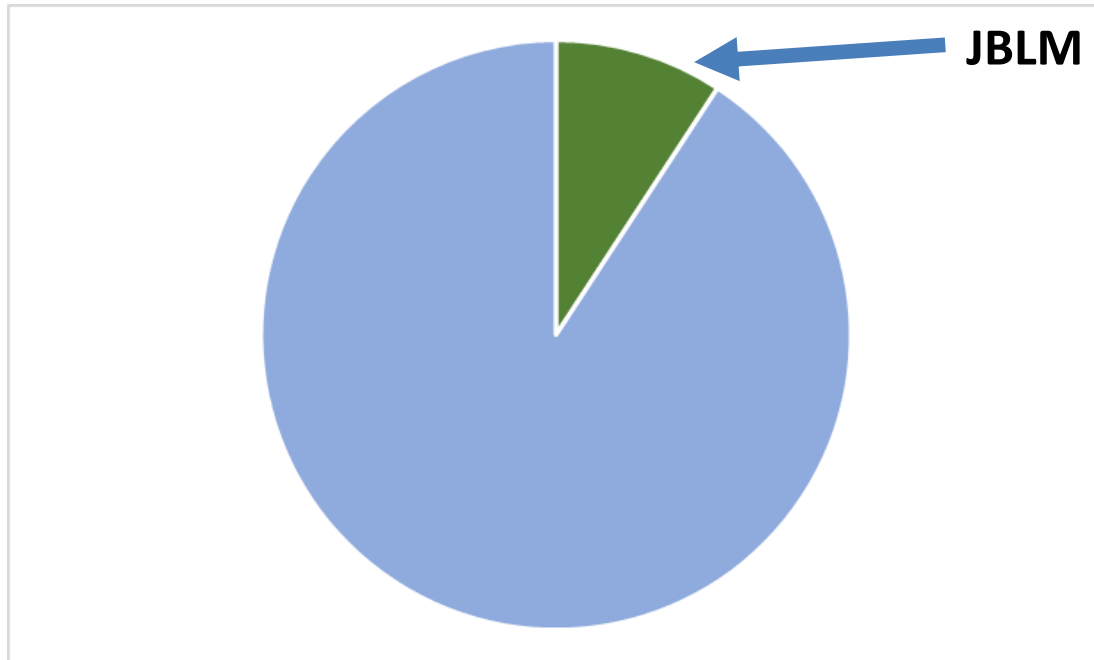
27,771 JBLM direct, indirect, induced employment /149,245 Thurston Employment = 18.6%

MORE THAN 1 IN 10 JOBS FROM THURSTON ARE WITH JBLM



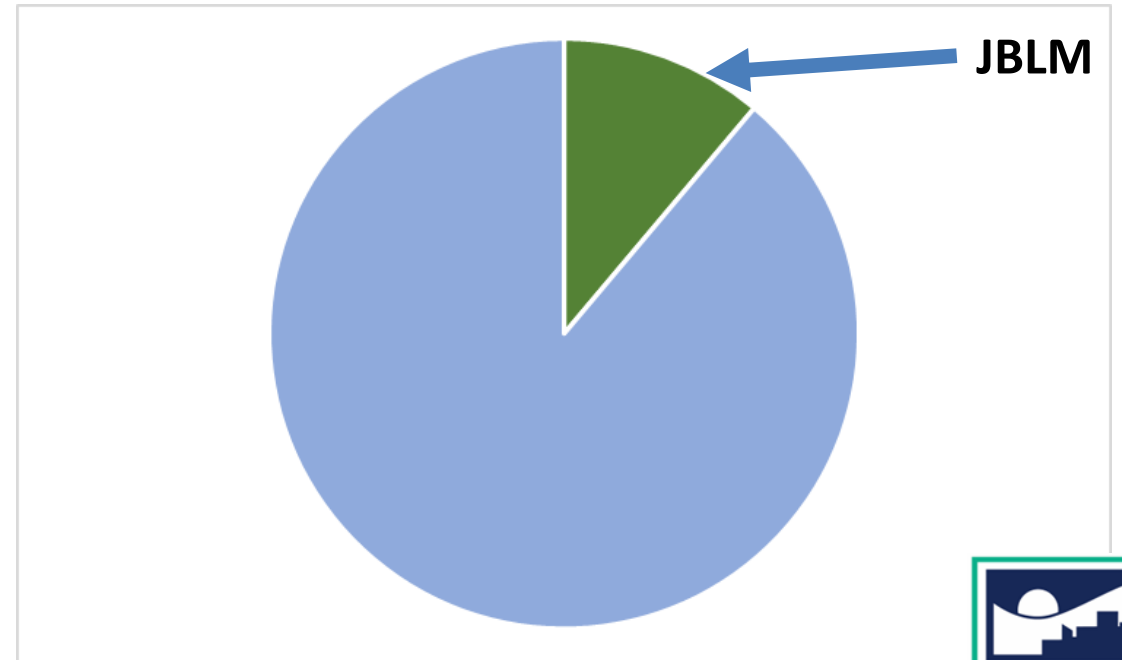
JBLM CONTRIBUTES ABOUT 10% OF THURSTON LABOR INCOME AND ECONOMIC OUTPUT

Labor Income – Thurston County



\$1.6B labor income / \$18.2 Thurston labor income = 9.2%

Economic Output – Thurston County



\$1.9B JBLM output income / \$16.0B Thurston output income = 11.1%

WHAT DID WE LEARN – PART 2 (THURSTON)

- The total economic impact attributable to the existence of JBLM is more than 27,000 total jobs in Thurston.
- JBLM contributes \$ 1.6 billion in new and sustained labor income and \$1.8 billion in economic output in Thurston.
- JBLM accounts for 10,000 spinoff jobs in Thurston

WHAT DID WE LEARN – (REGIONALLY)

- The total economic impact attributable to the existence of JBLM is more than 85,400 total jobs in the South Sound.
- JBLM contributes \$ 5.3 billion in new and sustained labor income and \$5.7 billion in economic output.
- These economic impacts generated \$1.487 million in federal, state and local taxes. (\$487 million locally)

QUESTIONS TO CONSIDER

- **What about JBLM as a “sector” intrigues us?**
- **What economic opportunities do we see in JBLM?**
- **What can we do differently in partnership with JBLM?**

MILITARY/DEFENSE SECTOR STATEWIDE ECONOMIC IMPACT ANALYSIS

- Washington has 5 major military installations:
 - Joint Base Lewis McChord
 - Naval Station Everett
 - Naval Air Station Whidbey Island
 - Naval Base Kitsap
 - Fairchild Air Force Base



WHAT IS A MILITARY/DEFENSE SECTOR STATEWIDE ECONOMIC IMPACT ANALYSIS?

- **The Department of Defense (DoD) contributes billions of dollars each year to state economies through the operation of military installations.**
- **States conduct this type of analysis to better understand the impacts of DoD decisions on their state and local economies**
- **Economic impact studies allow states to better advocate on behalf of their installations and plan for future growth or restructuring.**

NEXT STEPS

- **A statewide military/ defense sector economic impact analysis will quantify the direct, indirect and induced economic effects of the presence of military installations in WA**
- **Defense spending helps sustain local communities by creating employment opportunities across a wide range of sectors, both directly and indirectly**
- **We do not know the extent of this economic impact from all military installations across the state.**
- **We do not know the strengths, weaknesses, challenges and opportunities for this major sector of our state economy.**

STATE-LED, STATEWIDE MILITARY / DEFENSE SECTOR ECONOMIC IMPACT 2023-24

Purpose: Help determine what the STATE'S role could be in growing WA's defense economy

Legislative Committee on
Economic Development
and International Relations
(LCEDIR)



Analysis completed and submitted to the governor and appropriate committees of the legislature by September 1, 2024.

“The impact of Washington’s defense-related economy is considerable.”

- Washington State’s Defense Economy: Measuring and Growing Its Impact, AUG 2010