SDMAC was founded in 2004 with the mission to facilitate and advance the partnership between the military, elected officials, civic leaders, and the business community in order to enhance the understanding of the military’s many contributions to the San Diego region. Annual, SDMAC commissions an economic impact study showing the considerable benefits from defense-related spending and presence of the military in San Diego. In 2017, San Diego benefited from more than $25B in direct defense spending which equates to $50B in GDP and was supported by 340,000 jobs within the military sector.

MEMBERSHIP
SDMAC is not just for people in the military and defense industries—anyone who lives or works in San Diego is a stakeholder, and can become a member. Benefits of membership include exclusive networking opportunities and events, as well as staying ahead of the latest military and defense issues impacting our region. Become a member of SDMAC, today: www.sdmac.org.

SDMAC wishes to extend our sincere appreciation to:

LEAD SPONSOR
Bank of America Merrill Lynch
For their generous support in making this study possible.

PRESS CONFERENCE/RECEPTION SPONSOR
Stanley Black & Decker

SUPPORTING SPONSORS

PLATINUM SPONSORS

GOLD SPONSORS

SILVER SPONSORS

THE MILITARY IS AN ESSENTIAL PART OF SAN DIEGO’S ECONOMY & SAN DIEGO IS CRITICAL TO THE COUNTRY’S NATIONAL SECURITY

9TH ANNUAL
SAN DIEGO MILITARY ECONOMIC IMPACT STUDY 2017

LEAD SPONSOR

SDMAC wishes to extend our sincere appreciation to:

Bank of America Merrill Lynch
For their generous support in making this study possible.

PRESS CONFERENCE/RECEPTION SPONSOR
Stanley Black & Decker

SUPPORTING SPONSORS

PLATINUM SPONSORS

GOLD SPONSORS

SILVER SPONSORS

THE MILITARY IS AN ESSENTIAL PART OF SAN DIEGO’S ECONOMY & SAN DIEGO IS CRITICAL TO THE COUNTRY’S NATIONAL SECURITY

9TH ANNUAL
SAN DIEGO MILITARY ECONOMIC IMPACT STUDY 2017
SAN DIEGO IS CRITICAL TO NATIONAL SECURITY

The San Diego Area is critical to the U.S. National Security Strategy with the focus on the Indo-Pacific Region. Infrastructure and training ranges from a $25 billion defense spending base of $66 million contributed about $200 million to San Diego’s GRP. The Veterans Administration in San Diego provides a wide range of services, ranging from health care to education, job training, and loans to the estimated 243,000 Veterans who currently reside throughout the County. In FY 2017 the VA employed more than 7,700 individuals. With total direct spending of $3.4 billion, it provided the region with about $6.4 billion in GRP.

The military provides the private sector with a vital pool of employees with technical and non-technical skills. These employees include experts in cyber security, engineering, biotechnology and other sciences, sheet metal fabrication, welding, and electrical systems.

The surge of innovation emanating from both the government and private entities linked to defense spending has further potential as a major driver of economic development in the San Diego region.

Total spending funded by the DoD, Coast Guard, and VA is expected to approach $2.8 billion in FY 2018, compared with the $3.2 billion in FY 2017. The projected gain for FY 2018 will reflect the increasing focus on the Asia-Pacific region, efforts to provide Navy and Marine personnel with greater support, the ongoing importance of the Coast Guard, and efforts to better respond to Veterans’ growing needs.

Military Super Cluster Drives San Diego’s Economy

Military Super Cluster

**FY 2017 ESTIMATE**

<table>
<thead>
<tr>
<th>DIRECT SPENDING</th>
<th>JOBS</th>
<th>INCOME</th>
<th>GROSS REGIONAL PRODUCT (GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$25.2 Billion</td>
<td>338,000</td>
<td>$2.7 Billion</td>
<td>$50.1 Billion (12% of total GDP)</td>
</tr>
</tbody>
</table>

*Includes all ripple on multiplier effects

**Sources:** FBEI

**Military Funds to San Diego Equal $25.2 Billion**

<table>
<thead>
<tr>
<th>SHARE OF TOTAL</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defense Spending</td>
<td>75%</td>
<td>75%</td>
</tr>
<tr>
<td>Other Spending</td>
<td>25%</td>
<td>25%</td>
</tr>
</tbody>
</table>

**Sources:** FBEI; CNRSW

**Defense Spending:**

- Compensation: 43%
- Personnel and Other Spending: 26%
- Retirement and Benefits: 20%

**Other Spending: 25%**

- Jobs: 6%
- Defense Spending: 25%
- Other: 74%

**59 USN Ships Homeported in San Diego**

**Number of Ships per Class, FY 2017**

- LHA-LHD
- MCM
- DDG
- LCC
- LCS
- LPD
- SSN

**Military Creates 22% of San Diego’s Jobs**

**SHARE OF TOTAL, FY 2017**

- Jobs: 22%
- Defense Spending: 78%

**Significant Challenge**

Affordable housing for military members and their families, in reasonable proximity to the area’s military bases, are among the most significant challenges the military faces.

**The Military is the Largest Economic Cluster in San Diego**

In the San Diego Area, the military was responsible for $25 billion in direct spending, $50 billion in Gross Regional Product (GDP), and 340,000 jobs, or 22% of the region’s GDP and over 22% of the jobs in the region.

**38%**

**22%**

**42%**

**78%**

**Military Super Cluster Drives San Diego’s Economy**

- The military sector has been responsible for nearly $40 billion of the region’s total jobs in 2017 after accounting for all of the ripple effects of defense spending. This represents more than one out of five jobs (22%) existing in the County.
- Approximately 40,000 members of the Navy, Marine Corps, Reserve, Coast Guard, and civilians currently work in San Diego County for the DoD, Department of Homeland Security, or Veterans Administration. One out of every 11 Navy and Coast Guard employees is here and more than one out of every four Marines is stationed in San Diego. The U.S. Marine Corps alone contributes $4.1 billion in payroll dollars to the regional economy.
- The jobs created as a direct and indirect result of defense spending span a wide range, including health care, engineering, transportation, real estate, construction, shipbuilding, education, food services, retailing, and wholesale trade.
- The job market in San Diego is the best in the nation and of great mutual benefit in the San Diego Region and the military is exemplary, The synergy, integration and relationship between the San Diego Area’s military and its civilian community is a key cluster in supporting the military and one-third of the Marine’s Pacific Region. Infrastructure and training ranges from a $25 billion defense spending base of $66 million contributed about $200 million to San Diego’s GRP. The Veterans Administration in San Diego provides a wide range of services, ranging from health care to education, job training, and loans to the estimated 243,000 Veterans who currently reside throughout the County. In FY 2017 the VA employed more than 7,700 individuals. With total direct spending of $3.4 billion, it provided the region with about $6.4 billion in GRP.

**Executive Summary**

San Diego’s military complex represents the region’s most important and largest economic catalyst. For the first time, this year’s report includes not only DoD operations, but also the impact of the Coast Guard and the full scope of the Veterans Administration. More than one-fifth of San Diego County’s economy relies on this key super cluster.

- An estimated total of $25 billion in direct spending related to defense flowed into San Diego County during FY 2017, an amount equal to about $7.8 billion to the County’s economy.
- Defense-related activities and spending generated $50 billion of gross regional product (GDP) for San Diego County in FY 2017. This represented 22% of the region’s total GDP and was larger than the total output of New Haven, Connecticut, Albuquerque, Paleo Mexico, or Akron, Ohio.
- Income generated as a result of all of the direct and multiplier effects of military-linked spending equaled nearly $23 billion in FY 2017. This included wages, salaries, other compensation, and employee benefits, which amounted to roughly $15 billion in total personal income.

**San Diego's Largest Jobs Cluster**

The San Diego Area has the largest concentration of military activities in the world, 140,000 military personnel, with an expected increase of another 15,000 over the next few years.

**Significant Challenge**

Affordable housing for military members and their families, in reasonable proximity to the area’s military bases, are among the most significant challenges the military faces.

**San Diego and the Military**

The San Diego Area has the largest concentration of military activities in the world, 140,000 military personnel, with an expected increase of another 15,000 over the next few years.

**The Benefits of the Military Within San Diego**

The synergy, integration and relationship between the San Diego Region and the military is exemplary, the best in the nation and of great mutual benefit in technology, innovation, community service and the job market.