



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 2016, \$8.6 billion in procurement contracts was projected to flow into San Diego.²
- » **Compensation:** In fiscal year 2016, direct spending by DoD in compensation for the more than 134,000 active duty and civilians, support for veteran services, and defense contracts was an estimated \$23.3 billion.²
- » **Defense spending:** San Diego County receives more defense spending than any other county in the U.S. with the exception of Fairfax County, Virginia.³
- » **Pacific Fleet:** San Diego is home port to the Pacific Fleet and is the primary training ground for much of U.S. Marine Corps.²

KEY COMPANIES

- | | | |
|-----------------------|---------------------------|-------------------------|
| » BAE Systems | » General Atomics | » Northrop Grumman |
| » Boeing | » General Dynamics NASSCO | » Raytheon |
| » Booz Allen Hamilton | » Kratos | » SAIC |
| » Cubic Corporation | » Leidos | » UTC Aerospace Systems |
| » Fox Industries | » Lockheed Martin | » ViaSat |



INNOVATION



MILITARY



TOURISM



LOCAL



INTELLECT

SPOTLIGHT

General Dynamics NASSCO

General Dynamics NASSCO is the only full service shipyard and builder on the west coast of the United States. Employing more than 3,000 San Diegans, this privately-owned yard builds and repairs both defense and commercial ocean faring vessels.



RESOURCES

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

Association for Unmanned Vehicle Systems International

AUVSI is the world's largest nonprofit organization devoted exclusively to advancing the unmanned systems and robotics community. Serving more than 7,500 members from government organizations, industry and academia, AUVSI is committed to fostering, developing and promoting unmanned systems and robotic technologies.
auvisandiego.com

National Defense Industrial Association

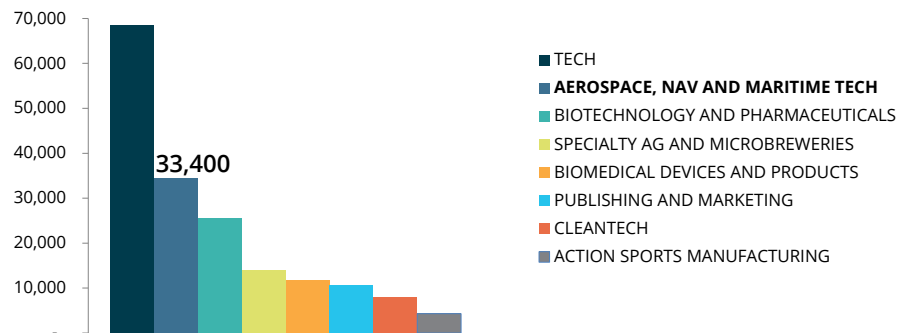
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ndia.org

BY THE NUMBERS

Employment Numbers

Employment data for the defense cluster is not readily available. Defense-related jobs are not exclusively located in San Diego's aerospace, navigation and maritime technologies cluster; however, a significant portion of defense-related jobs can be attributed to this cluster. The aerospace, navigation and maritime technologies cluster is a vital part portion of the region's innovation economy and in 2014, accounted for **33,400** jobs in the region. Employment breakdown within the region's innovation economy can be seen below.

**Employment Comparisons
within San Diego Region's Innovation Economy**

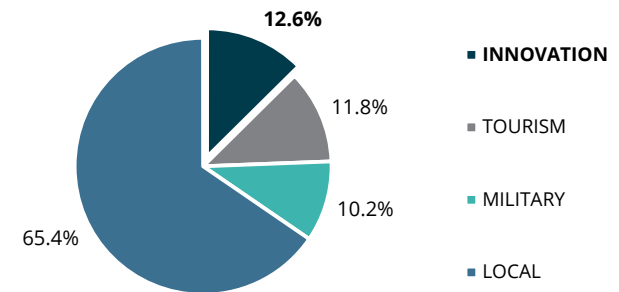


Our Economies

The vitality of San Diego's economy is reliant upon the strength of the region's four economic drivers – innovation, military, tourism and local.

Defense is an intrinsic part of San Diego's innovation economy. As of 2014, innovation was responsible for more than 12 percent of the region's total jobs.

**Employment Comparisons
Across the San Diego Region's Economies**



Employment by Key Defense Industries in Aerospace, Navigation and Maritime Technologies

Industry	Employment	Avg Annual Pay	LQ*
Ship Building and Repairing	5,750	\$66,400	5.93
Other Aircraft and Equipment	4,960	\$91,000	4.82
Search, Detection and Navigation Instrument	4,910	\$108,200	3.99
Res/Dev Phys, Eng, Life Sciences (ex Biotech)	3,990	\$179,500	4.80
Testing Laboratories	2,690	\$85,300	4.95
Guided Missiles and Space Vehicles	1,930	\$120,300	3.58
Aircraft Manufacturing	1,660	\$100,100	0.72
Freight Transportation Arrangement	1,400	\$52,200	0.77
Other Shared Industries within the Cluster	6,190		
TOTAL AEROSPACE, NAVIGATION AND MARITIME TECHNOLOGIES	33,400	\$93,300	2.19

*LQ=Location Quotient

Sources: Introduction 1. San Diego Military Advisory Council, "San Diego Military Economic Impact Study", 2016

Highlights: 2. San Diego Military Advisory Council, "San Diego Military Economic Impact Study", 2016 3. U.S. Department of Defense OEA, "Defense Spending by State," FY 2015

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