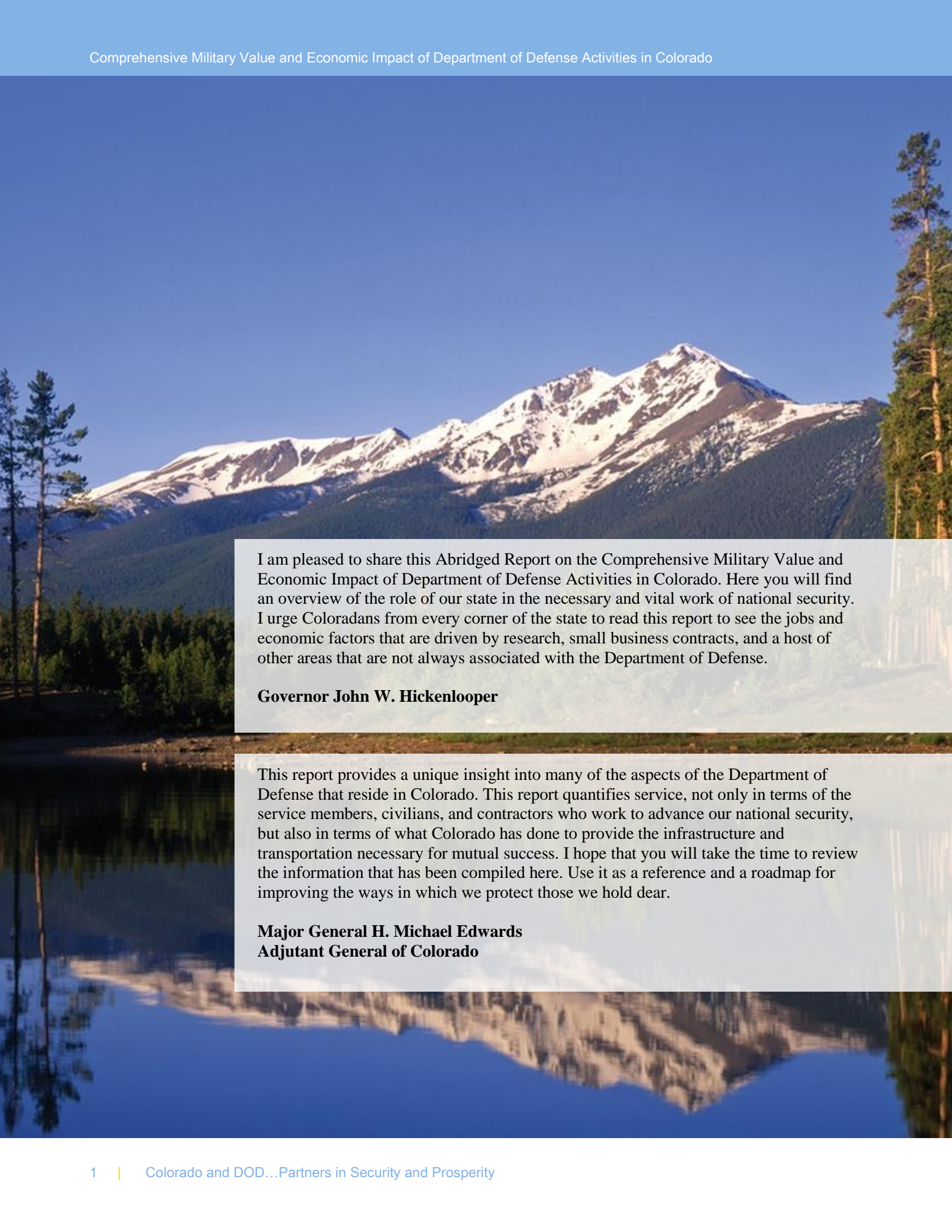


Report on the Comprehensive Military Value and Economic Impact of Department of Defense Activities in Colorado

*Prepared by the Department of Military and Veterans Affairs
April 2015*





I am pleased to share this Abridged Report on the Comprehensive Military Value and Economic Impact of Department of Defense Activities in Colorado. Here you will find an overview of the role of our state in the necessary and vital work of national security. I urge Coloradans from every corner of the state to read this report to see the jobs and economic factors that are driven by research, small business contracts, and a host of other areas that are not always associated with the Department of Defense.

Governor John W. Hickenlooper

This report provides a unique insight into many of the aspects of the Department of Defense that reside in Colorado. This report quantifies service, not only in terms of the service members, civilians, and contractors who work to advance our national security, but also in terms of what Colorado has done to provide the infrastructure and transportation necessary for mutual success. I hope that you will take the time to review the information that has been compiled here. Use it as a reference and a roadmap for improving the ways in which we protect those we hold dear.

Major General H. Michael Edwards
Adjutant General of Colorado

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Purpose

The purpose of this Report is to share with the reader a better understanding of the defense enterprise in Colorado, its vital role supporting key national security objectives, and the part it plays in the lives of all Coloradans. Please see the Unabridged Report for a more detailed explanation regarding the information provided in this summary.



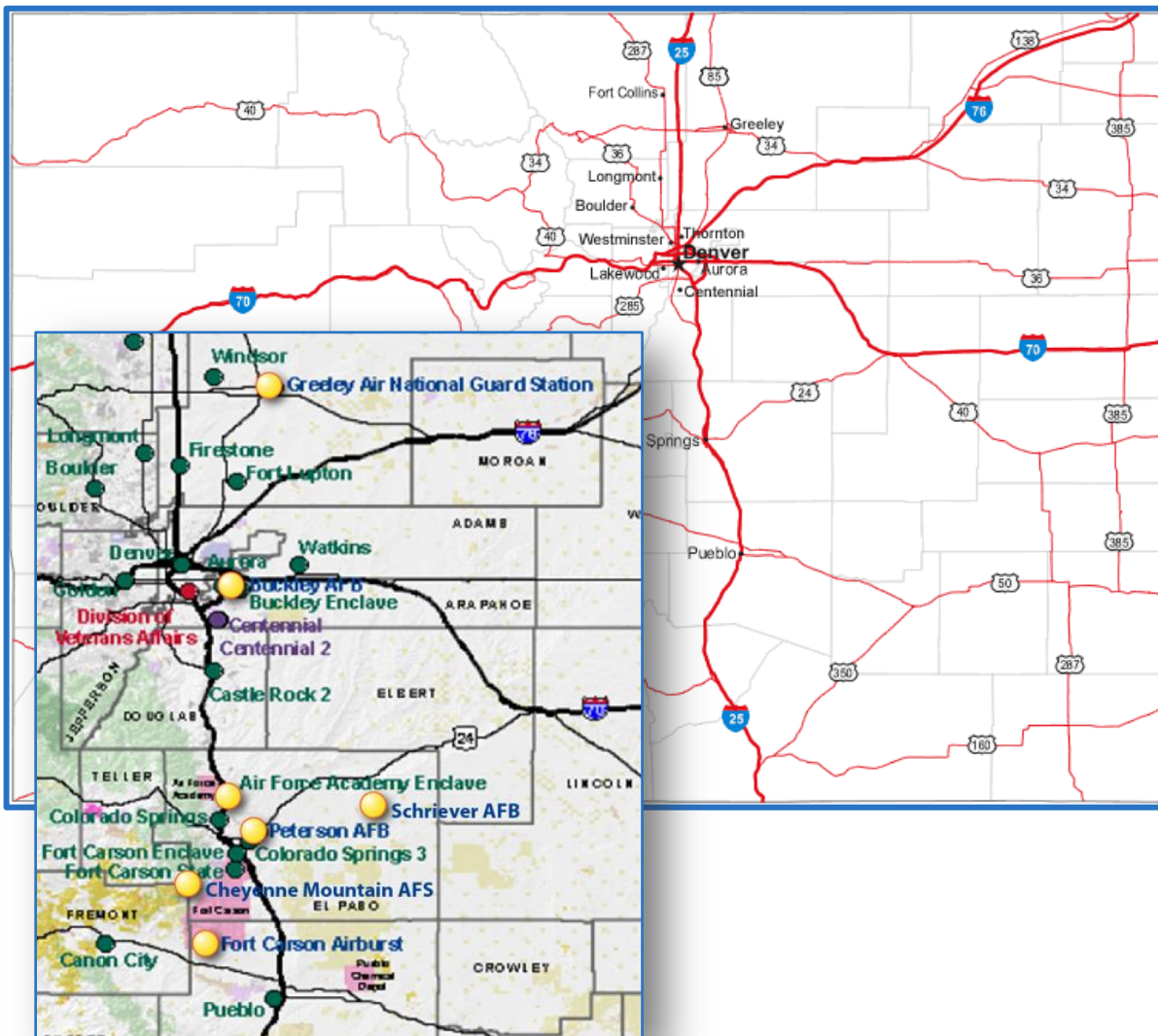
Map of Seven Major Installations

Colorado’s seven major military installations are noted by yellow circles depicted in the inset of this map. Several key points emerge from this constellation of bases.

They all enjoy robust ground transportation networks for movement of military, civilian and contractor personnel to and from the installation.

The proximity of the bases to each other fosters effective shared mission operations and joint training.

The multitude of commercial and military airports serving the Front Range promote international movement of military members and the high-technology industrial work force associated with enterprises satisfying Department of Defense needs.



Measuring Military Value

Colorado's military value to the Department of Defense is reflected in the extent to which installations, units and assigned missions contribute to successfully achieving national security objectives. The Department of Defense recognizes ten strategic mission areas for which the nation needs organized, trained and equipped armed services:

- Counter terrorism and irregular warfare
- Deter and defeat aggression
- Project power despite anti-access/area denial challenges
- Counter weapons of mass destruction
- Operate effectively in cyberspace and space
- Maintain a safe, secure, and effective nuclear deterrent
- Defend the homeland and provide support to civil authorities
- Provide a stabilizing presence
- Conduct stability and counterinsurgency operations
- Conduct humanitarian, disaster relief, and other operations

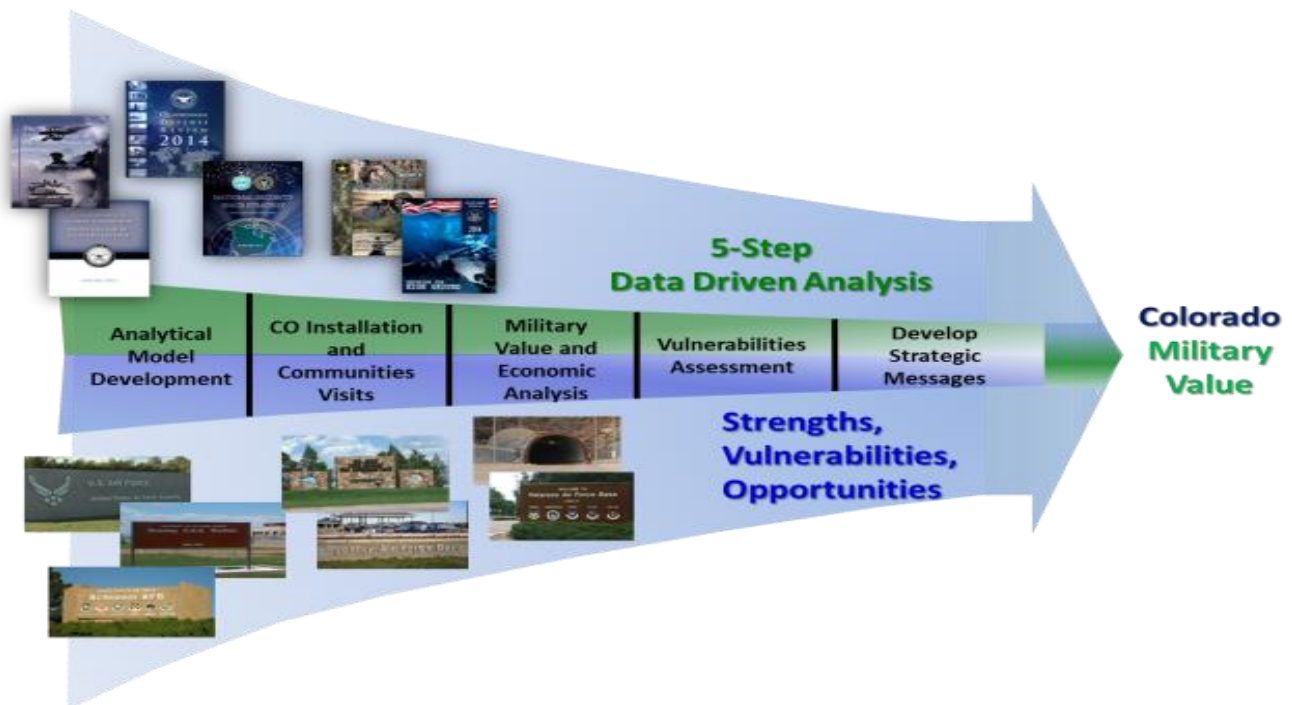
Colorado's installations, DOD personnel (uniformed military, civilian and contractor) and the substantial commercial industrial enterprise supporting them all contribute significantly to these ten mission areas, generating military value to DOD while simultaneously creating a positive economic impact on local, regional and State economies.

Military Value and Economic Impact Criteria

The Study model used to measure military value and economic impact recognized 11 criteria:

- **Military capabilities**
- **Availability and condition of land**
- **Availability and condition of airspace**
- **Condition of facilities/infrastructure**
- **Ability to accommodate contingency mobilization**
- **Surge capability/capacity**
- **Future total force requirements**
- **Cost of operations**
- **Manpower implications/personnel availability**
- **Community Interaction**
- **Economic Contribution**

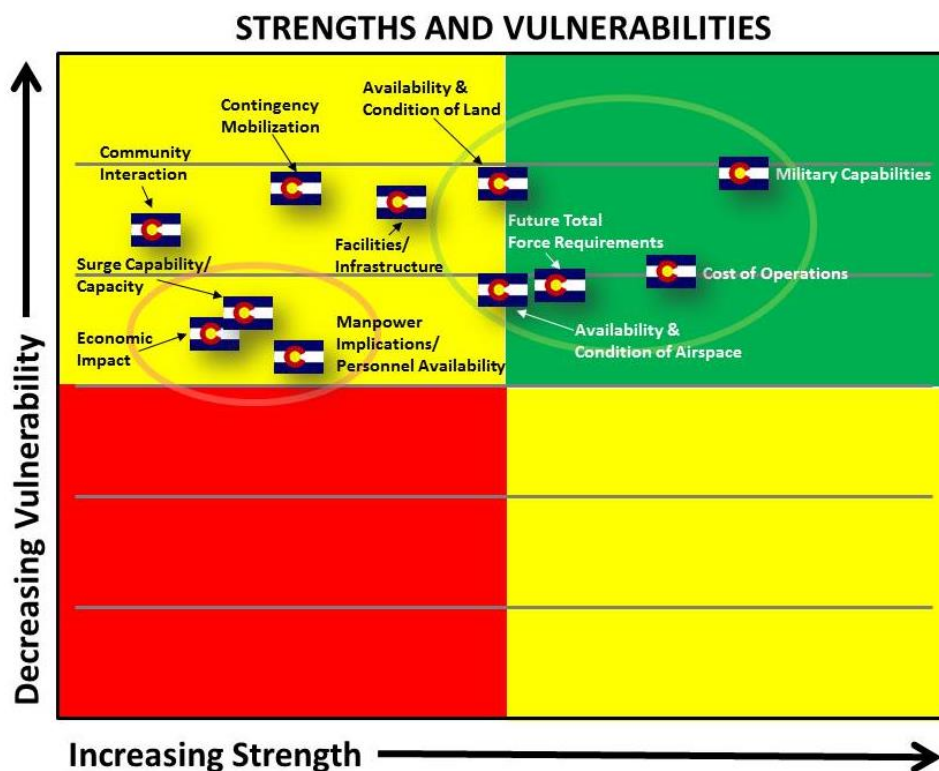
The Study Team followed a five-step process to complete the data-driven analysis



Overview of Strengths and Vulnerabilities of Colorado Military Installations

The key conclusions from this strengths and vulnerabilities analysis are:

- Colorado installations, assigned personnel and missions provide technologically advanced aerospace and other defense-related capabilities that DOD needs to successfully advance and protect US interests around the world
- The land and airspace requirements for Colorado military unit training are consistently satisfied and not impacted by encroachment pressures
- The Colorado military, civilian and contractor work force is agile enough to meet both current and future total force requirements
- The cost of operating installations, combined with the regional and State costs of living, are attractive characteristics for DOD and for the workforce



The quad chart indicates that, when all Colorado military installations are evaluated with the 11 military value criteria, they collectively exhibit great strengths and minimal vulnerabilities. The most significant strengths are the five that fall within the green circle in the upper right quadrant. Where there are some vulnerabilities, they generally fall within the cluster of three military value criteria within the red circle.

Major Strengths

Colorado possesses innovative and open technological capacities:

- The broad diversity and locational consistency of Colorado's technology-based industries provides DOD with a high level of stability during the peaks and valleys of product and technology lifecycles
- The local military and civilian population living on and around military installations is well-educated, technically proficient, and satisfied with a positive quality of life in their work and recreational pursuits
- There is a cross-flow from DOD into industry and vice versa that nurtures strong bonds between those two major employers and is a self-reinforcing relationship that concentrates talent, productive capacity, and innovation



Major Strengths (continued)

Colorado possesses tremendous depth and scope in military, academic and technical organizations and training opportunities

- The State hosts over 470 institutions including publicly supported (made up of research universities, four-year state colleges, community colleges and local district colleges), private accredited (which includes for-profit, non-profit, and seminary), area technical, and private occupational institutions educating approximately 400,000 students
- Colorado's aerospace industry sector – ranked third out of 50 states in total private-sector employment – embraces widespread collaborations with out-of-state industry partners as well as in-state and out-of-state universities and colleges
- The US Air Force Academy alone boasts sponsorship of 20 Research Centers that partner with a number of industries and research and development arms of other universities, fostering a \$65M enterprise in 2014



Major Strengths (continued)

Colorado possesses the resources needed to meet Service and Joint training opportunities

- There is diversity and depth in the institutional or operational “presence” of DOD tenants on military installations with critically important and well-funded national defense missions
- The space missile warning and defense enterprise hosted at Buckley AFB, Peterson AFB, Schriever AFB, Cheyenne Mountain Air Force Station, and Greeley Air National Guard Station creates a vast joint footprint for air and space training requirements
- Tenant organizations like the Missile Defense Agency at Schriever AFB and the Aerospace Data Facility at Buckley AFB are funding significant infrastructure improvements in part to enhance the operational training effectiveness of assigned personnel and mission sets
- The Piñon Canyon Maneuver Site consisting of 238,000 acres provides world-class training environments for Fort Carson units, out-of-state US Army units, and units from joint organizations and allied partners



Major Strengths (continued)

Colorado has the geography that best supports DOD's strategic guidance for training armed forces

- Operational training of land, air and space forces assigned to Colorado are largely unaffected by climate and geography
- Colorado military installations and their associated mission sets are successful in part because geography promotes rather than prohibits vital training activities that ensure mission readiness. The unique combination of the flat plains landscape that quickly rises to meet the Rocky Mountain range allows a rich mix of geographical environments for land and air training.
- The Colorado Army National Guard hosts a unique High Altitude Army National Guard Training Site near Vail providing a training environment particularly useful for the armed forces recent overseas engagements in the high altitude regions of Afghanistan



Major Strengths (continued)

Colorado possesses the resources that support and sustain the defense and aerospace industry

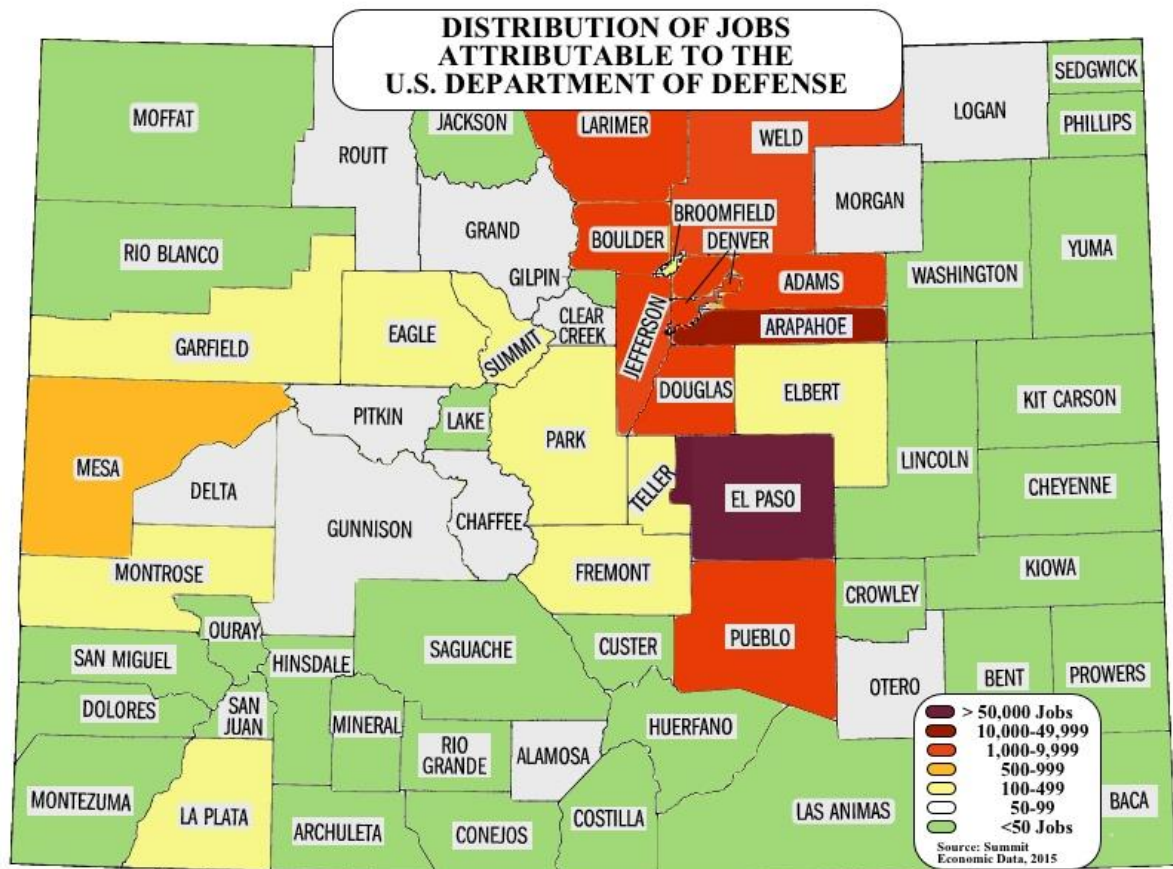
- The strategic importance of aerospace missions within DOD, combined with the congruence of well-funded, space-oriented tenants at several Colorado military installations, ensures sustained DOD expenditures and investments that will support and sustain Colorado's defense and aerospace industry
- The DOD contractor work force provides better returns on investment, higher levels of productivity, and promotes industry-level economies of scale that make existing military installations attractive to DOD investment
- The current balance of Active Duty, Reserve Component and civilian personnel assigned to Colorado military installations, and the flexibility individuals demonstrate in transitioning from one career area to another, promote a level of "human capital" resiliency that fosters the defense and aerospace industry's success
- Colorado employs more than 7 percent of the nation's aerospace workforce



Measuring Economic Impact

There are several ways to measure the economic impact of DOD installations, assigned personnel and missions on the State of Colorado. One of the most obvious indices is the number of jobs within the State that can be directly attributed to DOD. This chart shows the distribution by county.

- Total DOD-related employment in Colorado is just under 170,000, or 5.2 percent of the total State employment
- The concentration is in the Front Range, where the seven major military installations are located. The total labor income from DOD employment in El Paso, Arapahoe and Weld counties is \$10.5 billion
- There are approximately 24,000 DOD-related jobs outside of the El Paso, Arapahoe and Weld counties -- twenty Colorado counties enjoy DOD employment in the triple digit range



Economic Impact of the Military on Colorado

The economic impact analysis is based on a complex set of inputs from a variety of sources. The data represent the most recent complete set of inputs that can be found, generally for calendar years 2013 and 2014. The analysis addresses the economic activity that has taken place in Colorado that can be attributed to the Department of Defense (DOD). The analytical model is focused on two primary domains: 1) the activity that takes place on or in association with the seven assessed military installations in Colorado, and; 2) the contracts between the DOD and both private contractors and recipients of DOD assistance awards.

The model examines the direct, indirect and induced effects of having DOD activity located and performed in Colorado. The impacts come primarily from:

- The presence of a combination of active duty military and civilian workforces at the military installations
- The expenditures of those installations for construction and operations
- A large network of recipients of DOD contract and assistance award expenditures for work done in the State
- National Guard and Reserve forces located in the State

Not included are impacts from Veterans Administration (VA) expenditures in Colorado, DOD travel to the State originating from outside Colorado, and DOD education benefits paid to active duty military and federal civilian workers from budgets outside the State.



Table 2 - Total DOD Related Employment in Colorado - 2014						
Direct, Indirect and Induced Employment from Military Installation Operations,						
	Arapahoe County Bases	El Paso County Bases	Weld County Bases	DOD Contracts in Other	National Guard/Reserve	Total Colorado DOD Impact
Adams	589	204	3	119	1,566	2,481
Alamosa	2	16	-	-	40	58
Arapahoe	36,311	1,458	2	-	-	37,772
Archuleta	0	3	-	-	32	35
Baca	0	3	-	-	10	13
Bent	2	5	-	4	16	27
Boulder	138	181	3	2,031	880	3,234
Broomfield	50	33	0	210	155	449
Chaffee	4	29	-	-	44	78
Cheyenne	1	4	-	-	-	5
Clear Creek	10	26	-	-	24	60
Conejos	1	5	-	-	22	27
Costilla	0	2	-	-	10	12
Crowley	0	1	-	-	-	1
Custer	1	7	-	-	11	19
Delta	1	3	-	-	79	83
Denver	1,403	1,119	3	1,128	2,373	6,025
Dolores	0	0	-	-	-	0
Douglas	573	1,376	-	57	795	2,801
Eagle	17	50	-	8	139	214
EL Paso	113	106,903	0	-	-	107,016
Elbert	50	22	-	2	62	136
Fremont	7	79	-	-	102	188
Garfield	16	15	-	1	150	182
Gilpin	1	2	-	-	15	18
Grand	7	13	-	-	37	57
Gunnison	2	12	-	-	39	53
Hinsdale	0	0	-	-	-	0
Huerfano	0	6	-	-	17	24
Jackson	1	1	-	-	-	1
Jefferson	363	327	-	591	1,488	2,769
Kiowa	1	1	-	-	-	2
Kit Carson	3	11	-	-	20	34
Lake	2	2	-	-	19	23
LaPlata	10	19	-	3	135	168
Larimer	71	55	1	219	827	1,173
Las Animas	1	15	-	11	-	27
Lincoln	3	5	-	-	12	19
Logan	6	5	-	-	50	61
Mesa	10	20	-	345	395	770
Mineral	0	1	-	-	-	1
Moffet	3	4	-	-	35	42
Montezuma	0	2	-	-	-	2
Montrose	3	17	-	-	107	126
Morgan	14	11	-	-	74	98
Otero	1	9	-	1	49	60
Ouray	0	1	-	-	12	13
Park	3	19	-	2	43	66
Philips	1	1	-	-	11	13
Pitkin	12	32	-	-	46	90
Prowers	1	6	-	-	32	38
Pueblo	21	473	-	475	436	1,404
RioBlanco	1	2	-	-	18	21
Rio Grande	1	8	-	-	31	40
Routt	9	24	-	-	61	95
Saguache	0	1	-	-	17	18
SanJuan	0	0	-	20	-	20
SanMiguel	1	9	-	-	-	10
Sedgwick	1	0	-	-	-	1
Summit	9	20	-	-	74	103
Teller	0	79	-	31	62	173
Washington	2	1	-	-	12	16
Weld	114	80	627	-	375	1,196
Yuma	5	2	-	-	26	33
Total	39,972	112,837	640	5,258	11,085	169,792

* National Guard and Reserve include both full time and part time positions. National Guard and Reserve for Arapahoe, El Paso and Weld are included in their Military Installation figures.
Source: Summit Economics, using Implan Models and data from USASpending.gov and BEA.

Table 3 - Total DOD Related Employment by Congressional District, 2014

County	Employment by Congressional District by County						
	CD1	CD2	CD3	CD4	CD5	CD6	CD7
Adams						174	2,308
Alamosa			58				
Arapahoe		378		378		37,016	
Archuleta			35				
Baca				13			
Bent				27			
Boulder		3,169		65			
Broomfield		256					193
Chaffee					78		
Cheyenne				5			
Clear Creek		60					
Conejos			27				
Costilla			12				
Crowley				1			
Custer			19				
Delta			83				
Denver	5,784						241
Dolores			0				
Douglas				2,801			
Eagle			214				
EL Paso					107,016		
Elbert				136			
Fremont					188		
Garfield			182				
Gilpin		18					
Grand		57					
Gunnison			53				
Hinsdale			0				
Huerfano			24				
Jackson			1				
Jefferson	28	166					2,575
Kiowa				2			
Kit Carson				34			
Lake			23				
LaPlata			168				
Larimer		1,173					
Las Animas			27				
Lincoln				19			
Logan				61			
Mesa			770				
Mineral			1				
Moffet			42				
Montezuma			2				
Montrose			126				
Morgan				98			
Otero				60			
Ouray			13				
Park					66		
Philips				13			
Pitkin			90				
Prowers				38			
Pueblo			1,404				
RioBlanco			21				
Rio Grande			40				
Routt			95				
Saguache			18				
SanJuan			20				
SanMiguel			10				
Sedgwick				1			
Summit		103					
Teller					173		
Washington				16			
Weld				1,196			
Yuma				33			
Total	5,812	5,379	3,578	4,997	107,519	37,190	5,317

Source: Summit Economics, LLC

Tables 2 and 3 break out the employment by county and congressional district due to three circumstances: the presence of military installations and DOD contracts in each of the three counties with military installations; other counties with DOD contracts; and the presence of National Guard and Reserves.

The employment impacts include jobs created in one county due to the military installation or DOD contracting in another, termed the trade flow effect. Almost all of the jobs created in the counties without military installations can be attributed to the trade flow effect, DOD contracts and assistance or National Guard and Reserves.

Table 6 - Employment on Military Installations, 2014

Military Installations	Fort Carson	Peterson Air Force Base	Schriever Air Force Base	Cheyenne Mountain	Air Force Academy	Buckley - Arapahoe - Greeley ANG - Weld County		
						Total El Paso County	Arapahoe County	Greeley ANG - Weld County
Employment								
Military	26,455	6,495	2,145	300	5,800	41,195	6,779	305
Civilian								
Prof, excl contractors	2,529	3,218	495	135	1,448	7,825	1,613	12
Non Professional	843	1,073	165	-	858	2,939	538	-
Total	29,827	10,785	2,805	435	8,106	51,958	8,929	317
Military employment includes Active Duty, National Guard and Reserves. National Guard and Reserves estimated on a FTE basis.								
Civilian employment separated into two categories: professional and non professional, based on interviews with budget staff. Overall average applied.								
Contractor employment is estimated separately. Contractor employment estimated using DOD Contractor databases and Implan modeling.								
Sources: Summit Economics, LLC and Reports/Briefings Provided by Each Installation								

The military, civilian and contractor employment figures for the three Colorado counties hosting the seven major military installations are provided in Table 6 above. There are 60,000 installation workers in the three Front Range counties.



Economic Impact (continued)

Table 5 shows the total labor earnings by Congressional District. Again, labor income includes wages, benefits and proprietors’ income. In summary, Colorado receives almost \$11.7 billion in labor income, with almost 10% spread to counties other than the three that contain military installations.

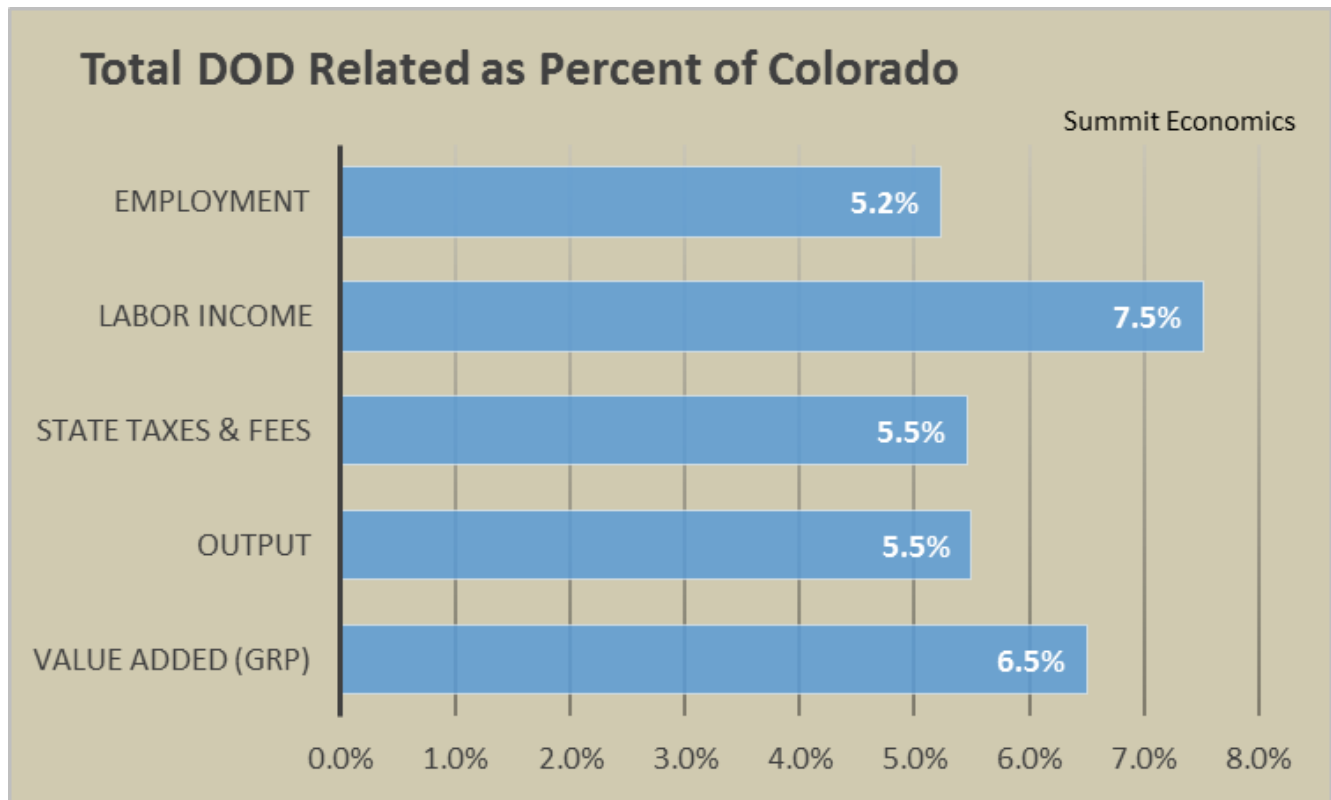
Congressional District	Labor Earnings
CD 1	\$324,346,854
CD 2	\$274,720,540
CD 3	\$130,521,667
CD 4	\$263,869,999
CD 5	\$7,591,930,495
CD 6	\$2,921,926,935
CD 7	\$175,925,558
Total	\$ 11,683,242,049

Source: Summit Economics, LLC

Rank Ordered - Largest to Smallest	Total	% of Total
Retiree Households	298,789	22.9%
Tourism	159,938	12.3%
Prof. Tech & Business Srvcs	149,994	11.5%
Other Households Investment Income	138,853	10.6%
Government	107,605	8.2%
Agribusiness	100,450	7.7%
Other Households Transfer Payments	92,550	7.1%
Health & Education	87,011	6.7%
Manufacturing	72,837	5.6%
Trade and Transportation	31,643	2.4%
Mining	28,813	2.2%
Finance, Insurance and Real Estate	20,846	1.6%
Information, Comm.	9,908	0.8%
Construction	5,495	0.4%
Total Basic Jobs	1,304,733	100.0%
Total Jobs	2,975,447	228.1%
State Economic Multiplier	2.28	
Department of Defense	100,445	7.7%
Industries that include significant DOD Direct Employment		
State Demographer only estimates basic jobs by county. These were summed and adjusted by Summit Economics to account for trade flows between counties where a basic country job becomes an indirect state level job		
Source: State Demographer, Summit Economics		

DOD employment can be considered an “industry” like agriculture, construction or tourism. When compared with other Colorado basic job categories (jobs created by dollars flowing into the state from the rest of the World). Table 17 shows that the DOD industry creates 7.7 percent of all basic Colorado jobs, equal to that of agriculture. The DOD employment impacts primarily show up in and are part of the Professional, Technical and Business services; and Government manufacturing and construction industries.

Economic Impact (continued)



- **Employment:** 5.2% of all Colorado jobs relate to DOD direct, indirect and induced employment
- **Labor Income:** 7.5% of Colorado labor income is derived from DOD employment
- **State Taxes and Fees:** 5.5% of Colorado sales taxes, personal income taxes, corporate income taxes, and fees generated from licenses and other taxes are derived from DOD “industry” activities
- **Output:** 5.5% of Colorado’s statewide output across the entire economy relates to DOD “industry” gross receipts. Output is another word for the value of production before expenses.
- **Value Added or Gross Regional Product (GRP):** 6.5% of Colorado’s GRP relates to DOD “industry” employee compensation, proprietor’s income, income from rents, royalties and dividends, and indirect business taxes

No matter how it is measured, the impact of DOD jobs and related industries on Colorado’s economy is significant.

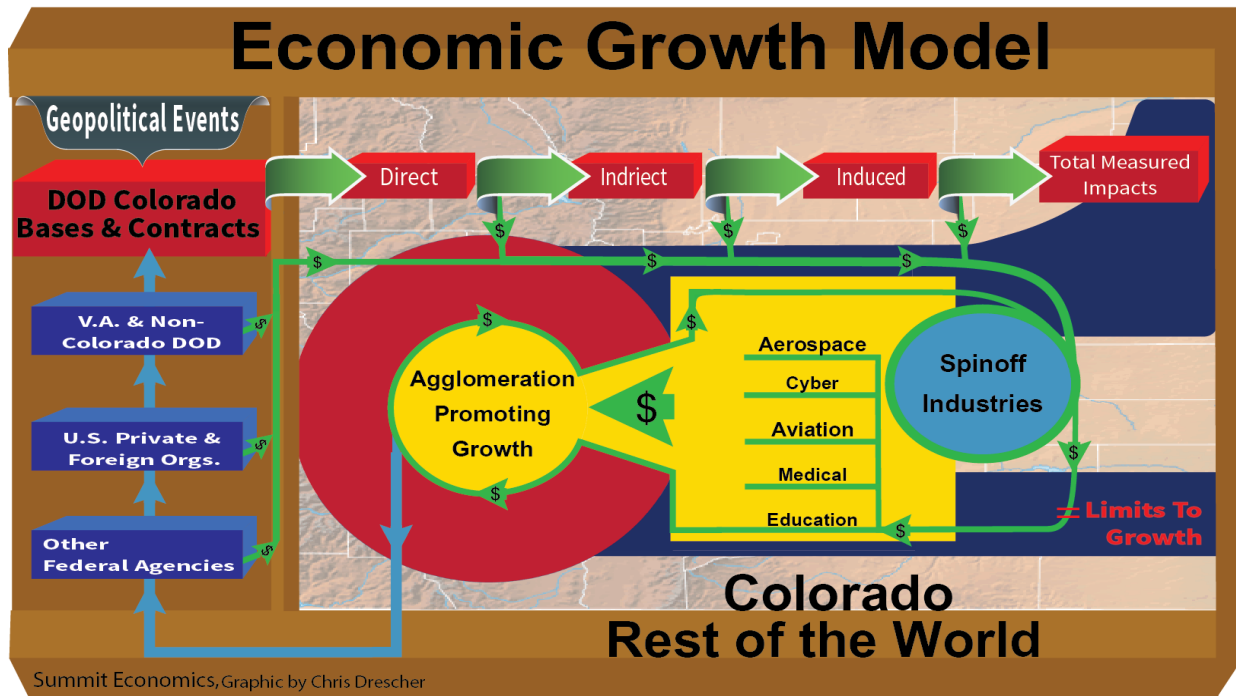
DOD injects money into County economies through direct contracts and assistance awards, reflected in the accompanying Tables organized by county.

Table 14 - DOD Contracts by County, 2014					
ADAMS	\$	12,067,389	JEFFERSON	\$	59,995,708
ALAMOSA	\$	(3,274)	LA PLATA	\$	320,382
ARAPAHOE	\$	3,190,081,763	LAKE	\$	3,870
BENT	\$	395,351	LARIMER	\$	22,175,272
BOULDER	\$	206,028,400	LAS ANIMAS	\$	1,101,139
BROOMFIELD	\$	21,324,678	MESA	\$	35,032,412
CHEYENNE	\$	19,644	MONTROSE	\$	(21,906)
DELTA	\$	13,267	MORGAN	\$	36,230
DENVER	\$	114,374,290	OTERO	\$	146,077
DOUGLAS	\$	5,735,446	PARK	\$	168,330
EAGLE	\$	827,245	PROWERS	\$	19,177
EL PASO	\$	2,044,798,575	PUEBLO	\$	48,145,339
ELBERT	\$	233,763	ROUTT	\$	9,731
GARFIELD	\$	54,197	SUMMIT	\$	24,467
GRAND	\$	46,459	TELLER	\$	3,180,635
GUNNISON	\$	(12,720)	WELD	\$	1,652,109
Grand Total				\$	5,767,973,446
Negative numbers represent contract termination adjustments, intra-year transfers and other repayments or adjustments. Dollars shown represent obligated amounts.					
Source: Summit Economics, LLC and USASpending.gov					

Table 15 - DOD Assistance County, 2014	
	Total
ADAMS	\$
ALAMOSA	\$
ARAPAHOE	\$
BOULDER	\$
DENVER	\$
EL PASO	\$
JEFFERSON	\$
LARIMER	\$
PUEBLO	\$
WELD	\$
TOTAL	\$
Source: Summit Economics, LLC and US/	



Economic Impact (continued)



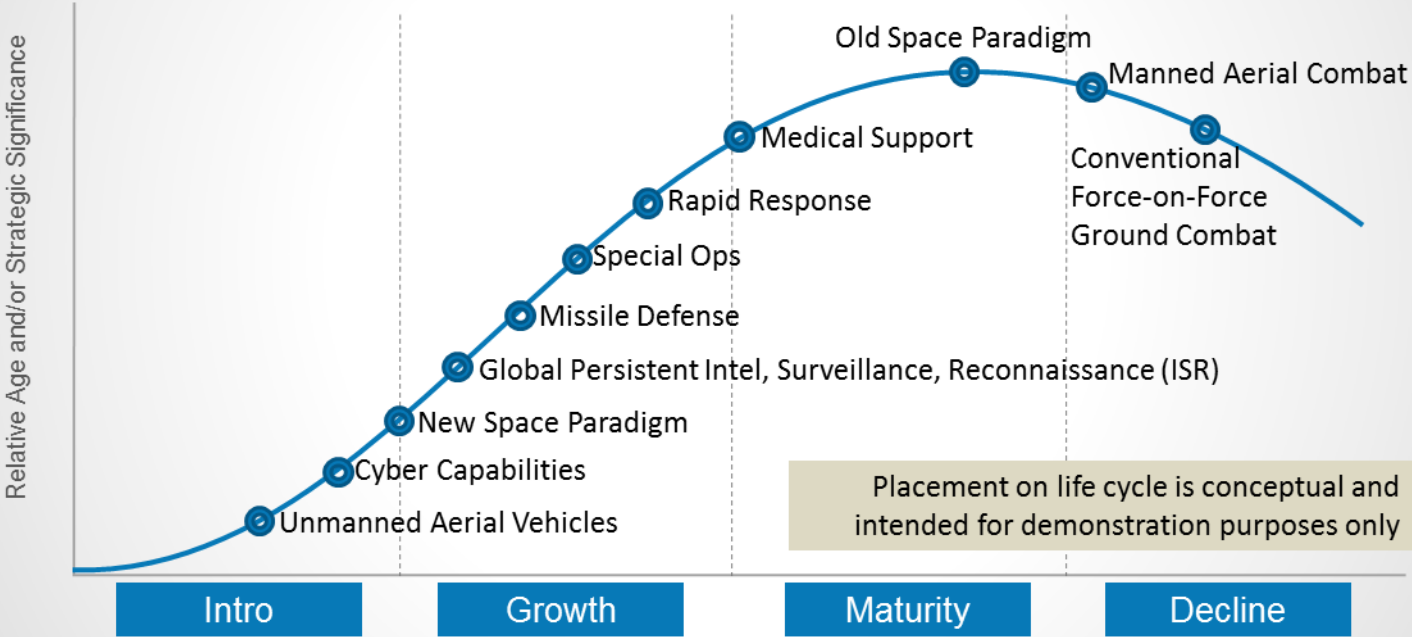
The Colorado map and flag represent the Colorado economy related to and stimulated by defense spending. Outside the Colorado map, in brown, is the rest of the world including (on the left side) DOD funding for Colorado bases or installations and contracts (red box), as well as spending from non-Colorado DOD, the Veterans Administration, other federal agencies, and private and foreign organizations (blue boxes).

The green lines and arrows represent money flowing into and within the Colorado economy. The top boxes in red depict impacts that are measured in typical economic impact analysis. Money coming from those impacts as well as the blue boxes to the left create *spinoff industries* as noted in the light blue circle. Some of the spinoffs become large enough (shown in the yellow area) that they complement the defense industry through *agglomeration* which promotes further growth not measured in standard economic impact models.

As noted by the blue line and arrows, these agglomeration effects cause even greater spending by the DOD as well as other agencies and companies so that the process becomes self-reinforcing causing growth acceleration over time. There are limits to growth which can potentially stymie or eliminate DOD growth and/or agglomeration effects.

Current Life Cycle Position of DOD Colorado Elements

Elements include technologies and war fighting operational modalities



Developed by Summit Economics

One way to view DOD as an economic driver in Colorado is to consider different military elements placed on a life cycle curve as shown in this Figure. All of the depicted elements have a presence in Colorado.

From this perspective, Colorado fares well economically in terms of the life cycle as it has DOD operations dispersed throughout the cycle. The State is especially well positioned in the aerospace sector, including missile defense.

Economic Impact Conclusion

Analysis of DOD’s economic impact on Colorado shows four major contributing factors:

- The employment effects of a combination of active duty, reserve component and civilian workforces at military installations
- The expenditures of those installations for construction and operations
- The size of the network of recipients of DOD contract and assistance award expenditures for work done in the State
- The additional non-employment economic contribution provided by the National Guard and Reserve forces located in the State

The historical growth of DOD expenditures and the associated indirect impacts create spinoff sectors and economies of agglomeration that become self-sustaining “engines” of economic growth. Economic agglomeration is a cumulative, self-reinforcing process that concentrates talent, productive capacity and innovation creating spin-off industries and organizations that attract funding from the other firms in the same industry (in this case, DOD) as well as non-DOD entities such as other federal agencies and public and private organizations from around the world. This effect has led to some significant statistical measures of DOD’s economic impact on Colorado:

- 7.5% of the State’s labor income is traceable to the DOD “industry” sector
- 5.5% of the State’s taxes and fees are derived from DOD “industry” sector employment and production activities
- 6.5% of the State’s gross regional product – an index similar to the measure gross domestic product (GDP) -- is reflected in DOD “industry” employee compensation, proprietor’s income, income from rents, royalties and dividends, and indirect business taxes
- The DOD “industry” sector is the 3rd largest in the State, on par with the Agricultural sector
- The total State output derived from DOD expenditures is \$27 billion. Output is defined as the revenues, sales or value of the output of private and public sector firms and entities.

Recommendations

- The State should continue to review, refine and advocate for the military value that Colorado's military installations, units and associated mission sets provide to DOD.
- Continue to proactively monitor the Washington political climate on DOD budget reductions, force structure realignments, and strategy changes.
- Establish an umbrella organization, similar to the Colorado Space Coalition, to create a synergy in messaging and intelligence that would unify various regions in the State and strengthen the shared goals of military supporters.



Recommendations (continued)

- Pursue resolution of major challenges cited in Front Range Regional Encroachment Management Plan. These challenges often have the potential to diminish the military value of Colorado military installations to DOD.
- Continue to monitor, inform and shape HQ Department of the Army deliberations over the future of the Piñon Canyon Maneuver Site.



Recommendations (continued)

- Promote the State nationally in DOD, education and industry venues as a center of excellence for developing cyber and UAS capabilities. These are two consistently reliable and positively trending development areas in DOD and industry, and they both integrate easily within the existing synergistic strengths the State possesses with aerospace and high technology industry and with institutions of higher education.



- Continue to aggressively endorse the Front Range Airport's application to the Federal Aviation Administration for Spaceport Colorado. The effort will increase Colorado's competitiveness in the aerospace industry and support new opportunities in the future growth of commercial space research and transportation.

Recommendations (continued)

- Monitor and, when allowed, provide information to the congressionally-mandated Commission on the Future of the United States Army, required to report out to lawmakers by 1 February 2016.



- Provide legislative support and funding to accelerate select military installation transportation improvements and road construction.



Summary/Conclusion

Colorado champions the military value provided to the Department of Defense by the State's military installations, assigned personnel and mission sets. In return, DOD investment and spending provide Colorado with a defense-oriented "industry" that generates significant economic impact. DOD is responsible for 5% to 7.5% of the State's total economy in terms of employment, earnings and state tax revenues.

Percentage of all State jobs that are DOD related:

5.2%

The State's educated and highly skilled work force, low taxes and business costs, and attractive quality of life conditions foster innovation, collaboration and integration across the entire economy. The U.S. Chamber of Commerce acknowledged this by ranking the State as the second best in the nation for entrepreneurship and innovation in 2014. In 2013, CNBC surveys rated Colorado as 7th in the nation for quality of life.

Colorado promotes a vital synergy linking DOD activities, industrial enterprises, research and development, and higher education opportunities, creating an effect where growth and expansion in one industry sector inspire related growth in other sectors. Recognizing this dynamic, Business Insider ranked the State as the nation's #1 fastest growing economy in 2014.

Colorado's deep ties to the Department of Defense and patriotic commitment to providing for the nation's security will ensure the State's legacy of success and prosperity.

Total Colorado production from DOD expenditures:

\$27B



Colorado and DOD...

Partners in Security and Prosperity

NOTES

Lined area for taking notes, consisting of 18 horizontal lines.

