



ECONOMIC IMPACT ANALYSIS:

INDIANA'S AIR NATIONAL GUARD 181ST INTELLIGENCE WING

TERRE HAUTE
CHAMBER OF COMMERCE



WEST CENTRAL INDIANA
PARTNERSHIP

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EXECUTIVE SUMMARY

The Indiana Air National Guard's 181st Intelligence Wing, located at Terre Haute's Hulman Field Air National Guard Base, provides globally integrated Intelligence, Surveillance and Reconnaissance (ISR), special warfare, agile combat support and domestic response.

The West Central Indiana Defense Network was created in an effort to remain vigilant to the fast-moving and ever-changing defense dialogue and to advance the region's opportunities in defense development by addressing the needs of the military through creative problem-solving and industry development.

This report, prepared for the West Central Indiana Defense Network, evaluates the economic impact of select spending at this base, namely employee payroll and benefits, information technology contractor, utilities, food and lodging for part-time reservists, vehicle parts, recruitment activities and Indiana's National Guard educational benefit plus some minor base construction in 2024, in three geographies: Vigo County, the 8th Congressional District and the state of Indiana.

In addition to base operations, this report evaluates the economic impact of the \$13 million Small Arms Range with the Combat Arms Training and Maintenance (CATM) facility, which is in the design phase in July 2025 and is scheduled to be complete in 2027.



Indiana 8th Congressional District

KEY REPORT FINDINGS

- The 181st base operations support more than 1,080 jobs annually throughout the state of Indiana with a total annual economic impact of over \$125M.
- At the local level, the total economic impact is \$49M with almost 266 jobs supported in Vigo County annually.



ABOUT THIS REPORT

Located in Terre Haute, Indiana, the Air National Guard's 181st Intelligence Wing (IW) provides operationally ready, deliberately developed and expertly led Airmen to support local communities plus state and nation with the primary mission of intelligence, surveillance and reconnaissance (ISR). Located at Hulman Field Air National Guard Base, the 181st IW supports contingencies around the world. Known as the Racers, the 181st's history is tied to Anton "Tony" Hulman, Jr. and his purchase of the Indianapolis Motor Speedway (IMS) after World War II and his role in bringing the Indiana Air National Guard to Terre Haute.

The 181st IW provides innovative airmen operating in globally integrated ISR, special warfare, agile combat support and domestic response including man-made and natural disasters. In addition to ISR, the 181st has the Mission Support Group (MSG), Medical Group (MDG), the 113th Contingency Response Squadron (CRS) and the 113th Weather Flight (WF). Other support staff at the Hulman Field Air National Guard Base consist of a comptroller flight, judge advocates, chaplains and other executive functions for a fiscal, legal and administrative foundation for the Wing's activities.

The Small Arms Range with the Combat Arms Training and Maintenance (CATM) facility is under a design-build contract and is expected to be complete between April and October 2027, depending on construction schedules. Howard W. Pence Inc. of Elizabethtown, Kentucky, is the general contractor with all subcontractors local to Terre Haute so CRI attributed the full project cost to Vigo County. CATM will provide onsite weapons qualification capability for over 400 deployable airmen, who now must travel to off-base locations for multiple days to complete these qualifications. Once open, the 9,135-square-foot CATM will reduce travel costs and time away from base, which negatively affected mission readiness. Completion of this new operational asset will enhance routine training and increase the 181st's capability to support just-in-time training for short-notice deployment requirements. In addition to base operations, Terre Haute's CATM will provide community engagement with local law enforcement agencies and other federal partners.

This project evaluated the economic impact of select activities at the 181st IW, namely annual base operations for 2024 and the construction of the CATM.

West Central Indiana Defense Network (WCIDN) contracted with Purdue University Fort Wayne Community Research Institute (CRI) to conduct this study that measures the direct, indirect and induced impacts of the 181st operations and the CATM construction project in Vigo County, Indiana, Indiana's 8th Congressional District and the state of Indiana.

CRI used IMPLAN, an input-output economic impact software system, to calculate the direct, indirect and induced jobs and economic activity of labor income and value added resulting from payroll and select spending at the 181st IW. The full list of inputs and their values are listed in the Data Inputs section.

ECONOMIC IMPACT

The IMPLAN model follows a dollar through the economy to create the economic impact through a series of multipliers of that activity unique to that location or geography. It reports three levels of economic activity with both supported jobs and economic value:^[2]

1. **Direct:** These come from the inputs into the IMPLAN model. For this project, CRI entered amounts provided by 181st leadership, and CRI allocated to the respective industries.
2. **Indirect:** Indirect values are derived from the business-to-business supply chain transactions as a result of the direct spend. For example, restaurants need to purchase property insurance so an insurance agency could be an indirect support from the direct spend.
3. **Induced:** Induced values are a result of the employees supported by the direct spend and their household purchases. In this case, a civilian employee who hires a dog groomer creates induced economic activity as a result of his employment at the 181st IW.

This base operations analysis shows minimal indirect or business-to-business impact because the majority of the spending reflects government payrolls, which do not create indirect impact. Instead, this analysis reflects consumer spending, which creates the induced impact. If additional on-base spending was available for this analysis, the measured indirect impact would be larger.

IMPLAN's economic impact is calculated from adding the labor income and value-added outputs to create the total economic impact, with each category for the direct, indirect and induced impacts.

The economic impact and labor income reflect 2024 dollars for base operations. (See pages 9-10 for detailed economic impact data.)



² <https://blog.implan.com/understanding-implan-effects>

DATA INPUTS

An economic impact analysis measures the “impact” of economic activity, such as consumer and business spending or payroll. The model follows how a dollar flows through the economy and adds the appropriate value or multiplier along the way for the specific geography. The pandemic-related shutdowns and associated cutbacks in consumer spending in 2020 demonstrated how a change in spending can ripple through the economy.

To calculate the economic impact of the base, the 181st IW’s leadership provided data for 2024 (unless otherwise noted) about the following:

1. Payroll and benefits of full-time military employees
2. Payroll and benefits of Indiana Guard civilian employees
3. Payroll and benefits of part-time military employees
4. Payroll and benefits of state government employees
5. Contract for Information Technology vendor for on-site services
6. Food and lodging expenses^[1]
7. Select base operational expenses with utilities and vehicle parts
8. Minor construction
9. Recruiting expenses
10. Indiana’s National Guard education benefit
11. CATM construction (starting in 2025 through 2027)



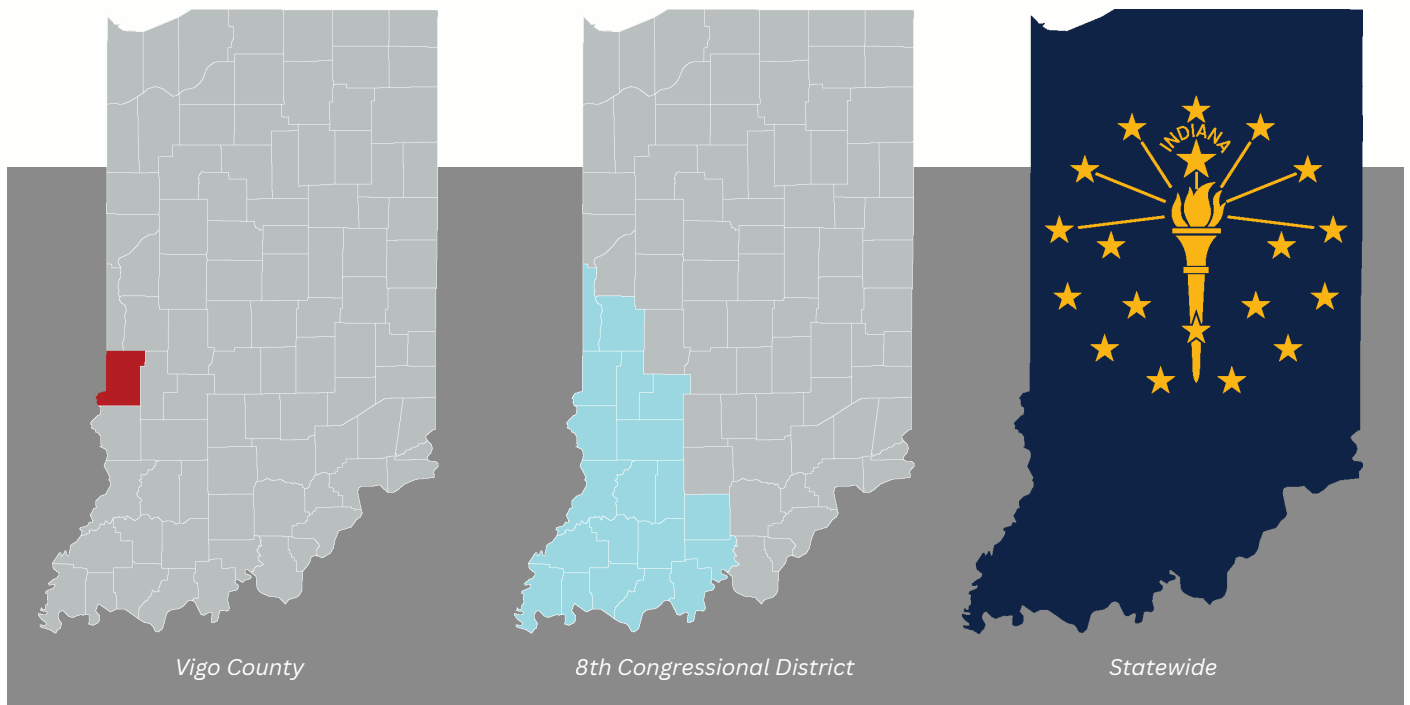
¹ Lodging expenses were calculated using some 2025 numbers but the 181st IW leadership believes they sufficiently represent 2024’s totals.

DATA INPUTS (CONT.)

For the model to reflect how the dollar flowed through the economy, the year and respective geography, and the dollar's value at the time it was spent to reflect its buying power must be entered into the IMPLAN model.

For this report, CRI and 181st agreed to three geographies in Indiana:

1. Vigo County
2. 8th Congressional District
3. Statewide



For the employees' geography, the 181st leadership identified guard members' and civilian residence inside one of the three geographies and assigned the payroll to the appropriate geography. Airmen who live outside Indiana were not included in this analysis.

For the base spending, many costs were expended in Vigo County, some were unique to the 8th Congressional District such as recruitment advertising, and additional costs were with vendors in Indiana like vehicle parts so the costs were allocated to the appropriate geography. All costs from Vigo County are in the 8th District totals, and all 8th District costs are in the Indiana inputs.

For construction projects that extend beyond one calendar year, the total cost needs to be divided across the appropriate years. For this project, CRI and the 181st decided to split the \$13 million with \$3 million in 2025 and \$5 million for 2026 and 2027 each. All of the construction activity is occurring in Vigo County so the same inputs were used for all geographies, unlike base operations, but as shown later in the report, the outputs vary based on the unique attributes of the three locations.

Tables 1-3 list the data inputs for each of the three geographies for base operations then the CATM construction in Table 4.

Table 1 : Vigo County Inputs

Activity	IMPLAN Industry Code	Output	Employment	Employee Compensation
AGR Pay Vigo County	545		70	\$7,983,662.32
Civilian Pay Vigo County	546		28	\$4,687,403.39
DSG/Part time Pay Vigo County	545		103	\$2,871,366.01
IT Contractor	461	\$1,800,000.00	16	
State Employees	541			\$1,852,302.78
Lodging	507	\$983,238.96		
Quick Service Restaurants	510	\$17,595.70		
Other Food/Drink	511	\$30,261.40		
Phone/Internet/Cable	433	\$25,000.00		
Electricity	47	\$372,895.64		
Natural Gas	48	\$63,038.71		
Water	49	\$4,927.68		
Sewage	534	\$3,977.25		
Trash Collection	479	\$14,165.26		
NG Supp Grant Vigo County	481	\$258,000.00		
Minor Construction	55	\$146,300.00		
Vehicle Maintenance Parts Vigo County	392	\$15,999.81		
Recruiting Out of Pocket Expenses	411	\$2,071.90		
Recruiting Advertising Vigo County	465	\$13,500.00		

Source: 181st IW with industry allocations by CRI

Table 2 : 8th Congressional District Inputs

Activity	IMPLAN Industry Code	Output	Employment	Employee Compensation
AGR Pay 8th District	545		157	\$18,009,656.85
Civilian Pay 8th District	546		61	\$10,355,891.21
DSG/Part time Pay 8th District	545		425	\$11,908,612.74
IT Contractor	461	\$1,800,000.00	16	
State Employees	541			\$1,852,302.78
Lodging	507	\$983,238.96		
Quick Service Restaurants	510	\$17,595.70		
Other Food/Drink	511	\$30,261.40		
Phone/Internet/Cable	433	\$25,000.00		
Electricity	47	\$372,895.64		
Natural Gas	48	\$63,038.71		
Water	49	\$4,927.68		
Sewage	534	\$3,977.25		
Trash Collection	479	\$14,165.26		
NG Supp Grant 8th District	481	\$258,000.00		
Minor Construction	55	\$146,300.00		
Vehicle Maintenance Parts 8th District	392	\$15,999.81		
Recruiting Out of Pocket Expenses	411	\$2,071.90		
Recruiting Advertising 8th District	465	\$15,200.00		

Source: 181st IW with industry allocations by CRI

Table 3 : Indiana Inputs

Activity	IMPLAN Industry Code	Output	Employment	Employee Compensation
AGR Pay Indiana	545		160	\$18,218,531.74
Civilian Pay Indiana	546		64	\$10,390,774.22
DSG/Part time Pay Indiana	545		538	\$11,938,837.64
IT Contractor	461	\$1,800,000.00	16	
State Employees	541			\$1,852,302.78
Lodging	507	\$983,238.96		
Quick Service Restaurants	510	\$17,595.70		
Other Food/Drink	511	\$30,261.40		
Phone/Internet/Cable	433	\$25,000.00		
Electricity	47	\$372,895.64		
Natural Gas	48	\$63,038.71		
Water	49	\$4,927.68		
Sewage	534	\$3,977.25		
Trash Collection	479	\$14,165.26		
NG Supp Grant Indiana	481	\$1,008,000.00		
Minor Construction	55	\$146,300.00		
Vehicle Maintenance Parts Indiana	392	\$39,999.52		
Fuel	399	\$54,306.24		
Environmental	528	\$19,999.71		
Recruiting Indianapolis Storefront Rent	528	\$50,316.00		
Recruiting Out of Pocket Expenses	411	\$2,071.90		
Recruiting Advertising Indiana	465	\$163,700.00		

Source: 181st IW with industry allocations by CRI

Table 4 : Construction Inputs

Event Name	IMPLAN Industry Code	Output
2025 CATM Construction	55	\$3,000,000.00
2026 CATM Construction	55	\$5,000,000.00
2027 CATM Construction	55	\$5,000,000.00

Source: 181st IW with industry allocations by CRI

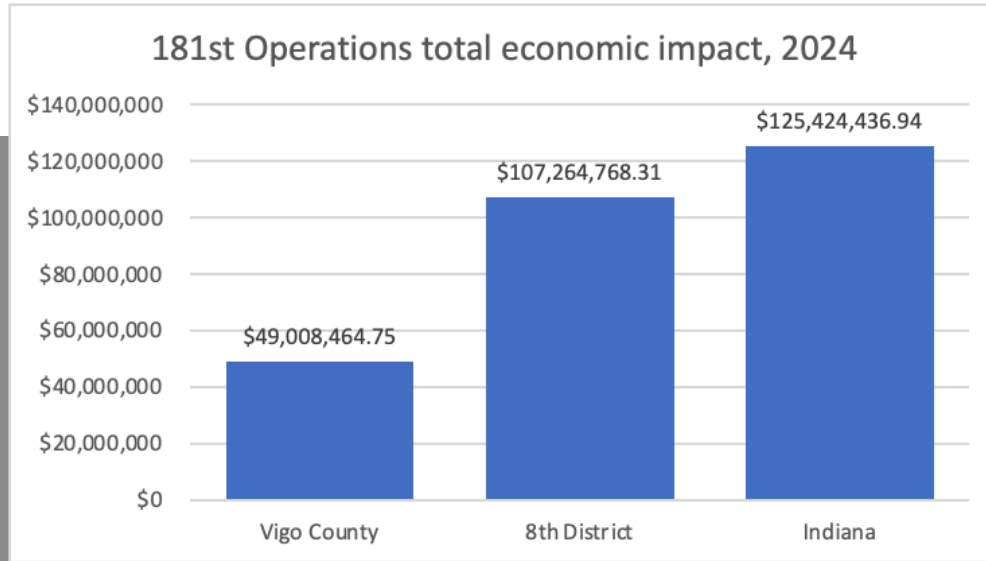
Costs Excluded

Not all base spending could be reliably calculated due to limitations of government purchasing systems and national government contracts. CRI and 181st leadership decided to limit the spending inputs to items and services that were sufficiently connected to the three geographies to ensure output accuracy. Employees not living in Indiana were excluded from the airmen payroll inputs. In short, the base spending inputs are underestimated for these reasons, so the 181st’s full economic impact at the local, regional and state levels is probably larger than what is listed in this report. Furthermore, this analysis also does not measure the economic impact of employment of National Guard employees’ spouses or partners, who might not live in the Terre Haute area without the 181st IW.

BASE OPERATIONS

As shown in the introduction and Chart 5 below, the total economic impact of the 181st IW is \$49,008,464 in Vigo County, \$107,264,768 for the 8th Congressional District and \$125,424,436 for the state of Indiana.

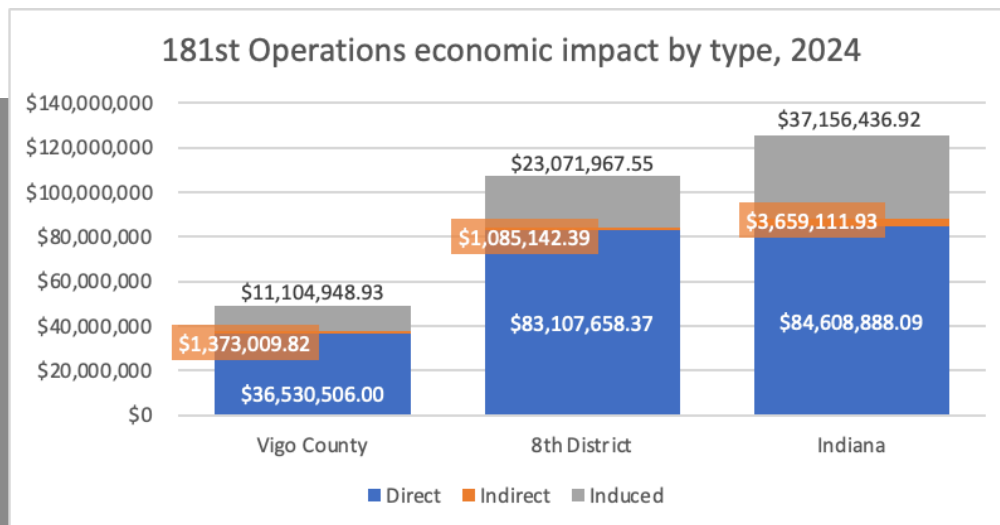
Chart 5: Total economic impact of the 181st IW operations, all geographies



Source: IMPLAN with data inputs from 181st IW

Chart 6 shows the economic impact as measured by the direct, indirect and induced impacts for each of the three geographies. The 181st has a direct impact in Vigo County of \$36,530,506, \$83,107,658 for the 8th Congressional District and \$84,608,888 in Indiana. The indirect effect for Vigo County is \$1,373,009, \$1,085,142 for the 8th Congressional District and \$3,659,111 statewide. The induced effects are \$11,104,948 in Vigo County, \$23,071,967 for the 8th Congressional District and \$37,156,436 in Indiana.

Chart 6: Economic impact by category of the 181st IW operations, all geographies

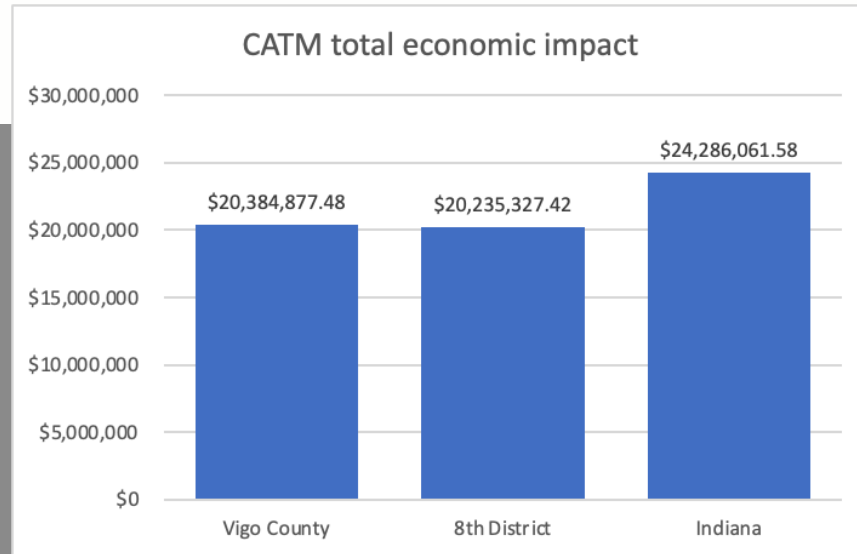


Source: IMPLAN with data inputs from 181st IW

CATM CONSTRUCTION

For the CATM construction, Chart 7 shows the total economic impact of this project for the three geographies, which is \$20,384,877 in Vigo County, \$20,235,327 in the 8th Congressional District and the full state at \$24,286,061. Unlike operations, the input for the three geographies were the same – \$13 million as shown in Table 4 – since all of the activity occurs in Vigo County, so the total economic impact has slight variations for each of the locations studied.

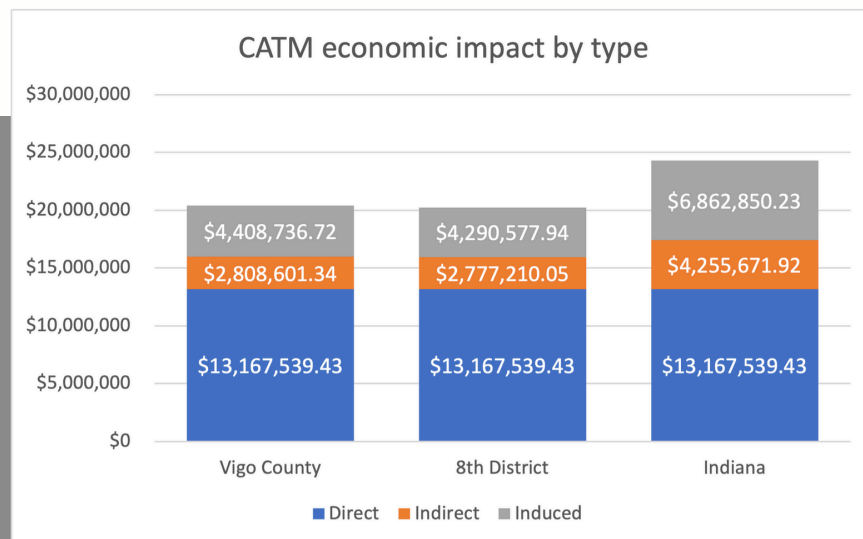
Chart 7: Total economic impact of CATM construction, all geographies



Source: IMPLAN with data inputs from 181st IW

Chart 8 has the same total as Chart 7 but separates out the economic impact for direct, indirect and induced amounts. For all three geographies, the direct impact is \$13,167,539. For the indirect impact, Vigo County is \$2,808,601, the 8th District is \$2,777,210 and Indiana is \$4,255,671. The induced impact for Vigo County is \$4,408,736, \$4,290,577 in the congressional district and \$6,862,850 for Indiana.

Chart 8: Economic impact by category of CATM construction, all geographies



Source: IMPLAN with data inputs from 181st IW

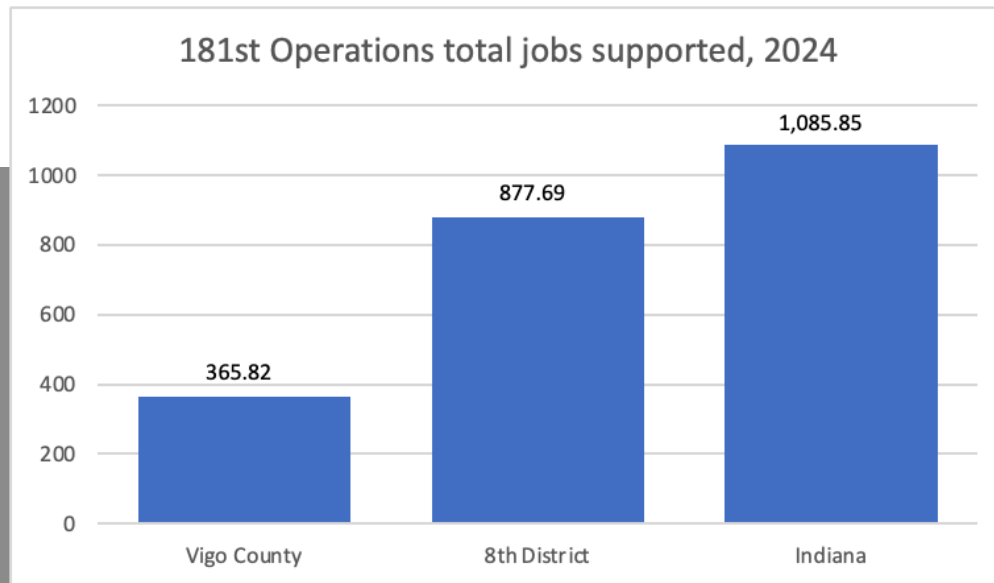
EMPLOYMENT AND LABOR INCOME

This section explores the employment impacts of 181st's activity in each of the three geographies – Vigo County, the 8th Congressional District and Indiana – in the direct, indirect and induced categories to identify the total number of jobs supported and the labor income associated with the respective inputs for both base operations and the CATM project.

BASE OPERATIONS

As shown in the introduction and again in Chart 9 below, the 181st supports jobs in Vigo County, jobs in the 8th Congressional District and jobs in Indiana from its direct indirect and induced impacts.

Chart 9 : Total jobs supported by the 181st IW operations, all geographies



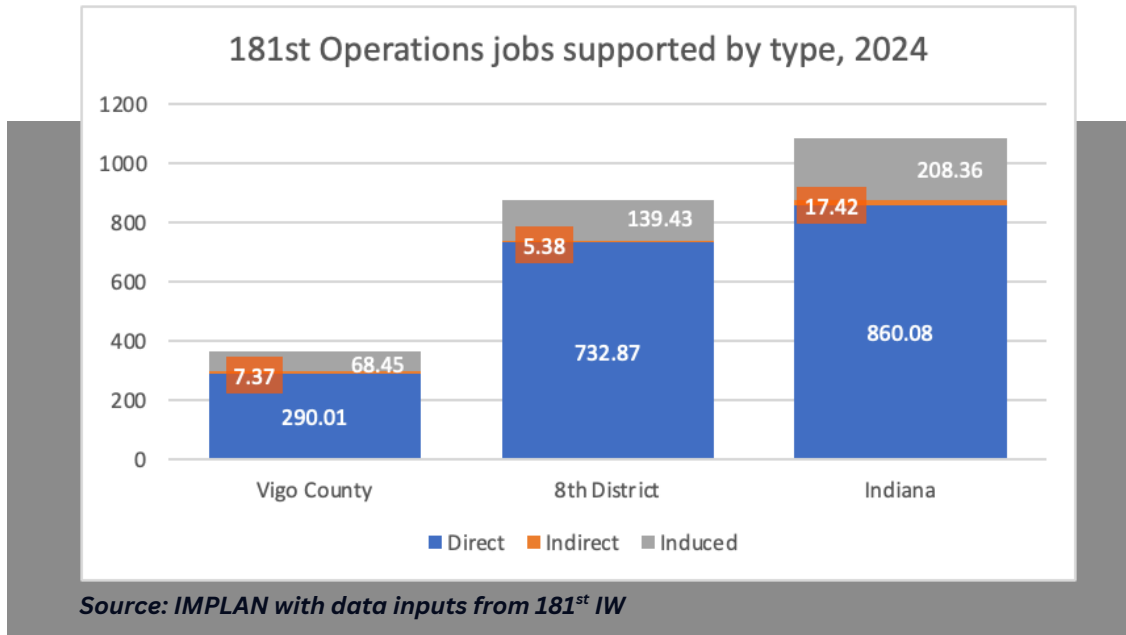
Source: IMPLAN with data inputs from 181st IW



BASE OPERATIONS (CONT.)

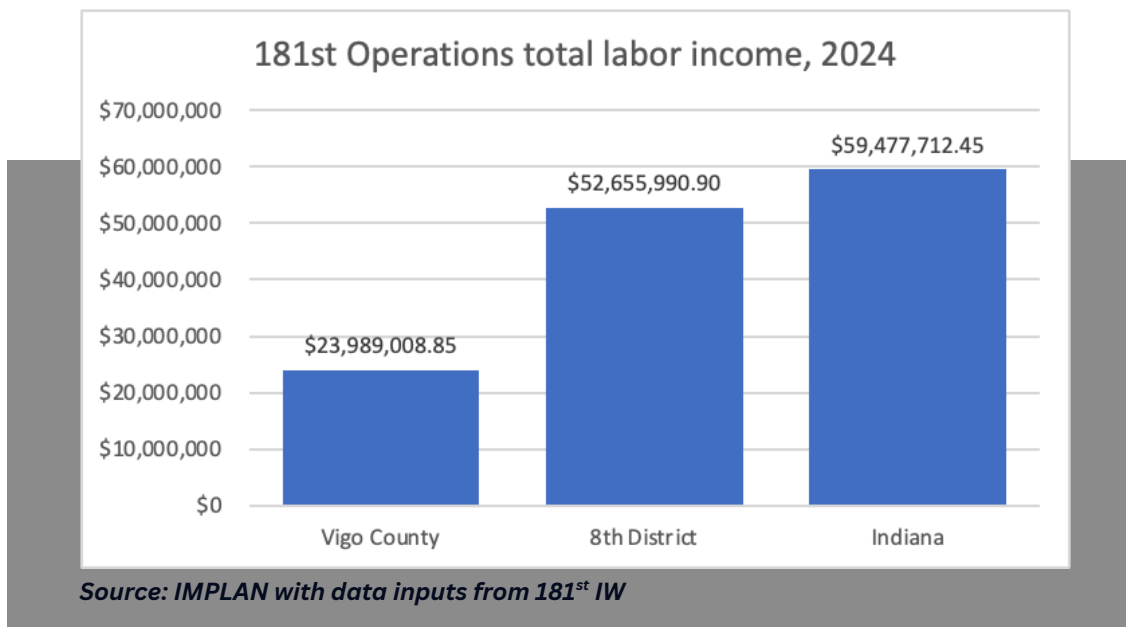
Chart 10 shows the direct, indirect and induced jobs for each of the respective geographies. The direct jobs supported ranged between 290.01 in Vigo County to 860.08 statewide. Indirect jobs were much smaller – less than 5.5 in the 8th District and slightly more than 17 statewide – for the reasons explained in the economic impact section due to input limitations. Induced jobs were between 68.45 from the county level to the full state.

Chart 10 : Jobs by category supported by 181st IW operations, all geographies



IMPLAN’s models also create a labor income output for direct, indirect and induced effects. Chart 11 shows Vigo County with \$23,989,008, \$52,655,990 for the 8th Congressional District and \$59,477,712 for Indiana in total labor income.

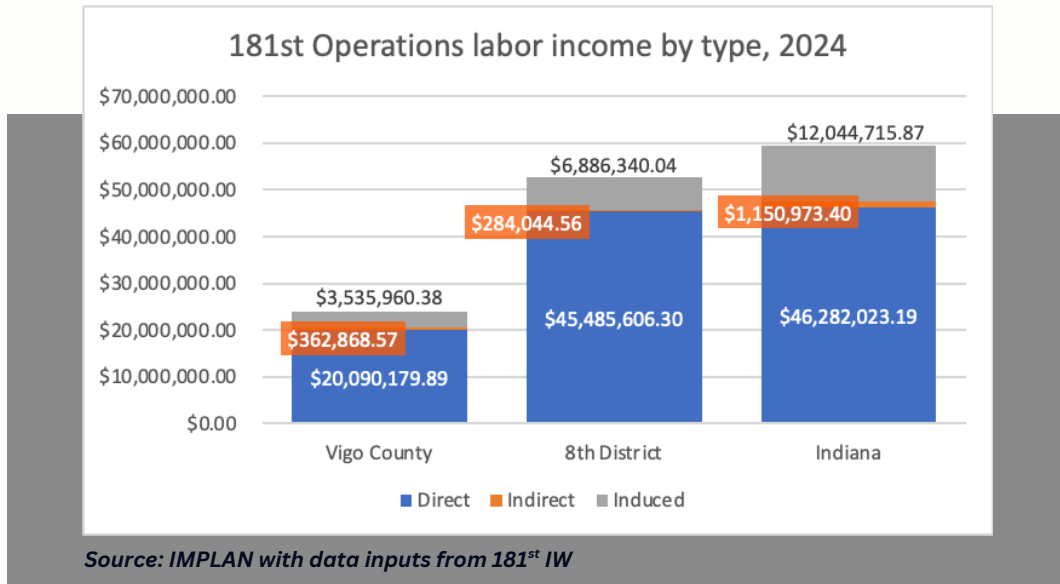
Chart 11 : Total labor income supported by the 181st IW operations, all geographies



BASE OPERATIONS (CONT.)

Chart 12 is comprised of the direct, indirect and induced labor income in each location. The direct labor income was \$20,090,179 in Vigo County, \$45,485,606 for the 8th Congressional District and \$46,282,023 for Indiana. The indirect labor income ranged from \$284,044 in the 8th Congressional District to \$1,150,973 in Indiana. The induced labor income was \$3,535,960 for Vigo County, \$6,886,340 in the 8th Congressional District and \$12,044,715 statewide.

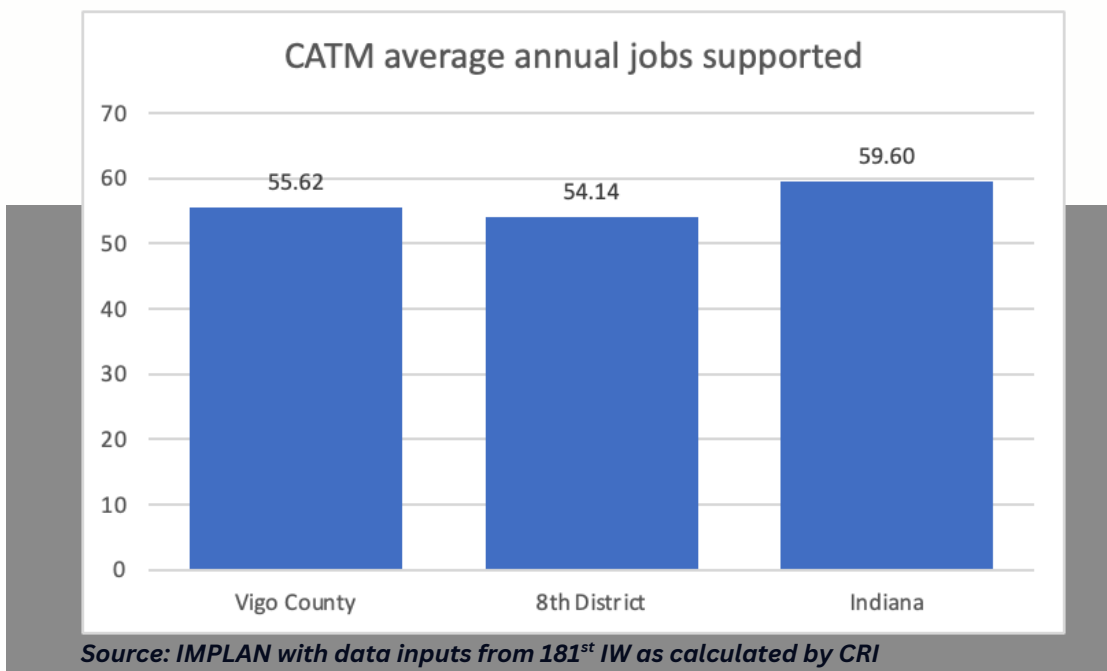
Chart 12 : Labor income by category supported by 181st IW operations, all geographies



CATM CONSTRUCTION

Switching to construction of the CATM project, the construction of this range will support the number of jobs annually until the project is complete in 2027 in the following geographies: 55.62 in Vigo County, 54.14 in the 8th District and 59.60 in Indiana, as shown below and Chart 13 and also Chart 3 in the Executive Summary. Because IMPLAN computes the total number of jobs for a multiyear project when entered as was done for the CATM project, CRI divided the total number of jobs from the IMPLAN outputs by 2.8 to reflect the annual number of jobs for charts 13 and 14.

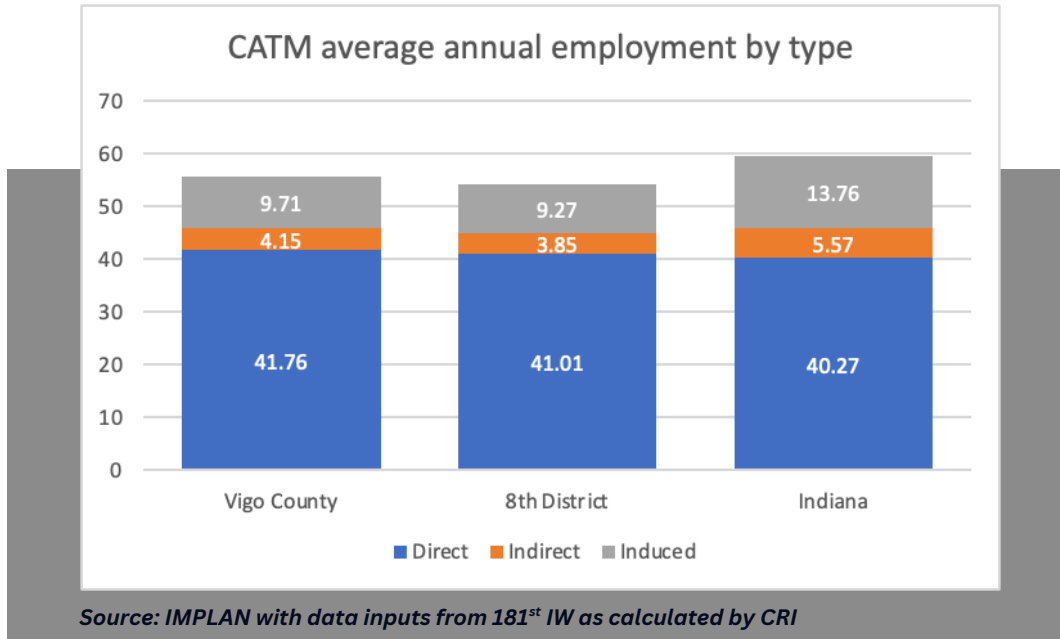
Chart 13 : Average number of annual jobs supported by CATM construction, all geographies



CATM CONSTRUCTION (CONT.)

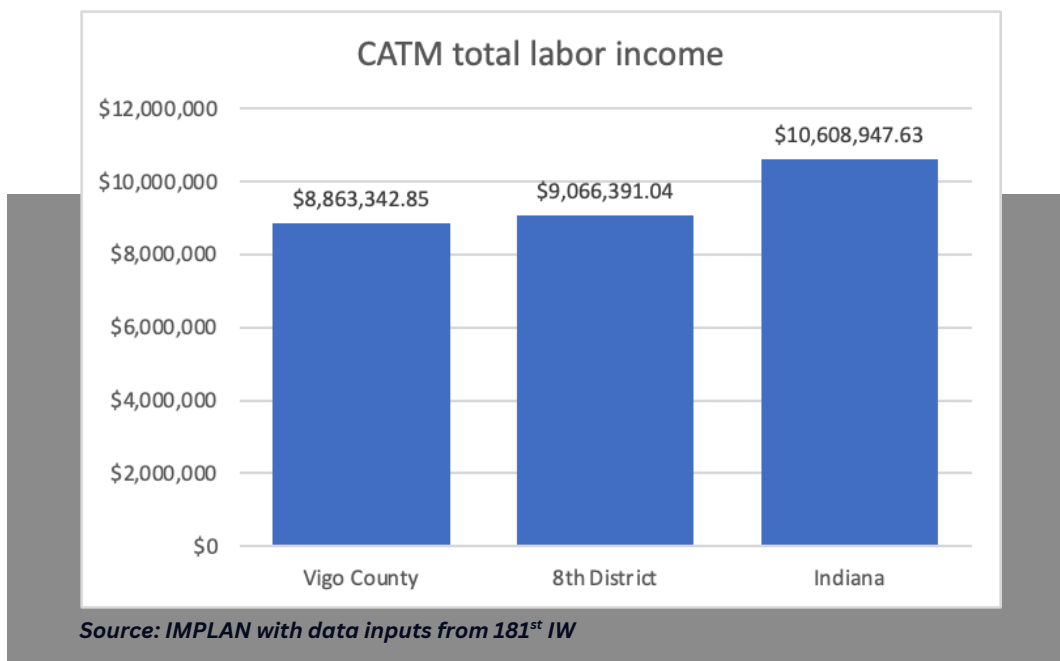
Similar to what is shown in Chart 10 for base operations, Chart 14 looks at the average annual jobs by category, again using the adjusted annual number as shown for Chart 13. The direct jobs supported by this project range from 40.27 in Indiana to 41.76 in Vigo County. Indirect jobs range from 3.85 in the congressional district to 5.57 in Indiana. To close out with induced employment, it's between 9.27 and 13.76 jobs supported by CATM construction between 2025 and 2027.

Chart 14 : Annual jobs by category supported by CATM construction, all geographies



Charts 15 and 16 look at the total labor income for the full project period, not an annual average like jobs supported. As shown in Chart 15, Vigo County will receive \$8,863,342 in total labor income compared to \$9,066,391 in the 8th District and \$10,608,947 statewide.

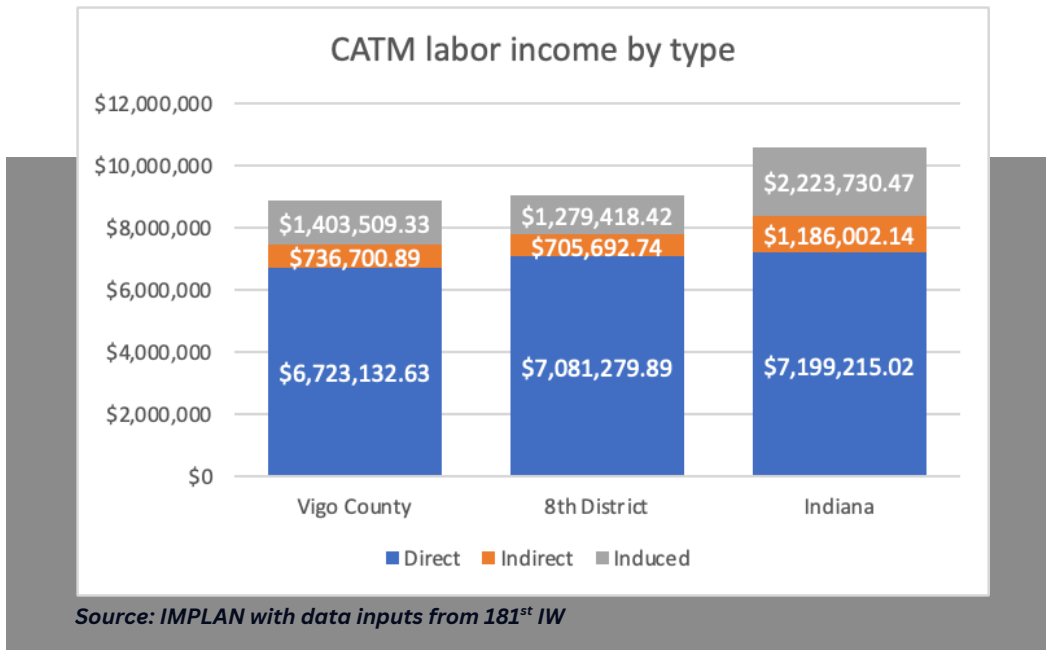
Chart 15 : Total labor income supported by CATM construction, all geographies



CATM CONSTRUCTION (CONT.)

For the labor income by job type, the direct labor income will be \$6,723,132 in Vigo County, \$7,081,279 in the congressional district and \$7,199,215 statewide, with the indirect income at \$736,700, \$705,692 and \$1,186,002 respectively for the three geographies evaluated, and \$1,403,509, \$1,279,418 and \$2,223,730 for induced income between 2025 and 2027, as shown in Chart 16.

Chart 16 : Labor income by category supported by CATM construction, all geographies





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