

**PETERSON COMPLEX
ECONOMIC IMPACT
ANALYSIS**

FY12 (1 OCT 11 – 30 SEP 12)



PREPARED BY FINANCIAL ANALYSIS

21st SPACE WING

PETERSON AFB, CO



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

MEMORANDUM FOR SEE 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 2012.
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!


CHRIS D. CRAWFORD
Colonel, USAF
Commander

- 2 Attachments
1. Economic Impact Analysis
 2. FY12 Annual Economic Impact Slides

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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 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 miles 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 FY12 EIA. The fiscal year data contained in the EIA reflects the time period of 1 Oct 11 – 30 Sep 12. We thank those members who helped contribute to this publication. Send suggestions or comments to:

Financial Analysis

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21 CPTS/FMA

As of: 26 April 2013

TEAM PETERSON

HOST AND MAJOR MISSION PARTNERS STATEMENTS

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.

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

USNORTHCOM Mission – USNORTHCOM partners to conducts Homeland Defense, Civil Support operations within the assigned area of responsibility to defend, protect 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.

302d Airlift Wing Mission – “Citizen Airmen providing superior global reach”

Space and Missile Defense/Army Strategic Command Mission - USASMDC/ARSTRAT conducts space and missile defense operations and provides planning, integration, control and coordination of Army forces and capabilities in support of U.S. Strategic Command missions (strategic deterrence, integrated missile defense, and space 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, CO - FY 12**

(Version 1.4)

**TABLE 1
PERSONNEL BY CLASSIFICATION AND HOUSING LOCATION**

As of: 30-Sep-12

CLASSIFICATION	LIVING ON BASE	LIVING OFF BASE	TOTAL
1. APPROPRIATED FUND MILITARY			
Active Duty	827	3,118	3,945
Air Force Reserve/Air National Guard	6	1,390	1,396
Army/Navy/Marines/Coast Guard	163	258	421
Canadian Forces	2	142	144
	-----	-----	-----
TOTAL:	998	4,908	5,906
2. ACTIVE DUTY MILITARY DEPENDENTS			
	1,312	5,561	6,873
3. APPROPRIATED FUND CIVILIANS			
General Schedule			3,645
Federal Wage Board			357
Other (SES/SL/EE/ES/IP)			11
		-----	-----
		TOTAL:	4,013
4. NON-APPROPRIATED FUND CONTRACT CIVILIANS AND PRIVATE BUSINESS			
Civilian NAF			339
Civilian BX			170
Contract Civilians			1,466
Private Businesses On Base, By Type:			
Ent Credit Union			6
5 Star Bank			17
		-----	-----
		TOTAL:	1,998
	TOTAL PERSONNEL:		18,790

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**ECONOMIC IMPACT ANALYSIS
PETERSON AFB, CO - FY 12**

**TABLE 2
ANNUAL PAYROLL BY CLASSIFICATION AND HOUSING LOCATION**

As of: 30-Sep-12

CLASSIFICATION	LIVING ON BASE (\$)	LIVING OFF BASE (\$)	TOTAL (\$)
1. APPROPRIATED FUND MILITARY			
Active Duty	\$59,572,143	\$224,602,106	\$284,174,249
Air Force Reserve/Air National Guard	\$99,719	\$23,101,342	\$23,201,061
Army/Navy/Marines/Coast Guard	\$11,741,547	\$18,584,780	\$30,326,327
Canadian Forces	\$113,889	\$8,086,111	\$8,200,000

TOTAL:	\$71,527,298	\$274,374,339	\$345,901,637
2. APPROPRIATED FUND CIVILIANS			
General Schedule			\$220,331,070
Federal Wage Board			\$14,382,564
Other (SES/SL/EE/ES/IP)			\$1,514,118

		TOTAL:	\$236,227,752
3. NON-APPROPRIATED FUND CONTRACT CIVILIANS AND PRIVATE BUSINESS			
Civilian NAF			\$6,221,101
Civilian BX			\$3,955,968
Private Businesses On Base, By Type:			
Ent Credit Union			\$198,706
5 Star Bank			\$990,979

		TOTAL:	\$11,366,754
		TOTAL ANNUAL PAYROLL:	\$593,496,143

**ECONOMIC IMPACT ANALYSIS
PETERSON AFB, CO - FY 12**

**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-12

	ACTUAL ANNUAL EXPENDITURES
1. CONSTRUCTION	
Military Construction Program	\$6,378,470
Non-Appropriated Fund	\$14,775,392
O&M	\$26,849,400

TOTAL:	\$48,003,262
 2. SERVICES	
Services Contracts *	\$493,214,735
Other Services	\$0

TOTAL:	\$493,214,735
 3. MATERIALS, EQUIPMENT, AND SUPPLIES PROCUREMENT	
Commissary	\$11,050,211
Base Exchange (BX)	\$610,272
Health (TRICARE, 21 MDG)	\$55,855,390
Education (Impact aid and tuition assistance)	\$6,680,803
TDY	\$8,818,452
Other Materials, Equipment & Supplies	\$20,108,646

TOTAL:	\$103,123,774
 TOTAL ANNUAL EXPENDITURES: \$644,341,771	

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

**ECONOMIC IMPACT ANALYSIS
PETERSON AFB, CO - FY 12**

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

As of: 30-Sep-12

Type of Personnel	# of Base Jobs	Multiplier	# of Indirect Jobs
ACTIVE DUTY MILITARY	3,945	0.41	1,617
AFR/ANG/CANADIAN FORCES	1,961	0.16	314
APF CIVILIANS	4,013	0.55	2,207
OTHER CIVILIANS	1,998	0.55	1,099
	-----		-----
TOTAL:	11,917		5,237

ESTIMATED NUMBER OF INDIRECT JOBS CREATED: 5,237

AVERAGE ANNUAL PAY FOR THE LOCAL COMMUNITY: **\$43,628**

ESTIMATED ANNUAL DOLLAR VALUE OF JOBS CREATED: \$228,479,836

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 of the State and Industry are accessible at Colorado Department of Labor: <http://colmigateway.com>

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**ECONOMIC IMPACT ANALYSIS
PETERSON AFB, CO - FY 12**

**TABLE 5
TOTAL ANNUAL ECONOMIC IMPACT ESTIMATE**

As of: 30-Sep-12

ANNUAL PAYROLL:		\$593,496,143
	Military	\$345,901,637
	Federal Civilian	\$236,227,752
	Other Civilian	\$11,366,754
ANNUAL EXPENDITURES:		\$644,341,771
ESTIMATED ANNUAL DOLLAR VALUE OF JOBS CREATED:		\$228,479,836
	Estimated Indirect Jobs Created	5,237
	Average Annual Pay	\$43,628
	GRAND TOTAL:	\$1,466,317,750

Variances Between FY11 and FY12 Statistics

Category	Variance (+) (-)	Percentage	FY11	FY12
Personnel				
Appropriated Fund Military	133	2.3%	5,773	5,906
Active Duty Military Dependents	-181	-2.6%	7,054	6,873
Appropriated Fund Civilian	111	2.8%	3,902	4,013
Non-Appropriated Fund/Contract Civilians and Private Business	-20	-1.0%	2,018	1,998
Total	43	0.2%	18,747	18,790
Annual Payroll				
Appropriated Fund Military	14,385,617	4.3%	331,516,020	345,901,637
Appropriated Civilian	5,063,163	2.2%	231,164,589	236,227,752
Non-appropriated Fund Contract Civilians and Private Business	1,057,174	10.3%	10,309,580	11,366,754
Total	20,505,954	3.6%	572,990,189	593,496,143
Expenditures for Construction, Service, and Procurement of Materials, Equipment and Supplies				
Construction	-14,207,195	-22.8%	62,210,457	48,003,262
Services	-80,665,719	-14.1%	573,880,454	493,214,735
Materials, Equipment and Supplies	40,374,750	64.3%	62,749,024	103,123,774
Total	-54,498,164	-7.8%	698,839,935	644,341,771
Estimated Annual Dollar Value of Jobs Created	-28,656,473	-11.1%	257,136,309	228,479,836
Total	-28,656,473	-11.1%	257,136,309	228,479,836
Grand Total Economic Impact	<u>-62,648,683</u>	<u>-4.1%</u>	<u>1,528,966,433</u>	<u>1,466,317,750</u>
(FY11 vs. FY12)				

Variations of +/- 10% between FY11 & FY12

Table 1

Personnel – An overall increase by 0.2%. Some variances occurred within the section: the joint personnel (Army, Navy and Marines) decreased by 28.3% due to reassignment of personnel, AF active duty increased by 7.1%, appropriated fund civilians increased by 2.8%.

Table 2

Total Annual Payroll – Increase of 2.3% military personnel assigned to PAFB, 1.6% pay raise in 2012 and an increase in civilian GS employees and AAFES personnel are the drivers on the 3.6% annual payroll increase.

Table 3

Construction – Military Construction decreased by 22.8% due to completion of previous FY11 awarded projects and budget reduction. The only MILCON project in FY12 was the East Gate Realignment, Peterson AFB. Non-Appropriated Fund (NAF) awarded projects for FY12: construction of carwash and three hole family golf course and repair of fitness centers.

Services – Services Contract for the Colorado Springs area decreased by 14.1%. Agencies participating in the EIA were impacted by FY12 reduction in budget and spending cuts. Education funds (Impact Aid US EDU) for schools districts in the Colorado Springs area increase by 3%.

Materials, Equipment, Supplies Procurement – Expenditures category increased 64.3% due to various factors. For FY12 - AAFES included all expenditures for their business at PAFB; FY11 provided expenditures only for main store. Commissary increased expenditure by 2.8%, 302nd AW increased by 13.4% and 21 MDG purchases are reported FY12 EIS for the first time.

Table 4

Estimated Annual Dollar Value of Jobs Created – The estimated number of indirect jobs created increased by 2.5%, but average annual pay for El Paso County decreased by 15.5%. Dollar of value of jobs created decreased by 11.3%. Local multipliers were utilized per AF Manual 65-506.

Table 5

Grand Total Economic Impact – Overall, a decrease of approximately 4.2% was realized in FY12 as compared to FY11. The decrease is directly attributable to the following factors:

- Peterson Complex had budget reduction and spending cuts.
- Decrease in the number and dollar value of indirect jobs created in the local area.

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