Boeing's Missile Defense Work Adds $246 Million a Year to Alaska Economy

FAIRBANKS, Alaska, Nov. 13, 2008 -- The Boeing Company [NYSE: BA], through its work on the Ground-based Midcourse Defense (GMD) missile defense program, contributed more than $246 million to Alaska's economy in 2007 and supported more than 700 direct and indirect jobs, according to a University of Alaska Fairbanks study released today.

The study found that the average Boeing GMD worker in 2007 earned approximately 1.7 times the average wage in Alaska. Many of the jobs created by Boeing's GMD work are in remote areas, involve native Alaskan businesses and provide "significant benefits" to the communities in which they are located, the study says.

The study looked at payroll, non-payroll purchases and expenditures, and vendor commitments to determine the overall impact of Boeing's missile defense work in the state. Major economic impacts for 2007 include:

- $52 million payroll
- $72 million in Alaska household earnings
- $9.6 million in state and local government tax revenue
- The highly skilled, high-income GMD program work force earned, on average, 1.7 times the average wage for an Alaska worker.
- Boeing is actively involved in community and work force development in Alaska.

Hans Geier, an economics professor at the University of Alaska Fairbanks who led the study, said the GMD program has provided many high-paying jobs in both rural and urban areas of Alaska.

"Of particular interest is the effect in rural areas of Alaska, where the economic activity stimulated by Boeing has offered stable, high-paying employment for residents whose options are very limited," Geier wrote in his report. "This has allowed many families to remain in these local and rural communities, supporting property values, preserving indigenous businesses, local governments and other services."

The School of Natural Resources and Agricultural Sciences at the University of Alaska Fairbanks conducted the study on Boeing's behalf. Boeing is the prime contractor for GMD, the central element of the U.S. Missile Defense Agency's overall layered ballistic missile defense architecture. Boeing's GMD activity occurs in four areas of Alaska: Fort Greely, which hosts GMD's largest interceptor site, along with Adak, Kodiak and Shemya.

Boeing Vice President and GMD Program Director Greg Hyslop said Boeing's success in Alaska is due in part to the state's business environment.

"Since Boeing was awarded the initial contract for the GMD program in 1998, Alaska has led the way in bringing the best work force and supplier base together on this program," Hyslop said. "It's gratifying to see that our work has supported the overall growth and health of the state's economy."

A unit of The Boeing Company, Boeing Integrated Defense Systems is one of the world's largest space and defense businesses specializing in innovative and capabilities-driven customer solutions, and the world's largest and most versatile manufacturer of military aircraft. Headquartered in St. Louis, Boeing Integrated Defense Systems is a $32.1 billion business with 71,000 employees worldwide.
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