Milgard Team To Calculate Economic Impact of JBLM

A team from the Milgard Center for Business Analytics is helping determine the economic impact of the Joint Base Lewis-McChord workforce.

In less than a year, the Center for Business Analytics in UW Tacoma's Milgard School of Business has emerged as a vital collaborative force in the South Sound community. The Center connects teams of business students with local for-profit, non-profit and government organizations for intensive real-world problem-solving over periods ranging from 10 to 40 weeks.

This year’s cohort of students in the Master of Science in Business Analytics program are finishing up projects with nine organizations, ranging from Boeing to Stellar Industrial.

One such project was commissioned by the South Sound Military & Communities Partnership in Lakewood. SSMCP provides “regional leadership to bridge military and civilian communities,” particularly those surrounding Joint Base Lewis-McChord.

Northwest Guardian, the official news media arm of JBLM, recently published a story on the Milgard-SSMCP project, which we are glad to share.

Local Partnership: Leaders briefed on JBLM economic study

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By John Norgren
Joint Base Lewis-McChord Public Affairs
(reprinted with permission)
A project that will capture Joint Base Lewis-McChord’s value to neighboring communities and Washington state was unveiled May 17 during a South Sound Military and Communities Partnership breakfast meeting at the Eagles Pride Golf Course and Conference Center.

About 140 elected officials, staff members, business leaders and senior military leaders were present to hear how SSMCP has partnered with the University of Washington Tacoma’s Milgard School of Business Center for Business Analytics to conduct a JBLM Regional Economic Impact Analysis report.

Attendees were told how and why this analysis is being done. The goal is to brief the report’s final version during the SSMCP’s November Elected Officials meeting.

Lakewood Mayor Don Anderson said the study comprehensively explains JBLM’s economic benefits to local communities—a factor the Department of Defense weighs when making force restructuring decisions.

“This economic impact analysis project is something the South Sound very much needs,” Anderson said. “This study will help (SSMCP) members quantify the value of JBLM and make a stronger case to the DOD for decisions to realign missions to JBLM.”

While a previous efforts focused defense contracts' impact on the state economy, Bill Adamson, SSMCP program manager, wanted this study to capture JBLM-specific impacts.

“We know from the surveys SSMCP conducts every other year JBLM is pretty heavily invested in 17 communities across the South Sound, because that is where Soldiers, Airmen and the (civilian) workforce live,” Adamson said. “So what we wanted to do, which is a little bit different is look at the financial impacts of the JBLM workforce (and operations). So we entered this partnership with UW Tacoma.”

Professor Haluk Demirkan, director, UW Tacoma Center for Business Analytics, explained this effort will have two phases.

“During the first, we are basically looking at the impact of JBLM on the community,” he said. “We hope to submit a report by November 2018. In the long run (phase two), we’d like to create an economic impact analysis dashboard.”
The dashboard will include historical data, accept user updates, perform analysis and present its findings via its website. Users will see major JBLM funding areas—payroll, defense contracts, operations and maintenance. Based on 2015 data, JBLM’s preliminary total exceeds $7.8 billion.

It will also include such areas as secondary jobs created, tax revenue, transportation, health care, housing, banking and finance, education and retail spending. Retail spending will likely be the study’s biggest impact area.

“Everyone goes home and spends their paycheck in the local economy,” said Professor Margo Bergman of the Center for Business Analytics. “They go to restaurants, buy clothes. All of those things go away if their payroll goes away. So we’re in the process of identifying where (JBLM) people are and what they need.”

U.S. Rep. Denny Heck, who represents Washington’s 10th Congressional District where JBLM resides, believes the final report will demonstrate JBLM’s economic importance.

“I predict with, great confidence, (the report is) going to say how very, very important JBLM is,” Heck said.

Although JBLM is a major force generation installation and power projection platform, it’s also a major economic engine, according Bruce Kendall, CEO, Tacoma-Pierce County Economic Development Board. He talked about JBLM being the state’s third largest employer—behind Boeing and the state—and the leading employer in Pierce County.

“The economic engine supreme in Pierce County is JBLM,” Kendall said. “Approximately 55,000 service members and civilian employers work at JBLM.”
Milgard School of Business Professor Haluk Demirkan, Director of the Center for Business Analytics, discussing an economic impact analysis of JBLM with the South Sound Military & Community Partnership.
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A Creative Take on Business[10]
An artist and computer scientist, Nick Butler is excited to foster growth at the Milgard School of Business as the newest Instructional Designer and Technologist.

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