Finally, focusing on a longer time span, table 13 presents defense-generated industrial employment trends from 1963 to June 1966 for 150 EIS plants that have been surveyed continuously since 1963. The defense-generated employment for these 150 plants represented 72 percent of the total defense-generated employment in the 387 plants as of June 1966.

Employment totaled 719,000 in June 1963 which was below the peak reached in 1962. The downward trend continued to June 1965 but was reversed during the following year. The most significant employment changes among the defense product groups during 1963–65 were the decreases in missiles (40 percent) and electronics and communications (28 percent).

Future Reporting

The next cycle of contractor reporting under the EIS covers the period ending December 31, 1966. Improvements in the data are expected particularly with respect to expanded coverage and the reporting of time-phasing profiles for assessing the employment impact of large defense projects. Using these updated reports, statistical summaries similar to those presented in this article are planned for release during mid-1967 and periodically thereafter.

CONCLUSIONS

These statistics, although somewhat incomplete as to coverage, present for the first time an indication of the geographic concentration and dependency of the employment generated by defense programs as well as the change in these dimensions over time. As such they provide a measure not only of "potential impact" as measured by current dependency on defense programs), but, in a historical sense, "actual" impacts (expressed as changes in defense-generated employment) over time.

Employment in military installations appears to be the dominant cause of significantly above-average defense dependency, particularly for labor areas with a small labor force. Large labor areas are generally less dependent on defense-generated employment and typically have a wider defense-oriented base.

Approximately 65 percent of defense-generated industrial workers on defense prime contracts are located in 10 States having approximately half of the total U.S. civilian work force. The data indicate, however, that the distribution of defense subcontract work may be somewhat more concentrated than work performed on prime contracts.

The total magnitude, as well as the geographic and program impact of the defense budget increase during fiscal year 1966, is documented by the data. It is important to note that, although this increase in defense-generated employment accounted for 25 percent of the total increase in the civilian work force, the geographic impact was quite widely dispersed and a significant share of the total increment was focused on firms producing commercial items.