

PETERSON COMPLEX
ECONOMIC IMPACT
ANALYSIS

FY11 (1 OCT 10 - 30 SEP 11)



PREPARED BY FINANCIAL ANALYSIS
21ST SPACE WING
PETERSON AFB CO



DEPARTMENT OF THE AIR FORCE
21ST SPACE WING (AFSPC)

MEMORANDUM FOR DISTRIBUTION

FROM: 21 SW/CC
775 Loring Avenue, Suite 205
Peterson AFB CO 80914-1290

SUBJECT: Economic Impact Analysis

1. The Economic Impact Analysis is our way of keeping the Colorado Springs and El Paso County communities informed of the activities of Peterson Air Force Base and Cheyenne Mountain Air Force Station. It is a summary of key information concerning our mission, resources, personnel, and the overall economic impact on the Colorado Springs community in Fiscal Year 2011.

2. We thank the citizens of El Paso County for their outstanding cooperation and strong support. We look forward to continued cooperation in an effort to make our communities an even better place to work and live!

A handwritten signature in black ink, reading "Chris D. Crawford", is positioned above the printed name and title.

CHRIS D. CRAWFORD
Colonel, USAF
Commander

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STATEMENT OF CLEARANCE

In accordance with AFI 36-2623 and AFI 35-101, the information contained in this impact analysis has been cleared through the Operations Security Office and the Public Affairs Office for public release.

PREFACE

ECONOMIC IMPACT ANALYSIS

The Peterson AFB and Cheyenne Mountain AFS Economic Impact Analysis (EIA) is a useful data resource for Air Force planners and a source of information for community leaders, legislators, and installation visitors. It presents the total economic impact and number of off-base secondary jobs supported by Air Force expenditures in the Economic Impact Region (EIR). The EIR for Peterson AFB and Cheyenne Mountain AFS covers the area within a 50 mile radius, including the city of Colorado Springs.

This EIA reflects information concerning Peterson AFB and Cheyenne Mountain AFS, annotated throughout this publication as "Peterson Complex." Schriever AFB is excluded as part of this EIA, except where noted.

Through close interaction with various agencies throughout the Peterson Complex, the 21st Space Wing Financial Analysis Division (FMA) compiled this FY11 EIA. The fiscal year data contained in the EIA reflects the time period of 1 Oct 10 - 30 Sep 11. We thank those members who helped contribute to this publication. Send suggestions or comments to:

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21 CPTS/FMA

As of: 20 March 2012

TEAM PETERSON

MISSION STATEMENTS

NORAD Mission – The North American Aerospace Defense Command conducts aerospace warning, aerospace control and maritime warning in the defense of North America.

USNORTHCOM Mission - Partners to conduct homeland defense, civil support and security cooperation to defend and secure the United States and its interests.

AFSPC Mission - Provide Resilient and Cost-Effective Space and Cyberspace Capabilities for the Joint Force and the Nation

21st Space Wing Mission – Operate and sustain global missile warning and space control capabilities and installations to dominate the high ground for America and its Allies

302nd Airlift Wing Mission - To train, equip, and employ airlift forces in worldwide support of our nation's vital interests. Their secondary mission is to provide aerial drops in support of local and national firefighting needs using the Modular Airborne Fire Fighting System (MAFFS).

Space and Missile Defense/Army Strategic Command Mission - SMDC/ARSTRAT conducts space and missile defense operations and provides planning, integration, control and coordination of Army forces and capabilities in support of US Strategic Command missions (strategic deterrence, integrated missile defense, space operations, and cyberspace operations); serves as the Army force modernization proponent for space, high altitude, and global missile defense; serves as the Army operational integrator for global missile defense; and conducts mission-related research and development in support of Army Title 10 responsibilities.

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ECONOMIC IMPACT ANALYSIS

Peterson AFB - FY11

(Version 1.4)

TABLE 1
PERSONNEL BY CLASSIFICATION AND HOUSING LOCATION

As of: 30-Sep-11

CLASSIFICATION	LIVING ON BASE	LIVING OFF BASE	TOTAL
1. APPROPRIATED FUND MILITARY			
Active Duty	552	3,133	3,685
Air Force Reserve/Air National Guard	1	1,358	1,359
Army/Navy/Marines/Coast Guard	129	458	587
Canadian Forces	2	140	142

TOTAL:	684	5,089	5,773
2. ACTIVE DUTY MILITARY DEPENDENTS			
	1,618	5,436	7,054
3. APPROPRIATED FUND CIVILIANS			
General Schedule			3,463
Federal Wage Board			363
Other			76

		TOTAL:	3,902
4. NON-APPROPRIATED FUND CONTRACT CIVILIANS AND PRIVATE BUSINESS			
Civilian NAF			339
Civilian BX			156
Contract Civilians (not elsewhere included)			1,461
Private Businesses On Base, By Type:			
Branch Banks/Credit Union			17
Other Civilians (not elsewhere included)			45

		TOTAL:	2,018
	TOTAL PERSONNEL:		18,747

ECONOMIC IMPACT ANALYSIS**Peterson AFB - FY11****TABLE 2
ANNUAL PAYROLL BY CLASSIFICATION AND HOUSING LOCATION**

As of: 30-Sep-11

CLASSIFICATION	LIVING ON BASE (\$)	LIVING OFF BASE (\$)	TOTAL (\$)
1. APPROPRIATED FUND MILITARY			
Active Duty	\$18,399,816	\$239,038,501	\$257,438,317
Air Force Reserve/Air National Guard	\$101,059	\$26,232,661	\$26,333,720
Army/Navy/Marines/Coast Guard	\$4,299,957	\$34,944,026	\$39,243,983
Canadian Forces	\$0	\$8,500,000	\$8,500,000
	-----	-----	-----
TOTAL:	\$22,800,832	\$308,715,188	\$331,516,020
2. APPROPRIATED FUND CIVILIANS			
General Schedule			\$211,270,044
Federal Wage Board			\$13,149,822
Other			\$6,744,723

		TOTAL:	\$231,164,589
3. NON-APPROPRIATED FUND CONTRACT CIVILIANS AND PRIVATE BUSINESS			
Civilian NAF			\$7,576,831
Civilian BX			\$2,095,034
Contract Civilians (see Table 3 Contracts)			\$0
Private Businesses On Base, By Type:			\$637,715
Branch Banks/Credit Union			\$637,715
Other Civilians (McDonald's salary info not provided)			\$0

		TOTAL:	\$10,947,295
		TOTAL ANNUAL PAYROLL:	\$573,627,904

ECONOMIC IMPACT ANALYSIS
Peterson AFB - FY11

TABLE 3
EXPENDITURES FOR CONSTRUCTION, SERVICES, AND PROCUREMENT OF
MATERIALS, EQUIPMENT, AND SUPPLIES

(Not including contracts for services supplied to other Air Force installations)

As of: 30-Sep-11

	ACTUAL ANNUAL EXPENDITURES
1. CONSTRUCTION	
Military Construction Program	\$14,273,025
Non-Appropriated Fund	\$0
Military Family Housing	\$0
O&M	\$47,737,432
Other (AFBA)	\$200,000

TOTAL:	\$62,210,457
2. SERVICES	
Services Contracts *	\$573,880,454
Other Services (not elsewhere included)	\$0

TOTAL:	\$573,880,454
3. MATERIALS, EQUIPMENT, AND SUPPLIES PROCUREMENT	
Commissary	\$10,745,345
Base Exchange (BX)	\$345,382
Health (CHAMPUS, Government cost only)	\$18,372,528
Education (Impact aid and tuition assistance)	\$6,484,597
TDY	\$8,129,252
Other Materials, Equipment & Supplies (not elsewhere included)	\$18,671,920

TOTAL:	\$62,749,024
TOTAL ANNUAL EXPENDITURES:	\$698,839,935

* Includes only contracts in the local economic area or contracts requiring the use of locally supplied goods and services.

**ECONOMIC IMPACT ANALYSIS
Peterson AFB - FY11**

**TABLE 4
ESTIMATE OF NUMBER AND DOLLAR VALUE OF INDIRECT JOBS CREATED**

As of: 30-Sep-11

Type of Personnel	# of Base Jobs	Multiplier	# of Indirect Jobs
ACTIVE DUTY MILITARY	3,685	0.41	1,511
RESERVE/ANG/TRAINEEES	2,088	0.16	334
APF CIVILIANS	3,902	0.55	2,146
OTHER CIVILIANS	2,018	0.55	1,110
	-----		-----
TOTAL:	11,693		5,101

ESTIMATED NUMBER OF INDIRECT JOBS CREATED: 5,101

AVERAGE ANNUAL PAY FOR THE LOCAL COMMUNITY: \$50,409

ESTIMATED ANNUAL DOLLAR VALUE OF JOBS CREATED: \$257,136,309

Data Sources:

Multipliers: LMI Economic Impact Database, Installations and Indirect/Induced Job Multipliers, Feb 95
 Avg Annual Pay: Current tables for Average Annual Pay Levels in Metropolitan Areas and Average Annual Pay by State and Industry are accessible at: <http://stats.bls.gov:80/newsrels.htm#OEUS>

ECONOMIC IMPACT ANALYSIS
Peterson AFB - FY11

TABLE 5
TOTAL ANNUAL ECONOMIC IMPACT ESTIMATE

As of: 30-Sep-11

ANNUAL PAYROLL:		\$573,627,904
	Military	\$331,516,020
	Federal Civilian	\$231,164,589
	Other Civilian	\$10,947,295
ANNUAL EXPENDITURES:		\$698,839,935
ESTIMATED ANNUAL DOLLAR VALUE OF JOBS CREATED:		\$257,136,309
	Estimated Indirect Jobs Created	5,101
	Average Annual Pay	\$50,409
	GRAND TOTAL:	\$1,529,604,148

Variances Between FY10 and FY11 Statistics

Category	Variance (+) (-)	Percentage	FY10	FY11
Personnel				
Appropriated Fund Military	-41	-0.7%	5,814	5,773
Active Duty Military Dependents	-303	-4.1%	7,357	7,054
Appropriated Fund Civilian	1,243	46.7%	2,659	3,902
Non-Appropriated Fund/Contract Civilians and Private Business	-648	-24.3%	2,666	2,018
Total	251	1.4%	18,496	18,747
Annual Payroll				
Appropriated Fund Military	-19,796,382	-5.6%	351,312,402	331,516,020
Appropriated Civilian	29,627,744	14.7%	201,536,845	231,164,589
Non-appropriated Fund Contract Civilians and Private Business	1,255,710	13.0%	9,691,585	10,947,295
Total	11,087,072	2.0%	562,540,832	573,627,904
Expenditures for Construction, Service, and Procurement of Materials, Equipment and Supplies				
Construction	-30,261,774	-68.0%	44,534,799	14,273,025
Services	109,870,457	23.7%	464,009,997	573,880,454
Materials, Equipment and Supplies	-10,576,370	-14.4%	73,325,394	62,749,024
Total	69,032,313	11.9%	581,870,190	650,902,503
Estimated Annual Dollar Value of Jobs Created				
	39,722,158	18.3%	217,414,151	257,136,309
Total	39,722,158	18.3%	217,414,151	257,136,309
Grand Total Economic Impact (FY10 vs. FY11)	<u>167,778,975</u>	<u>12.3%</u>	<u>1,361,825,173</u>	<u>1,529,604,148</u>

Variances of +/- 10% between FY10 & FY11

Table 1

Personnel – The 46.7% increase for appropriated fund civilians came from an influx of personnel assigned to the 21st Space Wing and mission partners as they implemented RMD802 contractor to civilian insourcing. These insourcing actions caused a significant 24.3% decrease in contract civilians. In addition, the mission partner population has grown with the arrival of 4 MRS and 561 NOS.

Table 2

Total Annual Payroll – The 14.7 % increase in appropriated fund civilian annual payroll is attributed to the corresponding increase in civilian personnel on the Peterson AFB complex as a result of RMD802 contractor to civilian insourcing. The 13% increase in non-appropriated/contract civilians and private business payroll is a result of a slight salary increase for NAF civilians and considerable increases for contractors and private businesses.

Table 3

Construction – Military Construction decreased by 68% and is due to completion of major construction projects in FY10. The only MILCON project in FY11 was the RAIDRS Space Control Facility.

Services – Increases in this category were influenced primarily by a 7.5% rise in medical costs. This is consistent with healthcare cost increases that are generally seen in the industry. Tuition assistance enrollments increased by 9% with a corresponding increase in funds provided to local colleges and universities. Service contract values at Electronic Systems Center increased by 9%.

Materials, Equipment, Supplies Procurement – Expenses in this category for the 302nd Airlift Squadron decreased by 16% due to significant one-time requirements in FY10.

Table 4

Estimated Annual Dollar Value of Jobs Created – The 18.3 % increase in the number of indirect jobs created is driven by the substantial increase in civilians assigned to Peterson AFB Complex. Local multipliers were utilized per guidance by the Bureau of Labor Statistics, US Department of Labor.

Table 5

Grand Total Economic Impact – An overall increase of approximately 12.3 % was realized in FY11 as compared to FY10. In summary, the increase is directly attributable to the following factors:

- Increase in overall Peterson Complex civilian personnel assigned and associated salary increases due to RMD802 contract conversions and new mission requirements
- Increase in the number and dollar value of indirect jobs created in the local area.

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