

# Economic Impacts of Defense Spending in Monterey County, CA

## Defense Spending

accounts for...



**\$4.9B**

Total Economic Impact

**14.8%**

Monterey County's  
Economy

**27,475**

Jobs

**10.5%**

Total Employment  
in the County

**\$69M**

Local Tax Revenue

**\$254M**

State Tax Revenue

Monterey County, California, is home to nearly 12,000 military personnel and DoD civilians, along with more than 17,500 veterans. The County is a critical hub for multiple training and education centers, including:

- ◆ The Presidio of Monterey, home to the Defense Language Institute Foreign Language Center
- ◆ Naval Support Activity Monterey, home to the Naval Postgraduate School, Navy Research Lab, and Fleet Numerical Meteorology and Oceanography Center
- ◆ Fort Hunter Liggett, a large US Army Reserve training center
- ◆ Camp Roberts, a California National Guard training center
- ◆ Department of Defense Center Monterey Bay, with a large Defense Human Resources Activity presence
- ◆ The Major General William H. Gourley VA-DoD Outpatient Clinic

## Direct Defense Spending

The Department of Defense, US Coast Guard, and Department of Veterans Affairs invest more than \$2.4 billion in Monterey in support of their activities. This spending comes in multiple forms, including:

- ◆ Personnel Compensation (including basic allowance for housing [BAH], basic allowance for subsistence [BAS], and temporary duty [TDY] per diem)
- ◆ Procurement (including DoD contracts and grants, USCG contracts and grants, and Impact Aid for local school districts)
- ◆ Veterans' pensions and transfers (including retiree pensions, disability payments, education benefits, and medical benefits)

Category	Amount	% of Total
Personnel Compensation	\$1.4 billion	58.0%
Procurement	\$0.7 billion	28.4%
Veterans Benefits	\$0.3 billion	13.7%
<b>Total</b>	<b>\$2.4 billion</b>	<b>100.0%</b>

Sources: Department of the Treasury, DoD Office of the Actuary, National Center for Veterans Analysis and Statistics, National Association of Federally Impacted Schools, IMPLAN

Note: Values are in 2023 dollars.



## Economic Impacts

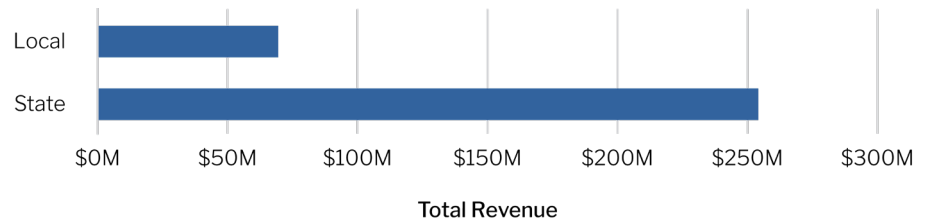
As this spending ripples through Monterey County's economy, it creates indirect and induced effects. Indirect effects are spending by businesses in the supply chain, such as when defense contractors buy materials to fulfill their contracts; induced effects occur when households spend their income, such as when military families go out to eat at a restaurant. The total economic impact of defense activity is \$4.9 billion, or nearly 15% of Monterey County's gross regional product (GRP). This translates to 27,475 jobs, or more than 10% of total employment in the County.

	Impact	% of Monterey Economy
Employment	27,475 jobs	10.5%
Labor Income	\$2.5 billion	7.6%
Value Added to GDP	\$4.9 billion	14.8%

Source: IMPLAN

Note: Values are in 2024 dollars.

In addition to the economic impact, defense activity in Monterey County generates \$69 million in local tax revenue and \$254 million in state tax revenue.



Source: IMPLAN

Note: Values are in 2024 dollars.

## Methodology

To capture all defense spending flows, Matrix compiled personnel and expenditure data from multiple public sources as well as directly from installations. Matrix used the industry-standard IMPLAN input-output model to estimate the additional total employment, labor income, value added to GRP, and tax impacts that occur as a result of defense spending in Monterey County.