

Results: Phase Two of Aerospace and Aviation Study

Aerospace and Aviation has been part of Oklahoma City since 1923, when the Chamber led an initiative to build Wiley Post and secured an airmail contract. According to the second phase of *The Greater Oklahoma City Region Aerospace and Aviation Industry* study, this sector has tremendous potential for growth. The study was completed by Mark Snead, Ph.D., an economist at Oklahoma State University's Center for Applied Economic Research. While the first phase of the study, released in 2006, identified the government entities and private firms in the industry, the second phase assesses the size and composition of the industry in the Oklahoma City region.

Statewide industry view

The aerospace and aviation industry remains one of the foundational industries in the state – a high wage technology-intensive industry that has an expansive presence statewide. The current economic development push to transform the state's existing aerospace and aviation assets into a more streamlined and competitive business model reflects the enormous long-term growth potential of the industry.

National industry comparisons

Oklahoma's aerospace and aviation sector is often overlooked in comparative studies of the industry across states because of the high concentration of federal government hiring by the largest industry employer in the state, Tinker AFB. Most existing studies focus only on private sector employment and manufacturing in particular, and neither captures the structure of the industry in Oklahoma. When viewed using databases that include federal workers, Oklahoma ranks among the top 10 states in terms of employment in most traditional aerospace occupations. These measures suggest Oklahoma ranks higher among the better-known aerospace and aviation states than existing studies suggest.

Aerospace and Aviation Occupations by State (2005)											
Aerospace Engineer			Aerospace Engineering and Operations Technicians			Aircraft Mechanics and Service Technicians			Avionics Technicians		
State	Employment	Average Annual Earnings	State	Employment	Average Annual Earnings	State	Employment	Average Annual Earnings	State	Employment	Average Annual Earnings
California	24,260	\$93,050	Florida	2,250	\$54,100	Texas	15,840	\$47,940	Texas	2,790	\$50,770
Texas	5,980	86,390	California	1,390	58,620	California	11,270	53,640	California	2,740	51,040
Florida	4,870	71,300	Texas	710	57,020	Florida	7,890	45,550	Pennsylvania	2,060	42,150
Virginia	4,210	100,490	Washington	350	76,680	Oklahoma	5,110	43,260	Georgia	1,500	45,120
Alabama	3,390	86,490	Oklahoma	320	54,820	Washington	4,410	53,590	Florida	1,150	47,480
Arizona	3,140	90,620	Ohio	280	43,190	North Carolina	4,230	40,140	Oklahoma	880	48,660
Connecticut	3,010	72,310	Colorado	220	62,350	New York	4,070	49,450	Kansas	760	43,990
Colorado	2,050	75,300	Alabama	200	66,150	Ohio	3,660	44,140	Ohio	690	49,210
Ohio	2,030	83,820	Virginia	200	57,200	Tennessee	3,000	54,270	Utah	690	45,490
Oklahoma	1,480	73,170	Tennessee	190	61,070	Arizona	2,850	48,790	Arizona	660	41,080
Massachusetts	970	90,650	Illinois	160	53,400	Illinois	2,520	54,050	New York	650	51,440
New York	390	83,780	Maryland	140	54,630	Louisiana	2,520	44,050	Maryland	590	46,020
New Jersey	270	83,770	Michigan	90	53,600	Pennsylvania	2,310	46,840	Alabama	550	36,480

Source: Bureau of Labor Statistics (BLS). Portions of the data for Washington, Georgia, and Kansas are suppressed by BLS for confidentiality concerns.

OKC region boasts greatest industry concentration

The 265 firms and 38,000 workers that comprise this sector in the Greater Oklahoma City region represent the largest aviation cluster in the state. Tinker AFB and the FAA's Monroney Aeronautical Center, both federal government employers, largely dominate the industry, but the business mix at both facilities enjoys a strong synergy with private sector aerospace and aviation activity. The size and scope of the MRO infrastructure surrounding Tinker is conducive to attracting private sector MRO work to the region, while the broad range of activities at the FAA Center reaches across all elements of commercial and general aviation.

Industry employs maintenance and professional workers

The aerospace and aviation work force in the central region is large, skilled and capable of serving a diverse set of industry needs. The MRO operation at Tinker AFB relies on the largest group of civilian air force personnel in the nation and has generated a strong market for not only MRO personnel, but for most white-collar aviation-related occupations as well. The FAA Center develops aviation professionals across a broad range of specialties and approximately one-fourth of the work force holds an engineering-based occupation. Tinker largely drives the market for production workers, however, one-third of production jobs remain in the private sector. The total number of transportation and material moving occupations are shared equally between Tinker and private sector firms. A large pool of aerospace and aviation industry managerial talent is concentrated in the region, with more than 550 in management. Additionally, a strong training infrastructure is in place in the region, with nearly 400 workers in aviation and aerospace education and training.

Region captures \$1.1 billion in federal contracts

Federal procurement contracting remains an important component of the industry in Oklahoma. In fiscal year 2006, 793 vendors across the state captured an estimated \$1.4 billion in federal contracts for the provision of aerospace and aviation-related goods and services. Sixty-one percent of all federal contracting within the state in fiscal year 2006 was related to aerospace and aviation applications. Contracting activity is highly concentrated in the 10-county Greater Oklahoma City region, where 609 vendors secured \$1.1 billion in funding, or more than 75 percent of the statewide total. Oklahoma County firms alone completed more than 98 percent of the contracts issued in the 10-county region, or more than \$1 billion in federal contracts.

Industry set to grow

All of the assets are in place to elevate Oklahoma's standing in the aerospace community in the coming years.

- Key employers and infrastructure are in place.
- A world-class labor pool is available at competitive wage rates in the local region.

- Procurement success will likely expand significantly as the industry in the region matures.

These factors suggest that Oklahoma's aerospace and aviation industry is poised to reach new levels of success. For more information, contact Eric Long at elong@okcchamber.com or 297-8976.