



SDMAC SPAWAR ECONOMIC IMPACT STUDY

EXECUTIVE SUMMARY

The Navy's Space and Naval Warfare Systems Command (SPAWAR) is one of San Diego County's most important assets. SPAWAR directly employs nearly half of all the cyber security jobs in San Diego and its presence in San Diego is a huge contributing factor for many cyber companies to remain located in San Diego. Its expansive research facilities and cutting edge laboratories located in Point Loma are a unique National asset.

SPAWAR is responsible for the information and communications networks connecting the Navy's sea, land, air, and cyber defenses. Its focus is on innovation, rapid prototyping, and swift deployment of new technologies into the Fleet. The capabilities SPAWAR provides in cyberspace enable the Navy to dominate the information environment in any battlespace. San Diego plays a pivotal role as it is home to SPAWAR's headquarters and principal research and science laboratories. One-half of all SPAWAR's nearly 10,000 employees live in San Diego.

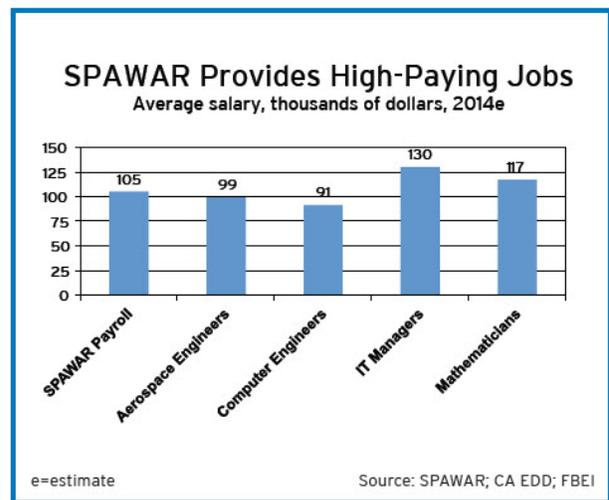
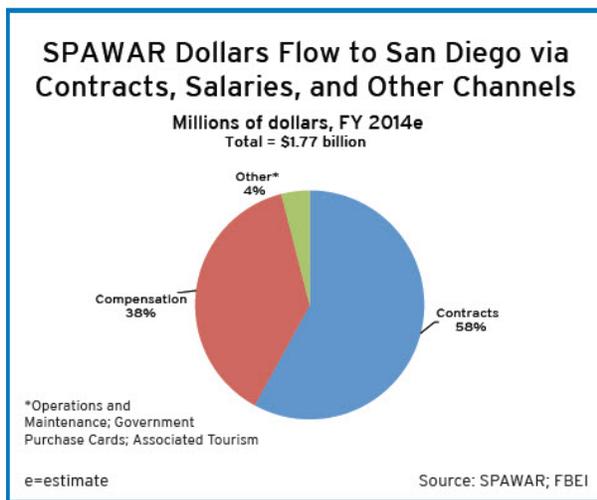
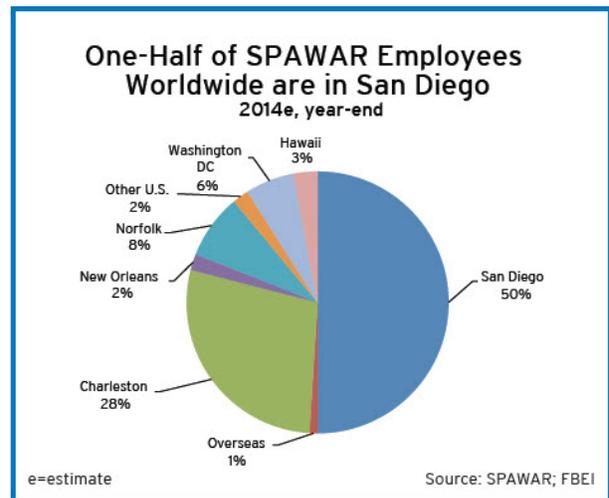
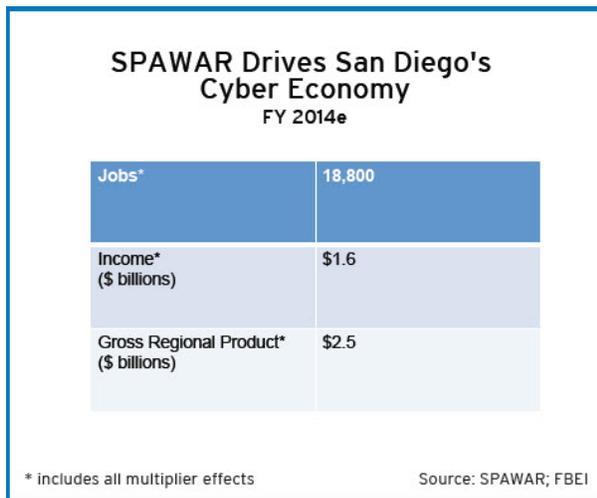
SPAWAR represents a large source of external funds pumped into San Diego County each year. Its impact also extends beyond the more readily measured effects on the economy because of its roles in technology transfer and strengthening San Diego's educational system and workforce.

San Diego and SPAWAR represent unique synergies. While SPAWAR brings major economic, technological, and educational benefits to the region, San Diego provides SPAWAR with a vital network of defense contractors and research firms, proximity to other major Navy installations, and essential test facilities.

Some of the highlights of the following study include:

- SPAWAR will pump over \$1.77 billion into the San Diego economy in Fiscal Year 2014. Funds will flow through five primary channels: SPAWAR employment and compensation, contracts to private firms, spending on operations and maintenance, smaller purchases made through government purchase cards, and associated tourism.
- SPAWAR will be responsible for nearly 19,000 jobs in San Diego County in Fiscal Year 2014 and \$1.6 billion in total personal income (accounting for ripple and multiplier effects).
- SPAWAR will generate a total of \$2.5 billion of output or GRP in Fiscal Year 2014. This amounts to nearly \$800 for each San Diego County resident or approximately \$2,200 for every household.
- SPAWAR directly employs more than 4,900 individuals in San Diego County, which puts it on a scale comparable to the twelve leading private sector employers in the region. SPAWAR employs a highly skilled, experienced, and educated workforce, including over 160 PhDs and 1,200 Masters degrees. With an average civilian salary of \$105,000, SPAWAR employees are compensated on par with their private sector counterparts possessing advanced skill sets.

- Looking ahead to Fiscal Year 2015, the Department of Defense will be at the center of the conflict between national budget pressures and the critical need to upgrade the nation's technology for defense. Even in the face of tremendous budget pressures and sequestration, the FY15 President's Budget listed cyber security as one of the largest growth areas. On balance, dollars flowing into San Diego County linked to SPAWAR are expected to decrease 2.4% to \$1.73 billion.
- SPAWAR/San Diego is now playing a vital role in upgrading the Navy's entire fleet with new communications networks involving major advances in both software and hardware. The SPAWAR/San Diego nexus will be pivotal in supporting some of the Navy's most important initiatives: developing unmanned underseas vehicles, expanding the Navy's use of the electromagnetic spectrum, and continuing to develop the nation's ability to dominate cyberspace.



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