

MILITARY ECONOMIC IMPACT ANALYSIS FOR EAST TENNESSEE | APRIL 2014



IN COOPERATION WITH



EAST TENNESSEE MILITARY AFFAIRS COUNCIL (ETMAC)

ETMAC is a non-profit organization that was founded in 1990 to recognize, encourage, support and advocate on behalf of military activities in East Tennessee. In cooperation with the Knoxville Chamber, ETMAC:

- Informs community, business, education, and government leaders about East Tennessee military units, their missions, and their contribution to the local economy.
- Serves as a liaison between military units, military-related organizations, and the public.
- Helps the community avoid “loss by default” of military offices, detachments, and installations.
- Helps military people and their families understand that East Tennessee values them as members of the community.
- Promotes and supports military events and functions.
- Supports area military recruiters.
- Promotes the Employer Support of the Guard and Reserve (ESGR) Program.
- Supports charitable, scientific, and educational programs and events.

ETMAC sponsors and supports several military-related activities including:

- Annual Knoxville Veteran’s Day Luncheon
- Colonel Jack K. Westbrook (USAF, Ret.) Army and Air Force ROTC Scholarships, University of Tennessee
- Veteran’s Day Parade
- *HonorAir* Knoxville
- Tennessee Veterans Business Association Vendor Day and Job Fair
- Pearl Harbor Day Remembrance Ceremony
- Mountain Man Memorial March
- 2014 Medal of Honor Society Convention – Knoxville
- Military Units’ Family Days and Special Events

ETMAC membership is open to any individual, business, or organization. Visit the ETMAC website at www.ETMAC.org or contact the Knoxville Chamber at 865-637-4550 and ask for the “ETMAC representative.”

EXECUTIVE SUMMARY

This Military Economic Impact Analysis is an update of the last analysis completed in early 2011. Like the previous three analyses, the purpose is to provide business and civic leaders, and the public at large, a complete picture of the very significant contribution that the military and defense programs make to the economy of East Tennessee.

Methodology: The analysis follows standard Department of Defense methodology for determining the cumulative economic impact within fifty miles of Knoxville. The following factors are included:

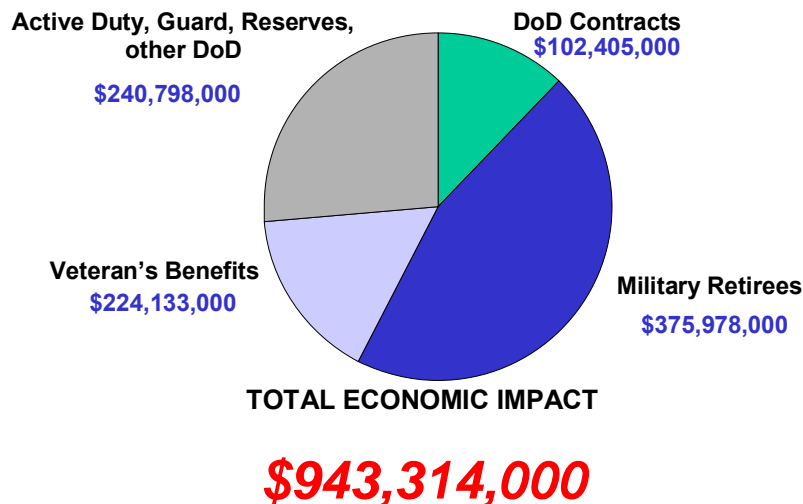
- Annual payroll of Active Duty, Guard and Reserve, and civilian personnel.
- Expenditure for construction, supplies, services, contracts, and materials.
- Indirect jobs resulting from the personnel and their salaries.
- Military contracts to private businesses.
- Other military expenditures, including pay to military retirees, veterans' benefits, etc.

We included Active Duty, National Guard, and Reserve components of the Air Force, Army, Navy, and Marine Corps, and other Department of Defense related expenditures such as retiree benefits, assistance to veterans, and DoD contracts. The Department of Energy activities at Oak Ridge that support the Department of Defense were not included as their impact is well publicized elsewhere.

*The total impact of the military activity in East Tennessee is estimated to be **\$943.3 million** for 2013.*



Economic Impact Analysis Results



Supporting the Military in East Tennessee

The economic impact has increased steadily since we completed the first analysis in 2000. For several reasons, the amount above is more than \$80 million larger than 2011. First, we try to make each analysis more complete and accurate. This year we included activities that were not in previous analyses. In addition to the expenditures for military-related educational benefits at the University of Tennessee, we have added similar expenditures for Pellissippi, Roane, and Walters State Community Colleges, as well as South and Virginia Colleges. Also new to this analysis is DoD-related spending for Army and Air Force Junior ROTC High school programs in our area, plus the Civil Air Patrol. Second, the number of military retirees and their annual pensions continues to grow. Finally, there continues to be a steady increase in military and civilian salaries, as well as an approximate \$5,000 increase in the average salary for the indirect jobs created as compared to 2011.

The military continues to be one of the major drivers of the economic activity in our area. As such, business and civic leaders should consider policies and actions that attract and retain this valuable resource to East Tennessee.

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PURPOSE OF THE ANALYSIS

This Military Economic Impact Analysis is an update of the last ETMAC analysis completed in early 2011. Its purpose is to estimate the economic effect the military bases, installations, and other related military activities have on the local community. It can provide business and civic leaders, and the public at large, a complete picture of the very significant contribution that the military and defense programs make to the economy of East Tennessee.

Unlike some areas that have a very large Active Duty military installation, the military presence in East Tennessee is characterized by a number of small- to medium-sized military units. The largest units are part of the Guard or Reserve components of their respective services. As such, the scope of their activities and number of personnel assigned may not be apparent on a daily basis since many of the personnel serve “part time.” There are relatively few Active Duty military personnel in the area. While there are a number of small contractors who perform DoD work, there is no large-scale defense contractor in the region. (The Department of Energy facility at Oak Ridge does support the Department of Defense; the DOE facility financial impact is included in other reports and therefore excluded here.).

Given the unique situation described above, one of ETMAC’s goals is to collect the various military and military-related economic data into a single document and then explain the cumulative effect. It is hoped that this analysis will raise the awareness of the importance of the military units to the economy of East Tennessee and also increase the appreciation of the public at large for the critical national defense missions these units perform.

METHODOLOGY AND SCOPE

This economic analysis uses the standard methodology and parameters of the DoD Economic Impact Analysis (EIA) Model. The total economic impact is computed by summing the payroll of all personnel, annual base/installation/activity expenditures for services, supplies, construction, maintenance, etc., and the estimated annual dollar value of indirect jobs created. As in the DoD model, the impact area is assumed to be within fifty miles of Knoxville. Appendix 1 contains additional details on the DoD EIA model.

We included Active Duty, National Guard, and Reserve components of the Air Force, Army, Navy, and Marine Corps as applicable, plus DoD contracts, various veterans’ benefits, and military retiree pay. Data was provided by the individual units and organizations over the past several months; we have tried to obtain the most accurate, up-to-date information available.

Detailed data sheets for each unit included in the analysis can be found in Appendix 2. The Department of Energy activities at Oak Ridge that support the DoD was not included, as their impact is well publicized elsewhere.

The following units, organizations, and activities in Table 1 were included in the analysis:

Table 1
Units, Organizations and Activities Included

| Service | Unit | Location | Mission |
|----------------|--|---|---|
| US Army | | | |
| Active Duty | Army ROTC – Rocky Top Battalion | University of Tennessee - Knoxville | Officer training and commissioning |
| | US Army Recruiters | Throughout the Area | Recruit officer & enlisted members for the Army |
| National Guard | 278 Armored Cavalry Regiment (including the 1-230 th Air Cavalry Squadron | Knoxville – Sutherland Ave and McGhee Tyson ANGB | Reconnaissance, surveillance, and security |
| Reserves | 489 th Civil Affairs Battalion | Army Reserve Center – Middlebrook Pike | Assist other military units – Create, restore, and maintain public order |
| | 844 th Engineer Combat Battalion | Army Reserve Center – Middlebrook Pike | Heavy construction |
| | 1 st Battalion, 100 th Regiment, 3 rd Brigade, 100 th Division | Army Reserve Center – Middlebrook Pike | Engineer training |
| | AMSA 148 | Army Reserve Center – Middlebrook Pike | Heavy vehicle maintenance |
| Other | Army High School Junior ROTC | Gibbs, Jefferson County, Campbell County, Grainger County, and South Doyle HS | Educate and train HS cadets in citizenship, promote community service, instill responsibility, character, and self-discipline |

Units, Organizations and Activities Included (con't)

| Service | Unit | Location | Mission |
|------------------------|--|---|---|
| US Navy | | | |
| Active Duty | USN Recruiters | Throughout the Area | Recruit officer & enlisted members for the Navy |
| Reserves | Naval Operations Support Center | Alcoa Highway – Reserve Center | Training, logistical, & administrative support to the fleet |
| US Marine Corps | | | |
| Active Duty | USMC Recruiters | Throughout the Area | Recruit officer & enlisted members for the Marine Corps |
| Reserves | Company D, 4 th Combat Engineer Battalion (includes some A/D) | Alcoa Highway – Reserve Center | Combat engineer support |
| | Detachment, Surgical Company A, 4 th FSSG | Alcoa Highway – Reserve Center | Medical support |
| US Air Force | | | |
| Active Duty | AFROTC Detachment 800 | University of Tennessee | Officer training and commissioning |
| | USAF Recruiters | Throughout the Area | Recruit officer & enlisted members for the USAF |
| National Guard | 134 th Air Refueling Wing | McGhee Tyson ANGB | Aerial refueling |
| | 119 th Command and Control Squadron | McGhee Tyson ANGB | Support to US Space Command/US Strategic Command – satellite imagery, warning systems, communications |
| | I.G. Brown ANG Training and Education Center | McGhee Tyson ANGB | Professional military education such as the Non-Commissioned Officer (NCO) Academy |
| | 572 nd Air Force Band | McGhee Tyson ANGB | Support for USAF; public relations and recruiting |
| Other | Junior ROTC | William Blount, Heritage, Karns, and Austin East HS | Educate and train HS cadets in citizenship, promote community service, instill responsibility, character, and self-discipline |
| | Civil Air Patrol | Throughout area | Support search and rescue, disaster relief and other emergencies and contingencies. |

Units, Organizations and Activities Included (con't)

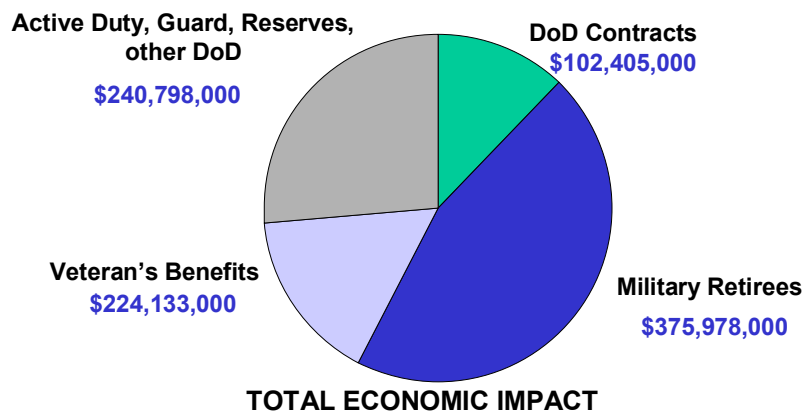
| Service | Unit | Location | Mission |
|-----------------------------------|---|---|---|
| Other DoD | | | |
| Active Duty | Military Entrance Processing Station (MEPS) | Knoxville | Process and enlist members into all branches of the service |
| Various DoD Agencies | University of Tennessee | University of Tennessee | Research and Development, Executive Education and Training, etc. |
| Defense Contracts | Various | Counties within 50 miles of Knoxville | Manufacturing and services for DoD in 2010 |
| Other Military | | | |
| Department of Veterans Affairs | VA Medical Center – Outpatient Clinic | Knoxville – Ray Mears Blvd. | Primary care, specialty care, extended care and related services for veterans |
| | Veteran’s Affairs – Advisor/Registrar | University of Tennessee – Knoxville, Pellissippi, Roane, and Walters Sate Community Colleges, and South and Virginia Colleges | Montgomery GI Bill and other education benefits |
| | Other Benefits | Knoxville Area | Veterans’ rehabilitation, disability benefits, etc. |
| TN Department of Veterans Affairs | Ben Atchley State Veterans Nursing Home | Knoxville – One Veterans Way | Safe, secure, and pleasant home for veterans |
| Retirees | Retired Military Personnel | Within 50 miles of Knoxville | Retired pay |

RESULTS AND CONCLUSIONS

The total economic impact for 2013 of the military activities is estimated at **\$943.3 million** as shown below.



Economic Impact Analysis Results



\$943,314,000

Supporting the Military in East Tennessee

What has Changed: For several reasons, the amount above is more than **\$80 million** larger than in 2011. First, we try to make each analysis more complete and accurate. This year we included activities that were not in previous analyses. In addition to the expenditures for military-related educational benefits at the University of Tennessee, we have added similar expenditures for Pellissippi, Roane, and Walters State Community Colleges, as well as South College and Virginia Colleges. US News and World Report recently named the University of Tennessee among the top 15 schools in the nation for military veterans in its *BEST COLLEGES for Veterans* 2014 Report (November 13, 2013).

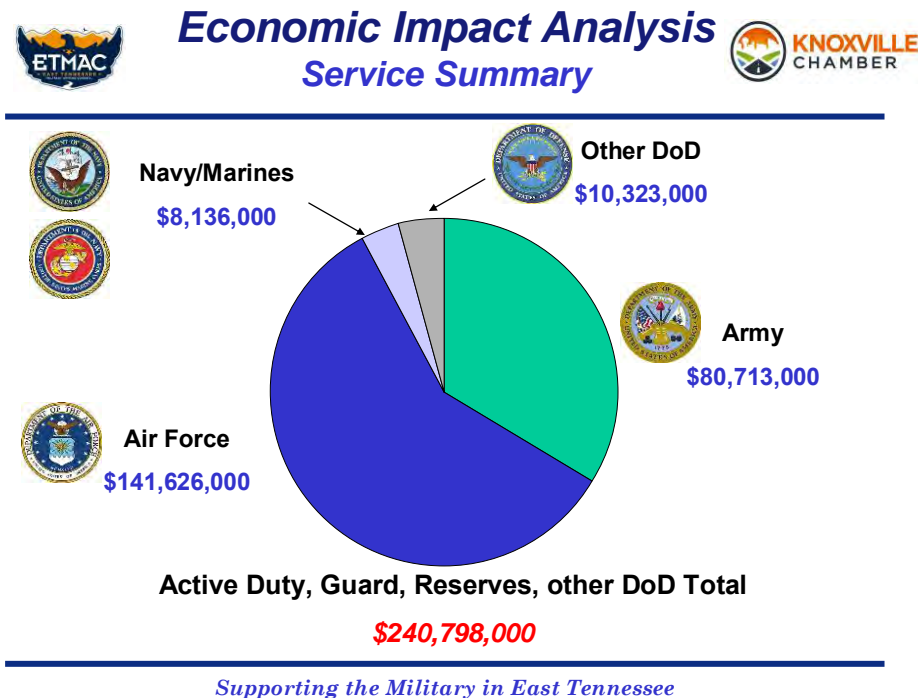
Also new to this analysis is DoD-related spending for Army and Air Force Junior ROTC High school programs in our area, as well as the Civil Air Patrol, an auxiliary of the USAF. Second, the number of military retirees and their annual pensions continues to grow. Finally, there continues to be a steady increase in military and civilian salaries, as well as an approximate \$5,000 increase in the average salary in the Knoxville area for the indirect jobs created as compared to 2011.

Retirees: The military retiree population is a major contributor to economic activity. More than 8,500 military retirees now live within a 50 mile radius of Knoxville, and this speaks volumes to the desirability of this area. Several organizations rank Tennessee in the “top ten” most desirable places for military retirees, based on such factors as: the state's cost of living; taxes imposed by the state, city, and county; the availability of military base and veterans administration facilities; primary care facilities; dentists; shopping stores; banking services; senior citizen services; as well as having a variety of recreational activities. Also, *Forbes Magazine* ranks Knoxville as fifth among America’s most affordable cities. Most retirees could live anywhere they choose, but more and more are coming to East Tennessee. Their retirement pay and associated indirect jobs created account for about one-third of the total economic impact.

Veterans’ Benefits. Included in this benefit are the Ben Atchley State Veterans Nursing Home, the Knoxville VA Outpatient Clinic, students attending the University of Tennessee and other colleges on the Montgomery GI Bill and other veterans’ educational assistance, and expenditures for other veteran’s benefits such as disability and rehabilitation services.

Military Contracts. The amount for military contracts in the area decreased by about \$70 million as compared to the 2011 analysis. We believe this is largely due to the winding down of the war in Afghanistan, and also as a result of the late 2013 government shutdown.

Service Summary:



Again for this analysis, the U.S. Air Force is the largest service from an economic standpoint, and the combined units at McGhee Tyson ANGB contribute about \$138 million of the USAF total.

The 278th Armored Cavalry Regiment is the largest Army contributor with over \$61 million. The Naval Operations Support Center represents the bulk of the Navy/Marine economic impact. The “Other” category includes the DoD Military Entrance Processing Station, and two programs at the University of Tennessee: the Aerospace and Defense Masters of Business Administration, and the National Defense Business Institute and Center for Executive Education. All told, these units incorporate more than 7,000 uniformed personnel.

Comparison to Other Businesses: While it is difficult to directly compare the results of this analysis to other activities in the area, it is clear that the military is among the largest economic drivers in the area. Shown below is a list of Knoxville Area major Employers ranked according to number of employees is shown below. The number of individuals included in our analysis (Active Duty, Guard, Reserve, retirees, and civilian employees) would rank tops on this list. To make a reasonable comparison, the *JobsEQ* model was used which differs from the DoD Economic Impact Model shown in Appendix 1. Therefore, the \$748 million for the military differs from the results of this report.

| <u>Employers</u> | <u>Direct Jobs</u> | <u>Indirect Jobs</u> | <u>Total Jobs</u> | <u>\$ Economic Impact</u> |
|---------------------------|-------------------------------|---------------------------------|------------------------------|--------------------------------------|
| U.S. DOE – Oak Ridge | 14,350 | 6,321 | 20,671 | \$2,331,618,000 |
| Covenant Health | 9,122 | 4,062 | 13,184 | \$1,332,708,000 |
| Knox County Schools | 7,066 | 8,264 | 15,330 | \$368,235,000 |
| University of Tennessee | 6,550 | 8,425 | 14,975 | \$605,226,000 |
| Walmart Stores | 5,776 | 7,318 | 13,094 | \$624,991,000 |
| University Health Systems | 4,061 | 1,808 | 5,869 | \$593,305,000 |
| K-VA-T Food Stores | 3,857 | 875 | 4,732 | \$364,832,000 |
| Denso Manufacturing | 3,400 | 2,869 | 6,269 | \$1,514,277,000 |
| Tennova Healthcare | 3,124 | 1,391 | 4,515 | \$456,410,000 |
| Knox County Government | 2,991 | 1,220 | 4,211 | \$492,132,000 |
| | | | | |
| Military * | 18,482 | 4,917 | 23,399 | *\$748,439,000 |

*Military personnel total here does not include: UT Research, Montgomery GI Bill students, & others receiving VA Veterans Benefits.

Sources: Jobs numbers from Knoxville News Sentinel, January 5, 2014. Economic impact dollars computed using JobsEQ; Chmura Economics.

Military Impact – Beyond Dollars: In addition to the purely economic factor, the military presence pays big dividends to the community in several other ways. Military personnel know the value of “service to others” and are valuable members of the community. In short, they “get involved.” Listed below are examples of the civic activities the Active Duty, Guard, Reserve personnel, as well as veterans and retirees, are supporting on a daily basis:

- Boy and Girl Scouts
- Boys and Girls Clubs
- Charity runs/walks
- Church leadership roles
- Civic events/color Guards
- Combined Federal Campaign/United Way
- Habitat for Humanity
- High School Career Counseling
- High School Junior ROTC
- Homeless Veterans Stand Down Volunteers
- Honor Air Knoxville
- Keep Knoxville Beautiful Clean-up Program
- Military funerals
- Mountain Man Memorial March
- President’s Reading Program – children in schools
- Red Cross Armed Forces Emergency Services Committee
- Salvation Army
- Service clubs such as Kiwanis and Rotary
- Tennessee Veterans Business Association Vendor Day and Job Fair
- Toys for Tots
- United Way
- Veterans Day Luncheon
- Veterans Day Parade
- Youth mentoring
- Youth sports

Military veterans and retirees are skilled, reliable, hard working, motivated, well educated and quickly become active in the local community. In most cases, the government will pay the relocation costs of a veteran moving into our area.

Clearly, the military is one of the major drivers of the economic activity in our area. As such, business and civic leaders must consider policies and actions that attract and retain this invaluable resource to East Tennessee.

Appendix 1

DoD ECONOMIC IMPACT ANALYSIS MODEL

PAYROLL

| | |
|---------------------------------|---------------------------|
| _____ # ACTIVE DUTY PERSONNEL | TOTAL ANNUAL SALARY _____ |
| _____ # GUARD/RESERVE PERSONNEL | TOTAL ANNUAL SALARY _____ |
| _____ # CIVILIAN PERSONNEL | TOTAL ANNUAL SALARY _____ |

\$ _____ **TOTAL PAYROLL**

OTHER EXPENDITURES

CONSTRUCTION _____
SERVICES _____
MATERIALS _____
CONTRACTS _____
UTILITIES _____
RENT _____
SUPPLIES _____
ENVIRONMENTAL _____
OTHER _____

\$ _____ **TOTAL OTHER EXPENDITURES**

INDIRECT JOBS*

| | |
|-------------------------------|-----------------------|
| #ACTIVE DUTY x 0.41 = _____ | INDIRECT JOBS CREATED |
| #GUARD/RESERVE x 0.16 = _____ | INDIRECT JOBS CREATED |
| #CIVILIANS x 0.55 = _____ | INDIRECT JOBS CREATED |

JOBS CREATED x \$ 42,839 * = \$ _____ **IMPACT OF JOBS CREATED**

TOTAL ECONOMIC IMPACT = PAYROLL + EXPENDITURES + INDIRECT JOBS

***Notes**

1. Indirect jobs multipliers were obtained from the DoD EIA model and are based on the size of the employment base for each region. (AFMAN 65-506 Economic Impact Analysis).
2. The annual salary estimates for the indirect jobs are from the Bureau of Labor Statistics (BLS) files for Knoxville 2012 through www.bls.gov.

Appendix 2

Data Tables

| ARMY ROTC | | 2013 | ARMY -- Active Duty Unit |
|---|------------------|--------------------------------|---|
| | Personnel | Payroll | Comments |
| ACTIVE DUTY | 8 | \$507,528 | |
| GUARD/RESERVE | 2 | \$159,444 | |
| CIVILIAN | 4 | \$228,000 | |
| SCHOLARSHIP CADETS | 40 | \$509,159 | Includes stipends (scholarship & non-scholarship), books, tuition, fees |
| Totals | 54 | \$1,404,131 | |
| INDIRECT JOBS | 6 | \$257,034 | Indirect Jobs x \$42,839 (Area Avg. Annual Pay) |
| Active Duty x 0.41 | 3.28 | | |
| Guard/Reserve x 0.16 | 0.32 | | |
| Civilian x 0.55 | 2.20 | | |
| EXPENDITURES | | | No expenditure data was available. |
| Contract Services | | | |
| Materials/Supplies/Equip | | | |
| Utilities | | | |
| Healthcare | | | |
| Education | | | |
| TDY/TAD Expenses | | | |
| Other | | | |
| TOTAL ECO. IMPACT | 60 | \$1,661,165 | Total Impact = Payroll + Indirect Job \$ + Expenditures |
| | | | |
| <i>Source: U.S. Army ROTC - Rocky Top Battalion</i> | | <i>University of Tennessee</i> | |

| ARMY JROTC (Junior ROTC) | | 2013 | ARMY – Other Unit |
|---|------------------|------------------|--|
| | Personnel | Payroll | Comments |
| ACTIVE DUTY | 0 | | Data covers five units at area high schools including: Campbell Co., Gibbs, Grainger Co., Jefferson Co., and South-Doyle. Includes only DoD funding. |
| GUARD/RESERVE | 0 | | |
| CIVILIAN | 5 | \$500,000 | |
| CADETS | 750 | | |
| Totals | 755 | \$500,000 | |
| INDIRECT JOBS | 3 | \$128,517 | Indirect Jobs x \$42,839 (Area Avg. Annual Pay) |
| Active Duty x 0.41 | 0.00 | | |
| Guard/Reserve x 0.16 | 0.00 | | |
| Civilian x 0.55 | 2.75 | | |
| EXPENDITURES | | | No expenditure data was available. |
| Contract Services | | | |
| Materials/Supplies/Equip | | | |
| Utilities | | | |
| Healthcare | | | |
| Education | | | |
| TDY/TAD Expenses | | | |
| Other | | | |
| TOTAL ECO. IMPACT | 758 | \$628,517 | Total Impact = Payroll + Indirect Job \$ + Expenditures |
| <i>Source: LTC Bill Woodcock; Senior Army Instructor; South-Doyle High School</i> | | | |
| | | | |

| Army Recruiters | | 2013 | ARMY -- Active Duty Unit |
|---|------------------|--------------------|---|
| | Personnel | Payroll | Comments |
| ACTIVE DUTY | 29 | \$1,490,056 | |
| GUARD/RESERVE | 4 | \$236,064 | |
| CIVILIAN | 1 | \$19,500 | |
| OTHER | | | |
| Totals | 34 | \$1,745,620 | |
| INDIRECT JOBS | 13 | \$556,907 | Indirect Jobs x \$42,839 (Area Avg. Annual Pay) |
| Active Duty x 0.41 | 11.89 | | |
| Guard/Reserve x 0.16 | 0.64 | | |
| Civilian x 0.55 | 0.55 | | |
| EXPENDITURES | | \$406,597 | |
| Contract Services | | \$54,342 | |
| Materials/Supplies/Equip | | \$95,000 | |
| Utilities | | \$58,000 | |
| Healthcare | | | |
| Education | | | |
| TDY/TAD Expenses | | | |
| Rent | | \$199,255 | |
| TOTAL ECO. IMPACT | 47 | \$2,709,124 | Total Impact = Payroll + Indirect Job \$ + Expenditures |
| <i>Source: U.S. Army - Knoxville Recruiting Company</i> | | | |

| ARMY -- National Guard | | 2013 | ARMY -- National Guard Unit |
|---|------------------|---------------------|--|
| | Personnel | Payroll | Comments |
| ACTIVE DUTY | 310 | \$23,686,813 | Active Duty includes full-time Guard personnel. |
| GUARD/RESERVE | 2,023 | \$15,852,997 | Army National Guard numbers include the 278th Armored Cavalry Regiment & the 1-230th Air Cavalry Squadron in the First, Second & Third Congressional districts of Tennessee. |
| CIVILIAN | 0 | \$0 | |
| OTHER | 0 | \$0 | |
| Totals | 2,333 | \$39,539,810 | |
| INDIRECT JOBS | 451 | \$19,320,389 | Indirect Jobs x \$42,839 (Area Avg. Annual Pay) |
| Active Duty x 0.41 | 127.10 | | |
| Guard/Reserve x 0.16 | 323.68 | | |
| Civilian x 0.55 | 0.00 | | |
| EXPENDITURES | | \$1,523,345 | |
| Armory Maintenance | | \$1,523,345 | |
| Contract Services & Supplies | | | |
| Rent | | | |
| Utilities | | | |
| | | | |
| | | | |
| TOTAL ECO. IMPACT | 2,784 | \$60,383,544 | Total Impact = Payroll + Indirect Job \$ + Expenditures |
| <i>Source: U.S. Army - 278th Armored Cavalry Regiment</i> | | | |
| | | | |

| ARMY Reserve | | 2013 | ARMY Reserve Unit |
|---|------------------|---------------------|---|
| | Personnel | Payroll | Comments |
| ACTIVE DUTY | 40 | | Reserve units include: 489th Civil Affairs Battalion; 844th Engineer Battalion; 1-100th Engineer Battalion; and AMSA # 148. |
| GUARD/RESERVE | 442 | | |
| CIVILIAN | 17 | | |
| OTHER | 0 | | |
| Totals | 499 | \$10,931,196 | |
| INDIRECT JOBS | 96 | \$4,112,544 | Indirect Jobs x \$42,839 (Area Avg. Annual Pay) |
| Active Duty x 0.41 | 16.40 | | |
| Guard/Reserve x 0.16 | 70.72 | | |
| Civilian x 0.55 | 9.35 | | |
| EXPENDITURES | | \$286,497 | |
| Contract Services & Supplies | | \$24,749 | |
| Rent | | \$55,144 | |
| Utilities | | \$42,031 | |
| Construction | | \$164,573 | |
| TOTAL ECO. IMPACT | 595 | \$15,330,237 | Total Impact = Payroll + Indirect Job \$ + Expenditures |
| <i>Source: U.S. Army Reserve - Electronic Congressional Data Reporting System</i> | | | |

| Navy Recruiters | | 2013 | NAVY -- Active Duty Unit |
|---|------------------|------------------|---|
| | Personnel | Payroll | Comments |
| ACTIVE DUTY | 5 | \$418,000 | |
| GUARD/RESERVE | 0 | \$0 | |
| CIVILIAN | 0 | \$0 | |
| OTHER | 0 | \$0 | |
| Totals | 5 | \$418,000 | |
| INDIRECT JOBS | 2 | \$85,678 | Indirect Jobs x \$42,839 (Area Avg. Annual Pay) |
| Active Duty x 0.41 | 2.05 | | |
| Guard/Reserve x 0.16 | 0.00 | | |
| Civilian x 0.55 | 0.00 | | |
| EXPENDITURES | | \$13,700 | |
| Contract Services | | \$0 | |
| Materials/Supplies/Equip | | \$4,200 | |
| Utilities | | \$0 | |
| Healthcare | | \$0 | |
| Education | | \$0 | |
| TDY/TAD Expenses | | \$9,500 | |
| Rent | | \$0 | |
| TOTAL ECO. IMPACT | 7 | \$517,378 | Total Impact = Payroll + Indirect Job \$ + Expenditures |
| <i>Source: U.S. Naval Operations Support Center - Knoxville</i> | | | |
| | | | |

| Naval Operations Support Center | | 2013 | NAVY – Reserve Unit |
|---|------------|--------------------|---|
| | Personnel | Payroll | Comments |
| ACTIVE DUTY | 10 | | |
| GUARD/RESERVE | 200 | | |
| CIVILIAN | 1 | | |
| OTHER | 0 | | |
| Totals | 211 | \$2,200,000 | |
| INDIRECT JOBS | 37 | \$1,585,043 | Indirect Jobs x \$42,839 (Area Avg. Annual Pay) |
| Active Duty x 0.41 | 4.00 | | |
| Guard/Reserve x 0.16 | 32.00 | | |
| Civilian x 0.55 | 0.55 | | |
| EXPENDITURES | | \$678,500 | |
| Contract Services | | \$230,000 | |
| Materials/Supplies/Equip | | \$100,000 | |
| Utilities/Healthcare/Education | | \$340,000 | |
| TDY/TAD Expenses | | \$8,500 | |
| Other | | | |
| TOTAL ECO. IMPACT | 248 | \$4,463,543 | Total Impact = Payroll + Indirect Job \$ + Expenditures |
| <i>Source: U.S. Naval Operations Support Center - Knoxville</i> | | | |

| USMC Reserve/Recruiters | | 2013 | MARINES – Active Duty & Reserve Units |
|---|------------------|--------------------|---|
| | Personnel | Payroll | Comments |
| ACTIVE DUTY | 18 | \$918,668 | |
| GUARD/RESERVE | 172 | \$524,431 | |
| CIVILIAN | 0 | \$0 | |
| OTHER | 0 | \$0 | |
| Totals | 190 | \$1,443,099 | |
| INDIRECT JOBS | 35 | \$1,499,365 | Indirect Jobs x \$42,839 (Area Avg. Annual Pay) |
| Active Duty x 0.41 | 7.38 | | |
| Guard/Reserve x 0.16 | 27.52 | | |
| Civilian x 0.55 | 0.00 | | |
| EXPENDITURES | | \$213,200 | |
| Contract Services | | \$13,700 | |
| Supplies | | \$32,000 | |
| Construction | | \$48,000 | |
| Materials | | \$15,500 | |
| Rent | | \$92,000 | |
| Other | | \$12,000 | |
| | | | |
| TOTAL ECO. IMPACT | 225 | \$3,155,664 | Total Impact = Payroll + Indirect Job \$ + Expenditures |
| | | | |
| <i>Source: U.S. Marine Corps. Company D, 4th CEB Reserve Unit</i> | | | <i>Includes "D" Company Marines, "A" Detachment Marines, & RS Knoxville Recruiter</i> |
| | | | |

| AFROTC - UT | | 2013 | USAF -- Active Duty Unit |
|--|------------------|--------------------|---|
| | Personnel | Payroll | Comments |
| ACTIVE DUTY | 6 | \$506,964 | Includes AFIT students (1) |
| GUARD/RESERVE | 0 | \$0 | |
| CIVILIAN | 0 | \$0 | |
| SCHOLARSHIP CADETS | | \$700,854 | Includes stipends (scholarship & non-scholarship), books, tuition, fees |
| Totals | 6 | \$1,207,818 | |
| INDIRECT JOBS | 2 | \$85,678 | Indirect Jobs x \$42,839 (Area Avg. Annual Pay) |
| Active Duty x 0.41 | 2.46 | | |
| Guard/Reserve x 0.16 | 0.00 | | |
| Civilian x 0.55 | 0.00 | | |
| EXPENDITURES | | \$112,000 | |
| Contract Services | | \$14,000 | |
| Materials/Supplies/Equip | | \$98,000 | |
| Utilities | | | |
| Healthcare | | | |
| Education | | | |
| TDY/TAD Expenses | | | |
| Other | | | |
| TOTAL ECO. IMPACT | 8 | \$1,405,496 | Total Impact = Payroll + Indirect Job \$ + Expenditures |
| <i>Source: U.S. Air Force - ROTC Detachment 800, University of Tennessee</i> | | | |

| AFJROTC (Junior ROTC) | | 2013 | USAF – Other Unit |
|---|------------|--------------------|--|
| | Personnel | Payroll | Comments |
| ACTIVE DUTY | | | Data covers 4 AFJROTC units within 50 miles of Knoxville, and includes only DoD funding. |
| GUARD/RESERVE | | | |
| CIVILIAN | 8 | \$492,000 | Instructors at four units within 50-mile radius of Knoxville. |
| CADETS | 540 | | |
| Totals | 548 | \$492,000 | |
| INDIRECT JOBS | 4 | \$171,356 | Indirect Jobs x \$42,839 (Area Avg. Annual Pay) |
| Active Duty x 0.41 | 0.00 | | |
| Guard/Reserve x 0.16 | 0.00 | | |
| Civilian x 0.55 | 4.40 | | |
| EXPENDITURES | | \$402,000 | |
| Supplies | | \$13,200 | |
| Uniforms | | \$183,600 | |
| Utilities | | | |
| Rent | | | |
| Education | | | |
| TDY/TAD Expenses | | | |
| Other | | \$205,200 | |
| TOTAL ECO. IMPACT | 552 | \$1,065,356 | Total Impact = Payroll + Indirect Job \$ + Expenditures |
| <i>Source: U.S. Air Force - Greg Winn, HQ AFJROTC</i> | | | |

| AF Recruiters | | 2013 | USAF -- Active Duty Unit |
|--|------------------|------------------|---|
| | Personnel | Payroll | Comments |
| ACTIVE DUTY | 7 | \$219,457 | |
| GUARD/RESERVE | 0 | \$0 | |
| CIVILIAN | 1 | \$31,681 | |
| Totals | 8 | \$251,138 | |
| INDIRECT JOBS | 3 | \$128,517 | Indirect Jobs x \$42,839 (Area Avg. Annual Pay) |
| Active Duty x 0.41 | 2.87 | | |
| Guard/Reserve x 0.16 | 0.00 | | |
| Civilian x 0.55 | 0.55 | | |
| EXPENDITURES | | \$69,043 | |
| Contract Services | | \$2,486 | |
| Supplies | | \$8,730 | |
| Utilities | | \$3,187 | |
| Construction | | \$16,601 | |
| Rent | | \$38,039 | |
| TDY/TAD Expenses | | \$0 | |
| Other | | \$0 | |
| TOTAL ECO. IMPACT | 11 | \$448,698 | Total Impact = Payroll + Indirect Job \$ + Expenditures |
| <i>Source: U.S. Air Force - 332nd Recruiting Command</i> | | | |

| McGhee-Tyson ANGB -- All Units | | 2013 | USAF -- Air National Guard Unit |
|--|------------------|----------------------|---|
| | Personnel | Payroll | Comments |
| ACTIVE DUTY | 174 | \$12,361,902 | |
| GUARD/RESERVE | 1,180 | \$25,822,492 | |
| CIVILIAN | 516 | \$33,939,525 | Includes federal civilians, BX & Club, and other civilians |
| TRAINEES/CADETS | 3,027 | \$21,027,200 | |
| Totals | 4,897 | \$93,151,119 | |
| INDIRECT JOBS | 544 | \$23,304,416 | Indirect Jobs x \$42,839 (Area Avg. Annual Pay) |
| Active Duty x 0.41 | 71.34 | | |
| Guard/Reserve x 0.16 | 188.80 | | <i>Four units located at this base include: 134th Air Refueling Wing; 119th Command & Control Squadron; I G Brown Training Education Center; 572nd Air Force Band</i> |
| Civilian x 0.55 | 283.80 | | |
| EXPENDITURES | | \$21,931,628 | |
| Contract Services | | \$4,783,426 | |
| Construction | | \$10,103,139 | |
| Materials, Equipment & Supplies | | \$7,045,063 | |
| TOTAL ECO. IMPACT | 5,441 | \$138,387,163 | Total Impact = Payroll + Indirect Job \$ + Expenditures |
| <i>Source: U.S. Air Force - McGhee Tyson Air National Guard Base</i> | | | |
| | | | |
| | | | |

| Civil Air Patrol | | 2013 | USAF Civil Air Patrol – Other Unit |
|---|-----------|------------------|--|
| | Personnel | Payroll | Comments |
| ACTIVE DUTY | 0 | \$0 | |
| GUARD/RESERVE | 0 | \$0 | |
| CIVILIAN | 1 | \$27,000 | |
| TRAINEES/CADETS | 0 | \$0 | |
| Totals | 1 | \$27,000 | |
| INDIRECT JOBS | 1 | \$42,839 | Indirect Jobs x \$42,839 (Area Avg. Annual Pay) |
| Active Duty x 0.41 | 0.00 | | |
| Guard/Reserve x 0.16 | 0.00 | | |
| Civilian x 0.55 | 0.55 | | |
| EXPENDITURES | | \$250,000 | |
| Training | | \$22,000 | East Tennessee Search & Rescue Training |
| Construction | | \$98,000 | Renovation of headquarters |
| Miscellaneous Expenses | | \$130,000 | Includes office expenses, local travel, educational outreach |
| TOTAL ECO. IMPACT | 2 | \$319,839 | Total Impact = Payroll + Indirect Job \$ + Expenditures |
| <i>Source: Dent Young, Lt. Col., Civil Air Patrol, Tennessee Wing</i> | | | |

| Military Entrance Processing Station | | 2013 | Other DoD -- Active Duty Unit |
|---|------------------|--------------------|---|
| | Personnel | Payroll | Comments |
| ACTIVE DUTY | 7 | \$994,072 | |
| GUARD/RESERVE | 0 | \$0 | |
| CIVILIAN | 28 | \$1,090,160 | |
| OTHER | 0 | \$0 | |
| Totals | 35 | \$2,084,232 | |
| INDIRECT JOBS | 18 | \$771,102 | Indirect Jobs x \$42,839 (Area Avg. Annual Pay) |
| Active Duty x 0.41 | 2.87 | | |
| Guard/Reserve x 0.16 | 0.00 | | |
| Civilian x 0.55 | 15.40 | | |
| EXPENDITURES | | \$1,537,586 | |
| Contract Services | | \$855,477 | |
| Materials/Supplies/Equip | | \$51,833 | |
| Rent | | \$630,276 | |
| Utilities | | | |
| TDY/TAD Expenses | | | |
| Other Expenditures | | | |
| Other Services | | | |
| TOTAL ECO. IMPACT | 53 | \$4,392,920 | Total Impact = Payroll + Indirect Job \$ + Expenditures |
| <i>Source: Knoxville Military Entrance Processing Station</i> | | | |

| | | | |
|---|------------------|--------------------|--|
| Aerospace & Defense MBA Program - UT | | 2013 | Other DoD |
| | | | |
| | Personnel | Expenses | Comments |
| STUDENTS | 25 | \$1,600,000 | Student expenses include: tuition, fees & meals. |
| EXPENDITURES | | | |
| TDY/TAD Expenses | | \$90,000 | Student lodging |
| TOTAL ECO. IMPACT | 25 | \$1,690,000 | |
| <i>Source: Andrew W. White; Director, Aerospace & Defense MBA Programs; Graduate & Executive Education; UT College of Business Administration</i> | | | |
| | | | |
| National Defense Business Institute & Center for Executive Education - UT | | 2013 | Other DoD |
| EXPENDITURES | | | |
| | Personnel | Expenses | Comments |
| UT Research | | \$4,200,000 | The University of Tennessee provides research, development, training, and studies to the U.S. Air Force in three major areas: (1) Acquisition & Integrated Life-Cycle Management System (ILCMS); (2) Continuous Process Improvement (CPI); (3) Leadership & Organizational Development |
| Visitors | | \$40,000 | |
| | | | |
| | | | |
| TOTAL ECO. IMPACT | | \$4,240,000 | |
| <i>Source: Andrew W. White; Director, Aerospace & Defense MBA Programs; Graduate & Executive Education; UT College of Business Administration</i> | | | |

| Ben Atchley State Veterans Home | | 2013 | State Veterans' Services |
|---|------------------|---------------------|---|
| | Personnel | Payroll | Comments |
| ACTIVE DUTY | 0 | \$0 | |
| GUARD/RESERVE | 0 | \$0 | |
| CIVILIAN | 200 | \$8,560,528 | |
| OTHER | 0 | \$0 | |
| Totals | 200 | \$8,560,528 | |
| INDIRECT JOBS | 110 | \$4,712,290 | Indirect Jobs x \$42,839 (Area Avg. Annual Pay) |
| Active Duty x 0.41 | 0.00 | | |
| Guard/Reserve x 0.16 | 0.00 | | |
| Civilian x 0.55 | 110.00 | | |
| EXPENDITURES | | \$3,684,878 | |
| Contract Services | | \$979,707 | |
| Materials/Supplies/Equip | | \$2,270,354 | |
| Utilities | | \$434,817 | |
| TDY/TAD Expenses | | | |
| Other Expenditures | | | |
| Other Services | | | |
| TOTAL ECO. IMPACT | 310 | \$16,957,696 | Total Impact = Payroll + Indirect Job \$ + Expenditures |
| <i>Source: Ben Atchley State Veterans' Home</i> | | | |

| DoD Prime Contracts within 50-miles of Knoxville | | 2013 | Other DoD |
|---|----------------|----------------------|---|
| | | Total Dollars | Comments |
| Total Area Dollars | 88 contractors | \$102,404,959 | The Contract Awards shown are total award amounts from the Army, Air Force, Navy, Defense Logistics Agency and all other defense agencies for FY 2013 |
| TOTAL ECO. IMPACT | | \$102,404,959 | Does not include any DOE contracts or spending. |
| <i>Source: USAspending.gov</i> | | | |
| Top 20 Contractors -- \$\$ | | 2013 | |
| Contractor | County | Total Amounts | Products |
| Wellco Enterprises | Hamblen | \$17,753,017 | Footwear |
| Valley Apparel | Knox | \$13,616,527 | Military clothing |
| Avisco | Anderson | \$12,066,732 | Roads & bridge construction |
| Aqua-Chem | Knox | \$10,475,837 | Water purification equipment |
| Sword & Shield Enterprise Security | Knox | \$8,830,095 | ADP software/components/support equipment |
| Wright Contracting | Knox | \$4,154,300 | Commercial contractor - building maintenance |
| HGW & Associates | Knox | \$3,604,744 | Education & training |
| Information International Associates | Anderson | \$3,542,084 | Applied research & exploratory development |
| Short Bark Industries | Monroe | \$2,908,594 | Personal armor & gear |
| DPRA | Knox | \$2,499,908 | IT/Telecom systems development |
| Rick Cox Construction | Roane | \$2,398,480 | Airport runway maintenance |
| Canberra Industries | Anderson | \$2,274,484 | Electrical/electronic equipment repair & rebuilding |
| Nucsafe | Anderson | \$1,721,076 | Research and development - applied defense |
| C2RL Engineering | Blount | \$1,376,090 | Architectural & engineering services - general |
| Security Walls | Knox | \$1,340,268 | Security detection systems |
| University of Tennessee | Knox | \$1,159,989 | Research and development/education & training |
| Camel Manufacturing | Campbell | \$1,084,382 | Tents & tarpaulins |
| Protech Metal Finishing | Monroe | \$1,000,493 | Weapons & equipment repair & maintenance |
| Remotec | Anderson | \$968,034 | Hazardous duty robots |
| Hickory Construction | Blount | \$752,142 | Commercial contractor - building maintenance |
| <i>Source: USAspending.gov</i> | | | |

| VA Veterans' Benefits - Knoxville | | 2013 | U.S. Veterans Administration |
|--|------------------|----------------------|---|
| | Personnel | Payroll | Comments |
| VETERANS | | | Veteran population in 16-county region within 50 miles of Knoxville is 104,457. |
| VETERANS (Montgomery G.I. Bill) | 1,898 | \$7,815,889 | Montgomery G.I. Bill & other veteran data was gathered from 6 area colleges including: University of Tennessee, Pellissippi State, Roane State, Walters State, South College, & Virginia College. |
| VA Outpatient Clinic Employees | 157 | \$11,695,126 | |
| VA Outpatient Clinic Contract Employees | 3 | \$126,000 | |
| VA Outpatient Clinic INDIRECT JOBS | 88 | \$3,769,832 | Indirect Jobs (Employees x 0.55) x \$42,839 (Area Avg. Annual Pay) |
| VA Outpatient Clinic EXPENDITURES | | \$2,640,140 | |
| | | | There were also 22,525 unique patients. These are patients who received treatment at a VA healthcare facility. |
| Other VA Benefits EXPENDITURES | | \$181,128,058 | Other VA benefits expenditures include: compensation & pensions, vocational/rehabilitation/employment, general operating expenses, insurance/indemnities, & other medical care. |
| TOTAL ECO. IMPACT | 2,146 | \$207,175,045 | |
| <i>Sources: U.S. Veterans Administration; VA Office of the Actuary; VA Financial Mgt. System; Veterans Benefits Administration Insurance Center; USAspending.gov; Allocation Resource Center</i> | | | Note: The total spending reported on USAspending.gov was reduced to avoid double counting of benefits. |

| Military Retirees | | 2013 | Other - DoD |
|---|------------------|----------------------|---|
| | | | |
| | Personnel | Payroll | Comments |
| RETIREES | 8,546 | \$225,869,676 | Data from DFAS - Cleveland, OH - (50-mile radius of Knoxville) |
| INDIRECT JOBS | 3,504 | \$150,107,856 | Indirect Jobs = Retirees x 0.41 (Payroll = Ind Job x \$ \$42,839) |
| TOTAL ECO. IMPACT | 12,050 | \$375,977,532 | |
| | | | |
| <i>Source: Defense Finance and Accounting Service</i> | | | |

| ETMAC Economic Impact | | 2013 | | Summary |
|---|-------------------|------------------------|---|----------------|
| Unit | Total Jobs | Total \$ Impact | Comments | |
| Army ROTC | 60 | \$1,661,165 | | |
| Army JROTC | 758 | \$628,517 | | |
| Army Recruiters | 47 | \$2,709,124 | | |
| Army National Guard | 2,784 | \$60,383,544 | | |
| Army - Reserves | 595 | \$15,330,237 | | |
| | | | Army Total = \$80,712,587 | |
| Navy Recruiters | 7 | \$517,378 | | |
| Naval Operations Support Center | 248 | \$4,463,543 | | |
| | | | Navy Total = \$4,980,921 | |
| Marine Reserve/Recruiters | 225 | \$3,155,664 | | |
| | | | Marines Total = \$3,155,664 | |
| Air Force ROTC - UT | 8 | \$1,405,496 | | |
| Air Force JROTC | 552 | \$1,065,356 | | |
| Air Force Recruiters | 11 | \$448,698 | | |
| Air Force --McGhee-Tyson ANGB | 5,441 | \$138,387,163 | | |
| Air Force Auxiliary - Civil Air Patrol | 2 | \$319,839 | | |
| | | | Air Force Total = \$141,626,552 | |
| Knoxville Military Entrance Processing Stn | 53 | \$4,392,920 | | |
| Aerospace & Defense MBA Program - UT | 25 | \$1,690,000 | | |
| National Defense Business Institute/Center for Executive Education - UT | | \$4,240,000 | | |
| | | | Other DoD Total = \$10,322,920 | |
| Ben Atchley State Veterans' Home | 310 | \$16,957,696 | | |
| | | | State Veterans Services Total = \$16,957,696 | |
| DoD Prime Contracts | | \$102,404,959 | | |
| | | | Contracts Total = \$102,404,959 | |
| VA Veterans' Benefits | 2,146 | \$207,175,045 | | |
| | | | VA Benefits Total = \$207,175,045 | |
| Retirees | 12,050 | \$375,977,532 | | |
| | | | Retiree Total = \$375,977,532 | |
| Total Impact (All Units/Categories) | 25,322 | \$943,313,876 | | |

Appendix 3

Acronyms

| | |
|--------|---|
| AASF | Army Aviation Support Facility |
| ACR | Armored Cavalry Regiment |
| A/D | Active Duty (personnel) |
| AFIT | Air Force Institute of Technology |
| AFMAN | Air Force Manual |
| AFROTC | Air Force Reserve Officer Training Corps |
| AMSA | Area Maintenance Support Activity |
| ANG | Air National Guard |
| ANGB | Air National Guard Base |
| ARW | Air Refueling Wing |
| BLS | Bureau of Labor Statistics |
| DoD | Department of Defense |
| DOE | Department of Energy |
| EIA | Economic Impact Analysis |
| ESGR | Employer Support for the Guard and Reserve |
| ETMAC | East Tennessee Military Affairs Council |
| FSSG | Force Service Support Group |
| JROTC | Junior Reserve Officer Training Corps (High School) |
| MEPS | Military Entrance Processing Station |
| MILCON | Military Construction |
| MGIB | Montgomery GI Bill |
| NCO | Non-Commissioned Officer |
| ROTC | Reserve Officer Training Corps |
| RPM | Real Property Maintenance |
| TAD | Temporary Assigned Duty |

| | |
|------|-----------------------------------|
| TDY | Temporary Duty |
| TEC | Training and Education Center |
| USAF | United States Air Force |
| USMC | United States Marine Corps |
| USN | United States Navy |
| UT | University of Tennessee |
| VA | (Department of) Veteran's Affairs |