



Economic Impact of Maryland's Military Installations and the Associated Defense Ecosystem

EXECUTIVE SUMMARY

FY 2021 | August 2023

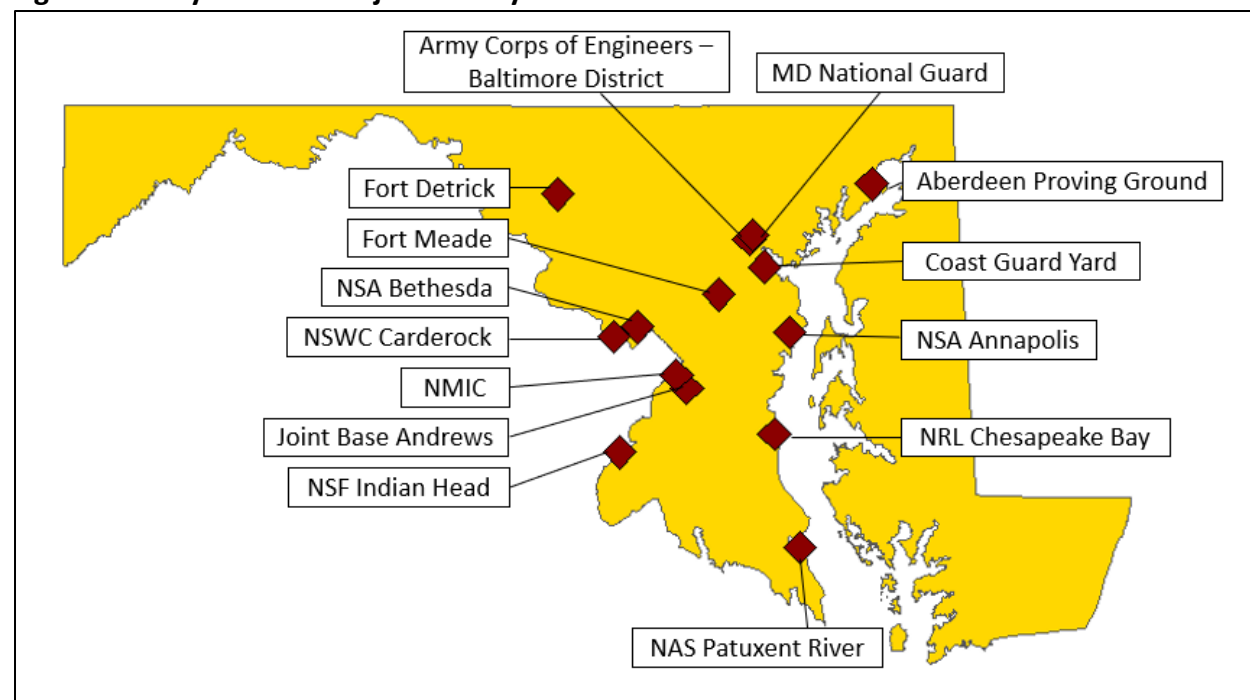


Economic Impact of Maryland's Military Installations and the Associated Defense Ecosystem in FY 21

1. Executive Summary

The defense industry is a key part of Maryland's economy. Despite its relatively small size, Maryland ranks sixth in terms of total defense spending.¹ This strength is due to Maryland's proximity to the Pentagon – the headquarters for the Department of Defense – as well as the number of military installations in the state. Maryland's military installations provide critical infrastructure for the nation's security. For example, Fort Meade hosts the NSA and US Cyber Command, Fort Detrick hosts multiple government agency biomedical research laboratories and Space Force, and NSA Annapolis is the home of the US Naval Academy. This report estimates the economic impacts associated with 14 major military installations and the ecosystem of defense contractors and suppliers that operated in and around these bases in Fiscal Year (FY) 2021. The military installations covered in this report are displayed below.

Figure 1: Maryland's 14 Major Military Installations



In FY 21, Maryland's 14 major military installations, the contractors working onsite and nearby, and other supporting firms had a significant impact on the state's economy. In total, this ecosystem supported **389,949 jobs**, **\$61.4 billion in economic activity**, and **\$33.0 billion in employee compensation**. As a comparison, the jobs supported by Maryland's military installations and the defense industry are more than the employment levels in Maryland's largest industry – Health Services – which employed over 373,000 workers in 2021.

Notably, the impact of Maryland's major military installations and the associated defense ecosystem is growing over time. The Department of Commerce replicated the methodology

¹ Department of Defense, "Defense Spending by State - Fiscal Year 2021," <https://oldcc.gov/dsbs-fy2021>.



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used in this report for FY 16 using data provided by installations for a prior report. As the below table shows, employment grew by 12.5 percent between FY 16 and FY 21 and output grew by 25.0 percent.²

Figure 2: Comparison of Economic Impacts in FY 16 and FY 21 of Maryland's Major Military Installations, Military Contractors, and Other Supporting Businesses

Metric	FY 16	FY 21	Difference	Percent Change
Jobs	346,563	389,949	43,386	12.5%
Output	\$49,081,838,686	\$61,358,748,647	\$12,276,909,961	25.0%
Employee Compensation	\$25,119,511,822	\$32,990,063,457	\$7,870,551,635	31.3%

The table below presents total estimated impacts for Maryland's major military installations in FY 21. Further details on each installation are available in the full report.

Figure 3: Summary of Estimated Economic Impacts for Maryland's Major Military Installations in FY 21

Installation	Total Employment	Total Output	Total Employee Compensation
Aberdeen Proving Ground	23,698	\$4,012,803,591	\$2,339,462,807
Army Corps of Engineers – Baltimore District	7,271	\$1,280,765,339	\$476,717,493
Coast Guard Yard	6,561	\$907,721,148	\$426,836,499
Fort Detrick	66,409	\$11,201,819,402	\$5,698,323,854
Fort Meade	116,036	\$17,844,417,434	\$10,519,622,510
Joint Base Andrews	19,024	\$2,464,804,968	\$1,544,593,798
MD Army and Air National Guard	8,753	\$609,830,071	\$395,446,596
National Maritime Intelligence Center	6,049	\$879,445,174	\$495,361,214
NAS Patuxent River	52,317	\$6,270,951,666	\$4,169,392,025
Naval Research Laboratory Chesapeake Bay	61	\$9,757,444	\$5,314,955
NSA Annapolis	10,149	\$1,013,879,021	\$682,579,168
NSA Bethesda	14,620	\$1,886,464,026	\$1,386,617,334
NSF Indian Head	4,771	\$700,336,354	\$515,472,149
NSWC Carderock	3,799	\$580,127,776	\$426,821,850

² FY 16 data does not include a measure of visitor spending as this data was unavailable. However, in FY 21 visitor spending constituted a very small portion of statewide impacts (less than 0.2 percent of total output).

For the complete report and for more information visit:
commerce.maryland.gov/militaryimpact



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