

**PETERSON COMPLEX
ECONOMIC IMPACT
STATEMENT**

FY08 (1 OCT 07 - 30 SEP 08)



PREPARED BY FINANCIAL ANALYSIS

21ST SPACE WING

PETERSON AFB CO



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

PREFACE

ECONOMIC IMPACT ANALYSIS

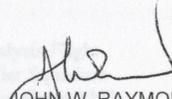
MAR 19 2009

MEMORANDUM FOR SEE DISTRIBUTION

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 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 2008.
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!


JOHN W. RAYMOND
Colonel, USAF
Commander

11 OCT 2008
As of: 28 January 2009

STATEMENT OF CLEARANCE

In accordance with AFI 10-1101, AFI 36-2623, and AFI 35-101, the information contained in this impact statement 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 FY08 EIA. The fiscal year data contained in the EIA reflects the time period of 1 Oct 07 - 30 Sep 08. 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
DSN: 834-4342

21 CPTS/FMA
As of: 28 January 2009

**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 - To deliver trained and ready Airmen with unrivaled Space capabilities to defend America.

21st Space Wing's Mission - Conduct flawless missile warning and space control operations, provide unsurpassed installation support and protection, while developing and deploying warrior Airmen to defend America and our Allies.

302nd Airlift Wing's 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).

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ECONOMIC IMPACT ANALYSIS
Peterson AFB - FY08

(Version 1.4)

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

As of: 30-Sep-08

CLASSIFICATION	LIVING ON BASE	LIVING OFF BASE	TOTAL
1. APPROPRIATED FUND MILITARY			
Active Duty	380	3,050	3,430
Air Force Reserve/Air National Guard	1	1,249	1,250
Army/Navy/Marines/Coast Guard	95	355	450
Canadian Forces	2	134	136
TOTAL:	478	4,788	5,266
2. ACTIVE DUTY MILITARY DEPENDENTS			
	1,118	5,458	6,576
3. APPROPRIATED FUND CIVILIANS			
General Schedule			2,128
Federal Wage Board			177
Other			5
TOTAL:			2,310
4. NON-APPROPRIATED FUND CONTRACT CIVILIANS AND PRIVATE BUSINESS			
Civilian NAF			346
Civilian BX			160
Contract Civilians (not elsewhere included)			2,604
Private Businesses On Base, By Type:			54
Branch Banks/Credit Union			12
Other Civilians (not elsewhere included)			42
TOTAL:			3,164
TOTAL PERSONNEL:			17,316

ECONOMIC IMPACT ANALYSIS
Peterson AFB - FY08

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

As of: 30-Sep-08

CLASSIFICATION	LIVING ON BASE (\$)	LIVING OFF BASE (\$)	TOTAL (\$)
1. APPROPRIATED FUND MILITARY			
Active Duty	25,899,736	207,879,460	\$233,779,196
ANG/Reserve	13,474	16,822,194	\$16,835,668
Army/Navy/Marines/Coast Guard	6,474,934	24,195,806	\$30,670,740
Canadian Forces	141,765	9,498,235	\$9,640,000
TOTAL:	\$32,529,909	\$258,395,695	\$290,925,604
2. APPROPRIATED FUND CIVILIANS			
General Schedule			150,777,757
Federal Wage Board			8,076,765
Other			763,121
TOTAL:			\$159,617,643
3. NON-APPROPRIATED FUND CONTRACT CIVILIANS AND PRIVATE BUSINESS			
Civilian NAF			4,306,928
Civilian BX			1,800,000
Contract Civilians (not elsewhere included - see table 3 Contracts)			0
Private Businesses On Base, By Type:			\$360,699
Branch Banks/Credit Union			360,699
Other Civilians (not elsewhere included)			0
TOTAL:			\$6,467,627
TOTAL ANNUAL PAYROLL:			\$457,010,874

**ECONOMIC IMPACT ANALYSIS
Peterson AFB - FY08**

**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-08

	ACTUAL ANNUAL EXPENDITURES
1. CONSTRUCTION	
Military Construction Program	6,205,185
Non-Appropriated Fund	118,251
Military Family Housing	0
O&M	19,608,564

TOTAL:	\$25,932,000
2. SERVICES	
Services Contracts *	440,155,965
Other Services (not elsewhere included)	0

TOTAL:	\$440,155,965
3. MATERIALS, EQUIPMENT, AND SUPPLIES PROCUREMENT	
Commissary	11,227,965
Base Exchange (BX)	83,917
Health (CHAMPUS, Government cost only)	9,813,506
Education (Impact aid and tuition assistance)	4,640,895
TDY	7,817,859
Other Materials, Equipment & Supplies (not elsewhere included)	16,070,929

TOTAL:	\$49,655,071
TOTAL ANNUAL EXPENDITURES:	\$515,743,036

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

**ECONOMIC IMPACT ANALYSIS
Peterson AFB - FY08**

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

As of: 30-Sep-08

Type of Personnel	# of Base Jobs	Multiplier	# of Indirect Jobs
ACTIVE DUTY MILITARY	3,430	0.41	1,406
RESERVE/ANG/TRAINEEES	1,836	0.16	294
APF CIVILIANS	2,310	0.55	1,271
OTHER CIVILIANS	3,164	0.55	1,740
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TOTAL:	10,740		4,711
ESTIMATED NUMBER OF INDIRECT JOBS CREATED:			4,711
AVERAGE ANNUAL PAY FOR THE LOCAL COMMUNITY:			42,803
ESTIMATED ANNUAL DOLLAR VALUE OF JOBS CREATED:			\$201,644,933

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 - FY08

TABLE 5
TOTAL ANNUAL ECONOMIC IMPACT ESTIMATE

As of:	30-Sep-08		
ANNUAL PAYROLL:			\$457,010,874
	Military	\$290,925,604	
	Federal Civilian	\$159,617,643	
	Other Civilian	\$6,467,627	
ANNUAL EXPENDITURES:			\$515,743,036
ESTIMATED ANNUAL DOLLAR VALUE OF JOBS CREATED:			\$201,644,933
	Estimated Indirect Jobs Created	4,711	
	Average Annual Pay	\$42,803	
	GRAND TOTAL:		\$1,174,398,843

Variances Between FY07 and FY08 Statistics

Category	Variance (+) (-)	Percentage	FY07	FY08
Personnel				
Appropriated Fund Military	-886	-14.4%	6,152	5,266
Active Duty Military Dependents	415	6.7%	6,161	6,576
Appropriated Fund Civilian	8	0.3%	2,302	2,310
Non-Appropriated Fund Contract Civilians and Private Business	-196	-5.8%	3,360	3,164
Total	-659	-3.7%	17,975	17,316
Annual Payroll				
Appropriated Fund Military	-10,504,796	-3.5%	301,430,400	290,925,604
Appropriated Civilian	7,843,706	5.2%	151,773,937	159,617,643
Non-appropriated Fund Contract Civilians and Private Business	-1,278,161	-16.5%	7,745,788	6,467,627
Total	-3,939,251	-0.9%	460,950,125	457,010,874
Expenditures for Construction, Service, and Procurement of Materials, Equipment and Supplies				
Construction	-36,756,888	-58.6%	62,688,888	25,932,000
Services	2,697,503	0.6%	437,458,462	440,155,965
Materials, Equipment and Supplies	10,341,033	26.3%	39,314,038	49,655,071
Total	-23,718,352	-4.4%	539,461,388	515,743,036
Estimated Annual Dollar Value of Jobs Created				
	-5,635,847	-2.7%	207,280,780	201,644,933
Total	-5,635,847	-2.7%	207,280,780	201,644,933
Grand Total Economic Impact (FY08 vs. FY07)	-33,293,450	-2.8%	1,207,692,293	1,174,398,843

Variances in EIS Numbers between FY07 & FY08

Table 1

Active Duty – The 14.4 percent decrease primarily came from a decrease of Air Force reservist assigned to the 302nd Airlift Wing which is part of the Peterson AFB Complex. According to their report, the number of reservist assigned to the 302nd Airlift Wing decreased by over 700 personnel from FY07 to FY08. Also worth noting is that there was a significant increase in military pay for members living on base due to the housing privatization. Before housing was privatized, those living on base did not receive BAH, however, they now do receive BAH which is then paid as a rent to the property owner.

Table 2

Total Annual Payroll – The 12.8 percent increase in overall annual payroll is primarily attributable to a couple of key factors. First, there was a significant increase in military pay for members living on base due to the housing privatization. Before housing was privatized, those members living on base did not receive Basic Allowance for Housing (BAH) pay. However, they now do receive BAH pay which is then paid as a rent to the property owner. Second, military pay for Canadians in terms of Canadian Dollars (CAD) increased by 3 percent, while decreasing by 23 percent in terms of USD. Over the past year the exchange rate for CAD to USD has increased by 27 percent.

Table 3

Military Construction – Military Construction decreased significantly by 58.6 percent and is due to the fact that there were no new military construction projects started at Peterson AFB during FY08.

Materials, Equipment, Supplies Procurement - Increases in this category were influenced primarily by a 16 percent increase in Medical cost. This is consistent with healthcare cost increases that are generally seen in this industry. The 302nd Airlift Wing also contributed to this increase with a 60 percent increase in spending on materials, equipment, and supplies.

Table 4

Estimated Annual Dollar Value of Jobs Created – The 2.7 percent decrease in the number of indirect jobs created has a direct correlation to the decrease 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 decrease of approximately 2.1 percent was realized in FY08 as compared to FY07. In summary, the decrease is directly attributable to the following factors:

- Decrease in overall Active Duty military at PAFB due to mission requirements
- Decrease in military construction expenditures due to a decrease of military construction projects across the base.
- Decrease in the number and dollar value of indirect jobs created in the local area.

DISTRIBUTION

- 21 CES/CC/CEH
- 21 CONS/CC
- 21 CPTS/FMFP
- 21 MSS/CC/DPF
- 21 SVS/CC
- 21 SW/MO
- 21 SW/PA
- 302 AW/FMA
- AFAA/AAO
- ESC Det 5
- NORAD-USNORTHCOM/CS
- SMC LSS
- 5 STAR BANK
- ARMY AIR FORCE EXCHANGE SERVICE/GM PAFB/USAFA
- COLORADO DEPARTMENT OF EDUCATION
- DEFENSE COMMISSARY AGENCY/MW/PET
- ENT FEDERAL CREDIT UNION
- TRICARE MANAGEMENT ACTIVITY OFFICE
- U.S. ARMY CORP OF ENGINEERS