

INDUSTRY ANALYSIS

MILITARY & DEFENSE

**FLORIDA
CHAMBER**
Foundation



MILITARY & DEFENSE

Did You Know?



The statewide impact of Florida's military economy is more than \$70 billion...close to 10 percent of the state's GDP.



More than 85,000 military and civilian personnel reside in Florida.



Defense-related spending accounts for more than 750,000 jobs in Florida.



More than 1.5 million veterans reside in Florida.

www.FLFoundation.org

LOOKING AHEAD

With nine percent of Florida's economy tied to military and defense, maintaining and expanding this industry is imperative to our state's future prosperity. Current projections for overall economic growth, maintaining the industry's current share would bring the total impact from \$70 billion to more than \$100 billion per year by 2030. However, military drawdown, federal budget cuts, and the changing scope of our armed forces over time pose a potential challenge to Florida's military infrastructure moving forward.

Projections indicate Florida's veteran population will grow to 1.9 million by 2030, up from 1.5 million. Career readiness, health care delivery, training and infrastructure initiatives need to be able to address the unique nature of educating, training, employing and caring for this group of citizens. Our state's ability to rise to the challenge will solidify our position as the most veteran-friendly state in the U.S.

WHAT BENEFITS DOES THE MILITARY AND DEFENSE INDUSTRY BRING TO FLORIDA?

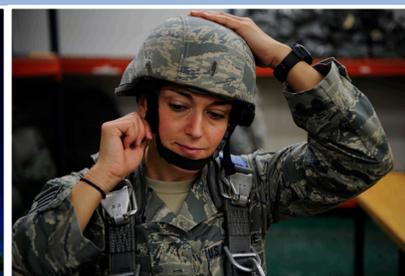
The large military presence in Northeast Florida affords our region a number of strategic benefits. The large economic impact military jobs and families provide sustains many of our other small and large businesses in the region. With our ports, rail, airport, and highway infrastructure, as well as a strong manufacturing base from which to build, Northeast Florida also boasts a regional population of 1.5 million people to draw upon for a high-skilled workforce. Military retirees and spouses make up a significant percentage of this workforce. The combination of our unique assets and this skilled workforce will continue to make Northeast Florida competitive and will help us grow high wage jobs, broaden and diversify our economy, and continue to move our state forward while maintaining a high quality of life.

MIKE BELL, Rayonier

HOW HAS THE MILITARY AND DEFENSE INDUSTRY EVOLVED THROUGHOUT THE PAST 10 YEARS?

Companies like Sikorsky Aircraft are internally funding higher percentages of Research and Development as the U.S. Government and Military agencies defer to industries like ours for technological advances. This allows companies to grow infrastructure to support this need which has been the case for Sikorsky in West Palm Beach Florida.

JOHN FISCHETTI, Sikorsky Aircraft



WHAT ARE THE SHORT-TERM GOALS AND HOW MUST FLORIDA POSITION ITSELF TO CONTINUE ITS SUCCESS?

At least for the foreseeable future, it appears that the defense economy will primarily be focused on costs and how to cut them. We have seen other segments of the economy figure this out in the wake of the Great Recession. Productivity is up at the same time that employment is down in the private sector because companies have figured out how to do more with less – primarily as a result of technological advances. The defense industry is also headed quickly in this direction as budget pressures mount. In the future, Florida will have to compete smarter and harder for the defense dollars that flow.

ROD LEWIS, CareerSource Florida

WHAT ARE SOME OF THE BIGGEST OPPORTUNITIES FACING FLORIDA'S MILITARY AND DEFENSE INDUSTRY THROUGHOUT THE NEXT FIVE TO 10 YEARS?

Unmanned systems present a promising growth opportunity for our state. With Florida's geography, climate and ample test ranges, we are the prime location for the development of this industry. Diversification and Defense businesses need to look at additional revenue if they have a product that can be brought to the commercial market, as many others are already doing. Next generation systems – If Florida can create a climate where defense businesses are more competitive, the state can reap the economic benefits of more work on the next generation of defense systems conducted here.

JOE MARINO, Florida Defense Contractors Association

LOOKING AHEAD, WHAT ARE SOME OF THE MOST VITAL ISSUES FLORIDA WILL HAVE TO ADDRESS TO REMAIN A LEADING STATE IN MILITARY AND DEFENSE?

Aerospace and defense in general are vital to Florida's economic prosperity, not just because of job numbers, but also in terms of quality of work. Engineering, program management, product support, and other careers in both commercial and defense aerospace involve sophisticated skill sets that require a highly educated workforce. Continuing to train the best possible employee base is vital to growth in the industry at large, and at the state level, which means future jobs and economic prosperity for communities of all sizes.

RON POLAND, Boeing



BY THE NUMBERS

MILITARY & DEFENSE

Florida's military industry is robust, formidable, and impactful. Installations from Pensacola to Jacksonville and down to Key West place Florida among the most strategically important states for the U.S. armed forces. In fact, every business in Florida is within 100 miles of a military installation. With billions of dollars in economic activity, hundreds of thousands of jobs and an infrastructure that supports it all, Florida's future is intertwined with its military and defense industry.

FAST FACTS FROM THE FLORIDA SCORECARD

Florida's 20 Major Military Installations Account for

758,000 JOBS



TOP 5



Recipient of Department of Defense contract awards and is #2 among U.S. states for space and defense systems manufacturing.

CENTRAL COMMAND

The Persian Gulf War, the War in Afghanistan and the Iraq War all were directed from U.S. Central Command (CENTCOM) located in Tampa, Florida.

Wages in the military and defense industry pay significantly higher than the statewide average. The average earnings per military job in Florida is more than

\$77,000

making military and defense one of the most high-wage employers in Florida.

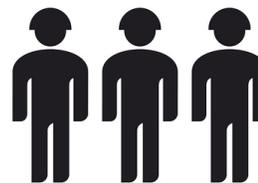


\$31 BILLION

Total Direct Defense Expenditures in the State of Florida.

61,000

Active duty service members and approximately 25,000 civilians serve across Florida's military installations.



The total economic impact of the military and defense industry in the State of Florida is estimated at more than

\$73 BILLION

more than nine percent of the state's economic footprint.



1.5 MILLION

Combat veterans live in Florida.

JOIN OUR EFFORTS AND GET ENGAGED

Contact Tracey Lowe at (850) 521-1226 or TLowe@FLFoundation.org.
To learn more about Scorecard metrics, go to www.TheFloridaScorecard.com.