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Scott AFB is not only one of our nation's most important military facilities, it is the primary economic engine for our region, supporting numerous businesses and tens of thousands of jobs.



US Congressman  
Jerry Costello

# Community Impact Assessment

SCOTT AIR FORCE BASE 2011

The Leadership Council Southwestern Illinois, with support from Civic Progress and the Regional Business Council, recently contracted with an independent research firm to analyze the total economic impact of Scott Air Force Base (AFB) on the surrounding communities and the broader St. Louis Metropolitan area. In the wake of the vast changes in national defense and at Scott AFB over the past decade, this assessment aimed to measure how Scott's impact may have changed since the last study was conducted 10 years ago.

The Community Impact Assessment provides details on how the presence of Scott AFB affects jobs, housing, education, individual communities and a variety of businesses within the greater St. Louis region. The geographic area under study focuses primarily on Missouri and Illinois counties and communities in the Bi-State St. Louis Metropolitan area. This assessment used as baseline the 375th Air Mobility Wing's FY2010 Stakeholder's Report. The direct impact detailed in that report was calculated using a Secretary of the Air Force program, while the indirect job impacts were calculated using Bureau of Labor Statistics (BLS) multipliers for the St. Louis MO-IL Metropolitan Statistical Area (MSA). For this more comprehensive report, the now widely accepted Bureau of Economic Analysis' Regional Input-Output Modeling System was used. Even though this approach uses more conservative multipliers than those used during the 2001 assessment, the resulting numbers still shed renewed light on the value of Scott AFB to the metropolitan area and are cause for celebration.

**As the 2011 Assessment confirms, Scott Air Force Base remains a critical economic driver for the bi-state region, generating more than \$3 billion in annual impact.** That number represents a significant increase over the \$2.1 billion reported in 2001.



## About Scott Air Force Base

Located in St. Clair County (IL), approximately 20 miles east of the City of St. Louis (MO), Scott AFB has experienced a 45 percent growth in economic impact in the past decade. This can be attributed to the command relocations and funding announcements in the wake of the 2005 Base Realignment and Closure (BRAC), as they have added to the base's growing significance in the U.S. military system and helped to solidify its position as a cornerstone of the St. Louis region. Scott AFB not only survived the second BRAC round, but went on to gain new missions, and entered a period of intense construction activity, investing hundreds of millions in new facilities on the base.

Today, Scott AFB remains one of the oldest, continuous service U.S. Air Force installations. Occupying approximately 3,000 acres, Scott AFB is home to the United States Transportation Command (USTRANSCOM), Air Mobility Command (AMC), Military Surface Deployment and Distribution Command (SDDC), Headquarters 18th Air Force, and the Air Force Global Logistics Support Center (AFMC). In addition, Scott is home to the 932nd Airlift Wing of the Air Force Reserve Command and the 126th Air Refueling Wing of the Illinois National Guard. The 375th Air Mobility Wing is the host unit at Scott AFB.

Every United States military transportation operation is controlled and monitored at Scott AFB, from deploying troops and materials for national defense to transporting the President of the United States.

## The People that Make up Scott Air Force Base

The total number of individuals directly economically dependent on Scott AFB is 73,593, an increase of 9.37 percent since 2001. This total includes 5,533 active duty personnel; 2,384 Guard and Reserve members; 5,103 civilian employees; 18,314 retirees; and 42,259 dependents. An additional 25,531 individuals with 37,275 dependents indirectly benefit from Scott's presence in the St. Louis region, as they are employed by businesses that support the employees of the base.

### Military Personnel (Active Duty and Air National Guard & Reserve)

As one would expect, close to 90 percent (19,174) of the military personnel and their dependents reside in the Metro East, with the remaining 2,308 living in Missouri. More than three quarters of all the Scott AFB personnel live in St. Clair County, with the greatest concentration found on base, and in the cities of Belleville and O'Fallon. Madison County has the next highest concentration of military personnel with 1,604 residing there.

### Civilian Personnel

Civilian personnel and their dependents are similarly dispersed, with 11,951 living in Illinois and 603 in Missouri. A significant 74 percent live in St. Clair County, while approximately 11 percent live in Madison County.

### Retirees

The number of retirees now totals 18,314, up from 14,044 in 2001. This represents a 30 percent increase in the number of military retirees residing in the St. Louis metro area. Almost 53 percent of these retirees reside in Missouri, while 47 percent reside in Illinois.

### Dependents

The total number of active duty and guard/reserve dependents has grown to 13,565, a 24 percent increase since 2001, while the number of dependents of civilian employees and retirees remains relatively unchanged.

### Direct Beneficiaries & Dependents

	Active Duty	Civilian	Guard & Reserve	Retirees	Total
<b>Direct</b>	<b>5,533</b>	<b>5,103</b>	<b>2,384</b>	<b>18,314</b>	<b>31,334</b>
<b>Dependents</b>	9,870	7,450	3,695	21,244	42,259
<b>TOTAL</b>	<b>15,403</b>	<b>12,553</b>	<b>6,079</b>	<b>38,553</b>	<b>73,593</b>

## Community Jobs and Payroll

With 31,334 individuals directly dependent on Scott AFB for their jobs or retirement benefits, the base has an annual payroll of almost \$1.3 billion dollars. The 25,531 additional indirect jobs that are attributable to Scott generate an additional \$1.1 billion in payroll. The combined total payroll for the jobs provided or created by Scott is almost \$2.4 billion, representing an increase of more than 20 percent since 2001, when total payroll was just under \$2 billion.

Of the 56,858 individuals receiving payroll/benefits directly or indirectly attributable to Scott AFB, 66 percent are in Illinois and 34 percent are in Missouri. More than 50 percent of all these jobs are in St. Clair County, with the majority of those located on base, and in the cities of Belleville and O'Fallon.

### Payroll by County

Counties	Payroll in \$
<b>St. Clair County, IL</b>	<b>1,444,970,858</b>
<b>Madison County, IL</b>	225,515,451
<b>Clinton County, IL</b>	<b>93,716,959</b>
<b>Monroe County, IL</b>	16,097,144
<b>Randolph County, IL</b>	<b>8,052,487</b>
<b>St. Louis County, MO</b>	200,480,345
<b>St. Louis City, MO</b>	<b>133,297,443</b>
<b>St. Charles County, MO</b>	119,171,710
<b>Jefferson County, MO</b>	<b>79,654,545</b>
<b>Franklin County, MO</b>	21,702,307
<b>All Other Counties</b>	<b>51,791,977</b>
<b>TOTAL PAYROLL</b>	<b>\$2,394,451,226</b>



The total number of individuals directly economically dependent on Scott AFB is 73,593, an increase of 9.37 percent since 2001.

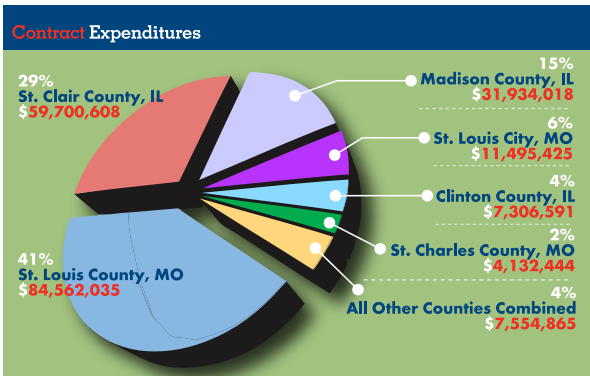


# Expenditures

## Construction, Services and Materials, Equipment and Supplies Contracts

While Scott AFB is a publicly supported institution, the base operates as a typical business in terms of contracting or outsourcing other goods and services not provided through the Department of Defense. Contracts awarded by Scott AFB in 2010 alone included almost \$207 million for construction contracts, outsourced services such as IT, and other materials, equipment and supplies.

As seen during 2001, the distribution of contracts differs from personnel in that they are not as heavily concentrated in St. Clair County, but split between contracts awarded to Illinois and Missouri companies. In fact, the Missouri communities included in this assessment had a little more than 50 percent of the contract dollars, or roughly \$104 million. The highest concentration of contract dollars in FY2010 were in St. Louis County (MO) at \$84.5 million; St. Clair County (IL) at \$59.7 million; and Madison County (IL) with just under \$32 million.



Expenditures at a Glance in \$	
Construction Services & Materials, Equipment and Supplies Contracts	206,685,985
Contract Quarters	6,930,500
Educational Aid Impacts	12,686,601
Basic Housing Allowance	74,189,688
<b>Total Direct Expenditures</b>	<b>300,492,774</b>
Indirect Expenditures*	361,943,548
<b>TOTAL DIRECT &amp; INDIRECT</b>	<b>\$662,436,322</b>

\* Indirect expenditures calculated by applying the approved multiplier

## Contract Quarters

In FY2010, Scott AFB's total impact on hotels and restaurants in the area was \$6,930,500 for 41,750 room-nights; an average of about 160 rooms each weeknight of the year. These Contract Quarters expenditures were proportionally distributed in the local economic area based on the number of military referral hotels within 10 miles of the base. Hotels in O'Fallon received 50 percent of all these expenditures, while Fairview Heights took in 35 percent. The remainder was spent in Belleville (10%) and Mascoutah (5%).

## Educational Aid Impacts

Area school districts that have dependents of active duty military in their schools receive special funding from the Department of Defense and the Department of Education. In 2010, 14 school districts met the minimum requirement of 3 percent of total enrollment, making them eligible for aid totaling \$12,686,601. Mascoutah School District educates all on-base military dependents through the Scott AFB elementary school and thereby received 92 percent of all the aid, which equals nearly \$11,714,121 annually. O'Fallon school district received the next highest amount of aid with approximately \$509,043 annually.

## Housing

Basic Allowance for Housing (BAH) is the amount of monthly supplemental income military households receive to pay for off-base housing. In areas with large numbers of military personnel, this allowance has a significant impact on the local housing market.

In total, BAH for active duty military pumped \$74,189,688 directly into the local housing market in 2010. A majority of this housing allowance, \$60,552,443, is going to households in St. Clair County, as most active duty military personnel live near the base. But the impact goes far beyond the direct BAH dollars. Estimating that the civilian, guard and reserve, and retiree personnel associated with Scott AFB spend 20 percent of their income on local housing, Scott AFB's total contribution to the local housing market actually exceeds \$250 million.

Housing Expenditures in \$	
Basic Housing Allowance for Active Duty	74,189,688
Civilian Housing	77,305,865
Retirees Housing	89,992,836
Guard & Reserve Housing	10,332,686
<b>TOTAL</b>	<b>\$251,821,075</b>



The combined total payroll for the jobs provided or created by Scott is almost \$2.4 billion.



## Direct Impact

From jobs created and payroll generated right here in the local economy, it's clear that Scott AFB directly and positively impacts the lives of tens of thousands of individuals in the greater St. Louis area. When considering the additional ways that Scott's presence and expenditures pump money into the local economy (i.e. commercial/retail sector, housing market, public institutions, service sector), the overall direct economic impact is almost \$1.6 billion dollars. That represents a 45 percent increase from the \$1.1 billion direct impact back in 2001, and underscores the growing significance of Scott AFB for our region.

## Indirect Impact

As impressive as the direct impact is, it's only part of the picture. When factoring in the nearly \$1.5 billion in indirect influence the base has on the local economy, the overall economic impact of the base almost doubles. The entire St. Louis region benefits tremendously from the large and continuous flow of dollars through the economy generated by the purchase of goods and services and the associated employee payroll.

## Total Impact

Taking into consideration all direct and indirect effects, the total economic impact of Scott Air Force Base is over \$3 billion annually, with 136,399 people economically impacted by the base's existence.

Total Impact		
Earnings and Jobs	Payroll	People
<b>Direct Earnings (Military, Civilian &amp; Retirees)</b>	<b>1,290,809,303</b>	<b>31,334</b>
Indirect Earnings	1,103,641,954	25,531
<b>TOTAL</b>	<b>2,394,451,257</b>	<b>56,865</b>
<b>Dependents</b>		
Direct Dependents		42,259
Indirect Dependents		37,275
<b>TOTAL</b>		<b>79,534</b>
<b>Expenditures</b>		
Direct Expenditures	300,492,774	
Indirect Expenditures	361,943,548	
<b>TOTAL</b>	<b>662,436,322</b>	
<b>GRAND TOTAL</b>	<b>\$3,056,887,579</b>	<b>136,399</b>



*It's clear that Scott AFB directly and positively impacts the lives of tens of thousands of individuals in the greater St. Louis area.*



For more information about this Community Impact Assessment, please contact:

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