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The Joint Forces Command directly employs approximately 5,650 in the Hampton Roads region, many that are in high value added occupations that pay salary and benefits exceeding region wide averages. An estimated 5,150 additional indirect and induced jobs are created through activities related to JFCOM's presence. These 10,800 jobs generate an estimated \$600 million in regional personal income.

The income that is generated by JFCOM employment quickly flows through the regional economy by way of the expenditure circuit, which is important as consumption constitutes 70% of Gross Regional Product.

Studying the consumption change that would result from a possible closure of JFCOM indicates what occupations and industries in the region would be affected. The figure below indicates where consumption would contract as a result of a proposed JFCOM closure. Areas where there is significant expenditure discretion or where families have the option to cut back tend to experience the largest income declines. Thus, healthcare declines through a decrease in discretionary doctor visits and transportation declines with both a drop in commuting and as consumers try to reduce spending. The ability to only impact some areas quickly explains why necessities such as housing would see a comparatively small decline despite being the major family expenditure (typically 30% of the family budget is devoted to rents or mortgage payments).

A decline in regional consumer spending will prove problematic, as consumption typically provides the path out of a recession. Retail spending and fixed residential investment (building homes) have restarted regional economic growth in most post-war recessions, and with prolonged weakness in both sectors, the region will either need to develop manufacturing/service exports, or remain dependent on federal dollars.

Consumption Spending Related to JFCOM - Top 10 Sectors

