



Economic Impact of Southern Arizona Military Operations Continues to Expand, Area Leads State in Output

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TUCSON, Ariz. (Nov. 15, 2017) – Southern Arizona’s military installations saw significant growth in economic output and an increasingly significant role in Arizona’s economy, according to a new study released today by Gov. Doug Ducey. The report, “Economic Impact of Arizona’s Principal Military Operations 2017,” found that the US Army’s Fort Huachuca and Davis-Monthan Air Force Base led all others in the state for economic contributions.

With a combined economic output of more than \$7.99 billion, Southern Arizona’s six military operations comprise 70 percent of the statewide total military economic impact of \$11.46 billion. That total makes the military the state’s second-highest economic or performing sector behind distribution and electronic commerce. Arizona’s military installations employ 76,714 people, according to the extensive report, which was prepared using data from fiscal year 2014 by The Maguire Company, a highly respected Phoenix consulting firm.

While those directly employed by the military across Arizona rose slightly at 1 percent from the 2008 Maguire study that used data from fiscal year 2005, total employment in the sector dropped more than 20 percent in the 2017 report. Despite that, statewide economic output showed a significant increase of almost 26 percent between the two reports. Using their direct employment workforces, Fort Huachuca ranked eighth if compared with the state’s largest private employers, and Davis-Monthan came in at ninth.

“These exceptional numbers underscore the vital importance of our military assets to our area’s – and state’s – economy, as well as to our national security,” said Amber Smith, president of the Southern Arizona Defense Alliance (SADA). “We’re proud to see Southern Arizona leading this sector that, even with its total employment down, has a total economic impact that is up considerably since the last study. The private sector investment in Southern Arizona due to our military assets far exceeds expectations.”

Ron Shoopman, retired Air Force Brigadier General, former wing commander of the 162nd Fighter Wing and current CEO of the Southern Arizona Leadership Council, added, “There is no place in the country that can compete with Arizona for military training and readiness,” he explained. “The diversity and breadth of military operations based in Arizona, coupled with the tremendous airspace, ranges, installations, great weather, and exceptional support from our communities, offer the American warfighter the best of all worlds for training.”

Ft. Huachuca led the state with the highest economic output of \$2.86 billion, followed by Davis-Monthan at \$2.6 billion. Glendale’s Luke Air Force Base was third with \$2.4 billion. Other southern Arizona installations’ economic impact and statewide ranking were: Yuma Army Proving Ground \$1.12 billion, ranked fourth; the Marine Corps Air Station in Yuma, \$877.6 million, fifth; the Army National Guard Papago Park Military Reservation, \$ 484.2 million, sixth; the 162nd Air National Guard Fighter Wing, \$383.6 million, seventh; and Western Army National

Guard Aviation Training Site in Marana, \$147.4 million, eighth. Rounding out the list were the 161st Air National Guard Refueling Wing in Phoenix with \$121.9 million, ninth; and US Naval Observatory in Flagstaff, \$8.7 million, tenth.

“This report shows the tremendous impact Reserve and especially National Guard units have on Arizona’s economy. These citizen soldiers and airmen of Arizona are woven into the fabric of our state and we should do all we can to support them,” said Robert Medler, president of the 162nd Air Guardians.

Kevin Peterson, president of the Fort Huachuca 50, commented, “Fort Huachuca continues to be the economic engine for Cochise County with its huge impact on our local and Tucson economies. Statewide these impacts show the strategic importance of the military installations to not only Arizona, but also the nation. Fort Huachuca’s unique missions – intelligence training, communications, Unmanned Aerial System (UAS) training, electronic testing and certification – will continue to be the driving force to Arizona’s economy.”

“In addition to being a vital economic driver for metro Tucson, southern Arizona and the state as a whole, Davis-Monthan is one of the most important Air Combat Command installations in the Air Force,” said Bryan Foulk, president of the DM50. “The Air Force recognizes the strengths of DM naming it the Air Combat Command base of the year in 2012, 15 and 17. Furthermore, DMAFB was named overall base of the year in 2012 and is a finalist again this year. The economic impact only provides a dollar amount to how much the base supports Tucson. What is not referenced are the 68,000 volunteer hours contributed by the Airmen and their families. The level of volunteerism and community partnership between DMAFB and the metro Tucson area is just as profound as its economic impact. DMAFB is truly Tucson's treasure and America's asset.”

Julie Engel, president of the Yuma 50, commented, “Yuma is very fortunate to have two military installations with the Army Proving Ground and Marine Corps Air Station. We’re proud to see them ranking in the top five statewide and as key components of the state’s economy. Across southern Arizona we join together to support all of our exceptional military operations.”

The Maguire study was commissioned by the State of Arizona to update 2002 and 2008 reports and used the IMPLAN Pro economic impact model, to assess activity from direct, indirect (vendors and suppliers) and induced (resulting from spending of wages paid to direct and indirect employees) sources.

Southern Arizona community surveys commissioned by SADA and the DM50 in 2014 and 2016 show overwhelming support for local military installations by more than 90 percent of respondents.

The full economic impact report is available at <http://aemaguire.com/militarystudy/>.

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About Southern Arizona Defense Alliance

SADA is a group of local and regional business and community leaders who help support and preserve our military presence across Southern Arizona, including Davis-Monthan Air Force Base and the 162nd Fighter Wing of the Air National Guard in Tucson, the Army’s Fort Huachuca

in Sierra Vista, Marine Corps Air Station and Army Proving Ground in Yuma, and the Arizona National Guard Silverbell Army Heliport in Marana. For more information visit sazdefense.org.