



Missouri Economic Impact Brief

The Economic Impact of Military Personnel in Missouri

Missouri Military Personnel – FY08

This brief examines the economic impact of active military and federal civilian employment for Missouri. The report finds that the presence of the military in Missouri significantly increased gross state product, employment, and labor income in 2008. Analysis is based on the level of active military and federal civilian employment as reported by the U.S. Department of Defense.

The Military in Missouri

In FY2008 the Department of Defense employed a total of 27,777 civilian and active duty military personnel in Missouri; 18,520 military and 9,257 civilian. The majority of these were located at 10 major stations across the state. The table below shows a listing of the 10 major locations with a break out of active duty military and civilian personnel.

Table 1. Military and Civilian Personnel at Major Missouri Locations, FY08

Major Locations	Total	Active Military	Civilian
Fort Leonard Wood	4,996	1,538	3,458
Whiteman AFB	3,997	3,134	863
St. Louis	1,313	427	886
Kansas City	1,170	162	1,008
Overland	895	0	895
Belton	457	419	38
Jefferson City	412	14	398
Springfield	350	125	225
St. Joseph	249	1	248
St. Ann	218	0	218

*An additional 13,720 military and civilian employees worked at various locations throughout the state.

The Economic Impact of the Military in Missouri

In 2008 the presence of the military in Missouri had a significant impact on the state economy. The presence of active military and civilian employees caused an increase in gross state product of \$3.99 billion and a \$2.2 billion dollar increase in wage and salary income for Missouri.

In addition to the 27,777 active civilian and military jobs provided through direct employment by the Department of Defense, the presence of the military in Missouri also added another 29,883 jobs to the economy. Increased employment was due to spending on inputs needed for military business as well as jobs generated through expenditures of those employed by the Department of Defense. Aside from federal government employment, the industries with the greatest increases in employment were retail trade (5,098) and state and local government (3,243). Major employment increases due to the presence of the military in Missouri are listed below. Industries with an employment increase of less than 100 are not included in this table.

Table 2. Employment Due to the Presence of the Military in Missouri

Industry	Employees	Industry	Employees
State & Local Government	3,243	Real Estate, Rental, & Leasing	1,490
Federal Civilian Government	9,257	Professional & Technical Services	2,477
Federal Military Government	18,520	Management of Companies & Enterprises	143
Construction	3,129	Administrative & Waste Remed Services	2,516
Manufacturing	476	Educational Services	515
Wholesale Trade	481	Health Care & Social Assistance	2,919
Retail Trade	5,098	Arts, Entertainment, & Recreation	636
Transportation & Warehousing	202	Accommodation & Food Services	2,896
Information	383	Other Services	2,173
Finance & Insurance	980		

The Fiscal Impact of the Military in Missouri

The presence of the military in Missouri contributed \$114.4 million to state general revenues. Revenues were primarily driven by increases in individual income tax due to the presence of military related jobs in the state. Other tax revenues which increased were sales and use, and corporate income tax. The presence of the military in Missouri caused more people to migrate to the state, increasing state spending on education, public amenities, and social services by an amount of \$58.6 million. The net result for the Missouri state budget was a positive increase of \$55.8 million.

Methodology

This impact study was conducted using version 9.5 of the Regional Economic Models Incorporated (REMI) economic model. Numbers for active duty military and federal civilian employment were drawn from the Department of Defense. This included employment numbers for all Department of Defense programs. Numbers for the Army Reserve and National Guard were not included in the summary. Including a count of full-time employees of the Army Reserve and National Guard would have increased the impact reported in this study. For this reason, this impact should be considered conservative.



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