The data reveal that where the soldier lives is the place in which he spends at least half of his income. The average soldier who lives on base, for example, spends only 10 percent of his funds in Ayer, but if he resides in Ayer, he spends more than half his income there. While housing automatically accounts for much of this "spend where you live" phenomenon, the geographic spending patterns for transportation, food, clothing, and savings also exhibit ties to one's place of residence.

THE GENERAL SPENDING PATTERN

As mentioned at the outset, the results of the Fort Devens study show a marked similarity to those of the earlier study of spending at Pease Air Force Base. As shown in the table on page 727, both studies reveal that typically 35 to 40 percent of the military payroll is spent on the base. As a result, the effect of military payrolls upon local trade and services is substantially less than that of civilian consumers with comparable income. By the same token, the pattern of military procurement spending is considerably different from that of some manufacturing firms which rely heavily on the nearest community for supplies and services. This is not the case in most military installations which mainly purchase in national market centers.

The accompanying table also discloses substantial differences in the amount of off-post spending by military personnel which is "captured" by the nearest community. The data suggest that while the proportion of payroll expenditures made both on-post and outside the 15-mile ring are relatively fixed for most military installations, the distribution of the remaining expenditures among communities within the 15-mile ring is flexible. Thus Portsmouth received a much greater proportion of the off-post payroll expenditures from Pease Air Force Base than did Ayer from Fort Devens. This is due in part to Portsmouth's greater size and more isolated position.

THE MULTIPLIER AND SIZE OF THE ECONOMY

Ayer receives most of its "export" income from sales to military personnel stationed at Fort Devens and from the sale of a few industrial products. This is called export income since it is derived from the sale of services and goods to those who live outside Ayer or to military personnel stationed at the fort. As export income increases, so does employment. More jobs lead to further demand for goods and services which in turn contribute to more workers being hired. This additional income is either spent in Ayer or used to purchase goods and services from other areas. This series of events is known as the multiplier effect. Analysis of employment data for 1954 through 1962 yielded an employment multiplier of 1.2. Thus, in Ayer every five workers engaged in producing services and goods for export out of the community generate one additional job in the local market. This low multiplier is typical of a town of Ayer's population.