

Aerospace industry economic production estimated at \$7.3 billion in Oklahoma City

A study commissioned by the Greater Oklahoma City Chamber reports the aerospace industry directly or indirectly supports more than 85,400 workers and the production of \$7.3 billion in goods and services.

FROM STAFF REPORTS  1

Published: January 10, 2012

A new study commissioned by the Greater Oklahoma City Chamber reports the aerospace industry directly or indirectly supports more than 85,400 workers and the production of \$7.3 billion in goods and services.

The two-party study was completed by Mouhcine Guettabi and Dan S. Rickman from the Center for Applied Economic Research at Oklahoma State University just as Boeing is adding up to another 1,000 employees at its Oklahoma City operation and is expected to apply for job creation incentives from the city and state.

“Existing studies aren't giving us an accurate snapshot of Oklahoma's aerospace industry, because they focus only on private sector employment and manufacturing,” said Eric Long, research economist for the Greater Oklahoma City Chamber. “This means the role of Tinker Air Force Base and FAA's Mike Monroney Aeronautical Center are often understated. This new study includes federal workers and gives us a much more accurate picture of the size and impact Oklahoma City's aerospace industry has on the region's economy.”

Part one of the study evaluated the economic impact of the industry. The report indicates that 307 public and private sector employers were directly engaged in aerospace and aviation activities in the Greater Oklahoma City region in 2009 and early 2010. The companies produced about \$4.3 billion in goods and services and employed nearly 38,000 workers earning \$2.36 billion in income.

Tinker Air Force Base and the FAA's Mike Monroney Aeronautical Center form the foundation of the industry in the region and are credited with more than 84 percent of total employment.

The estimated ripple effect from this aerospace and aviation activity supported an additional 47,748 workers statewide earning \$1.3 billion in income and producing more than \$3 billion in goods and services, the report's authors concluded. In total, the sector either directly or indirectly supports the estimated production of \$7.3 billion in goods and services and more than 85,400 workers.

“This study shows us that each direct job in the aerospace sector supports

approximately 1.25 additional jobs in the broader state economy,” said Roy Williams, president of the Greater Oklahoma City Chamber. “That is phenomenal and will only continue to grow — especially with companies like Boeing bringing even more high-quality jobs to our region.”

Part two of the study looked at the size and composition of the industry. When viewed using databases that include federal workers, Oklahoma ranks among the top 10 states in terms of employment in most traditional aerospace occupations. Tinker and FAA largely dominate the industry; however, the business mix at both facilities has a strong synergy with private sector aerospace activity.

Tinker makes up 60 percent of the labor market for nearly 5,000 installation, maintenance and repair workers, with Tinker contractors and other private sector firms who perform maintenance work for the commercial and general aviation industry employing the remainder.

Federal procurement contracting remains an important component of the aerospace industry in Oklahoma. Within a 10-county region, 25 vendors completed about 98 percent (\$512.6 million) of the \$521 million aerospace-related procurement work.

The study concludes that all of the assets are in place to elevate Oklahoma's standing in the aerospace community in the coming years, and that procurement success likely will expand significantly.



Show / Hide Comments

Open by default

Ads by Yahoo!

More in business

Oklahoma City, Tulsa housing improving
[Read More »](#)