

## Buoyant about Boeing

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Employees of Boeing, in Wichita, Kan., leave a meeting where it was announced Wednesday that the company would relocate all of its Wichita operations by 2013. (AP)

OKLAHOMA CITY – Boeing Co.'s announcement to bring up to 900 jobs here from Wichita, Kan., and Seattle adds to the critical mass in the aerospace sector that the city is experiencing, various industry observers and experts said.

Boeing said on Wednesday that it would close its Wichita plant in two years and move 800 engineering and project management jobs to Oklahoma City. In addition, Boeing said it was moving another 100 jobs from the Pacific Northwest to Oklahoma City.

"I think if this comes to fruition, it would be very big for Oklahoma City," said Jeff Davis, a partner of Oklahoma City-based Acorn Growth Cos. "It would be another example of an aerospace and defense firm

moving jobs here."

The announcement for Boeing is the second major move for the aerospace giant, as the company is committed to moving 550 jobs from Long Beach, Calif., Davis said.

"This announcement is evidence of the strides that Oklahoma City has made in recent years in how we are able to capitalize on the strength of the aerospace sector in Oklahoma City," he said.

Roy Williams, president and CEO of the Greater Oklahoma City Chamber, said the move is significant because of the economic impact the direct payroll would have on the city.

"These aviation and aerospace jobs are in engineering," Williams said. "These are well-paying positions."

Salaries for the Long Beach jobs pay in the neighborhood of \$120,000 to \$130,000 annually, Williams said.

If, for example, the latest jobs paid in the range of \$100,000 annually, the payroll could be as much as \$75 million in direct payroll, Williams said.

"But we just don't know," he said. "They have not given us salary ranges yet. We could be seeing those figures in a few weeks."

The addition of 900 jobs would push Boeing's total employment in Oklahoma City to 2,000, Williams said.

"And the indirect economic impact of Boeing is significant as vendors and suppliers seek business here," Williams said.

The move will have an effect on Wichita and Oklahoma City, said Greg Womack, president of Edmond-based Womack Investment Advisors.

"It is bad news for Wichita, but Oklahoma City should benefit from their loss," Womack said. "It's unfortunate how the effects of our economy and budget issues are affecting many manufacturers, especially government suppliers."

There could be more downsizing from government contractors as they seek to be more efficient in the wake of the austerity trend, Womack said.

Davis, who heads Acorn's aerospace and defense operations and investor development activities, said the announcement strengthens Oklahoma City's stance as an aerospace leader. Acorn's portfolio includes a variety of aerospace and defense companies in 11 states.

"Some of us think Oklahoma City is among the (aerospace) leaders – certainly on the military side," Davis said.

Davis referred to Tinker Air Force Base's role as a leader in military aviation. The base employs more than 26,000 people with an annual payroll of \$1 billion.

Williams agreed that Oklahoma City has reached a critical mass in aerospace.

"Tinker is positioned as the place where major decisions are to be made," he said. "Couple that with the Boeing move and we see other suppliers realigning here as well. The best-case scenario would be seeing companies, both competitors of Boeing and Boeing suppliers, showing some interest here."

Williams said he expects the momentum to grow for Oklahoma City's economy.

"You can begin to see a lot of synergy," he said. "Other things begin to align and all of sudden a lot of things begin to happen. This is significant enough of an announcement that I believe we could be seeing that beginning to happen."

Williams cautioned that the economic effect will be not be seen overnight.

Only 200 of the 550 positions from Long Beach have been transferred to Oklahoma City. Boeing said it would be a year to 18 months before the Wichita jobs would be transferred and two years before the plant is shuttered.

"People need to understand things like this take a while," Williams said. "Eight-hundred jobs are not going to show in one day."

Boeing has been in Wichita for 80 years and since World War II has been one of the city's largest employers. But cuts in the U.S. Defense Department budget pressured the aircraft manufacturer to close the plant, costing 2,150 employees their jobs.

The Wichita plant specializes in modifying commercial aircraft for military or government operations.

Even with the loss of the defense plant, Boeing continues to have an economic impact in Wichita as Spirit AeroSystems builds parts for Boeing's commercial airplanes.

Spirit AeroSystems, which took over Boeing's commercial operations, operates plants in Tulsa and McAlester.