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Subject: Military community provides \$19 billion economic impact to South Carolina

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MILITARY BASE TASK FORCE - NEWS RELEASE -

For Immediate Release
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Military community provides \$19 billion economic impact to South Carolina *State's military installations and ancillary activities support nearly 153,000 jobs statewide*

COLUMBIA, S.C. - South Carolina's military footprint accounts for a significant portion of the state's total economic activity - generating an impact of more than \$19 billion annually - according to a study released today.

The report, which was completed by the Moore School of Business at the University of South Carolina, quantifies the annual economic contributions of the state's eight major military installations as well as the broader military community in South Carolina, which includes the Army Reserve, more than 600 defense-contracting firms and nearly 58,000 military retirees residing in the state. The results were shared today during a meeting of the executive committee of the Military Base Task Force, an entity formed to mitigate the local impacts of potential base closures or sequestration activities at the federal level.

The report's key findings reveal that the total annual economic impact of South Carolina's military community exceeds \$19.3 billion. This estimate represents the dollar value of all goods and services produced in the state that can be attributed to the military community.

Military activities support 152,812 jobs, which provide \$8.6 billion in labor income for South Carolinians that would not otherwise exist. More than half of these jobs are in the private sector, with an average annual income of \$56,105. Approximately \$771 million in annual tax revenue for the state is linked to economic activity generated by the state's military community.

"This report reinforces that our overall military footprint - from our active bases to the Reserve to our military retirees - is a vital part of the state's economy," said Bill Bethea, chairman of the Military Base Task Force. "Recognizing this link, our Task Force has worked hard with our elected officials on new legislation to ensure that South Carolina continues to be a military-friendly state, and we're heartened by the progress on these initiatives."

Joint Base Charleston represents the largest contributor to the state's overall economic output, at \$7.4 billion, followed by SPAWAR Systems Center Atlantic at \$3.7 billion, and then Fort Jackson and Shaw Air Force Base, which both contribute an estimated \$2.2 billion in annual economic impact.

In addition, the report analyzed the impact to the Columbia area and to the state as a whole that could result from a potential reduction in personnel at Fort Jackson.

Studying a possible personnel reduction of 3,071 individuals, including both military and civilian personnel, this loss would likely exceed \$952 million in annual economic output. The multiplier effect would translate to losses totaling more than 8,100 jobs and \$421 million in lost labor income. The Columbia Metropolitan Statistical Area (MSA) would realize around 90 percent of this total loss, or a nearly 2 percent loss to GDP in the area, according to the Moore School study.

Furthermore, a reduction in personnel at Fort Jackson, if implemented, would also be likely to reduce the facilities and services the base is able to offer the military veteran population, which could lead to a reduction in the size of the state's overall military population. The study estimates this reduction at more than 1,450 retirees and an additional economic loss to the state of \$28.3 million annually.

An executive summary is available [online](#), with the full report available on February 4 at www.scmilitarybases.com.

Another complementary study underway, but not yet finalized, being conducted by Clemson University and the Santee Lynches Regional Council of Governments, shows the positive economic impacts of the nearly 58,000 retired military men and women residing in SC. This study uses the Regional Economic Model, Inc. (REMI) dynamic model.

The study will show that the average pension income of the military retiree is \$24,842. Total pensions paid by the Department of Defense are \$38.9 million. The study further shows that by exempting military retirees from South Carolina personal income tax it will, over time, cause the net state revenues to increase. This study will be released in February.

For additional information on the Military Base Task Force, visit www.scmilitarybases.com.

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