



FORT DRUM REGIONAL LIAISON ORGANIZATION

200 Washington Street, Suite 406
P. O. Box 775
Watertown, New York 13601
(315) 836-1531 Fax: (315) 836-1532
E-mail: office@fdrlo.org

PRESS RELEASE

Contact:
Brian Ashley, Executive Director FDRLO
315-836-1531
bashley@fdrlo.org

FOR IMMEDIATE RELEASE:

March 8, 2017

FORT DRUM 2016 ECONOMIC IMPACT BOOSTS JOB NUMBERS IN LOCAL REGION

WATERTOWN, NY - Fort Drum recently released its annual economic impact statement which reported that direct spending in the three-county region amounted to \$ 1,185,191,930 - a decrease of 3 % over 2015. " We want to share that the total economic impact of Fort Drum including indirect spending results is a much higher number! "said Brian Ashley, Executive Director of the Fort Drum Regional Liaison Organization.

"Again this year the Jefferson County Planning Department uses a tool to estimate the total regional impact by utilizing a model developed specifically for FDRLO by the Economic Research Group from Boston MA to look at the impact of Fort Drum spending outside the post gate." said Mr. Ashley.

In 2016, Fort Drums spending stimulated \$387 million dollars in additional economic activity, that includes spending by Fort Drums civilian and military personnel, as well as retirees; local business purchases and payroll resulting from Fort Drum related income, and spending by the employees of those local businesses whose jobs exist because of Fort Drum. With this additional activity, Fort Drum's total economic impact is actually \$1,633,400,000.

In fact there are 6,297 North Country residents who don't work on Fort Drum, but whose jobs exist because of Fort Drum. Those 6,297 are associated with \$232 million in total wages. While Fort Drum's direct spending may have decreased, the number of jobs supported by Fort Drum in the broader North Country economy actually increased by 324 over last year!

Mission: To protect and enhance Fort Drum's military value, sustain and leverage its economic and cultural significance to the Fort Drum region and New York State, and foster effective communication between the installation and its civilian neighbors to promote mutual support and understanding.

The attached graphs will also show you Fort Drums cumulative economic impact. We have also shown the distribution of Fort Drum indirect/induced jobs across 17 industry sectors including Health and Social Services, Retail, Accommodation and Food Service, Educational Services, Construction, Wholesale Trade and Real Estate and Rental representing the top 6 categories supported by Fort Drum related activity and spending.

Fort Drum continues to be the significant economic engine driving the North Country economy.

David Zembiec : Deputy CEO – Jefferson County Economic Development 315-782-5865

Andy Nevin : Senior Planner – Jefferson County 315-785-3144

Mission: To protect and enhance Fort Drum's military value, sustain and leverage its economic and cultural significance to the Fort Drum region and New York State, and foster effective communication between the installation and its civilian neighbors to promote mutual support and understanding.

Fort Drum Regional Economic Impact – FFY 2016



Presenting the results of the Fort Drum Regional Economic Impact Model

Summary of Tri-County Region (Jefferson, Lewis, St. Lawrence) Economic Impacts

<u>Impact</u>	<u>Direct</u>	<u>Indirect/Induced</u>	<u>Total Impact</u>
Gross Output (\$ millions)	\$ 1,246.9*	\$ 386.6	\$ 1,633.4
GRP (\$ millions)	\$ 979.6	\$ 365.7	\$ 1,345.3
Labor Earnings (\$ millions)	\$ 979.6	\$ 232.0	\$ 1,211.6
Employment	18,854	6,297	25,151

The impacts are estimated using an IMPLAN input/output modeling tool developed by Economic Development Research Group, Inc. under contract with the Fort Drum Regional Liaison Organization. Multipliers trace the impact of military and civilian payroll, as well as Fort Drum construction and non-construction expenditures through the regional economy.

So what does this mean? **Direct Impacts** are comprised of payroll for military and civilian on-post employees, including contract workers, and non-payroll spending by Fort Drum to vendors providing goods and services to Fort Drum. **Indirect Impacts** are additional, off-base jobs and income supported by Fort Drum's purchasing of services and supplies from businesses located within the region. Lastly, **Induced Impacts** are the re-spending of wages associated with both direct and indirect impacts. As workers re-spend their income on consumer purchases, they generate business sales and employment in other sectors of the economy.

Gross Business Output –

Fort Drum's payroll, construction, and non-construction spending for FFY 2016 totaled \$1,246.9 million*. This included \$203.3 million in goods and services purchased directly from the tri-county region's businesses. The re-circulation of Fort Drum payroll and base spending through the economy created \$386.6 million in additional business sales that can then be added to the installation's \$1,246.9* million in direct spending for the purposes of measuring the total annual economic activity within the region. This yields a total gross business output of \$1,633.4 million (1.63 billion) during FFY 2016.

Gross Regional Product (GRP) –

GRP is a measure of value-added economic activity actually occurring in the region. It is calculated as the value of business output in the region minus the cost of materials and services purchased from other businesses in or outside the region. It thus represents the value of wages plus net business profits. Since Fort Drum does not produce any value-added commodities, its direct value-added activity is therefore limited to the \$979.6 million in wages entering the region's economy. Adding its indirect/induced GRP of \$365.7 million (netted from the indirect Gross Output in the line above) yields a total GRP of \$1,345.3 million (1.3 billion) during FFY 2016.

Impact on Labor Earnings –

Of Fort Drum's indirect and induced effects on GRP (\$365.7 million), \$232.0 million is wage income related to off-post jobs. Adding Fort Drum's \$979.6 billion in direct payroll entering the regional economy yields a total personal income impact of \$1,211.6 million (1.2 billion) during FFY 2016.

Impact on Employment –

The employment created by this additional economic impact includes 6,297 additional tri-county jobs outside of Fort Drum that would not exist otherwise. In other words, these 6,297 jobs are associated with the additional \$232.0 million in wages cited above. Adding Fort Drum's 15,069 military jobs and the 3,785 civilian jobs yields a total employment impact of 25,151 jobs during FFY 2016.

Federal Fiscal Year 2016 was October 1, 2015 to September 30, 2016.

Note that the Gross Output, GRP, and Labor Earning are alternative views of the same economic impacts and cannot be added together.

**Direct total may not match data published by Fort Drum due to tabulation variables.*

Tri-County *Indirect & Induced* Job Impact by Industry Sector in

2016

