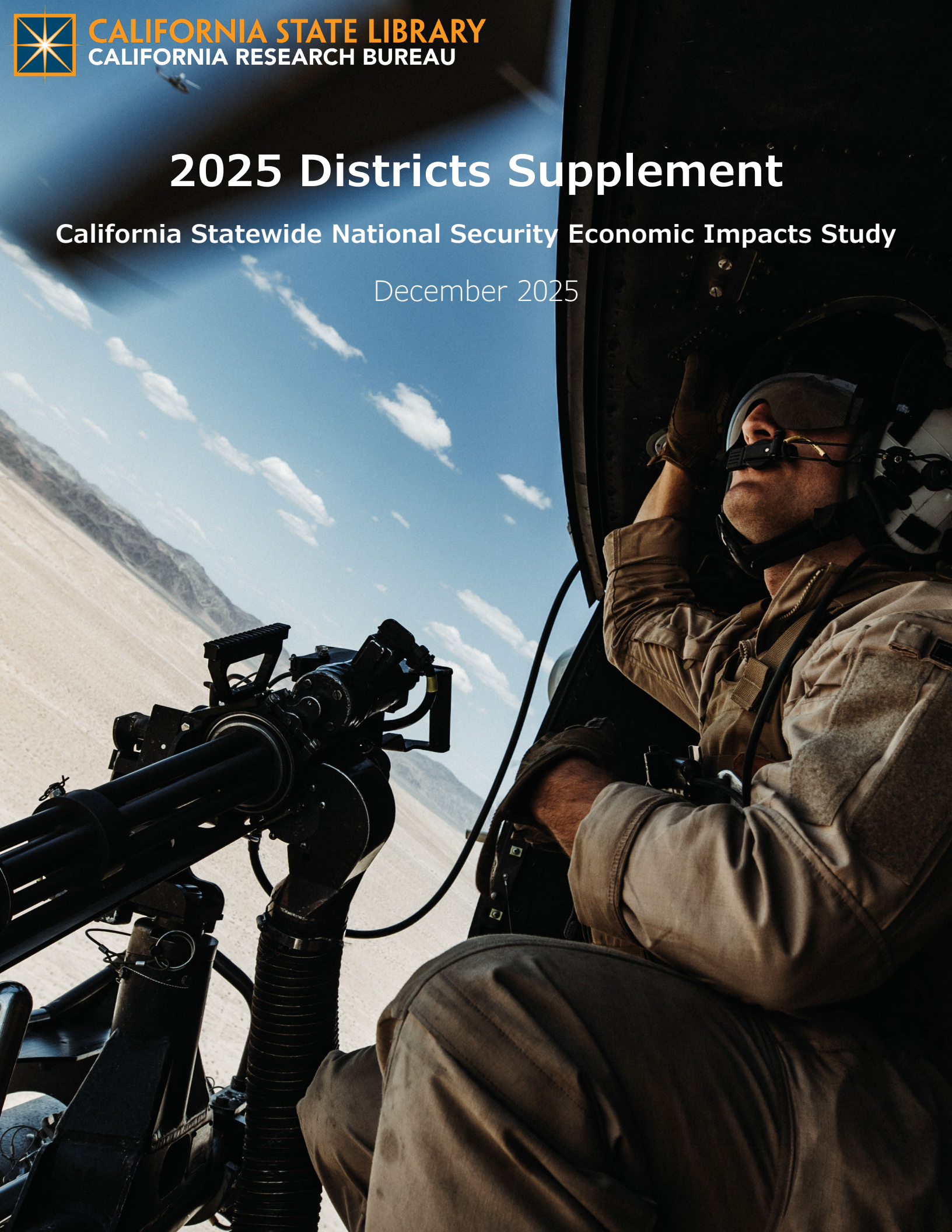
CALIFORNIA STATE LIBRARY
CALIFORNIA RESEARCH BUREAU

2025 Districts Supplement

California Statewide National Security Economic Impacts Study

December 2025



Page intentionally left blank

Authors

Sumeet Bedi
Ethan Nash

Devin Lavelle

Requested by

Governor's Office of Land Use and Climate Innovation
Governor's Military Council

Acknowledgements

This report was prepared under contract with the California State Library's California Research Bureau at the request of the Office of Land Use and Climate Innovation and the Governor's Military Council with financial and research support from the Governor's Office of Business and Economic Development.

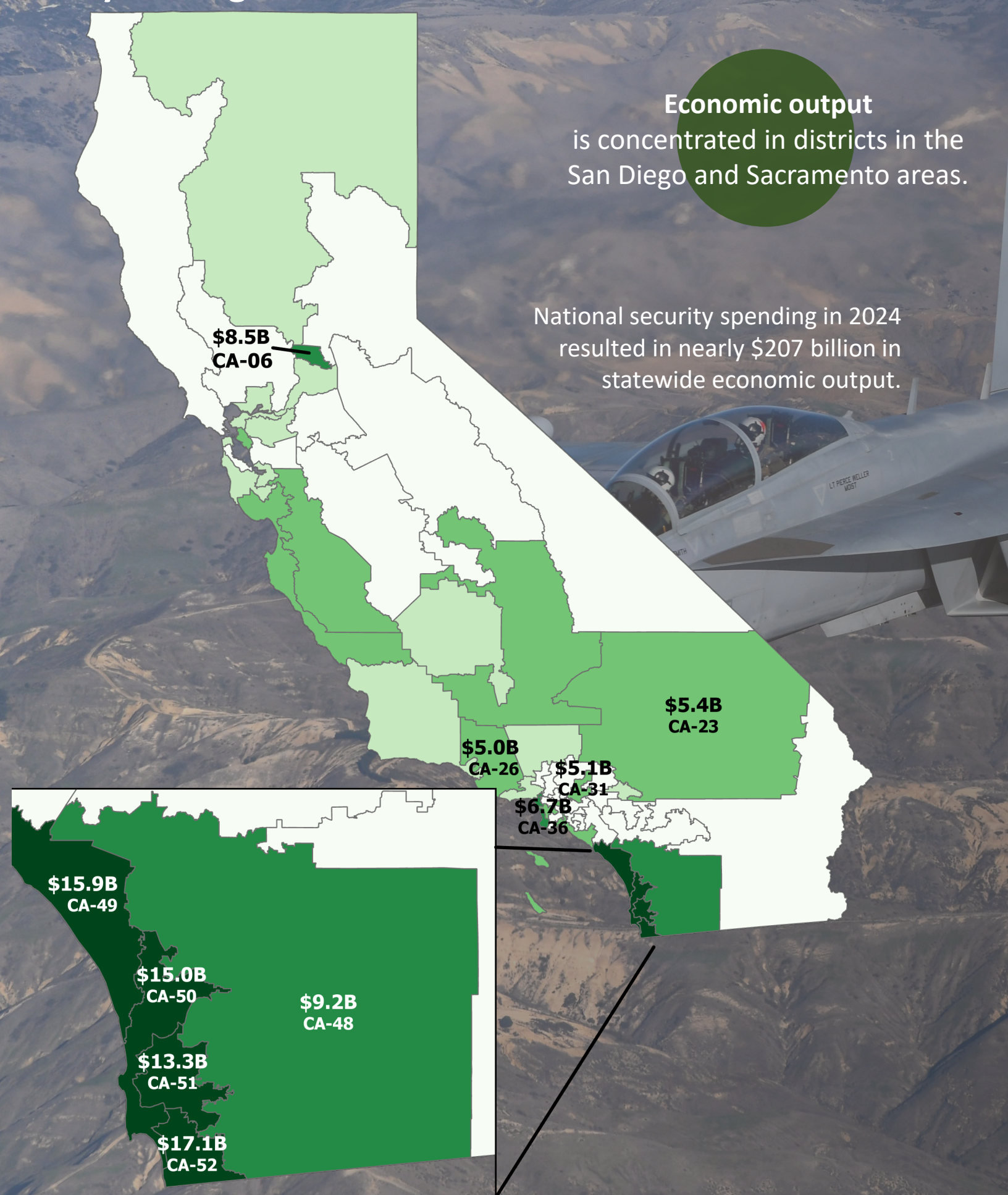
Recommended Citation:
Bedi, S. & Nash, E. "California Statewide National Security Economic Impacts, 2025 Districts Supplement." California Research Bureau, California State Library. December 2025.

ISBN 1-58703-308-9

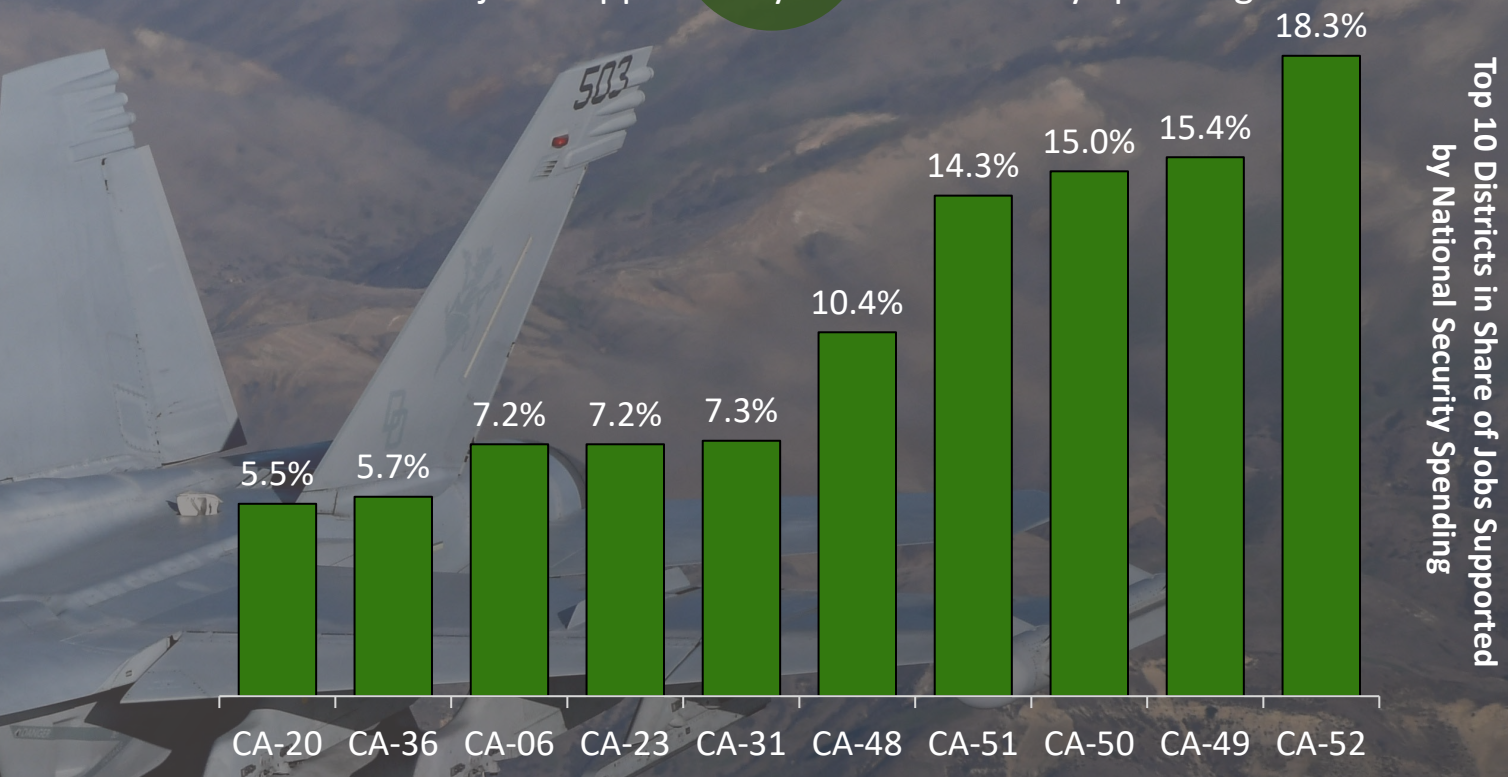
Key Findings

Economic output
is concentrated in districts in the San Diego and Sacramento areas.

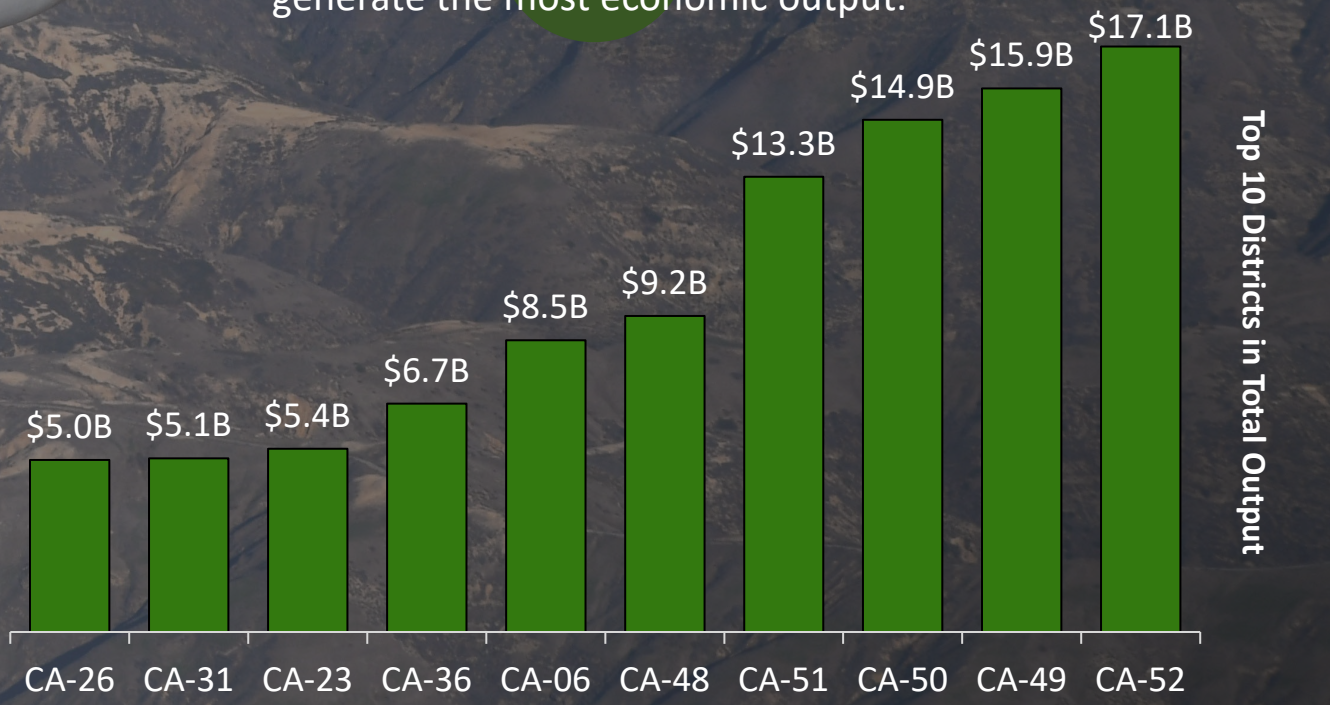
National security spending in 2024 resulted in nearly $207 billion in statewide economic output.



Statewide, national security spending supports more than one in 25 jobs. Districts in San Diego County have an average of over one in seven jobs supported by national security spending.



Districts in San Diego County and the Los Angeles, Inland Empire, Central Valley, and Sacramento areas generate the most economic output.



U.S. Navy guided missile destroyer USS Michael Monsoor returns to San Diego from a six-month deployment.

Contents

Space Force leverages a SpaceX Falcon 9 launch from Vandenberg Space Base.

California Statewide National Security Economic Impacts, 2025 Congressional Districts Supplement

Introduction

In October 2025, the California Research Bureau at the California State Library published the seventh annual report on Statewide National Security Economic Impacts in California. The Research Bureau produced this report at the request of the Governor's Office of Land Use and Climate Innovation and the Governor's Military Council. The Governor's Office of Business and Economic Development has provided additional support since 2023. This support allows for the continued expanded scope, including two local supplements, which were previously funded through a Department of Defense grant. This supplement details findings by congressional district and the second provides findings by county. Readers should refer to the California Statewide National Security Economic Impacts, 2025 Update[1] for detailed information on data types and sources, such as direct spending and employment, methodology, and background, used in the main report as well as these supplements.

Using fiscal year 2024 spending and employment data from the three federal agencies that account for the bulk of national security spending and employment – the Departments of Defense, Homeland Security, and Veterans Affairs – this report examines the impact of national security spending and employment in California's 52 congressional districts (map in Appendix II). Districts were analyzed as they existed in 2024, prior to Proposition 50's passage.

In addition to this report, an Excel file containing the detailed data for each county and congressional district is available in Appendix II.

Because of limitations in the methodology developed to estimate congressional district results, this supplement omits the government revenue and industry output generated within each of the districts. While the methodology is accurate at a high level, it does not account for variations within a county. While economic activity can reasonably be assumed to be approximately proportionately distributed across the county, government revenue and industry totals are tied to specific government and business entities that are in specific locations, which are likely not evenly distributed. As a result, it would not be accurate to use the methodology to estimate government revenue and industry-specific economic activity at the congressional district level. Details on government revenue and industry-specific economic activity are available in the county supplement.

[1] Bedi, S., Lavelle, D.M., & Nash, E. California Statewide National Security Economic Impacts, 2025 Update. California Research Bureau, California State Library, October 2025.

Districts Overview

Direct Activity

Direct Employment

In fiscal year 2024, the U.S. Departments of Defense, Homeland Security, and Veterans Affairs directly employed approximately 339,000 civilian and military employees in California, making up roughly 860 of every 100,000 Californians.

Figure 1 shows the 10 congressional districts with the most national security employees, and Figure 2 displays employment per 100,000 residents. Both figures share the same Top 10 districts. Districts in San Diego County rank in the top four (CA-49 through CA-52) and seventh (CA-48). The sprawling CA-23, covering inland Los Angeles, Riverside and San Bernardino counties, is the only other district with more than 15,000 military and civilian employees. CA-18, stretching from San Jose to San Benito and Monterey counties, is the only district in the Top 10 with a majority of civilian employment.

Figure 1: Top 10 Districts in Direct Employment

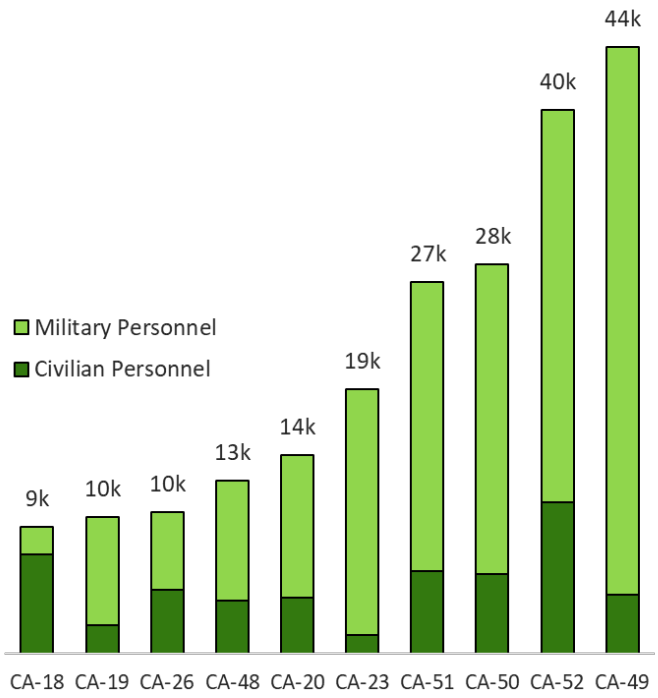
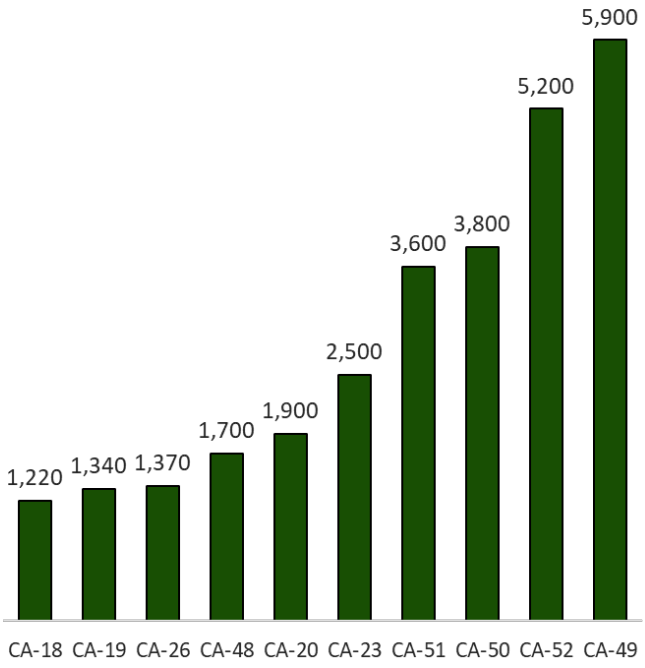


Figure 2: Top 10 Districts in Direct Employment per 100k Residents



Direct Spending

In fiscal year 2024, the U.S. Departments of Defense, Homeland Security, and Veterans Affairs collectively spent $56.8 billion on national security activity, approximately $145 million per 100,000 California residents.

Figure 3 shows the 10 congressional districts receiving the most direct spending. CA-06, in the Sacramento area, received nearly $9.0 billion in direct spending, more than double the next district. The remainder of the Top 10 is comprised of four districts in each of Los Angeles County (CA-36, CA-42, CA-43, and CA-31) and San Diego County (CA-50, CA-48, CA-52, and CA-51), and one in the Bay Area (CA-17).

Figure 3: Top 10 Districts in Direct Spending

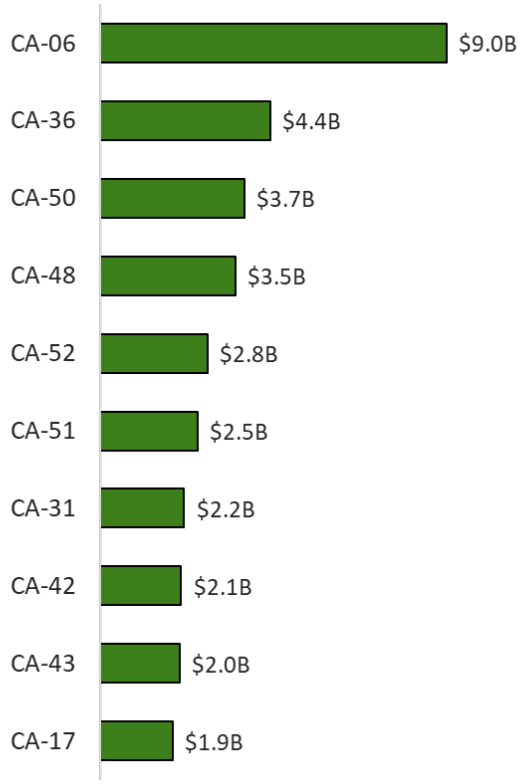
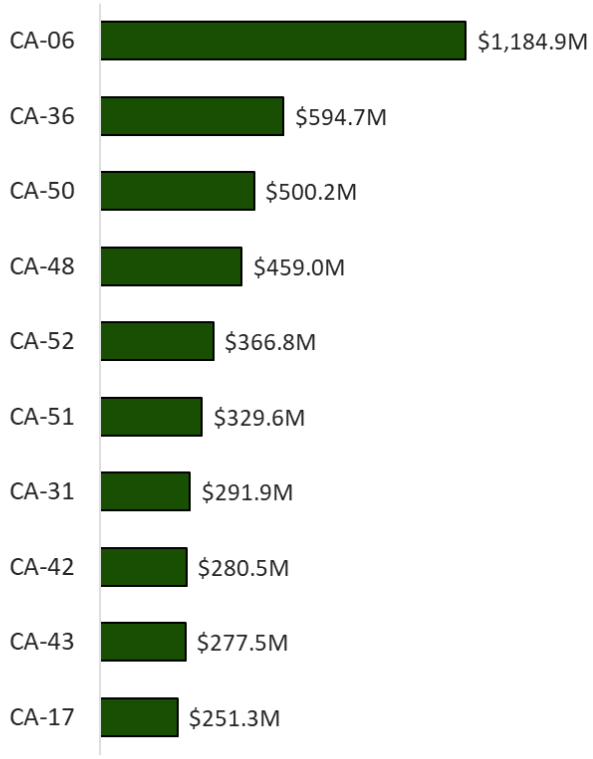


Figure 4: Top 10 Districts in Direct Spending per 100k Residents



Economic Impacts

This report used economic impact assessment software to develop standard input-output models to estimate the direct, indirect, and induced economic activity that typically results in a region from spending and employment within a given industry. Direct effects include the employment and economic output from the federal government as well as the employment and economic output of its direct contractors. Indirect effects include the output and employment of subcontractors. Induced effects include the employment and economic output generated because of spending created from earnings generated in the first two categories.

For more information about the methodology and software employed in this study, please refer to the methodology section in Appendix I of this report.

Total Output

Economic output remains highly concentrated in a relatively small number of congressional districts. As illustrated in Figure 5, the congressional districts generating the largest economic output are overwhelmingly located in Southern California, reflecting the density of military installations, major defense contractors, and the broad network of supporting industries in that region.

The Top 5 districts, CA-52 ($17.1 billion), CA-49 ($15.9 billion), CA-50 ($14.9 billion), CA-51 ($13.3 billion), and CA-48 ($9.2 billion) are all located in San Diego County, underscoring that county's central role in the state's defense-related economic activity. CA-06 ($8.5 billion), representing the Sacramento area, is the only district outside Southern California to appear in the Top 10. The remaining Top 10 districts — CA-36 ($6.7 billion), CA-23 ($5.4 billion), CA-31 ($5.1 billion), and CA-26 ($5.0 billion) — are in Los Angeles County, in whole or in part.

Total Employment

Estimated total employment generated by national security activity follows a similar pattern to total output across the state.

Figure 6 displays all congressional districts ranked by FTEs generated by national security activity. The Top 5 districts are all in San Diego County: CA-52 (66,000), CA-50 (61,000), CA-49 (60,000), CA-51 (56,000), and CA-48 (37,000). The remaining districts in the Top 10 include CA-31 (26,000), CA-06 (26,000), CA-36 and CA-23 (22,000 each), and CA-26 (20,000). Once again, CA-06 is the only Top 10 district outside of Southern California.

U.S. Army Corps of Engineers and contractors' complete debris removal at the Pacific Palisades Fire

Figure 5: Total Output by District

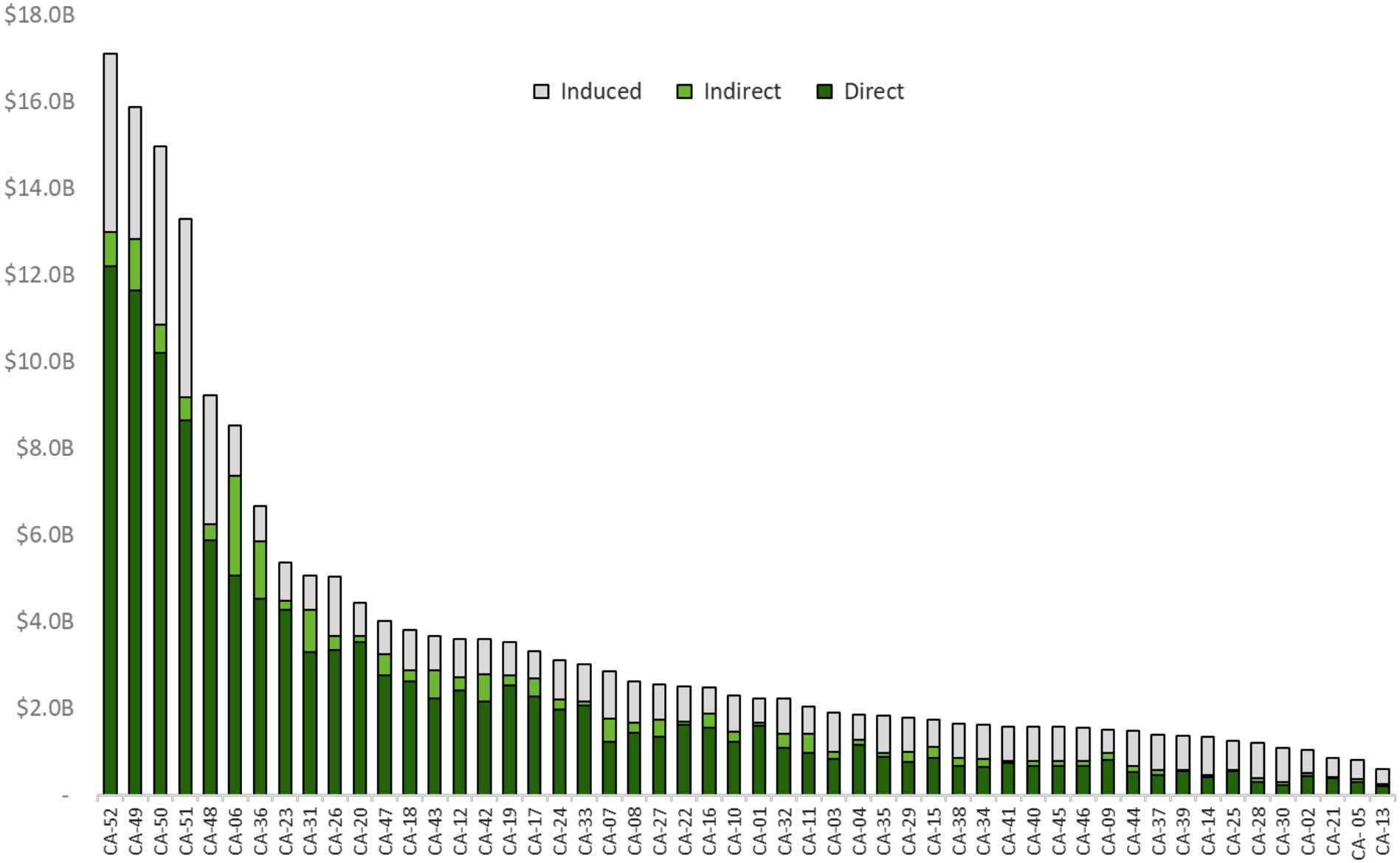
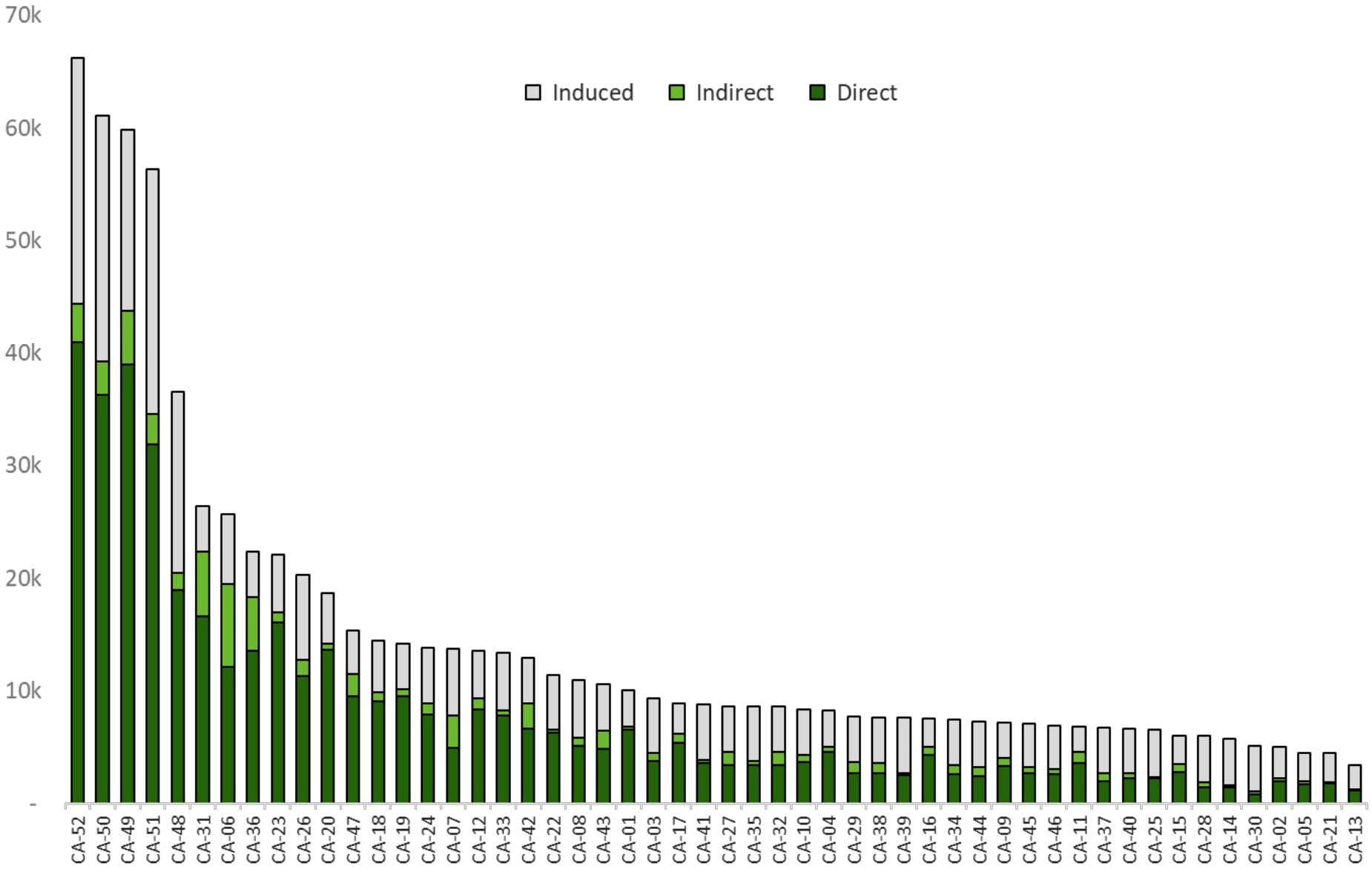


Figure 6: Total Full-Time Employment Opportunities (FTEs) by District



Marine Corps officer takes a break during mountain combat training at Bridgeport, Mono County.

Appendix I: Methodology – District Analysis

This report models economic impacts using IMPLAN software, based on standard input-output methodology. The purpose of the study is to estimate the impacts of existing spending, rather than modeling any policy changes or other counterfactuals. As a result, the analysis estimates gross benefits and does not account for alternate federal spending or other use of resources that might occur in California in the absence of national security spending and employment.

The IMPLAN (IMpact Analysis for PLANning) I-O economic model was selected for this analysis based on its reputation and the resources available. IMPLAN was developed by the U.S. Department of Agriculture Forest Service in the 1970s to fulfill the requirements of the Rural Development Act of 1972 to estimate the impacts of alternate uses for U.S. public forest resources.

For a full discussion of the overarching methodology and IMPLAN's input-output model, refer to the Methodology and Data section in the 2025 Statewide National Security Economic Impacts Study. This supplement builds on the analysis in the aforementioned study.

As in prior versions of the report, this supplement analyzes the localized impacts. It follows the same methodology as the 2019 report,[2] but provides expanded detail, estimating results for each of California's 52 congressional districts. A separate supplement provides estimates for California's 58 counties. These supplements use a two-model approach to estimate the impacts for local areas. This accounts for the fact that a traditional, single-model approach would understate the impacts occurring within a given geographic area, omitting spillover effects from spending in other districts.

Traditional models estimate the impacts that spending and employment within a given congressional district has within that same district. For example, it would capture most of the economic impacts associated with the employment of a government worker who both works and lives in CA-06. The large majority of the induced economic activity from their employment or spending on housing, shopping, healthcare, etc., would likely occur within the district because they both live and work there. While it would account for most of the economic activity resulting from their employment, it would miss some aspects. For example, if they went to a restaurant in neighboring CA-07 or went on vacation to San Diego in CA-52, the resulting economic activity would be omitted. The CA-06 model would miss the spending that occurs outside of CA-06, and the CA-07 and CA-52 models would miss the original employment data that led to that induced activity because it occurred outside those districts.

[2] Lavelle, D.M. "California Statewide National Security Economic Impacts, 2019 Update." California Research Bureau, California State Library, Oct. 2019.

Even more economic activity is missed when economic relationships occur across congressional districts. For example, if a Los Angeles company based in CA-28 contracted with an Orange County law firm based in CA-47, the resulting indirect and induced economic impact would be missed altogether. Because the contractor is outside Los Angeles, the CA-28 model would not include it while the CA-47 model would not account for the initial spending that occurred outside of CA-47. Moreover, simply including the Los Angeles data in the CA-47 model is not viable because it would then overcount economic activity associated with the spending that is actually occurring within CA-28.

Economic activity omitted from a traditional model approach is significant in aggregate. In this case, such a methodology would overlook approximately 8% of total state output, using the county models. It can also distort county information significantly. For example, 54% of economic activity in Marin County would be excluded by a traditional model. These impacts appear most significant in areas with large tourist economies and districts that are home to a large number of commuters from nearby congressional districts.

This supplement uses the same two-model approach as the 2019 report. This is refined and streamlined from the original three-model approach used in the 2018 report with the assistance of IMPLAN's Multi-Regional Input-Output (MRIO) tool. This tool estimates the impacts that spending within a given geography has on other selected geographies. "MRIO expands backward supply linkages beyond the boundaries of a single-region Study Area. MRIO analyses utilize interregional commodity trade and commuting flows to quantify the demand changes across many regions stemming from a change in production and/or income in another region. This powerful analytical method allows analysts to go beyond a single study region, measuring the economic interdependence of regions. In an MRIO analysis, the Direct Effect in one region, Region A, can trigger Indirect and Induced Effects in linked regions, capturing some of what would have been a leakage in a traditional I-O model."[3]

Because of the complexity of these models, however, IMPLAN is only able to analyze seven geographies within the MRIO tool. This prevents us from simply running a single MRIO model for each district.

[3] Clouse, C. (2023) MRIO: Introduction to Multi-Regional Input-Output Analysis. IMPLAN.

Instead of using the MRIO tool to estimate all of the spillover resulting from spending in a congressional district, we use it in reverse to calculate all of the spillover it receives resulting from spending in other districts. First, we run a standard model for each district using spending and employment within that district. We then set up a second MRIO-based model. This model uses a custom region that is composed of all of the congressional districts in the state, except the district[4] from the first model. Similarly, the input data for the analysis is the spending and employment from those 51 districts, omitting the spending and employment that was included in the first model. The district from the first model is then used as the secondary region within the MRIO framework. By doing so, the MRIO tool estimates the indirect and induced activity that occurs within that district as a result of spending and employment that occurs within the other districts. These outputs are then added to the outputs from the first model to calculate the total outputs for that district. This approach, combining the economic activity resulting from direct inputs as well as spillover from outside the district, more fully accounts for the localized impacts within the state without impacting the statewide estimates.

Developing this report identified a limitation in the IMPLAN model. Most economic data is based on counties. As a result, the IMPLAN model is structured based on counties as well. Since congressional districts often do not align with county boundaries, IMPLAN builds these from zip code data that is estimated from the county data.[5] Due to challenges in estimating this data, a large portion of indirect and induced effects estimated in the statewide and county models is omitted, which IMPLAN staff attribute to aggregation bias,[6] omitted data sources, and lagged data.

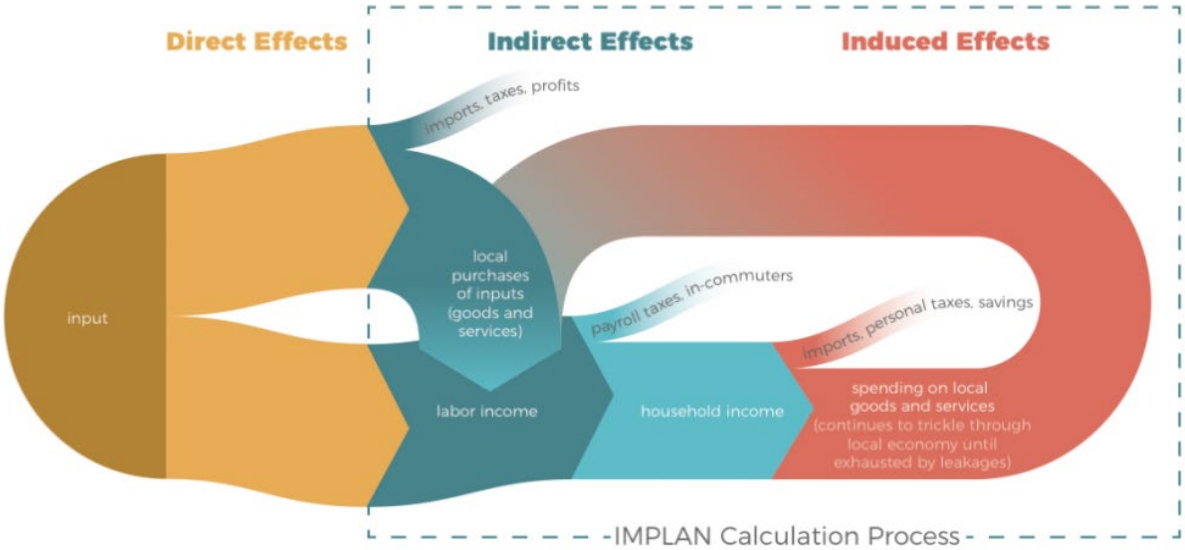
While these problems are inherent to the model, it appears to be a particularly significant issue for California due to the state's large number of congressional districts and relatively small number of counties. The variation identified was much more significant in districts in dense urban areas than in rural areas, where some counties are wholly contained within a single congressional district.

In order to more accurately estimate the indirect and induced activity across congressional districts, we developed an alternative estimation method based on induced and indirect activity detailed in the county supplement and distributed estimated impacts across each congressional district. Indirect impacts were distributed proportionately based on the estimated share of direct impacts. Induced impacts were distributed proportionately based on the share of population.

[4] Due to limitations with IMPLAN's software, the MRIO-based models utilize the counties completely outside of the district under analysis.
[5] For more information, refer to IMPLAN's article on estimating Zip Code Data.
[6] For more information, refer to IMPLAN's article on aggregation bias.

While this methodology is expected to yield reliable results, estimated differences between neighboring districts should be understood to come with a lower level of precision than differences estimated between counties and regions.

Figure 7: IMPLAN Model[7]



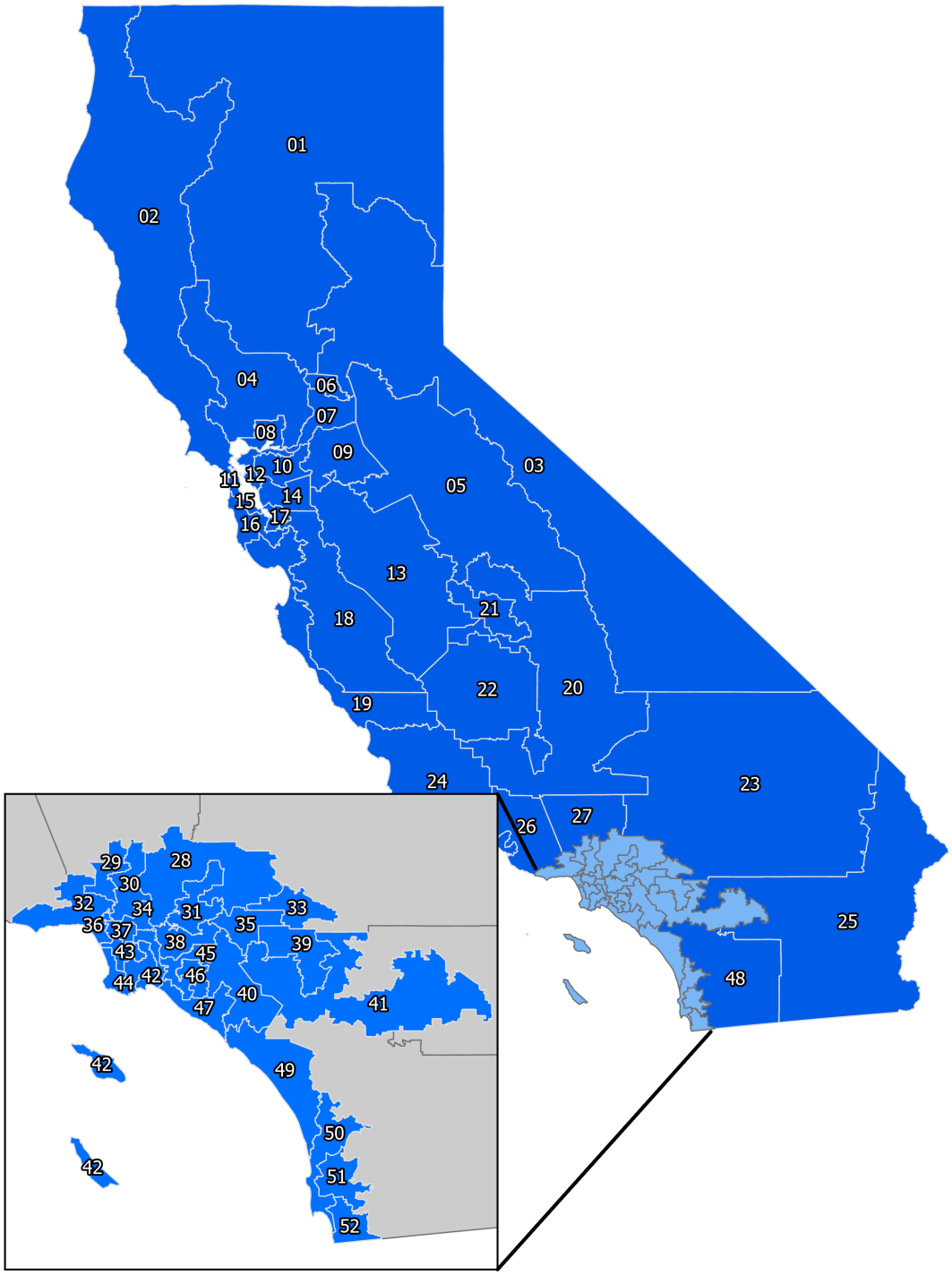
[7] IMPLAN. Assisted Economy. IMPLAN also has a link to a larger version of this figure.

VA leaders tour the Spinal Cord Injury/Community Living Center in San Diego, opened in 2025.

U.S. Coast Guard MSRT West patrols the San Francisco Bay waterways.

Appendix II: California Congressional Districts

Economic impacts are detailed for all 52 California congressional districts in a separate file that can be found on the Governor's Military Council website at militarycouncil.ca.gov.



CALIFORNIA STATE LIBRARY
CALIFORNIA RESEARCH BUREAU

Produced with support from the Governor's Office of Business and Economic Development

CALIFORNIA
BUSINESS AND ECONOMIC DEVELOPMENT