

# 2023 FORT DRUM REGIONAL ECONOMIC IMPACT REPORT

A Report on the Direct, Indirect, and Induced Impacts of Fort Drum Spending for the Federal Fiscal Year Ending September 30, 2023.



Special thanks to the **Jefferson County Planning Department** for their work in maintaining the model and producing each year's results.

## THE MODEL

The Advocate Drum economic impact model for Fort Drum spending is an IMPLAN based model developed by EBP US, Boston, MA. The current model is co-funded by the Development Authority of the North Country. It is maintained in-kind by the Jefferson County Planning Department, which inputs the data to calculate the results. The inputs are provided by Fort Drum in its annual Economic Impact Statement, which only reports direct spending in numerous categories. Our model estimates TOTAL economic impact by identifying the additional indirect and induced impacts by utilizing industry-specific multipliers, local purchase coefficients, income-to-output ratios, demographic patterns, and other factors.

## TYPES OF IMPACTS

**Direct Impacts** – The direct economic impacts include 1) payroll (military and civilian on-post employees, including contract workers) spent by the US Department of Defense, and 2) non-payroll (outside) spending by the Department of Defense with vendors providing goods and services to Fort Drum.

**Indirect Impacts** – The indirect economic impacts are additional business sales, off-site jobs, and income supported by Fort Drum’s non-payroll expenditures for services and supplies. The magnitude of the total indirect effect depends on the types of purchases made each year and the extent to which those purchases go to businesses located within the tri-county region.

**Induced Impacts** – The economic result from re-spending of the wages associated with direct and indirect employment. As workers re-spend their income on consumer purchases, they generate business sales and employment in other sectors of the economy.



## FORT DRUM REGIONAL ECONOMIC IMPACT FEDERAL FISCAL YEAR 2023 (OCT 1, 2022 – SEPT 30, 2023)

Tri-County Region Economic Impact (Jefferson, Lewis, St. Lawrence) & the rest of NYS (jobs and millions of dollars)			
Economic Impacts	Direct	Indirect/Induced	Total
Gross Output	\$ 1,907.1*	\$ 632.5	\$ 2,539.6
Gross Regional Product (GRP)	\$ 1,179.2	\$ 364.2	\$ 1,543.4
Labor Earnings	\$ 1,179.2	\$ 260.8	\$ 1,440.0
Employment	18,430	5,808	24,238

*Gross Output, GRP, and Labor Earnings are alternative views of the same economic impacts and cannot be added together.*

*\*Direct Gross Output may not match data published by Fort Drum due to tabulation variables.*

**Gross Output** – Fort Drum’s TOTAL economic impact. This includes Fort Drum’s total payroll and non-payroll spending, plus the additional indirect and induced impacts, as defined on the previous page.

**Gross Regional Product (GRP)** – GRP is a measure of value-added economic activity occurring within the region. In the case of Fort Drum, it represents the value of its payroll entering the region’s economy plus net business profits resulting from Fort Drum related activity.

**Labor Earnings** – This line indicates Fort Drum’s total contribution to personal income in the Tri-County region. It includes the value of Fort Drum’s direct payroll entering the economy plus the wage income related to the indirect, off-post jobs supported by Fort Drum economic activity.

**Employment** – Total Fort Drum related employment includes the military and civilian jobs supported directly by the installation (including contract employees), plus the additional indirect jobs that exist off-post due to Fort Drum’s presence in the region.

# INDIVIDUAL COUNTY ECONOMIC IMPACTS IN THE TRI-COUNTY AREA AND THE REST OF NEW YORK STATE

## Economic Impacts (jobs and millions of dollars)

Direct Impact (Fort Drum operation), by place-of-residence*	Jefferson County	Lewis County	St. Lawrence County	Rest of New York State	Total
Gross Output	\$1,444.2	\$71.4	\$47.6	\$344.0	\$1,907.1
GRP (Value Added)	\$1,066.7	\$67.1	\$30.5	\$14.9	\$1,179.2
Labor Earnings (Wages & Salaries)	\$1,066.7	\$67.1	\$30.5	\$14.9	\$1,179.2
Employment	16,779	1,007	443	201	18,430

\* Fort Drum is located in Jefferson Co.; this table shows how direct impacts accrue to residents of Jefferson Co. and other areas.

## Indirect & Induced Impact (beyond Fort Drum), by location of impact

Gross Output	\$606.6	\$16.2	\$6.9	\$2.9	\$632.5
GRP (Value Added)	\$349.3	\$9.3	\$4.0	\$1.6	\$364.2
Labor Earnings (Wages & Salaries)	\$250.1	\$6.7	\$2.8	\$1.2	\$260.8
Employment	5,570	149	63	26	5,808

## Total Impact

Gross Output	\$2,050.8	\$87.6	\$54.4	\$346.8	\$2,539.6
GRP (Value Added)	\$1,416.0	\$76.4	\$34.5	\$16.5	\$1,543.4
Labor Earnings (Wages & Salaries)	\$1,316.9	\$73.8	\$33.4	\$16.1	\$1,440.0
Employment	22,349	1,156	506	227	24,238

## FORT DRUM REGIONAL EMPLOYMENT FEDERAL FISCAL YEAR 2023 (OCT 1, 2022 – SEPT 30, 2023)



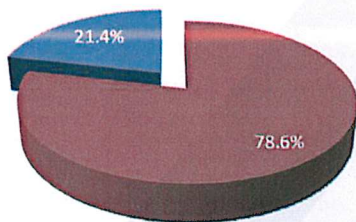
With 18,430 Military and Civilian personnel, Fort Drum is the largest single-site employer in New York State.

The 24,012 Fort Drum related jobs (direct & indirect) represent 21.4 % of wage earners in the Tri-County region.

## Total Regional Employment Impact by County

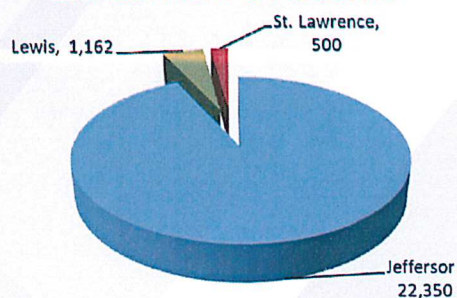
County	Non Fort Drum Related	Direct Military	Direct Civilian	Indirect	Total	% Fort Drum Related
Jefferson	35,019	13,869	2,911	5,570	57,198	39.0%
Lewis	11,138	600	413	149	12,300	9.4%
St. Lawrence	41,876	176	261	63	42,376	1.2%
<b>Tri-County Total</b>	<b>88,033</b>	<b>14,645</b>	<b>3,585</b>	<b>5,782</b>	<b>112,045</b>	<b>21.4%</b>

### FORT DRUM & NON FORT DRUM RELATED EMPLOYMENT

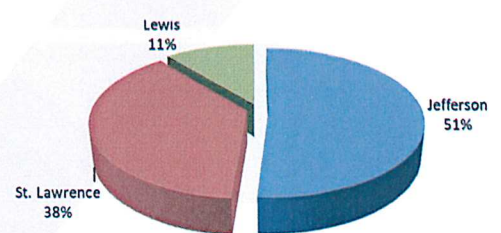


■ Non Fort Drum ■ Fort Drum Related

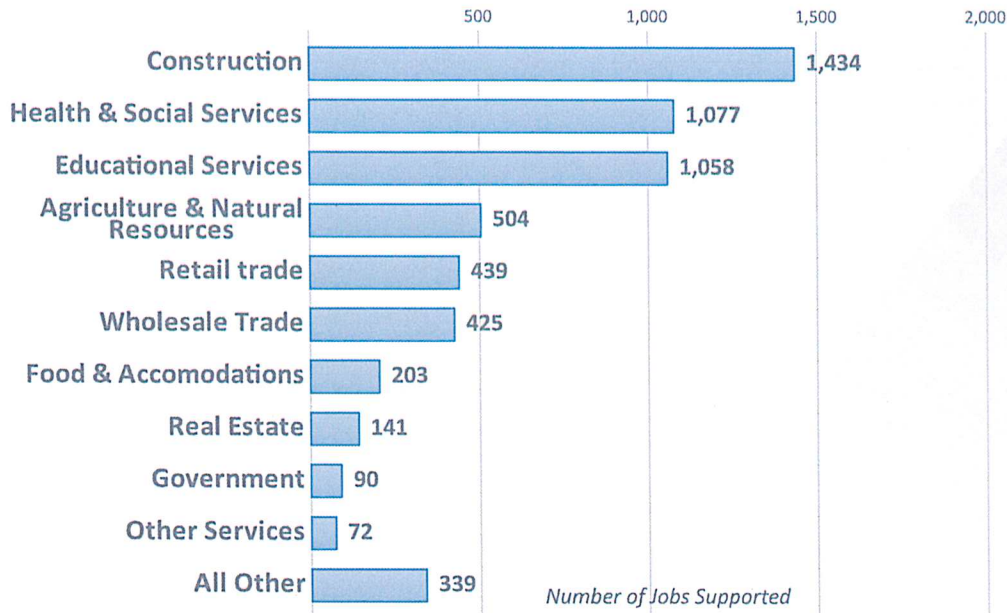
### FORT DRUM RELATED EMPLOYMENT BY COUNTY



### TOTAL EMPLOYMENT BY COUNTY



# INDIRECT & INDUCED JOB IMPACT BY INDUSTRY IN TRI-COUNTY REGION



## HISTORICAL SUMMARY OF FORT DRUM REGIONAL ECONOMIC IMPACT

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>JOBS</b>															
Military Personnel	18,023	19,447	19,978	19,024	18,060	17,269	15,457	15,069	15,110	14,960	15,154	14,998	15,656	15,079	14,645
Civilian Personnel	4,782	4,826	4,614	4,544	3,895	3,799	3,857	3,785	3,722	4,126	3,994	3,912	3,514	3,540	3,785
<b>Fort Drum Jobs</b>	<b>22,805</b>	<b>24,273</b>	<b>24,592</b>	<b>23,568</b>	<b>21,955</b>	<b>21,068</b>	<b>19,314</b>	<b>18,854</b>	<b>18,832</b>	<b>19,086</b>	<b>19,148</b>	<b>18,910</b>	<b>19,170</b>	<b>18,619</b>	<b>18,430</b>
Indirect and Induced	8,134	7,261	8,130	7,590	6,491	6,195	5,973	6,297	5,622	6,485	5,465	6,058	6,340	5,888	5,808
<b>Regional – Total Fort Drum Related</b>	<b>33,152</b>	<b>33,796</b>	<b>32,722</b>	<b>31,158</b>	<b>28,446</b>	<b>27,263</b>	<b>25,287</b>	<b>25,151</b>	<b>24,454</b>	<b>25,571</b>	<b>24,613</b>	<b>24,968</b>	<b>25,510</b>	<b>24,478</b>	<b>24,012</b>
Fort Drum related as % of Total Regional	27.6%	27.4%	27.5%	26.2%	24.0%	23.8%	22.6%	22.8%	22.2%	23.0%	22.2%	23.4%	23.5%	21.7%	21.4%
<b>SPENDING (USD billions)</b>															
Direct Spending	\$1.58	\$1.54	\$1.64	\$1.50	\$1.47	\$1.40	\$1.28	\$1.25	\$1.26	\$1.42	\$1.34	\$1.42	\$1.54	\$1.62	\$1.90
Indirect/Induced	\$0.55	\$0.40	\$0.51	\$0.36	\$0.42	\$0.37	\$0.38	\$0.39	\$0.44	\$0.45	\$0.36	\$0.41	\$0.42	\$0.60	\$0.63
<b>Total Economic Impact</b>	<b>\$2.13</b>	<b>\$1.94</b>	<b>\$2.15</b>	<b>\$1.86</b>	<b>\$1.89</b>	<b>\$1.76</b>	<b>\$1.66</b>	<b>\$1.64</b>	<b>\$1.70</b>	<b>\$1.88</b>	<b>\$1.70</b>	<b>\$1.83</b>	<b>\$1.96</b>	<b>\$2.22</b>	<b>\$2.54</b>
Impact as a % of Regional GDP	20.4%	19.9%	18.8%	15.4%	14.8%	14.3%	13.0%	13.3%	11.6%	12.6%	11.6%	12.5%	11.3%	11.1%	10.2%
<b>RETIREES</b>															
Retirees in Region (incl. survivors)	2,173	2,262	2,353	2,476	2,875	3,035	3,129	3,284	3,490	3,586	3,858	2,663*	2,639*	7,372*	15,794**

\* Change from using Tri-County zip codes to Congressional District 21, and in 2022 Congressional Districts 21 & 24.

\*\* Change from using Congressional District 21 & 24 and in 2023 Congressional Districts 21, 22 & 24.

Sources: Fort Drum Economic Impact Statement & Fort Drum Regional Economic Impact Model

DISCLAIMER: This model is periodically updated to reflect improved methodologies. Comparison of year-to-year estimates should be made as general reference only.