Boeing-Led Missile Defense Program has Major Economic Impact on Alabama/Tennessee Region

A recently completed economic impact study shows the Boeing-led Ground-based Missile Defense (GMD) program is a powerful economic force in the Tennessee Valley, having generated significant cash flow and created thousands of jobs for the region.

Boeing is the prime contractor for the GMD program, which involves the development, testing and potential deployment of a system to detect, track and destroy hostile intercontinental ballistic missiles before they can reach any of the 50 states. Boeing and its major subcontractors currently employ an estimated 1,500 people in the GMD program in the Huntsville area.

The Center for Business and Economic Research (CBER), University of Alabama, Tuscaloosa, conducted the economic impact study on behalf of The Boeing Company. In operation since 1930, CBER is a major repository for business, economic and demographic data for Alabama and the surrounding region.

Using both actual and projected data from 1998 to 2007, the study found that the GMD program pumps nearly $300 million annually into the bi-state region that covers 13 counties in northern Alabama and South Central Tennessee. Major economic impacts include:

- Having created approximately 2,600 direct and indirect jobs in the valley in 1998 with projected growth expected to create as many as 6,200 by 2007;
- Creating an additional 150 indirect jobs for every 100 direct GMD jobs;
- Stabilizing and sustaining a highly skilled, technical work force in the region;
- Increasing the Gross State Product (GSP) by $133.9 million in 1998 (measured in 2000 dollars); also projected to increase the GSP by $278.7 million in 2007; and
- Improving the standard of living in the region by providing high paying, non-polluting technical jobs. Compensation for the average GMD job in 2000 was 77.6 percent greater than the average job for Alabama workers.

Boeing Space and Communications (S&C), headquartered in Seal Beach, Calif., is the world's largest space and communications company. A unit of The Boeing Company, S&C provides integrated solutions in launch services, human space flight and exploration, missile defense, and information and communications. It is NASA's largest contractor; a leading provider of space-based communications; the primary systems integrator for U.S. missile defense; and a leading provider of intelligence, surveillance and reconnaissance. The global enterprise has customers worldwide and manufacturing operations throughout the United States and Australia.

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