



The Economic Impact of South Carolina's Military Community

A Statewide and Regional Analysis
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SC DEPARTMENT OF VETERANS' AFFAIRS



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The South Carolina Military Community: At a Glance

Total Economic Impact

\$34.3 BILLION
254,095 JOBS

**PERCENTAGE OF
SOUTH CAROLINA
ECONOMY**

11.2%



\$57,598/Year

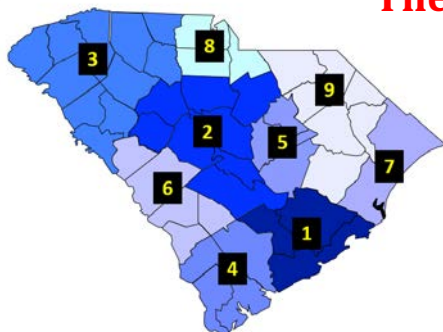
**Average Compensation for
Jobs Supported by Military**

19% Higher than Average S.C. Job



**The military community
generates 1 out of every 9 jobs
in South Carolina**

The Military Community Impacts all S.C. Regions



Regions Ranked by Total Volume of Military Related Activity

- | | |
|--------------------------|-------------------------------|
| (1) Charleston - \$12.7B | (6) Aiken/N. Augusta - \$1.8B |
| (2) Midlands - \$6.6B | (7) Grand Strand - \$887.8M |
| (3) Upstate - \$3.0B | (8) Rock Hill - \$801.5M |
| (4) Beaufort - \$2.5B | (9) Pee Dee - \$730.6M |
| (5) Sumter - \$2.4B | |

68,493

of DoD Personnel (10th in Nation)
69% Active Duty and 31% Reserve Component

\$3.2B in DoD Contracts
executed by
671 DoD Contractors

8th

**...highest military
retiree population in
the United States**
with 63,882 retirees

397,649

of Military Veterans



Executive Summary

The annual economic impact of the military community on South Carolina is **\$34.3 billion**. This translates to **254,095 jobs** that are supported (either directly or indirectly) by the military community along with **\$14.6 billion in labor income** for South Carolinians.

The Palmetto State is home to **eight major military installations** and numerous other facilities throughout the state supporting **68,493 Department of Defense personnel**, of all branches of Service and components. **69%** of service members are active duty and **31%** are Reserve Component (Guardsmen and Reservists). Importantly, this is the **10th highest** density of service members in the nation. There are another **17,579** service members who serve just across the border at Fort Gordon, Georgia, with many living in South Carolina.

Additionally, **\$3.2 billion in Department of Defense (DoD) contracts is currently being executed among 671 firms** within South Carolina and the five -county region in Georgia surrounding Fort Gordon, the **28th highest** amount of DoD contracts in the nation.

There are **63,882 military retirees** among the state's **397,649 Veterans**, making South Carolina the state with the **8th highest number of military retirees**. In addition, the U.S. Department of Veterans Affairs provides South Carolina's Veterans with **\$4.9 billion in VA-funded** compensation and pension, among other benefits.

The strategic importance of South Carolina's military community as part of the broader United States military is critical. South Carolina's military community provides a variety of resources that the nation regularly draws from for training, combat, and support services. These include:

- Force generation for the long-term sustainability of the U.S. Armed Forces
- Active defense of Continental United States (CONUS) with ground, air, sea, and cyber forces.
- Direct support of combat operations with ground, air, sea and cyber forces
- Strategic transportation
- DoD contractors producing weapon systems for the nation and supporting ongoing military activities.
- Domestic and state emergency support operations



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Introduction

The economic impact of South Carolina's military footprint is significant. The Palmetto State is home to eight major military installations, borders another installation, and supports many other defense-related facilities throughout the state supporting a total of 68,493 Department of Defense (DoD) personnel across all branches of service, the 10th highest density of military personnel in the nation.¹ 69% of service members are active duty and 31% are Reserve Component (Guardsmen and Reservists). Notably, this does not include the 17,579 service members who serve just across the border at Fort Gordon, Georgia. There are over 63,000 military retirees among the state's conservative number of total Veteran population of nearly 400,000.² Among all states in the country, South Carolina has the 8th highest military retiree population.³ In addition, there are 671 public and private sector firms currently executing \$3.2 billion in DoD contracts, the 28th most in DoD contract spending in the nation.⁴ Fort Gordon, Georgia executes nearly \$522 million in DoD contracts.

The strategic importance of South Carolina's military community as part of the broader United States' national defense is critical. South Carolina's military community provides a variety of resources that the nation regularly draws from for training, combat, and support services. These include:

- Force generation for the long-term sustainability of the U.S. Armed Forces
- Active defense of Continental United States (CONUS) with ground, air, sea, and cyber forces.
- Direct support of combat operations with ground, air, sea and cyber forces
- Strategic transportation
- DoD contractors producing weapon systems for the nation and supporting ongoing military activities.

Because military activities are funded through the federal government, expenditures made by these facilities represent an injection of new funds into South Carolina's economy. These lead to a net increase in jobs and income for the state. This can be explicitly contrasted with funding that comes from state tax revenue, which only re-allocates jobs and incomes from one sector of the economy to another. One of the important components of economic growth in any region is the ability to attract spending from outside of that region. This is why national and international firms, tourism, and export-oriented manufacturing are important to South Carolina's economic growth: they bring new spending to the state, which then translates into

¹ Source: Federal FY2020 Defense Spending, South Carolina, OLDDC.gov

² Source: U.S. Department of Veterans Affairs, Federal FY2020 and <https://actuary.defense.gov/Military-Retirement/>

³ Source: *Statistical Report on the Military Retirement System, FY2020*, last updated September 2021

⁴ Source: <http://www.USASpending.gov>; note that the total number of defense contractors represents a five-year average



new jobs and additional income. Similarly, federal funding that enters the state through military expenditures will have a comparable effect.

The purpose of this study is to document the total economic impact that the military community has on South Carolina. Each military activity in the state supports economic activity through its procurement of goods and services from the business community through the labor income paid to military and civilian personnel. This initial injection of federal funding into the state's economy then leads to additional rounds of spending through various economic multiplier effects.

Military activities also have a unique impact in that they attract and retain military retirees and transitioning service members. Retirees and many Veterans are able to use support facilities (e.g., medical care, commissary, recreational facilities) that the various military installations maintain, which makes them more likely to locate in South Carolina upon their retirement from active-duty. The income retirees spend represents additional funding that supports local economic activity. Also, out-of-state military and civilian visitors to our military installations introduce new spending to the state's economy.

More than half of military retirees living in South Carolina are under the age of 65, and many have established second careers in the private sector. There is a strong demand for military retirees, especially among defense contractors. Veterans are highly sought after for their technical skills, security clearances, work ethic, integrity, and attention to detail.

Military retirees in South Carolina have enhanced the quality of the state's workforce and help provide local firms with a talent base they might otherwise lack. Finally, all of the aforementioned economic activity generates additional tax revenue for South Carolina.

In this study, the military community/presence in South Carolina will be defined as including the following:

The Greater Charleston Region:

- Joint Base Charleston
- U.S. Coast Guard Sector Charleston
- Army Corps of Engineers
- Department of Defense Contracting Firms
- Military Retirees and Veterans
- Portions of the S.C. National Guard and U.S. Army, Air Force, Navy, Marine Corps, and Coast Guard Reserve units
- TRICARE Military Health Benefits

The Greater Columbia (Midlands) Region:

- Fort Jackson
- Department of Defense Contracting Firms



- Military Retirees and Veterans
- Portions of the S.C. National Guard and U.S. Army, Navy, and Marine Corps Reserve units
- TRICARE Military Health Benefits

The Greater Greenville/Spartanburg (Upstate) Region

- Department of Defense Contracting Firms
- Military Retirees and Veterans
- Portions of the S.C. National Guard and U.S. Army, Navy, and Marine Corps Reserve units
- TRICARE Military Health Benefits

The Greater Beaufort Region:

- Marine Corps Air Station (MCAS) Beaufort
- Marine Corps Recruit Depot (MCRD) Parris Island
- Naval Hospital Beaufort
- Department of Defense Contracting Firms
- Military Retirees and Veterans
- Portions of the S.C. National Guard
- TRICARE Military Health Benefits

The Sumter Region:

- Shaw Air Force Base
- U.S. Army Central Command (ARCENT)
- Department of Defense Contracting Firms
- Military Retirees and Veterans
- Portions of the S.C. National Guard and U.S. Army Reserve
- TRICARE Military Health Benefits

The Greater Aiken/North Augusta Region:

- Fort Gordon
- The Savannah River Site (SRS)
- Department of Defense Contracting Firms
- Military Retirees and Veterans
- Portions of the S.C. National Guard and U.S. Army Reserve
- TRICARE Military Health Benefits

The Greater Myrtle Beach (Grand Strand) Region

- Department of Defense Contracting Firms
- Military Retirees and Veterans
- Portions of the S.C. National Guard
- TRICARE Military Health Benefits

The Greater Rock Hill Region

- Department of Defense Contracting Firms
- Military Retirees and Veterans



- Portions of the S.C. National Guard and U.S. Army Reserve
- TRICARE Military Health Benefits

The Greater Pee Dee Region

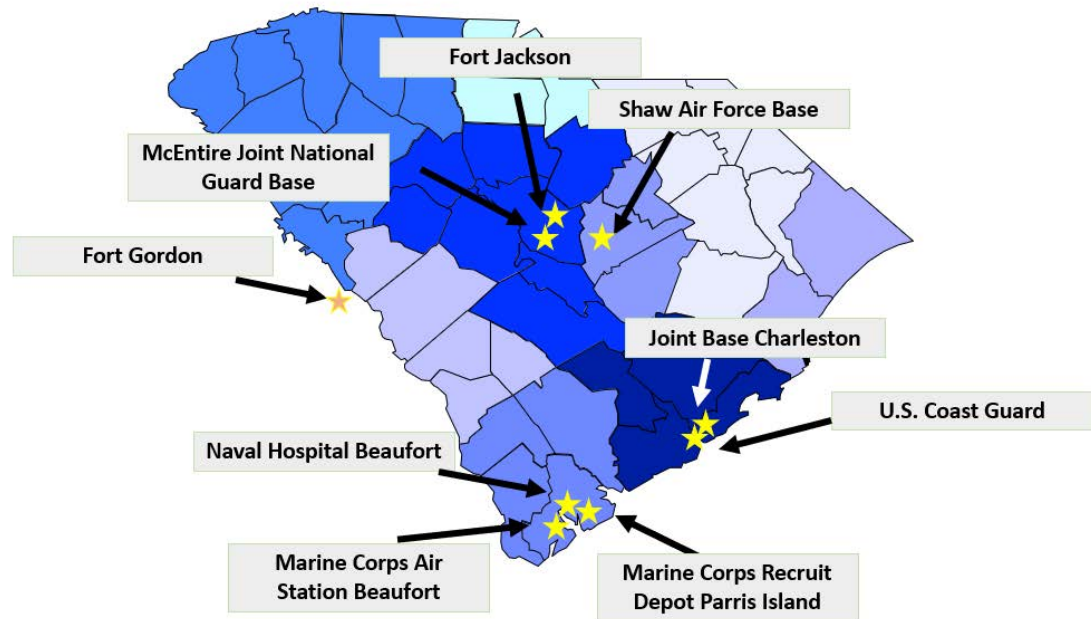
- Department of Defense Contracting Firms
- Military Retirees and Veterans
- Portions of the S.C. National Guard and U.S. Army Reserve
- TRICARE Military Health Benefits

The economic impact of each element will be primarily measured through estimates of job and income creation and the overall contribution to South Carolina's economy. Figure 1 illustrates the locations of the eight major military installations in South Carolina as well as Fort Gordon, which is located in Augusta, Georgia, and has economic spillover effects in South Carolina.



Figure 1 – Locations of Federal Military Installations in and around South Carolina

Note: The shades of blue in this map represent different regions of South Carolina as highlighted throughout this report. Orange star represents Fort Gordon in Richmond County, GA.



This report begins with an overview of the economic impact methodology, including a discussion of direct, indirect, and induced impacts. This is followed by a review of estimates that illustrate the economic impact of the aforementioned elements of South Carolina's military community, including the contributions that Veterans make towards enhancing the quality of South Carolina's workforce plus the total annual contribution that the military makes to state tax revenue.

These are conservative estimates. Only open-source information was used to develop this report and did not consider any classified personnel strengths or expenditures (e.g., for contracts, programs, etc.).

Methodology

The economic impact of any organization is measured by how their expenditures create demand for goods and services over what they would have been otherwise. Military facilities also provide an additional impact through attracting visitors as well as by helping to attract military retirees to South Carolina. Increases in the number of visitors and retirees creates a rise in spending levels, increasing overall economic activity.

In a standard economic impact analysis, there are three types of economic impacts that can be analyzed: *direct*, *indirect*, and *induced*. The direct effect represents the initial change in economic activity. The direct effect of a military installation's

activities is comprised of all expenditures made by that installation's activities within South Carolina. This includes, for example, personnel costs (wages), institutional construction, residential construction, maintenance costs, equipment, utilities, and medical care. This spending increases demand and leads to the creation of new jobs and income for the personnel and suppliers of the military installations.

The indirect effect reflects additional rounds of spending that occur due to inter-industry linkages between local firms. For example, if a military installation funds construction of new barracks, the builder of these barracks would see an increase in demand. To satisfy this demand, the building company would then have to purchase supplies from its vendors. The building company's vendors would then see an increase in demand and, in turn, have to purchase supplies from their own sets of suppliers. These indirect effects would continue moving through the supply chain and affect many sectors of South Carolina's economy.

The induced effect reflects additional economic activity due to increases in household spending. For example, when a military installation hires a building company to construct new barracks and the demand for construction services rises, some of the construction staff will see an increase in their income. Part of this income will then be spent in the local economy on goods and services such as food, entertainment, or housing. This creates an increase in demand on the part of these retailers, who then must hire new workers in order to meet this demand. The new workers who are hired spend part of their money in the local economy, and so on.

These successive rounds of indirect and induced spending do not continue indefinitely, which is why a specific value can be calculated for each of them. In each round of spending, some dollars are "lost" as they are either saved by individuals or spent by businesses or consumers outside of South Carolina.

In order to calculate the indirect and induced impacts, economic multipliers can be used to determine the total impact (direct, indirect, and induced) that arises from an initial change in economic activity (direct). For example, if \$1 million was spent on new construction at a military installation and this expenditure ultimately resulted in a total increase of \$1.8 million in economic activity in South Carolina, then the economic output multiplier would be 1.8. Multipliers are different in each sector of the local economy and are primarily driven by the size of the local supplier network. Multipliers also depend on the region being examined. For example, a \$1 million construction expenditure would have a larger impact on South Carolina than it would on the Midlands region alone. Economic multipliers can be estimated for total economic activity (output), employment, and labor income. These are the standard measures used to determine the economic impact of an organization. In simple terms, these metrics are defined as follows:



- **Total Impact (Economic Output)** – the contribution to overall economic activity; this is an all-inclusive measurement of the annual value of goods and services associated with South Carolina's military community
- **Employment** – the total number of full-time equivalent jobs associated with the measured economic output tied to South Carolina's military community
- **Labor Income** – the dollar value representing all wages, salaries, and benefits associated with total employment

To estimate the impact of each element of the military community on South Carolina, the Division of Research used a structural input-output model of the South Carolina economy containing specific information on economic linkages between over 500 of the state's industries. The input-output modeling software *IMPLAN* was used to calculate estimates. Unless otherwise indicated, all estimates are based on federal fiscal year 2021 data.





The Charleston Region

Regional Ranking: #1

Annual Economic Impact: \$12.7 billion

Number of Jobs Supported: 78,414

Labor Income Generated: \$5.2 billion



Number of Service Members	Number of Veterans	Number of Retirees	Number of DoD Civilians
15,612	75,242	15,505	5,413

The Charleston Region contains the largest military presence in South Carolina, with an annual economic impact of approximately \$12.7 billion that is supported by 78,414 jobs. This impact includes Joint Base Charleston, the U.S. Coast Guard Sector Charleston, the Army Corps of Engineers, DoD contractors, military retirees and Veterans, portions of the South Carolina National Guard, and the U.S. Army Reserve. The economic impact of military facilities located in Charleston is detailed below.



Economic Impact: Joint Base Charleston

Background

Prior to 2010, Charleston was home to the Naval Weapons Station (NWS) Charleston and Charleston Air Force Base (AFB). In 1941 NWS Charleston was commissioned as a U.S. Naval Ammunition Depot and served as a munitions collection and distribution point during World War II. Following the war, the site handled guided missiles and arming submarines.

In 1942 the City of Charleston began leasing the Charleston Municipal Airport to the War Department, thus founding what eventually became Charleston Army Air Field. In addition to providing a home for anti-submarine units, the field's initial mission was training air depot groups. That training mission changed and the field began training combat crews for B-24 Liberators. Following the end of World War II, the newly established Air Force returned the base to the City. In 1952, the City of Charleston signed a new Joint Use Lease with the Air Force that called for the construction of an entirely new base to be located opposite the now fully civilian airport. By 1953, the Air Force began initial occupancy of the new base named Charleston Air Force Base.

As a result of recommendations from the 2005 Base Realignment and Closure study, Charleston AFB and NWS Charleston were merged as Joint Base Charleston, effective October 1, 2010, one of twelve Joint Bases formed. The base specializes as a logistics, transportation, training, and engineering hub.

The 628th Air Base Wing (ABW) is the host unit of Joint Base Charleston, and is comprised of two operational groups and a wing staff directorate comprised of 2,600 military and civilian employees. The 628thth ABW provides installation support to more than 60 DoD and federal agencies serving over 70,000 Airmen, Sailors, Marines, Soldiers, Coast Guardsmen, civilians, dependents, and retirees. It also provides expeditionary Airmen to combatant commanders in support of joint and combined operations.

Other Joint Base Charleston mission partners include:

437th Airlift Wing (U.S. Air Force)

- The active duty C-17 unit at Joint Base Charleston
- Direct report to Air Mobility Command overseeing an annual budget of \$304 million
- 2,400 military and civilian personnel
- Home of 40 C-17A aircraft

315th Airlift Wing (U.S. Air Force Reserve)

- The associate reserve wing at Joint Base Charleston
- Oversees an annual budget of \$71.7 million



- Monitors annual Transportation Working Capital Fund (TWCF) Budget of \$1.3 million
- FY21 EIA for the 315th Airlift Wing and 560 RED HORSE Squadron--2,054 Traditional Reservist, AGR, and 216 Civilian Personnel assigned
- Together, the 437th and 315th Wings oversee 23% of all C-17 aircraft in the inventory and perform 36% of the C-17 workload.

841st Transportation Battalion (U.S. Army Reserve)

- The busiest military transportation terminal in the U.S. Army specializing in handling Large Medium Speed RO/RO (Roll-on/Roll-off) Vessels
- Primary cargo distribution provider for XVIII Airborne Corps, 82nd Airborne Div, 3rd ID, II MEF, 10th Mountain Div

Army Field Support Battalion-Charleston (U.S. Army Reserve)

- Direct maintainer site of pre-positioned stock for APS-3 (Afloat) fleet
- Government-owned, contractor-operated/ strategically co-located to work closely with 841st Transportation Battalion

Naval Consolidated Brig Charleston (U.S. Navy)

- 25 Acre Medium Security Military confinement facility for prisoners from all branches of service sentenced up to 10 years.
- Primary function to classify prisoners for restoration to active duty or discharge from military service.
- One of only five Navy Brigs.
- 479 cells with a current housing capacity of 175 prisoners staffed by 165 Military and Civilian corrections professionals from all branches.

Naval Health Clinic Charleston (U.S. Navy)

- Provides quality health services for approximately 18,500 joint service enrollees
- Joint service operations with U.S. Veterans Administration

Navy Munitions Command (U.S. Navy)

- Maintains the largest Prepositioned Wartime Reserve Stock of Naval mines and provides mine training support to DoD and international customers.
- Only location providing USMC strategic Maritime Preposition Force ordnance support.

Naval Nuclear Power Training Command (U.S. Navy)

- Only site in the U.S. Navy that educates all U.S. Navy personnel that will be operators of nuclear propulsion power plants on U.S. Navy vessels
- Combined site of Nuclear Power School and Nuclear Field "A" School on state-of-the-art secure campus
- College campus atmosphere with 3,500 officer and enlisted students and 500 staff



Naval Nuclear Power Training Unit (U.S. Navy)

- One of two sites in the U.S. Navy that provides follow-up instruction and training for Nuclear Power School graduates at Naval Nuclear Power Training Command
- Intensive hands-on training on simulators and moored training ships with live nuclear powerplants on board
- Proto-type site with 1,500 officers and enlisted trainees cycled in 24 week rotations

Naval Information Warfare Center Atlantic (U.S. Navy)

- Atlantic headquarters site for the rapid delivery support solutions that enable information dominance for naval, joint, national and coalition warfighters
- Enables C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance), Business IT and Cyberspace operations to provide information dominance to the warfighter
- Staff of 127 military, 3,600 federal civilian contractors. Supports 80+ local defense contractors with an additional workforce of 8,000.

Joint Base Charleston is comprised of over 23,000 non-contiguous acres and includes 22 miles of coastal shoreline and 34 miles of active rail. The base shares runways with the Charleston International Airport and Boeing South Carolina, an assembly site for the 787 Dreamliner. There are more than 1,800 facilities, 1,600 on-base homes, childcare facilities, and a large medical clinic on both the Weapons Station and Air Base.

Joint Base Charleston also has 2,400 acres at an off-site training facility, North Auxiliary Airfield, located in Orangeburg County, South Carolina, 3 miles from the town of North, South Carolina. This airfield supports C-17 Globemaster III training for the 437th and 315th Airlift Wings.

Economic Impact

The total economic impact of Joint Base Charleston on South Carolina – including all operations, in-state procurement, and military and civilian payroll employment – totals \$10.9 billion annually, as illustrated in Table 1. This is associated with approximately 62,905 jobs and \$4.5 billion in labor income.

Table 1 – Economic Impact of Joint Base Charleston on South Carolina

	Employment	Labor Income	Economic Output
Direct Effect	25,827	\$2.6 billion	\$5.6 billion
Multiplier Effect	37,078	\$1.9 billion	\$5.3 billion
Total Effect	62,905	\$4.5 billion	\$10.9 billion



The 10 industrial sectors that are impacted the most by Joint Base Charleston are listed below in Table 2, along with the specific levels of annual economic activity associated with each.

Table 2 – Economic Impact of Joint Base Charleston on South Carolina by Industrial Sector

Note: In Millions of Dollars

Computer related services	\$787.49
Architectural, engineering, and related services	\$575.23
All other professional, scientific, and technical services	\$318.86
Imputed rental activity for owner-occupied dwellings	\$243.75
Maintenance and repair construction	\$228.21
Real estate establishments	\$208.52
Insurance carriers	\$152.28
Wholesale trade	\$142.37
Medical and diagnostic labs and outpatient and other ambulatory care services	\$124.76
Hospitals	\$111.58

Of the \$10.9 billion in economic activity that is supported by Joint Base Charleston statewide, the majority of that activity is concentrated within the Charleston region.⁵ Table 3 specifically highlights the economic impact of Joint Base Charleston on the Charleston region.

Table 3 – Economic Impact of Joint Base Charleston on the Charleston Region

	Employment	Labor Income	Economic Output
Direct Effect	25,827	\$2.6 billion	\$5.4 billion
Multiplier Effect	33,378	\$1.6 billion	\$2.9 billion
Total Effect	59,205	\$4.2 billion	\$8.3 billion

The economic impact of Joint Base Charleston on the Charleston region also extends to many industrial sectors. Table 4 highlights the 10 most impacted sectors and the annual economic activity associated with each.

⁵ The Charleston region is comprised of Berkeley, Charleston, and Dorchester counties.



Table 4 – Economic Impact of Joint Base Charleston on the Charleston Region by Industrial Sector

Note: In Millions of Dollars

Computer related services	\$597.41
Architectural, engineering, and related services	\$436.38
All other professional, scientific, and technical services	\$241.89
Imputed rental activity for owner-occupied dwellings	\$184.91
Maintenance and repair construction	\$173.12
Real estate establishments	\$158.19
Insurance carriers	\$115.52
Wholesale trade	\$108.01
Medical and diagnostic labs and outpatient and other ambulatory care services	\$94.65
Hospitals	\$84.65

Economic Impact: U.S. Coast Guard Sector Charleston

Background

The U.S. Coast Guard Sector Charleston is the branch of the military responsible for safeguarding the maritime interests of the United States all around the world. Specifically, the primary missions of the Coast Guard include each of the following: managing ports, waterways, and coastal security; aiding in navigation, search, and rescue; overseeing living marine resources; marine safety; defense readiness; marine environmental protection; and aiding and assisting law enforcement.

The Charleston Coast Guard Sector is located in the southernmost part of the city that surrounds the waterfront area. This location ideally positions the Sector for its seagoing missions and for a variety of shore-based activities. The Charleston Sector oversees and manages three cutters, three Aids to Navigation (ATON) teams, and four small boat stations (located in Georgetown, Charleston, Tybee Island, GA, and Brunswick, GA). The Sector includes approximately 1,301 permanent active-duty personnel as well as 322 reserve officers and civilian employees. This translates to approximately 1,623 full-time equivalent (FTE) jobs – the total economic impact of which is outlined below.

As announced in the 2020 State of the Coast Guard address, the U.S. Coast Guard is pursuing a multi-phased buildout for Base Charleston located at the Federal Complex in Charleston. A Master Plan was developed in 2020 in conjunction with Federal Law Enforcement Training Center, Department of State, and others. The Coast Guard intends to execute phased construction necessary over the next 10+ fiscal years to fully build out Base Charleston to support 10+ major cutters by 2030.

Economic Impact

The total economic impact of the Coast Guard on South Carolina – including all operations, in-state procurement, and military and civilian payroll employment – totals \$261.6 million annually, as illustrated in Table 5. This is associated with approximately 2,326 jobs and \$114.9 million in labor income.



Table 5 – Economic Impact of the U.S. Coast Guard Sector Charleston on South Carolina

	Employment	Labor Income	Economic Output
Direct Effect	1,623	\$85.2 million	\$168.9 million
Multiplier Effect	703	\$29.7 million	\$92.7 million
Total Effect	2,326	\$114.9 million	\$261.6 million

The 10 industrial sectors that are impacted the most by the Coast Guard are listed below in Table 6, along with the specific levels of annual economic activity associated with each.

Table 6 – Economic Impact of the U.S. Coast Guard Sector Charleston on South Carolina by Industrial Sector

Note: In Millions of Dollars

Real estate establishments	\$14.58
Hospitals	\$13.71
Monetary authorities and depository credit intermediation activities	\$4.17
Maintenance and repair construction	\$3.82
Food services and drinking places	\$3.47
Insurance carriers	\$2.95
Wholesale trade	\$2.78
Medical and diagnostic labs and outpatient and other ambulatory care services	\$2.43
Telecommunications	\$1.39
Electric power generation, transmission, and distribution	\$1.22

Economic Impact: U.S. Army Corps of Engineers

Background

The U.S. Army Corps of Engineers (USACE) Charleston District encompasses: Civil Works, Navigation, Regulatory, Emergency Management, Military Construction, and Interagency and International Services. Through strategic partnerships, it helps solve some of the nation's toughest challenges. The district is headquartered in Charleston, with satellite offices in Greenville, Columbia, Conway, and on Ft. Jackson. The Charleston District has approximately 232 employees that manage and execute about \$320 million in construction projects and programs annually. Missions are diverse and have facilitated economic growth, quality of life, environmental health and national security.

Since 2008, the District has provided over \$1.3 billion in construction support to Ft. Jackson, where over 50 percent of new army recruits complete basic training. Annually the District supports roughly \$100 million in projects through the MILCON, O&M and FIS programs. Projects include new construction and renovation of barracks, headquarters offices, dining facilities, road and roof repair, and preventive maintenance. Since 2014, the District has managed 100 plus buildings on Ft. Jackson and responded up to 10,000 service calls each year.



The Joint Base Charleston (JBC) program has grown to about \$15 million in construction projects annually. USACE supports a diverse group of critical joint mission partners: the 628th Civil Engineering Squadron, the 841st Transportation Battalion, the Naval Consolidated Brig and others. The recently completed \$68 million JBC Visitors Quarters is the largest new construction project undertaken by the District.

The District also provides support to the U.S. Army Reserve's 81st Readiness Division, the Marine Corps Reserve and the Defense Logistics Agency.

The USACE Regulatory program supports economic development, job creation, and annually reviews over 1,000 permit applications and jurisdictional determinations. It works with a range of permitting actions from local homeowners building in or around wetlands, to large complex permits such as the Boeing Campus Expansion and the Carolina Crossroads Intersection.

The Civil Works program manages statewide water resource development activities. Projects include navigation safety, hurricane and storm risk management, ecosystem restoration, hydropower and recreation. It operates and maintains 300 miles of navigation channels, including the Charleston Harbor and more than 200 miles of the Atlantic Intracoastal Waterway. It also operates a hydropower dam in St. Stephen, providing electricity to more than 40,000 homes. Additionally, it provides power and safe drinking water to underdeveloped areas of South Carolina.

One of the most notable Civil Works projects is the deepening of the Charleston Harbor (Post 45), which upon completion in the fall of 2022 will be the deepest port on the East coast. Post 45 will deepen the harbor to 52 feet, addressing transportation inefficiencies by allowing Neo-Panamax ships to call on the Port at all times. The Charleston Port is currently one of only 17 designated strategic commercial seaports prepared to support force deployment during contingencies and other defense emergencies.

Economic Impact

The total economic impact of the USACE on the state of South Carolina – including all operations, in-state procurement, and military and civilian payroll employment – totals \$61.6 million in economic activity annually, as illustrated in Table 7. This is associated with approximately 428 jobs and \$28.8 million in labor income.

Table 7 – Economic Impact of the Army Corps of Engineers on South Carolina

	Employment	Labor Income	Economic Output
Direct Effect	223	\$18.8 million	\$32.6 million
Multiplier Effect	205	\$10.0 million	\$29.0 million
Total Effect	428	\$28.8 million	\$61.6 million



The 10 industrial sectors that are impacted the most by the ACE are listed below in Table 8, along with the specific levels of annual economic activity associated with each.

Table 8 – Economic Impact of the Army Corps of Engineers on South Carolina by Industrial Sector

Note: In Millions of Dollars

Real estate	\$4.33
Monetary authorities and depository credit intermediation activities	\$1.55
Employment services	\$1.34
Management consulting services	\$1.24
Food services and drinking places	\$1.24
Insurance carriers	\$1.13
Medical and diagnostic labs and outpatient and other ambulatory care services	\$1.03
Wholesale trade	\$0.82
Legal services	\$0.41
Telecommunications	\$0.41





The Midlands Region

Regional Ranking: #2

Annual Economic Impact: \$6.6 billion
Number of Jobs Supported: 57,848
Labor Income Generated: \$2.9 billion



Number of Service Members	Number of Veterans	Number of Retirees	Number of DoD Civilians
18,001	79,901	16,547	3,435

The Midlands Region contains the second largest military presence in South Carolina, with an annual economic impact of approximately \$6.6 billion that is supported by 57,848 jobs. This impact includes Fort Jackson, portions of the S.C. National Guard including the McEntire Joint National Guard Base, DoD contractors, military retirees and Veterans, and the U.S. Army Reserve. The economic impact of the military facilities located in the Midlands is detailed below.



Economic Impact: Fort Jackson

Background

Fort Jackson was initially known as the “Sixth National Cantonment” after its establishment on June 2, 1917, one of sixteen national cantonments constructed to support the United States’ effort in World War I.

Fort Jackson has become the largest and most active Initial Entry Training Center, training the Army’s Basic Combat Training (BCT) load and the majority of women entering the army. BCT is a ten-week course that trains soldiers in rifle marksmanship, basic medical training, physical training, and other essential combat skills. BCT is provided to thousands of soldiers at Fort Jackson each year.

Fort Jackson also provides advanced training, known as Advanced Individual Training (AIT), where soldiers earn their Adjutant General (AG), Financial Management (FM), or Religious Affairs Specialist Military Operational Specialty (MOS). Fort Jackson provides additional professional education training in other advanced schools, including: The Army’s Drill Sergeant, Master Fitness and Master Resiliency Schools; the Soldier Support Institute and their AG School, and FM Schools for both Officer and Enlisted training, Non-Commissioned Officers Academy, and Inter-Service Postal Training Activity; the National Center for Credibility Assessment (NCCA); and the Armed Forces Chaplaincy Center where the Army and Navy train their Chaplains. The Navy Operational Support Center (NOSC) (formerly Naval Reserve Center), is staffed by Full Time Support (FTS) personnel, where the Naval Reserve sailors do their weekend drills. Fort Jackson also hosts a Military Entrance Processing Station (MEPS), one of only a few located on a military installation, to process individuals for enlistment or induction into the Armed Services, based on DoD-approved peacetime and mobilization standards. Additionally, the U.S. Army Reserve has numerous units which reside on Fort Jackson, including the 81st Regional Support Command and various Adjutant General, Civil Affairs, Engineer, Judge Advocate, Medical, Army Liaison Detachment, Ordnance, Psychological Operations, Military Police, and BCT Brigade, BCT Battalion, and BCT support units.

Approximately 15,000 acres of the 52,000-acre base are licensed to the South Carolina Army National Guard (SCARNG), which operates the McCrady National Training Center (MTC). The MTC is responsible for training members of the SCARNG and is the central location for Task Force Marshall, comprised of U.S. Army Reserve Drill Sergeants, to train over 2,000 Navy and Air Force Personnel deploying as Individual Augmentees, annually.

Fort Jackson also provides numerous support services for soldiers and their families, including the Moncrief Army Health Clinic – located on the base to serve as medical support. It provides primary care services, as well as immunization services, lab services, radiology services, and some behavioral health services. The clinic services personnel and families assigned to Fort



Jackson, Shaw Air Force Base, and the many thousands of military retirees living in the Midlands. Fort Jackson also hosts two Department of Defense elementary schools, two bowling alleys, park and picnic areas, a sport-shooting range, a recreational water park, two eighteen-hole golf courses, as well as a variety of other recreational activities.

Economic Impact

The largest source of Fort Jackson's economic impact derives from its base operations. In-state procurement and payroll employment (military and civilian) to support these operations provide a direct injection of funding into the local economy. These dollars come from the federal government, and represent new sources of spending from outside the state.

Many out-of-state military and civilian visitors to Fort Jackson introduce new spending to the local economy including friends and families of soldiers and various personnel visiting for official reasons. The majority of visitors to Fort Jackson attend one of the base's graduation ceremonies. These visitors spend money off the base at a variety of local vendors (e.g., restaurants, hotels), which provides an additional net gain to economic activity. All impacts resulting from visitor spending activity represent *induced economic multiplier effects*. In other words, these impacts derive exclusively from increased economic activity among local vendors that results from increased household spending by individuals (visitors) in the local region.

Table 9 below highlights the total economic impact on South Carolina that results from all base operations at Fort Jackson as well as all out-of-state visitor spending.

Table 9 – Economic Impact of Fort Jackson on South Carolina

Note: Includes 81st Regional Support Command

	Employment	Labor Income	Economic Output
Direct Effect	15,740	\$1.1 billion	\$2.0 billion
Multiplier Effect	25,616	\$1.0 billion	\$2.7 billion
Total Effect	41,356	\$2.1 billion	\$4.7 billion

The approximately \$2.0 billion in annual economic activity that is directly supported by Fort Jackson leads to an additional \$2.7 billion in economic multiplier effects. This is the result of increased demand for goods and services of local suppliers and additional household spending that results from all procurement activity at Fort Jackson.

The combination of the direct and multiplier effect leads to a total impact of \$4.7 billion on South Carolina. This economic activity is associated with 41,356 jobs and approximately \$2.1 billion in labor income.



Fort Jackson's economic impact on South Carolina also extends to many industrial sectors. Table 10 highlights the 10 most impacted sectors and the annual economic activity associated with each.

Table 10 – Economic Impact of Fort Jackson on South Carolina by Industrial Sector

Note: In Millions of Dollars

Medical and diagnostic labs and outpatient and other ambulatory care services	\$521.49
Retail Stores – General merchandise	\$360.93
Construction of other new nonresidential structures	\$184.52
Real estate establishments	\$184.31
Monetary authorities and depository credit intermediation activities	\$142.57
Food services and drinking places	\$114.54
Insurance carriers	\$112.18
Electric power generation, transmission, and distribution	\$79.42
Hospitals	\$78.99
Employment services	\$73.00

Of the \$4.7 billion in economic activity that is supported by Fort Jackson statewide, the majority of that activity is concentrated within the Midlands region.⁶ Table 11 specifically highlights the economic impact of Fort Jackson on the Midlands region.

Table 11 – Economic Impact of Fort Jackson on the Midlands Region

	Employment	Labor Income	Economic Output
Direct Effect	15,740	\$1.1 billion	\$1.9 billion
Multiplier Effect	19,956	\$921.5 million	\$2.3 billion
Total Effect	35,696	\$2.1 billion	\$4.2 billion

The approximately \$1.9 billion in annual economic activity that is directly supported by Fort Jackson leads to an additional \$2.3 billion in economic multiplier effects. Once again, this is the result of increased demand for goods and services of local suppliers and additional household spending that results from all procurement activity by Fort Jackson.

Fort Jackson's economic impact on the Midlands region also extends to many industrial sectors. Table 12 highlights the 10 most impacted sectors and the annual economic activity associated with each.

⁶ The Midlands region is comprised of Lexington, Richland, Kershaw, Calhoun, Fairfield, Newberry, Orangeburg, and Saluda counties.



Table 12 – Economic Impact of Fort Jackson on the Midlands Region by Industrial Sector

Note: In Millions of Dollars

Medical and diagnostic labs and outpatient and other ambulatory care services	\$466.73
Retail Stores – General merchandise	\$323.17
Construction of other new nonresidential structures	\$165.15
Real estate establishments	\$164.92
Monetary authorities and depository credit intermediation activities	\$127.68
Food services and drinking places	\$102.56
Insurance carriers	\$100.24
Electric power generation, transmission, and distribution	\$70.95
Hospitals	\$70.75
Employment services	\$65.50





The Upstate Region

Regional Ranking: #3

Annual Economic Impact: \$3.0 billion

Number of Jobs Supported: 25,520

Labor Income Generated: \$1.2 billion



Number of Service Members	Number of Veterans	Number of Retirees	Number of DoD Civilians
3,791	94,285	10,368	320

The Upstate Region contains the third largest military presence in South Carolina, with an annual economic impact of approximately \$3.0 billion that is supported by 25,520 jobs. This impact includes **a high volume of DoD contracts being executed at many private sector firms**, a large presence of military retirees and Veterans, and the U.S. Army Reserve. The South Carolina National Guard has a Major General commanding the 263rd Army Air Missile Defense Command (AAMDC) in Anderson, S.C., responsible for the aerospace security over the National Capitol Region around Washington, DC supporting the North American Aerospace Defense Command and U.S. Northern Command (NORAD/NORTHCOM); the 228th Theater Tactical Signal Brigade (TTSB) is located in Spartanburg and is the largest theater tactical signal brigade of the U.S. military's reserve component; and operates an Army Aviation Support Facilities (AASF) at Donaldson Field Airport in Greenville, S.C. where they have their contingent of CH-47F Chinook heavy lift helicopters and UH-72A Lakota light lift helicopters. Lockheed was awarded a \$62 billion contract in 2020 to continue building the F16 aircraft well into the future, primarily for foreign military sales, and was awarded a \$900 million depot maintenance and modernization contract for existing U.S. Air Force F-16s. In addition, Lockheed Martin began producing all F-16 fighter jets in Greenville, South Carolina in 2022.





The Beaufort Region

Regional Ranking: #4

Annual Economic Impact: \$2.5 billion

Number of Jobs Supported: 21,241

Labor Income Generated: \$1.1 billion



Number of Service Members	Number of Veterans	Number of Retirees	Number of DoD Civilians
10,517	29,102	4,591	1,270

The Beaufort Region contains the fourth largest military presence in South Carolina, with an annual economic impact of approximately \$2.5 billion that is supported by 21,241 jobs. This impact includes the Marine Corps Air Station (MCAS) Beaufort, the Marine Corps Recruit Depot (MCRD) Parris Island, and the Naval Hospital Beaufort as well as DoD contractors, military retirees and Veterans, and portions of the South Carolina National Guard and the U.S. Army Reserve. The economic impact of the military facilities located in the Beaufort Region is detailed below.



Economic Impact: Marine Corps Air Station (MCAS) Beaufort

Background

Naval Air Station Beaufort was commissioned on June 15, 1943 for advanced training operations of anti-submarine patrols during World War II. Following the war, the Air Station was deactivated between 1946 and 1956, but on March 1, 1960 it was re-designated as Marine Corps Air Station (MCAS) Beaufort.

MCAS Beaufort is located three miles northwest of Downtown Beaufort and approximately 65 miles south of Charleston. The Station encompasses about 6,900 acres and is associated with a large air-to-air combat area encompassing 52,000 square miles over water off of the coast of South Carolina and Georgia.

MCAS Beaufort provides the operational base for Marine Aircraft Group 31 (MAG-31), which includes all active duty USMC F/A-18 air operations on the East Coast. MAG-31 is comprised of four F-18 Squadrons, one F-35B Training Squadron, and other various Marine Corps support units including Marine Wing Support Squadron 273 (MWSS-273) which provides essential aviation ground support both domestically and abroad. MAG-31 squadrons regularly deploy to support training and overseas combat operations. In 2014, Marine Fighter Attack Training Squadron 501 (VMFAT-501) stood up at MCAS Beaufort to train F-35B. Through the mid-to-late 2020s, the remaining operational F-18 Squadrons will be redesignated as operational F-35B squadrons and MCAS Beaufort will serve as the hub for F-35B pilot training including hosting international pilots and providing ground support for this technologically advanced war-fighting platform through 2067.

MCAS Beaufort also owns and operates Townsend Bombing Range (TBR) – a 30,000 acre air-to-ground combat and bombing range near Savannah, GA. TBR is the only bombing range on the East Coast capable of accommodating inert Precision Guided Munitions (PGM) training at tactical altitudes and speeds. Truly a Joint Force asset, TBR serves customers all along the eastern seaboard that would otherwise have to travel to the west coast for such training. TBR allows the U.S. Marine Corps to more efficiently meet current training requirements by significantly increasing the air-to-ground training capabilities at MCAS Beaufort.

Economic Impact

The total economic impact of MCAS Beaufort on the state of South Carolina – including all operations, in-state procurement, and military and civilian payroll employment – totals \$746.2 million in economic activity annually, as illustrated in Table 13. This is associated with approximately 6,877 jobs and \$354.2 million in labor income.



Table 13 – Economic Impact of MCAS Beaufort on South Carolina

	Employment	Labor Income	Economic Output
Direct Effect	4,111	\$223.8 million	\$421.5 million
Multiplier Effect	2,766	\$130.4 million	\$324.6 million
Total Effect	6,877	\$354.2 million	\$746.2 million

The 10 industrial sectors that are impacted the most by MCAS Beaufort are listed below in Table 14, along with the specific levels of annual economic activity associated with each.

Table 14 – Economic Impact of MCAS Beaufort on South Carolina by Industrial Sector

Note: In Millions of Dollars

Offices of physicians, dentists, and other health practitioners	\$52.82
Imputed rental activity for owner-occupied dwellings	\$29.09
Architectural, engineering, and related services	\$16.64
Computer related services	\$15.85
Scientific research and development services	\$15.07
Food services and drinking places	\$14.20
Maintenance and repair construction of nonresidential structures	\$14.11
Real estate establishments	\$13.33
Retail stores – General merchandise	\$11.58
Wholesale trade businesses	\$10.80

Of the \$746.2 million in economic activity that is supported by MCAS Beaufort statewide, the majority of that activity is concentrated within the Beaufort region.⁷ Table 15 specifically highlights the economic impact of MCAS Beaufort on this region.

Table 15 – Economic Impact of MCAS Beaufort on the Beaufort Region

	Employment	Labor Income	Economic Output
Direct Effect	4,111	\$223.8 million	\$405.6 million
Multiplier Effect	2,350	\$111.6 million	\$185.5 million
Total Effect	6,461	\$335.4 million	\$591.1 million

The economic impact of MCAS Beaufort on the Beaufort region also extends to many industrial sectors. Table 16 highlights the 10 most impacted sectors and the annual economic activity associated with each.

⁷ The Beaufort region is defined as encompassing Beaufort, Jasper, Colleton, and Hampton counties.



Table 16 – Economic Impact of MCAS Beaufort on the Beaufort Region by Industrial Sector

Offices of physicians, dentists, and other health practitioners	\$41.74
Imputed rental activity for owner-occupied dwellings	\$22.95
Architectural, engineering, and related services	\$13.13
Computer related services	\$12.55
Scientific research and development services	\$11.87
Food services and drinking places	\$11.19
Maintenance and repair construction of nonresidential structures	\$11.19
Real estate establishments	\$10.51
Retail stores – General merchandise	\$9.14
Wholesale trade businesses	\$8.56





Economic Impact: Marine Corps Recruit Depot (MCRD) Parris Island

Background

On or about November 1st, 1915, Parris Island was officially designated as a Marine Corps Recruit Depot. It is the second oldest post in the Corps, junior only to the Marine Barracks at 8th and I Streets in Washington, DC, founded in 1801. It consists of nearly 8,100 acres (3,300 habitable) located within Port Royal, S.C., approximately five miles south of Beaufort. MCRD Parris Island is one of two MCRDs that conduct the training and making of enlisted Marines, and is also the Headquarters for the Eastern Recruiting Region (ERR). MCRD Parris Island trains male recruits from east of the Mississippi River, and nearly 100 percent of female recruits from across the United States. The depot also houses a Marine Corps Drill Instructor School, an eleven and a half week course that develops the knowledge, command presence, leadership, and instructional ability of non-commissioned and staff non-commissioned officers selected for assignment to Drill Instructor duty. The School also provides training for officers that serve in leadership and supervisory positions in the recruit training companies.



MCRD Parris Island's mission statement is simple: "We make Marines by recruiting quality young men and women and transforming them through the foundations of rigorous basic training, our shared legacy, and a commitment to our Core Values, preparing them to win our Nation's battles in service to the country." In support of the transformation process, Parris Island trains an average of 19,000 recruits per year, regardless of the Marine Corps' end-strength. Since its establishment, MCRD Parris Island has trained well over one million Marines, earning the installation the nickname "Cradle of the Corps." Recruit training is a 13-week program of values based training, with the objectives of developing the intangible foundations of character, discipline, esprit de corps, military bearing, and a thorough indoctrination in general military subjects, combat tasks, and physical conditioning. Training places an emphasis on the Marine Corps' core values of Honor, Courage, and Commitment – values that are woven into all aspects of the program of instruction.

The Marine Corps' Eastern Recruiting Region (ERR) includes all states east of the Mississippi River and Puerto Rico, is responsible to the Marine Corps Recruiting Command, and executes the ERR share of the enlisted recruiting mission through operations conducted by over 20 recruiting stations located in three recruiting Districts. The ERR is also responsible for the recruitment of new officers through the Platoon Leadership Course, Officer Candidate Class, and the Naval Reserve Officer Training Corps (ROTC).

Out-of-state visitors introduce new spending into the local economy. The majority of these visitors attend one of the Family Day and Graduation Ceremonies. They spend money at a variety of local vendors (e.g., restaurants, hotels), which provides an additional net gain to economic activity. All impacts resulting from visitor spending represent *induced economic multiplier effects*. In other words, these impacts derive exclusively from increased economic activity among local vendors that results from increased spending by individuals (visitors) in the local region.

Economic Impact

The total economic impact of MCRD Parris Island on South Carolina – including all operations, in-state procurement, military and civilian payroll employment, and visitor spending – totals \$805.6 million in economic activity annually, as illustrated in Table 17. This is associated with approximately 6,675 jobs and \$374.9 million in labor income.

Table 17 – Economic Impact of MCRD Parris Island on South Carolina

	Employment	Labor Income	Economic Output
Direct Effect	2,362	\$170.1 million	\$314.7 million
Multiplier Effect	4,313	\$204.8 million	\$490.9 million
Total Effect	6,675	\$374.9 million	\$805.6 million



The 10 industrial sectors that are impacted the most by MCRD Parris Island are listed below in Table 18, along with the specific levels of annual economic activity associated with each.

Table 18 – Economic Impact of MCRD Parris Island on South Carolina by Industrial Sector

Note: In Millions of Dollars

Offices of physicians, dentists, and other health practitioners	\$122.91
Imputed rental activity for owner-occupied dwellings	\$39.39
Real estate establishments	\$21.00
Food services and drinking places	\$19.46
Retail stores – General merchandise	\$19.00
Wholesale trade businesses	\$14.71
Electric power generation, transmission, and distribution	\$13.48
Services to buildings and dwellings	\$11.96
Computer related services	\$11.34
Architectural, engineering, and related services	\$11.03

Of the \$805.6 million in economic activity that is supported by MCRD Parris Island statewide, the majority of that activity is concentrated within the Beaufort region. Table 19 specifically highlights the economic impact of MCRD Parris Island on this region.

Table 19 – Economic Impact of MCRD Parris Island on the Beaufort Region

	Employment	Labor Income	Economic Output
Direct Effect	2,362	\$170.1 million	\$302.2 million
Multiplier Effect	3,797	\$184.0 million	\$352.8 million
Total Effect	6,159	\$354.1 million	\$655.0 million

The economic impact of MCRD Parris Island on the Beaufort region also extends to many industrial sectors. Table 20 highlights the 10 most impacted sectors and the annual economic activity associated with each.

Table 20 – Economic Impact of MCRD Parris Island on the Beaufort Region by Industrial Sector

Offices of physicians, dentists, and other health practitioners	\$99.87
Imputed rental activity for owner-occupied dwellings	\$32.06
Real estate establishments	\$17.06
Food services and drinking places	\$15.89
Retail stores – General merchandise	\$15.44
Wholesale trade businesses	\$11.91
Electric power generation, transmission, and distribution	\$11.03
Services to buildings and dwellings	\$9.70
Computer related services	\$9.27
Architectural, engineering, and related services	\$8.97



Economic Impact: Naval Hospital Beaufort

Background

The Naval Hospital (NH) Beaufort, located on 127 acres of land in Port Royal, South Carolina, was commissioned on April 29, 1949. NH Beaufort serves both MCRD Parris Island and MCAS Beaufort and is one of only a few hospitals that is within its own complex rather than within a larger base.

NH Beaufort provides general medical, surgical, and emergency services to all active-duty Navy and Marine Corps personnel as well as retired military and military dependents residing in the Beaufort area. Accredited by the Joint Commission, NH Beaufort serves a population of nearly 35,000 beneficiaries with a commitment to continuously meet rigorous national and worldwide health care standards. The hospital's mission statement is "To be a committed partner in the delivery of quality and compassionate patient and family centered health care while maintaining operational readiness."

NH Beaufort consists of the hospital and two Branch Health Clinics at MCRD Parris Island and MCAS Beaufort. The NH Beaufort grounds include privatized family housing units, Bachelor Enlisted Quarters, a Navy Exchange retail store, a gas station/mini mart, and a Navy Federal Credit Union. Recreational facilities include a softball field, swimming pool, racquetball and basketball courts, outdoor fitness course, a gym, fishing pier, and a children's playground.

Economic Impact

The total economic impact of NH Beaufort on South Carolina – including all operations, in-state procurement, and military and civilian payroll employment – totals \$221.8 million in economic activity annually, as illustrated in Table 21. This is associated with approximately 1,568 jobs and \$109.2 million in labor income.

Table 21 – Economic Impact of the Naval Hospital Beaufort on South Carolina

	Employment	Labor Income	Economic Output
Direct Effect	968	\$83.4 million	\$157.3 million
Multiplier Effect	600	\$25.8 million	\$64.5 million
Total Effect	1,568	\$109.2 million	\$221.8 million

The 10 industrial sectors that are impacted the most by NH Beaufort are listed below in Table 22, along with the specific levels of annual economic activity associated with each.



Table 22 – Economic Impact of the Naval Hospital Beaufort on South Carolina by Industrial Sector

Note: In Millions of Dollars

Imputed rental activity for owner-occupied dwellings	\$8.74
Food services and drinking places	\$3.89
Offices of physicians, dentists, and other health practitioners	\$3.67
Real estate establishments	\$3.46
Wholesale trade businesses	\$3.02
Electric power generation, transmission, and distribution	\$1.84
Monetary authorities and depository credit intermediation activities	\$1.72
Telecommunications	\$1.72
Retail Stores – General merchandise	\$1.18
Nursing and residential care facilities	\$1.18

Of course, as with both MCAS Beaufort and MCRD Parris Island, the majority of the total economic activity that is supported by NH Beaufort statewide is also concentrated within the Beaufort region. Table 23 specifically highlights the economic impact of NH Beaufort on this region.

Table 23 – Economic Impact of the Naval Hospital Beaufort on the Beaufort Region

	Employment	Labor Income	Economic Output
Direct Effect	968	\$83.4 million	\$115.1 million
Multiplier Effect	367	\$16.7 million	\$51.8 million
Total Effect	1,365	\$100.1 million	\$166.9 million

The economic impact of NH Beaufort on the Beaufort region also extends to many industrial sectors. Table 24 highlights the 10 most impacted sectors and the annual economic activity associated with each.

Table 24 – Economic Impact of the Naval Hospital Beaufort on the Beaufort Region by Industrial Sector

Imputed rental activity for owner-occupied dwellings	\$6.49
Food services and drinking places	\$2.86
Offices of physicians, dentists, and other health practitioners	\$2.75
Real estate establishments	\$2.53
Wholesale trade businesses	\$2.31
Electric power generation, transmission, and distribution	\$1.32
Monetary authorities and depository credit intermediation activities	\$1.32
Telecommunications	\$1.32
Retail Stores – General merchandise	\$0.88
Nursing and residential care facilities	\$0.88





The Sumter Region

Regional Ranking: #5

Annual Economic Impact: \$2.4 billion

Number of Jobs Supported: 16,916

Labor Income Generated: \$1.1 billion



Number of Service Members	Number of Veterans	Number of Retirees	Number of DoD Civilians
6,444	16,271	4,350	811

The Sumter Region contains the fifth largest military presence in South Carolina, with an annual economic impact of approximately \$2.4 billion that is supported by 16,916 jobs. This impact includes Shaw Air Force Base, the U.S. Army Central Command, DoD contractors, military retirees and Veterans, and portions of the South Carolina National Guard and the U.S. Army Reserve. The economic impact of the military facilities located in the Sumter Region is detailed below.



Economic Impact: Shaw Air Force Base (AFB)

Background

Shaw Air Force Base (AFB) was built in 1941 in Sumter, South Carolina and is one of the oldest regional Unified Combatant Commands in the U.S. Air Force.

Approximately 7,200 active duty and reserve personnel are assigned to this base, with the majority of those personnel living off base. Nearly 1,000 civilians also work on base. Shaw's host unit is the 20th Fighter Wing, the largest F-16 combat wing in the Air Force and the only defense suppression wing in the United States.

The 20th Fighter Wing operates over 80 F-16CM fighter aircraft in conventional and anti-radiation suppression of enemy air defenses, strategic attack, counter air, air interdiction, joint maritime operations, and combat search-and-rescue missions. It also provides personnel, facilities, and materials for Shaw AFB's diverse operations. Shaw AFB is also home to the Headquarters of Ninth Air Force, U.S. Air Forces Central (AFCENT). Ninth Air Force is responsible for ensuring the agile combat support capabilities of eight wings and three direct reporting units. These units encompass more than 350 aircraft and 28,000 active-duty and civilian personnel. The Ninth Air Force is also responsible for the operational readiness of 16 Ninth Air Force-gained National Guard and Air Force Reserve units. AFCENT is the air component of United States Central Command, a regional unified command. It is responsible for air operations (either unilaterally or in concert with coalition partners) and developing contingency plans in support of national objectives for USCENTCOM's 20-nation area of responsibility in Southwest Asia.

Additionally, the headquarters for U.S. Army Central (ARCENT), sometimes referred to as Third Army, transferred to Shaw in June, 2006 as a result of the 2005 BRAC. It is the Army component of USCENTCOM and the Coalition Forces Land Component Command.

ARCENT has been active in the Middle East for the past twenty-plus years, including Kuwait (Desert Shield/Storm), Afghanistan and Iraq (Operation Enduring Freedom and Operation Iraqi Freedom).

In January 2017, the Air Force chose Shaw as the preferred location to support a MQ-9 Reaper (remotely piloted aircraft) unit consisting of approximately 430 personnel.

Shaw also hosts the 372nd Training Squadron (Detachment 2); 337th Recruiting Squadron; the Air Force Audit Agency (Team D, Mid-Atlantic area audit office); the Air Force Office of Special Investigations (Detachment 212); and Air Combat Command's F-16 Aerial Demonstration Team.



Economic Impact

The total economic impact of Shaw AFB on the state of South Carolina – including all operations, in-state procurement, and military and civilian payroll employment – totals \$2.1 billion in economic activity annually, as illustrated in Table 25. This is associated with approximately 14,184 jobs and \$1.0 billion in labor income.

Table 25 – Economic Impact of Shaw AFB on South Carolina

Note: Impact Estimates Include Impacts of ARCENT

	Employment	Labor Income	Economic Output
Direct Effect	8,180	\$840.4 million	\$1.5 billion
Multiplier Effect	6,004	\$200.6 million	\$620.0 million
Total Effect	14,184	\$1.0 billion	\$2.1 billion

The 10 industrial sectors that are impacted the most by Shaw AFB are listed below in Table 26, along with the specific levels of annual economic activity associated with each.

Table 26 – Economic Impact of Shaw AFB on South Carolina by Industrial Sector

Notes: (1) In Millions of Dollars; (2) Impact Estimates Include Impacts of USARCENT

Rental activity for owner-occupied dwellings	\$85.62
Food services and drinking places	\$38.25
Offices of physicians, dentists, and other health practitioners	\$36.30
Real estate establishments	\$36.20
Retail Stores – General merchandise	\$33.33
Wholesale trade businesses	\$29.64
Monetary authorities and depository credit intermediation activities	\$18.15
Telecommunications	\$16.71
Electric power generation, transmission, and distribution	\$15.08
Nursing and residential care facilities	\$11.49

Of the \$2.1 billion in economic activity that is supported by Shaw AFB statewide, the majority of that activity is concentrated within the broader Sumter region.⁸ Table 27 specifically highlights the economic impact of Shaw AFB on the Sumter region.

Table 27 – Economic Impact of Shaw AFB on the Sumter Region

Note: Impact Estimates Include Impacts of ARCENT

	Employment	Labor Income	Economic Output
Direct Effect	8,180	\$840.4 million	\$1.1 billion
Multiplier Effect	3,746	\$124.5 million	\$388.3 million
Total Effect	11,926	\$964.9 million	\$1.5 billion

⁸ The Sumter region is comprised of Sumter, Lee, and Clarendon counties.



The economic impact of Shaw AFB on the Sumter region also extends to many industrial sectors. Table 28 highlights the 10 most impacted sectors and the annual economic activity associated with each.

Table 28 – Economic Impact of Shaw AFB on the Sumter Region by Industrial Sector

Notes: (1) In Millions of Dollars; (2) Impact Estimates Include Impacts of USARCENT

Rental activity for owner-occupied dwellings	\$66.75
Food services and drinking places	\$33.23
Real estate establishments	\$25.33
Retail Stores – General merchandise	\$21.74
Offices of physicians, dentists, and other health practitioners	\$19.79
Wholesale trade businesses	\$15.48
Monetary authorities and depository credit intermediation activities	\$14.46
Nursing and residential care facilities	\$7.28
Electric power generation, transmission, and distribution	\$5.44
Telecommunications	\$4.82





The Aiken/N. Augusta Region

Regional Ranking: #6

Annual Economic Impact: \$1.8 billion
Number of Jobs Supported: 14,111
Labor Income Generated: \$665.2 million



Number of Service Members	Number of Veterans	Number of Retirees	Number of DoD Civilians
482	17,309	2,694	29

The Aiken/North Augusta Region contains the sixth largest military presence in South Carolina, with an annual economic impact of approximately \$1.8 billion that is supported by 14,111 jobs. This impact includes the Savannah River Site, various DoD contractor activities, South Carolina military retirees and Veterans, and portions of the South Carolina National Guard and the U.S. Army Reserve. In addition, there are some residual economic impacts from Fort Gordon – located in the city of Augusta, Georgia – due to the fact that some military personnel working at Fort Gordon live in South Carolina. Note that impacts from Fort Gordon are excluded from these regional totals, but are presented below.



Economic Impact: Fort Gordon

Background

Founded as Camp Gordon in 1940, the base made major contributions to World War II and the Korean War. Renamed Fort Gordon in 1956, the base became known for Signal training and provided basic training and officer candidate school during the Vietnam era. The early 1990s saw significant changes to the Army and Fort Gordon; the Army moved a military intelligence brigade to FGGA, and NSA established a significant presence in Georgia initiating a 30-year wave of growth, culminating in the 2013 announcement of ARCYBER's relocation, completed in 2021.

Fort Gordon is taking Cyber and Signal training into the future with almost 40 percent of Soldiers and Civilians dedicated to 24/7 operations and \$2 billion allocated for modernization - including \$0.9 billion for six MILCON projects, seven restoration and modernization projects, and 11 demolition projects. With its 32,000 workers, Fort Gordon has long ceased to be known as just a school house installation.

In 1950 the demand for signalmen in the Korean War led to a major expansion of the Signal Corps Training Center, making it the largest single source of Army communications specialists. Camp Gordon was re-designated Fort Gordon and made a permanent installation in 1956. The US involvement in Southeast Asia in the 1960s and 1970s, together with the advances in communications-electronics technology, placed heavy training demands on Fort Gordon. At the height of the Vietnam War, the renamed Southeastern Signal School (SESS) was the primary source of communications personnel for tactical units in Vietnam. The SESS activated the Signal Officer Candidate School 1965-1968 (OCS), commissioning more than 2,000 officers.

Besides providing training for both the Signal and Cyber Corps, Fort Gordon serves as a power projection base for several Army Signal, Cyber, and Intelligence units. Fort Gordon is also home to joint partners from all the Armed Services who provide intelligence, cyber, communications, and cryptologic support for operations spanning the globe.

Fort Gordon is one of several bases named for confederate leaders scheduled for renaming.

Economic Impact⁹

Fort Gordon's economic impact derives primarily from its base operations. Local procurement and payroll employment (military and civilian) to support these operations provide a direct injection of funding into the local economy. These dollars come from the federal government, and therefore represent new sources of

⁹ Fort Gordon's impact is presented in the Aiken/N. Augusta region but not included in the aggregate regional impacts.



spending from outside the region. Because Fort Gordon is located in Augusta, Georgia, the majority of its economic impact is contained within the Georgia-based counties of Burke, Columbia, Lincoln, McDuffie, and Richmond that encompass the Augusta region. However, because some of Fort Gordon's suppliers are located in South Carolina and because a subset of their military service members and civilian employees live in South Carolina, part of Fort Gordon's economic impact extends to the Palmetto State as well.¹⁰ Additionally, there is likely a considerable amount of uncaptured expenditures from the Fort Gordon region due to classification of the budgets. The estimates shown in Table 29 below document the total economic impact of Fort Gordon estimated to occur within the state of South Carolina.

Table 29 – Economic Impact of Fort Gordon on South Carolina

	Employment	Labor Income	Economic Output
Direct Effect	11,918	\$1.1 billion	\$1.7 billion
Multiplier Effect	7,510	\$0.4 billion	\$1.1 billion
Total Effect	19,428	\$1.5 billion	\$2.8 billion

The approximately \$1.7 billion in annual economic activity that is directly supported by Fort Gordon leads to an additional \$1.1 billion in economic multiplier effects. This is the result of increased demand for goods and services of local suppliers and additional household spending that results from all procurement activity at Fort Gordon.

The combination of the direct and multiplier effect leads to a total impact of \$2.8 billion on the state of South Carolina. This economic activity is associated with 19,428 jobs and approximately \$1.5 billion in labor income.

Fort Gordon's economic impact also extends to many industrial sectors. Table 30 highlights the 10 most impacted sectors and the annual economic activity associated with each.

Table 30 – Economic Impact of Fort Gordon on South Carolina by Industrial Sector

Note: In Millions of Dollars

Architectural, engineering, and related services	\$58.17
All other professional, scientific, and technical services	\$36.77
Construction of other new nonresidential structures	\$30.20
Insurance carriers	\$28.66
Electric power generation, transmission, and distribution	\$28.15
Hospitals	\$23.89
Real estate establishments	\$22.61
Monetary authorities and depository credit intermediation activities	\$21.95
Wholesale trade	\$18.57
Computer related services	\$14.72

¹⁰ Based on current population data from the U.S. Census Bureau, this study estimates that approximately 36.7 percent of the total economic impact of Fort Gordon takes place within South Carolina.



Economic Impact: Savannah River Site (SRS)

Background

The Savannah River Site (SRS) was built during the 1950s and was managed by the U.S. Atomic Energy Commission to refine nuclear materials. It is located in Aiken, Allendale, and Barnwell counties adjacent to the Savannah River and is owned by the U.S. Department of Energy. Currently, SRS is responsible for disposition of nuclear materials, waste management, environmental cleanup, and environmental stewardship. The site is approximately 310 square miles, has an annual budget of around \$2 billion, and has a workforce of over 11,000 across both South Carolina and Georgia.

SRS is also home to the Savannah River National Laboratory—the United States' only source of tritium, a component of nuclear weapons. The SRS facility extracts, recycles, purifies, and reloads tritium, a radioactive isotope of hydrogen. The lab also develops and deploys solutions to “environmental, national security, nuclear materials management, and energy security” issues. The lab is specialized for safely studying and handling radioactive materials as well as providing the only radiological crime investigation laboratory in the U.S.

Economic Impact

The total economic impact of the SRS on South Carolina – including all operations, in-state procurement, and payroll employment – totals \$1.3 billion in economic activity annually, as illustrated in Table 31. This is also associated with approximately 9,868 jobs.¹¹

Table 31 – Economic Impact of the Savannah River Site on South Carolina

	Employment	Economic Output
Direct Effect	6,126	\$829.7 million
Multiplier Effect	3,742	\$475.0 million

Total Effect	9,868	\$1.3 billion

The 10 industrial sectors that are impacted the most by the SRS are listed below in Table 32, along with the specific levels of annual economic activity associated with each.

¹¹ Note that these estimates were tabulated from the December 2021 analysis conducted by Augusta University titled the *Economic Impact of the Savannah River Site*.



Table 32 – Economic Impact of the Savannah River Site on SC by Industrial Sector

Note: In Millions of Dollars

Facilities support services	\$452.1
Waste management and remediation services	\$283.4
Architectural, engineering, and related services	\$59.9
Employment services	\$56.7
Investigation and security services	\$55.7
Owner-occupied dwellings	\$47.8
Employment and payroll of federal gov't, non-military	\$24.3
Other real estate	\$22.4
Limited-service restaurants	\$14.0
Other local government enterprises	\$13.6





The Grand Strand Region

Regional Ranking: #7

Annual Economic Impact: \$887.8 million

Number of Jobs Supported: 7,538

Labor Income Generated: \$349.4 million



Number of Service Members	Number of Veterans	Number of Retirees	Number of DoD Civilians
252	35,014	4,393	18

The Grand Strand Region contains the seventh largest military presence in South Carolina, with an annual economic impact of approximately \$888 million that is supported by 7,538 jobs. This impact includes various DoD contractor activities, military retirees and Veterans, and portions of the South Carolina National Guard and the U.S. Army Reserve.





The Rock Hill Region

Regional Ranking: #8

Annual Economic Impact: \$801.5 million

Number of Jobs Supported: 6,831

Labor Income Generated: \$314.4 million



Number of Service Members	Number of Veterans	Number of Retirees	Number of DoD Civilians
619	25,859	2,881	20

The Rock Hill Region contains the eighth largest military presence in South Carolina, with an annual economic impact of approximately \$802 million that is supported by 6,831 jobs. This impact includes various DoD contractor activities, military retirees and Veterans, and portions of the South Carolina National Guard and the U.S. Army Reserve.





The Pee Dee Region

Regional Ranking: #9

Annual Economic Impact: \$730.6 million

Number of Jobs Supported: 6,247

Labor Income Generated: \$285.7 million



Number of Service Members	Number of Veterans	Number of Retirees	Number of DoD Civilians
1,235	24,666	2,553	48

The Pee Dee Region contains the ninth largest military presence in South Carolina, with an annual economic impact of approximately \$731 million that is supported by 6,247 jobs. This impact includes various DoD contractor activities, military retirees and Veterans, and portions of the South Carolina National Guard and the U.S. Army Reserve. Marion County specifically represents the county with the 6th highest dollar volume of DoD contracts in the state. This is partially the result of SOPAKCO, which is located in Mullins, South Carolina.



Statewide Impacts

Economic Impact: South Carolina National Guard

Background

The South Carolina National Guard (SCNG) is led by U.S. Army Major General R. Van McCarty, The Adjutant General of South Carolina. The Governor serves as the Commander-in-Chief of the SCNG. The SCNG is comprised of the South Carolina Air National Guard (SCANG) and the South Carolina Army National Guard (SCARNG). There are approximately 1,340 Airmen and approximately 9,250 Soldiers assigned to the SCNG.

U.S. law charges the National Guard with dual federal and state missions under the command of either the President or the Governor, respectively. Their functions range from limited actions during response to disasters, Defense Support Civil Authorities (DSCA), as well as mobilizations for contingency or combat operations.

As a dual-mission force, SCNG is normally under the control of the Governor, but can be called into federal service by the President. Of the more than 10,000 service members in the SCNG, approximately 24 percent serve full-time. The remaining traditional members of the SCNG typically serve 39 days a year in a federally-funded status for training, unless activated for additional training or mobilizations.

The SCNG's federal mission is "to provide properly trained and equipped units for prompt mobilization for war, national emergency, or as otherwise needed" while its state mission is "to provide trained and disciplined forces for domestic emergencies or as otherwise provided by state law."

The SCNG continues to support South Carolina's state partner, the Republic of Colombia, with interactions in Colombia and supporting operations in the U.S. as part of the State Partnership Program.

South Carolina Army National Guard

The SCARNG has a physical presence in 40 of the state's 46 counties. These locations include 63 readiness centers, nine Field Maintenance Shops, two Army Aviation Support Facilities, a Combined Support Maintenance Shop, a Unit Training Equipment Site, a major training center – McCrady Training Center, with one sub-training site – Clarks Hill Training Site, one closed-in training area at the Savannah River Site, the South Carolina National Guard headquarters complex, and the Olympia Armory. The majority of traditional members of the SCARNG report for their training in a different county than which they reside, dispersing economic effect across the state.

Major units of the SCARNG include the Joint Force Headquarters – South Carolina, headquartered in Columbia, 263rd Army Air Missile Defense Command,



headquartered in Anderson, 218th Maneuver Enhancement Brigade, headquartered in Charleston, 678th Air Defense Artillery Brigade, headquartered in Eastover, 228th Theater Tactical Signal Brigade headquartered in Spartanburg, 59th Aviation Troop Command headquartered at McEntire Joint National Guard Base, 59th Troop Command, headquartered at McEntire Joint National Guard Base, 117th Engineer Brigade, headquartered in Newberry, and 218th Regiment, headquartered at McCrady Training Center.

South Carolina Air National Guard

The SCANG trains and operates out of McEntire Joint National Guard Base (JNGB) which is a federal military installation operated by the SCANG since its founding in 1946.

The 169th Fighter Wing is the SCANG's primary unit. The 169th Fighter Wing's mission is to maintain wartime readiness and the ability to mobilize and deploy expeditiously to carry out tactical air missions or combat support activities in the event of a war or military emergency. The 169th Fighter Wing provides Combatant Commanders with world-class combat capability to meet the nation's needs for contingency and general war requirements. In an on-going basis, the 169th Fighter Wing provides continual support of the Aerospace Control Alert Mission, defending east coast air space in support of North American Aerospace Defense Command (NORAD). Additionally, the Wing has civil engineers, security forces, air traffic control, communications, medical and logistical personnel who support Federal operations as well as responding to State needs. During the State's response to the COVID-19 epidemic, the Wing, along with the Joint Force Headquarters-Air staff, served as the focal point for storage and distribution of COVID-19 supplies throughout the State.

Economic Impact

The total economic impact of SCNG on the state of South Carolina – including all operations, in-state procurement, and military and civilian payroll employment – totals \$1.2 billion in economic activity annually, as illustrated in Table 33. This is associated with approximately 17,725 jobs and \$641.2 million in labor income.

Table 33 – Economic Impact of South Carolina National Guard on South Carolina

	Employment	Labor Income	Economic Output
Direct Effect	14,593	\$493.9 million	\$846.7 million
Multiplier Effect	3,132	\$147.3 million	\$337.2 million
Total Effect	17,725	\$641.2 million	\$1.2 billion

The 10 industrial sectors that are impacted the most by McEntire JNGB are listed below in Table 34, along with the specific levels of annual economic activity associated with each.



Table 34 – Economic Impact of South Carolina National Guard on South Carolina by Industrial Sector

Note: In Millions of Dollars

Architectural, engineering, and related services	\$110.56
Real estate establishments	\$46.41
Computer related services	\$38.61
Maintenance and repair construction	\$21.28
Retail Stores – General merchandise	\$13.52
Medical and diagnostic labs and outpatient and other ambulatory care services	\$13.24
Monetary authorities and depository credit intermediation activities	\$8.50
Wholesale trade	\$7.51
Insurance carriers	\$6.95
Electric power generation, transmission, and distribution	\$6.59



Economic Impact: DoD Contracting Firms

Background

There are many public and private firms located throughout South Carolina and the 5-county region of Georgia surrounding Fort Gordon that execute a variety of DoD contracts each year.¹² Collectively, these DoD contracting firms can be divided into two types: (1) those that supply military goods and services *inside* of South Carolina and the 5-county Fort Gordon region; and (2) those that supply military goods and services *outside* of South Carolina and the 5-county Fort Gordon region. A DoD contracting firm may fit one or both of these descriptions. According to USASpending.gov, **the total value of DoD contract awards executed by firms located in South Carolina and the five-county Fort Gordon region was \$3.2 billion during the 2021 federal fiscal year.**¹³

To the extent that DoD contracts allocated to these firms flow through Fort Gordon and the South Carolina based military installations that ultimately receive the goods and services, the economic impact of this funding is already captured in the procurement data provided by each installation for this analysis. As such, they are assumed to be incorporated into the economic impact estimates documented above. However, the economic impact of any DoD contractor firm that receives DoD funding to provide goods or services to military installations outside of South Carolina and the five-county Fort Gordon region must be documented separately.

Of the \$3.2 billion total referenced above, approximately \$939.4 million represents DoD contracts that supply military goods and services *outside* of South Carolina and the five-county Fort Gordon region. In order to determine the total economic impact of these \$939.4 million federal dollars on South Carolina, economic multipliers were matched to each contract based on the contract description as reported by USASpending.gov. Table 35 highlights the resulting estimates.

Table 35 – Economic Impact of 2021 DoD Contracts on South Carolina

Note: Excludes Contracts for S.C. Military Installations

Federal Dollars Awarded to S.C. Contracting Firms Serving DoD Facilities Outside of South Carolina	\$939.4 million
Estimated Total Employment	15,681
Estimated Total Labor Income	\$745.8 million
Estimated Total Economic Output	\$1.7 billion

DoD contracts executed by firms within South Carolina and the five-county Fort Gordon region that provide goods and services to military installations and other DoD facilities *outside* of this region supported approximately \$1.7 billion in total

¹² These five Georgia counties include Burke, Columbia, Lincoln, McDuffie, and Richmond.

¹³ This estimate was derived by summing the “based and exercised options” dollar value for all contracts.



economic activity in 2021. This is associated with 15,681 jobs and \$746 million in labor income.

Economic Impact: Military Retirees and South Carolina Veterans

Background

There are currently 397,649 military Veterans living in the state of South Carolina, of which approximately 63,882 are military retirees.¹⁴ South Carolina, as a result, has the 8th highest military retiree population in the country.¹⁵ Military Veterans in South Carolina are offered a wide variety of services through the U.S. Department of Veterans Affairs (USDVA). These include health care programs, life insurance, disability compensation and pensions, educational programs (including the GI Bill), vocational rehabilitation, and end-of-life care/memorial arrangements. Because each of these USDVA services is not funded by the U.S. Department of Defense, these programs introduce new spending activity to the state of South Carolina that would not occur otherwise. Thus, the presence of military Veterans represents a unique source of economic activity for South Carolina. During the 2020 federal fiscal year, USDVA expenditures in South Carolina totaled approximately \$4.9 billion. Table 36 provides a breakdown of these expenditures across all major programs.

Table 36 – Military Retiree/Veteran Annual S.C. Expenditures by Category

Note: Data Represent Federal FY2020

Program/Service	Total Annual S.C. Expenditures
USDVA - Compensation and Pensions	\$2.8 billion
USDVA - Medical and Construction Programs	\$1.7 billion
USDVA – Education and Vocational Rehabilitation	\$259.9 million
USDVA - General Operating Expenses	\$90.2 million
USDVA - Insurance and Indemnities	\$25.1 million
Total Annual S.C. Expenditures	\$4.9 billion

Economic Impact

The total economic impact of all military retiree/Veteran related programs on the state of South Carolina – including all operations, in-state procurement, and payroll employment – totals \$6.2 billion in economic activity annually, as illustrated in Table 37. This is associated with approximately 45,914 jobs and \$2.1 billion in labor income.

¹⁴ Source: DMDC-All Military Retirees with a Legal Residence in S.C. as of 9/30/21

¹⁵ Source: *Statistical Report on the Military Retirement System, FY2020*, last updated September 2021



Table 37 – Economic Impact of Military Retiree/Veteran-Related Spending Activity on South Carolina

	Employment	Labor Income	Economic Output
Direct Effect	35,257	\$1.6 billion	\$4.7 billion
Multiplier Effect	10,657	\$438.1 million	\$1.5 billion
Total Effect	45,914	\$2.1 billion	\$6.2 billion

Note that the direct economic impact of the \$4.7 billion in Table 37 is *less than* the \$4.9 billion in annual retiree/Veteran-related expenditures made by the USDVA and DoD. This arises due to the nature of consumer spending. While military Veterans receiving any type of compensation or pension will typically spend the majority of this income within the local economy, they will also save a portion of this income as well. This saved income will not immediately translate into new economic activity – and as such – it is not counted among the direct economic impacts that are modeled in this report.

Economic Impact: TRICARE Military Health Benefits

The federal TRICARE Military Health Care Program facilitates a significant volume of South Carolina health care expenditures related to active duty & reserve personnel, military Veterans, and military family members. These ongoing expenditures represent a regular injection of funding into the state's economy and thus another contribution to overall economic activity – both directly and through additional rounds of spending due to various economic multiplier effects.

Through a detailed examination of TRICARE-related spending in South Carolina, including data on all provider and beneficiary claims broken down by age group, this analysis finds that the annual economic impact of these expenditures totals approximately \$1.3 billion in economic output. This is associated with 9,160 jobs and \$596.9 million in labor income for South Carolinians.

All data on South Carolina TRICARE-related expenditures were provided by the U.S. Military Health System via the South Carolina Department of Health and Human Services (SCDHHS).¹⁶ Estimates detail all benefits and services paid for on behalf of TRICARE members and families residing in South Carolina, by age, for calendar years 2018 through 2020. Table 42 displays a summary of these estimates as well as the 3-year average. Because of the year-to-year variance in TRICARE expenditures, all economic impact estimates calculated in this analysis use these 3-year averages in order to provide a more accurate assessment of the average annual economic impact. These estimates are displayed in Table 38.

¹⁶ Original Data Source: TRICARE Encounter Data Institutional/Non-Institutional; extracted 3/15/2021



Table 38 – TRICARE Claims Paid in South Carolina by Calendar Year: 2018-2020

Expenditure Category	2018	2019	2020	3-Year Avg.
Inpatient	\$111,632,267	\$115,263,057	\$106,115,122	\$111,003,482
Professional/Outpatient	\$353,364,400	\$366,858,347	\$348,596,900	\$356,273,216
Pharmacy	\$219,977,982	\$215,023,673	\$219,431,389	\$218,144,348
Total	\$684,974,649	\$697,145,077	\$674,143,411	\$685,421,046

Table 39 – Total Economic Impact of TRICARE Claims Paid in South Carolina

	Employment	Labor Income	Economic Output
Direct Effect	4,851	\$397.9 million	\$685.4 million
Multiplier Effect	4,309	\$199.0 million	\$628.3 million
Total Effect	9,160	\$596.9 million	\$1.3 billion

Economic Impact: Contributions to State Tax Revenue

Another major impact that the military community has on the state of South Carolina is the increase in state tax revenue that arises from the \$34.3 billion in economic output generated from all base operations, visitor spending, and military Veterans outlined above. In order to estimate the specific value of this increase in state tax revenue, the historical relationship between South Carolina nominal gross state product and the South Carolina general funds revenue (as measured and tracked by the South Carolina Board of Economic Advisors) was estimated.¹⁷ By applying this relationship to the economic activity generated by the military community, an estimate of the tax revenue generated from these activities can be determined. Table 40 highlights these results. The \$34.3 billion in economic output generated by the military community each year is estimated to also support approximately \$1.0 billion in state tax revenue annually for South Carolina.

¹⁷ This was estimated using industry-standard time series regression techniques.



Table 40 – State Tax Revenue Linked to the South Carolina Military Community¹⁸

Military Facility	Total Annual Economic Impact	Total Annual Contribution to State Tax Revenue
Joint Base Charleston	\$10.9 billion	\$345.4 million
U.S. Coast Guard Sector Charleston	\$261.6 million	\$8.3 million
Army Corps of Engineers	\$61.6 million	\$2.0 million
Fort Jackson	\$4.7 billion	\$148.9 million
South Carolina National Guard	\$1.2 billion	\$38.1 million
Shaw Air Force Base	\$2.1 billion	\$66.5 million
Marine Corps Air Station - Beaufort	\$746.2 million	\$23.6 million
Marine Corps Recruit Depot (MCRD) Parris Island	\$805.6 million	\$25.5 million
Naval Hospital Beaufort	\$221.8 million	\$7.0 million
Fort Gordon	\$2.8 billion	\$88.7 million
Savannah River Site (SRS)	\$1.3 billion	\$41.2 million
DoD Contracting Firms	\$1.7 billion	\$53.9 million
Military Retirees and South Carolina Veterans	\$6.2 billion	\$140.5 million
TRICARE Military Health Benefits	\$1.3 billion	\$41.6 million
Totals	\$34.3 billion	\$1.0 billion

The Contribution of Veterans to South Carolina's Economy

South Carolina's economy is currently experiencing a strong labor market. With an unemployment rate of 3.4 percent (as of March 2022) and the highest job openings rate in more than 20 years, residents of the Palmetto State have access to the best job market in a generation. While this is great news for workers, such a strong labor market is also providing a significant labor challenge to businesses that are struggling to find employees. Several economic and demographic trends in the aftermath of the COVID-19 pandemic have generated a sizeable labor shortage.

First, the pandemic has incentivized many older workers to retire, which has led to decreases in the available labor pool. Second, as Baby Boomers age out of the workforce, they are being replaced by a younger generation that is smaller in its absolute size. In other words, there are not enough younger Americans to replace older Americans as they exit the workforce. Third, the majority of people migrating to South Carolina (68%) are over the age of 55. This means that the bulk of the state's population growth is not coming from working-age adults.

These trends suggest that South Carolina will likely face a labor shortage in the foreseeable future. This makes military Veterans who are of working age a critically important resource for South Carolina's economy. According to the U.S. Census Bureau, there are approximately 110,179 Veterans in South Carolina between the ages of 18 and 55, which represent roughly 31.1 percent of all in-state Veterans.

¹⁸ Due to rounding, the sum of each column will not exactly match the reported totals in the last row.



One of the advantages of a military background is the training it provides for future employment in the private sector. Military personnel acquire specific job training in many fields, including highly technical positions such as military intelligence, engineering, and computer software development. Military Veterans also come from a work environment that takes soft skills such as flexibility, teamwork, leadership, and commitment very seriously. One of the ways this can be observed directly is through the fact that military Veterans are both more educated and more likely to be in the labor force than the average South Carolinian, as Tables 41 and 42 reveal. This also translates into higher earnings for military Veterans. Table 42 shows, the median income for military Veterans is approximately 29.9 percent higher than for South Carolinians as a whole.

Table 41 – South Carolina Educational Attainment: Adults 25+

	Military Veterans	South Carolina	Difference
Less than High School Diploma	4.5%	11.7%	+7.2 percentage points
High School Diploma	26.4%	28.6%	+2.2 percentage points
Some College or Associate's Degree	39.0%	30.2%	-8.8 percentage points
Bachelor's Degree or Higher	30.2%	29.5%	-0.7 percentage points

Table 42 – South Carolina Income and Labor Force Participation Rates

	Military Veterans	South Carolina	Difference
Median Income Level	\$43,247	\$30,330	-29.9%
Labor Force Participation Rate (18-34)	81.7%	76.0%	-5.7 percentage points
Labor Force Participation Rate (35-54)	80.4%	80.7%	-0.3 percentage points
Labor Force Participation Rate (55-64)	63.1%	60.6%	+2.5 percentage points

Because military Veterans provide such a substantial contribution to the South Carolina labor force, it is important to specifically examine the Veteran workforce pipeline, that is, the occupations that Veterans move to as they transition to the private sector. The degree to which military Veterans are transitioning to high-demand vs. low-demand occupations can be assessed in order to identify where there may be gaps between the supply and demand for labor.

An analysis of data from the U.S. Bureau of Labor Statistics' Current Population Survey reveals that military Veterans currently have higher concentrations than non-Veterans in the following occupations:

- Management, business, and financial operations
- Construction and extraction
- Installation, maintenance, and repair
- Production
- Transportation and material moving



Many of these occupation groups are also expected to have higher than average employment growth in South Carolina through the year 2028. Table 43 highlights the major occupation categories in South Carolina along with the percentage of Veteran and non-Veterans working in each category as well as the projected growth rate for each occupation. For example, Table 43 shows that while South Carolina employment is expected to grow by 9.2 percent between 2018 and 2028, growth in management, business, and financial operations is expected to grow by 12.2 percent, an occupation category in which military Veterans are well represented (20.3% of the Veteran workforce is contained within this category vs. 18.5% for the non-Veteran workforce). Note that overall, military Veterans are well represented across most occupations that are projected to grow at the highest rates in the coming decade.

Table 43 – South Carolina Occupation Distribution

Source: U.S. BLS-CPS; S.C. Dept. of Employment and Workforce Long-Term Occupation Projections

Occupation Group	Pct. of Total S.C. Workforce	Pct. of Veteran Workforce	Pct. of Non-Veteran Workforce	S.C. Projected Occupation Growth Rate
Management, business, and financial operations	18.6%	20.3%	18.5%	+12.2%
Professional and related	25.0%	21.3%	25.2%	+9.8%
Service	15.1%	13.0%	15.2%	+13.2%
Sales and related	9.4%	8.0%	9.5%	+4.7%
Office and administrative support	10.6%	7.3%	10.8%	+2.1%
Farming, fishing, and forestry	0.7%	0.5%	0.7%	-3.1%
Construction and extraction	5.2%	5.8%	5.2%	+11.9%
Installation, maintenance, and repair	3.2%	6.6%	3.0%	+11.7%
Production	5.2%	6.3%	5.1%	+7.0%
Transportation and material moving	7.0%	10.9%	6.9%	+10.7%
South Carolina Totals	100%	100%	100%	+9.2%

The fact that military Veterans are being hired into high-demand occupations is a positive signal that they are matching up well with the labor market needs of South Carolina. However, there is also a wide-range of income levels for military Veterans following their entry into the private sector. This is highly correlated with their military-based occupation.



The U.S. Census Bureau currently runs an experimental program titled “Veteran Employment Outcomes” that reports earnings and employment outcomes for U.S. Army Veterans. These data provide a snapshot on a subset of military Veterans and how these income levels can differ. Table 48 highlights the primary military occupation specialties (MOS) for this Veteran subgroup along with their median earnings both one and ten years following their military discharge. Note that Veterans within the MOS of health care specialist had the highest median earnings in both time periods. This reveals the increasing demand for health care professionals in South Carolina as the state’s population continues to age due to the demographic and migration patterns previously discussed. Table 44 also reveals that median earnings for just three of the nine MOS categories are above the state average wage of \$47,490.

Table 44 – Military Veteran Earnings Post-Discharge by Military Occupation Specialty

**Denotes earnings that exceed statewide average*

Military Occupation Specialty (MOS)	Median Earnings 1-Year Post-Discharge	Median Earnings 10-Years Post-Discharge
Infantry, Gun Crews, and Seamanship Specialist	\$31,460	\$43,060
Electronic Equipment Repairers	\$32,400	\$49,040*
Communications and Intelligence Specialists	\$32,140	\$47,750*
Health Care Specialists	\$35,720	\$51,120*
Other Allied Professions	\$31,220	\$46,570
Functional Support and Administration	\$33,690	\$46,610
Electrical/Mechanical Equipment Repairers	\$35,670	\$46,470
Craftworkers	\$30,140	\$45,030
Service and Supply Handlers	\$30,910	\$41,700



Conclusion

The economic impact of the military community on the state of South Carolina is substantial. South Carolina's military presence generates \$34.3 billion in annual economic activity, along with 254,095 jobs and \$14.6 billion in labor income. The reported economic activity encompasses all base operations, in-state procurement, and visitor spending at all SC installations and military activities. Also included is the economic impact that Fort Gordon in Georgia has on the state of South Carolina, which continues to grow.

In addition, there is \$3.2 billion in DoD contracts currently being executed across 671 firms located within South Carolina and the five-county region of Georgia surrounding Fort Gordon to which the U.S. Department of Defense has committed federal funding to procure goods and services for military activities.

South Carolina has a large number of military Veterans and retirees. Specifically, the Palmetto State has the 8th highest military retiree population in the country. Both Veterans and retirees are offered a wide variety of services through the U.S. Department of Veterans Affairs (USDVA), including health care programs, life insurance, disability compensation and pensions, educational programs (including the GI Bill), vocational rehabilitation, and end-of-life care/memorial arrangements. These programs introduce new spending activity in South Carolina that would not occur otherwise. Additional pension funding is provided to military retirees through the DoD. The economic impact of all USDVA and DoD programs related to military retirees and Veterans in South Carolina totals \$6.2 billion in annual economic activity along with approximately 45,914 jobs and \$2.1 billion in labor income.

The estimates detailed in this report should serve as reminder of the importance of the military community's presence and the fact that any significant change in the level of activity at a military installation will have the potential to transform the local and statewide economy.

