

FROM: Advocate Drum and Development Authority of the North Country

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Fort Drum's 2023 Economic Impact Exceeds \$2 Billion.

WATERTOWN, NY, April 23, 2023 – Fort Drum's total economic impact in the region for the federal fiscal year ending September 30, 2023 was \$2.5 billion. That number is derived from an economic impact model co-funded by Advocate Drum and the Development Authority of the North Country. It includes \$1.9 billion in Fort Drum direct spending in the regional economy—covering Jefferson, Lewis, and St. Lawrence—plus an additional \$632.5 million in additional economic activity stimulated by that spending.

Fort Drum annually reports its spending for the preceding fiscal year. However, that annual report accounts for direct spending only. “In order to understand the full economic impact of that spending on the three-county region, you have to understand the additional economic activity that spending generates and the jobs that spending supports”, said David J. Zembiec, CEO at Jefferson County Economic Development and chair of Advocate Drum. “We enter the numbers reported by Fort Drum into a model developed just for that purpose. The two reports are therefore complementary to one another.”

Fort Drum's direct impacts, as reported in its Economic Impact Statement, are comprised of payroll for military and civilian on-post employees, including contract workers, and non-payroll spending to vendors providing goods and services to Fort Drum. Advocate Drum's model also

estimates the additional indirect and induced impacts. Indirect impacts are the additional, off-post jobs and income supported by Fort Drum's purchasing of services and supplies from businesses within the region. Induced impacts are the re-spending of wages associated with both the direct and indirect jobs. As workers re-spend their income on consumer purchases, they generate business sales and employment in other sectors of the economy. The model also takes into consideration that different categories of spending reported by Fort Drum have different multiplier effects in the local economy.

Advocate Drum's economic impact model was developed by the EBP US, based in Boston, MA. The model is periodically updated in order to keep it up to date. The Jefferson County Planning Department maintains the model and inputs the data provided by Fort Drum.

The Results:

In addition to the 18,430 military and civilian personnel directly employed at Fort Drum in 2023 (which makes it the largest single-site employer in New York State), the model estimates that Fort Drum related spending also supported an additional 5,808 jobs in the larger regional economy. Together, the 24,238 jobs within the Tri-County region supported directly and indirectly by Fort Drum account for nearly 21.4% of the region's wage earners.

The model also estimates how the additional 5,808 jobs supported by Fort Drum related activity are distributed across 20 different industry sectors and occupations. By industry sector, the top three categories were construction, healthcare and social services, and educational services.

"It is important for all of us to understand Fort Drum's comprehensive economic impact on our region so that we as a community can continue to advocate for the infrastructure investment that is critical to the current and future mission of Fort Drum," said Development Authority

Executive Director Carl E. Farone, Jr. “This updated economic impact model provides real-time data documenting the significant economic impact that Fort Drum has on our tri-county region.”

County leaders in the region were not surprised by the significance of Fort Drum’s impact. Lewis County manager, Ryan M. Piche, noted that “Fort Drum continues to be the largest single site employer in New York state, and is the engine that drives our economy in the North Country. Lewis County is proud to be home to the brave men and women of the 10th Mountain Division. Continuing investments in infrastructure and amenities that Soldiers and their Families depend upon is not only important for protecting this national security asset, they clearly have positive direct and indirect impacts throughout our local economy.” Jefferson County Administrator, Robert F. Hagemann, III observed, “This economic report of Fort Drum’s impact in our tri-county region provides community and business leaders with tremendous insight into the significant and positive role that the Army has on our greater ‘North Country’ community. The Soldiers and Families of the 10th Mountain Division have always played an integral role in our communities, and these economic results are but one measure of the extent Fort Drum influences our region.” Ruth A. Doyle, St. Lawrence County administrator, added, “This report confirms what we all know to be true, that Fort Drum has a tremendous impact throughout the North Country’s business environment, enhancing employment levels and our fiscal well-being.”

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- ***ATTACHED: Advocate Drum’s 2023 Fort Drum Economic Impact Report.***
- ***NOTE: This news release and report is coordinated with Fort Drum’s release of its annual Economic Impact Statement, referred to in this news release and the basis for Advocate Drum’s report.***