Boeing Missile Defense Work Adds $193 Million a Year to Arizona Economy

PHOENIX, Dec. 11 /PRNewswire-FirstCall/ -- The Boeing Company , through its work on the Ground-based Midcourse Defense (GMD) program, contributed more than $193 million to Arizona's economy in 2007 and supported more than 1,900 direct and indirect jobs in the state, according to an Arizona State University study released today.

The study looked at payroll, non-payroll purchases and expenditures, and vendor commitments in the state to determine the overall impact of Boeing's work on the GMD program.

Major economic impacts for 2007 include:

-- Created 1,936 direct and indirect jobs in the state
-- Distributed a payroll of $94 million
-- Generated $137 million in Arizona household earnings
-- Contributed $12.7 million in state and local government tax revenue.

Arizona State economics professor Lee McPheters, who has studied Boeing and other high-tech firms, said GMD gives Arizona's economy a major boost.

"Looking at the average earnings across all the jobs created by GMD, both direct and indirect, the GMD program serves not only to expand the size of the economy in Arizona, but also to raise the average standard of living of its residents," said McPheters.

Boeing's highly skilled GMD work force earned three times the average wage of Arizona workers in 2007, according to the study. In addition, Boeing's Arizona-based GMD operations contribute to more than 100 small businesses in the state and make $150 million in purchases from suppliers across the United States.

The study also found that when considering all of Boeing's operations in Arizona, the company has a total economic impact of $2.6 billion in gross state product, creating 37,300 direct and indirect jobs.

Boeing is the prime contractor for GMD, the central element of the U.S. Missile Defense Agency's overall layered ballistic missile defense architecture. GMD is the nation's only defense against a long-range ballistic missile attack. The system detects and tracks missile launches early in the boost phase, and then intercepts and destroys the target through force of collision.

The program has two major industry partners in Arizona: Orbital Sciences Corp., which produces booster rockets in Chandler, and Raytheon, which produces kill vehicles in Tucson.

Greg Hyslop, Boeing vice president and GMD program director, said the GMD program's success is due in part to Arizona's business environment.

"Since Boeing was awarded the initial GMD contract in 1998, Arizona has brought together a talented work force and supplier base on this program," Hyslop said. "It's exciting to see that our work has supported the overall growth and health of Arizona's economy, especially in such a challenging national economic climate."

The L. William Seidman Research Institute of the W. P. Carey School of Business at Arizona State conducted the study on Boeing's behalf. In operation since 1992, the Seidman Research Institute is a major repository for business and economic data for Arizona.

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SOURCE: Boeing

Web site: http://www.boeing.com/