



Naval Base Ventura County 2006 Economic Impact Study

Commissioned by the Workforce Investment Board of Ventura County

In Cooperation with
Naval Base Ventura County
Ventura County Economic Development Association
Weaver Research and Consulting Group

Leadership Welcome

We are pleased to partner with the Workforce Investment Board of Ventura County to present this Economic Impact Study about Naval Base Ventura County (NBVC). It provides detailed information about the economic contribution of the Navy to the local community. As the largest employer in the county, with over 19,000 jobs in all categories, and an economic impact exceeding \$1.2 billion, our significance to the economic health of the area cannot be overstated.

NBVC's mission is to provide airfield, seaport and base support services to fleet operating forces and shore activities. Our workforce provides unparalleled support to home ported deploying units and other military commands at NBVC who execute the diverse missions of the Navy and other services in support of National Defense.

Equally important is NBVC's role as a good neighbor and environmental steward. For more than 60 years we, through our locations at Point Mugu and Port Hueneme, have been an increasingly vital part of the county and its development. We continue to enjoy a strong relationship with the community and an atmosphere of mutual respect, cooperation, teamwork and shared interests.

I am truly proud of NBVC and our efforts to develop and maintain mutually beneficial partnerships with local business and industry. The community's economic and social environment plays a critical part in supporting and meeting our mission, and NBVC will continue to have a positive economic influence on Ventura County for the foreseeable future.

Captain Brad Conners
Commanding Officer
Naval Base Ventura County



Captain Brad Conners
USN Commanding Officer
Naval Base Ventura County



Table of Contents

Foreword	2
Purpose & Scope of Study	3
Executive Summary	4
Naval Base Ventura County History	6
Current Ventura County Social & Economic Conditions	8
Impacts of NBVC on the County Economy	
Output Impacts	14
Employment Impacts	16
Labor Income Impacts	19
Tax Impacts & Direct Aid to Schools	22
Glossary of Terms	24
Appendix I: Study Methodology	26



Foreword

Naval Base Ventura County (NBVC) has been part of the fabric of Ventura County for more than six decades. Built long before most residential areas were established in the county, NBVC has maintained its standing through the years as a reputable community partner. Today, it is the largest employer in the county, directly and indirectly providing for more than 8,200 jobs.



The Workforce Investment Board (WIB) of Ventura County recognizes the significant influence of NBVC and has commissioned this economic impact study for the benefit of workforce and business development in Ventura County. The research is intended to provide useful information to employers, job seekers, and members of the community as they work together to strengthen economic vitality in the region.

Our sincere thanks to Captain Brad Conners, USN Commanding Officer, and Captain David Fleisch, Civil Engineer Corps, USN Chief Staff Officer, both of NBVC, for their leadership and support throughout the research process. We also appreciate the assistance of Bill Buratto, CEO, Ventura County Economic Development Association (VCEDA), and researcher Susan Weaver, in the preparation of the study.

With this report, we hope to raise public awareness and stimulate discussion on future opportunities for workforce and business growth in Ventura County.

Alex Teague, Chairman
Workforce Investment Board of Ventura County



Purpose & Scope of Study

This report was commissioned by the Workforce Investment Board (WIB) of Ventura County and conducted through a contract with the Ventura Economic Development Association (VCEDA). The study seeks to quantify the direct and indirect economic impact of Naval Base Ventura County (NBVC) on the Ventura County regional economy. The WIB administers federal funds that target the development of a skilled and knowledgeable workforce to meet the needs of local businesses. Analyzing the impact of NBVC on the county provides the WIB with relevant data to help determine how best to serve current and future needs of the businesses and job seekers.



Study Methodology

Data and other information for the report were gathered from a number of resources. Primary sources included NBVC, the Office of the Commander Navy Region Southwest, Consolidated Federal Funding Reports, and Department of Defense spending documents. The research is based mostly on data for the fiscal year 2006, the most recent year for which most data were available. Salary and retirement pay information was available only for 2004 but was adjusted to 2006 estimated values using Department of Defense cost-of-living indices.

The findings of the study are all estimates, generated through the use of IMPLAN Pro®, a software product created specifically for understanding a business, institution or event's fiscal effect on a community. The software was used to estimate the NBVC's impact to the county's total output, employment, and labor income.

About Direct, Indirect & Induced Impacts

Impacts are classified as direct, indirect and induced impacts. For example, when the base purchases from a local business (direct), that business then purchases from a supplier to fulfill the order (indirect). This triggers further spending by successive businesses and consumers (induced), creating an overall "multiplier" effect.

Please refer to Appendix I for a more detailed description of the study methodology.

Executive Summary

In Ventura County since 1941, Naval Base Ventura County (NBVC) has long been the largest employer in the county. When Department of Defense jobs are included, the base supports about 4.6 percent of all jobs in Ventura County.

The base and surrounding community have become home to Navy personnel, their families, other military branch staff, military students, retired or disabled veterans and contracting civilians. Between the personal spending of these people and direct spending by NBVC, the presence of the base has an undeniable fiscal significance to the county.

In 2006, the base produced more than an estimated \$1.2 billion in goods and services that flowed into the county and other regions of the U.S. and the world. Of that total, almost \$950 million in spending was retained locally. This spending supported about 8,216 jobs in the region, with the estimated labor income associated with these jobs amounting to more than \$377 million.

In addition, more than \$166 million in taxes were generated because of NBVC, with state and local coffers receiving \$69.2 million of the total. In addition, nearly \$1 million was paid to three local school districts to defray costs of educating children of personnel who reside on base.

The report focuses solely on Navy data, because information for other military branch staff was not readily available. Personal spending of families, staff and retired personnel can also be considered somewhat attributable to the existence of NBVC, but are an unquantifiable factor. This means that the research reflects a conservative look at the base's overall economic impact.

The research was analyzed and categorized into output, job, labor income and tax (including aid to schools) impacts.





Summary of NBVC Estimated Economic Impacts to Ventura County Economy, 2006

	Direct	Indirect	Induced	Total
Total Value of Goods & Services (Output)	\$785.8 million	\$150.5 million	\$289.6 million	\$1,225.9 million
Output Retained in Ventura County	\$509.2 million	\$150.5 million	\$289.6 million	\$949.3 million
Labor Income	\$198.8 million	\$56.1 million	\$122.8 million	\$377.7 million
State & Local Tax Receipts				\$69.2 million
Aid to Schools				\$1 million
Jobs	4,391	1,208	2,617	8,216



About Naval Base Ventura County

Naval Base Ventura County (NBVC) is located along the Pacific coastline in southwestern Ventura County, California, adjacent to the cities of Oxnard, Port Hueneme and Camarillo.

NBVC [the former Naval Construction Battalion Center (CBC) Port Hueneme] was born in the wake of U.S. involvement in World War II in 1941. The base began as a temporary depot during the war, grew through the Korean War [including the creation of Naval Air Station (NAS) Point Mugu], Vietnam War, Cold War and other recent conflicts. Today NBVC is home to more than 100 military commands.



For close to seven decades, the bases at Point Mugu and Port Hueneme have played an instrumental role in research, development, test and evaluation. They have provided logistics, education and training, and base support to the Fleet and Seabees, as well as the Army, Air Force and Marines.

The base has been in constant transformation in order to remain effective in its mission to support National Defense. At the turn of the 21st century, a number of Naval operations were consolidated for greater efficiencies. As a part of these moves, the two commands of NAS Point Mugu and CBC Port Hueneme were consolidated to form Naval Base Ventura County.

NBVC is a key contributor to the readiness of the Department of Defense total force, providing development and testing of new systems, joint warfare experimentation, training and readiness, and Homeland Defense. Activities provide significant airfield, seaport, railhead, and base facilities support for multiple tenant operations by all branches of the military, including the Reserve and Air National Guard.

Timeline

1941	1942	1945	1946	1949	1950	1971
U.S. enters World War II First temporary depot built at Port Hueneme	Port Hueneme base officially established	Renamed Naval Construction Battalion Center World War II ends	Sea test range is approved by President Truman, Naval Air Missile Test Center at Point Mugu established	Naval Air Station established	Korean War	F-14 System Integration Test Station (SITS) lab becomes operational

Today, the base stands as a full-service organization and is a main naval installation on the West Coast accommodating a wide variety of personnel, missions, battalions, construction forces and more. The major tenant commands at NBVC include Airborne Early Warning Wing, Pacific Fleet; 30th Naval Construction Regiment; Naval Air Warfare Center – Weapons Division; Naval Surface Warfare Center, Port Hueneme Division; Naval Expeditionary Logistics Center; Naval Facilities Engineering Service Center; and the Naval Satellite Operations Center.

Base Statistics

- More than 19,000 personnel (military and civilian) work for, or are stationed on, the base.
- Base covers more than 6,000 acres in Ventura County.
- Port Hueneme features a deepwater port and 16 miles of rail line.
- Point Mugu can accommodate the largest military aircraft.
- The 13,370-acre San Nicolas Island is also part of the base as is the Sea Test Range which covers 36,000 square miles.
- 1,781 housing units are in Port Hueneme, Point Mugu and Camarillo.
- More than 1,500 buildings are in Ventura County.



1989

First launch of a Standoff Land Attack Missile takes place on the base

1991

USSR is disbanded; the Cold War officially comes to a close

1998

Navy-wide program to streamline installations results in a number of changes including the transfer of the Naval Air Station under Commander in Chief, U.S. Pacific Fleet
Four E-2C Hawkeye squadrons were moved to Point Mugu from Miramar

2000

NAS Point Mugu and CBC Port Hueneme consolidated into NBVC

2004

San Nicholas Island officially transfers to NBVC from the Naval Air Warfare Center, Weapons Division

Current Ventura County Social & Economic Conditions

Population

With an estimated 817,315 residents as of January 1, 2006, Ventura County ranks 11th in population size among California's 58 counties. Its population growth rate of 1 percent between January 2006 and January 2007 places it 22nd in the state.¹ Overall, the county population grew at a slightly faster annual rate from 2000 to 2007 than it did from 1991 to 2000.

NBVC and Ventura County have enjoyed a mutually beneficial relationship for many years. Our community and economy have grown in part because of the base, and the base has enjoyed what Ventura brings to all its business residents – great supporting services, goods, location, recreational activities and more. Ultimately, NBVC and the families who live and work on and off the base play an important role in the community.



¹ State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change — January 1, 2006 and 2007. Sacramento, California, May 2007.



Population of Ventura County

	January 1, 2006	January 1, 2007	Annual Percent Change 2000-2007
Ventura County	817,315	825,512	1.44%
Camarillo	64,075	65,601	2.15%
Fillmore	15,170	15,247	1.73%
Moorpark	35,774	36,150	2.19%
Ojai	8,149	8,133	0.47%
Oxnard	189,846	192,997	2.02%
Port Hueneme	22,390	22,347	0.30%
San Buenaventura	106,629	107,490	0.94%
Santa Paula	29,109	29,182	0.31%
Simi Valley	122,612	124,524	1.78%
Thousand Oaks	127,545	127,739	1.37%
Unincorporated	96,016	96,102	0.59%

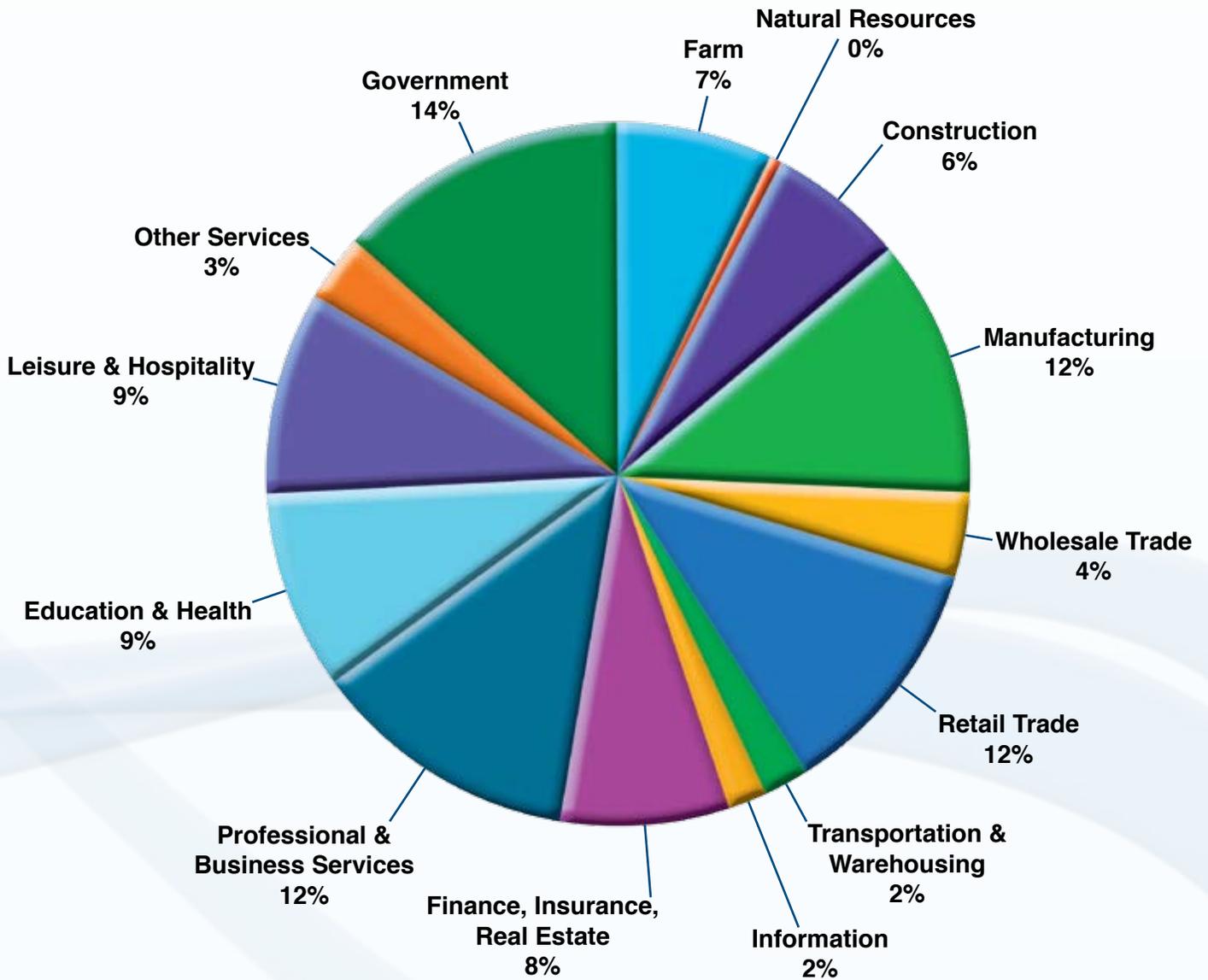
Sources: California Department of Finance E-1 Population Estimates for Cities, Counties and State, May 2007; and California Department of Finance, E-8 Historical Population and Housing Estimates for Cities, Counties and the State, 1990-2000. Sacramento, California, August 2007

Local Employment

Of Ventura County's 320,700 civilian industry jobs in 2006, nearly three-quarters were in the service sector. Including civilian employment at NBVC, government accounted for 14 percent of all civilian jobs in the county. Three other sectors employed about 12 percent each—manufacturing, professional and business services and retail services. Agriculture was a significant part of the Ventura County economy. However farm jobs were only about 7 percent of the county's total.



Ventura County Industry Civilian Employment (2006)

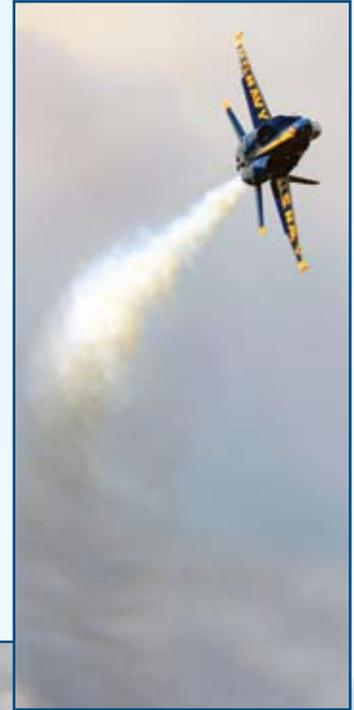


Source: California Economic Development Department

Local Economy

Gross county product increased from \$50.5 billion to \$54 billion between 2005 and 2006, for a real increase of 4.2 percent. This rate was faster than that for California as whole (3.7 percent). On a per capita basis, gross county product increased by 3.4 percent during this time period, while the rate of change for the state was 2.5 percent.²

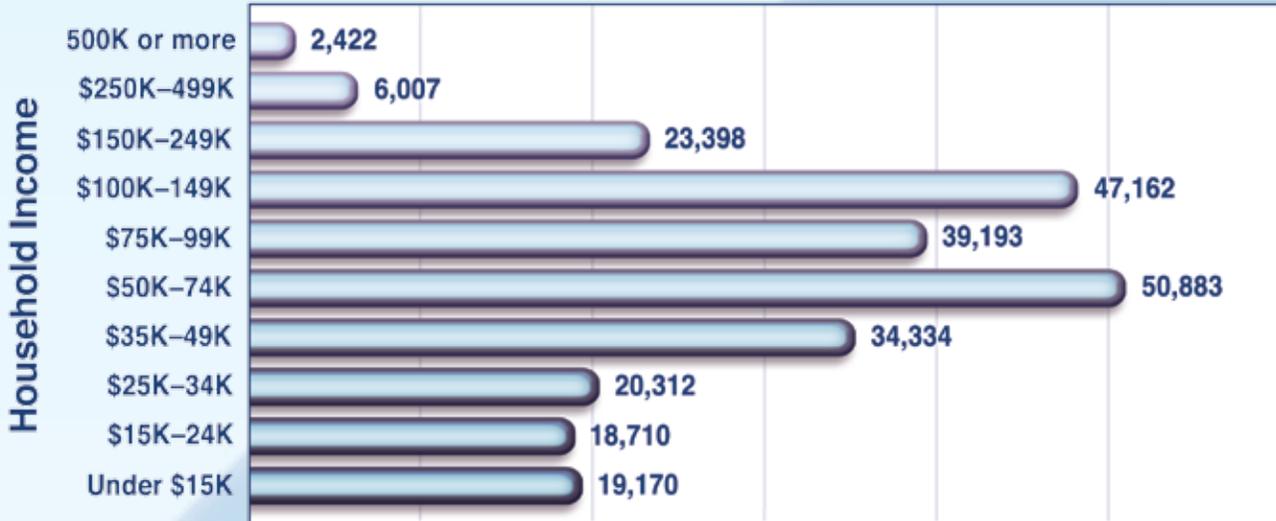
The U.S. Bureau of the Census American Community Survey estimates the 2006 median family income in Ventura County at \$79,910. The median household income is lower at \$72,107. With more than half (54.8 percent) of Ventura county households reporting incomes of less than \$75,000 in 2006, there is substantial income disparity. In 2006, more than 30 percent of households earned more than \$100,000, while 35 percent earned less than half that amount.³ The poverty rate reported by the 2006 American Community Survey is 6.4 percent for families and 8.9 percent for individuals.



² University of California Santa Barbara Economic Forecast Project, Ventura County Economic Outlook 2007, Vol. 14 February 2007. www.ucsb-efp.com

³ Ibid.

Ventura County Household Income Distribution, 2006



Source: Site Reports

Employment

Overall, Ventura County registered a 4.3 percent unemployment rate in 2006. Two areas suffer from persistently high unemployment—both Oxnard and Santa Paula were listed as Labor Surplus Areas by the U.S. Department of Labor for 2006, 2007, and 2008.⁴ The California Economic Development Department preliminary estimates place Oxnard's unemployment at 7.1 percent and Santa Paula's at 8.8 percent for October 2007, while that for the county as a whole is estimated to have been 5.4 percent.

Unemployment, Ventura County, 2004-2006

	2004	2005	2006
Average Workforce	393,800	400,900	407,100
Unemployment Rate	5.4%	4.8%	4.3%

Source: California Employment Development Department

⁴ Except during times of high national unemployment, annual Labor Surplus Area designations are made when the average unemployment rate for the area during the previous two years was 20 percent higher than the national average during the same period. Source: www.doleta.gov/Programs/laborsurplus02.CFM.

Output Impacts

Output describes the total economic activity or value of goods and services generated by NBVC. In 2006, NBVC's total contribution to the county's output was \$1.226 billion. Of this, \$949.3 million was retained locally, with the rest moving out of the county because of foreign and domestic trade. This includes direct activity and indirect and induced activity.

The locally retained portion – \$949.3 million – represents 1.5 percent of the total value of goods and services produced by the entire county in 2006. This implies an output multiplier of 1.86 for output retained locally, which means that for every dollar of output directly attributable to NBVC, another 86 cents of output was estimated to have been generated by the indirect and induced activity associated with it. The direct impact is estimated at \$509.2 million net of foreign and domestic trade. The remaining \$440 million were generated by indirect and induced activity.

NBVC Output Impacts, 2006



Source: IMPLAN Pro®

The direct output effect of NBVC purchasing was about \$279.7 million, of which approximately \$188.2 million was retained in the local economy. About \$94 million flowed to other economies as a result of domestic and foreign trade. Direct output effects associated with payments made to and on behalf of personnel and retirees totaled about \$506.1 million, with about \$185 million going to other regions in foreign and domestic trade, for a net local impact of approximately \$321.1 million.

The private sector industry groups, to which most of the direct output impacts accrued, were Professional Scientific & Technical Services (\$124.6 million), Health and Social Sciences (\$67.7 million), and Retail (\$58.7 million). The direct output impact to Professional Scientific & Technical Services represents 3 percent of the total 2006 Ventura County output for this North American Industry Classification System group. Similarly, the direct output impact to Health & Social Sciences amounts to 2.3 percent of total 2006 output for occupations in this NAICS category.

The direct impact of spending by NBVC and its employees spurred indirect impacts of approximately \$150.5 million, as firms doing business directly with NBVC purchased intermediate goods and services from their own suppliers. This activity mainly accrued to Professional Services (\$31.7 million), Real Estate & Rental (\$20.0 million), and Administrative & Waste Services (\$18.9 million).

Finally, the direct and indirect effects resulted in about \$289.6 million of induced effects—activity attributable to the successive rounds of spending by businesses and consumers. The sectors most affected by induced effects were Retail (\$30.1 million), Health & Social Services (\$30.0 million), and Finance & Insurance (\$21.7 million).

Estimated Impacts* to Output Attributable to NBVC, 2006

Aggregated Sector (NAICS 2-digit)	Direct	Indirect	Induced	Total
Ag, Forestry, Fish & Hunting (11)	1,526.6	756.6	1,113.2	3,396.4
Mining (21)	216.2	3,262.3	1,728.3	5,206.9
Utilities (22)	6,049.0	1,947.8	3,831.2	11,828.1
Construction (23)	12,070.8	3,402.7	8,088.8	23,562.3
Manufacturing (31-33)	23,239.0	12,301.1	16,560.7	52,100.7
Wholesale Trade (42)	31,346.5	7,897.6	15,276.1	54,520.2
Transportation (48-49)	13,046.6	5,906.5	4,217.5	23,170.6
Retail Trade (44-45)	58,728.9	3,782.0	30,149.3	92,660.3
Information (51)	8,428.3	8,324.6	6,554.5	23,307.4
Finance & Insurance (52)	22,555.0	15,703.0	21,726.2	59,984.2
Real Estate & Rental (53)	15,175.0	20,049.0	12,666.7	47,890.7
Professional - Scientific & Technical (54)	124,567.1	31,706.1	18,595.6	174,868.8
Management of Companies (55)	-	4,985.6	2,066.9	7,052.5
Administrative & Waste Services (56)	14,822.7	18,952.0	7,179.9	40,954.7
Educational Services (61)	4,376.6	282.2	3,142.6	7,801.3
Health & Social Services (62)	67,687.3	330.1	29,980.0	97,997.4
Arts - Entertainment & Recreation (71)	3,517.0	885.3	2,763.3	7,165.6
Accommodation & Food Services (72)	20,000.0	4,665.9	14,196.9	38,862.8
Other Services (81)	17,653.4	2,623.8	10,779.7	31,056.8
Government & Non-NAICs (92)	61,992.0	2,709.5	78,940.4	143,641.9
Capital & Inventory Additions/Deletions	2,242.3	-	-	2,242.3
Foreign & Domestic Trade	276,588.5	-	-	276,588.5
Total	\$785,828.7	\$150,473.6	\$289,558.0	\$1,225,860.3

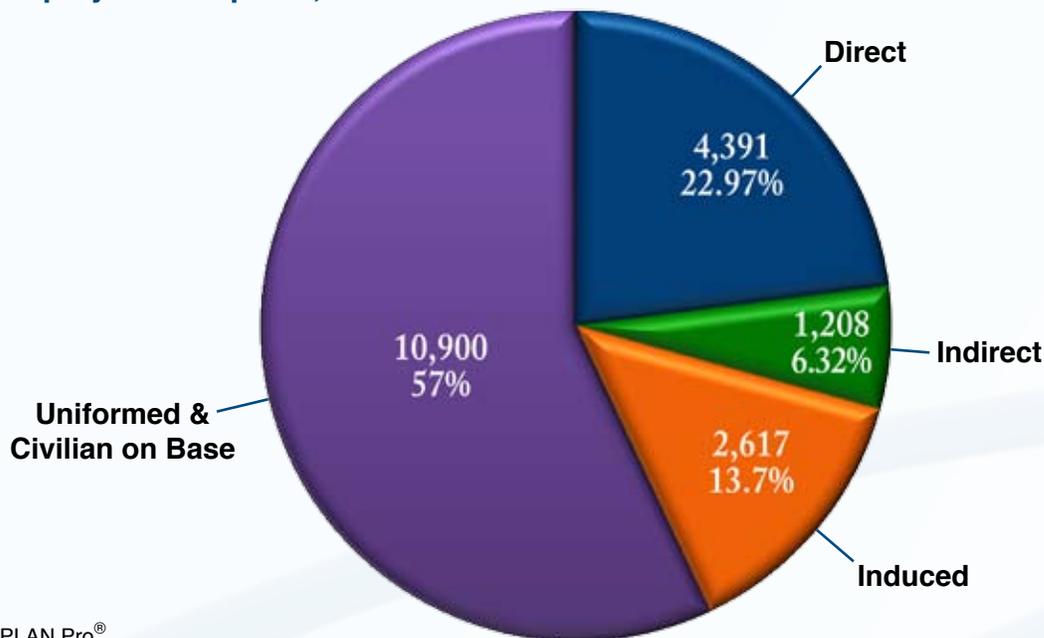
*Stated in thousands of 2006 \$
 May not sum exactly because of rounding
 Source: IMPLAN Pro®

Employment Impacts

Direct NBVC employment impacts to the Ventura County economy totaled approximately 4,391 positions, in addition to the approximately 10,900 uniformed and civilian Navy employees on the base. The indirect NBVC employment impact was another 1,208 positions throughout the County. Induced economic activity supported an additional 2,617 jobs.

In total, the jobs impact is estimated at about 8,216 positions, which implies a jobs multiplier of 1.87—for every 100 jobs directly supported by the spending attributable to NBVC, another 87 are supported by indirect and induced economic activity.

NBVC Employment Impacts, 2006



Source: IMPLAN Pro®

Reflecting NBVC's focus on research, the Professional Scientific & Technical Services category was the most affected by the base's purchasing activities, supporting approximately 1,064 positions in the county. The engineering jobs supported directly represented more than 12 percent of all such positions reported in the County in 2006. Notably, when direct, indirect and induced engineering jobs are totaled, they account for more than 14 percent of all such positions in the county.



Estimated Impacts to Employment of Base Purchasing (Navy Only), 2006

Aggregated Sector (NAICS 2-digit)	Direct	Indirect	Induced	Total
Ag, Forestry, Fish & Hunting (11)	1	4	8	12
Mining (21)	0	1	1	2
Utilities (22)	1	1	3	4
Construction (23)	124	8	23	155
Manufacturing (31-33)	16	11	18	45
Wholesale Trade (42)	46	11	29	86
Transportation (48-49)	88	31	18	137
Retail Trade (44-45)	63	24	170	257
Information (51)	7	11	9	26
Finance & Insurance (52)	0	21	40	61
Real Estate & Rental (53)	0	40	30	70
Professional - Scientific & Technical (54)	1,064	160	62	1,286
Management of Companies (55)	-	8	5	13
Administrative & Waste Services (56)	200	193	45	438
Educational Services (61)	2	2	26	30
Health & Social Services (62)	6	0	143	149
Arts - Entertainment & Recreation (71)	0	8	22	30
Accommodation & Food Services (72)	2	36	104	142
Other Services (81)	43	14	84	141
Government & Non-NAICs (92)	5	6	195	206
Total	1,667	590	1,035	3,291

May not sum exactly because of rounding
 Source: IMPLAN Pro®

Estimated Impacts to Employment of Personnel Expenditures (Navy Only), 2006

Aggregated Sector (NAICS 2-digit)	Direct	Indirect	Induced	Total
Ag, Forestry, Fish & Hunting (11)	22	11	11	44
Mining (21)	0	4	2	6
Utilities (22)	9	2	4	15
Construction (23)	-	20	45	64
Manufacturing (31-33)	40	26	27	93
Wholesale Trade (42)	98	25	41	164
Transportation (48-49)	30	36	27	93
Retail Trade (44-45)	733	26	234	993
Information (51)	18	17	13	48
Finance & Insurance (52)	93	60	56	210
Real Estate & Rental (53)	89	70	43	203
Professional - Scientific & Technical (54)	40	78	94	213
Management of Companies (55)	-	22	7	29
Administrative & Waste Services (56)	13	133	67	213
Educational Services (61)	85	3	36	123
Health & Social Services (62)	721	2	197	919
Arts - Entertainment & Recreation (71)	67	11	30	108
Accommodation & Food Services (72)	358	35	145	538
Other Services (81)	260	25	117	402
Government & Non-NAICs (92)	48	11	387	446
Total	2,724	618	1,582	4,924

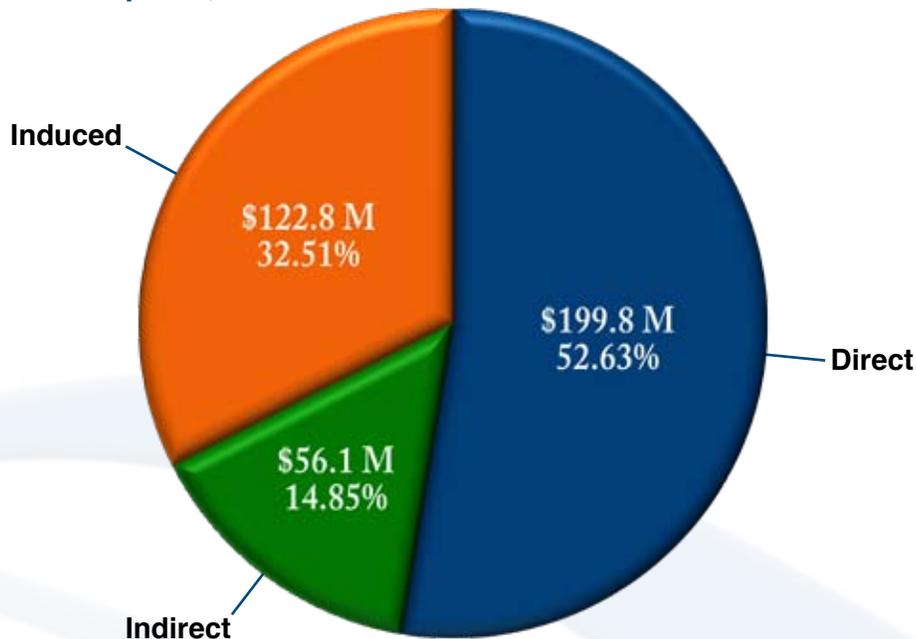
May not sum exactly because of rounding
Source: IMPLAN Pro®



Labor Income Impacts

As the leading employer in the county, NBVC's labor income impact – or the money it contributes as salaries and job payments – also bears a significant footprint. Labor compensation from direct, indirect and induced activity associated with the base totaled \$377.7 million in 2006. A labor income multiplier of 1.9 is implied—for every dollar of labor income generated directly by the economic activity of NBVC, another \$0.90 was generated by the indirect and induced effects.

NBVC Labor Income Impacts, 2006



Source: IMPLAN Pro®

About \$198.8 million in labor income was associated with the direct impacts of the expenditures related to NBVC in 2006. Nearly a third—about \$88.1 million—accrued to people working in Professional Scientific & Technical Services. The remainder was dispersed among all sectors, with relatively large shares going to Health & Social Services (\$54.7 million) and Retail (\$38.9 million).

Indirect impacts accounted for an estimated \$56.1 million and induced impacts are estimated to have amounted to \$122.8 million. Most of the income from indirect and induced effects went to workers in Government and other non-NAICs (North American Industry Classification System) categories (\$40.1 million). Professional-Scientific and Technical workers earned about \$23.2 million as a result of the indirect and induced activity, while Health and Social Services workers received about \$16.7 million and Retail workers received about \$14.2 million.

Estimated Impacts to Labor Income of Base Purchasing (Navy Only), 2006

Aggregated Sector	Direct	Indirect	Induced	Total
Ag, Forestry, Fish & Hunting (11)	39	188	230	456
Mining (21)	0	116	183	300
Utilities (22)	46	114	259	420
Construction (23)	7,141	445	1,341	8,928
Manufacturing (31-33)	1,157	755	1,385	3,297
Wholesale Trade (42)	3,801	930	2,403	7,134
Transportation (48-49)	5,005	1,667	861	7,533
Retail Trade (44-45)	1,775	753	5,298	7,826
Information (51)	526	867	672	2,066
Finance & Insurance (52)	3	1,597	3,165	4,764
Real Estate & Rental (53)	7	1,258	931	2,196
Professional - Scientific & Technical (54)	62,858	9,426	3,634	75,918
Management of Companies (55)	-	556	363	919
Administrative & Waste Services (56)	6,351	5,995	1,433	13,778
Educational Services (61)	63	57	673	792
Health & Social Services (62)	288	2	6,978	7,268
Arts - Entertainment & Recreation (71)	4	169	470	643
Accommodation & Food Services (72)	58	879	2,094	3,031
Other Services (81)	1,502	415	1,962	3,879
Government & Non-NAICs (92)	261	343	13,303	13,906
Total	\$90,883	\$26,533	\$47,638	\$165,054

*Stated in thousands of 2006 \$
 May not sum exactly because of rounding
 Source: IMPLAN Pro®





Estimated Impacts to Labor Income of Personnel Expenditures (Navy Only), 2006

Aggregated Sector	Direct	Indirect	Induced	Total
Ag, Forestry, Fish & Hunting (11)	695	222	325	1,242
Mining (21)	56	735	267	1,058
Utilities (22)	965	219	377	1,561
Construction (23)	-	1,128	2,573	3,701
Manufacturing (31-33)	3,237	1,982	2,025	7,243
Wholesale Trade (42)	8,073	2,061	3,384	13,518
Transportation (48-49)	1,324	1,784	1,257	4,365
Retail Trade (44-45)	22,953	821	7,292	31,065
Information (51)	1,400	1,272	963	3,635
Finance & Insurance (52)	7,311	4,341	4,464	16,115
Real Estate & Rental (53)	2,654	2,154	1,323	6,131
Professional - Scientific & Technical (54)	2,060	4,579	5,540	12,179
Management of Companies (55)	-	1,549	510	2,059
Administrative & Waste Services (56)	420	4,162	2,141	6,722
Educational Services (61)	2,229	73	934	3,237
Health & Social Services (62)	37,714	120	9,594	47,427
Arts - Entertainment & Recreation (71)	1,430	221	650	2,301
Accommodation & Food Services (72)	6,992	793	2,921	10,706
Other Services (81)	5,944	718	2,760	9,422
Government & Non-NAICs (92)	2,470	602	25,860	28,933
Total	\$107,926	\$29,537	\$75,159	\$212,622

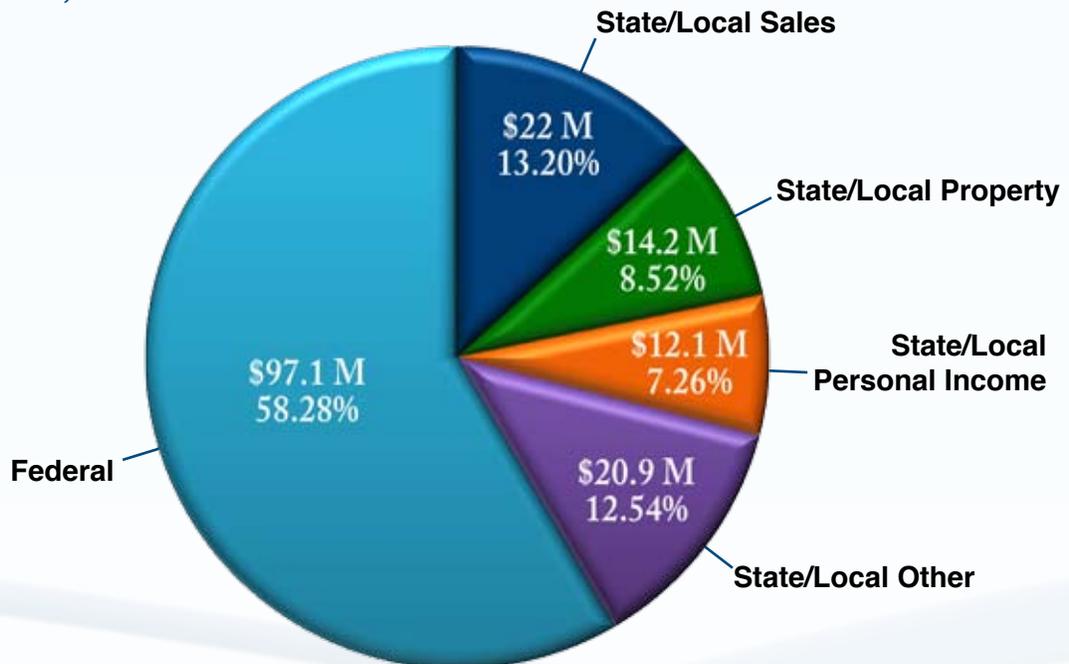
*Stated in thousands of 2006 \$
 May not sum exactly because of rounding
 Source: IMPLAN Pro®

Tax Impacts & Direct Aid to Schools

Approximately \$166.6 million in paid taxes were attributable to NBVC in 2006. This includes direct, indirect and induced effects. Most relevant to the local community, approximately 42 percent or \$69.2 million went towards state and local governments. Of these taxes, \$14.5 million was paid toward property taxes and \$22 million went toward sales taxes.

In addition, nearly \$1 million was paid by NBVC to three local schools to defray the costs associated with educating the children of military families living on the base.

NBVC Tax Impacts, 2006



Source: IMPLAN Pro®



Estimated Tax Impacts to Ventura County, 2006

		Total
Enterprises (Corporations)	Transfers	321,131
	Subtotal	\$321,131
Federal Government NonDefense	Corporate Profits Tax	14,949,971
	Indirect Bus Tax: Custom Duty	1,117,962
	Indirect Bus Tax: Excise Taxes	3,013,524
	Indirect Bus Tax: Fed NonTaxes	1,366,137
	Personal Tax: Estate and Gift Tax	
	Personal Tax: Income Tax	35,700,037
	Personal Tax: NonTaxes (Fines- Fees)	
	Social Ins Tax- Employee Contribution	21,656,153
	Social Ins Tax- Employer Contribution	19,260,919
	Subtotal	\$97,064,704
State/Local Govt NonEducation	Corporate Profits Tax	3,890,933
	Dividends	5,590,359
	Indirect Bus Tax: Motor Vehicle Lic	390,546
	Indirect Bus Tax: Other Taxes	3,792,713
	Indirect Bus Tax: Property Tax	14,522,018
	Indirect Bus Tax: S/L NonTaxes	1,745,565
	Indirect Bus Tax: Sales Tax	22,020,797
	Indirect Bus Tax: Severance Tax	6,873
	Personal Tax: Estate and Gift Tax	
	Personal Tax: Income Tax	11,975,174
	Personal Tax: Motor Vehicle License	435,777
	Personal Tax: NonTaxes (Fines- Fees	3,036,974
	Personal Tax: Other Tax (Fish/Hunt)	81,781
	Personal Tax: Property Taxes	142,127
	Social Ins Tax- Employee Contribution	308,564
	Social Ins Tax- Employer Contribution	1,234,670
Subtotal	\$69,174,871	
Total		\$ 166,560,706

Stated in 2006 \$
Source: IMPLAN Pro®

Glossary

Direct Impacts: Those changes to county output, employment, and labor income which flow from specific expenditures made for the construction of a project and/or expenditures made for the operation of a business or consumer spending. An example of a direct impact is a vendor's increase in sales because of increased business or consumer demand, such as the award of a government contract.

Fiscal Impacts: Those changes to tax receipts and to operating expenditures of the various governmental agencies under whose jurisdiction an event or project falls. These impacts are the result of direct, indirect and induced economic effects.

IMPLAN: A proprietary input-output model maintained by Minnesota IMPLAN Group. The model uses information about the types and amounts of production factors—raw materials, labor, and intermediate goods—used to produce any given type of output. Beginning with the dollar valuations of the inputs, IMPLAN employs matrix algebra to calculate the flow of dollars spent on original purchases as it works its way through the local economy. Data from various governmental sources are used to update the model on an annual basis. Originally developed for use by the U.S. Forest Service in response to a requirement in the 1970 National Forest Management Act for economic impact analysis, IMPLAN is now widely used to assess the impact of both public and private projects.

Indirect Business Taxes: Taxes paid by industry. This category includes taxes on business licenses, sales, and motor vehicle licenses, among other items.

Indirect Impacts: Arise when local industries directly impacted by the event being studied deal in turn with their suppliers. Examples would be the increased sales by local manufacturers of intermediate products (e.g. microchips) as a result of increased demand for computers to fill a government contract.





Induced Impacts: Estimates of activity attributable to the consumption spending of employees of firms that are directly or indirectly affected by the expenditures related to the project being studied. An example of this would be the increased spending by a computer salesperson's household made possible by the extra income gained from increased sales as a result of the award of a government contract.

Input-output model: A mathematical model of the relationships between the linear production functions of industries that comprise an economy within a defined geographic area. For each factor of production in any given production function, a fixed input coefficient is calculated from empirical data. An algebraic matrix built using the input coefficients maps the flow of goods and services between the specific industries within the economy being studied and accounts for any which must be procured from another economy through trade either because of capacity constraints or because an industry is not represented in the economy being modeled. A simple input-output model forecasts the change in output expected from a given change in the inputs (e.g. an increase in jobs), or conversely the change in inputs required to achieve an increased level of output.

NAICS: Acronym for North American Industry Classification System, which is replacing the older Standard Industrial Classification (SIC), and is used to classify and record economic activity so that it can be measured and analyzed by sector, subsector, industry group and industry. The United States, Canada and Mexico are all transitioning to NAICS, which will allow for better economic analysis and comparison across international boundaries.

Output: Monetary value of goods and services produced by a firm or, in aggregate, by an economy during a given period of time.

SAM: Acronym for Social Accounts Matrix. This type of accounting includes such currency flows as social security, income tax and inter-institutional transfers when calculating the direct, indirect and induced economic impacts.

Appendix I: Study Methodology

The economic activity attributable to Navy operations at Naval Base Ventura County in 2006 was identified from several sources. In addition to support from the NVBC Commanding Officer and Executive Officer and their staff, substantial assistance was extended by the Office of the Commander Navy Region Southwest. Also, data specific to Ventura County and the Navy were drawn from the Consolidated Federal Funding Reports⁵ and from the DD350 reports⁶ of Department of Defense spending.

It is important to note that only expenditures associated with the Navy are included in this study and that the impact of Department of Defense spending is greater than reported here. As noted above, personnel of other armed services are stationed on NBVC, but data for them were not readily available. Data were available for other Department of Defense contract spending in Ventura County, but because particular expenditures could not be tied to NBVC, this spending was not included in the study.

In instances when complete data were not available, a reasonable approach to making assumptions was taken. The case of retirees is an example of this. Because detailed information could not be obtained, studies conducted at other naval bases were used to determine how to handle the impact of retiree salaries on the county's economy.⁷ These studies indicated that while proximity to base facilities, such as the commissary and base exchange, is a major factor in retirees' location decisions, other factors come into play as well—proximity to Veterans' Administration facilities, climate, and proximity to family, to name a few. Based on this information, the characteristics of this region of California, and taking the availability of the Commissary and Navy Exchange into account, the working assumption was made that only 30 percent of retiree-income would be considered directly attributable to Naval Base Ventura County.

⁵ The CFFR was the source for information on wages, salaries, and retirement and disability payments made to individuals.

⁶ The Department of Defense DD350 reports were the source of information for contract spending.

⁷ Two studies consulted specifically address retiree issues: Old Dominion University Economic Forecast Project, State of the Region 2003 (Norfolk, VA: 2003). See Chapter 4: Military Retirees in Hampton Roads. Last accessed 8/28/06 at <http://www.odu.edu/bpa/forecasting/sors.shtml>. SB480 Task Force, Study of the Financial Impact of Retired Military Service Personnel on the Economy of the State (Annapolis, MD: 2003). Last accessed 8/28/06. http://www.mdva.state.md.us/pdf/sb480_task_force_study.pdf

This analysis used IMPLAN Pro™, an input-output model commonly used by governmental agencies.⁸ Beginning with the dollar valuations of inputs, IMPLAN calculates the dispersion of dollars associated with an original event (e.g. production, addition of jobs, consumer spending) through successive rounds of spending in the local economy. Data from the Bureau of Labor Statistics (BLS) Census of Employment and Wages (CEW), and the BLS Regional Economic Information System (REIS) data set are used to update the model on an annual basis.⁹ The structural matrix used in this analysis is based on data for 2006, the latest year for which sufficient data are available to construct the matrix.

The Social Accounts Matrix (SAM) was used in this study and included social security, income tax, inter-institutional transfers, and similar currency flows in calculating the direct, indirect and induced effects¹⁰ of the initial expenditure.

The multipliers generated by this analysis are appropriately applied only to impacts associated with Naval Base Ventura County in 2006, because they are based on a particular set of economic events and on the structure of the economy in Ventura County at the time the data used to construct the IMPLAN model were collected.¹¹



⁸ A more detailed description of IMPLAN is included below and in the glossary.

⁹ The CEW data are a count of employees who work during each month and a total of wages paid each quarter by employers who are subject to unemployment insurance taxes. IMPLAN uses the REIS data from the BLS to estimate the number of self-employed.

¹⁰ Definitions of direct, indirect and induced impacts are found in the glossary.

¹¹ The type and quality of data used will also affect the analysis. Those analyses done with the benefit of highly detailed survey information are generally more accurate than those which rely on estimates.

Research

Weaver Research & Consulting Group

www.weavergroup.org

Susan H. Weaver, M.A.



Contributions

Naval Base Ventura County

www.cniv.navy.mil/ventura/

Captain Brad Conners,

USN Commanding Officer

Captain David Fleisch,

Civil Engineering Corps,

USN Chief Staff Officer



Ventura County Economic

Development Association

Bill Buratto, CEO

www.vceda.org



Design & Production

theAgency

www.agency2.com





WIB Staff

Cheryl Moore
Executive Director

Richard McNeal, Ph.D.
Resource Development & Planning Manager

Theresa Salazar Vital
Performance & Policy Manager

Jesse L. Tyler, Jr.
Operations Manager

Sylvia Torres
Program Assistant



About the Workforce Investment Board

The Ventura County Workforce Investment Board (WIB) oversees the distribution of federal funds for workforce development in Ventura County. Through partnerships with contracted providers and the Ventura County Job and Career Centers, the WIB supports programs that prepare youth and adults for current and future jobs and provides employee recruitment, customized training and business consulting services to local employers. Job and Career Center services are provided at no cost to job seekers and employers.

Workforce Investment Board Of Ventura County

Alex Teague, WIB Chair
Limoneira Company

Steven Kinney, WIB Vice Chair
Economic Development Corporation of Oxnard

Sarah Asbury
Department of Rehabilitation

Will Berg
Oxnard Harbor District

Victor Dollar
Four Points by Sheraton

Kay Faulconer-Boger, Ed.D
Ventura College

Ed Gonzales
Wellpoint, Inc.

Salvador Gonzalez
City of Oxnard Housing Authority

Bill Hicks
Western Automotive Consulting

Teresa Johnson
Ventura Adult & Continuing Education

Victoria Jump
Area Agency on Aging – County of Ventura

Anthony Kourounis
National Bank of California

Ernestine Lopez
Candelaria American Indian Council

Paul Matakiewicz
United Healthcare Workers West,
Service Employees International Union

Mary Navarro-Aldana
Employment Development Department

Victoria Pallan
Communications Workers of America Local 9575

Bernardo Perez
Community Action of Ventura County

Hugh Ralston
Ventura County Community Foundation

Jesse Ramirez
Pacific Maritime Association, ILWU #46

Alex Rivera
Telair International Incorporated

Johnny Rodriguez
Center for Employment & Training

Zahid Shah
United Shah Corporation

Tony Skinner
Tri-Counties Building & Construction

Zoe Taylor
Ventura Chamber of Commerce

Marilyn Valenzuela
Tri-Counties Central Labor Council

Marcos C. Vargas
Central Coast Alliance United for a
Sustainable Economy

Gary L. Wartik
City of Thousand Oaks

Charles Weis, Ph.D
Ventura County Office of Education

Nancy M. Williams
Southern California Edison

Barry Zimmerman
Human Services Agency – County of Ventura

855 Partridge Drive
Ventura, CA 93003
805.477.5342
www.wib.ventura.org

