

FOR IMMEDIATE RELEASE

Gov. Raimondo: SENEDIA Report Highlights 30,000 Jobs, \$4.3 Billion in Economic Impact from Defense Cluster in R.I.

Newport, R.I. (August 30, 2017) — Rhode Island’s defense cluster accounts for thousands of jobs and billions in economic impact, according to an in-depth report on the Economic Impact of the Rhode Island Defense Cluster released today by The Southeastern New England Defense Industry Alliance (SENEDIA). The report, highlighted in remarks by Gov. Gina M. Raimondo at SENEDIA’s annual Defense Innovation Days, highlights significant growth in recent years.

“The Defense Cluster significantly impacts our state’s economy with high-wage job creation, economic output, and tax revenue,” said Gov. Raimondo. “It’s critical that we continue to foster the innovation and growth of this cluster for our current and future workforces as it is the highest paying sector in the state.”

The report highlights the economic impact of the Defense Cluster including:

- \$4.3 billion in economic output which represents 7.6 percent of the state’s Gross Domestic Product;
- Almost 30,000 jobs supported, representing 6.2 percent of total employment in the state and reflecting over 12% growth since 2012;
- The highest RI wage sector with the following average salaries: \$101,400 for defense civilian employees at the Naval Undersea Warfare Center (NUWC) Division Newport; \$91,700 for all DoD civilian employees; and \$70,200 for private defense industry employees.
- Created over \$2 billion in income for Rhode Island households;
- Generated \$146.9 million in tax revenues for State and local governments in 2016.

View the entire report here: [Economic Impact of the RI Defense Cluster Report](#)

“My goal is to strengthen our nation and bring jobs, business, and opportunities to Rhode Island and our defense industry is vital to achieving those objectives. Our military installations and civilian personnel contribute mightily to our economy and communities,” said Senator Reed (RI), the Ranking Member of the Senate Armed Services Committee and a senior member of the Appropriations Subcommittees on Defense and Military Construction-Veterans Affairs (Milcon-VA).

“I have worked on the Armed Services and Appropriations Committees to make strategic investments to ensure Rhode Island is a high-tech hub of undersea technologies now and in the future. Today, those investments are paying off and the state’s defense sector plays an

outsized role in safeguarding our nation. Rhode Island defense workers are a force for economic growth, helping the Navy develop and build the next generation of submarines, and delivering great value for U.S. taxpayers. We must continually build on this progress and seek ways to add new infrastructure, personnel, and capabilities,” added Senator Reed.

“The defense industry in Rhode Island equips the best fighting force in the world to succeed on the battlefield. This report shows how that important work creates jobs and contributes to the Rhode Island economy,” said Senator Whitehouse (RI). “I’m proud to work alongside Senator Reed and Congressmen Langevin and Cicilline to help defense workers and companies thrive in Rhode Island.”

“Rhode Island is home to several leading defense organizations, and this study reaffirms what we already know to be true,” said Congressman Langevin (RI), a senior member of the House Armed Services Committee. “The economic impact of our state’s defense industry is extensive, with the Defense Cluster supporting nearly 30,000 high-wage jobs and contributing millions of dollars in tax revenue for the state. The report also highlights the growth in the sector, and, as co-chair of the Congressional Career and Technical Education Caucus, I am committed to ensuring Rhode Island’s workforce is trained with the skills needed to fill newly created jobs in the Cluster.”

“Our national security relies on our ability to equip the men and women of our Armed Forces with everything they need to accomplish their missions safely and effectively,” said Congressman Cicilline (RI). “The defense cluster in Rhode Island is one of the most innovative in the country and plays a critical role in keeping our nation safe. Almost 30,000 Rhode Islanders work in the defense cluster, and I am committed to supporting their outstanding efforts.”

“Rhode Island’s Defense Cluster continues to grow and with it comes the need for a highly skilled workforce,” said Stefan Pryor, Rhode Island Secretary of Commerce. “We are working hard through our Real Jobs RI program to prepare the next generation of the workers who will join the workforce with the skills needed to be successful in this innovative and growing Cluster.”

The Defense Cluster supports more than direct Rhode Island employees and their families, according to the report. The indirect impact of the Cluster affects the inter-industry— purchases of equipment, rents, raw materials—all of which create additional employment, income, and output in the economy. Lastly, the Cluster also has an induced effect, which refers to the economic activity generated by the spending of income earned directly from the Cluster as well as the income earned via the indirect impact on local business and services. These three impacts create a multiplier effect throughout the state, linking the growth of the Defense Cluster with growth in other industries, according to the report.

“Rhode Island’s Defense Cluster continues to be an important driver in Rhode Island’s economy and is a national leader in undersea technology,” said Molly Donohue Magee, SENEDIA’s Executive Director. “Our recent Defense Innovation Days event in Newport highlighted the

talent, innovation and collaboration that makes the Rhode Island Defense Cluster an important economic engine.”

The report was prepared by Edinaldo Tebaldi, Ph.D, Professor of Economics at Bryant University. This report was commissioned and funded by SENEDIA. The report was an update of a previous report completed in 2014.

About SENEDIA: A catalyst for thought leadership and innovation in undersea technology, cybersecurity and defense technologies. The organization is focused on growing regional opportunities in the defense and homeland security sectors and facilitates associated workforce development efforts.