

Greater Oklahoma City Region Aerospace Industry

Phase I Economic Impact Survey

Executive Summary

Prepared for

Greater Oklahoma City Chamber



Dec 2011

The Greater Oklahoma City Region Aerospace Industry

Economic Impact Survey

The State of Oklahoma and the Oklahoma City region continue to build upon an already rich tradition in the aerospace and aviation industry. The early history of the industry is traced back to aircraft manufacturing and the support of military operations during World War II, while more recent successes include strategic federal government installations and expanding commercial and general aviation sectors.

State policymakers have increasingly recognized the critical role played by the aerospace and aviation industry in the state economy and have taken steps to enhance the development and expansion of the industry. A priority in current state economic development strategy is the expansion of the state's existing aerospace and aviation clusters.

This report uses a proprietary database of firm-level employment, payroll, and revenue data to provide an estimate of the direct economic impact of business activity generated by public and private sector aerospace and aviation firms in the Greater Oklahoma City area. These estimates are then used to assess the spillover economic impact generated as a result of the activities of these firms in the region.

The results indicate that 307 public and private sector employers were directly engaged in aerospace and aviation activities in the Greater Oklahoma City region in 2009/10. These companies produced approximately \$4.3 billion in goods and services and employed nearly 38,000 workers earning \$2.36 billion in income. Two federal government facilities -Tinker Air Force Base and the FAA's Mike Monroney Aeronautical Center - form the foundation of the industry in the region and employed a combined 31,837 federal and civilian contract workers with a payroll of more than \$1.9 billion.

The estimated economic multiplier, or ripple effects from aerospace and aviation activity in the region support the jobs of an additional 47,748 workers statewide earning \$1.3 billion in income and producing a little over \$3 billion in goods and services. In total, firms engaged in aerospace and aviation activities in the Greater Oklahoma City regional economy in 2009 and early 2010 supported either directly or through spillover effects the jobs of more than 85,400 workers earning \$3.7 billion in income, and the production of \$7.3 billion in goods and services.

Data used to evaluate the economic impact of the aerospace industry were from 2009 and early 2010. Two significant announcements by Boeing in 2010 and 2012 were not included in the data. The Boeing announcement in 2010 to relocate 550 jobs from Long Beach, California, was planned to take place in 2011 and 2012. The January 2012 announcement of 900 jobs would take place in 2013.