



# 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



The Steven A. Cohen  
Military Family Clinic  
at Valley Cities



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



SOUTH SOUND MILITARY &  
COMMUNITIES PARTNERSHIP



# STATEWIDE MIL / DEFENSE SECTOR ECONOMIC IMPACT



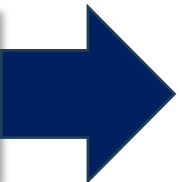
**Legislative Committee on Economic  
Development and International Relations**

**Joint Committee Veterans and Military Affairs**

**Next JCVMA Presentation, OCT**

 **Matrix**

**WHAT'S  
NEXT?**



## 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

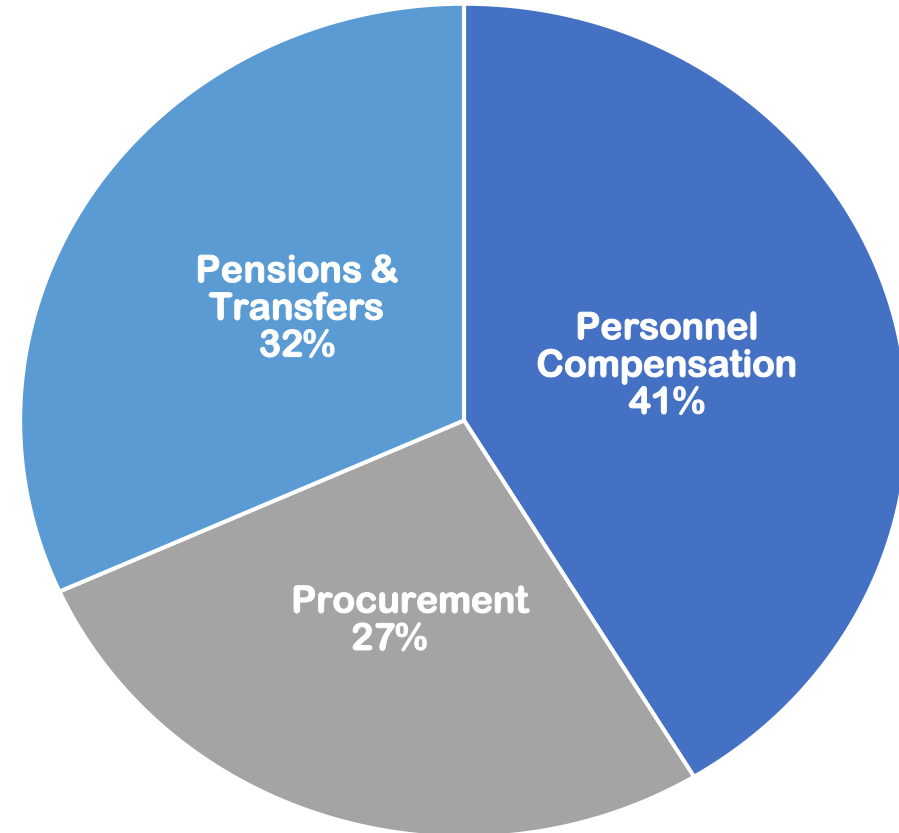
As the home of six military installations, over 100,000 personnel, over 185,000 military family members, over 525,000 veterans and retirees, and numerous private contractors, Washington gains significant tangible and intangible benefits from defense activities.

# DEFENSE-RELATED SPENDING SUMMARY

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

Direct Defense Spending



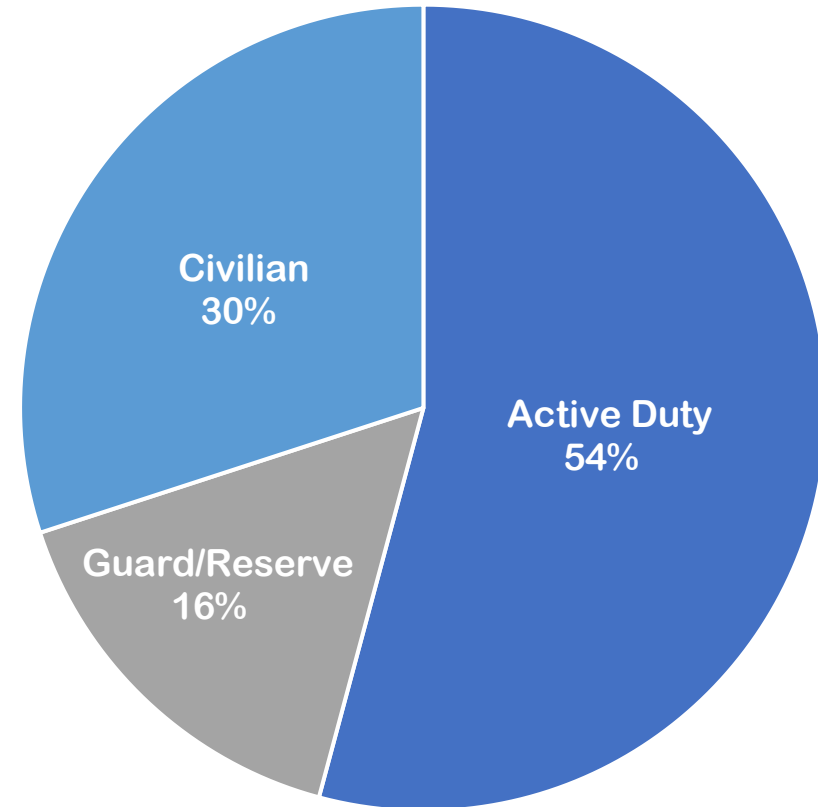
# PERSONNEL BY THE NUMBERS

**#7 in Total Personnel, #11 in Veterans, #7 in Retirees**

Category	Personnel (FY23)
Active Duty	57,838
Reserve	9,172
National Guard	7,716
DoD Civilian	32,040
Veterans	533,346
Retirees	72,916

**713K  
military  
affiliated**

Military Personnel by Component



Sources: Defense Manpower Data Center, National Center for Veterans Analysis and Statistics, DoD Office of the Actuary

## STATEWIDE DEFENSE ECONOMIC IMPACT

Employment Impact	Labor Income Impact	Economic Impact (Value Added to GDP)
254,904 jobs	\$22.3 billion	\$30.9 billion

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

- Defense impacts comprised **4% of gross domestic product (GDP)** and **5% of employment** statewide in FY23
- Washington ranks **#11 in total defense spending** and **#7 in number of personnel** out of all states

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.

# INSTALLATION IMPACTS

Installation/Entity	Personnel	Base Expenditures	Economic Impact	Employment Impact
Fairchild AFB	4,896	\$78 M	\$778 M	7,776 jobs
JBLM	53,270	\$683 M	\$8,952 M	78,890 jobs
NAS Whidbey Island	9,926	\$156 M	\$1,725 M	14,297 jobs
NB Kitsap + NMII	39,314	\$1,146 M	\$6,787 M	61,104 jobs
NS Everett	4,290	\$317 M	\$623 M	6,748 jobs
USCG (Statewide)	1,788	\$119 M	\$385 M	3,358 jobs

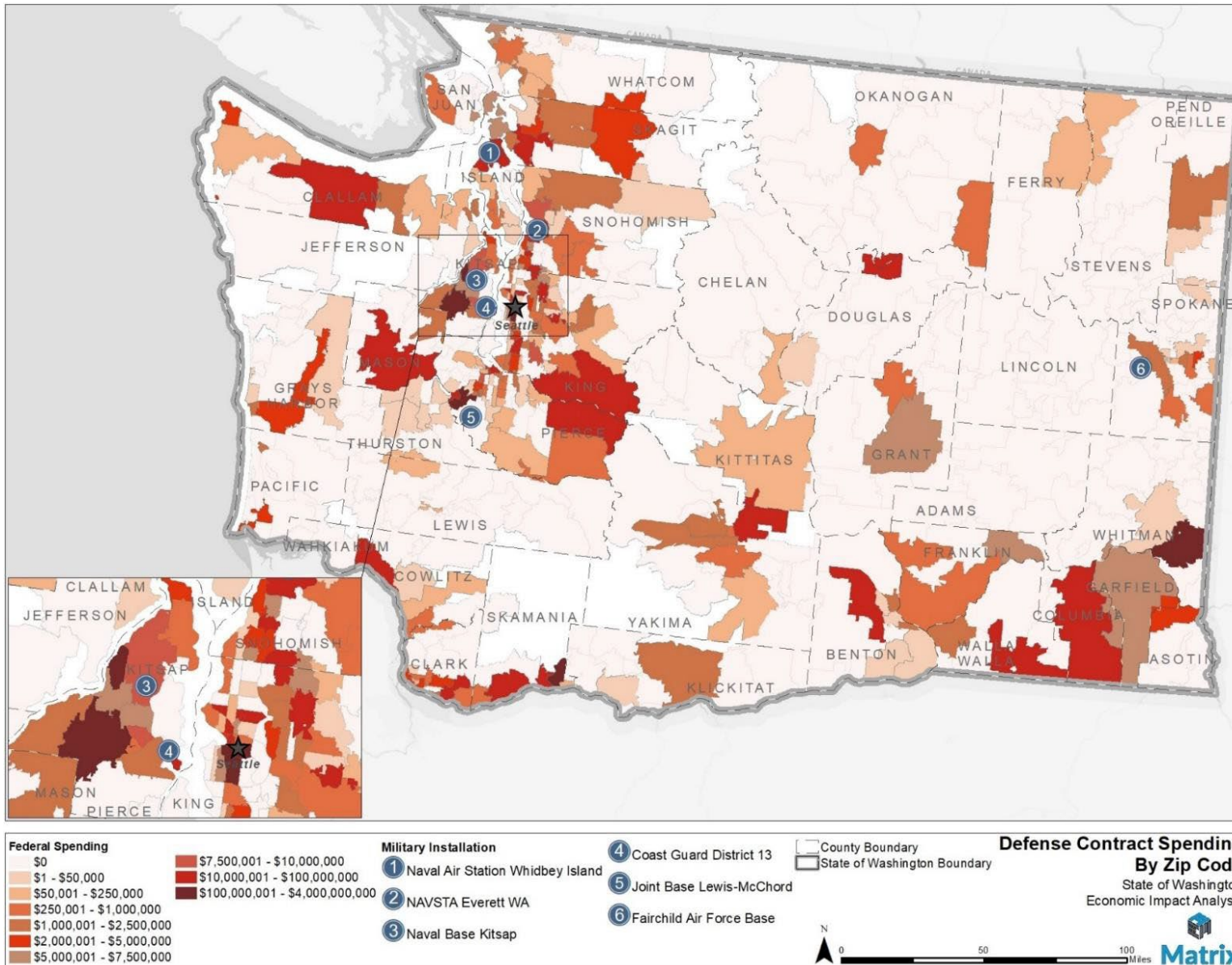
**113.5K**



# DEFENSE CONTRACT SPENDING ACROSS WASHINGTON

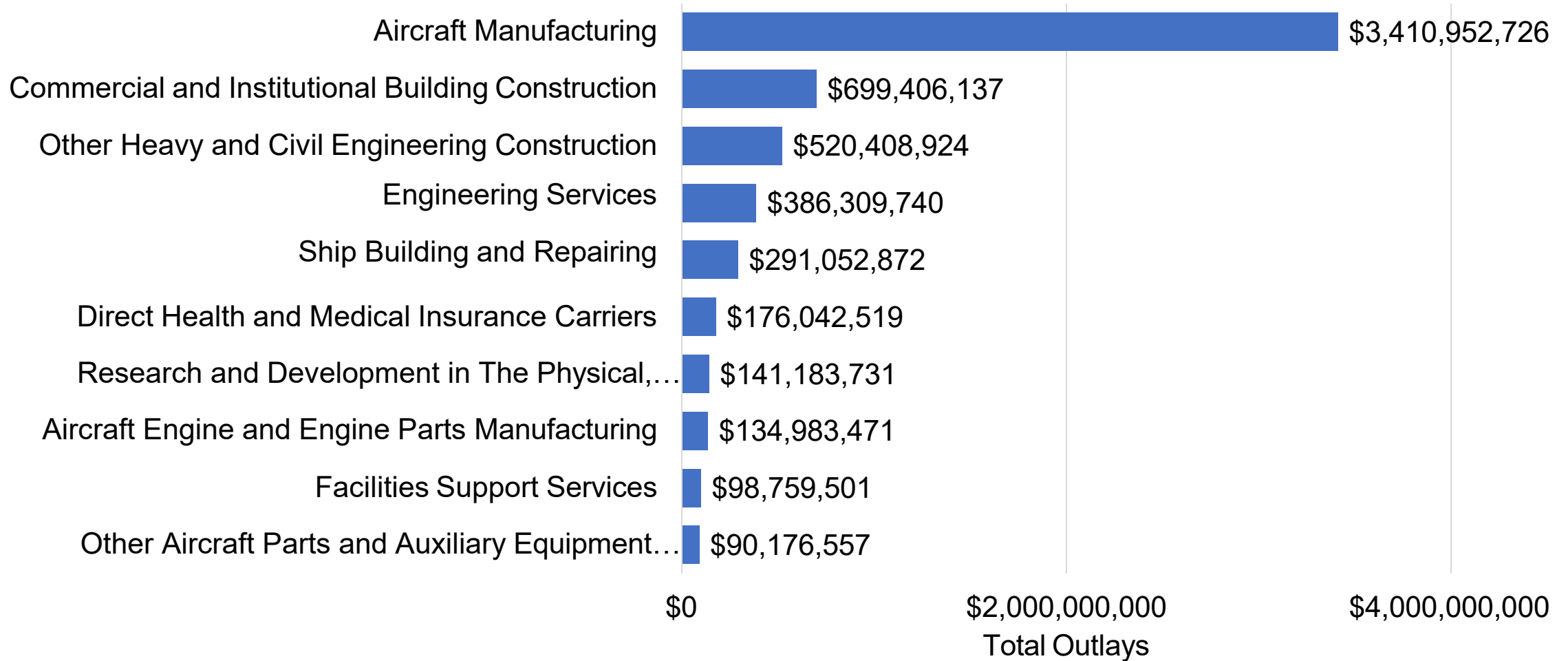
## Top 10 Counties by Procurement Spending:

- Douglas (\$54 M)
- Douglas (\$54 M)
- Island (\$137 M)
- King (\$4.5 B)
- Kitsap (\$1.1 B)
- Klickitat (\$134 M)
- Pierce (\$633 M)
- Skagit (\$55 M)
- Snohomish (\$318 M)
- Spokane (\$75 M)
- Whitman (\$119 M)

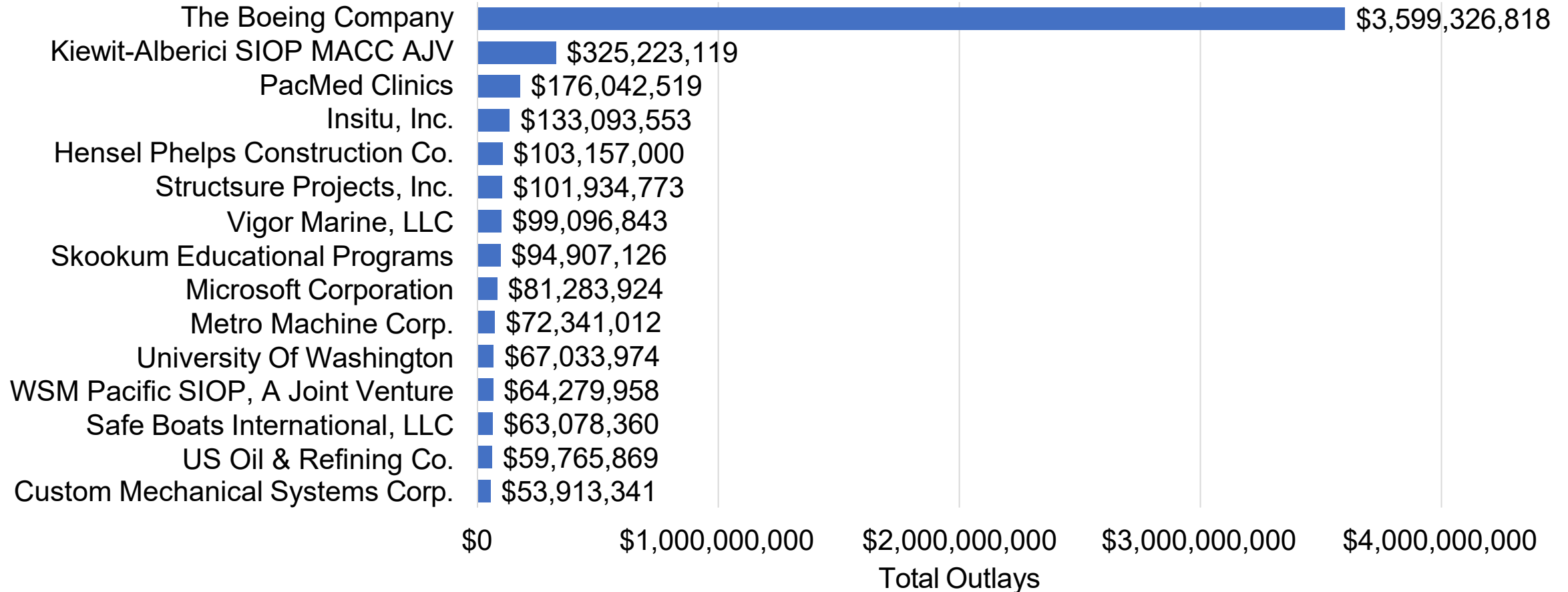




# TOP 10 DEFENSE INDUSTRIES BY TOTAL SPENDING



# TOP 15 DEFENSE CONTRACTORS BY TOTAL SPENDING



# SWOT ENGAGEMENTS

- **Visited all major installations (7 total engagements)**
  - Fairchild AFB
  - JBLM
  - NB Kitsap
  - NAVMAG Indian Island
  - NS Everett
  - NAS Whidbey Island
  - USCG Base Seattle
- **7 overarching recommendations**
- **16 total installation-specific recommendations**

# STUDY OUTCOMES

Key study outcomes highlight the need for improved, consistent statewide and local coordination:

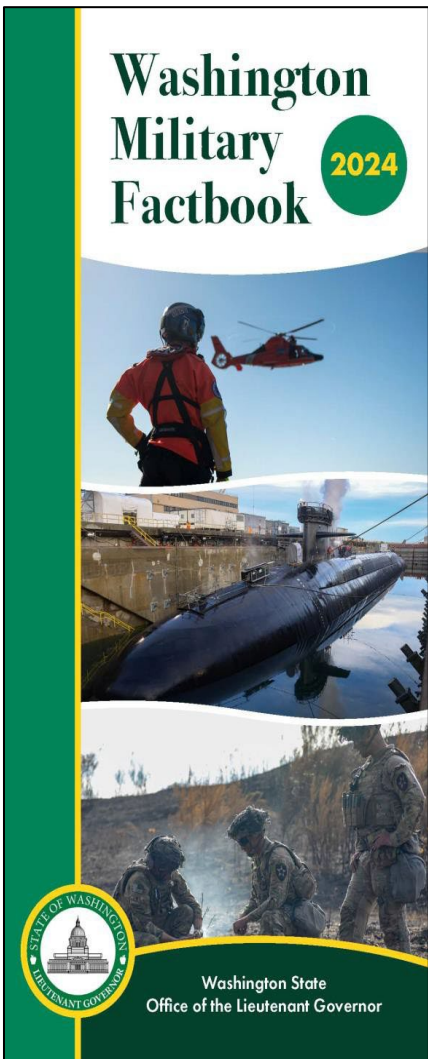
- The Military / Defense sector is an undersubscribed sector which creates massive economic opportunities for the state.
- SWOT analysis of the major installations highlights military quality of life challenges (such as affordable housing, childcare, and military spouse employment barriers).
- The need for an office of defense community coordination to develop strategic plans to ensure Washington takes full advantage of defense related economic opportunities.

## NEXT STEPS/QUESTIONS

- Be on the lookout for the Factbook and report later this year!

### 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



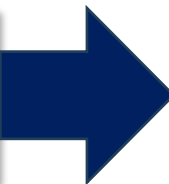
*Draft Factbook cover, pending final production/approval*

## DISCUSSION: *What does SSMCP want out of the study?*

- Raise the sector's **profile**: communicate findings to a broad audience emphasis on the value of these assets and aligning resources—money, time, and political capital—becomes a priority.
- Educate legislators and local officials on individual installation findings
  - ✓ Support advocacy efforts to protect the state's military- and defense-related assets
- Better understand statewide defense sector procurement
- Create an **appropriate staff structure** to support the sector



**WHAT'S  
NEXT?**





## WHAT IS THE GOAL?

- ✓ **Create a state agency with a Director that serves on the Governor's Small Cabinet.**
- ✓ **Establish a statewide organization for coordination of military affairs, separate from state government.**

**Note:**

**Currently a Civilian-Military Land Use Compatibility Program Manager exists within the Local Government Division of Dept of Commerce**

## EXAMPLES OF HOW STATES ADDRESS THE MILITARY / DEFENSE SECTOR

- Washington - Washington Military Alliance
- Texas - Texas Military Preparedness Commission
- California - Governor's Military Council
- Connecticut - Office of Military Affairs
- Florida - Office of Military and Defense

*Importantly, all have offices separate from the Veterans Department, state military department and national guard. All, except Washington, have acknowledged the distinction between Title 10 federal installations and Title 32 state military guard operating under the governor's authority.*

## WASHINGTON MILITARY ALLIANCE (WMA)

- Formed in 2014, the WMA was a coalition of military and defense related stakeholder organizations, serving as an umbrella organization for the three main components of the sector representing industry, community support partnerships, and infrastructure support.
- The governor's office has divorced itself from WMA. Department of Commerce has previously stated it prefers spinning WMA off and creating a standalone entity (503-3C non-profit?).
- IF there is no interest in continuing WMA's relationship with the governor's office and Department of Commerce prefers separating WMA from its advisory role to the Director, what are the prime functions that WMA members and SSMCP want to preserve?

*Serve as a policy advisor to the Governor, other state agencies, the Legislature, and others in support of the military and defense sector in Washington...*

# **PROPOSED OFFICE OF DEFENSE COMMUNITY COORDINATION**

## **Governor's Small Cabinet**

**Goals include streamlining business development, supporting military families, protecting military installations, and to preserve, protect, expand, and attract new military missions, assets, and installations to Washington.**

**The office would:**

- 1. Protect Washington's military installations and operations amid future Department of Defense budget cuts and downsizing**
- 2. Position Washington to maintain and grow military operations in the state**
- 3. Maximizes state input into the federal Base Realignment and Closure or "BRAC" process**
- 4. Coordinate state and local efforts to enhance the quality of life of all branches of military, serve as an advocate for service members and their families to other state agencies**
- 5. Improve partnerships with military installations in their communities and sustain collaborative partnerships with local military commanders**
- 6. Submit a report of activities, findings and recommendations annually to the Governor and the joint standing committees of the General Assembly**