

PETERSON COMPLEX
ECONOMIC IMPACT
ANALYSIS

FY10 (1 OCT 09 - 30 SEP 10)



PREPARED BY FINANCIAL ANALYSIS

21ST SPACE WING

PETERSON AFB CO



DEPARTMENT OF THE AIR FORCE

21ST SPACE WING (AFSPC)

MEMORANDUM FOR SEE DISTRIBUTION

13 Jan 11

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

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, Cheyenne Mountain Air Force Station and the Federal Building. 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 2010.
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 community an even better place to work and live!

A handwritten signature in black ink, appearing to read "Stephen N. Whiting".

STEPHEN N. WHITING
Colonel, USAF
Commander

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, Cheyenne Mountain AFS, and the Federal Building, 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 FY10 EIA. The fiscal year data contained in the EIA reflects the time period of 1 Oct 09 - 30 Sep 10. We thank those members who helped contribute to this publication. Send suggestions or comments to:

Financial Analysis Flight
21st Comptroller Squadron
135 Dover Street, Suite 2009
Peterson AFB CO 80914-1137
Telephone (719) 556-4342
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21 CPTS/FMA
As of: 9 December 2010

TEAM PETERSON MISSION STATEMENTS

NORAD Mission - In close collaboration with homeland defense, security, and law enforcement partners, prevent air attacks against North America, safeguard the sovereign airspaces of the United States and Canada by responding to unknown, unwanted and unauthorized air activity approaching and operating within these airspaces, and provide aerospace and maritime warning for North America.

USNORTHCOM Mission - Conduct operations to anticipate, deter, prevent, and defeat threats and aggression aimed at the United States, its territories, and interests within the assigned area of responsibility; and when directed, provide defense support of civil authorities including consequence management operations.

AFSPC Mission - Provide an integrated constellation of space and cyberspace capabilities at the speed of need.

21st Space Wing Mission – Conduct precise and disciplined missile warning, missile defense and space control operations; professionally operate, support and protect our installations while teaming with mission partners; and develop, deploy and care for our Warrior Airmen who defend America and our Allies.

302nd Airlift Wing Mission - To train, equip, and employ airlift forces in worldwide support of our nation's vital interest. 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 specified proponent for space, high altitude, and ground-based midcourse 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

(Version 1.4)

Peterson AFB - FY10

TABLE 1
PERSONNEL BY CLASSIFICATION AND HOUSING LOCATION

As of: 30-Sep-10

CLASSIFICATION	LIVING ON BASE	LIVING OFF BASE	TOTAL
1. APPROPRIATED FUND MILITARY			
Active Duty	400	3,531	3,931
Air Force Reserve/Air National Guard	4	1,322	1,326
Army/Navy/Marines/Coast Guard	171	240	411
Canadian Forces	2	144	146

TOTAL:	577	5,237	5,814
2. ACTIVE DUTY MILITARY DEPENDENTS	1,460	5,897	7,357
3. APPROPRIATED FUND CIVILIANS			
General Schedule and NSPS			2,445
Federal Wage Board			172
Other			42

		TOTAL:	2,659
4. NON-APPROPRIATED FUND CONTRACT CIVILIANS AND PRIVATE BUSINESS			
Civilian NAF			349
Base Exchange (BX) Civilians			150
Contract Civilians (not elsewhere included)			2,113
Private Businesses On Base, By Type:			54
Branch Banks/Credit Union			12
Other Civilians (not elsewhere included)			42

		TOTAL:	2,666
TOTAL PERSONNEL:			18,496

ECONOMIC IMPACT ANALYSIS

Peterson AFB - FY10

TABLE 2
ANNUAL PAYROLL BY CLASSIFICATION AND HOUSING LOCATION

As of: 30-Sep-10

CLASSIFICATION	LIVING ON BASE (\$)	LIVING OFF BASE (\$)	TOTAL (\$)
1. APPROPRIATED FUND MILITARY			
Active Duty	29,019,200	256,166,988	285,186,188
Air Force Reserve/Air National Guard	149,803	25,567,175	25,716,978
Army/Navy/Marines/Coast Guard	12,405,708	17,411,520	29,817,228
Canadian Forces	145,096	10,446,912	10,592,008

TOTAL:	\$41,719,807	\$309,592,595	\$351,312,402
2. APPROPRIATED FUND CIVILIANS			
General Schedule and NSPS			188,606,675
Federal Wage Board			8,338,442
Other			4,591,728

		TOTAL:	\$201,536,845
3. NON-APPROPRIATED FUND CONTRACT CIVILIANS AND PRIVATE BUSINESS			
Civilian NAF			7,400,000
Base Exchange (BX) Civilians			1,906,809
Contract Civilians (not elsewhere included - see Table 3 Contracts)			0
Private Businesses On Base, By Type:			384,776
Branch Banks/Credit Union			384,776
Other Civilians (not elsewhere included)			0

		TOTAL:	\$9,691,585
		TOTAL ANNUAL PAYROLL:	\$562,540,832

ECONOMIC IMPACT ANALYSIS

Peterson AFB - FY10

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-10

	ACTUAL ANNUAL EXPENDITURES
1. CONSTRUCTION	
Military Construction Program	21,287,070
Non-Appropriated Fund	0
Military Family Housing	0
O & M	23,247,729

TOTAL:	\$44,534,799
2. SERVICES	
Services Contracts *	464,009,997
Other Services (not elsewhere included)	0

TOTAL:	\$464,009,997
3. MATERIALS, EQUIPMENT, AND SUPPLIES PROCUREMENT	
Commissary	10,538,883
Base Exchange (BX)	292,764
Health (CHAMPUS, Government cost only)	13,798,572
Education (Impact aid and tuition assistance)	5,229,668
TDY	9,213,235
Other Materials, Equipment & Supplies (not elsewhere included)	34,252,272

TOTAL:	\$73,325,394
TOTAL ANNUAL EXPENDITURES:	\$581,870,190

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

ECONOMIC IMPACT ANALYSIS
Peterson AFB - FY10

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

As of: 30-Sep-10

Type of Personnel	Number of Base Jobs	Multiplier	Number of Indirect Jobs
ACTIVE DUTY MILITARY	3,931	0.41	1,612
RESERVE/ANG/TRAINEEES	1,883	0.16	301
APF CIVILIANS	2,659	0.55	1,462
OTHER CIVILIANS	2,666	0.55	1,466
	-----		-----
TOTAL:	11,139		4,841

ESTIMATED NUMBER OF INDIRECT JOBS CREATED: 4,841

AVERAGE ANNUAL PAY FOR THE LOCAL COMMUNITY: 44,911

ESTIMATED ANNUAL DOLLAR VALUE OF JOBS CREATED: \$217,414,151

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 - FY10

TABLE 5
TOTAL ANNUAL ECONOMIC IMPACT ESTIMATE

As of: 30-Sep-10

ANNUAL PAYROLL:		\$562,540,832
	Military	\$351,312,402
	Federal Civilian	\$201,536,845
	Other Civilian	\$9,691,585
ANNUAL EXPENDITURES:		\$581,870,190
ESTIMATED ANNUAL DOLLAR VALUE OF JOBS CREATED:		\$217,414,151
	Estimated Indirect Jobs Created	4,841
	Average Annual Pay	\$44,911
	GRAND TOTAL:	\$1,361,825,173

Variances Between FY09 and FY10 Statistics

Category	Variance (+) (-)	Percentage	FY09	FY10
Personnel				
Appropriated Fund Military	330	6.0%	5,484	5,814
Active Duty Military Dependents	566	8.3%	6,791	7,357
Appropriated Fund Civilian	214	8.8%	2,445	2,659
Non-Appropriated Fund Contract Civilians and Private Business	-632	-19.2%	3,298	2,666
Total	478	2.7%	18,018	18,496
Annual Payroll				
Appropriated Fund Military	36,153,203	11.5%	315,159,199	351,312,402
Appropriated Civilian	23,787,313	13.4%	177,749,532	201,536,845
Non-Appropriated Fund Contract Civilians and Private Business	1,694,270	21.2%	7,997,315	9,691,585
Total	61,634,786	12.3%	500,906,046	562,540,832
Expenditures for Construction, Service, and Procurement of Materials, Equipment and Supplies				
Construction	11,678,532	35.5%	32,856,267	44,534,799
Services	33,662,862	7.8%	430,347,135	464,009,997
Materials, Equipment and Supplies	19,963,501	37.4%	53,361,893	73,325,394
Total	65,304,895	12.6%	516,565,295	581,870,190
Estimated Annual Dollar Value of Jobs Created				
	228,153	0.1%	217,185,998	217,414,151
Total	228,153	0.1%	217,185,998	217,414,151
Grand Total Economic Impact <i>(FY09 vs. FY10)</i>	127,167,834	10.3%	1,234,657,339	1,361,825,173

Variations in EIA Numbers between FY09 & FY10

Table 1

Personnel – The 6.0 and 8.8 percent increases for appropriated fund military and civilians came from an increase of personnel assigned to the mission partners as they implemented RMD802, contractor to civilian insourcing, beginning in fiscal year 2010. Furthermore, the 19.2 percent decrease in Non-Appropriated Fund Contract Civilians and Private business category is due to a significant decrease in contractor personnel which is directly caused by RMD802. This significant decrease in one category skews the overall percentage for table 1.

Table 2

Total Annual Payroll – The 12.3 percent increase in overall annual payroll is attributed to a 6.0 percent increase in mission partners' military and civilian personnel on the Peterson AFB complex and a slight increase in overall military and civilian pay. There was also a 21.2 percent increase in annual payroll for non-appropriated funds civilians and private businesses on the Peterson AFB complex. The reason for this significant increase is due to the fact that we have not previously included lodging personnel expenses with other NAF personnel expenses. There are two separate operating statements for lodging personnel and other NAF personnel. FMA recommends establishing FY10 as the new baseline for comparing the annual growth for Civilian NAF expenses.

Table 3

Construction – Military Construction increased by 35.5 percent and is due to several funded projects like the National Security Space Institute building and the C-130 Squadron Operations project. Operations and Maintenance construction projects increased due to end of year energy conservation project funding and storm damage repairs.

Materials, Equipment, Supplies Procurement - Increases in this category were influenced primarily by a 13.0 percent increase in medical costs. This is consistent with healthcare cost increases that are generally seen in this industry. Furthermore, the materials, equipment, and supplies funding for the 302nd Airlift Squadron increased significantly between FY09 and FY10.

Table 4

Estimated Annual Dollar Value of Jobs Created – The 0.1 percent increase in the number of indirect jobs created is driven by the slight increase in military members 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 10.3 percent was realized in FY10 as compared to FY09. In summary, the increase is directly attributable to the following factors:

- Increase in overall mission partner military personnel assigned to PAFB due to mission requirements
- Increase in military construction expenditures due to end of year energy conservation construction projects across the base.
- Increase in the number and dollar value of indirect jobs created in the local area.

DISTRIBUTION

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Chamber of Commerce Military Affairs Council

Colorado State Government Officials