ILLINOIS MILITARY BASE AND DEFENSE INDUSTRY ASSETS ECONOMIC IMPACT STUDY:

State and Regional Analyses

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By

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Illinois Military Base and Defense Industry Assets Economic Impact Study (State and Regional Analyses) report was prepared by the Center for Governmental Studies (CGS) at Northern Illinois University (NIU), at the request of the Office of Illinois Lieutenant Governor Sheila Simon, under agreement with the Illinois Chamber of Commerce Foundation. Questions and inquiries regarding the contents of this report may be directed to Brian Richard at NIU (815/753-0162 or brichard@niu.edu)

The findings and conclusions presented in this report are those of the NIU project team alone and do not necessarily reflect the views, opinions, or policies of NIU officers and/or trustees.

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The Northern Illinois University (NIU) project team consisted of Center for Governmental Studies (CGS) staff Brian Richard, Ph.D., Assistant Director, Andrew Blanke, Research Associate, Jennifer Foil, Ph.D., Senior Research Associate, and Brian Harger, Research Associate.

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EXECUTIVE SUMMARY

The military and the defense industry play an important and quantifiable role in the Illinois' economy. Overall, nearly 150,000 jobs and $13.3 billion in economic activity can be attributed directly or indirectly to the military and defense industry in Illinois. This activity is most important to communities in the Metro East, Quad Cities and North Chicago regions, and it amounts to almost 2% of the state's gross domestic product (GDP), a significant portion of Illinois' diverse economy.

The greatest economic impacts come from four categories: 1) active military installations at Scott Air Force Base, Rock Island Arsenal, and Naval Station Great Lakes; 2) defense contracts awarded to Illinois companies such as Northrop Grumman and Caterpillar for aerospace and construction equipment; 3) the active National Guard installations in communities such as Peoria, Springfield, and North Riverside; and 4) other direct payments in the form of federal education aid to school districts and retirement and social insurance benefits for military personnel.

In FY2013, the year analyzed for this report, Illinois' three, active, military installations accounted for almost 85,000 jobs and $9.1 billion in economic activity in Illinois. DOD contracts translated to almost 33,800 jobs and $3.1 billion in economic activity. The National Guard contributed more than 17,000 jobs and $156 million to the economic footprint. Rounding out the top four categories, payments to Illinois school districts and military retiree spending translated to 13,500 jobs and $1 billion in economic activity.

These figures demonstrate what is at stake for Illinois as the ranks of our nation's armed forces are thinned and as defense spending shrinks. The Pentagon has renewed calls for another Base Realignment and Closure (BRAC) round in 2017, effectively pitting Illinois against other states in a competition for realigned missions. But even without a new round of BRAC, and absent Congressional action, federal sequestration mandates deep, across-the-board cuts in 2016.

Illinois has strengths that could translate to gains, not losses, during this time of cuts. Our installations have the capacity to take on new missions. Community leaders are committed to strong military-municipal relations and are investigating ways to share services. Colleges and K-12 schools are catering to veterans and military families. And based on retirement income reports, veterans consistently are calling Illinois home. However, more in-depth analysis, documentation and promotion of these strengths will be needed to position Illinois as the most defense-friendly state in the Midwest and the nation.

The Illinois Chamber of Commerce Foundation and the Illinois Lieutenant Governor's Office strongly encourage all stakeholders to work together proactively to promote our strengths and maintain, if not enhance, our statewide military industry. We provide this economic impact study to assist in understanding these issues moving forward.

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I. FOREWORD

The Illinois Chamber of Commerce Foundation, with input from the Illinois Office of Lieutenant Governor Sheila Simon, contracted with CGS at NIU to produce a comprehensive report detailing the regional and overall state economic impact of federal and state military assets and the defense industry in Illinois.

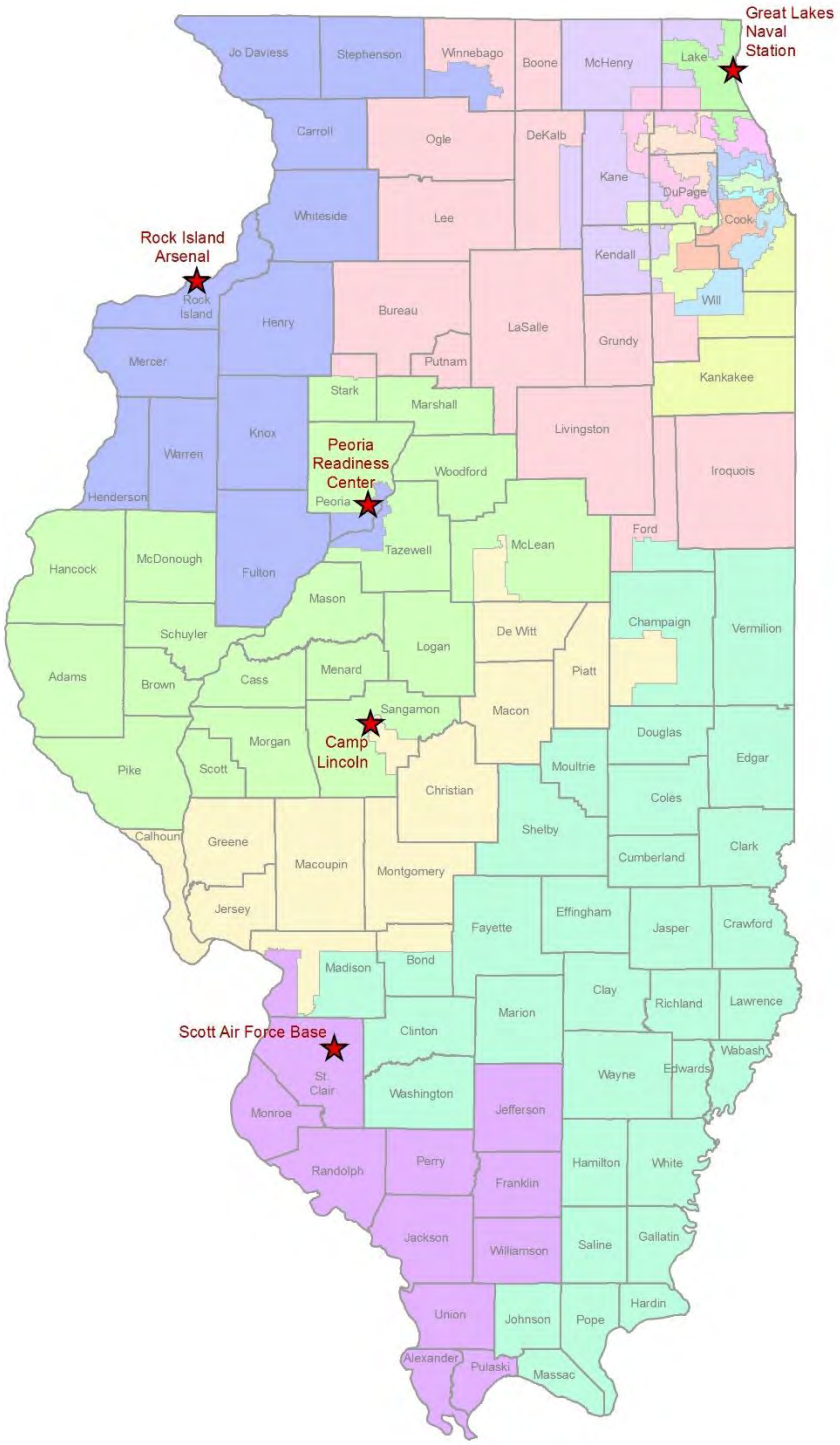
The Chamber Foundation pursued this project to ensure that a comprehensive assessment of Illinois' military assets and the state's defense industry economy is available to stakeholders and decision makers. This assessment is critically important now because indications are that shifting federal budget priorities, force reallocations, and the threat of a future Base Realignment and Closure (BRAC) round will result in decreased defense spending in the coming years, both across the nation and in Illinois.

In response to the last BRAC round in 2005, the Illinois General Assembly created the Interagency Military Base Support and Economic Development Committee (IMBSEDC). Pursuant to statute, 20 ILCS 605/605-215, the IMBSEDC, which is chaired by the Illinois Lieutenant Governor, coordinates the state's activities relating to current and former military bases in Illinois. The IMBSEDC serves as a point of communication between military branches, base leadership, state agencies, and defense communities. The statute mandates that the IMBSEDC provide advice and recommendations for base retention, realignment, and reuse efforts, including preparation of a military economic impact study.

This military economic impact report analyzes the impacts of the three major military installations in Illinois (Scott Air Force Base, Rock Island Arsenal and Naval Station Great Lakes), federal spending related to the military base operations such as educational impact aid and military retirement benefits, the Illinois National Guard, and Department of Defense contracting activities with private sector businesses in Illinois. The impacts are detailed for each individual congressional district as well as statewide. Regional impacts that cross state lines are included where appropriate. The report is divided into five major sections: an executive summary of key findings, an explanation of methodology, an analysis of statewide impacts, a breakdown of impacts by congressional district, and a conclusion.

This report will be shared with the IMBSEDC; the Chamber Foundation and its affiliates; the Illinois Department of Commerce & Economic Opportunity; federal, state and local officials; various other community organizations across the state; and the public. It is intended to be used as a foundation for future efforts to preserve, promote, and enhance Illinois' military assets and the state's defense industry economy as critical and strategic elements of our nation's security and defense.

Illinois' Congressional Districts and Major Military Installations

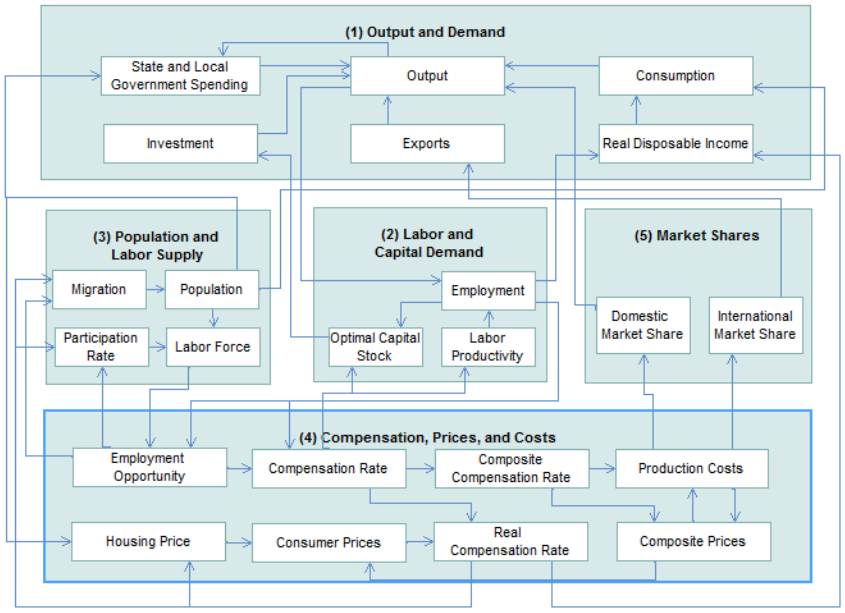


II. METHODOLOGY

This report captures the effects of funds flowing into Illinois as a result of defense facility and defense industry activities. These funds enter the economy through the purchases of goods and services, payrolls of military personnel, and direct payment to households through retirement programs. The overall impacts of these activities were estimated using a custom economic model developed by Regional Economic Models, Inc. (REMI).

For this project, REMI developed a congressional district level Policy Insight Plus (PI+) model to evaluate the economic impacts associated with defense industry spending. This PI+ model encompasses Illinois with each congressional district as separate regions. In addition, regions in adjacent states near each of the major military installations were included in the model to capture the full impacts of each base.

Below is a graphic representation of REMI PI+. The Output and Demand block shows a business that sells to all the sectors of final demand as well as to other industries. The Labor and Capital Demand block shows how labor and capital requirements depend both on output and on their relative costs. The Demographic block includes Population and Labor Supply, contributing to demand and wage determination. Economic migrants in turn respond to wages and other labor market conditions. Supply and demand interact in the Wage, Price, and Profit block. Production costs determine market shares. Output depends on market shares and the components of demand.



The REMI model is a dynamic forecasting and policy analysis tool that can be variously referred to as an econometric model, an input-output model, or even a computable general equilibrium model. In fact, REMI integrates several modeling approaches, incorporating the strengths of each methodology while overcoming its limitations. The result is a comprehensive model that answers "what if…?" questions about your economy. At its core, the REMI model incorporates the complete inter-industry relationships found in input-output models. Further, REMI models are sometimes referred to as "econometric models," due to the underlying equations and response estimations using advanced statistical techniques.

The REMI model brings together all of the above elements to determine the value of each of the variables in the model for each year in the baseline forecast as well as for simulation purposes. The model estimates the impacts of an activity by comparing a change in the economy (i.e. a military base closure) with the baseline forecast to determine the expected changes in economic activity.

This report employs three main measures of the economy: employment, gross domestic product, and personal income:

- *Employment* is the count of public and private sector, full- and part-time jobs in a region. Employment is reported at the place of work. If a person is employed in Illinois but lives in Iowa, that job is reported in Illinois.

- *Gross domestic product* (GDP) is the value of all final goods and services produced in a region. Final goods and services are those that will be used/consumed within the year.

- *Personal income* (labeled Income in the report tables) is the sum of income received from all sources, including wages, dividends, interest, rent, and transfer payments.

    - *Transfer payments* are payment from the government to individuals, such as military retirement payments.

Personal income is a component of GDP if it was earned in the process of producing a final good or service. Transfer payments are included in personal income but not in GDP because they are made without the exchange of goods or services. In this report, personal income impacts may be greater than GDP impacts if there were significant levels of military retirement income in a region.

III. STATEWIDE IMPACTS

TOTAL IMPACTS OF MILITARY AND DEFENSE ACTIVITIES

This portion of the report explores the economic impacts of Scott Air Force Base, Rock Island Arsenal, Naval Station Great Lakes, the Illinois National Guard, DOD contracting activity and trends, retirement and social insurance benefits for military personnel, and education impact aid payments. Illinois' major military installations and federal, defense-related activities were a significant part of the state economy in FY2013. About 1.8% of Illinois' GDP, or $13.3 billion, was dependent on the military and other defense related economic activity.

The economic impacts come from four major sources. First, each of the state's three major military bases (Scott Air Force Base, Rock Island Arsenal, and Naval Station Great Lakes) employs thousands of military and civilian personnel and spends millions of dollars for their operations. Second, the DOD obligated more than $3.2 billion in contracts to Illinois private sector companies. Third, the Illinois National Guard has training locations across the state with thousands of full- and part-time members. Finally, tens of thousands of Illinois citizens receive retirement benefits resulting from their military service. A smaller, yet still significant impact derives from educational aid payments to school districts serving families of active duty military personnel and employees stationed on military bases.

Figure 1 represents the statewide economic impacts of defense industry activities. Statewide, defense related activities supported almost 150,000 jobs in FY2013. These jobs represented about 2.9% of total Illinois employment. Income associated with these jobs and the retirement benefits approached $9.7 billion, or about 1.6% of Illinois personal income. Gross domestic product (GDP) is a broad measure of economic activity.

The report presents *regional* and *statewide* impacts. Regional impacts refer to sub state regions such as individual congressional districts. Since all of the major military bases sit near the Illinois border, *regional impacts* refer to the Illinois congressional district plus the adjoining metro region just across the border. *Statewide impacts* refer to impacts that occur throughout the state of Illinois.

Figure 1: Summary of Statewide Economic Impacts of Defense Industry Activities ($ Millions), FY2013

Illinois Statewide	Jobs 149,354	GDP $13,322	Income $9,664
NS Great Lakes	38,984	$4,498	$2,759
Scott AFB	31,613	$3,361	$1,757
DOD Contracts (Excl. Bases & National Guard)	33,771	$3,083	$2,187
Rock Island Arsenal	14,160	$1,277	$611
Retirement	13,245	$1,029	$2,082
NG Pay and Contracts	17,264	$156	$317
Impact Aid	317	$20	$13

Source: REMI, 2014.

The jobs supported by the military and defense industry were spread across all aspects of the Illinois economy (Figure 2). Employment was most significantly impacted in Scientific, Technical, and Professional Services, which are generally well paying jobs. Construction, Retail Trade, and Health Care also saw significant employment resulting from the military and defense industry.

Figure 2: Private Sector Jobs Supported by Defense Industry Activities, FY 2013

Industry	Jobs
Scientific, Technical, & Professional Services	14,349
Construction	12,015
Retail Trade	11,734
Health Care	10,689
Administrative Services	8,209
Manufacturing	7,153
Accommodation & Food Service	5,978
Other Private Sector Services	5,720
Finance & Insurance	4,513
Wholesale Trade	4,280
Education	3,748
Real Estate	2,400
Transportation & Warehousing	2,372
Information	1,598
Arts, Entertainment, & Recreation	1,495
Management of Companies	835
Mining	403
Utilities	257
Natural Resources	111

Source: REMI, 2014.

The economic impacts are heavily weighted towards the congressional districts that contain military bases (Figure 3). The districts with the largest impacts are the 10th, home to Naval Station Great Lakes, the 12th (Scott Air Force Base), and the 17th (Rock Island Arsenal). The impacts in the other districts are significantly smaller, but still important to the local economies.

Figure 3: Summary of Economic Impacts by Congressional District ($ Millions), FY2013

	Jobs	GDP	Income
1st District	2,550	$132	$220
2nd District	1,097	$78	$184
3rd District	2,211	$159	$214
4th District	1,354	$85	$158
5th District	2,027	$184	$255
6th District	3,695	$342	$392
7th District	4,534	$331	$242
8th District	7,431	$798	$470
9th District	3,214	$323	$362
10th District	37,591	$4,476	$2,096
11th District	6,857	$431	$362
12th District	36,514	$3,601	$2,159
13th District	8,098	$309	$496
14th District	2,864	$206	$419
15th District	3,378	$166	$356
16th District	2,766	$143	$290
17th District	18,142	$1,326	$657
18th District	3,266	$239	$336

Source: REMI, 2014.

The defense industry is a significant part of the Illinois economy. The benefits are spread across all areas of the state and all sectors of the economy. The military bases in the state are important economic drivers in their regions. The three congressional districts that contain military bases experience far greater economic impacts than do the other districts. Naval Station Great Lakes and Scott Air force Base each generate greater economic impacts across Illinois than the combined impacts of defense contractors.

IV. IMPACTS OF MAJOR INSTALLATIONS

SCOTT AIR FORCE BASE

Located in Illinois' Metro East region, Scott Air Force Base (AFB) employed 4,512 active duty military personnel and 5,085 civilians[1] in FY2013. Private sector contracts worth $518.2 million were performed at Scott AFB in FY2013. In addition, Air Force Reserve and Air National Guard units that depend on the base employed 2,204 full-time and part-time personnel[2].These activities, along with related retiree spending and educational aid payments, added $3.5 billion to Illinois' GDP.

The Department of Defense (DOD) allots educational impact aid payment directly to local school districts for: (1) local revenue lost due to the presence of federally owned property, which is therefore tax-exempt, and (2) costs incurred due to 'federally connected' students, such as the children of armed services personnel working at a nearby military base. In the 12th Congressional District, these payment totaled $8.9 million in FY2013. More than 85% of the payments in the district went to Mascoutah School District, which includes Scott AFB within its boundaries.

Retirees often depend on the services provided by major military installations for shopping, health care, and recreational opportunities. Career military retirement and Veterans' Affairs benefits paid to retirees in the 12th Congressional District totaled $74.3 million. Military related retirement payments in the Missouri portion of the St. Louis metro area were a significant $271.4 million.

Scott AFB impacts are presented on the regional and *statewide* levels. *Regional impacts* refer to the 12th Congressional District plus the Missouri side of the St. Louis metropolitan area just across the border. *Statewide impacts* refer to impacts that occur throughout the state of Illinois.

Regional Impacts

Combined, these activities supported a total of 30,485 jobs in the 12th Congressional District with total personal income of $1.7 billion, and contributed $3.2 billion to the district's gross domestic

[1] Personnel and Contracts Source: Scott Air Force Base.
[2] Includes 126th ARW (Source: Illinois National Guard) and 932nd AW (Source: 932nd AW Fact Sheet: http://www.932aw.afrc.af.mil/library/factsheets/factsheet.asp?id=261).

product (Figure 4). The Missouri side of the St. Louis metropolitan area is also heavily affected. Impacts related to Scott AFB supported 9,854 jobs in the Missouri part of the St. Louis area[3] with a total income of $890 million and contributed $847 million to the region's GDP.

Across the region, the operations of Scott AFB and related economic activity supported an estimated 40,339 jobs. Total personal income dependent on Scott AFB was almost $2.6 billion. The economic activity generated more than $4 billion in regional GDP.

Figure 4: Regional Economic Impacts of Scott Air Force Base ($ Millions), FY2013

	Illinois 12th Congressional District			Missouri Portion of St. Louis Metro			Region Total		
	Jobs	GDP	Income	Jobs	GDP	Income	Jobs	GDP	Income
Total	**30,485**	**$3,176**	**$1,700**	**9,854**	**$847**	**$890**	**40,339**	**$4,023**	**$2,590**
Scott AFB	29,089	$3,087	$1,416	5,461	$495	$271	34,550	$3,582	$1,687
Impact Aid	192	$13	$6	0	$0	$0	192	$13	$6
Retirees	1,204	$76	$278	4,393	$352	$619	5,597	$428	$897

Source: REMI, 2014.

Statewide Impacts

As shown in Figure 5, Scott AFB operations and related economic activity supported more than 33,000 jobs across Illinois. Personal income in the state dependent on the base was more than $2 billion and the economic activities added about $3.5 billion to Illinois' GDP. The majority of these impacts occurred within the 12th Congressional District, home to Scott AFB. The neighboring 13th and 15th Congressional Districts each had more than 500 jobs supported by the base's operations.

Figure 5: Statewide Economic Impacts of Scott Air Force Base ($ Millions), FY2013

	Illinois 12th Congressional District			All Other Illinois Districts			Statewide Illinois		
	Jobs	GDP	Income	Jobs	GDP	Income	Jobs	GDP	Income
Total	**30,485**	**$3,176**	**$1,700**	**2,524**	**$274**	**$341**	**33,009**	**$3,450**	**$2,041**
Scott AFB	29,089	$3,087	$1,416	2,524	$274	$341	31,613	$3,361	$1,757
Impact Aid	192	$13	$6				192	$13	$6
Retirees	1,204	$76	$278				1,204	$76	$278

Source: REMI, 2014.

[3] The Missouri part of the St. Louis area includes St. Louis City and, Franklin, Jefferson, Lincoln, St. Charles, St. Louis, Warren, and Washington Counties.

Scott Air Force Base Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis

STRENGTHS

Located in St. Clair County, Illinois, Scott AFB is an economic engine for Southwestern Illinois and the St. Louis, Missouri region. The base is operated by the 375th Air Mobility Wing, whose mission is to provide air mobility operations, in addition to providing facilities and programs for personnel and their families who are stationed there. Tenants include the U.S. Transportation Command, Air Mobility Command, 18th Air Force, 618th Air and Space Operations Center, 932nd Airlift Wing, 126th Air Refueling Wing, Air Force Network Integration Center, Defense Information Systems Agency, and Surface Deployment and Distribution Command.

Scott AFB enjoys strong community support and a supportive local regulatory environment, which protects the base's airspace, provides for base expansion without encroachment, and allows Scott to carry on its military mission without constraint.

The region's leaders clearly understand the economic importance of Scott AFB and are committed to strengthening and deepening relationships between their communities and the base. Leadership Council Southwestern Illinois has been instrumental in fostering community support, facilitating outreach, and leading advocacy efforts at the federal, state and local levels.

Examples of strong community support for Scott AFB include:

- The Abilene Trophy, otherwise known as the Air Mobility Command Community Support Award, was awarded to the Scott AFB community (St. Louis region) in 2012. The award is presented annually to recognize the community that provides the best support to an Air Mobility Command unit. [4]
- The Scott Patriot Program allows local businesses to identify themselves as military friendly. These businesses provide discounts or special benefits to military personnel and veterans, support the hiring of veterans/retirees/military spouses, provide specific services to military families, volunteer time, donate money/goods/services, and participate in events that support the military at Scott. More than 650 businesses in the region have identified themselves as Scott Patriots.

[4] The trophy, established in 1998, is awarded annually by the Abilene, Texas Chamber of Commerce, home to Dyess Air Force Base.

- The Regional Alliance for the Troops website (www.raftt.org) helps servicemembers, veterans, and their families identify resources available in the St. Louis region. The website allows users to identify support services from more than 250 government and non-government organizations. More than 7,000 military members and families have accessed resources through the site.
- The Belle-Scott Committee, the oldest, continuous military support committee in the nation, is focused on strengthening ties between base personnel and the community, including events as the annual Belle-Scott Enlisted Dinner, sponsored by local businesses, for enlisted personnel and local citizens. Belle-Scott is also partnering with the Leadership Council Southwestern Illinois to host a networking event for military members who are leaving the service and entering the job market.
- H.E.R.O.E.S. (Homefront Enabling Relationships, Opportunities, and Empowerment through Support) Care consists of a network of tens of thousands of trained caregivers and thousands of professional mental health care and service providers working together to provide an unprecedented system of support for military members and their families. Personnel stationed at Scott received donations of furniture, presents, diapers, and other necessities.

Quality-of-life issues, land-use policy instruments, development of public-public and public-private partnerships, and other military, operational factors also count among Scott AFB's strengths.

- *The Air Force Times*, a widely read daily newspaper published by Gannett, recently rated every U.S. Air Force base on a number of important quality-of-life categories to determine the best bases for airmen and their families. Scott Air Force Base ranked first among 68 other bases across the country[5]. The rating was based on regional criteria and base-specific factors important to service members, including school quality, cost of living, housing costs, regional crime rates, transportation, entertainment, air pollution levels, climate, unemployment rates, and sales taxes rates.
- Scott AFB is also the only base ranked the Air Force Times' top ten that is served directly by a rail transit system, MetroLink, which was cited as a distinct advantage for Scott AFB service members.

[5] http://www.airforcetimes.com/article/20140721/NEWS/307210028/Special-Report-top-5-best-bases-airmen

- HB3939, known as the Military Education Compact,[6] is reform legislation drafted and negotiated by the office of Illinois Lt. Governor Sheila Simon to ease educational transitions for military children. It aligns the Illinois Educational Opportunity for Military Children Act[7] with national standards for the fair treatment of school children with parents in the military. The compact allows students to transfers schools, enter the same grade level at the new school, retain previously earned credit, and be offered opportunities for extracurricular activities. The legislation is beneficial to the school-age children of all active duty military personnel in Illinois, although the largest percentage of those students reside in communities around Scott Air Force Base.
- Development in the region surrounding Scott AFB is planned to preserve the military mission of the base. According to the Scott Air Force Base/Mid-America Airport Joint Land Use Study, there are several compatibility tools in place to limit future development that would impact base operations. Each of the communities (O'Fallon, Mascoutah, and Shiloh) that are in the "Noise Zone" of the military runway, along with St. Clair County, have adopted an Airport Overlay ordinance that limits development. These codes define and restrict incompatible uses that would interfere with airport operations or aircraft maneuvering. The land-use agreement provides for unrestricted use of air space for Scott Air Force Base. Airspace, air usage, and air operations are fluid, seamless, and protected.
- MidAmerica St. Louis Airport is a public use airport located on the grounds of Scott AFB, 14 miles east of Belleville, in St. Clair County, Illinois. The airfield is available for use by the Air Force, but it is primarily a civilian, commercial-use facility. The addition of a new runway in 2005 is credited as a factor in saving Scott AFB from closure in the 2005 BRAC round.
- Public-public, public-private partnerships (P4s) is an initiative made possible by a recent change in federal law[8], which makes it easier for military installations to enter into agreements with municipalities and private industry. The goal of the P4 initiative is to leverage the capabilities and resources of bases and public/private partners to reduce costs and risks by finding shared value. P4s are being pursued aggressively by the Air Force at Scott AFB and at bases across the country. Scott AFB began exploring P4 opportunities in the fall of 2014 and is hoping to identify a short list of partnerships by mid-2015.

[6] P.A. 098-0673

[7] 105 ILCS70/5*et seq.*

[8] 10 U.S.C. 2336

- The Air Force is expanding its cybersecurity mission and has chosen Scott AFB to house two of these squadrons. This will bring in 320 new jobs and $16 million in infrastructure spending, and better positions Scott AFB to take on new missions.

WEAKNESSES

Despite existing relationships and mutual aid agreements, and the willingness of the local communities to share resources with Scott AFB, there are few instances of executed base/community partnership agreements.

Because Scott AFB does not host fighter jets or space launches, its value may be overlooked and undervalued by members of Congress and members of the public. Nevertheless, its operational mission to enhance global mobility represents a core value and critical competency of the Air Force.

OPPORTUNITIES

An important opportunity that builds on the cybersecurity mission is the future relocation of the National Geospatial-Intelligence Agency facility, currently located in St. Louis, Missouri. The facility employs roughly 3,000 individuals. Scott AFB is a finalist in the selection process. Winning this mission would enhance Scott AFB's importance as a strategic defense asset.

Other opportunities involve local, shared service agreements and public partnerships. One such opportunity is to outsource Scott AFB's wastewater treatment requirements. A number of municipalities in the region have state-of-the-art, EPA-approved wastewater treatment plants with excess capacity. The treatment facility at Scott AFB, by contrast, is due for EPA-mandated upgrades, which will require years of permitting, designing, building, and regulatory oversight. Scott AFB could potentially save money on wastewater treatment by contracting with a local municipality to provide this service. There are significant impediments, however. Pipe would need to be laid to carry wastewater from the base to a treatment facility. In addition, a shutdown of the facility at Scott AFB would mean job losses. A cost-benefit analysis, as part of the ongoing P4 initiative at Scott AFB, will help determine whether this arrangement is viable.

There are other local partnership opportunities. Local governments in the area participate in joint bidding for road salt through the state. This gives them greater bargaining power with suppliers. Scott AFB could likely obtain road salt at a better price if it could become a partner in the

purchasing program. Further, communities in the region share road maintenance equipment. This reduces the need to buy or rent equipment for short-term maintenance jobs. Scott AFB's participation in this practice would lower its maintenance costs and increase the availability of equipment for surrounding communities.

Finally, Southwest Illinois College (SWIC) and the city of Belleville have signed an intergovernmental agreement to create a larger, more-up-to-date, jobs/skills training facility. The facility will train individuals leaving the military for new careers as well as provide opportunities to update skills for current military members. Partnership in this initiative may represent a valuable opportunity for Scott AFB to offer as faculty or consultants its military and civilian personnel who are highly-skilled experts in their fields, to provide fresh skills to military and civilian employees, and to help service members who are leaving the Air Force acquire new job skills.

THREATS

Local tax dollars are used to improve or maintain infrastructure and facilities for the benefit of Scott AFB, such as the airport for Air Force operations. Scott AFB, in turn, provides jobs and stimulates local economic growth due to its existence and operations. But the benefits of this interdependency are not always obvious to taxpayers and policy makers. Therefore, it is important to educate the public, government and community leaders about the costs and benefits of public funds used to preserve and enhance Scott AFB as a strategic military asset.

Additionally, since the communities and Scott AFB are so closely connected, sequestration and federal defense spending cuts will directly affect the communities surrounding the base. It is not clear how Congress will resolve force management issues in its FY2015 budget or over the next several years. Already, the Air Force is being forced to trim its ranks. In 2014, it has cut, or selected to cut, approximately 20,000 airmen under voluntary and involuntary force management programs.[9] Scott AFB risks losing missions due to federal defense spending cuts and in another BRAC round.

[9] http://archive.airforcetimes.com/article/20141104/NEWS/311040055/Stalled-budget-holding-up-decisions-2015-force-cuts

Figure 6. Summary of SWOT Themes

STRENGTHS	WEAKNESSES
• Robust Community Support • Quality-of-life • Local Leadership Adapting & Developing New Opportunities for Public-Public, Public-Private Partnerships • Unconstrained Military Operations • New Cybersecurity Squadrons	• Despite Local Willingness, Few Instances of Executed Base-Community Agreements • Perception of Low-Profile Military Mission
OPPORTUNITIES	**THREATS**
• National Geospatial-Intelligence Agency Facility • Shared Services • Training	• Public Perception/Understanding of Use of Tax Dollars • Sequestration/Budget Cuts

The base's military value, its strong community support, high quality-of-life environment, favorable local, land-use and non-encroachment policies, and the opportunities for public partnerships are important to its long-term viability. Because of these factors, realignment and/or loss of missions may be a greater threat than closure in the near future. But Scott AFB's strengths also favor it for gaining additional, new missions. The National Geospatial-Intelligence Agency Facility is a prime example. Winning this mission would further strengthen Scott AFB's position as a critical component of the nation's defense posture.

ROCK ISLAND ARSENAL

The Rock Island Arsenal (RIA) employed 892 military personnel and 4,674 civilians in FY2013[10]. About $32.8 million in private sector contracts were performed at RIA in FY2013[11]. About $63.6 million in military related retirement payments were made in the 17th Congressional District, which includes RIA. Another $57.4 million in retirement payments were made in the Iowa portion of the Quad Cities metropolitan region[12]. RIA operations and related activities added $1.3 billion to Illinois' GDP.

RIA impacts are presented on the *regional* and *statewide* levels. *Regional impacts* refer to the 17th Congressional District plus the Iowa portion of the Quad Cities metro area just across the border. *Statewide impacts* refer to impacts that occur throughout the state of Illinois.

Regional Impacts

RIA operations and retirees through their spending supported a total of about 12,600 jobs in the 17th Congressional District (Figure 7). Personal income increased by more than $480 million. The overall economic impact of RIA added more than $1.1 billion to the GDP of the district.

Not all impacts of RIA operations occurred in Illinois. The Iowa part of the Quad Cities metropolitan area were also affected. RIA operations supported 2,603 jobs in the Iowa Quad Cities metro area and GDP increased by about $115 million. Since RIA is located in Illinois adjacent to the Iowa border, about half of the workforce is Iowa residents. It is important to note that the employment and GDP figures reported in Figure 7 are reported at the place of work. Since RIA sits in Illinois, the majority of these impacts are reported in Illinois. However, an adjustment has been made to the income to reflect the significant number of commuters into Iowa. Almost half of the personal income, $463 million, was earned in Iowa.

RIA operations and related economic activity generated more than 15,000 jobs across the region. Personal income increased by about $944 million. Overall GDP in the region associated with RIA was about $1.25 billion.

[10] Source: On Island Strength Report.
[11] Source: Rock Island Arsenal.
[12] The Iowa part of the Quad Cities metropolitan area includes Scott County.

Figure 7: Regional Economic Impacts of Rock Island Arsenal ($Millions), FY2013

	Illinois 17th Congressional District			Iowa Portion of Quad Cities Metro			Region Total		
	Jobs	GDP	Income	Jobs	GDP	Income	Jobs	GDP	Income
Total	12,589	$1,132	$481	2,603	$115	$463	15,192	$1,247	$944
RIA	11,752	$1,076	$313	1,826	$65	$304	13,578	$1,141	$617
Retirees	837	$56	$168	777	$50	$159	1,614	$106	$327

Source: REMI, 2014.

Statewide Impacts

Combined, RIA operations and related retiree spending supported a total of 15,000 jobs in Illinois and contributed $1.3 billion to the state's GDP (Figure 8). Personal income relying on this economic activity totaled $779 million. More than 80% of these impacts occur within the 17th Congressional District which contains the RIA, but the neighboring 16th and 18th Congressional Districts each have more than 460 jobs supported by the arsenal's operations. Farther away, the 6th and 7th districts in the Chicago metropolitan area each have more than 200 jobs supported by RIA operations.

Figure 8: Statewide Economic Impacts of Rock Island Arsenal ($ Millions), FY2013

	Illinois 17th Congressional District			All Other Illinois Districts			Statewide Illinois		
	Jobs	GDP	Income	Jobs	GDP	Income	Jobs	GDP	Income
Total	12,589	$1,132	$481	2,408	$201	$298	14,997	$1,333	$779
RIA	11,752	$1,076	$313	2,408	$201	$298	14,160	$1,277	$611
Retirees	837	$56	$168				837	$56	$168

Source: REMI, 2014.

Rock Island Arsenal Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis

STRENGTHS

The RIA was established as an arsenal in 1862 and has an important place in American military history. RIA is the largest government-owned weapons manufacturing facility in the western world, home to several tenants including the First Army, the Army Sustainment Command, the Joint Munitions Command, Army Contracting Command, and the U.S. Army Corps of Engineers.

The Joint Manufacturing and Technology Center (JMTC) at RIA is a vertically integrated manufacturing facility with 16 critical competencies and is the services' only foundry. It represents an "insurance policy" for the Army – in that it has the knowledge base and manufacturing capability to repair and sustain the services' readiness and fighting capabilities. Other OEMs (Original Equipment Manufacturers) and private sector suppliers could potentially replicate the Arsenal's capabilities, but that would take time and money. JMTC also boasts additive manufacturing (3D printing) and can print to metal, capabilities that are likely to grow in importance for the Pentagon. The Army has identified roughly $70 million of estimated workload for RIA in FY2015-16, subject to final confirmation.

RIA is strategically advantageous because of its location in Illinois' Quad Cities' area, along the Mississippi River, bordering Iowa. Hydro-electric power currently generates approximately 30% of RIA's energy needs. From a domestic threat and homeland security perspective, RIA is centrally located, but far enough away from a major metropolitan population center target. Its location has fostered strong bi-state, bipartisan advocacy from the region's Congressional, state, and local leaders as evidenced by the award of $110 million in federal funding for FY2014-15 to help keep RIA's work rates competitive as it bids on additional work through partnerships with the private sector. The pending FY2015 Defense Appropriations bill includes $225 million for Industrial Mobilization Capacity for arsenals like RIA to compete more effectively for public-private partnerships and other business. Further, the Quad Cities Chamber of Commerce, working with federal, state, and local partners, recently secured direct air service to the Washington D.C. area from the Quad Cities International Airport in Moline.

The Army recognizes the Quad Cities area is a good place for soldiers to live, raise their families, and retire. As Secretary of the Army John McHugh observed on a visit to RIA in October 2014, the Army "likes to be where it's liked." Local governments and the private sector are strongly united in promoting and preserving the Arsenal.

The Army draws on a highly experienced, young workforce from the Quad Cities area, which RIA has leveraged in partnerships with local colleges and universities, notably with Western Illinois University to produce 3D designs and printing.

WEAKNESSES

Manufacturing, whether at RIA or any private sector factory, depends on a reliable workload. Unreliable workload at RIA results in excess capacity and under-used resources. Although RIA manufactures ammunition and equipment for all branches of the military, it is largely known as an Army installation. And even though RIA has a growing logistics, contracting, and training presence, these aspects of its mission have not been promoted to full advantage.

OPPORTUNITIES

RIA has the capacity to take on large projects from the private sector and from other military services aside from the Army. Further, because Illinois is a leader in digital manufacturing, RIA has the potential to form public-private partnerships, including one, for example, with the Digital Hub in Chicago. Leveraging its capabilities with this type of partnership potentially cuts down manufacturers' supply chains and reduces manufacturing costs, accruing to RIA's competitive advantage.

RIA has further potential to increase its missions, particularly in the area of cyber-security and other non-DOD activities through the U.S. Department of Homeland Security.

THREATS

The future of the Arsenal – like that of the Army – is not clear. 2016 is the "breaking point,"[13] according to Army Chief of Staff General Ray Odierno. He warns that if sequestration resumes and the Army shrinks to 420,000 troops, the Army's readiness – its ability to fight another major war – will be threatened.[14] Earlier this year, Gen. Odierno and Secretary McHugh testified about the need for another BRAC round in 2017 with a potential savings to the Army of $5 billion over five years. McHugh told Congressional leaders the Army has between 15-20 percent in unneeded facilities; it cannot afford to fund these at the same time that it is preparing to make drastic cuts to its active ranks. This represents a threat to RIA.[15]

The Army is (as are all the other services) preparing for reduced requirements, funding, and workload. DOD's policy is to maintain a base of government-owned facilities for those industries determined essential to defense production, when private investment is inadequate or unavailable. Elimination of these installations needs to be balanced against the cost to sustain them, the costs to potentially close them (i.e. environmental remediation, clean-up, moving equipment, movement of stock, impacts to communities, etc.) and the cost to re-establish capability if required (i.e. time to retrain the workforce, obtain permits, money for property, equipment, supplies, etc.).

Given the drawdown of troops, the end of the wars in Iraq and Afghanistan, the threat of sequestration in 2016 and another BRAC round in 2017, RIA must prove it can be competitive and that it can continue to be a high-value asset.

[13] http://www.asmconline.org/2014/10/hagel-and-army-leaders-call-for-sequestration-fix-in-2016/

[14] http://www.military.com/daily-news/2014/10/14/odierno-warns-budget-cuts-puts-army-readiness-at-risk.html

[15] http://www.armed-services.senate.gov/imo/media/doc/McHugh-Odierno_04-03-14.pdf

Figure 9. Summary of SWOT Themes

STRENGTHS	WEAKNESSES
• Largest Gov't Owned Weapons Manufacturing Arsenal • Manufacturing, Logistics, & Base Support Services • Strategic Location and Transportation Infrastructure • Advocacy and Community Support • Skilled Workforce • Partnerships	• Unreliable Manufacturing Workloads • Lack of Awareness about RIA's Capabilities
OPPORTUNITIES	**THREATS**
• Capacity for Public/Private Manufacturing and Technology • Strategic Partnerships (e.g. Digital Hub) • Additional Cybersecurity and Non-DOD Missions	• Changing Military Mission and Force Requirements • Sequestration/Budget Cuts

Sequestration, federal defense budget cuts, and the Army's warning that it needs to shrink manpower and close unneeded facilities present distinct threats to RIA's current mission. But RIA's high-technology manufacturing capabilities, along with a strong transportation infrastructure, and other strategic advantages provide an opportunity for it to enhance its mission and to take on additional, large projects from the public and private sectors.

NAVAL STATION GREAT LAKES

Naval Station Great Lakes (NSGL) serves as the Navy's only basic training base, training almost 50,000 recruits and other students each year. NSGL employed 3,906 military personnel and 4,620 civilians in FY2013. Salaries, including Basic Allowance Housing and Basic Allowance Subsistence, were about $775 million[16]. A total of $132.3 million in private sector contracts were performed at NSGL in FY2013[17]. NSGL operations, along with related retirees and educational aid payments, increase Illinois' GDP by $4.6 billion.

Educational Impact Aid related to NSGL is also significant. Educational aid payments totaled more than $7.1 million in the 10th Congressional District. About 97% of these payments went to the North Chicago School District, which included NSGL within its borders.

Military related retirement payments in the 10th Congressional District totaled about $36 million in FY2013. Across the border in Kenosha and Racine Counties, retirement payments were about $48.7 million.

The base's training function also generates significant tourism activity as the recruits' friends and family travel to the region to observe graduation ceremonies. According to NSGL, about 150,000 family members travel to attend ceremonies spending an estimated $17.4 million at local hotels, restaurants, and retail stores each year.

NSGL impacts are presented on the *regional* and *statewide* levels. *Regional impacts* refer to the 10th Congressional District plus Kenosha and Racine Counties just across the border in Wisconsin. *Statewide impacts* refer to impacts that occur throughout the state of Illinois.

Regional Impacts

Total employment in the 10th Congressional District associated with NSGL operations and related activities was about 33,200 (Figure 10). Total income was almost $1.9 billion. The overall economic impact (GDP) in the district was about $4 billion.

[16] Source: Naval Station Great Lakes.
[17] Source: usaspending.gov.

Nearly all impacts of NSGL operations remain in Illinois; nearby counties in southeast Wisconsin are not heavily affected. NSGL operations supported 444 jobs in Wisconsin (less than 2% of the supported jobs in Illinois). Economic activity associated with retirees added another 628 jobs. In the two Wisconsin counties, about $222 million in personal income and $64 million in GDP were associated with NSGL.

Overall, NSGL and related activities generated about 34,300 jobs in the region. About $2.1 billion in personal income was associated with NSGL. The GDP of the region was $4 billion larger because of the activities associated with NSGL.

Figure 10: Regional Economic Impacts of Naval Station Great Lakes ($ Millions), FY2013

	Illinois 10th Congressional District			Kenosha and Racine Counties, Wisconsin			Region Total		
	Jobs	GDP	Income	Jobs	GDP	Income	Jobs	GDP	Income
Total	33,209	$4,012	$1,860	1,072	$64	$222	34,281	$4,076	$2,082
NSGL	32,123	$3,920	$1,729	444	$26	$95	32,567	$3,946	$1,824
Impact Aid	87	$7	$3				87	$7	$3
Retirees	712	$63	$119	628	$38	$127	1,340	$101	$246
Visitors	287	$22	$9				287	$22	$9

Source: REMI, 2014.

Statewide Impacts

Combined, NSGL operations and related activities supported a total of about 40,000 jobs in Illinois and contributed $4.6 billion to the state's GDP (Figure 11). Personal income dependent on NSGL was about $2.9 billion. More than 80% of these impacts occurred within the 10th Congressional District, home to NSGL. The neighboring 56th, 8th, 9th, and 14th Congressional Districts also each had about 1,000 jobs supported by the base's operations.

Figure 11: Statewide Economic Impacts of Naval Station Great Lakes ($ Millions), FY2013

	Illinois 10th Congressional District			All Other Illinois Districts			Statewide Illinois		
	Jobs	GDP	Income	Jobs	GDP	Income	Jobs	GDP	Income
Total	33,209	$4,012	$1,860	6,861	$578	$1,030	40,070	$4,590	$2,890
NSGL	32,123	$3,920	$1,729	6,861	$578	$1,030	38,984	$4,498	$2,759
Impact Aid	87	$7	$3				87	$7	$3
Retirees	712	$63	$119				712	$63	$119
Visitors	287	$22	$9				287	$22	$9

Source: REMI, 2014.

Naval Station Great Lakes Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis

STRENGTHS

Naval Station Great Lakes is the Navy's largest training command and home to the only boot camp in the Navy. All Navy recruits receive their initial training at NSGL. About 40% of recruit training graduates continue to more advanced training at NSGL.

The Navy has made significant investments in the recruit training facilities at NSGL. The base has relatively new barracks and an indoor training ship. This provides a training site that is not susceptible to encroachment from surrounding civilian development.

The Navy will see only modest manpower reductions in FY2015, although the size of its surface fleet is expected to be reduced[18], meaning that NSGL is not likely to encounter some of the force reduction pressures faced by the Army and the Air Force in the near term.

Thousands of visitors travel to NSGL each year to attend graduation ceremonies. The base is accessible by car and passenger rail. Metra has nearby station. Visitors fly in through Chicago's O'Hare International Airport and Milwaukee's Mitchell Airport.

The Captain James A. Lovell Federal Health Care Center is a first-of-its-kind partnership between the DOD and the U.S. Department of Veterans Affairs (VA), integrating medical care in a federal health care facility with a combined VA and Navy mission. Located in North Chicago, Illinois, and established in 2010, it serves nearly 67,000 active duty military personnel, their family members, military retirees and veterans throughout Northern Illinois and Southern Wisconsin.

NSGL is part of the Mutual Aid Box Alarm System (MABAS) for the area. NGSL and the local community are partnering together, using the mutual aid response system for fire, EMS, and specialized incident operational teams.

[18] http://www.militarytimes.com/article/20140304/NEWS05/303040021/2015-budget-released-How-cuts-affect-pay-BAH-per-diem-Tricare

WEAKNESSES

The North Chicago School District, the public school district that includes the base, has achievement test scores, college readiness, and graduation rates that are well below state averages. This has a negative impact on quality-of-life for families stationed at NSGL. The Illinois State Board of Education, however, has taken measures to implement meaningful reform and improve academic achievement in North Chicago District 187, including the creation of a new Independent Authority to replace local school board members and a Financial Oversight Panel. The establishment of a charter school in 2012, which serves North Chicago and the base, presents military families with an alternative to the public school system, in addition to private schools in Illinois and Wisconsin. Also, as mentioned previously, the Illinois Educational Opportunity for Military Children Act, reformed in 2014, should help solve some of the difficulties the children of active duty personnel at NSGL face by easing educational transitions.

Unlike Scott AFB and RIA, there is little evidence at NGSL of strong, cohesive, community support. Although there are several examples of informal interactions between the base and surrounding communities, such as after-hours, meet-and-greet events at local restaurants, the kind of sustained, comprehensive, robust advocacy and outreach efforts by local community organizations, government and business leaders seen at Scott AFB, for example, are absent at NGSL. The command staff at NGSL has stepped up efforts to foster greater base/community interaction, but the lack of formalized relationships represents both a weakness and an opportunity for improvement.

Finally, NSGL is not a fleet concentration area, meaning it does not have the large footprint common of naval facilities used as home ports. Its mission is training. Even though this is a critically important Navy mission, which NSGL performs efficiently, the transient nature and high turnover rate of the pool of recruits makes it difficult for a large portion of the NSGL base community to forge meaningful ties with the outside community.

OPPORTUNITIES

Base leadership is building momentum with increased outreach efforts. Leadership feels the community is gaining a better understanding of the Navy's mission, but there are further cultural, educational, recreational, and commercial opportunities for interaction.19 Discussions are underway to establish joint military-civilian sports leagues, improved employment opportunities

[19] NIU discussion with NSGL command staff. August 2014.

for separating Navy personnel, and discounts and "welcome" promotions geared to military personnel, their families, and visitors attending graduation ceremonies.

THREATS

NSGL leadership believes the greatest threats to its continued viability as a strategic asset can be combined into two categories: 1) the perceived poor quality of local schools and lack of quality-of-life amenities, which make it difficult to attract personnel; and 2) the number of separating military personnel entering the workforce and competing for jobs in the local economy.

The effects of sequestration, federal defense spending cuts, and the threat of future BRAC round cannot be discounted, however.

Figure 12. Summary of SWOT Themes

STRENGTHS	WEAKNESSES
• Navy's Only Recruit Training Command • Indoor Training Facilities • Stable Mission Outlook • Volume of Visitors • Joint Health Care Facility • Mutual Aid Agreements	• Quality of Local Schools • Lack of Cohesive Community Interactions and Relationships • High Turnover
OPPORTUNITIES	**THREATS**
• Shared Services • Quality of Life	• Quality-of-Life Issues Create Difficulty in Attracting Personnel • Sequestration/Budget Cuts

With significant recent infrastructure investment in the Navy's only boot camp, NSGL does not appear to be in danger of closure in the coming years. However, improving quality of life issues in the local community could strengthen their ability to attract personnel to be stationed at the base. As has been identified elsewhere in this report, quality-of-life issues are one of several factors weighed in the analysis to close or realign bases. Further deterioration in quality-of-life issues could threaten NSGL in the long term.

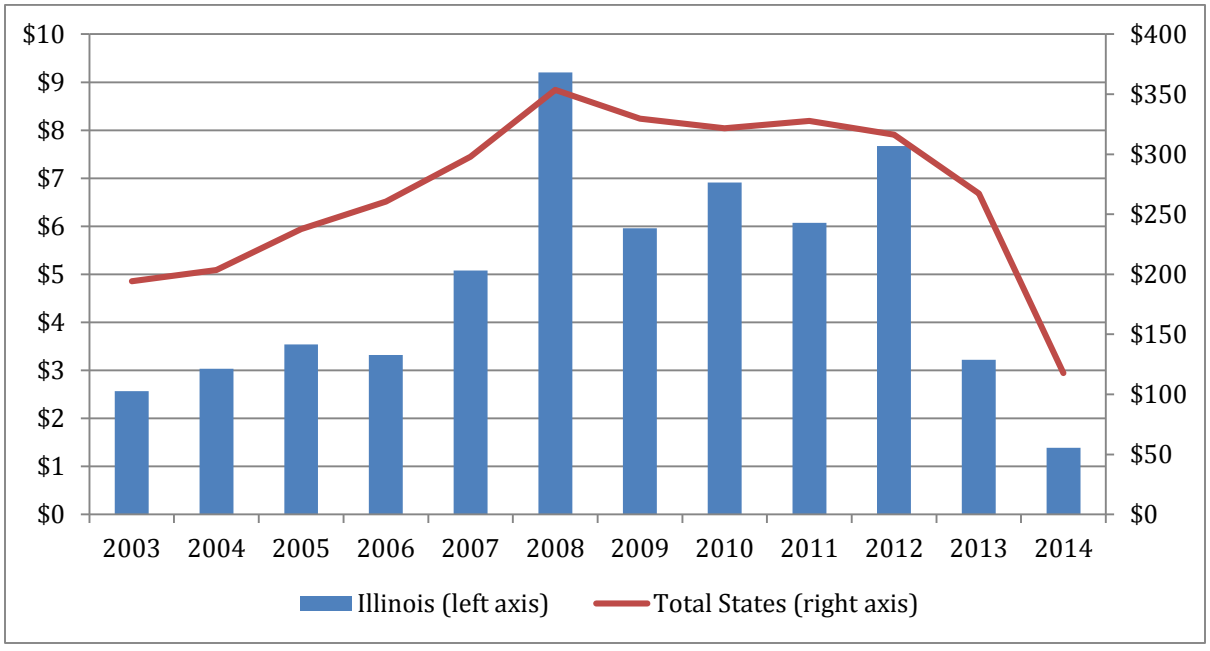
V. DEPARTMENT OF DEFENSE CONTRACTS

The DOD purchases goods and services worth billions of dollars from Illinois companies each year. This section will begin by examining how defense contracting levels have changed over time, along with the makeup of defense contracts in FY2013. Next, the defense contracting in other states is compared with Illinois' level and pattern of contracts. Finally, the economic impacts of defense contracting activity are presented.

TRENDS IN DEPARTMENT OF DEFENSE CONTRACTS

Since 2001, the DOD has spent more than $2 billion annually on contracts originating in Illinois, as illustrated in Figure 13. Expenditures steadily increased through 2012, although they decreased considerably in 2013, due to national budget cuts. The DOD's spending was relatively unaffected by the recession, as expenditures in 2009 through 2012 remained higher than in 2007. Illinois' growth pattern roughly tracked national DOD contracting expenditures. To a degree, DOD expenditures may be insulated from the business cycle in the U.S., since the military's demand for goods and services is affected by its efforts abroad. DOD spending represents an important part of the Illinois economy not only because of its large dollar amounts, but also because it provides constant demand during recessions.

Figure 13: Department of Defense Annual Dollars Obligated, Illinois vs. U.S. Total ($ billions)



Source: usaspending.gov.

Military contracts in Illinois come from several main agencies as shown in Figure 14. The Army, Navy, and Air Force each spent more than $500 million in FY2013 alone. Together, these three agencies represented more than two-thirds of defense contract expenditures in the state. Another major contracting agency is the Defense Logistics Agency, which spent $320 million in FY2013. The Defense Logistics Agency also represents more than three-quarters of the total number of defense contracts in Illinois. Most of its contracts are smaller in scale than those in the Army, Air Force, and Navy, given that the Defense Logistics Agency issued a much higher number of contracts with a smaller total value. The U.S. Transportation Command and the Defense Information Systems Agency combined spent approximately $282 million and the remaining $20 million in contracts came from all other DOD agencies.

Figure 14: Dollars Obligated in Illinois by Contracting Agency, FY2013

	Contracts	Total Value
Total	**58,435**	**$3,228,322,989**
Dept. of the Army	6,636	$1,086,374,647
Dept. of the Air Force	2,792	$891,436,506
Dept. of the Navy	3,893	$628,316,995
Defense Logistics Agency	43,591	$319,954,024
USTRANSCOM	408	$190,259,493
Defense Information Systems Agency (DISA)	522	$91,930,786
All Others	593	$20,050,538

The DOD purchases a variety of products and services from diverse industries (Figure 15). But, manufacturing is the predominant industry. In FY2013 alone the DOD spent more than $1 billion in Illinois on the production of goods. Although the DOD has its own engineers and communications officers, it also spends a considerable amount in private scientific, technical, and professional services ($668 million). The DOD typically purchases from wholesalers rather than retailers; in FY2013, $529 million was spent on wholesale trade while only $45 million went to retail trade. Most construction expenses in 2013 appeared to be nonresidential, with $400 million spent on construction and $4 million went to real estate.

Figure 15: Dollars Obligated In Illinois by Industry, FY2013

Sector	Contracts	Dollars Obligated
Total	**58,435**	**$3,228,322,989**
Manufacturing	348	$1,025,844,090
Professional, Scientific, and Technical Services	2,866	$668,363,252
Wholesale Trade	35,087	$528,735,701
Construction	989	$399,847,913
Educational Services	601	$196,835,663
Information	1,425	$113,005,143
Admin and Support and Waste Mgmt Svcs	1,186	$86,758,363
Accommodation and Food Services	228	$74,196,616
Retail Trade	458	$45,410,880
Health Care and Social Assistance	304	$41,139,865
Transportation and Warehousing	100	$22,489,150
Other Services (except Public Administration)	479	$10,072,870
Mining, Quarrying, and Oil and Gas Extraction	43	$6,432,488
Real Estate and Rental and Leasing	204	$4,028,916
Utilities	44	$3,780,622
Public Administration	106	$2,881,915
Arts, Entertainment, and Recreation	13	$160,498
Agriculture, Forestry, Fishing and Hunting	17	$138,842
Finance and Insurance	3	$36,633

Most Illinois defense contracts were spent in cities with major manufacturing sectors or near major military bases (Figure 16). Of the top 10 cities by total amount of expenditures, half were in the Chicago metropolitan area containing a strong manufacturing base. Likewise, companies in the manufacturing hub of Rockford received more than $100 million in DOD contracts. Rock Island received about $100 million in contracts from the DOD, potentially affected by proximity to RIA. Four of the top five cities for expenditures were in the Chicago Metropolitan area and received a total of approximately $1.3 billion or more than one-third of total expenditures in FY2013. Contract spending at Scott AFB totaled more than $500 million.

Figure 16: Dollars Obligated by City, FY2013

	Contracts	Dollars Obligated
Total	58,435	$3,228,322,989
Rolling Meadows	717	$532,515,435
Scott AFB	2,309	$508,817,872
Waukegan	25,765	$306,913,468
Lisle	2,186	$271,072,523
Burr Ridge	483	$253,059,511
Mossville	1,191	$166,166,227
Marion	105	$138,868,492
Olmsted	66	$134,082,732
Great Lakes	513	$132,291,094
Rockford	3,874	$103,405,225
Rock Island	1,078	$100,058,465
Vernon Hills	1,015	$94,420,774
Park Ridge	3,374	$82,042,446
Itasca	712	$79,421,159
East Alton	136	$67,574,540
North Chicago	456	$55,521,888
All Others	14,455	$202,091,138

About 70% of DOD contracts went to 14 companies, each of which received more than $50 million in contracts (Figure 17). Manufacturers of aerospace or transportation equipment comprised four of the seven companies receiving more than $100 million in contracts. The single largest recipient company was Northrop Grumman, an aerospace manufacturer, which received $530 million from the DOD in FY2013. Another major recipient company was Caterpillar, a manufacturer of engines and construction and mining equipment. Caterpillar received $165 million in FY2013.

Figure 17: Dollars Obligated by Company, FY2013

	Contracts	Dollars Obligated
Total	**58,435**	**$3,228,322,989**
Northrop Grumman Corporation	576	$529,856,974
Cardinal Health Inc.	25,662	$305,407,070
Alion Science And Technology Corporation	607	$273,211,992
Navistar International Corporation	564	$223,738,413
Caterpillar Inc.	1,137	$165,546,473
General Dynamics Corporation	70	$132,567,467
Washington Group/Alberici Joint Venture	46	$132,145,000
CDW Holdings LLC	964	$94,825,185
DMS Pharmaceutical Group Inc.	3,359	$81,820,333
W. S. Darley & Co.	683	$79,101,757
Goodwill Industries Of Southeastern Wisconsin Inc.	16	$71,216,278
Olin Corporation	54	$64,563,607
Supplycore Inc.	3,302	$56,994,148
River City Construction L.L.C.	1	$56,098,000
All Others	21,394	$961,230,292

Department of Defense Contracts in Illinois and Competing States

DOD contracts worth $3.2 billion were performed in Illinois in FY2013, which was more than several neighboring states including Wisconsin, Indiana, and Iowa (Figure 18). Illinois ranked 21st among states in terms of the value of DOD contracts performed in FY2013, but each of the top ten states performed at least $5 billion more in contracts than Illinois. Most notably, bordering states Missouri and Kentucky both performed billions more in contracts than Illinois. This suggests that the defense industry currently has less of a presence in Illinois than other states.

Figure 18: Illinois and Surrounding States and the Top 10 States for Total Department of Defense Contracts Performed, FY2013

Performance State	$ Obligated	Rank in Total Amount
California	$33,989,973,405	1
Virginia	$33,508,963,734	2
Texas	$32,341,776,345	3
Maryland	$11,627,617,973	4
Arizona	$11,247,760,291	5
Massachusetts	$10,628,518,875	6
Florida	$10,487,099,993	7
Connecticut	$10,025,730,860	8
Pennsylvania	$9,963,153,738	9
Missouri	$8,101,370,213	10
…		
Kentucky	$5,809,586,340	14
Illinois	**$3,228,326,030**	**21**
Michigan	$2,860,892,056	22
Wisconsin	$2,347,870,850	25
Indiana	$2,137,539,200	26
Iowa	$1,058,186,435	39

Although Illinois ranks 21st in total value of DOD contracts performed, it is one of the bottom ten states in value of DOD contracts performed per capita (Figure 19). After adjusting for population size, Illinois no longer performs more DOD contracts than neighboring states. All states in the top ten performed at least $1,200 more in contracts per state resident than Illinois. Most of the top ten states are coastal and are thus more strategic locations for naval military activities such as

shipbuilding. A larger concern may be how to remain competitive with leading neighbor states such as Missouri and Kentucky rather than the largest states for DOD contracting.

Figure 19: Illinois and Surrounding States and the Top 10 States for Value of Department of Defense Contracts Per Capita, FY2013

Performance State	Contracts Per Capita	State Rank
Dist. of Columbia	$6,404	1
Virginia	$4,176	2
Connecticut	$2,804	3
Maryland	$2,010	4
Alaska	$1,792	5
Arizona	$1,754	6
Alabama	$1,633	7
Massachusetts	$1,621	8
Maine	$1,477	9
Mississippi	$1,402	10
Missouri	$1,351	11
Kentucky	$1,336	12
…		
Wisconsin	$413	31
Iowa	$347	37
Indiana	$329	39
Michigan	$290	40
Illinois	$251	43

The industry composition of DOD contracts differs in Illinois, the U.S., and competing states (Figure 20). Nationally, the three industries with the most DOD contracts were manufacturing (50.1%), scientific/technical/professional services (25.0%), and construction (5.7%). All other industries represent the remaining 19.2% of contracts in FY2013, with less than 4% of the FY2013 total in each industry.

Manufacturing, professional services, and construction also represented three of the top four industries for contracting in Illinois, but a larger share of expenditures went to other industries including wholesale trade, which represented more than 16% of the total. Having a higher share of contracts in wholesale trade, as opposed to manufacturing or professional services, weakens the economic impacts of defense contracting because it is a lower value-added sector. Manufacturing and professional services provide higher paying jobs than does wholesale trade.

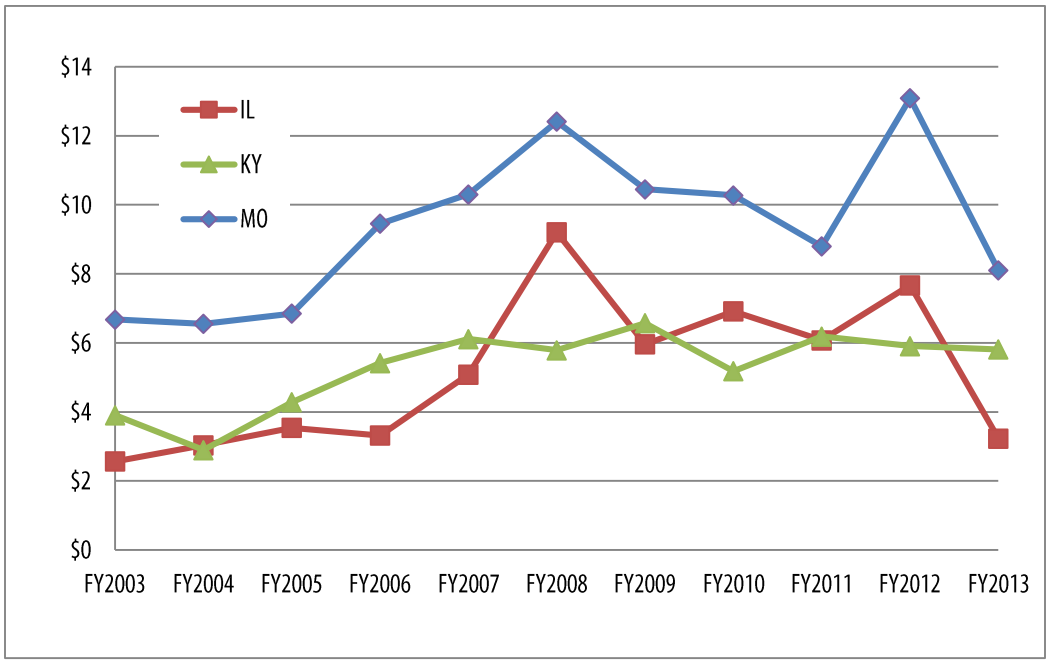
Kentucky and Missouri, two states neighboring Illinois with more DOD contracts performed, appear highly specialized in performing contracts for specific industries. Manufacturing represented just over half of DOD contracts nationally. This sector represented 71.5% of DOD contracts performed in Missouri, with an especially large amount going to the aerospace industry including companies such as Boeing. In sharp contrast, less than 10% of contracts performed in Kentucky related to manufacturing. However, 59.5% of the state's DOD contracts performed were in the finance and insurance sector. Most of these contracts went to health insurers such as Humana.

Figure 20: Percent of Total Department of Defense Procurement Obligations By Industry Sector, FY2013

Industry Sector	U.S.	IL	MO	KY
Manufacturing	50.1%	31.8%	**71.5%**	9.7%
Scientific/Technical/Professional Services	25.0%	20.7%	12.8%	4.6%
Construction	5.7%	**12.4%**	3.2%	4.6%
All Other Industries	19.2%	**35.1%**	12.4%	**81.1%**
Natural Resources & Mining	0.1%	**0.2%**	0.0%	0.0%
Utilities	0.3%	0.1%	0.4%	0.3%
Wholesale Trade	2.2%	**16.4%**	0.9%	0.2%
Retail Trade	0.6%	**1.4%**	**7.0%**	0.0%
Transportation & Warehousing	3.0%	0.7%	0.1%	1.1%
Information	2.1%	**3.5%**	0.8%	0.4%
Finance & Insurance	3.7%	0.0%	0.0%	**59.5%**
Real Estate, Rental, & Leasing	10.0%	0.1%	0.0%	0.0%
Administrative Services	3.9%	2.7%	1.4%	**18.4%**
Education	0.6%	**6.1%**	0.2%	0.4%
Health Care	1.1%	**1.3%**	0.1%	0.3%
Visitor Industries	0.4%	**2.3%**	0.5%	0.2%
Other Services	0.7%	0.3%	0.2%	0.1%
Public Administration	0.3%	0.1%	0.1%	0.1%

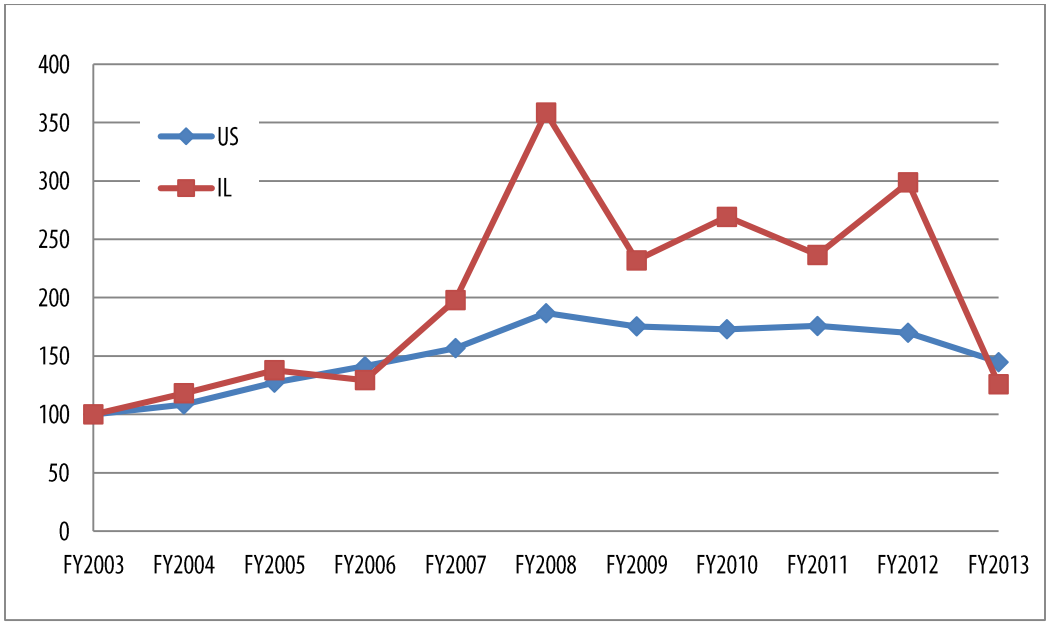
On average, Illinois performed fewer DOD contracts than Missouri and Kentucky in most years preceding FY2013 (Figure 21). Total procurement expenditures followed the same trend in Missouri and Illinois over the past decade. Kentucky's concentration in industry sectors such as finance & insurance and administrative support appear to provide a more stable flow of contracting dollars.

Figure 21: Total Department of Defense Contracts Performed in Illinois, Missouri, and Kentucky ($ billions)



National DOD contracts have gradually increased over the past decade, but growth in procurement in Illinois outpaced the national trend between FY2006 and FY2012 (Figure 22). However, much of that growth reversed in FY2013, when total contracts performed in Illinois nearly fell to the same nominal amount of contracts made in FY2003.

Figure 22: Total Department of Defense Contracts Relative to 2003 (2003 = 100)



ECONOMIC IMPACTS OF CONTRACTING ACTIVITY

In FY2013 the DOD spent $3.2 billion in contracts performed in Illinois[20]. In addition, the Illinois economy was affected by DOD contracts performed in parts of bordering states near military bases. About $6.7 billion in contracts were performed in the Missouri part of the St. Louis metropolitan area, $145 million in contracts were performed in southeast Wisconsin, and $365 million were performed in the Iowa part of the Quad Cities.

These contracts in Illinois and parts of bordering states (excluding contracts from the ILNG and military bases, discussed later) supported 33,771 jobs in Illinois and contributed $3.1 billion to the state's GDP (Figure 23). These contracts also contributed $2.2 billion to the state's total personal income. Military contracts supported 69,842 jobs in the Missouri part of the St. Louis metropolitan area, which performs more DOD contracts than Illinois statewide.

Figure 23: Economic Impacts of Department of Defense Contracting by Congressional District ($ Millions), FY2013

	Jobs	GDP	Income
Department of Defense Contracting Total	**33,771**	**$3,083**	**$2,187**
1st District	688	$51	$56
2nd District	185	$15	$32
3rd District	1,077	$85	$81
4th District	377	$35	$50
5th District	728	$66	$76
6th District	1,760	$169	$147
7th District	1,086	$117	$41
8th District	5,364	$624	$235
9th District	1,496	$166	$106
10th District	4,074	$450	$227
11th District	5,354	$334	$203
12th District	5,047	$399	$417
13th District	1,537	$126	$112
14th District	841	$71	$128
15th District	868	$62	$58
16th District	648	$62	$51
17th District	1,490	$133	$99
18th District	1,151	$118	$68

[20] About $900 million of these contracts are attributable to the operations of Illinois military bases or the National Guard and will be analyzed along with those activities.

Of the 33,771 jobs supported in Illinois by DOD contracts, 30,949 were private sector, primarily in construction with 4,018 supported jobs (Figure 24). Other heavily supported industries included manufacturing, wholesale and retail trade, professional services, education, and health care, each with more than 2,400 supported jobs. With the exception of retail and health care, most heavily supported industries were major direct recipients of DOD contracts. About 40% of DOD contracts performed in Illinois, excluding military bases and the National Guard, were in manufacturing and 20% of contracts were in wholesale trade. More than 13% of contracts performed in Illinois were in professional services and 11% of contracts were in construction.

Figure 24: Employment Impacts of Department of Defense Contracting by Industry Sector, FY2013

Industry	Illinois	Missouri Part of St. Louis Metro	Iowa Part of Quad Cities	Southeast Wisconsin
Natural Resources	69	131	6	5
Mining	228	174	6	2
Utilities	84	164	3	2
Construction	4,018	5,646	183	58
Manufacturing	3,978	13,528	682	298
Wholesale Trade	2,606	2,016	48	17
Retail Trade	2,620	12,014	205	190
Transportation and Warehousing	684	1,318	85	11
Information	476	760	10	3
Finance & Insurance	1,175	2,392	43	12
Real Estate & Rental	637	1,350	17	10
Professional Services	3,524	9,963	468	66
Management of Companies	315	1,014	30	11
Administrative Services	1,968	4,006	368	33
Education	3,175	599	21	14
Health Care	2,441	4,105	120	41
Arts & Entertainment	388	635	17	6
Accommodation & Food Service	1,140	2,469	80	28
Other Services, Except Public Administration	1,418	2,751	75	59

DEPARTMENT OF DEFENSE CONTRACTING STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS (SWOT) ANALYSIS

From manufacturing to educational services, Illinois' diverse economy is well represented in the number and variety of defense contractors. There is still significant activity despite recent fluctuations in broad economic trends and federal sequestration. Predicting future defense contracting patterns, however, may prove difficult for a number of reasons.

Nevertheless, there are a variety of projections available regarding DOD contracting activity. Congressional authorization and appropriations legislation, as well as the DOD FY2015 Budget Request provide near-term forecasts. Documents such as Congressional Budget Office (CBO) reports provide longer-term forecasts with in-depth analysis. Finally, the Quadrennial Defense Review of 2014 also include a discussion of future military activities and defense spending.

In its FY2015 Budget Request, the DOD estimates its total procurement obligations will decline by 11% in real terms between FY2014 and FY2015, but that federal defense contract spending will increase for FY2016 through FY2019. After projected inflation, total procurement obligations are expected to grow 17% in FY2016, although the growth rate is projected to be less than 2.5% each year through FY2019. Procurement trends will vary by military department. The Army experienced the most rapid declines in total procurement spending for FY2013 through FY2015, but has the highest expected growth for FY2016 through FY2018. Navy procurement is more stable with lower percentage losses for FY2013-2015 and slower projected growth for 2016 through 2019. While the other branches are projected to grow, the Air Force is expected to spend less on procurement for FY2017 through FY2019.

Absent a fix by Congress, sequestration will return in FY2016 and remain in effect through FY2019, mandating across-the-board, federal spending cuts. Under this scenario, the DOD will need to reduce spending by about $115 billion over the four-year period. Reductions will primarily impact spending on operation and maintenance ($40.1 billion reduction), procurement ($48.3 billion), and research, development, testing and evaluation ($17.9 billion).

The CBO, which routinely provides long-term forecasts for the DOD, has provided national projections for FY20014 to FY2028. The CBO predicts DOD's operating costs will experience real growth of 1% annually through FY2028, but that most of the cost increases will be unrelated to procurement. Rising health care costs and employee compensation are projected to be the main sources of expense growth. However, the CBO also projects that the cost of replacing and modernizing weapons will grow 3% each year over the same period. This could result in growing procurement spending specifically in manufacturing. The CBO also predicts that DOD spending generally will grow more slowly than the national economy, meaning that military spending as a share of GDP would decrease, even as total spending increases. Specifically, the CBO projects:

- The Army will experience sharp growth in acquisition costs through year FY2025, due mainly to the need for new and upgraded ground vehicles such as tanks and trucks;
- The main sources of slow acquisition cost growth in the Navy will be ships and aircraft for combat;
- The Air Force is projected to experience moderate growth in acquisition costs due primarily to replacing and modifying aircraft.

Although the DOD's Quadrennial Defense Review 2014 (QDR) does not include specific, year-by-year forecasts for procurement or acquisitions, it discusses the impact of potential federal budget cuts on certain purchasing-related activities. According to the 2014 QDR, if sequestration recurs in FY2016, the Air Force would have to slow down its purchase of fighter jets. The QDR also indicates that under sequestration the Navy would continue to purchase new ships through FY2020, but would reduce its spending on contractor services by $3 billion annually. The Marine Corps would continue its intended purchase of new combat vehicles in phases. The DOD is also expected to purchase missile defense equipment in several departments. With or without sequestration, most military services would need to make staff reductions which would reduce their overall demand for contracted goods and services. However, that potential impact was not quantified in the QDR.

STRENGTHS

The diversity of Illinois' economy stands out in the types and ranges of contracts across the state. Illinois companies provide millions of dollars in manufactured goods, professional and scientific services, construction, and educational services to the DOD. Additionally, the position of the state as a hub for infrastructure ranging from railroads, highways, aviation, telecommunications, and pipelines provides a strong economic backbone for all industries.

Nearly one-third of Illinois defense contracts came from the Army in FY2013. According to the DOD FY2015 Budget Request, this branch is expected to have the most procurement growth through FY2019.

WEAKNESSES

Many Illinois defense contractors, such as Northrop Grumman, Navistar, Caterpillar, and General Dynamics manufacture or assemble vehicles, weapons systems, or their components. Funding for these programs are more likely to be reduced in an effort to maintain force levels as overall budgets are cut. In addition, as threats change the need for traditional heavy equipment traditionally used against other nation-states in combat could fluctuate.

OPPORTUNITIES

CBO projections of growth in spending on military ground vehicles will provide opportunities for Illinois companies, and the JMTC at Rock Island Arsenal, which designs and manufacturers weapons and armor plating for those vehicles. There also continues to be discussion about a U.S. 'pivot' toward Asia, which indicates more of a need for air and naval procurement and less focus on ground operations. Rockford is one of the largest aerospace hubs in the U.S. with companies there engaged in all levels of design and component manufacturing. Building and expanding in this region and connecting it with other resources across the states provides for new markets.

Similarly, the establishment of a new digital manufacturing lab in Chicago opens up new possibilities for development and research of new products and processes. This facility, known as the Digital Manufacturing and Design Innovation Institute (DMDII) is partially funded by the DOD ($70 million), city of Chicago ($10 million) as well as private investment. Private partners for this facility include Boeing, Lockheed Martin, General Electric, John Deere, and Caterpillar—all companies with a history of defense contracts. Collegiate partners include Northern Illinois University, Northwestern University, University of Chicago and the University of Illinois at Urbana-Champaign. The DMDII will bring all of these organizations together when it opens in early 2015.

While the emphasis on contracting traditionally has been on heavy manufacturing, one of Illinois' largest defense contractors, Cardinal Health, provides medical equipment and supplies to the DOD, including the military's health care provider Tricare. Because Tricare covers military retirees, veterans, and their families, the demand for their services should remain steady or grow even if military forces are reduced. As the baby boomers continue to retire and more veterans from

operations over the last decade enter the system, providing quality healthcare will become even more important. In addition, with the added scrutiny on veterans' hospitals after the scandals of earlier in 2014, the need for outside experts in healthcare will continue to be important.

THREATS

Sequestration has the potential to reduce spending beginning in 2016 in areas where Illinois receives significant defense contracts. Changing missions as well as the retirement of legacy weapon systems also remains a threat. As financial resources continue to shrink, replacement programs will become more competitive and examined for long-term benefits. Other states within the U.S. are working toward increasing their defense contracts and many of them have already established detailed plans to expand these industries.

Figure 25. Summary of SWOT Themes

STRENGTHS	WEAKNESSES
• Diverse State Economy & Range of Contracts • Central Location as Logistics Hub • Strong Healthcare Field	• Majority of Large Companies in Illinois are in a Few Concentrated Areas
OPPORTUNITIES	**THREATS**
• Changing Missions with Focus on Aviation • New Ventures such as DMDII	• Sequestration/Budget Cuts • Changing Missions/External Threats to U.S. Security • Other U.S. States

VI. ILLINOIS NATIONAL GUARD OPERATIONS

The Illinois National Guard (ILNG) employed 15,123 people with a total payroll of $251.6 million in FY2013. About 12,600 of these jobs were part-time, but they provided supplemental income that was spent across the state's economy. In addition to providing wages, the ILNG also supports the state economy through its contracts with private companies. The ILNG spent $19.4 million in private sector contracts in FY2013, with more than 75% of contracts going to construction companies[21]. These impacts were overwhelmingly supported by federal funds. According to the Illinois FY2013 Budget Fact Sheet, The ILNG receives about $21 million in state funds. Total spending and payroll included in the analysis for the ILNG is about $300 million.

Illinois National Guard payroll supported 17,264 jobs statewide (Figure 26), including the 12,600 part-time military members. About $317 million in personal income was generated by ILNG operations. ILNG activity added $156 million to the state's GDP.

The ILNG has the largest impacts in the 7th, 12th, 13th, and 17th Congressional Districts. The 7th district includes the North Riverside Readiness Center where more than 800 National Guard members either worked full-time or drilled on weekends in at least seven Army National Guard units. Units based at Scott AFB, including 126th Air Refueling Wing, are in the 12th district. Camp Lincoln (Springfield), in the 13th district, is the work and/or weekend drill location for almost 3,000 members, including the ILNG state headquarters. Finally, the Peoria Readiness Center in the 17th district hosts almost 2,200 ILNG members, including the 182nd Airlift Wing.

[21] Source: Staffing, payroll, and contracting data provided by Illinois National Guard.

Figure 26: Economic Impacts of Illinois National Guard Operations ($ Millions), FY2013

	Jobs	GDP	Income
Statewide Total	17,264	$156	$317
1st District	931	$6	$11
2nd District	121	$1	$2
3rd District	308	$4	$7
4th District	424	$4	$7
5th District	23	$2	$3
6th District	48	$4	$3
7th District	1,495	$19	$24
8th District	215	$4	$3
9th District	23	$2	$2
10th District	208	$3	$3
11th District	326	$3	$4
12th District	1,705	$15	$44
13th District	4,625	$47	$112
14th District	240	$2	$3
15th District	782	$3	$9
16th District	886	$4	$10
17th District	3,616	$28	$62
18th District	430	$5	$8

Source: REMI, 2014.

VII. RETIREMENT AND SOCIAL INSURANCE BENEFITS FOR MILITARY PERSONNEL

In FY2013, Illinois had 744,710 veterans receiving a total of $1.45 billion in Veterans' Affairs (VA) pensions. Eligible VA pensioners included those who have served in the military for at least 24 months and were disabled or were over the age of 64. A separate but somewhat related program is career military retirement benefits, offered to those who served in the military for at least 20 years. Unlike VA pensions which are designed for retirees, military retirement benefits often go to people of working age and provide an income supplement as individuals transition to careers outside the military. In FY2013, Illinois had 33,988 military career retirees who received a total of $816 million. Some former military personnel received both career military retirement benefits and VA pensions.

In this study, only the dollar value of military retiree benefits payments are analyzed. The complex nature of military benefits eligibility makes it difficult to model the number of retirees, given that many of them may not have been retired in the conventional sense and some former servicemen received both benefits.

Regardless, the nearly $2.5 billion in military retirement and pension benefits had a substantial impact on the economy. Federal military retirement programs supported 13,250 jobs in Illinois and contributed $1.03 billion to the state's GDP (Figure 27).

Figure 27: Economic Impacts of Military and Veterans' Affairs Retirement Benefits ($ Millions), FY2013

	Jobs	GDP	Income
Military Retirement Total	13,245	$1,029	$2,082
1st District	705	$57	$115
2nd District	582	$46	$113
3rd District	525	$44	$79
4th District	245	$21	$42
5th District	511	$46	$68
6th District	633	$55	$82
7th District	1,289	$123	$145
8th District	655	$60	$77
9th District	473	$43	$68
10th District	761	$69	$119
11th District	655	$52	$89
12th District	1,305	$84	$270
13th District	1,026	$71	$156
14th District	547	$42	$84
15th District	815	$46	$168
16th District	556	$35	$108
17th District	1,121	$78	$161
18th District	841	$57	$138

Source: REMI, 2014.

The part of Illinois most heavily impacted by military retirement benefits is the 12th Congressional District, with 1,305 supported jobs. The 12th District, which contains Scott AFB, is also the Illinois Congressional District with the most veterans, representing 9.1% of the state's veteran population in 2012. The 7th, 13th, and 17th districts each had more than 1,000 jobs supported by military retirement benefits. Although the 7th District does not have a large veteran population (3.4% of all veterans statewide in 2012), it is located in downtown Chicago and has a high density of businesses that may be potentially affected directly or indirectly as retirement benefits are spent. The 17th District has a moderately high concentration of veterans, which is explained partially by the presence of the RIA.

VIII. EDUCATION IMPACT AID PAYMENTS

Illinois schools received $15.8 million in education impact aid payments to schools of children of active-duty military employees. These payments supported 317 jobs statewide and they also contributed $20 million to the state's GDP, as well as $13 million in total personal income (Figure 28). These payments went primarily to the 12th district containing Scott AFB ($8.7 million) and the 10th district containing NSGL ($7.1 million).

Figure 28: Economic Impacts of Department of Defense Educational Aid by Congressional District ($ Millions), FY2013

	Jobs	GDP	Income
Educational Aid Total	317	$20	$13
1st District	1	$0	$0
2nd District	1	$0	$0
3rd District	1	$0	$0
4th District	1	$0	$0
5th District	2	$0	$0
6th District	3	$0	$0
7th District	2	$0	$0
8th District	3	$0	$0
9th District	4	$0	$1
10th District	87	$7	$3
11th District	1	$0	$0
12th District	192	$13	$6
13th District	6	$0	$1
14th District	4	$0	$1
15th District	6	$0	$1
16th District	1	$0	$0
17th District	1	$0	$0
18th District	1	$0	$0

Source: REMI, 2014.

IX. IMPACTS OF DEFENSE-RELATED ACTIVITIES WITHIN CONGRESSIONAL DISTRICTS

Illinois is divided into 18 congressional districts. This portion of the report explores the economic impacts by source for each congressional district. Since the three major military bases in the state accounted for almost 60% of the total employment impacts and almost 70% of the gross domestic product (GDP) impacts, it's not surprising that the congressional districts that host the bases have the highest economic impacts from military related activities. The 10th Congressional District, home to NGSL, had the highest employment and GDP impacts. The 12th district, home to Scott AFB, is close behind in those measures and had a slightly larger income impact due to larger numbers of retirees. Together these two district accounted for half of all statewide employment generated by military activities. The 17th district where the RIA is located generated roughly half as many jobs as the 12th and 10th from military activities. No other district had as much as half the military related employment as does the 17th.

As was explored above, DOD contracting activity is relatively less concentrated in Illinois as compared to other states. Military contracting generated about 20% of the defense related economic impacts in Illinois. Contracting activity tended to either be located near the bases or in manufacturing intensive regions. The 8th and 11th districts in the western Chicago metro area had the highest levels of employment generation resulting from DOD contracts. These are closely followed by the 10th and 12th districts, home to NSGL and Scott AFB.

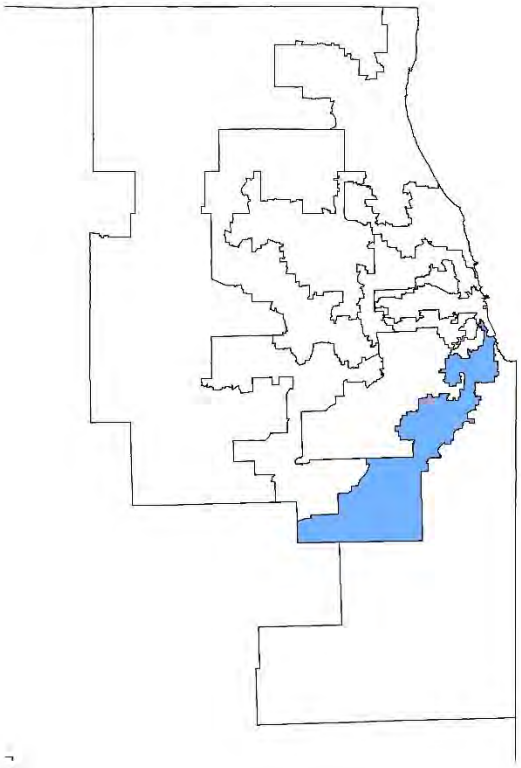
The impacts of the Illinois National Guard were focused in the 7th, 12th, 13th, and 17th districts. These impacts were driven by the North Riverside Readiness Center (7th district), 126th ARW at Scott (12th), Camp Lincoln in Springfield (13th), and the 126th Airlift Wing in Peoria (17th).

The 12th district led in job creation and personal income related to military pensions. However, when looking at the broader economic measure of GDP, the 7th district in central Chicago experienced higher impacts.

These patterns add up to concentrations of economic impacts in the Chicago metro area, southwest Illinois, and northwest Illinois. The following section details the impacts by source for each congressional district.

1ST CONGRESSIONAL DISTRICT

Map 1: Illinois' 1st Congressional District



Defense Related Contracting Activities

Covering parts of southern Cook County, Will County, and Grundy County, the 1st Congressional District in Illinois represents part of the south suburbs of Chicago. The nearest military base to this district is NSGL, located in the north suburbs of Chicago. As shown in Figure 29, in FY2013, $32.7 million in military contracts originated in the 1st District, with $15.7 million spent on educational services, $13.2 million in scientific/technical/professional services, and $3.2 million spent on manufacturing (usaspending.gov, 2014).

Figure 29: DOD Contracting by Industry in the 1st Congressional District, FY2013

	Dollars Obligated
Total	$32,744,104
Educational Services	$15,688,820
Professional, Scientific, and Technical Services	$13,182,151
Manufacturing	$3,199,009
All Other Industries	$16,339,734

Source: usaspending.gov.

Economic Impacts

The 1st district represents the southern part of the Chicago metropolitan area and nearly all spillover effects go to parts of the metropolitan area closer to the city of Chicago. Defense-related activities performed within the 1st Congressional District supported a total of 2,117 jobs within the district and contributed $97 million to its GDP and $147 million in personal income (Figure 30).

These activities also supported 429 jobs in other parts of Illinois, primarily in the 7th Congressional District with 177 supported jobs. The 3rd, 5th, and 8th Congressional Districts each had more than 20 jobs supported by defense-related activities in the 1st district.

Figure 30: Impacts of Defense-Related Activities in the 1st Congressional District ($ Millions), FY 2013

	1st District			All Other Illinois Districts		
	Jobs	GDP	Income	Jobs	GDP	Income
Total	2,117	$97	$147	429	$40	$32
National Guard	923	$5	$10	59	$5	$10
Dept. of Defense Contracts	473	$33	$18	150	$14	$16
Military Retirement Benefits	721	$59	$119	250	$24	$14

Source: REMI, 2014.

The most prominent defense-related activity in the 1st district is its population of individuals receiving VA pensions or benefits for retirement from military careers. The 1st district received $44.7 million in benefits payments to individuals who retired from the military and $85.2 million in VA pension benefits.

Spillover Impacts from Other Districts

Defense-related activities in other parts of Illinois supported 433 jobs in the 1st Congressional District (Figure 31). They also contributed $35 million to the district's GDP and $73 million in total personal income. Although the 1st Congressional District contains part of the Chicago metropolitan area that is heavily impacted by many defense-related activities, most of those impacts are absorbed by congressional districts closer to the city of Chicago and NSGL to the north.

Most of the external defense-related activities that benefited the 1st Congressional District came from the 7th, 8th, and 10th districts. Defense-related activities in these districts each supported at least 40 jobs in the 1st district. The 10th Congressional District contains NSGL and the 7th and 8th districts represent parts of the Chicago metropolitan area where many DOD contracts are performed and where many National Guard members are stationed.

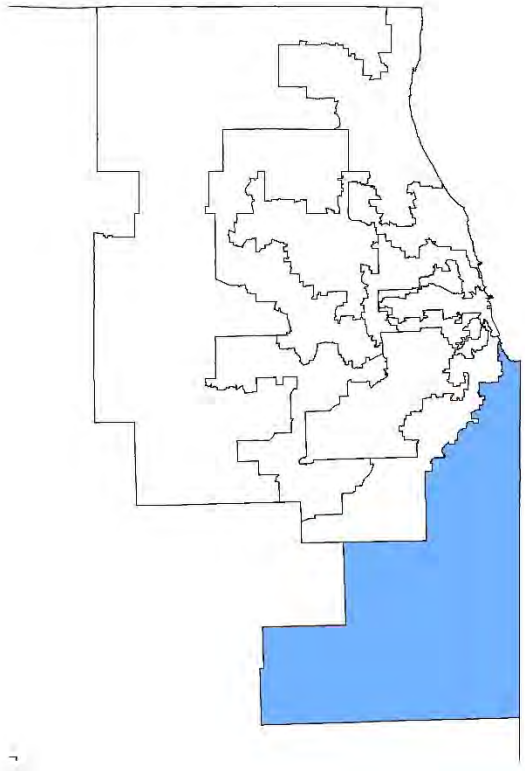
Figure 31: Economic Impacts in the 1st Congressional District, External Defense-Related Activities ($ Millions), FY2013

	Jobs	GDP	Income
Total	433	$35	$73
Dept. of Defense Contracts	215	$18	$38
Naval Station Great Lakes	190	$15	$33
Rock Island Arsenal	34	$3	$5

Source: REMI, 2014.

2ND CONGRESSIONAL DISTRICT

Map 2: Illinois' 2nd Congressional District



Defense Related Contracting Activities

The 2nd Congressional District represents the Kankakee area and parts of Will County and Cook County. Like the 1st Congressional District, it represents part of the southern half of the Chicago region and its nearest military base is NSGL. In FY2013, $4.2 million in military contracts originated in the 2nd District, with $1.9 million spent on scientific / technical / professional services, $1.7 million on manufacturing, and $325,542 in construction (Figure 32).

Figure 32: DOD Contracting by Industry in the 2nd Congressional District, FY2013

	Dollars Obligated
Total	$4,219,582
Professional, Scientific, and Technical Services	$1,927,077
Manufacturing	$1,728,172
Construction	$325,542
All Other Industries	$238,791

Source: usaspending.gov.

Economic Impacts

Defense-related activities performed within the 2nd Congressional District supported a total of 729 jobs within the district and contributed $49 million to its GDP and $117 million in personal income (Figure 33). The activities in the 2nd district have virtually no spillover impacts on other districts.

Figure 33: Impacts of Defense-Related Activities in the 2nd Congressional District ($ Millions), FY2013

	2nd District			All Other Illinois Districts		
	Jobs	GDP	Income	Jobs	GDP	Income
Total	729	$49	$117	*	*	*
National Guard	121	$0	$1	*	*	*
Dept. of Defense Contracts	34	$3	$2	*	*	*
Military Retirement Benefits	574	$46	$114	*	*	*

*: No significant impact.
Source: REMI, 2014.

The most prominent defense-related activity in the 2nd district is its population of individuals receiving VA pensions or benefits for retirement from military careers. The 2nd district received $49.1 million in benefits payments to individuals who retired from the military and $86.3 million in VA pension benefits.

Spillover Impacts from Other Districts

Defense-related activities in other parts of Illinois supported 368 jobs in the 2nd Congressional District (Figure 34). They also contributed $29 million to the district's GDP and $67 million in total personal income. Although the 2nd Congressional District contains part of the Chicago metropolitan area that is heavily impacted by many defense-related activities, most of those impacts are absorbed by congressional districts closer to the city of Chicago and NSGL to the north of it.

Most of the external defense-related activities that benefited the 2nd Congressional District came from the 8th Congressional District and the 10th district; Defense-related activities in both districts each supported at least 40 jobs in the 2nd district. The 10th Congressional District contains NSGL and the 8th district represents part of the Chicago metropolitan area where there are large numbers of DOD defense contracts.

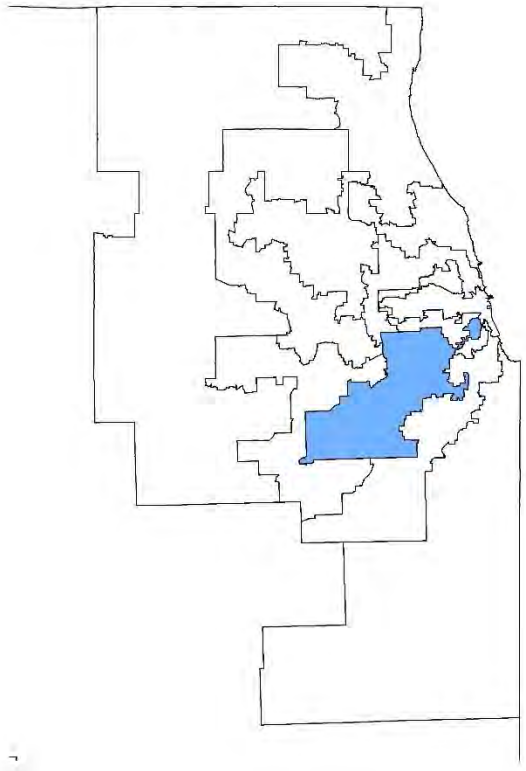
Figure 34: Economic Impacts in the 2nd Congressional District, External Defense-Related Activities ($ Millions), FY2013

	Jobs	GDP	Income
Total	368	$29	$67
Retirement Benefits	8	$0	$1
Dept. of Defense Contracts	151	$12	$30
Naval Station Great Lakes	159	$12	$31
Rock Island Arsenal	35	$3	$5

Source: REMI, 2014.

3RD CONGRESSIONAL DISTRICT

Map 3: Illinois' 3rd Congressional District



Defense Related Contracting Activities

The 3rd Congressional District represents parts of Will and Cook County in the southwestern part of the Chicago Metropolitan Area. Its nearest military base is NSGL. In FY2013, $63.6 million in military contracts originated in the 3rd District, with $41.4 million spent on construction, $9.4 million in educational services, and $8.9 million in manufacturing (Figure 35).

Figure 35: DOD Contracting by Industry in the 3rd Congressional District, FY2013

	Dollars Obligated
Total	$63,633,794
Construction	$41,409,598
Educational Services	$9,350,329
Manufacturing	$8,877,477
All Other Industries	$9,972,047

Source: usaspending.gov.

Economic Impacts

Defense-related activities performed within the 3rd Congressional District supported a total of 1,512 jobs within the district and contributed $98 million to its GDP and $115 million in personal income (Figure 36). These activities also supported 472 jobs in other parts of Illinois, primarily in the 7th Congressional District with 218 supported jobs. The 1st, 9th, and 11th districts each had more than 20 jobs supported as well. Activities in this district have no significant economic impact on

areas on the borders of neighboring states; fewer than 10 jobs outside of Illinois are supported. The 3rd district represents the southern part of the Chicago metropolitan area and most spillover effects go to other parts of the metropolitan area.

The most prominent defense-related activity in the 3rd district is the performance of DOD contracts. $63.9 million in DOD contracts were obligated in the 3rd district. The majority of those contracts were in construction.

Table 36: Impacts of Defense-Related Activities in the 3rd Congressional District ($ millions)

	3rd District			All Other Illinois Districts		
	Jobs	GDP	Income	Jobs	GDP	Income
Total	1,512	$98	$115	472	$48	$38
National Guard	286	$2	$5	30	$2	$5
DOD Contracts	772	$59	$31	313	$30	$33
Military Retirement Benefits	454	$37	$79	141	$16	$2

Source, REMI 2014.

Spillover Impacts from Other Districts

Defense-related activities in other parts of Illinois support 699 jobs in the 3rd Congressional District. They also contribute $61 million to the district's GDP and $99 million in total personal income. Although the 3rd Congressional District contains part of the Chicago metropolitan area that is heavily impacted by many defense-related activities, most of those impacts are absorbed by congressional districts closer to the city of Chicago and Naval Station Great Lakes to the north.

Most of the external defense-related activities that benefit the 3rd Congressional District come from the 7th, 8th, and 10th districts; Defense-related activities in these districts each supported at least 80 jobs in the 3rd district. The 10th Congressional District contains NSGL and the 7th and 8th districts represent parts of the Chicago metropolitan area where many DOD contracts are performed and where many National Guard members are stationed.

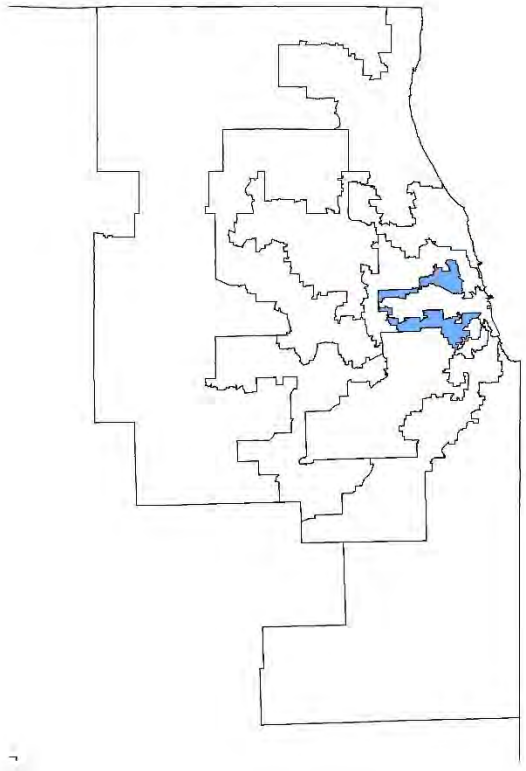
Figure 37: Economic Impacts in the 3rd Congressional District, External Defense-Related Activities ($ Millions), FY2013

	Jobs	GDP	Income
Total	699	$61	$99
Retirement Benefits	71	$7	$2
Dept. of Defense Contracts	305	$26	$50
National Guard	22	$2	$2
Naval Station Great Lakes	220	$18	$37
Scott Air Force Base	18	$2	$3
Rock Island Arsenal	62	$6	$7

Source: REMI, 2014.

4TH CONGRESSIONAL DISTRICT

Map 4: Illinois' 4th Congressional District



Defense Related Contracting Activities

The 4th Congressional District represents part of Cook County at the heart of Chicago. Its nearest military base is NSGL in Lake County. In FY2013, $21.5 million in military contracts originated in the 4th District, with $16.4 million spent on manufacturing and $4.4 million in construction (Figure 38).

Figure 38: DOD Contracting by Industry in the 4th Congressional District, FY2013

	Dollars Obligated
Total	$21,541,931
Manufacturing	$16,445,516
Construction	$4,414,455
All Other Industries	$681,961

Source: usaspending.gov.

Economic Impacts

Defense-related activities performed within the 4th Congressional District supported a total of 782 jobs within the district and contributed $37 million to its GDP and $52 million in personal income (Figure 39). These activities also supported 142 jobs in other parts of Illinois, primarily in the 7th and 11th Congressional Districts with more than 20 supported jobs each. Activities in the 4th district had no significant economic impact on areas on the borders of neighboring states; fewer than 10

jobs outside of Illinois were supported. The 4th district represents the central part of the Chicago metropolitan area and most spillover effects go to other parts of the metropolitan area.

Figure 39: Impacts of Defense-Related Activities in the 4th Congressional District ($ Millions), FY2013

	4th District			All Other Illinois Districts		
	Jobs	GDP	Income	Jobs	GDP	Income
Total	782	$37	$52	142	$14	$10
National Guard	414	$3	$6	33	$3	$6
Dept. of Defense Contracts	147	$16	$6	69	$6	$8
Military Retirement Benefits	221	$18	$40	54	$4	$1

Source: REMI, 2014.

The most prominent defense-related activity in the 4th district is its population of individuals receiving VA pensions or benefits for retirement from military careers. The 4th district received $17.6 million in benefits payments to individuals who retired from the military and $30.2 million in VA pension benefits.

Spillover Impacts from Other Districts

Defense-related activities in other parts of Illinois supported 378 jobs in the 4th Congressional District (Figure 40). They also contributed $31 million to the district's GDP and $67 million in total personal income. Although the 4th Congressional District contains part of the Chicago metropolitan area that is heavily impacted by many defense-related activities, most of those impacts are absorbed by congressional districts closer to the city of Chicago and NSGL to the north.

Most of the external defense-related activities that benefited the 4th Congressional District came from the 7th, 8th, and 10th districts; Defense-related activities in these districts each supported at least 50 jobs in the 4th district. The 10th Congressional District contains NSGL and the 7th and 8th districts represent parts of the Chicago metropolitan area where many DOD contracts are performed and where many National Guard members reside.

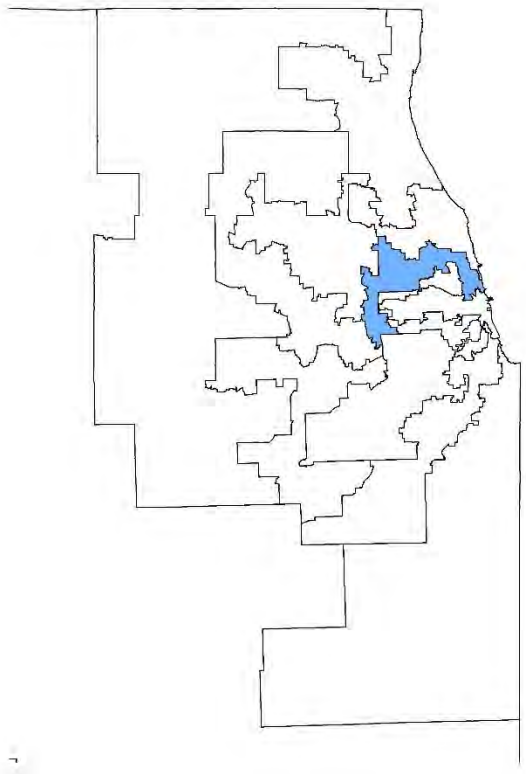
Figure 40: Economic Impacts in the 4th Congressional District, External Defense-Related Activities ($ Millions), FY2013

	Jobs	GDP	Income
Total	378	$31	$67
Retirement Benefits	28	$3	$3
Dept. of Defense Contracts	229	$19	$44
Naval Station Great Lakes	84	$7	$17
Rock Island Arsenal	30	$3	$3

Source: REMI, 2014.

5TH CONGRESSIONAL DISTRICT

Map 5: Illinois' 5th Congressional District



Defense Related Contracting Activities

The 5th Congressional District represents parts of Cook County and DuPage County near the center of the Chicago metropolitan area. Its nearest military base is NSGL in Lake County. In FY2013, $23.0 million in military contracts originated in the 5th District, with $11.9 million spent on construction, $5.1 million on manufacturing, and $3.4 million on scientific / technical / professional services (Figure 41).

Figure 41: DOD Contracting by Industry in the 5th Congressional District, FY2013

	Dollars Obligated
Total	**$23,025,795**
Construction	$11,855,260
Manufacturing	$5,086,789
Scientific, Technical, Professional Services	$3,378,743
All Other Industries	$2,705,003

Source: usaspending.gov.

Economic Impacts

Defense-related activities performed within the 5th Congressional District supported a total of 662 jobs within the district and contributed $59 million to its GDP and $70 million in personal income (Figure 42). These activities also supported 85 jobs in other parts of Illinois, primarily in the 7th, 8th, and 9th districts with at least 10 supported jobs each. Activities in the 5th district had no significant economic impact on areas on the borders of neighboring states; fewer than 10 jobs

outside of Illinois were supported. The 5th district represents the central part of the Chicago metropolitan area and most spillover effects go to other parts of the metropolitan area.

Figure 42: Impacts of Defense-Related Activities in the 5th Congressional District ($ Millions), FY2013

	5th District			All Other Illinois Districts		
	Jobs	GDP	Income	Jobs	GDP	Income
Total	662	$59	$70	85	$6	$9
Dept. of Defense Contracts	238	$22	$8	85	$6	$13
Military Retirement Benefits	424	$37	$62	0	$1	$0

Source: REMI, 2014.

The most prominent defense-related activity in the 5th district is its population of individuals receiving VA pensions or benefits for retirement from military careers. The 5th district received $25.8 million in benefits payments to individuals who retired from the military and $37.1 million in VA pension benefits.

Spillover Impacts from Other Districts

Defense-related activities in other parts of Illinois support 1,365 jobs in the 5th Congressional District (Figure 43). They also contribute $125 million to the district's GDP and $185 million in total personal income. The 5th Congressional District represents part of the Chicago metropolitan area that is heavily impacted by many defense-related activities.

Most of the external defense-related activities that benefit the 5th Congressional District come from the 7th, 8th, and 10th districts; Defense-related activities in these districts each support at least 80 jobs in the 5th district. The 10th Congressional District contains NSGL and the 7th and 8th districts represent parts of the Chicago metropolitan area where many DOD contracts are performed and where many National Guard members reside.

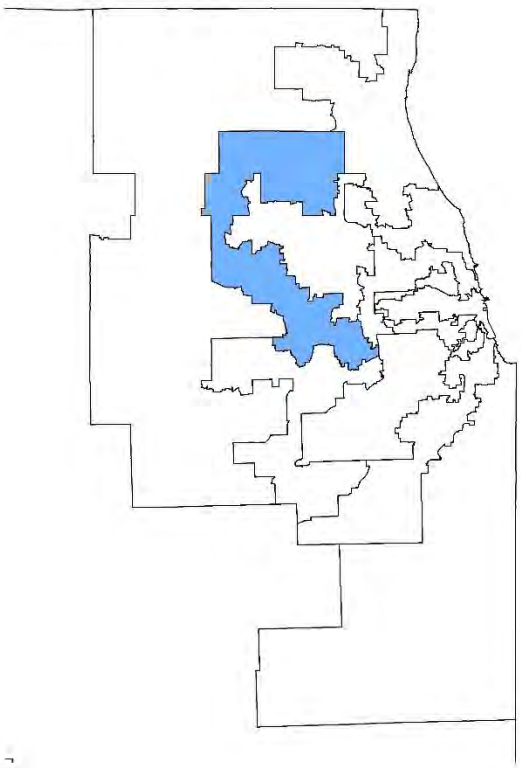
Figure 43: Economic Impacts in the 5th Congressional District, External Defense-Related Activities ($ Millions), FY2013

	Jobs	GDP	Income
Total	1,365	$125	$185
Retirement Benefits	88	$9	$6
Dept. of Defense Contracts	490	$44	$68
National Guard	22	$2	$3
Naval Station Great Lakes	653	$59	$94
Scott Air Force Base	41	$4	$6
Rock Island Arsenal	69	$7	$8

Source: REMI, 2014.

6TH CONGRESSIONAL DISTRICT

Map 6: Illinois' 6th Congressional District



Defense Related Contracting Activities

The 6th Congressional District represents parts of the counties of Lake, McHenry, Kane and DuPage. The 6th district is adjacent to the 10th which contains NSGL. In FY2013, $93 million in military contracts originated in the 6th District, with $55.6 million spent on wholesale trade and $30.3 million in scientific / technical / professional services (Figure 44).

Figure 44: DOD Contracting by Industry in the 6th Congressional District, FY2013

	Dollars Obligated
Total	**$92,969,344**
Wholesale Trade	$55,565,070
Scientific, Technical, Professional Services	$30,317,615
All Other Industries	$7,086,658

Source: usaspending.gov.

Economic Impacts

Defense-related activities performed within the 6th Congressional District supported a total of 1,456 jobs within the district and contributed $140 million to its GDP and $116 million in personal income (Figure 45). These activities also supported 232 jobs in other parts of Illinois, primarily in the neighboring 8th, 10th, and 14th Congressional Districts with more than 30 supported jobs each. Activities in the 6th district had no significant economic impact on areas on the borders of neighboring states; fewer than 10 jobs outside of Illinois were supported. The 6th district represents

a western part of the Chicago metropolitan area and most spillover effects go to other northwestern parts of the metropolitan area.

Figure 45: Impacts of Defense-Related Activities in the 6th Congressional District ($ Millions), FY2013

	6th District			All Other Illinois Districts		
	Jobs	GDP	Income	Jobs	GDP	Income
Total	1,456	$140	$116	232	$20	$27
Dept. of Defense Contracts	893	$93	$34	294	$24	$40
Military Retirement Benefits	540	$45	$81	*	*	*

*: No significant impact.
Source: REMI, 2014.

The most prominent defense-related activity in the 6th district is the performance of DOD contracts. DOD contracts worth $92.7 million were performed in the 6th district, with the majority of those contracts in wholesale trade.

Spillover Impacts from Other Districts

Defense-related activities in other parts of Illinois supported 2,239 jobs in the 6th Congressional District (Figure 46). They also contributed $202 million to the district's GDP and $276 million in total personal income. The 6th Congressional District benefits from proximity to NSGL in the neighboring 10th district, but it also represents part of the Chicago metropolitan area that has some businesses impacted as a result of most defense-related activities in Illinois.

Most of the external defense-related activities that benefited the 6th Congressional District came from the 8th, and 10th districts; Defense-related activities in these districts each supported more than 400 jobs in the 6th district. The 10th Congressional District contains NSGL and the 8th district represent parts of the Chicago metropolitan area where many DOD contracts are performed.

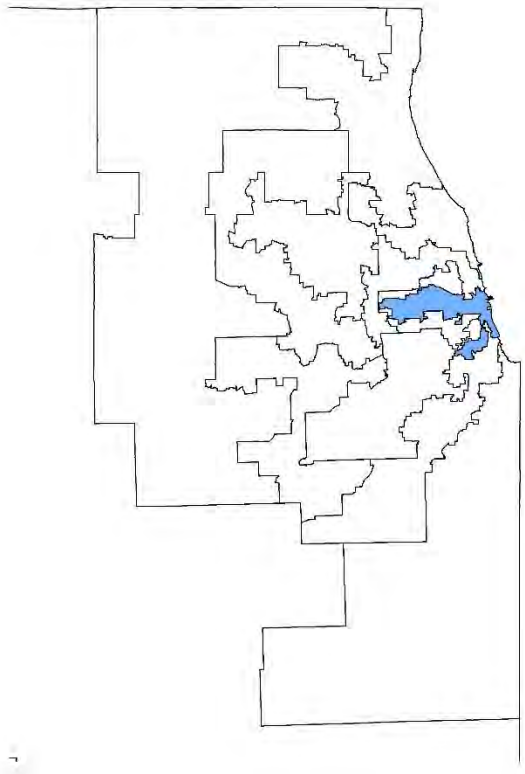
Figure 46: Economic Impacts in the 6th Congressional District, External Defense-Related Activities ($ Millions), FY2013

	Jobs	GDP	Income
Total	2,239	$202	$276
Retirement Benefits	93	$10	$1
Dept. of Defense Contracts	867	$76	$113
National Guard	25	$2	$2
Naval Station Great Lakes	952	$86	$136
Scott Air Force Base	82	$7	$10
Rock Island Arsenal	217	$21	$14

Source: REMI, 2014.

7TH CONGRESSIONAL DISTRICT

Map 7: Illinois' 7th Congressional District



Defense Related Contracting Activities

The 7th Congressional District represents part of Cook County at the heart of Chicago. Its nearest military base is NSGL in Lake County. In FY2013, $58 million in military contracts originated in the 7th District, with $37.6 million spent in the information sector and $9.2 million in scientific / technical / professional services (Figure 47).

Figure 47: DOD Contracting by Industry in the 7th Congressional District, FY2013

	Dollars Obligated
Total	**$58,034,360**
Information	$37,560,056
Scientific, Technical, Professional Services	$9,227,850
All Other Industries	$11,246,454

Source: usaspending.gov.

Economic Impacts

Defense-related activities performed within the 7th Congressional District supported a total of 3,116 jobs within the district and contributed $175 million to its GDP and $180 million in personal income (Figure 48). These activities also supported 721 jobs in other parts of Illinois, primarily in the neighboring 4th, 5th, 8th, and 9th Congressional Districts with more than 50 supported jobs each. Activities in the 7th district had no significant economic impact on areas on the borders of neighboring states; fewer than 10 jobs outside of Illinois were supported. The 7th district represents

a central part of the Chicago metropolitan area and most spillover effects go to other parts of the metropolitan area.

Figure 48: Impacts of Defense-Related Activities in the 7th Congressional District ($ Millions), FY2013

	7th District			All Other Illinois Districts		
	Jobs	GDP	Income	Jobs	GDP	Income
Total	3,116	$175	$180	721	$61	$89
National Guard	1,452	$14	$22	153	$14	$22
Dept. of Defense Contracts	718	$77	$21	301	$27	$42
Military Retirement Benefits	945	$84	$137	356	$32	$38

Source: REMI, 2014.

The most prominent defense-related activity in the 7th district is the population of individuals receiving military pension and retirement benefits. The 7th district received $96.1 million in VA pension benefits and $27.6 million in payments to individuals retired from the military.

Spillover Impacts from Other Districts

Defense-related activities in other parts of Illinois supported 1,418 jobs in the 7th Congressional District (Figure 49). They also contributed $156 million to the district's GDP and $62 million in total personal income. The Chicago metropolitan area is heavily impacted by most defense-related activities in Illinois since it represents a major part of the Illinois economy, and the 7th district represents part of the city of Chicago.

Most of the external defense-related activities that benefited the 7th Congressional District came from the 3rd, 4th, and 8th Congressional Districts; Defense-related activities in these districts each supported at least 120 jobs in the 7th district. These districts represent parts of the Chicago metropolitan area where many DOD contracts were performed in FY2013.

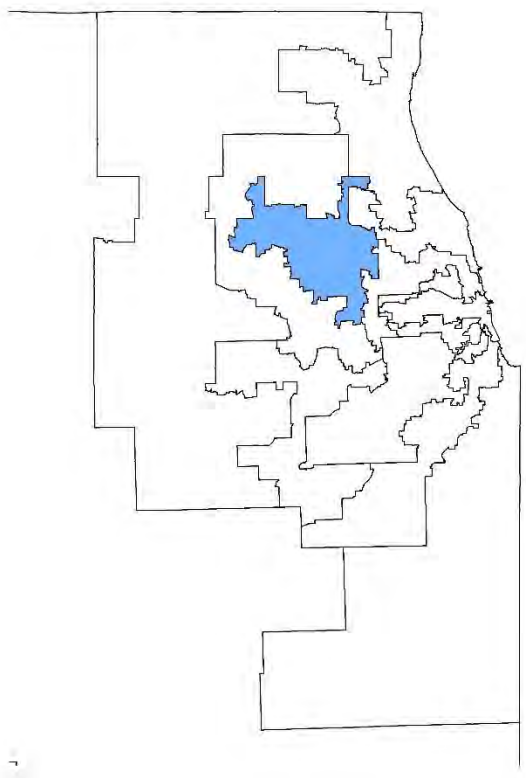
Figure 49: Economic Impacts in the 7th Congressional District, External Defense-Related Activities ($ Millions), FY2013

	Jobs	GDP	Income
Total	1,418	$156	$62
Retirement Benefits	344	$39	$8
Dept. of Defense Contracts	368	$40	$20
National Guard	43	$5	$2
Naval Station Great Lakes	233	$23	$20
Scott Air Force Base	95	$11	$2
Rock Island Arsenal	334	$38	$10

Source: REMI, 2014.

8TH CONGRESSIONAL DISTRICT

Map 8: Illinois' 8th Congressional District



Defense Related Contracting Activities

The 8th Congressional District represents parts of Cook, DuPage, and Kane Counties in the western part of Chicago. Its nearest military base is NSGL in Lake County. In FY2013, $677.7 million in military contracts originated in the 8th District, with $516.5 million spent on manufacturing, $80.1 million in wholesale trade, and $73.6 million in scientific / technical / professional services (Figure 50).

Figure 50: DOD Contracting by Industry in the 8th Congressional District, FY2013

	Dollars Obligated
Total	**$677,680,909**
Manufacturing	$516,504,204
Wholesale Trade	$80,117,440
Professional, Scientific, and Technical Services	$73,561,569
All Other Industries	$7,497,694

Source: usaspending.gov.

Economic Impacts

Defense-related activities performed within the 8th Congressional District supported a total of 5,754 jobs within the district and contributed $643 million to its GDP and $269 million in personal income (Figure 51). These activities also supported 1,838 jobs in other parts of Illinois, primarily in the 5th, 6th, 9th, 11th, and 14th Congressional Districts with more than 150 supported jobs each.

The 8th district represents part of the Chicago metropolitan area and most spillover effects primarily go to other parts of the metropolitan area.

Figure 51: Impacts of Defense-Related Activities in the 8th Congressional District ($ Millions), FY2013

	8th District			All Other Illinois Districts		
	Jobs	GDP	Income	Jobs	GDP	Income
Total	5,754	$643	$269	1,838	$156	$265
National Guard	187	$1	$1	10	$1	$1
Dept. of Defense Contracts	4,996	$590	$188	1,822	$153	$265
Military Retirement Benefits	571	$52	$80	15	$1	$1

Source: REMI, 2014.

The most prominent defense-related activity in the 8th district is the performance of DOD contracts. The 8th district performed $677.7 million in DOD contracts, primarily in manufacturing.

Spillover Impacts from Other Districts

Defense-related activities in other parts of Illinois supported 1,677 jobs in the 8th Congressional District (Figure 52). They also contributed $155 million to the district's GDP and $201 million in total personal income. The 8th Congressional District benefits from proximity to NSGL in the neighboring 10th district, but it also represents part of the Chicago metropolitan area that has some businesses impacted as a result of most defense-related activities in Illinois.

Most of the external defense-related activities that benefited the 8th Congressional District came from the 7th, 10th, and 17th Congressional Districts; Defense-related activities in these districts each supported at least 80 jobs in the 8th district. The 10th Congressional District contains NSGL and the 7th district represents part of downtown Chicago where many DOD contracts are performed. The 17th district contains RIA.

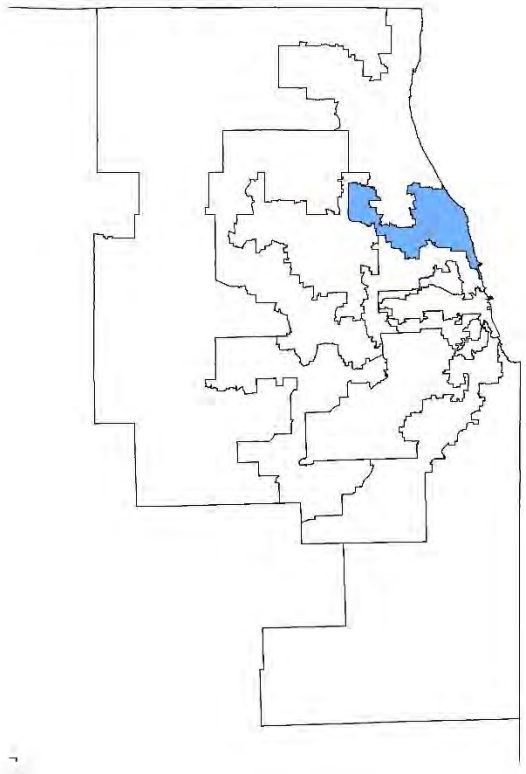
Figure 52: Economic Impacts in the 8th Congressional District, External Defense-Related Activities ($ Millions), FY2013

	Jobs	GDP	Income
Total	1,677	$155	$201
Retirement Benefits	84	$8	$3
Dept. of Defense Contracts	368	$34	$47
National Guard	28	$3	$2
Naval Station Great Lakes	1,003	$91	$141
Scott Air Force Base	50	$5	$5
Rock Island Arsenal	50	$14	$8

Source: REMI, 2014.

9TH CONGRESSIONAL DISTRICT

Map 9: Illinois' 9th Congressional District



Defense Related Contracting Activities

The 9th Congressional District represents the northern edge of Cook County, representing part of Chicago's northern suburbs. It is adjacent to the 10th Congressional District containing NSGL. In FY2013, $133.1 million in military contracts originated in the 9th District, with $53.2 million spent on manufacturing, $1.1 million in construction, and $7.9 million in scientific / technical / professional services (Figure 53).

Figure 53: DOD Contracting by Industry in the 9th Congressional District, FY2013

	Dollars Obligated
Total	$133,421,031
Wholesale Trade	$66,886,308
Manufacturing	$53,167,608
Scientific, Technical, Professional Services	$7,947,377
All Other Industries	$5,419,739

Source: usaspending.gov.

Economic Impacts

Defense-related activities performed within the 9th Congressional District supported a total of 1,483 jobs within the district and contributed $163 million to its GDP and $107 million in personal income (Figure 54). Most of these impacts resulted from military contracting in the district. These activities also supported 320 jobs in other parts of Illinois, primarily in the 5th, 8th, and 10th

Congressional Districts with more than 40 supported jobs each. The 9th district represents a northern part of the Chicago metropolitan area and most spillover effects go to other parts of the metropolitan area.

Figure 54: Impacts of Defense-Related Activities in the 9th Congressional District ($ Millions), FY2013

	9th District			All Other Illinois Districts		
	Jobs	GDP	Income	Jobs	GDP	Income
Total	**1,483**	**$163**	**$107**	**320**	**$27**	**$45**
Dept. of Defense Contracts	1,059	$126	$42	386	$33	$56
Military Retirement Benefits	414	$36	$65	*	*	*

*: No significant impact. Source: REMI, 2014.

The most prominent defense-related activity in the 9th district is the performance of DOD contracts. More than $133 million in DOD contracts were performed in the 9th district, primarily in wholesale trade.

Spillover Impacts from Other Districts

Defense-related activities in other parts of Illinois supported 1,731 jobs in the 9th Congressional District (Figure 55). They also contributed $160 million to the district's GDP and $255 million in total personal income. The 9th Congressional District benefits from proximity to NSGL in the neighboring 10th district, but it also represents part of the Chicago metropolitan area that has some businesses impacted as a result of most defense-related activities in Illinois.

Most of the external defense-related activities that benefited the 9th Congressional District came from the 8th and 10th districts; Defense-related activities in both districts each supported at least 100 jobs in the 9th district. The 10th Congressional District contains NSGL and the 8th districts represent part of the Chicago metropolitan area where many National Guard members reside.

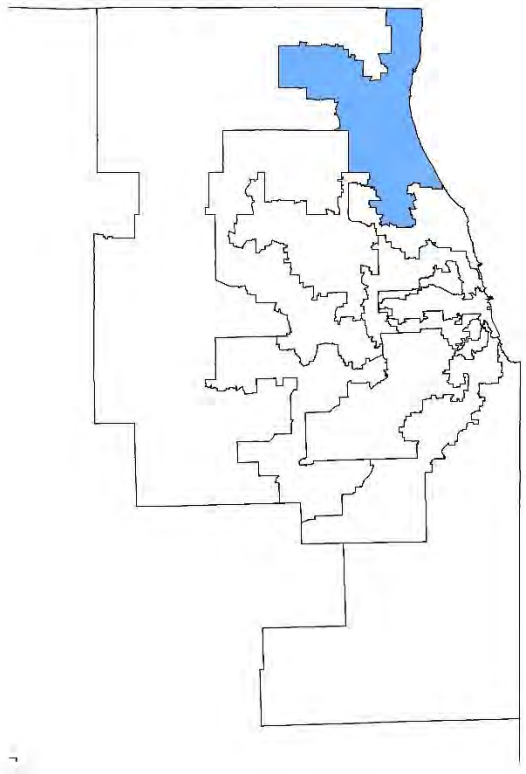
Figure 55: Economic Impacts in the 9th Congressional District, External Defense-Related Activities ($ Millions), FY2013

	Jobs	GDP	Income
Total	1,731	$160	$255
Retirement Benefits	59	$7	$3
Dept. of Defense Contracts	437	$40	$64
National Guard	13	$1	$2
Naval Station Great Lakes	1,098	$99	$176
Scott Air Force Base	70	$8	$3
Rock Island Arsenal	50	$5	$6

Source: REMI, 2014.

10TH CONGRESSIONAL DISTRICT

Map 10: Illinois' 10th Congressional District



Defense Related Contracting Activities

The 10th Congressional District represents parts of the counties of Lake and Cook, representing part of Chicago's northern suburbs. This district is unique in that it contains NSGL, the Navy's sole facility for training its recruits. In FY2013, $477.1 million in military contracts originated in the 10th District, with $257.5 million spent on wholesale trade, $86.5 million on manufacturing, $40.9 million in scientific/technical/professional services, $31.9 million in construction, $30.5 in health care, and $24.2 in information (Figure 56). These figures do not include purchasing related to the operations of NSGL, which are included in the analysis of the base.

Figure 56: DOD Contracting by Industry in the 10th Congressional District, FY2013

	Dollars Obligated
Total	**$477,075,642**
Wholesale Trade	$257,477,777
Manufacturing	$86,472,294
Scientific, Technical, & Professional Services	$40,905,461
Construction	$31,851,238
Health Care	$30,526,109
Information	$24,209,166
All Other Industries	$5,633,598

Source: usaspending.gov.

Defense-related activities, performed within the 10th Congressional District, led by the activities related to the NSGL supported a total of 37,208 jobs within the district and contributed $4.4 billion to its GDP and $2 billion in personal income (Figure 57). These activities also supported 7,785 jobs in other parts of Illinois, primarily in the 6th, 8th, and 9th Congressional Districts with more than 400 supported jobs each. The 10th district contains NSGL and represents a northern part of the Chicago metropolitan area. Most spillover effects go to other parts of the metropolitan area rather than to communities on the Wisconsin border. The 10th district is the Illinois congressional district with the largest number of jobs supported in other parts of Illinois.

Figure 57: Impacts of Defense-Related Activities in the 10th Congressional District ($ Millions), FY2013

	10th District			All Other Illinois Districts		
	Jobs	GDP	Income	Jobs	GDP	Income
Total	**37,213**	**$4,442**	**$2,044**	7,785	$657	$1,172
Naval Station Great Lakes	32,123	$3,920	$1,729	6,861	$578	$1,030
Visitors	287	$22	$9	*	*	*
Impact Aid	87	$7	$3	*	*	*
Dept. of Defense Contracts	3,808	$428	$182	914	$78	$140
Military Retirement Benefits	712	$63	$119	*	*	*
Nat'l Guard Pay & Contracts	196	$2	$2	10	$1	$2

*: No significant impact.
Source: REMI, 2014.

The most prominent defense-related activities in the 10th district are the operations of NSGL. NSGL supported more than 32,000 jobs in the district and contributed $3.9 billion to the district's GDP. If not for the operations of NSGL, the economy of the 10th Congressional District would benefit less from the Illinois defense sector compared to other congressional districts. Even though the 10th district represents part of the Chicago metropolitan area which is heavily impacted by most defense-related activities, most of those impacts occur in districts closer to Chicago.

Spillover Impacts from Other Districts

Defense-related activities in other parts of Illinois supported 405 jobs in the 10th Congressional District (Figure 58). They also contributed $34 million to the district's GDP and $58 million in total personal income. Most of the external defense-related activities that benefited the 10th Congressional District came from the 8th, and 17th Congressional Districts; Defense-related activities in these districts each supported at least 50 jobs in the 10th district. The 17th Congressional District contains the RIA and the 8th districts represent part of the Chicago metropolitan area where there are large numbers of DOD defense contracts.

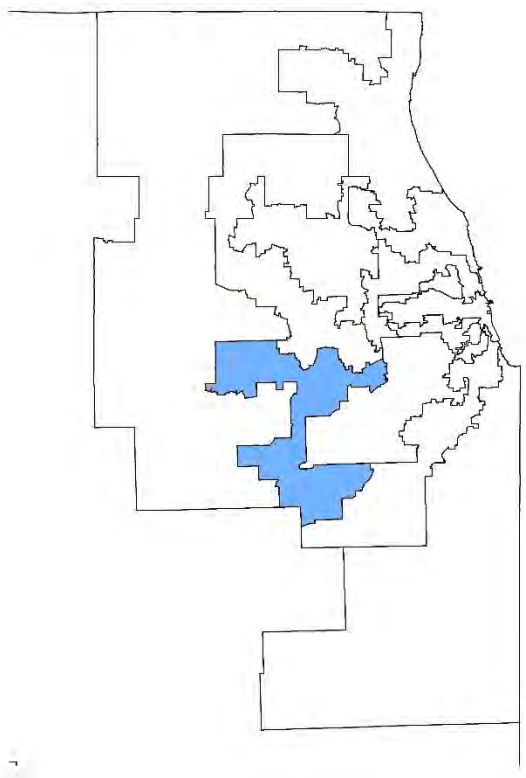
Figure 58: Economic Impacts in the 10th Congressional District, External Defense-Related Activities ($ Millions), FY2013

	Jobs	GDP	Income
Total	**405**	**$34**	**$58**
Retirement Benefits	38	$4	$0
Dept. of Defense Contracts	265	$20	$42
Scott Air Force Base	36	$3	$5
Rock Island Arsenal	51	$5	$6

Source: REMI, 2014.

11TH CONGRESSIONAL DISTRICT

Map 11: Illinois' 11th Congressional District



Defense Related Contracting Activities

The 11th Congressional District represents parts of the counties of Kane, Kendall, DuPage, and Will, in the southwestern parts of the Chicago metropolitan area. Its nearest military base is NSGL in Lake County. In FY2013, $292.9 million in military contracts originated in the 11th District, with $163.7 million spent on educational services, $84.9 million in scientific/technical/professional services, and $27.4 million in manufacturing (Figure 59).

Figure 59: DOD Contracting by Industry in the 11th Congressional District, FY2013

	Dollars Obligated
Total	$292,947,095
Educational Services	$163,659,898
Professional, Scientific, and Technical Services	$84,889,462
Manufacturing	$27,463,487
All Other Industries	$16,934,249

Source: usaspending.gov.

Economic Impacts

Defense-related activities performed within the 11th Congressional District supported a total of 5,894 jobs within the district and contributed $353 million to its GDP and $249 million in personal income (Figure 60). The most prominent defense-related activity in the 11th district is the performance of DOD contracts. These activities also supported 900 jobs in other parts of Illinois,

primarily in the neighboring 7th, 9th, and 14th Congressional Districts with more than 65 supported jobs each. The 11th district represents a southwestern part of the Chicago metropolitan area, and most spillover effects go to other parts of the metropolitan area.

Figure 60: Impacts of Defense-Related Activities in the 11th Congressional District ($ Millions), FY2013

	11th District			All Other Illinois Districts		
	Jobs	GDP	Income	Jobs	GDP	Income
Total	5,894	$353	$249	900	$75	$122
National Guard	304	$1	$3	18	$1	$3
Dept. of Defense Contracts	5,004	$306	$155	882	$74	$119
Military Retirement Benefits	587	$46	$91	*	*	*

*: No significant impact. Source: REMI, 2014.

Spillover Impacts from Other Districts

Defense-related activities in other parts of Illinois supported 962 jobs in the 11th Congressional District (Figure 61). They also contributed $78 million to the district's GDP and $113 million in total personal income. The 11th Congressional District represents part of the Chicago metropolitan area that is heavily impacted by most defense-related activities in Illinois, although this district has relatively fewer impacts than districts closer to the city of Chicago or NSGL.

Most of the external defense-related activities that benefited the 11th Congressional District came from the 8th, 10th, and 17th Congressional Districts; Defense-related activities in these districts each supported at least 90 jobs in the 11th district. The 10th district and 17th districts contain RIA and NSGL respectively, and the 8th districts represent part of the Chicago metropolitan area where there are large numbers of DOD defense contracts.

Figure 61: Economic Impacts in the 11th Congressional District, External Defense-Related Activities ($ Millions), FY2013

	Jobs	GDP	Income
Total	962	$78	$113
Retirement Benefits	68	$6	$2
Dept. of Defense Contracts	350	$28	$48
National Guard	22	$2	$1
Naval Station Great Lakes	347	$28	$52
Scott Air Force Base	40	$3	$4
Rock Island Arsenal	134	$11	$10

Source: REMI, 2014.

12TH CONGRESSIONAL DISTRICT

Map 12: Illinois' 12th Congressional District

Defense Related Contracting Activities

The 12th Congressional District represents 11 entire counties in southwest Illinois and part of Madison County. This district covers most counties in the Illinois part of the St. Louis metropolitan area. Scott AFB is located in the district. In FY2013, $410.4 million in military contracts originated in the 12th District, with $223.9 million spent on manufacturing, $160 million in construction, and $22 million in scientific / technical / professional services (Figure 62). These figures do not include purchasing related to the operations of Scott AFB, which are included in the analysis of the base.

Figure 62: DOD Contracting by Industry in the 12th Congressional District, FY2013

	Dollars Obligated
Total	$410,356,058
Manufacturing	$223,891,586
Construction	$160,003,594
Scientific, Technical, Professional Services	$22,008,382
All Other Industries	$4,452,496

Source: usaspending.gov.

Economic Impacts

Defense-related activities performed within the 12th Congressional District supported a total of 35,208 jobs within the district and contributed $3.4 billion to its GDP and $1.9 billion in personal income (Figure 63). These activities also supported 3,482 jobs in other parts of Illinois, primarily

in the 13th and 15th Congressional Districts with more than 500 supported jobs each. Activities in the 12th district also supported about 6,000 jobs outside of Illinois, with nearly all of these jobs in the Missouri part of the St. Louis metropolitan area. The 12th district contains Scott AFB and represents the Illinois part of the St. Louis metropolitan area and most spillover impacts go to the Missouri part of the metropolitan area. The 12th Congressional District ranks third among Illinois congressional districts for number of jobs supported in other parts of Illinois.

Figure 63: Impacts of Defense-Related Activities in the 12th Congressional District ($ Millions), FY2013

	12th District			All Other Illinois Districts		
	Jobs	GDP	Income	Jobs	GDP	Income
Total	35,208	$3,445	$1,865	3,482	$240	$422
Scott Air Force Base	29,089	$3,087	$1,416	2,524	$172	$279
Impact Aid	192	$13	$6	*	*	*
National Guard	1,693	$14	$43	186	$12	$42
Dept. of Defense Contracts	3,030	$255	$122	260	$17	$33
Military Retirement Benefits	1,204	$76	$278	512	$39	$68

*: No significant impact.
Source: REMI, 2014.

Spillover Impacts from Other Districts

Defense-related activities in other parts of Illinois supported 2,164 jobs in the 12th Congressional District (Figure 64). They also contributed $156 million to the district's GDP and $295 million in total personal income. The 12th Congressional District contains Scott AFB, which supported more than 26,000 jobs and contributed more than $2.7 billion to GDP in the district, but the district also benefited from proximity to the Missouri part of the St. Louis metropolitan area where more than $6.7 billion in DOD contracts were performed. Nearly all external defense-related activities benefitting the 12th Congressional District came from the Missouri part of St. the Louis metropolitan area, with such activities supporting more than 2,000 of the 2,164 impacted jobs.

Figure 64: Economic Impacts in the 12th Congressional District, External Defense-Related Activities ($ Millions), FY2013

	Jobs	GDP	Income
Total	2,164	$156	$295
Retirement Benefits	101	$8	$8
Dept. of Defense Contracts	2,017	$144	$295
National Guard	12	$1	$1
Rock Island Arsenal	36	$3	$4

Source: REMI, 2014.

13TH CONGRESSIONAL DISTRICT

Map 13: Illinois' 13th Congressional District

Defense Related Contracting Activities

The 13th Congressional District represents nine entire counties in central and western Illinois, and parts of several counties including McLean, Champaign, Sangamon, and Madison. It includes the Decatur metropolitan area and parts of the metropolitan areas of Champaign, Bloomington-Normal, Springfield, and St. Louis. Part of the 13th district is adjacent to the 12th District containing Scott AFB near St. Louis. In FY2013, $71.8 million in military contracts originated in the 13th district (Figure 65). More than $33.8 million went to scientific, technical, and professional services companies, $27 million was spent on manufacturing, and $3.1 million was spent on construction.

Figure 65 DOD Contracting by Industry in the 13th Congressional District, FY2013

	Dollars Obligated
Total	$71,830,120
Professional, Scientific, and Technical Services	$33,831,018
Manufacturing	$26,974,421
Construction	$3,139,140
All Other Industries	$7,885,541

Source: usaspending.gov.

Economic Impacts

Defense-related activities performed within the 13th Congressional District supported a total of 6,390 jobs within the district and contributed $178 million to its GDP and $306 million in personal income (Figure 66). These activities also supported 217 jobs in other parts of Illinois, primarily in

the neighboring 15th and 18th Congressional Districts with more than 30 supported jobs each. The 13th district represents parts of central and western Illinois and spillover impacts from defense-related activities performed in the district are dispersed across the state.

Figure 66: Impacts of Defense-Related Activities in the 13th Congressional District ($ Millions), FY2013

	13th District			All Other Illinois Districts		
	Jobs	GDP	Income	Jobs	GDP	Income
Total	6,390	$178	$306	217	$9	$20
National Guard	4,616	$47	$111	88	$4	$6
Dept. of Defense Contracts	765	$62	$28	111	$5	$14
Military Retirement Benefits	1,009	$69	$167	17	$1	$1

Source: REMI, 2014.

The most prominent defense-related activity in the 13th district is the population of military retirees. The 13th district received $110.2 million in VA pension benefits and $58.7 in payments to individuals retired from the military

Spillover Impacts from Other Districts

Defense-related activities in other parts of Illinois supported 1,430 jobs in the 13th Congressional District (Figure 67). They also contributed $112 million to the district's GDP and $151 million in total personal income. Most of the external defense-related activities that benefited the 13th Congressional District came from the 12th and 17th Congressional Districts and the Missouri part of the St. Louis metropolitan area; Defense-related activities in these districts each supported at least 125 jobs in the 10th district. The 10th district and 17th districts contain RIA and NSGL respectively, and more than $6.7 billion in DOD contracts were performed in the Missouri part of St. Louis in FY2013.

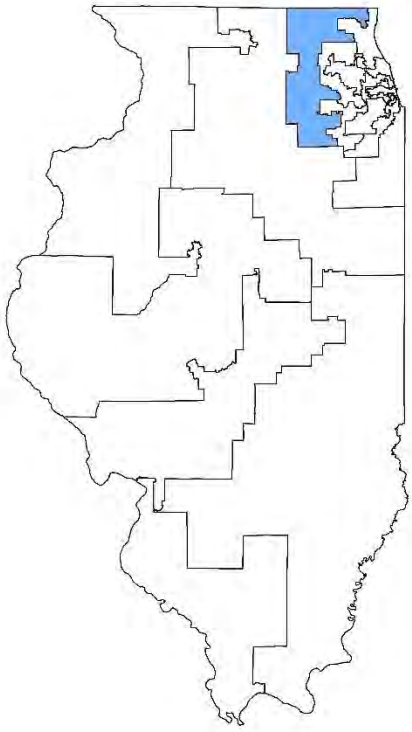
Figure 67: Economic Impacts in the 13th Congressional District, External Defense-Related Activities ($ Millions), FY2013

	Jobs	GDP	Income
Total	1,708	$131	$190
Dept. of Defense Contracts	772	$64	$84
Naval Station Great Lakes	80	$6	$9
Scott Air Force Base	703	$50	$94
Rock Island Arsenal	121	$9	$12

Source: REMI, 2014.

14TH CONGRESSIONAL DISTRICT

Map 14: Illinois' 14th Congressional District



Defense Related Contracting Activities

The 14th Congressional District represents parts of the counties of McHenry, Lake, Kane, Kendall, Will, and DeKalb. It is located at the western edge of the Chicago metropolitan area. In FY2013, $15.8 million in military contracts originated in the 14th District, with $11.7 million spent on manufacturing, $93,385 in construction, and $2.1 million in scientific/technical/professional services (Figure 68).

Figure 68: DOD Contracting by Industry in the 14th Congressional District, FY2013

	Dollars Obligated
Total	**$15,811,927**
Manufacturing	$11,679,114
Scientific, Technical, Professional Services	$2,139,737
All Other Industries	$1,925,721

Source: usaspending.gov.

Economic Impacts

Defense-related activities performed within the 14th Congressional District supported a total of 878 jobs within the district and contributed $50 million to its GDP and $91 million in personal income (Figure 69). These activities also supported 107 jobs in other parts of Illinois, primarily in the neighboring 5th and 6th Congressional Districts with more than 20 supported jobs each. The 14th district represents parts of northwest Illinois with parts at the western edges of the Chicago

metropolitan area, and spillover impacts from defense-related activities went mainly to districts closer to the metropolitan area.

Figure 69: Impacts of Defense-Related Activities in the 14th Congressional District ($ Millions), FY2013

	14th District			All Other Illinois Districts		
	Jobs	GDP	Income	Jobs	GDP	Income
Total	878	$50	$91	107	$9	$2
National Guard	226	$1	$2	3	$0	$0
Dept. of Defense Contracts	118	$11	$4	32	$1	$2
Military Retirement Benefits	534	$38	$85	72	$7	$0

Source: REMI, 2014.

The most prominent defense-related activity in the 14th district is the population of military retirees. The 14th district received $60.9 million in VA pension benefits and $46.9 million in payments to individuals retired from the military

Spillover Impacts from Other Districts

Defense-related activities in other parts of Illinois supported 1,986 jobs in the 14th Congressional District (Figure 70). They also contributed $156 million to the district's GDP and $328 million in total personal income. Parts of the 14th district are close to NSGL and the Chicago metropolitan area, which represent a significant part of the defense-related activities in this region. Most of the external defense-related activities that benefited the 14th Congressional District came from the 8th, 10th, and 17th Congressional Districts; Defense-related activities in these districts each supported at least 100 jobs in the 14th district. The 10th district and 17th districts contain NSGL and RIA respectively, and 8th districts represents part of the Chicago metropolitan area where many DOD contracts were performed in FY2013.

Figure 70: Economic Impacts in the 14th Congressional District, External Defense-Related Activities ($ Millions), FY2013

	Jobs	GDP	Income
Total	1,986	$156	$328
Retirement Benefits	13	$4	$1
Dept. of Defense Contracts	723	$60	$124
National Guard	14	$1	$1
Naval Station Great Lakes	1,111	$81	$186
Scott Air Force Base	16	$1	$1
Rock Island Arsenal	105	$9	$16

Source: REMI, 2014.

15TH CONGRESSIONAL DISTRICT

Map 15: Illinois' 15th Congressional District

Defense Related Contracting Activities

The 15th Congressional District represents 29 entire counties and parts of three counties in east-central and southern Illinois. Part of the district's north end includes the Champaign metropolitan area and sections of its west end include the edge of the St. Louis metropolitan area. However, this district is predominately rural. Some counties in the district are adjacent to St. Clair County, which contains Scott AFB. In FY2013, $22.9 million in military contracts originated in the 15th District, with $8.4 million spent on manufacturing, $4.2 million in construction, and $2.3 million in scientific / technical / professional services (Figure 71).

Figure 71: DOD Contracting by Industry in the 15th Congressional District, FY2013

	Dollars Obligated
Total	$22,731,281
Manufacturing	$8,428,124
Administrative Services	$7,419,123
Construction	$4,196,912
Professional, Scientific, and Technical Services	$2,263,770
All Other Industries	$405,352

Source: usaspending.gov.

Economic Impacts

Defense-related activities performed within the 15th Congressional District supported a total of 1,866 jobs within the district and contributed $59 million to its GDP and $190 million in personal income (Figure 72). These activities also supported 118 jobs in other parts of Illinois, primarily in

the 12th, 13th, and 18th districts with at least 15 supported jobs each. The 15th district represents parts of western and central Illinois and the impacts of defense-related activities in this district are dispersed across the state.

Figure 72: Impacts of Defense-Related Activities in the 15th Congressional District ($ Millions), FY2013

	15th District			All Other Illinois Districts		
	Jobs	GDP	Income	Jobs	GDP	Income
Total	1,866	$59	$190	118	$8	$3
National Guard	755	$2	$6	3	$0	$0
Dept. of Defense Contracts	333	$16	$9	18	$0	$0
Military Retirement Benefits	778	$41	$175	93	$6	$4

Source: REMI, 2014.

The most prominent defense-related activity in the 15th district is the population of military retirees. The 15th district received $142.5 million in VA pension benefits and $67.3 million in payments to individuals retired from the military.

Spillover Impacts from Other Districts

Defense-related activities in other parts of Illinois supported 1,512 jobs in the 15th Congressional District (Figure 73). They also contributed $107 million to the district's GDP and $166 million in total personal income. Parts of the 15th district are close to Scott AFB, which represents a significant part of the defense-related activities in this region.

Most of the external defense-related activities that benefited the 15th Congressional District came from the 12th and 17th Congressional Districts and the Missouri part of the St. Louis metropolitan area; Defense-related activities in these districts each supported at least 30 jobs in the 15th district. The 12th district and 17th districts contain Scott AFB and RIA respectively, and more than $6.7 billion in DOD contracts were performed in the Missouri part of the St. Louis metropolitan area.

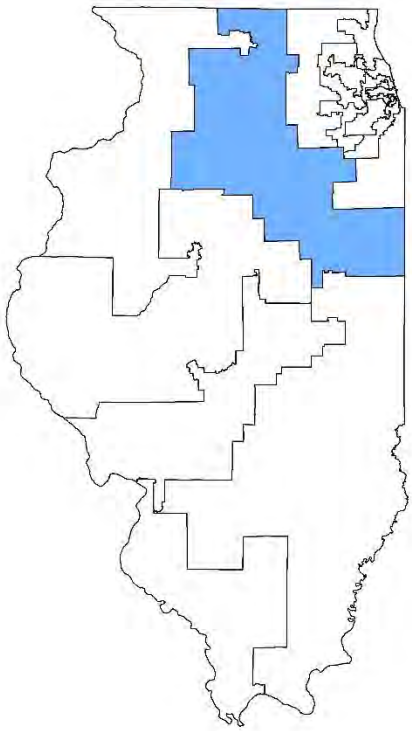
Figure 73: Economic Impacts in the 15th Congressional District, External Defense-Related Activities ($ Millions), FY2013

	Jobs	GDP	Income
Total	1,512	$107	$166
Dept. of Defense Contracts	535	$46	$49
National Guard	27	$1	$3
Scott Air Force Base	854	$51	$110
Rock Island Arsenal	53	$4	$7

Source: REMI, 2014.

16TH CONGRESSIONAL DISTRICT

Map 16: Illinois' 16th Congressional District



Defense Related Contracting Activities

The 16th Congressional District represents eight entire counties and parts of five counties in northern and east-central Illinois. Parts of the district represent the edge of the Chicago metropolitan area and part of the Rockford metropolitan area. This district is located between RIA in the Quad Cities and NSGL in Lake County. In FY2013, $78.4 million in military contracts originated in the 16th District, with $49.2 million spent on manufacturing and $21.9 million in wholesale trade (Figure 74).

Figure 74: DOD Contracting by Industry in the 16th Congressional District, FY2013

	Dollars Obligated
Total	**$78,361,036**
Manufacturing	$49,163,704
Wholesale Trade	$21,913,370
All Other Industries	$7,283,962

Source: usaspending.gov.

Economic Impacts

Defense-related activities performed within the 16th Congressional District supported a total of 1,764 jobs within the district and contributed $77 million to its GDP and $142 million in personal income (Figure 75). These activities also supported 230 jobs in other parts of Illinois, primarily in

the 5th, 6th, and 8th districts with at least 25 supported jobs each. The 16th district represents parts of northern and eastern Illinois, and the impacts of defense-related activities in this district are dispersed across the state.

Figure 75: Impacts of Defense-Related Activities in the 16th Congressional District ($ Millions), FY2013

	16th District			All Other Illinois Districts		
	Jobs	GDP	Income	Jobs	GDP	Income
Total	1,764	$77	$142	230	$23	$7
National Guard	867	$3	$8	11	$0	$0
Dept. of Defense Contracts	393	$43	$18	106	$9	$7
Military Retirement Benefits	504	$31	$116	110	$11	$2

Source: REMI, 2014.

Spillover Impacts from Other Districts

Defense-related activities in other parts of Illinois supported 1,002 jobs in the 16th Congressional District (Figure 76). They also contributed $66 million to the district's GDP and $148 million in total personal income. Parts of the 16th district are a few counties away from RIA which represents a significant part of the defense-related activities in this region.

Most of the external defense-related activities that benefited the 16th Congressional District came from the 8th, 10th, and 17th Congressional Districts; Defense-related activities in these districts each supported at least 65 jobs in the 16th district. The 10th district and 17th districts contain RIA and NSGL respectively, and the 8th districts represents part of the Chicago metropolitan area where many DOD contracts were performed in FY2013.

Figure 76: Economic Impacts in the 16th Congressional District, External Defense-Related Activities ($ Millions), FY2013

	Jobs	GDP	Income
Total	1,002	$66	$148
Retirement Benefits	52	$4	$6
Dept. of Defense Contracts	255	$19	$33
National Guard	19	$1	$2
Naval Station Great Lakes	145	$8	$25
Scott Air Force Base	54	$4	$3
Rock Island Arsenal	476	$30	$93

Source: REMI, 2014.

17TH CONGRESSIONAL DISTRICT

Map 17: Illinois' 17th Congressional District

Defense Related Contracting Activities

The 17th Congressional District represents 11 entire counties and parts of three counties in northwest Illinois. This district includes all of the Illinois side of the Quad Cities metropolitan area and part of the Rockford metropolitan area. It is unique because it includes the RIA, the Army's only vertically-integrated metal manufacturer and a center specialized in designing and producing weapons and vehicle equipment. In FY2013, $99.3 million in military contracts originated in the 17th District, with $52 million spent on manufacturing, $31.3 million in wholesale trade, $12.5 million in construction, and $1.8 million in scientific/technical/ professional services (Figure 77). These figures do not include purchasing related to the operations of RIA, which are included in the analysis of the base.

Figure 77: DOD Contracting by Industry in the 17th Congressional District, FY2013

	Dollars Obligated
Total	**$99,319,807**
Manufacturing	$51,987,357
Wholesale Trade	$31,267,246
Construction	$12,539,215
Scientific, Technical, Professional Services	$1,784,873
All Other Industries	$1,741,117

Source: usaspending.gov.

Economic Impacts

Defense-related activities performed within the 17th Congressional District supported a total of 16,804 jobs within the district and contributed $1.2 billion to its GDP and $565 million in personal income (Figure 78). Because of the large percentage of the RIA workforce commuting from Iowa,

a significant portion of the income earned at RIA goes to Iowa residents. These activities also supported 2,832 jobs in other parts of Illinois, primarily in the 16th and 18th Congressional Districts with more than 400 supported jobs each. Activities in the 17th district also supported 1,280 jobs outside of Illinois, with the majority in the Iowa part of the Quad Cities metropolitan area. The 17th Congressional District ranks second among Illinois congressional districts for number of jobs supported in other parts of Illinois.

Figure 78: Impacts of Defense-Related Activities in the 17th Congressional District ($ Millions), FY2013

	17th District			All Other Illinois Districts		
	Jobs	GDP	Income	Jobs	GDP	Income
Total	**16,804**	**$1,213**	**$565**	**2,832**	**$231**	**$318**
Rock Island Arsenal	11,752	$1,076	$313	2,408	$201	$298
National Guard	3,604	$27	$61	292	$19	$1
Dept. of Defense Contracts*	611	$54	$23	101	$6	$9
Military Retirement Benefits	837	$56	$168	31	$5	$10

*: Non Rock Island Arsenal.
Source: REMI, 2014.

Spillover Impacts from Other Districts

Defense-related activities in other parts of Illinois supported 1,338 jobs in the 17th Congressional District (Figure 79). They also contributed $113 million to the district's GDP and $92 million in total personal income. The 17th district also benefits from DOD contracts performed in the Iowa part of the Quad Cities metropolitan area.

Most of the external defense-related activities that benefited the 17th Congressional District came from the Iowa part of the Quad Cities metropolitan area, which supported more than 700 of the 1,166 supported jobs. $364.7 million in DOD contracts were performed in the Iowa part of the Quad Cities in FY2013.

Figure 79: Economic Impacts in the 17th Congressional District, External Defense-Related Activities ($ Millions), FY2013

	Jobs	GDP	Income
Total	**1,338**	**$113**	**$92**
Retirement Benefits	271	$22	$6
Dept. of Defense Contracts	879	$79	$76
National Guard	12	$1	$1
Naval Station Great Lakes	66	$4	$12
Scott Air Force Base	96	$7	$10

Source: REMI, 2014.

18TH CONGRESSIONAL DISTRICT

Map 18: Illinois' 18th Congressional District

Defense Related Contracting Activities

The 18th Congressional District represents 14 entire counties and parts of three counties in north-central and west-central Illinois. It includes most of the Peoria, Bloomington-Normal, and Springfield metropolitan areas. The nearest military base is the RIA in the Quad Cities. In FY2013, $178.5 million in military contracts originated in the 18th District, with $171.1 million spent on manufacturing, $1.5 million in construction, and $1.6 million in scientific/ technical/professional services (Figure 80).

Figure 80: DOD Contracting by Industry in the 18th Congressional District, FY2013

	Dollars Obligated
Total	**$178,529,592**
Manufacturing	$171,085,449
Construction	$1,526,944
Scientific, Technical, Professional Services	$1,640,401
All Other Industries	$4,276,798

Source: usaspending.gov.

Economic Impacts

Defense-related activities performed within the 18th Congressional District supported a total of 2,037 jobs within the district and contributed $148 million to its GDP and $177 million in personal

income (Figure 81). These activities also supported 247 jobs in other parts of Illinois, primarily in the 5th, 16th, and 17th districts with at least 10 supported jobs each. The 18th district represents parts of western and central Illinois, and the impacts of defense-related activities in this district are dispersed across the state.

Figure 81: Impacts of Defense-Related Activities in the 18th Congressional District ($ Millions), FY2013

	18th District			All Other Illinois Districts		
	Jobs	GDP	Income	Jobs	GDP	Income
Total	2,037	$148	$177	247	$23	$37
National Guard	399	$2	$5	26	$2	$5
Dept. of Defense Contracts	797	$88	$34	185	$16	$21
Military Retirement Benefits	841	$58	$138	54	$7	$11

Source: REMI, 2014.

Spillover Impacts from Other Districts

Defense-related activities in other parts of Illinois supported 1,229 jobs in the 18th Congressional District (Figure 82). They also contributed $91 million to the district's GDP and $159 million in total personal income. Parts of the 18th Congressional District are a few counties from the RIA which represents a significant part of the defense-related activities in this study.

Most of the external defense-related activities that benefited the 18th Congressional District came from the 12th and 17th Congressional Districts and the Missouri part of the St. Louis metropolitan area; each of these districts supported more than 140 jobs in the 18th district. The 12th and 17th districts contain Scott AFB and RIA respectively, and more than $6.7 billion in DOD contracts were performed in the Missouri part of the St. Louis metropolitan area.

Figure 82: Economic Impacts in the 18th Congressional District, External Defense-Related Activities ($ Millions), FY2013

	Jobs	GDP	Income
Total	1,229	$91	$159
Dept. of Defense Contracts	354	$30	$34
National Guard	31	$3	$3
Scott Air Force Base	189	$14	$20
Rock Island Arsenal	615	$42	$94

Source: REMI, 2014.

SUMMARY OF DEFENSE RELATED CONGRESSIONAL DISTRICT IMPACTS

More than half of all defense related economic impacts occur in the 10th and 12th congressional districts. These districts are home to the two largest military bases, Naval Station Great Lakes and Scott Air Force Base, which are important drivers of the statewide impacts. The defense industry is responsible for more than 36,000 jobs in each of these districts. The 17th district, home to Rock Island Arsenal, generates about 18,000 jobs from defense activities. No other district has defense related job creation greater than about 8,000.

While the military bases are the most significant drivers of defense related economic activity in the congressional districts, defense contracting also drives significant impacts in certain parts of the state. In the Chicago area, more than 4,000 defense contracting related jobs are generated in each of the 8th, 10th, and 11th districts. In the southwestern part of the state, more than 5,000 defense contracting related jobs are supported in the 12th district. The 12th district is adjacent to the St. Louis metro region in Missouri, where more than $6.7 billion in defense contracts were won by companies in FY2013 – more than twice the amount that went to Illinois companies that year.

Impacts resulting from the operation of the Illinois National Guard were primarily focused in the districts with large training facilities. About one-quarter of the statewide impacts of the National Guard were in the 13th district, home to Camp Lincoln and the National Guard's headquarters. There were also significant impacts in the 7th district, home to the North Riverside Readiness Center, the 12th district (Scott Air Force Base), and the 17th district (Peoria Readiness Center).

Beyond the activities that occur internally, the economies of each congressional district gain economic impacts from defense related operations in other regions. Notably, the operations of NSGL supports almost 7,000 jobs in Illinois *outside* of the 10th Congressional District. All defense related activities in each district have some impact on other regions of the state.

X. CONCLUSIONS

The military industry is a valuable contributor to economic activity in Illinois. The Department of Defense spends more than $5 billion in payroll, operations and contracts, which when multiplied, translates to an estimated 150,000 jobs and $13.3 billion of economic activity. It should be stressed that the economic impacts detailed for each component would be lost if that activity ceased in the state. For example, if NSGL were to close, 40,000 jobs would be lost in Illinois and the state's GDP would decline by more than $4.5 billion. Our three major military installations are significant economic engines of the regional economies of Metro East, the Quad Cities, North Chicago and surrounding communities. Given strong signals from the Pentagon that spending reductions are on the horizon, it is crucial for stakeholders to integrate base operations into their communities, to support military-connected families, firms, veterans and retirees, and to promote our strengths regionally and as a state.

Illinois certainly has success stories to tell. Assistant Majority Leader Dick Durbin, the current chairman of the Senate Defense Appropriations Subcommittee, has led efforts to bring new missions, workloads, and opportunities for state and local leaders to personally engage with DOD leaders at our military bases. State leadership has focused on quality-of-life initiatives, making it easier for military-connected students to enter schools and retiring military personnel to purchase homes. Regional groups, such as the Leadership Council Southwestern Illinois, are strong and nationally recognized advocates for their hometown installations.

The Illinois Chamber of Commerce Foundation, with assistance from the Lt. Governor's Office, presents this first-of-its kind, economic impact analysis to illustrate what is at stake and to underpin efforts to define Illinois as the most military-friendly state in the nation. Just as we honor our veterans for their sacrifice, we should recognize our military and defense industry assets as important contributors to our state's financial health.

This study is a first step toward educating Illinoisans about the importance of these assets. We want all stakeholders to understand what we have, what we have to lose, and what there is to gain.

GOING FORWARD

In preparing this report, we found several areas that need further exploration and analysis. Here are our recommendations for next steps:

- Closely monitor military-related developments at the federal, regional, state, and local levels for their potential economic impact to our state.
- Look at strategic outreach, advocacy, and communications underway by other states that are promoting, preserving, and enhancing their military and defense industry assets.
- Encourage military installations and communities to identify and implement shared service partnerships with the public and private sectors.
- Stress the importance of proactively engaging well in advance of another BRAC round.

APPENDIX: Primary Data

Primary Data for 1st Congressional District

		Data source
Illinois National Guard Employment	861	IL National Guard
National Guard Payroll	$8,471,117	IL National Guard
National Guard Contracts		
Construction	$76,121	IL National Guard
Manufacturing	$28,499	IL National Guard
Wholesale Trade	$206,558	IL National Guard
Total NG Contracts	**$311,178**	IL National Guard
VA Retirement	$85,177,949	1
DOD Retirement	$44,718,751	2
Total Retirement	**$129,896,699**	
DOD Contracts		
Construction	$23,210	usaspending.gov
Manufacturing	$3,199,009	usaspending.gov
Wholesale Trade	$121,736	usaspending.gov
Retail Trade	$28,903	usaspending.gov
Transportation and Warehousing	$16,990	usaspending.gov
Information	$8,958	usaspending.gov
Professional, Scientific, and Technical Services	$13,182,151	usaspending.gov
Administrative Services	$425,553	usaspending.gov
Educational Services	$15,688,820	usaspending.gov
Other Services, except Public Administration	$33,690	usaspending.gov
Total DOD Contracts	**$32,729,020**	usaspending.gov

1. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013

Primary Data for 2nd Congressional District

		Data source
Illinois National Guard Employment	108	IL National Guard
National Guard Payroll	$754,350	IL National Guard
VA Retirement	$86,342,482	1
DOD Retirement	$49,107,342	2
Total Retirement	**$135,449,824**	
DOD Contracts		
Mining	$117,079	usaspending.gov
Construction	$325,542	usaspending.gov
Manufacturing	$1,728,172	usaspending.gov
Wholesale Trade	$52,153	usaspending.gov
Transportation and Warehousing	$3,900	usaspending.gov
Professional, Scientific, and Technical Services	$1,927,077	usaspending.gov
Administrative Services	$22,288	usaspending.gov
Other Services, except Public Administration	$43,371	usaspending.gov
Total DOD Contracts	**$4,219,582**	usaspending.gov

1. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013

Primary Data for 3rd Congressional District

		Data source
Illinois National Guard Employment	256	IL National Guard
National Guard Payroll	$4,548,293	IL National Guard
VA Retirement	$49,431,265	1
DOD Retirement	$37,137,239	2
Total Retirement	**$86,568,504**	
DOD Contracts		
Mining	$9,338	usaspending.gov
Utilities	$8,455	usaspending.gov
Construction	$41,409,598	usaspending.gov
Manufacturing	$8,877,477	usaspending.gov
Wholesale Trade	$97,611	usaspending.gov
Retail Trade	$307,920	usaspending.gov
Transportation and Warehousing	$90,079	usaspending.gov
Information	$2,924	usaspending.gov
Real Estate and Rental and Leasing	$228,171	usaspending.gov
Professional, Scientific, and Technical Services	$3,374,673	usaspending.gov
Educational Services	$9,350,329	usaspending.gov
Health Care and Social Assistance	$28,517	usaspending.gov
Other Services, except Public Administration	$124,638	usaspending.gov
Total DOD Contracts	**$63,909,729**	usaspending.gov

1. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013

Primary Data for 4th Congressional District

		Data source
Illinois National Guard Employment	381	IL National Guard
National Guard Payroll	$5,419,737	IL National Guard
National Guard Contracts		
Manufacturing	$30,189,909	IL National Guard
Wholesale Trade	$17,610,185	IL National Guard
Total NG Contracts	**$47,800,094**	IL National Guard
VA Retirement	$30,190	1
DOD Retirement	$17,610	2
Total Retirement	**$47,800**	
DOD Contracts		
Construction	$4,414,455	usaspending.gov
Manufacturing	$16,445,516	usaspending.gov
Wholesale Trade	$295,073	usaspending.gov
Retail Trade	$85,755	usaspending.gov
Transportation and Warehousing	$19,200	usaspending.gov
Information	$7,550	usaspending.gov
Administrative Services	$76,917	usaspending.gov
Educational Services	$184,217	usaspending.gov
Other Services, except Public Administration	$13,248	usaspending.gov
Total DOD Contracts	**$21,541,931**	usaspending.gov

1. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013

Primary Data for 5th Congressional District

		Data source
National Guard Contracts		
Manufacturing	$21,835	IL National Guard
Wholesale Trade	$9,517	IL National Guard
Accommodation and Food Service	$32,699	IL National Guard
Other Services, except Public Administration	5450	IL National Guard
Total NG Contracts	**$69,500**	IL National Guard
VA Retirement	$37,137,014	1
DOD Retirement	$25,867,122	2
Total Retirement	**$63,004,136**	
DOD Contracts		
Construction	$11,855,260	usaspending.gov
Manufacturing	$5,086,789	usaspending.gov
Wholesale Trade	$347,262	usaspending.gov
Retail Trade	$105,592	usaspending.gov
Transportation and Warehousing	$109,525	usaspending.gov
Information	$264,693	usaspending.gov
Real Estate and Rental and Leasing	$508,951	usaspending.gov
Professional, Scientific, and Technical Services	$3,378,743	usaspending.gov
Administrative Services	$37,715	usaspending.gov
Educational Services	$124,246	usaspending.gov
Arts, Entertainment, Recreation	$7,920	usaspending.gov
Accommodation and Food Service	$459,936	usaspending.gov
Other Services, except Public Administration	$739,162	usaspending.gov
Total DOD Contracts	**$23,025,795**	usaspending.gov

1. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013

Primary Data for 6th Congressional District

		Data source
National Guard Contracts		
Construction	$1,852,287	IL National Guard
Wholesale Trade	$165,800	IL National Guard
Total NG Contracts	**$2,018,087**	IL National Guard
VA Retirement	$40,246,636	1
DOD Retirement	$42,743,829	2
Total Retirement	**$82,990,465**	
DOD Contracts		
Mining	$2,041	usaspending.gov
Construction	$253,499	usaspending.gov
Wholesale Trade	$55,565,070	usaspending.gov
Retail Trade	$1,029,487	usaspending.gov
Transportation and Warehousing	$582,443	usaspending.gov
Information	$417,595	usaspending.gov
Real Estate and Rental and Leasing	$139	usaspending.gov
Professional, Scientific, and Technical Services	$30,317,615	usaspending.gov
Administrative Services	$4,678,802	usaspending.gov
Educational Services	$49,075	usaspending.gov
Accommodation and Food Service	$9,505	usaspending.gov
Other Services, except Public Administration	$64,074	usaspending.gov
Total DOD Contracts	**$92,969,344**	usaspending.gov

1. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013

Primary Data for 7th Congressional District

		Data source
Illinois National Guard Employment	1,296	IL National Guard
National Guard Payroll	$20,113,287	IL National Guard
National Guard Contracts		
Wholesale Trade	$6,277	IL National Guard
Professional, Scientific, and Technical Services	$51,840	IL National Guard
Arts, Entertainment, Recreation	$85,872	IL National Guard
Total NG Contracts	**$143,989**	IL National Guard
VA Retirement	$96,016,881	1
DOD Retirement	$27,560,710	2
Total Retirement	**$123,577,591**	
DOD Contracts		
Forestry, Fishing, and Related Activities	$29,263	usaspending.gov
Utilities	$2,500	usaspending.gov
Wholesale Trade	$356,697	usaspending.gov
Retail Trade	$4,468,860	usaspending.gov
Transportation and Warehousing	$454,274	usaspending.gov
Information	$37,560,056	usaspending.gov
Real Estate and Rental and Leasing	$175,674	usaspending.gov
Professional, Scientific, and Technical Services	$9,227,850	usaspending.gov
Administrative Services	$2,599,858	usaspending.gov
Educational Services	$1,966,347	usaspending.gov
Health Care and Social Assistance	$205,091	usaspending.gov
Arts, Entertainment, Recreation	$5,229	usaspending.gov
Accommodation and Food Service	$101,915	usaspending.gov
Other Services, except Public Administration	880744.85	usaspending.gov
Total DOD Contracts	**$58,034,360**	usaspending.gov

1. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013

Primary Data for 8th Congressional District

		Data source
Illinois National Guard Employment	174	IL National Guard
National Guard Payroll	$1,097,558	IL National Guard
National Guard Contracts		
Construction	$215,054	IL National Guard
Manufacturing	$6,825	IL National Guard
Real Estate and Rental and Leasing	$3,000	IL National Guard
Accommodation and Food Service	$30,323	IL National Guard
Total NG Contracts	**$255,203**	IL National Guard
VA Retirement	$42,325,838	1
DOD Retirement	$32,019,635	2
Total Retirement	**$74,345,473**	
DOD Contracts		
Mining	$12,496	usaspending.gov
Construction	$2,257,623	usaspending.gov
Manufacturing	$516,504,204	usaspending.gov
Wholesale Trade	$80,117,440	usaspending.gov
Retail Trade	$17,513	usaspending.gov
Transportation and Warehousing	$1,994,757	usaspending.gov
Information	$143,746	usaspending.gov
Professional, Scientific, and Technical Services	$73,561,569	usaspending.gov
Administrative Services	$220,445	usaspending.gov
Educational Services	$22,097	usaspending.gov
Health Care and Social Assistance	$129,036	usaspending.gov
Accommodation and Food Service	$1,140,466	usaspending.gov
Other Services, except Public Administration	$1,559,516	usaspending.gov
Total DOD Contracts	**$677,680,909**	usaspending.gov

1. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013

Primary Data for 9th Congressional District

		Data source
National Guard Contracts		
Construction	$694,967	IL National Guard
Accommodation and Food Service	$36,350	IL National Guard
Total NG Contracts	**$731,318**	IL National Guard
VA Retirement	$34,241,000	1
DOD Retirement	$33,602,698	2
Total Retirement	**$67,843,698**	
DOD Contracts		
Construction	$1,072,990	usaspending.gov
Manufacturing	$53,167,608	usaspending.gov
Wholesale Trade	$66,886,308	usaspending.gov
Retail Trade	$247,021	usaspending.gov
Information	$1,438,193	usaspending.gov
Real Estate and Rental and Leasing	$598,548	usaspending.gov
Professional, Scientific, and Technical Services	$7,947,377	usaspending.gov
Administrative Services	$319,491	usaspending.gov
Educational Services	$1,271,230	usaspending.gov
Health Care and Social Assistance	$327,305	usaspending.gov
Accommodation and Food Service	$144,960	usaspending.gov
Total DOD Contracts	**$133,421,031**	usaspending.gov

1. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013

Primary Data for 10th Congressional District

		Data source
NSGL Military Employment	3,906	NS Great Lakes
NSGL Military Payroll	$430,417,979	NS Great Lakes
NSGL Civilian Employment	4,620	NS Great Lakes
NSGL Civilian Payroll	$344,420,547	NS Great Lakes
NS Great Lakes Contracts		
Utilities	$84,860	usaspending.gov
Construction	$23,363,558	usaspending.gov
Manufacturing	$3,356,538	usaspending.gov
Wholesale Trade	$60,758	usaspending.gov
Retail Trade	$51,480	usaspending.gov
Transportation and Warehousing	$174,702	usaspending.gov
Information	$80,571	usaspending.gov
Finance and Insurance	$580,299	usaspending.gov
Professional, Scientific, and Technical Services	$12,914,611	usaspending.gov
Administrative Services	$15,429,552	usaspending.gov
Educational Services	$2,954,758	usaspending.gov
Health Care and Social Assistance	$1,637,591	usaspending.gov
Arts, Entertainment, Recreation	$113,245	usaspending.gov
Accommodation and Food Service	$69,814,980	usaspending.gov
Other Services, except Public Administration	$1,673,592	usaspending.gov
Total Scott Contracts	**$132,291,095**	usaspending.gov
NS Great Lakes Visitor Spending		
Retail Trade	$15,877,500	Estimates
Accommodation and Food Service	$1,500,000	Estimates
Total Visitor Spending	**$17,377,500**	Estimates
VA Retirement	$72,020,720	1
DOD Retirement	$36,026,415	2
Total Retirement	**$108,047,135**	
Educational Impact Aid	$7,134,860	usaspending.gov

1. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013

10th district data continued on following page

Primary Data for 10th Congressional District

		Data source
Illinois National Guard Employment	181	IL National Guard
Illinois National Guard Payroll	$1,284,116	IL National Guard
NG Contracts		
Mining	$33,770	IL National Guard
Construction	$28,025	IL National Guard
Manufacturing	$36,888	IL National Guard
Wholesale Trade	$582,591	IL National Guard
Information	$8,683	IL National Guard
Professional, Scientific, and Technical Services	$5,415	IL National Guard
Total NG Contracts	**$695,372**	IL National Guard
DOD Contracts*		
Utilities	$11,146	usaspending.gov
Construction	$31,851,238	usaspending.gov
Manufacturing	$86,472,294	usaspending.gov
Wholesale Trade	$257,477,777	usaspending.gov
Retail Trade	$3,137,260	usaspending.gov
Information	$24,209,166	usaspending.gov
Real Estate and Rental and Leasing	$60,700	usaspending.gov
Professional, Scientific, and Technical Services	$40,905,461	usaspending.gov
Administrative Services	$1,213,993	usaspending.gov
Educational Services	$164,222	usaspending.gov
Health Care and Social Assistance	$30,526,109	usaspending.gov
Accommodation and Food Service	$23,898	usaspending.gov
Other Services, except Public Administration	$1,022,378	usaspending.gov
Total DOD Contracts	**$477,075,642**	usaspending.gov

*DOD contracts for the 10th Congressional District exclude those that are tied to NS Great Lakes. Those are reported separately.

Primary Data for 11th Congressional District

		Data source
Illinois National Guard Employment	286	IL National Guard
National Guard Payroll	$2,386,659	IL National Guard
National Guard Contracts		
Manufacturing	$20,675	IL National Guard
Administrative Services	$3,060	IL National Guard
Total NG Contracts	**$23,735**	IL National Guard
VA Retirement	$56,173,865	1
DOD Retirement	$38,424,455	2
Total Retirement	**$94,598,320**	
DOD Contracts		
Mining	$7,875	usaspending.gov
Construction	$10,363,309	usaspending.gov
Manufacturing	$27,463,487	usaspending.gov
Wholesale Trade	$689,435	usaspending.gov
Retail Trade	$130,142	usaspending.gov
Transportation and Warehousing	$3,929,706	usaspending.gov
Information	$176,059	usaspending.gov
Real Estate and Rental and Leasing	$53,925	usaspending.gov
Professional, Scientific, and Technical Services	$84,889,462	usaspending.gov
Administrative Services	$1,322,981	usaspending.gov
Educational Services	$163,659,898	usaspending.gov
Accommodation and Food Service	$15,012	usaspending.gov
Other Services, except Public Administration	$245,803	usaspending.gov
Total DOD Contracts	**$292,947,095**	usaspending.gov

1. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013

Primary Data for 12th Congressional District

		Data source
Scott AFB Military Employment	4,512	Scott AFB
Scott AFB Civilian AF Employment	2,906	Scott AFB
Scott AFB Civilian NAF Employment	351	Scott AFB
Scott AFB Civilian Other Employment	1,828	Scott AFB
Scott National Guard & Reserve Employment	2,204	IL National Guard
Scott National Guard & Reserve Payroll	$37,077,570	IL National Guard
Scott AFB Contracts		
Mining	$3,562,288	Scott AFB
Construction	$80,585,459	Scott AFB
Manufacturing	$9,806,410	Scott AFB
Wholesale Trade	$12,926,636	Scott AFB
Retail Trade	$33,636,344	Scott AFB
Transportation and Warehousing	$13,960,692	Scott AFB
Information	$38,539,219	Scott AFB
Real Estate and Rental and Leasing	$1,651,967	Scott AFB
Professional, Scientific, and Technical Services	$300,707,583	Scott AFB
Management of Companies and Enterprises	$380,680	Scott AFB
Administrative Services	$13,498,993	Scott AFB
Educational Services	$443,681	Scott AFB
Health Care and Social Assistance	$4,362,728	Scott AFB
Arts, Entertainment, Recreation	$70,925	Scott AFB
Accommodation and Food Service	$1,921,178	Scott AFB
Other Services, except Public Administration	$2,108,481	Scott AFB
Total Scott Contracts	**$518,163,264**	Scott AFB
VA Retirement	$206,249,877	1
DOD Retirement	$74,284,526	2
Total Retirement	**$280,534,403**	
Educational Impact Aid	$8,657,047	usaspending.gov

1. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013

12th district data continued on following page

Primary Data for 12th Congressional District

		Data source
Illinois National Guard Employment*	1,142	IL National Guard
Illinois National Guard Payroll*	$10,226,802	IL National Guard
NG Contracts		
Construction	$2,700,409	IL National Guard
Manufacturing	$938	IL National Guard
Wholesale Trade	$110,874	IL National Guard
Administrative Services	$3,640	IL National Guard
Accommodation and Food Service	$42,425	IL National Guard
Total NG Contracts	**$2,858,286**	IL National Guard
DOD Contracts*		
Forestry, Fishing, and Related Activities	$73,865	usaspending.gov
Mining	$1,407,824	usaspending.gov
Construction	$160,003,594	usaspending.gov
Manufacturing	$223,891,586	usaspending.gov
Wholesale Trade	$249,837	usaspending.gov
Retail Trade	$828,389	usaspending.gov
Transportation and Warehousing	$81,289	usaspending.gov
Information	$522,989	usaspending.gov
Real Estate and Rental and Leasing	$37,891	usaspending.gov
Professional, Scientific, and Technical Services	$22,008,382	usaspending.gov
Administrative Services	$1,114,618	usaspending.gov
Educational Services	$87,804	usaspending.gov
Accommodation and Food Service	$34,475	usaspending.gov
Other Services, except Public Administration	$13,515	usaspending.gov
Total DOD Contracts	**$410,356,058**	usaspending.gov

*National Guard employment and DOD contracts for the 12th Congressional District exclude those that are tied to Scott AFB. Those are reported separately.

Primary Data for 13th Congressional District

		Data source
Illinois National Guard Employment	3,928	IL National Guard
National Guard Payroll	$95,857,518	IL National Guard
National Guard Contracts		
Manufacturing	$4,400	IL National Guard
Wholesale Trade	$205,196	IL National Guard
Administrative Services	$324,056	IL National Guard
Educational Services	$5,000	IL National Guard
Accommodation and Food Service	$89,944	IL National Guard
Other Services, except Public Administration	$46,856	IL National Guard
Total NG Contracts	**$675,452**	IL National Guard
VA Retirement	$110,240,317	1
DOD Retirement	$58,737,458	2
Total Retirement	**$168,977,775**	
DOD Contracts		
Mining	$45,215	usaspending.gov
Construction	$3,139,140	usaspending.gov
Manufacturing	$26,974,421	usaspending.gov
Wholesale Trade	$1,084,133	usaspending.gov
Retail Trade	$757,606	usaspending.gov
Transportation and Warehousing	$833,823	usaspending.gov
Information	$1,343,106	usaspending.gov
Finance and Insurance	$40,985	usaspending.gov
Real Estate and Rental and Leasing	$86,376	usaspending.gov
Professional, Scientific, and Technical Services	$33,831,018	usaspending.gov
Administrative Services	$870,253	usaspending.gov
Educational Services	$75,925	usaspending.gov
Health Care and Social Assistance	$2,450,590	usaspending.gov
Accommodation and Food Service	$253,442	usaspending.gov
Other Services, except Public Administration	$44,087	usaspending.gov
Total DOD Contracts	**$71,830,120**	usaspending.gov

1. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013

Primary Data for 14th Congressional District

		Data source
Illinois National Guard Employment	214	IL National Guard
National Guard Payroll	$1,604,354	IL National Guard
National Guard Contracts		
Accommodation and Food Service	$10,000	IL National Guard
Total NG Contracts	**$10,000**	IL National Guard
VA Retirement	$60,944,655	1
DOD Retirement	$46,940,398	2
Total Retirement	**$107,885,053**	
DOD Contracts		
Forestry, Fishing, and Related Activities	$9,300	usaspending.gov
Construction	$93,385	usaspending.gov
Manufacturing	$11,679,114	usaspending.gov
Wholesale Trade	$618,926	usaspending.gov
Retail Trade	$268,892	usaspending.gov
Transportation and Warehousing	$8,250	usaspending.gov
Professional, Scientific, and Technical Services	$2,139,737	usaspending.gov
Administrative Services	$875,298	usaspending.gov
Educational Services	$25,125	usaspending.gov
Accommodation and Food Service	$7,499	usaspending.gov
Other Services, except Public Administration	$19,046	usaspending.gov
Total DOD Contracts	**$15,744,572**	usaspending.gov

1. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013

Primary Data for 15th Congressional District

		Data source
Illinois National Guard Employment	726	IL National Guard
National Guard Payroll	$6,292,038	IL National Guard
National Guard Contracts		
Manufacturing	$2,286	IL National Guard
Wholesale Trade	$43,840	IL National Guard
Accommodation and Food Service	$8,993	IL National Guard
Total NG Contracts	**$55,119**	IL National Guard
VA Retirement	$142,467,575	1
DOD Retirement	$67,270,148	2
Total Retirement	**$209,737,723**	
DOD Contracts		
Forestry, Fishing, and Related Activities	$26,414	usaspending.gov
Mining	$46,309	usaspending.gov
Utilities	$72,935	usaspending.gov
Construction	$4,196,912	usaspending.gov
Manufacturing	$8,428,124	usaspending.gov
Wholesale Trade	$65,553	usaspending.gov
Retail Trade	$23,179	usaspending.gov
Real Estate and Rental and Leasing	$9,240	usaspending.gov
Professional, Scientific, and Technical Services	$2,263,770	usaspending.gov
Administrative Services	$7,419,123	usaspending.gov
Educational Services	$5,000	usaspending.gov
Accommodation and Food Service	$14,029	usaspending.gov
Other Services, except Public Administration	$142,692	usaspending.gov
Total DOD Contracts	**$22,713,281**	usaspending.gov

1. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013

Primary Data for 16th Congressional District

		Data source
Illinois National Guard Employment	827	IL National Guard
National Guard Payroll	$7,747,976	IL National Guard
National Guard Contracts		
Utilities	$11,250	IL National Guard
Wholesale Trade	$419,830	IL National Guard
Professional, Scientific, and Technical Services	$22,000	IL National Guard
Accommodation and Food Service	$72,444	IL National Guard
Total NG Contracts	**$525,524**	IL National Guard
VA Retirement	$91,905,476	1
DOD Retirement	$57,002,564	2
Total Retirement	**$148,908,039**	
DOD Contracts		
Mining	$2,163,348	usaspending.gov
Utilities	$3,809,512	usaspending.gov
Construction	$807,172	usaspending.gov
Manufacturing	$49,163,704	usaspending.gov
Wholesale Trade	$21,913,370	usaspending.gov
Retail Trade	$20,386	usaspending.gov
Real Estate and Rental and Leasing	$2,292	usaspending.gov
Professional, Scientific, and Technical Services	$274,711	usaspending.gov
Administrative Services	$40,931	usaspending.gov
Health Care and Social Assistance	$22,137	usaspending.gov
Accommodation and Food Service	$136,112	usaspending.gov
Other Services, except Public Administration	$7,361	usaspending.gov
Total DOD Contracts	**$78,361,036**	usaspending.gov

1. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013

Primary Data for 17th Congressional District

		Data source
Rock Island Arsenal Military Employment	571	RIA On Island Strength report
Rock Island Arsenal Civilian Employment	5,217	RIA On Island Strength report
Rock Island Arsenal Contracts		
Utilities	$1,344,400	Rock Island Arsenal
Manufacturing	$2,008,005	Rock Island Arsenal
Wholesale Trade	$275,757	Rock Island Arsenal
Real Estate and Rental and Leasing	$6,711,000	Rock Island Arsenal
Administrative Services	$22,545,296	Rock Island Arsenal
Health Care and Social Assistance	$34,213	Rock Island Arsenal
Other Services, except Public Administration	$109,804	Rock Island Arsenal
Total Scott Contracts	**$33,028,475**	Rock Island Arsenal
VA Retirement	$110,259,480	1
DOD Retirement	$63,642,945	2
Total Retirement	**$173,902,426**	
NG Emp & Payroll*		
Illinois National Guard Employment	3,188	IL National Guard
Illinois National Guard Payroll	$52,404,808	IL National Guard
NG Contracts		
Construction	$9,766,349	IL National Guard
Manufacturing	$106,489	IL National Guard
Wholesale Trade	$66,832	
Administrative Services	$62,039	IL National Guard
Health Care and Social Assistance	$8,916	IL National Guard
Accommodation and Food Service	$25,499	IL National Guard
Total NG Contracts	**$10,036,123**	IL National Guard

1. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013

17th district data continued on following page

Primary Data for 17th Congressional District

DOD Contracts*		Data source
Construction	$12,539,215	usaspending.gov
Manufacturing	$51,987,357	usaspending.gov
Wholesale Trade	$31,267,246	usaspending.gov
Retail Trade	$23,383	usaspending.gov
Transportation and Warehousing	$105,789	usaspending.gov
Information	$91,781	usaspending.gov
Real Estate and Rental and Leasing	$37,500	usaspending.gov
Professional, Scientific, and Technical Services	$1,784,873	usaspending.gov
Administrative Services	$342,397	usaspending.gov
Health Care and Social Assistance	$169,716	usaspending.gov
Accommodation and Food Service	$16,506	usaspending.gov
Other Services, except Public Administration	$954,046	usaspending.gov
Total DOD Contracts	**$99,319,807**	usaspending.gov

Primary Data for 18th Congressional District

		Data source
Illinois National Guard Employment	362	IL National Guard
National Guard Payroll	$4,240,774	IL National Guard
National Guard Contracts		
Construction	$99,834	IL National Guard
Manufacturing	$289,377	IL National Guard
Wholesale Trade	$95,089	IL National Guard
Transportation and Warehousing	$8,550	IL National Guard
Administrative Services	$183,395	IL National Guard
Accommodation and Food Service	$256,450	IL National Guard
Other Services, except Public Administration	$4,340	IL National Guard
Total NG Contracts	**$937,036**	IL National Guard
VA Retirement	$98,865,203	1
DOD Retirement	$63,495,580	2
Total Retirement	**$162,360,783**	
DOD Contracts		
Construction	$1,526,944	usaspending.gov
Manufacturing	$171,085,449	usaspending.gov
Wholesale Trade	$441,025	usaspending.gov
Retail Trade	$155,672	usaspending.gov
Transportation and Warehousing	$40,340	usaspending.gov
Information	$1,024,938	usaspending.gov
Professional, Scientific, and Technical Services	$1,640,401	usaspending.gov
Administrative Services	$1,397,819	usaspending.gov
Health Care and Social Assistance	$1,012,385	usaspending.gov
Arts, Entertainment, Recreation	$2,994	usaspending.gov
Accommodation and Food Service	$54,861	usaspending.gov
Other Services, except Public Administration	$146,764	usaspending.gov
Total DOD Contracts	**$178,529,592**	usaspending.gov

1. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013

Primary Data for Missouri Portion of St. Louis Metro

		Data source
VA Retirement	$391,642,737	1
DOD Retirement	$271,370,338	2
Total Retirement	**$663,013,075**	
	DOD Contracts	
Forestry, Fishing, and Related Activities	$502,519	usaspending.gov
Mining	$1,676,108	usaspending.gov
Construction	$26,094,127	usaspending.gov
Manufacturing	$5,016,392,094	usaspending.gov
Wholesale Trade	$69,854,831	usaspending.gov
Retail Trade	$564,846,359	usaspending.gov
Transportation and Warehousing	$157,364	usaspending.gov
Information	$60,406,280	usaspending.gov
Real Estate and Rental and Leasing	$119,172	usaspending.gov
Professional, Scientific, and Technical Services	$917,915,162	usaspending.gov
Administrative Services	$59,789,703	usaspending.gov
Educational Services	$15,148,595	usaspending.gov
Health Care and Social Assistance	$380,306	usaspending.gov
Arts, Entertainment, Recreation	$95,855	usaspending.gov
Accommodation and Food Service	$637,985	usaspending.gov
Other Services, except Public Administration	$12,901,277	usaspending.gov
Total DOD Contracts	**$6,746,917,734**	usaspending.gov

1. Dept of Veterans Affairs, Natl Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013

Primary Data for Iowa Portion of Quad Cities Metro

		Data source
VA Retirement	$122,509,274	1
DOD Retirement	$57,405,134	2
Total Retirement	**$179,914,408**	
DOD Contracts		
Mining	$23,662	usaspending.gov
Utilities	$82,860	usaspending.gov
Construction	$8,382,198	usaspending.gov
Manufacturing	$302,968,377	usaspending.gov
Wholesale Trade	$1,354,199	usaspending.gov
Retail Trade	$3,336,923	usaspending.gov
Transportation and Warehousing	$8,125,024	usaspending.gov
Information	$31,950	usaspending.gov
Professional, Scientific, and Technical Services	$46,494,533	usaspending.gov
Arts, Entertainment, Recreation	$51,390,876	usaspending.gov
Educational Services	$899,525	usaspending.gov
Health Care and Social Assistance	$85,100	usaspending.gov
Other Services, except Public Administration	$302,500	usaspending.gov
Total DOD Contracts	**$423,477,725**	usaspending.gov

1. Dept of Veterans Affairs, Natl Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013

Primary Data for Kenosha & Racine Counties, WI

		Data source
VA Retirement	$105,327,703	1
DOD Retirement	$48,662,744	2
Total Retirement	**$153,990,447**	
DOD Contracts		
Construction	$93,390	usaspending.gov
Manufacturing	$132,306,764	usaspending.gov
Wholesale Trade	$294,353	usaspending.gov
Retail Trade	$8,031,220	usaspending.gov
Information	$56,741	usaspending.gov
Real Estate and Rental and Leasing	$9,889	usaspending.gov
Professional, Scientific, and Technical Services	$2,311,562	usaspending.gov
Administrative Services	$93,846	usaspending.gov
Educational Services	$568,613	usaspending.gov
Accommodation and Food Service	$4,480	usaspending.gov
Other Services, except Public Administration	$1,738,486	usaspending.gov
Total DOD Contracts	**$145,509,345**	usaspending.gov

1. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.
2. DOD Office of the Actuary, Statistical Report on the Military Retirement System, FY2013