



SAN DIEGO'S DEFENSE CLUSTER

San Diego's defense cluster continues to play a critical role in the region's innovation and military economy and the United States' national security priorities. San Diego is home to the largest concentration of military assets in the world and the largest federal military workforce in the country.¹ When considering the overall ripple effects of the defense cluster in San Diego, about 20 percent of San Diego's gross regional product (GRP) is the result of defense-related spending. Jobs supported as a result of defense spending include uniformed military, federal government employees, and defense contractors, as well as employees in healthcare, engineering, construction, hospitality, and tourism.


As the region's defense cluster catalyzes and inspires local entrepreneurs, emerging industries like unmanned systems and cybersecurity are burgeoning in San Diego and expanding into international markets. Local expertise in these fields provides strategic advantages for product development, job growth, and the commercialization of defense technology.


HIGHLIGHTS


- » **Defense contracts:** In fiscal year 2017, \$9.2 billion in procurement contracts was projected to flow into San Diego.¹
- » **Direct Spending:** In fiscal year 2017, direct spending by Department of Defense (DoD) in compensation for the more than 140,000 active duty and civilians, support for veteran services, and defense contracts was an estimated \$25.2 billion.¹
- » **Defense spending:** San Diego County receives more defense spending than any other county in the U.S. with the exception of Fairfax County, Virginia, home to the Pentagon.²
- » **Pacific Fleet:** San Diego is home port to the Pacific Fleet and is the primary training ground for much of U.S. Marine Corps.¹


KEY COMPANIES


- | | | |
|-----------------------|---------------------------|-------------------------|
| » BAE Systems | » General Dynamics NASSCO | » Raytheon |
| » Boeing | » Kratos | » SAIC |
| » Booz Allen Hamilton | » Leidos | » Shield AI |
| » Cubic Corporation | » Leonardo DRS | » Tapestry Solutions |
| » Epsilon Systems | » Lockheed Martin | » Teledyne |
| » Fox Industries | » L3 Technologies | » UTC Aerospace Systems |
| » General Atomics | » Northrop Grumman | » Viasat |


INNOVATION


MILITARY


TOURISM


LOCAL


INTELLECT

SPOTLIGHT

General Atomics Aeronautical Systems, Inc. (GA-ASI)

General Atomics Aeronautical Systems Inc., an affiliate of privately-held General Atomics, is a leading manufacturer of Remotely Piloted Aircraft (RPA) systems, radars, and electro-optic and related mission systems solutions. GA-ASI is headquartered in Poway and spans multiple facilities in the San Diego area and in the Mojave Desert.



RESOURCES

National Defense Industrial Association

NDIA is the trusted leader in defense and national security associations. NDIA, comprised of its affiliates, chapters, divisions, and 1,600 corporate and 85,000 individual members, is a non-partisan, nonprofit, educational association that aims to educate its constituencies on all aspects of national security. ndia.org

Propel San Diego

Propel San Diego is a grant initiative awarded to the City of San Diego by the U.S. Department of Defense's Office of Economic Adjustment (OEA). Through the collaboration of six key partner organizations, custom programs have been designed to assist businesses who sell products and services to DoD in order to develop a resilient defense supply chain that can stabilize despite changing budget, regional economic, and DoD readiness priorities. sdmac.org/propel

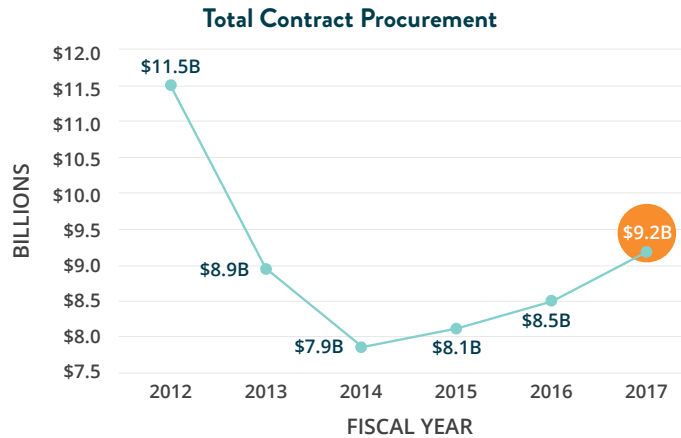
San Diego Military Advisory Council

SDMAC supports, promotes, and represents the common business and other interests of the military, its quality of life issues, and the defense industry community in the San Diego area. sdmac.org

BY THE NUMBERS

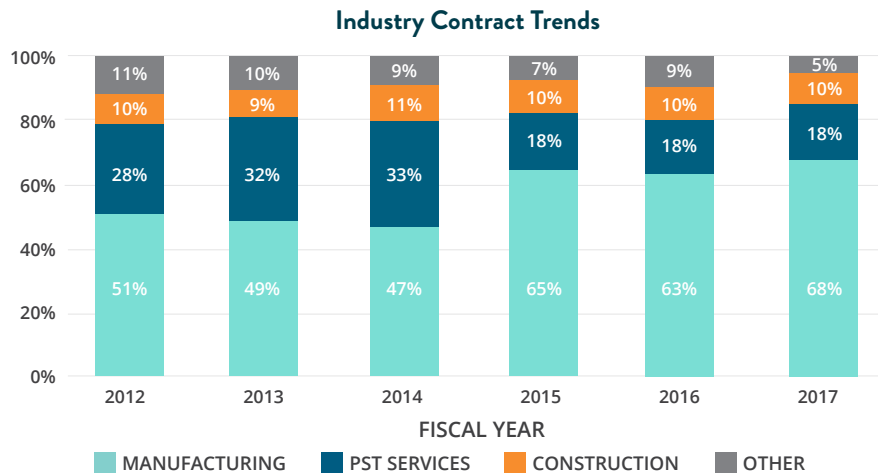
CONTRACT TRENDS

Defense spending can vary drastically year-to-year due to changes in national priorities, major program acquisitions, or uncertain federal budgets. Fluctuations in defense spending directly impact local defense contractors, creating potential vulnerabilities for the regional economy.²



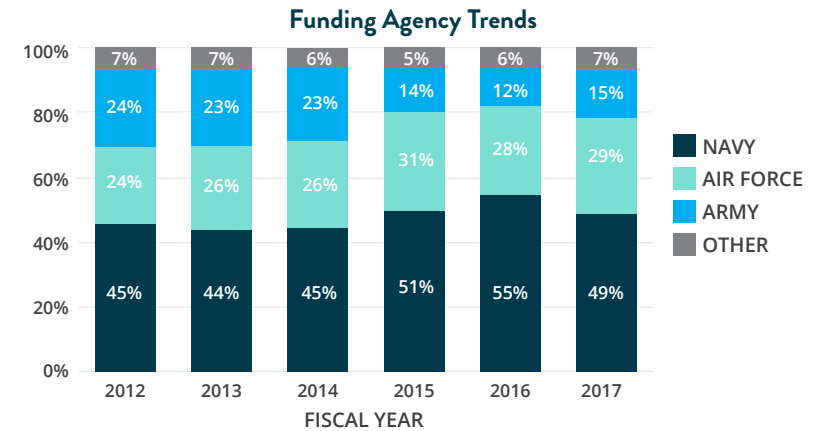
CONTRACTS BY INDUSTRY

The overwhelming majority of contract dollars went to the manufacturing, professional, scientific, and technical services, and construction industries. In 2017, these three industries received more than 95 percent of total awards. Manufacturing consistently leads, receiving between 47 and 68 percent of total contract dollars since 2012.²



CONTRACT FUNDING

The breakdown between funding agencies has remained relatively stable over time. In fact, the same three agencies have continuously funded more than 93 percent of total contract awards in San Diego. The Department of the Navy has awarded between 44 and 55 percent of total awards since 2012.²



FOR THE FULL REPORT & AN INTERACTIVE TOOL THAT DISPLAYS DEFENSE CONTRACTS WITHIN THE REGION,

VISIT SanDiego.DODspend.com

For more information on San Diego's defense cluster, please contact:

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Last updated: March 2018

Sources: 1. San Diego Military Advisory Council, "San Diego Military Economic Impact Study", 2017. 2. San Diego Regional EDC, "Mapping San Diego's Defense Ecosystem", 2018.