



Economic Impact Analysis: NAVY LAKEHURST

The Impact of Expenditures on Sales, Employment,
and Earnings of State Business

Prepared for:

Naval Air Engineering Station (NAES)
Lakehurst, N.J.

Business Development Office

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New Jersey Commerce & Economic Growth Commission

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FOREWARD

The Naval Air Engineering Station Lakehurst, commonly referred to as Navy Lakehurst, is a significant contributor to the economies of Ocean County and the State of New Jersey. In existence as a military installation since 1915, the facility currently is the site for Aircraft Platform Interface (API) systems, which includes catapult and aircraft arresting gear and related systems for aircraft landing and takeoff from Navy ships, and other aircraft ground support equipment. In order to maintain this mission, the base conducts the necessary technology research and development, engineering design, system integration, prototyping and manufacturing, and other support services. These operations require the employment of over 2,700 civilian and military personnel, many of which are engineers and other highly skilled technicians.

This report estimates the total economic impact of annual Navy Lakehurst expenditures on the State economy. The Business Development Office of Navy Lakehurst provided the detailed list of the facility's expenditures, by category, including employee salaries, which were used as the "input" in the model.

EXECUTIVE SUMMARY

Navy Lakehurst operations add \$327 million annually to the New Jersey economy.

- Direct Impact:
Navy Lakehurst purchases almost \$170 million in goods and services in the State. Navy Lakehurst employs 2,750 and pays \$122 million in wages
- Indirect Impact:
The impact on other New Jersey businesses is over \$158 million in sales. These additional sales support 1,900 New Jersey jobs that pay \$59 million in salaries.
- The Total Economic Impact (The sum of the direct purchases and indirect impact) of Navy Lakehurst equals **\$327 million**. Total jobs supported by Navy Lakehurst and related State businesses are estimated at **4,663**. These jobs pay about **\$181 million in salaries** annually. (page 8)

NAVY LAKEHURST OUTPUT (SALES) equals the sum of procurements, salaries, and construction expenditures. (p.9)

- Almost \$80 million in increased sales for New Jersey businesses are generated when Navy Lakehurst employees residing in New Jersey spend **\$109 million in salaries**. This additional business sales generates about 900 additional jobs. (p.22)
- Annual Navy Lakehurst **procurements of \$40 million** from New Jersey firms lead to about \$70 million in sales to other N.J. businesses. These additional sales translate into 894 jobs and over \$30 million in added wages. (p.20)
- About 95% of the \$40 million in Navy Lakehurst procurements were made from businesses in the four counties of Camden, Ocean, Burlington, and Mercer. (p.27)
- **Navy Lakehurst construction expenditures of over \$6 million** lead to a total of almost \$9 million in added sales to State firms. These construction-related outlays support 109 jobs and \$4 million in wages. (p.21)

NAVY LAKEHURST EMPLOYMENT & WAGES

- **Navy Lakehurst** employs over 2,700, ranking it among the top 60 employers in the State.

EXECUTIVE SUMMARY

- Navy Lakehurst is the largest manufacturing employer in southern New Jersey. Only county governments, Atlantic City casinos, and several hospitals have more employees.
- The average annual salary of all 2,750 Navy Lakehurst employees was about \$44,000 in 1998, about 16% above the Statewide average annual wage of about \$38,000 in 1998. (p.25)
- Over 1,200, or about 45%, of Navy Lakehurst employees reside in Ocean County. County resident employees earned salaries of \$55.5 million, which translates into a direct economic stimulus to the Ocean County economy. (p.25)
- Of the 1,900 jobs created by Navy Lakehurst in other New Jersey businesses, over 30% were in two industries; (1) engineering/management services, and (2) business services, sectors with high concentrations of high technology businesses and jobs, and above average wages. (p.16)

All of the results presented in this report are based solely on the information provided by Navy Lakehurst. The detailed information on spending, including salaries of personnel (see appendix) served as input to the regional impact model used in this report.

DESCRIPTION OF THE ECONOMIC IMPACT MODEL

A business activity has a **DIRECT** impact on the New Jersey economy in wages, and purchases of services and supplies from other State firms.

Input-output analysis estimates the indirect and induced effects of this activity in the State, by industry. The **INDIRECT** effects consist of the labor, services, materials, and other items purchased by those firms that supply and service the firm, in this case Navy Lakehurst.

The **INDUCED** effect takes the form of increased production throughout the State economy resulting from spending of the additional income of employees in the directly and indirectly affected industries.

The **TOTAL IMPACT** is the sum of the direct, indirect, and induced effects.

This analysis relies on state inter-industry relationships developed for this office by the **Regional Science Research Institute**.

The Input-Output (IO) model provides unique multipliers for 515 industry categories. Multipliers for a given industry reflect the specific "inputs" of goods and services from the State's industries that the given industry requires to make its product or "output". In addition to these direct requirements, industry multipliers also account for production needed to meet the consumer demand generated by new income to households paid by the business expenditure.

The firms benefiting from the indirect and induced spending are located both in New Jersey and beyond. The regional impact analysis used here makes adjustments for leakages outside the State and estimates the total impact on New Jersey's economy. Although this economic model provides impacts only for the State as a whole, it is reasonable to assume that most of the economic benefits accrue to businesses in the area surrounding the new project. This is especially true for much of the retail and personal services industries.

ASSUMPTIONS: NAVY LAKEHURST ECONOMIC IMPACT

Assumption #1

The following Navy Lakehurst expenditures were provided:

1. Annual Employee Salaries to N.J. Residents = \$109.2 million
2. Annual Procurements from N.J. businesses = \$40.3 million
3. Annual Construction Expenditures (1998) = \$6.3 million

Assumption #2

The annual estimates in Assumption #1 reflect operations during 1998 and therefore all dollar impacts in this report are measured in terms of 1998 dollars. The effect of inflation will increase these estimates in subsequent years.

Assumption #3

The regional (State) economic impact analysis and resultant multipliers described in this report estimate short-term economic changes. They do not take into account a regional economy's long-term adjustments. For example, the presence of Navy Lakehurst in New Jersey may attract new businesses that would not have relocated in the absence of the facility. Thus, the results presented may understate the gain in economic activity if one looks beyond the immediate effects.

PART A

**ECONOMIC IMPACT OF NAVY LAKEHURST:
SUMMARY OF RESULTS**

SUMMARY OF THE ECONOMIC IMPACT
OF NAVY LAKEHURST ON NEW JERSEY

The economic impact model produces three inter-related measurements or indicators of economic impact. They can be viewed as three alternative measures of the impact of Navy Lakehurst operations:

EMPLOYMENT – number of jobs generated, both full and part-time.

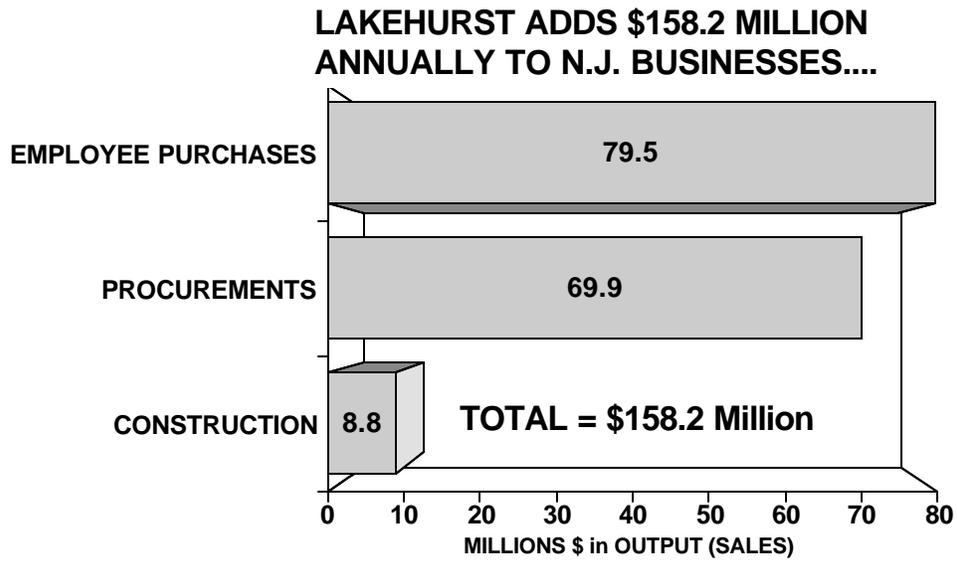
OUTPUT – the receipts or sales of businesses.

WAGES – wages, salaries, and proprietors’ incomes, excluding nonwage compensation.

	TOTAL IMPACT		
	OUTPUT	JOBS	WAGES
	(Millions 1998\$), Number of Jobs		
TOTAL ECONOMIC IMPACT ON OTHER N.J. BUSINESSES =	\$ 158.2	1,913	\$ 59.2
plus: NAVY LAKEHURST DIRECT IMPACT =	168.6	2,750	\$ 122.1
TOTAL IMPACT OF NAVY LAKEHURST ON N.J. =	\$326.8	4,663	\$181.3

* See TABLE A.1 in appendix (page 30) for the complete summary of impacts by each category of spending (employee salaries, procurements, and construction expenditures).

IMPACT SUMMARY – OUTPUT



IMPACT SUMMARY – OUTPUT

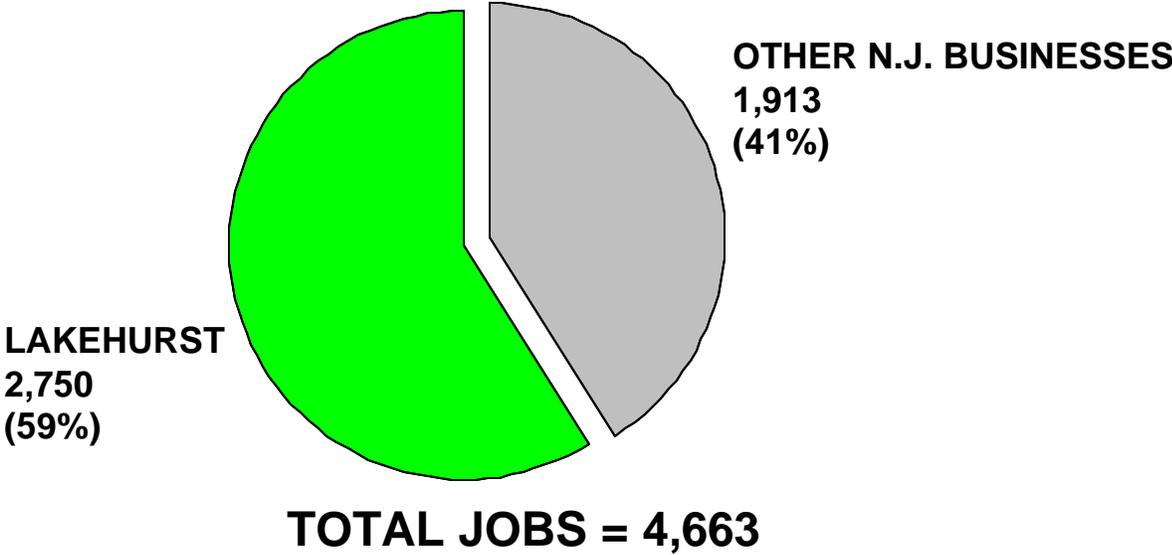
1. Each type of expenditure expands output (gross receipts or sales) for New Jersey businesses. The following table summarizes the direct and total impact on output by each category of spending.
2. As a result of Navy Lakehurst operations, over \$96 million in direct spending occur annually in New Jersey. The indirect impact in inter-related firms adds another \$61.9 million, bringing the total New Jersey output effect to **\$158.2 million** per year.

NAVY LAKEHURST OUTPUT IMPACTS ON OTHER NJ BUSINESSES (THOUS. 98\$)

EXPENDITURE CATEGORY	TOTAL EFFECTS	=	NAVY LAKEHURST EFFECTS	+	INDIRECT & INDUCED EFFECTS
TOTAL	\$158,207	=	\$96,250	+	\$61,957
EMPLOYEE SPENDING	\$79,450	=	\$50,485 *	+	\$28,965
PROCUREMENTS	\$69,908	=	\$40,326	+	\$29,582
CONSTRUCTION*	\$8,849	=	\$5,439	+	\$3,410

*Note: Estimates based on the amount of construction expenditure for a specific year (1998). Unlike the “operations” expenditures, which are expected to be annually recurring effects, construction impacts will vary based on the amount of expenditures for projects in a given year.

IMPACT SUMMARY -EMPLOYMENT



IMPACT SUMMARY –EMPLOYMENT

1. Each type of expenditure expands employment in New Jersey businesses. The following table summarizes the direct and total impact on jobs by each category of spending.
2. The economic impact of Navy Lakehurst operations adds an estimated 1,252 direct jobs to other New Jersey businesses annually. The indirect impact of this spending in N.J. firms adds another 661, bringing the total New Jersey employment effect to **1,913** jobs.

JOBS IMPACTS FROM NAVY LAKEHURST EXPENDITURES

EXPENDITURE CATEGORY	TOTAL EFFECTS	=	NAVY LAKEHURST EFFECTS	+	INDIRECT & INDUCED EFFECTS
TOTAL	1,913	=	1,252	+	661
EMPLOYEE SPENDING	910	=	623	+	287
PROCUREMENTS	894	=	557	+	337
CONSTRUCTION*	109	=	72	+	37

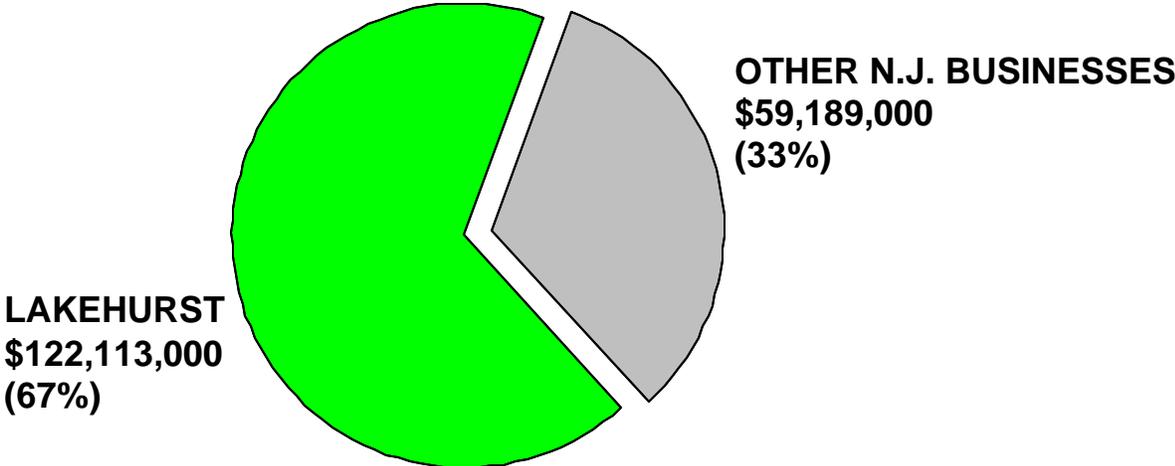
*Estimates based on the amount of construction expenditure for a specific year (1998). Unlike the “operations” expenditures, which are expected to be annually recurring effects, construction impacts will vary based on the amount of expenditures for projects in a given year.

3. The 1,913 additional jobs are due to Navy Lakehurst related spending in N.J. businesses. The 2,750 jobs at Navy Lakehurst brings the total employment impact on New Jersey to **4,663**.

TOTAL JOBS IMPACT

TOTAL JOBS	=	JOBS FROM	+	NAVY LAKEHURST
<input style="width: 50px; height: 15px;" type="text"/>		<u>EXPENDITURES</u>		<u>JOBS</u>
4,663	=	1,913	+	2,750

IMPACT SUMMARY - WAGES



TOTAL WAGES = \$181.3 MILLION

IMPACT SUMMARY - WAGES

1. Each type of expenditure expands wages and salaries of New Jersey households. The following table summarizes the direct and total impact on wages by each category of spending at Navy Lakehurst.

2. Navy Lakehurst operations add an estimated \$39.9 million in direct wages annually to households employed by other State businesses. The indirect impact of the spending in N.J. firms adds another \$19.3 million, bringing the total New Jersey wage effect to **\$59.2 million** per year in other State businesses.

WAGE IMPACTS FROM NAVY LAKEHURST EXPENDITURES (THOUS. 1998\$)

EXPENDITURE CATEGORY	TOTAL EFFECTS	=	NAVY LAKEHURST EFFECTS	+	INDIRECT & INDUCED EFFECTS
TOTAL	\$59,189	=	\$39,857	+	\$19,332
EMPLOYEE SPENDING	\$24,782	=	\$16,220	+	\$8,562
PROCUREMENTS	\$30,233	=	\$20,512	+	\$9,721
CONSTRUCTION*	\$4,174	=	\$3,125	+	\$1,049

*Note: Estimates based on the amount of construction expenditure for a specific year (1998). Unlike the "operations" expenditures, which are expected to be annually recurring effects, construction impacts will vary based on the amount of expenditures for projects in a given year.

3. This \$59.2 million in wages in other New Jersey businesses is due to Navy Lakehurst related spending. The actual wages paid to Navy Lakehurst employees of \$122.1 million to New Jersey residents brings the total impact on salaries to \$181.3 million.

TOTAL WAGES IMPACT (MILLIONS 1998 \$)

TOTAL WAGES	=	WAGES FROM	+	NAVY LAKEHURST
		<u>EXPENDITURES</u>		<u>WAGES</u>
\$181.3	=	\$59.2	+	\$122.1

- The impacts of Navy Lakehurst expenditures outlined in the previous section are distributed to New Jersey businesses throughout the economy. The impact by the major industry categories is shown in the following table.

TOTAL ECONOMIC IMPACT - BY MAJOR INDUSTRY:

	Employment	Perc. Dist.(%)	(Thous. 1998\$)	
			Output	Wages
SERVICES	957	50.0	61,972	30,667
RETAIL TRADE	421	22.0	25,089	9,088
FINANCE, INS., & REAL ESTATE	123	6.4	25,030	6,026
MANUFACTURING	120	6.3	23,101	4,128
GOVERNMENT	93	4.9	1,941	1,263
TRANSPORT. & PUBLIC UTILITIES	90	4.7	9,305	2,642
CONSTRUCTION	78	4.1	4,550	3,349
WHOLESALE	24	1.3	6,543	1,848
AGRI. SERV., FORESTRY, & FISH	4	0.2	266	72
AGRICULTURE	2	0.1	60	10
MINING	1	<0.1	56	20
TOTAL	1,913	100%	158,000	59,200

- The following table breaks down the industry impacts to more detailed categories.
- The top two industries, engineering/management services, and business services, account for about one-third of the total jobs generated in other New Jersey businesses. These industries have a high concentration of high technology businesses and jobs, and pay above average wages.

TOTAL ECONOMIC IMPACT - DETAILED PRIVATE SECTOR INDUSTRIES
Ranked by Employment

<u>Industry (SIC Code)</u>	<u>Employment</u>	<u>(thous. 1998 \$)</u>	
		<u>Output</u>	<u>Wages</u>
ENGINEER. & MANAGE. SERV. (87)	400	37,680	20,185
BUSINESS SERVICES (73)	229	4,801	2,047
EATING & DRINKING PLACES (58)	139	6,237	2,549
HOTELS & OTHER LODGING (70)	89	4,480	1,743
MISCELLANEOUS RETAIL (59)	83	4,498	1,753
PERSONAL SERVICES (72)	75	2,920	1,389
GENERAL MERCH. STORES (53)	58	3,588	1,075
SPECIAL TRADE CONTRACTORS (17)	45	2,393	1,810
FOOD STORES (54)	45	2,711	989
LOCAL PASS. TRANSIT (41)	41	1,602	862
AUTO. DEALERS-SERV. STAT. (55)	41	3,665	1,393
MEMBERSHIP ORGANIZATIONS (86)	39	2,677	1,013
HEALTH SERVICES (80)	37	2,607	1,527
INSURANCE CARRIERS (63)	28	5,381	1,781
APPAREL & ACCESS. STORES (56)	27	2,066	552
EDUCATIONAL SERVICES (82)	26	1,301	593
REAL ESTATE (65)	23	8,098	683
NONDEP. CREDIT INSTITUT. (61)	22	3,812	1,054
FOOD & KINDRED PROD. (20)	20	4,862	686
GENERAL BLDG. CONTRACTORS (15)	19	1,218	811
COMMUNICATION (48)	18	4,154	945
BLDG. MAT.-GARDEN SUPPLY (52)	18	1,401	500
HOLDING AND INVEST. OFF. (67)	18	3,078	851
BANKING (60)	17	2,954	847
AUTO REPAIR,SERV.,GARAGES (75)	16	1,918	485
PRINTING & PUBLISHING (27)	15	1,675	461
ELECTRIC & ELEC. EQUIP. (36)	14	2,151	439
WHLSALE-DURABLE-GOODS (50)	14	3,360	779
HEAVY CONST. CONTRACTORS (16)	13	939	727
LEGAL SERVICES (81)	13	1,257	779
ELEC.,GAS,&SANITARY SERV. (49)	13	1,727	240
AMUSEMENT & RECREATION (79)	11	866	347
APPAREL & OTHER PROD. (23)	10	853	212
FURNITURE & HOME FURNISH. (57)	10	948	288
WHLSALE-NONDURABLE GOODS (51)	10	3,183	1,068
CHEMICALS & ALLIED PROD. (28)	10	2,185	393
INS. AGENTS, BROKERS (64)	10	592	271
TRUCKING & WAREHOUSING (42)	9	675	239
MOTION PICTURES (78)	8	501	207
FABRICATED METAL PRODS. (34)	8	1,174	325
TRANSPORTATION EQUIPMENT (37)	7	2,270	385
SECURITY, COMM. BROKERS (62)	6	1,116	540
STONE, CLAY, & GLASS (32)	6	677	185
MISC. REPAIR SERVICES (76)	5	362	117

<u>Industry (SIC Code)</u>	<u>Employment</u>	<u>Output</u>	<u>Wages</u>
PAPER & ALLIED PROD. (26)	5	736	153
SOCIAL SERVICES (83)	5	429	161
MACHINERY, EXCEPT ELEC. (35)	4	460	148
TRANSPORTATION SERVICES (47)	3	347	143
INSTRUMENTS & REL. PROD. (38)	3	427	114
TRANSPORTATION BY AIR (45)	3	409	120
AGRI. SERVICES (07)	3	132	51
TEXTILE MILL PRODS. (22)	3	323	76
LUMBER & WOOD PROD. (24)	3	264	82
PETROLEUM & COAL PROD. (29)	3	3,911	162
RUBBER & MISC. PLASTICS (30)	3	288	72
FURNITURE & FIXTURES (25)	2	243	67
MISC. MANUFACTURING IND'S (39)	2	290	72
GREENHOUSE & NURSERY PROD.	2	41	9
PRIMARY METAL PRODS. (33)	2	371	81
MISCELLANEOUS SERVICES (89)	1	139	62
WATER TRANSPORTATION (44)	1	333	76
FISHING, HUNTING, & TRAPPING (09)	1	122	20
NONMETAL MIN.-EX. FUELS (14)	1	56	20
RAILROAD TRANSPORTATION (40)	0	57	19
LEATHER & LEATHER PROD. (31)	0	60	15
FORESTRY (08)	0	13	1
DAIRY PROD., POULTRY, & EGGS	0	8	0
TOBACCO	0	6	1
TOBACCO MANUFACTURES (21)	0	12	2
COAL MINING (12)	0	0	0
COTTON	0	0	0
FOREST PRODS.	0	1	0
FRUITS, NUTS, & VEGETABLES	0	1	0
GRAINS, & MISC. CROPS	0	4	0
MEAT ANIMALS & MISC. LIVESTOCK	0	1	0
METAL MINING (10)	0	0	0
MUSEUMS, BOTAN-ZOO, GARDENS (84)	0	32	11
OIL & GAS EXTRACTION (13)	0	0	0
PIPE LINES-EX. NAT. GAS (46)	0	3	0
PRIVATE SECTOR TOTAL	1,813	156,126	57,860

PART B

MULTIPLIERS: DESCRIPTION AND INTERPRETATION

MULTIPLIERS: DESCRIPTION AND INTERPRETATION

Regional economic multipliers are used to estimate the total impacts of each type of construction spending, in terms of three variables:

Output in N.J. firms (gross receipts or sales, except for wholesale/retail firms)
Earnings (the sum of wages and salaries, and other labor income),
Employment (number of jobs)

Each of these multipliers is defined as the ratio of total effects to direct effects. Total effects include the direct effect itself plus indirect plus induced (household expenditures) effects.

For example: $\frac{\text{Total effect}}{\text{Direct effect}} = \text{Multiplier}$

The direct effect is the dollar value of procurements in a given year (1998). Since purchases are made from a variety of firms, and multipliers vary by type of industry, the final multiplier results on the following pages reflect a “composite multiplier” for the mix of industries involved. The actual multiplier in any future year may vary, based on the types and value of products and services purchased during that year.

**MULTIPLIER RESULTS :
PROCUREMENTS FROM NEW JERSEY BUSINESS**

	(thous. 1998 \$)		
	<u>Employment</u>	<u>Output</u>	<u>Wages</u>
DIRECT EFFECTS	557	40,326	20,512
INDIRECT AND INDUCED EFFECTS	337	29,582	9,721
TOTAL EFFECTS	894	69,908	30,233
 MULTIPLIERS	 1.61	 1.73	 1.47

ECONOMIC IMPACT BY MAJOR INDUSTRY:

	(thous. 1998 \$)		
<u>Industry</u>	<u>Employment</u>	<u>Output</u>	<u>Wages</u>
SERVICES	656	45,161	23,240
RETAIL TRADE	94	5,640	2,030
MANUFACTURING	40	6,968	1,388
FINANCE, INS., & REAL ESTATE	27	5,912	1,300
TRANSPORT. & PUBLIC UTILITIES	45	3,493	1,172
GOVERNMENT	19	449	308
WHOLESALE	7	1,847	500
CONSTRUCTION	6	375	278
AGRI. SERV., FORESTRY, & FISH	<1	53	14
AGRICULTURE	<1	10	2
MINING	<1	3	1
 TOTAL	 894	 69,908	 30,233

**MULTIPLIER RESULTS :
CONSTRUCTION EXPENDITURES-
NAVY LAKEHURST**

	Thous. 1998(\$)
TOTAL INITIAL EXPENDITURE	= 6,335
DIRECT EXPENDITURES IN OTHER STATES	= 896
DIRECT EXPENDITURES WITHIN N.J.	= 5,439

	Employment	Output	Wages
	(thous. 1998 \$)		
DIRECT EFFECTS	77	5,439	3,125
INDIRECT AND INDUCED EFFECTS	39	3,410	1,049
TOTAL EFFECTS	116	8,848	4,174
MULTIPLIERS	1.516	1.627	1.336

ECONOMIC IMPACT BY MAJOR INDUSTRY:

	Employment	Output	Wages
	(thous. 1998 \$)		
CONSTRUCTION	60	3,350	2,462
SERVICES	20	1,287	620
MANUFACTURING	12	1,961	423
RETAIL TRADE	12	672	244
FINANCE, INS., & REAL ESTATE	4	705	168
TRANSPORT. & PUBLIC UTILITIES	3	288	78
GOVERNMENT	3	53	34
WHOLESALE	2	466	121
AGRI. SERV., FORESTRY, & FISH	1	21	10
MINING	1	43	15
AGRICULTURE	0	2	0
TOTAL	116	8,848	4,174

ECONOMIC IMPACT OF NAVY LAKEHURST EMPLOYEE SALARIES:

(Thous. 1998\$)

TOTAL INCOME TO N.J. RESIDENTS	=	\$109,183
DIRECT EXPENDITURES WITHIN N.J.	=	\$50,485

	(Thous. 1998\$)		
	Employment	Output	Wages
DIRECT EFFECT	623	\$50,485	\$16,220
INDIRECT AND INDUCED EFFECTS	287	\$28,965	\$8,562
TOTAL EFFECTS	910	\$79,450	\$24,782
MULTIPLIERS: (Per million dollars of salaries Paid to New Jersey Residents; \$109.2 million in 1998.)	8.3	\$728,000	\$227,000

Note that the \$109.183 million represents salaries of New Jersey residents employed at Navy Lakehurst and excludes an additional \$12.9 million paid to in-commuters from other states and foreign countries (see table in appendix). It is excluded because household expenditures and the induced effects for such in-commuters are assumed to take place predominately in their region of residence.

The \$50.5 million represents the local expenditures associated with the total wage and salary income of \$109.2 million paid to New Jersey residents. Total local (local means New Jersey in the model) household expenditures are equivalent to direct output, or revenue, for State businesses. These businesses, and not the total wages, are then the sources of the indirect effects on the economy. For this reason, the standard multiplier is replaced by what is sometimes referred to as the “household employment multiplier”. These multipliers reflect the extent to which wages that are paid in the State are spent within the State and are expressed in terms of impact per \$million. These “bang for the buck” estimates can be used to evaluate alternative projects in other States or regions.

**ECONOMIC IMPACT OF
EMPLOYEE SALARIES:**

IMPACT BY MAJOR INDUSTRY:

	Employment	Output	Wages
RETAIL TRADE	316	18,793	6,820
SERVICES	283	15,542	6,816
FINANCE, INS., & REAL ESTATE	93	18,427	4,562
GOVERNMENT	72	1,310	922
MANUFACTURING	68	14,395	2,337
TRANSPORT. & PUBLIC UTILITIES	45	5,663	1,424
WHOLESALE	15	4,241	1,230
CONSTRUCTION	15	829	612
AGRI. SERV., FORESTRY, & FISH	3	193	48
AGRICULTURE	2	48	8
MINING	0	9	3
TOTAL	910	79,450	24,783

PART C

SUB-STATE ECONOMIC IMPACT: EMPLOYMENT and PROCUREMENTS BY COUNTY

The previous section of this report outlined the indirect impacts of Navy Lakehurst employee salaries and purchases on the State as a whole. While the economic impact model does not measure county level indirect impacts, it is reasonable to assume that a substantial part of these impacts occur in the area closest to the employee's residence for salaries, and the area nearby the businesses where procurements were made.

The following summary shows the DIRECT impact on individual counties.

SUB-STATE ECONOMIC IMPACT

EMPLOYMENT by COUNTY

- The direct impacts of Navy Lakehurst operations are felt primarily in Ocean County, the location of the facility. Over 1,200, almost 70% of Navy Lakehurst employees, where residence is known, reside in Ocean County. Their salaries of \$55.5 million, most of which is assumed to be spent near their place of residence, indicate the direct economic impact of these employees on the Ocean County economy.

Navy Lakehurst Employment Summary by County

NEW JERSEY RESIDENTS

Estimates for 1998

<i>COUNTY</i>	<i>ANNUAL SALARY</i>	<i>EMPLOYEES</i>	<i>Percent Distrib.</i>	<i>AVG SALARY</i>	
				<i>Lakehurst Employees</i>	<i>All County Businesses**</i>
OCEAN	\$55,522,452	1223*	69.3%	\$45,399	\$25,000
BURLINGTON	\$13,888,345	246	13.9%	\$56,457	\$32,500
MONMOUTH	\$7,128,893	123	7.0%	\$57,958	\$34,500
CAMDEN	\$3,695,129	63	3.6%	\$58,653	\$29,700
MERCER	\$3,499,735	58	3.3%	\$60,340	\$38,700
MIDDLESEX	\$1,242,904	21	1.2%	\$59,186	\$44,000
ALL OTHER COUNTIES	\$1,883,988	32	1.8%	\$58,875	\$37,500
TOTAL ***	\$86,861,446	1,766	100.0%	\$49,185	\$38,000

* Accounts for about 1.3% of total Ocean County Employment

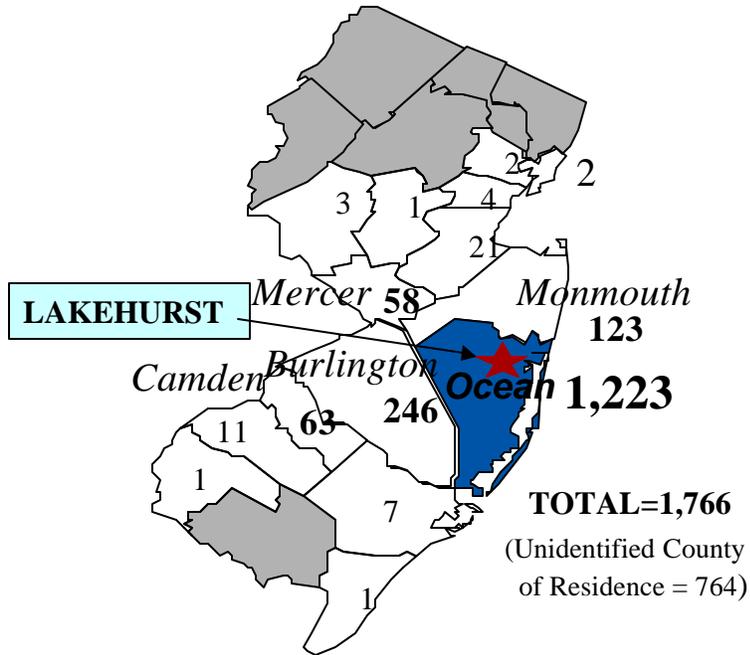
** NJ Dept of Labor , Covered Employment & Wages

*** County of Residence Unknown for **764** N.J. employees, with wages of **\$22.3 Million**

- For all 2,750 employees, wages = \$122,113,347 for an average wage of \$44,400.
- The average salary of Navy Lakehurst employees living in New Jersey was over \$49,000 in 1998, about 30% above the statewide average of about \$38,000 for all businesses.
- The Ocean residents, who make up the bulk of Navy Lakehurst employees, earned an average of about \$45,400, well above the average of \$25,000 for all businesses in Ocean County.

SUB-STATE ECONOMIC IMPACT

EMPLOYMENT BY COUNTY OF RESIDENCE



PROCUREMENTS

- The Statewide impact of Navy Lakehurst procurements shown on the previous sections is likely to be concentrated in counties where the selling firms are located.
- Navy Lakehurst purchased goods and services from businesses in 15 of the State’s 21 counties. Ocean County led in terms of number of businesses with 9, while the largest dollar volume was in Camden County, where almost \$20 million was spent in three firms. About 95% of the nearly \$40 million in procurements were made from businesses in the four counties of Camden, Ocean, Burlington, and Mercer.

Procurement Summary by County

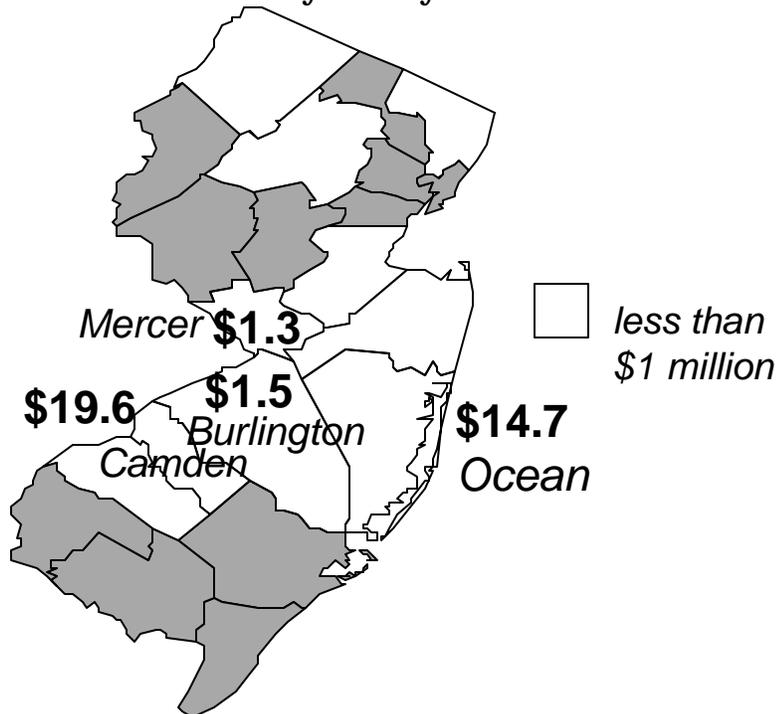
NEW JERSEY BUSINESSES

Estimates for 1998

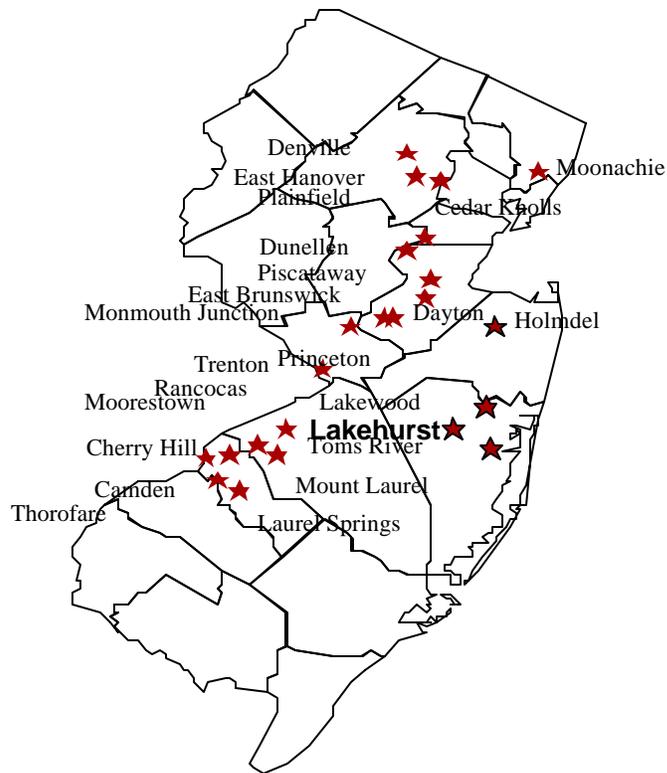
<i>COUNTY</i>	<i>VALUE</i>	<i>Percent Distribution</i>	<i>NUMBER OF BUSINESSES</i>
CAMDEN	\$19,636,204	50.3%	3
OCEAN	\$14,776,969	37.8%	9
BURLINGTON	\$1,553,338	4.0%	5
MERCER	\$1,316,621	3.4%	6
GLOUCESTER	\$614,767	1.6%	1
MORRIS	\$486,920	1.2%	3
MIDDLESEX	\$477,039	1.2%	6
ALL OTHER	\$209,843	0.5%	3
<i>TOTAL</i>	<i>\$39,071,701</i>	100.0%	<i>36</i>

Note: Includes credit card purchases that were County specific. See Table A.3, page 33 in Appendix.

**PROCUREMENTS BY NAVY LAKEHURST,
By County - 1998**



PROCUREMENTS, BY LOCATION OF BUSINESS



APPENDIX

TABLE A.2
EMPLOYMENT BY SUMMARY OCCUPATIONAL CATEGORY
TOTAL NAVY LAKEHURST IMPACT

OCCUPATION TITLE	EMPLOYMENT	Percent Distribution
Total, All Occupations	1,913	99.5%
Food preparation and service occupations	158	8.3%
Managerial and administrative occupations	151	7.9%
Cleaning & building service occs., except private	105	5.5%
Engineering & science technicians & technologists	100	5.2%
Other clerical and administrative support workers	98	5.1%
Transp. & material moving machine & vehicle ops.	93	4.9%
Engineers	92	4.8%
Salespersons, retail	83	4.3%
Secretaries, stenographers, and typists	80	4.2%
Mechanics, installers, and repairers	68	3.6%
Architects and surveyors	66	3.5%
Helpers, laborers, & material movers, hand	62	3.2%
All other sales and related workers	50	2.6%
Financial records processing occupations	49	2.6%
Management support occupations	49	2.5%
Mach setters, set-up ops, operators, & tenders	47	2.4%
Cashiers	46	2.4%
Personal service occupations	38	2.0%
Construction trades	37	2.0%
Protective service occupations	35	1.8%
Information clerks	31	1.6%
Health technicians and technologists	29	1.5%
Mat'l record., sched., dispatch, & distrib. occs.	29	1.5%
Production occupations, precision	29	1.5%
Writers, artists, and entertainers	29	1.5%
Stock clerks, sales floor	22	1.2%
Teachers, librarians, and counselors	20	1.0%
Hand workers, incl. assemblers & fabricators	18	0.9%
Health service occupations	15	0.8%
Technicians, excpt health and engin. & science	15	0.8%
Adjusters, investigators, & collectors	14	0.7%
All other service workers	14	0.7%
Postal clerks and mail carriers	12	0.6%
Records processing occupations, except financial	12	0.6%
Counter and rental clerks	10	0.5%
Blue collar worker supervisors	9	0.5%
Computer, math, and operations res. analysts	9	0.5%
Health assessment & treating occupations	9	0.5%
Social, recreational, and relig. workers	7	0.4%

All other professional workers	7	0.3%
Communications equipment operators	7	0.3%
Physical scientists	7	0.3%
Gardeners & groundskeepers, except farm	6	0.3%
Mail clerks and messengers	6	0.3%
Computer & peripheral equipment operators	5	0.2%
Insurance sales workers	5	0.2%
Lawyers and judicial workers	5	0.2%
Farm occupations	3	0.1%
Health diagnosing occupations	3	0.1%
Real estate agents, brokers, & appraisers	3	0.1%
Securities and financial service sales workers	3	0.1%
Plant and system occupations	2	0.1%
Extractive and related workers, incl. blasters	1	0.0%
Life scientists	1	0.0%
Social scientists	1	0.0%
Travel agents	1	0.0%

**DATA PROVIDED BY NAVY LAKEHURST:
PROCUREMENT SUMMARY
EMPLOYMENT SUMMARY**

TABLE A.3**PROCUREMENT SUMMARY**

<i>New Jersey</i>			
COUNTY	TOWN	VALUE	SIC CODE
BERGEN	Moonachi	\$25,146	3452
TOTAL		\$25,146	
BURLINGTON	South Hampton	\$26,479	3231
	Morristown	\$59,400	3826
	Mount Laurel	\$499,859	3724
	Mount Laurel	\$823,388	8711
	Rancocas	\$117,580	8699
TOTAL		\$1,526,706	
CAMDEN	Cherry Hill	\$194,692	5065
	Cherry Hill	\$18,102,966	8711
	Camden	\$1,338,546	3651
TOTAL		\$19,636,204	
GLOUCESTER	Thorofare	\$614,767	8711
TOTAL		\$614,767	
MERCER	Trenton	\$144,626	2449
	Trenton	\$476,334	7349
	Princeton	\$29,043	3825
	Princeton	\$252,505	8711
	Princeton	\$100,000	8731
	Princeton	\$314,113	8744
TOTAL		\$1,316,621	
MIDDLESEX	East Brunswick	\$55,000	7532
	East Brunswick	\$75,000	7538
	Dunellen	\$25,538	3537
	Dayton	\$63,096	7376
	Piscataway	\$130,055	7376
	Monmouth Jct	\$128,350	8711
TOTAL		\$477,039	
MONMOUTH	Homdel	\$69,999	8731
TOTAL		\$69,999	

Continued next
Page..

COUNTY	TOWN	VALUE	SIC CODE
MORRIS	Denville	\$36,796	3559
	East Hanover	\$129,984	8711
	Cedar Knolls	\$320,140	8731
TOTAL		\$486,920	
OCEAN			
	Lakehurst	\$95,000	3685
	Lakehurst	\$2,490,582	7389
	Lakehurst	\$796,280	8711
	Lakehurst	\$10,980,083	8711
	Laurel Springs	\$71,551	3579
	Lakewood	\$126,128	3699
	Toms River	\$57,048	2391
	Toms River	\$35,400	3499
	Toms River	\$45,000	7379
TOTAL		\$14,697,072	
SUSSEX			
	Plainfield	\$61,431	5021
TOTAL		\$61,431	
Transportation (airport)***	n/a	\$900,000	4100
SUBTOTAL		\$39,811,905	
CONSTRUCTION*			
OCEAN COUNTY	n/a	\$1,062,922	
OTHER	n/a	\$5,275,174	
TOTAL TO NJ FIRMS		\$6,338,096	
CREDIT CARD PURCHASES**			
BURLINGTON COUNTY	n/a	\$26,632	
MONMOUTH COUNTY	n/a	\$53,265	
OCEAN COUNTY	n/a	\$79,897	
OTHER	n/a	\$354,060	
TOTAL TO NJ FIRMS		\$513,854	
SUBTOTAL		\$6,851,950	
TOTAL ACQUISITIONS -NJ FIRMS			\$46,663,855
* Total construction awards for 1998 - \$6,960,454			
** Total Credit Card Purchases for 1998 - \$1,294,011			
*** Addendum received via Business Development Office, Lakehurst in February, 2000			

Employment Summary			
Data as of March 1999			
New Jersey			
STATE	COUNTY	SALARY	NUMBER OF PEOPLE
NJ	ATLANTIC	\$506,054	7
NJ	BURLINGTON	13,888,345	246
NJ	CAMDEN	3,695,129	63
NJ	CAPE MAY	77,308	1
NJ	ESSEX	83,529	2
NJ	GLOUCESTER	590,707	11
NJ	HUDSON	128,038	2
NJ	HUNTERDON	181,700	3
NJ	MERCER	3,499,735	58
NJ	MIDDLESEX	1,242,904	21
NJ	MONMOUTH	7,128,893	123
NJ	OCEAN	55,522,452	1223
NJ	SALEM	38,943	1
NJ	SOMERSET	60,011	1
NJ	UNION	217,698	4
	TOTALS (Identified counties)	\$86,861,446	1766
NJ	Data Unavailable (Note 1)	22,321,700	764
	TOTALS	\$109,183,146	2530
Other			
OverSeas		\$363,295	7
California		1,382,599	26
Florida		482,798	8
Hawaii		148,237	3
Maryland		140,842	2
Missouri		371,170	6
North Carolina		250,047	5
New York		371,343	6
Pennsylvania		6,735,286	108
Texas		58,339	1
Virginia		2,209,256	40
Washington		416,989	8
	TOTALS	\$12,930,201	220
	GRAND TOTALS	\$122,113,347	2,750

Note 1: Made up of tenant activities (civilian, military and contractor personnel) and other on-base contract personnel (county of residence unknown).