

# DEFENSE SPENDING BY STATE

FISCAL YEAR 2024



U.S. Department of Defense  
Office of Local Defense Community Cooperation



# ACKNOWLEDGMENTS

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An electronic copy of this report is located online at <https://oldcc.gov/defense-spending-state-fiscal-year-2024>.

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**Note:** This report contains defense spending and personnel data at the state and national level only. At the time of publication, FY 2024 personnel data was incomplete at the county level. Contract spending by county is available online at <https://oldcc.gov/defense-spending-state-fiscal-year-2024> as part of the Excel-formatted workbook featuring the FY 2024 metrics.

# INTRODUCTION

This report presents the results of a state-by-state analysis of U.S. Department of Defense (DoD) contract, grant, and personnel spending during fiscal year (FY) 2024. The report’s graphs, maps, and tables present a range of findings, such as total spending figures, categories of contracted goods and services, major defense contractors, and numbers and types of defense personnel. State and local officials may use this information to assess a region’s dependence on defense spending and to target assistance to support more resilient communities and companies.

Conducted between March 2025 and September 2025, the analysis primarily entailed an examination of DoD-funded prime and sub-award contract data, grant prime and sub-grant awards, and defense personnel and payroll figures. Findings are drawn from an array of sources, including the DoD’s Defense Manpower Data Center and USAspending.gov, which is managed by the U.S. Department of the Treasury.

## FY 2024 Overview

The DoD’s budget authority increased from \$874.3 billion in FY 2023 to \$909.6 billion in FY 2024.<sup>1</sup> DoD contract obligations, grant obligations, and payroll spending in all 50 states and the District of Columbia totaled \$606.7 billion, approximately \$1,784 per U.S. resident and 2.1 percent of the country’s gross domestic product (GDP) (see table 1). Contracts for various products and services totaled \$423.3 billion, thus comprising the majority of the spending, while DoD personnel payroll accounted for \$173.7 billion, and DoD grant spending accounted for \$9.7 billion.

Most contract funds went to supplies and equipment (such as aircraft, ships, weapons, and parts; 46 percent) and services (40 percent), with research and development (11 percent) and construction (3 percent) comprising the remainder. The largest portion of personnel pay was for active duty military (46 percent), followed by civilians (40 percent), the National Guard (8 percent), and the Reserves (6 percent).

Grant awards for FY 2024 were analyzed at the state level only.

Table 1: Top 10 States by Total Defense Spending

RANK	STATE	DEFENSE SPENDING (billions)
1	Virginia	\$76.2
2	California	\$63.2
3	Texas	\$47.4
4	Florida	\$34.8
5	Maryland	\$29.7
6	Pennsylvania	\$24.3
7	Connecticut	\$19.7
8	Arizona	\$17.1
9	Alabama	\$17.0
10	Massachusetts	\$16.6
Total for Top Ten States		\$346.0
Total for 50 States and District of Columbia		\$606.7

Total defense spending ranged from \$684 million in Wyoming to \$76.2 billion in Virginia, with a median value of \$6.8 billion per state among the 50 states and the District of Columbia.

Table 2: Top 10 States by Defense Spending as Percentage of State GDP

RANK	STATE	PERCENTAGE
1	Hawaii	10.3%
2	Virginia	10.0%
3	Alaska	6.5%
4	District of Columbia	6.2%
5	Maryland	5.5%
6	Connecticut	5.4%
7	Alabama	5.3%
8	Kentucky	5.0%
9	Maine	4.7%
10	Mississippi	4.2%

<sup>1</sup> Office of the Under Secretary of Defense (Comptroller), *National Defense Budget Estimates for FY 2025* (U.S. Department of Defense: April 2024): 145, [https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2025/FY25\\_Green\\_Book.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2025/FY25_Green_Book.pdf); Office of the Under Secretary of Defense (Comptroller), *Overview - FY2026 Defense Budget* (U.S. Department of Defense, July 2025), A-2, [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2026/FY2026\\_Budget\\_Request\\_Overview\\_Book.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2026/FY2026_Budget_Request_Overview_Book.pdf).

Approximately 57 percent of the DoD’s \$606.7 billion went to 10 states (see table 1). On average, defense spending comprised 2.6 percent of a state’s GDP. Several states that exceeded this average, however, were not among the top recipients of total defense spending, including Hawaii (10.3 percent of state GDP), Alaska (6.5 percent), the District of Columbia (6.2 percent), Alabama (5.3 percent), Kentucky (5.0 percent), Maine (4.7 percent), and Mississippi (4.2 percent; see table 2).

Further review shows that some states received substantial funds for contract, grant, and personnel spending, while other states received relatively high amounts in only one. Specifically, California, Maryland, Texas, and Virginia were all among the top ten recipients of defense contracts, grants, and personnel spending. All states among the top ten recipients of defense contract funds were among the top ten for overall defense spending (see table 3).

Colorado, Georgia, Hawaii, North Carolina, and Washington were among the largest recipients of defense personnel spending, but were not among the top states for overall defense spending (see table 4).

Table 3: Top 10 States by Defense Contract Spending

RANK	STATE	DEFENSE SPENDING (billions)
1	Virginia	\$53.7
2	California	\$42.9
3	Texas	\$34.0
4	Florida	\$25.2
5	Pennsylvania	\$20.6
6	Maryland	\$19.7
7	Connecticut	\$18.7
8	Massachusetts	\$14.7
9	Arizona	\$14.7
10	Alabama	\$12.9
Total for Top Ten States		\$257.2
Total for 50 States and District of Columbia		\$423.3

Similarly, Colorado, Michigan, New York, and Washington were among the top recipients of defense grant awards, but were not among the top states for overall defense spending (see table 5).

Table 4: Top 10 States by Defense Personnel Spending

RANK	STATE	DEFENSE SPENDING (billions)
1	Virginia	\$22.1
2	California	\$19.3
3	Texas	\$12.9
4	Florida	\$9.3
5	Maryland	\$9.1
6	North Carolina	\$8.3
7	Washington	\$8.0
8	Georgia	\$7.9
9	Hawaii	\$6.3
10	Colorado	\$4.5
Total for Top Ten States		\$107.6
Total for 50 States and District of Columbia		\$173.7

Table 5: Top 10 States by Defense Grant Spending

RANK	STATE	DEFENSE SPENDING (millions)
1	California	\$1,039.3
2	Maryland	\$881.7
3	Michigan	\$713.6
4	Massachusetts	\$454.4
5	Texas	\$424.6
6	Pennsylvania	\$408.1
7	Virginia	\$364.0
8	New York	\$334.0
9	Washington	\$307.1
10	Colorado	\$265.9
Total for Top Ten States		\$5,192.6
Total for 50 States and District of Columbia		\$9,659.7

An Excel-formatted workbook featuring metrics from the FY 2024 report and county level contract spending is located at <https://oldcc.gov/defense-spending-state-fiscal-year-2024>. A supplemental report documenting U.S. defense spending in the five U.S. territories is forthcoming.

The appendix contains additional details on this report’s research methodology.

Data Sources and Publications Used in This Analysis

DATA	SOURCE	PERTINENT INFORMATION
USAspending.gov	U.S. Department of the Treasury	Prime- and sub-award contract and grant spending on defense-related goods and services
Defense Manpower Data Center	U.S. Department of Defense	Personnel counts as of September 30, 2024 and gross payroll figures
Gross Domestic Product by State, Fourth Quarter and Annual 2024	U.S. Department of Commerce, Bureau of Economic Analysis	State gross domestic product totals
2023 National and State Population Estimates	U.S. Department of Commerce, Census Bureau	State and national population figures
DoD Product Service Code Selection Tool	U.S. Department of Defense	Spending categories
HUD USPS ZIP Code Crosswalk Files: ZIP-County Crosswalk	U.S. Department of Housing and Urban Development	Counties corresponding to ZIP codes

**Note:** This report contains defense spending and personnel data at the state and national level only. At the time of publication, FY 2024 personnel data was incomplete at the county level. Contract spending by county is available online at <https://oldcc.gov/defense-spending-state-fiscal-year-2024> as part of the Excel-formatted workbook featuring the FY 2024 metrics.

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# SUMMARY TABLE

The following table shows U.S. Department of Defense (DoD) contract, grant, and personnel spending data for all 50 states and the District of Columbia (listed alphabetically) in fiscal year (FY) 2024, which can be used to provide information and statistics about various topics, such as:

- The importance of defense spending for a state’s economy (Columns 1 and 3).
- How that spending compares to other states and the country overall (Columns 2, 11, and 12).
- The association between defense spending and a state’s economic reliance on defense-related employment and industries (Columns 4-10).

The columns show the following variables:

- 1. Defense Spending as a Share of GDP** is the total amount of defense spending (i.e., contracts, grants, and payroll) per state as a share of that state’s GDP. This provides an indication of the degree to which a state’s economic health depends on such funding and how vulnerable a state is to DoD spending changes.
- 2. State Share of Total U.S. Defense Spending** is each state’s share of total defense spending (contract obligations, grant awards, and payroll in the 50 states plus the District of Columbia), which helps to identify the largest and smallest recipients of DoD funding.
- 3. Defense Spending per Resident** is the amount DoD spent per resident in a state or the District of Columbia on defense contracts, grants, and payroll. Like “Defense Spending as a Share of GDP,” it shows a state’s relative dependence on and vulnerability to changes in this type of support.
- 4. Total Contract, Grant, and Payroll Spending** is the sum of all DoD contract obligations, grant awards, and payroll in a state or the District of Columbia.

- 5. Total Contract Spending** is the amount DoD obligated to contracts in a given state or the District of Columbia.
- 6. Grant Spending** is the total amount DoD awarded as grants in a given state or the District of Columbia.
- 7. Total Payroll** is the gross pay received by active duty, civilian, National Guard, and Reserve personnel with an assigned or duty location in a state or the District of Columbia during FY 2024. These figures, as well as those in columns 8-10, do not include benefits for current or former defense personnel.
- 8. Civilian Pay** shows the total gross pay to DoD civilian personnel in FY 2024.
- 9. Military Active Duty Pay** is the total gross pay to active duty personnel in FY 2024.
- 10. National Guard & Reserve Pay** is the total gross pay received by National Guard and Reserve personnel in FY 2024.
- 11. Ranking by Defense Spending as a Share of State GDP** indicates a state’s placement among the 50 states the District of Columbia with respect to the total amount of defense spending the (i.e., contracts, grants, and payroll) as a share of that state's GDP.
- 12. Ranking by Total Defense Spending** likewise indicates a state's placement among 50 states and District of Columbia.

Detailed information on the methodology for these statistics is included in the appendix.

	1	2	3	4	5	6
	DEFENSE SPENDING AS A SHARE OF GDP (%)	STATE SHARE OF TOTAL U.S. DEFENSE SPENDING (%)	DEFENSE SPENDING PER RESIDENT (\$)	TOTAL CONTRACT, GRANT, AND PAYROLL SPENDING (\$ billions)	TOTAL CONTRACT SPENDING (\$ billions)	TOTAL GRANT SPENDING (\$ millions)
Alabama	5.3	2.8	3,290	17.0	12.9	263.8
Alaska	6.5	0.7	6,132	4.5	2.2	80.6
Arizona	3.1	2.8	2,261	17.1	14.7	139.8
Arkansas	1.2	0.4	758	2.3	1.4	107.1
California	1.5	10.4	1,604	63.2	42.9	1,039.3
Colorado	2.5	2.3	2,307	13.7	9.0	265.9
Connecticut	5.4	3.3	5,373	19.7	18.7	154.7
Delaware	0.8	0.1	744	0.8	0.2	57.2
District of Columbia	6.2	1.9	16,552	11.6	8.7	181.1
Florida	2.0	5.7	1,488	34.8	25.2	243.1
Georgia	1.7	2.4	1,329	14.9	6.9	99.9
Hawaii	10.3	2.0	8,254	11.9	5.5	113.1
Idaho	0.7	0.1	442	0.9	0.3	56.0
Illinois	1.0	1.8	875	11.1	8.3	241.0
Indiana	1.2	1.0	887	6.1	4.4	145.0
Iowa	1.5	0.6	1,178	3.8	3.3	78.2
Kansas	1.8	0.7	1,451	4.3	2.0	109.5
Kentucky	5.0	2.4	3,205	14.7	11.3	68.6
Louisiana	1.1	0.6	819	3.8	1.9	96.2
Maine	4.7	0.8	3,268	4.6	3.6	43.9
Maryland	5.5	4.9	4,745	29.7	19.7	881.7
Massachusetts	2.1	2.7	2,322	16.6	14.7	454.4
Michigan	1.0	1.2	715	7.2	5.0	713.6
Minnesota	0.5	0.4	407	2.4	1.5	163.9
Mississippi	4.2	1.1	2,273	6.7	4.6	127.8
Missouri	3.0	2.3	2,194	13.7	11.9	42.3
Montana	1.1	0.1	750	0.9	0.3	87.9
Nebraska	1.0	0.3	945	1.9	0.8	55.6
Nevada	1.4	0.6	1,090	3.6	2.1	46.1
New Hampshire	3.2	0.6	2,726	3.8	3.4	79.5
New Jersey	1.1	1.5	957	9.1	6.7	100.6
New Mexico	3.4	0.8	2,210	4.7	3.0	77.9
New York	0.7	2.5	773	15.4	11.9	334.0
North Carolina	1.5	2.1	1,162	12.8	4.3	205.3
North Dakota	1.4	0.2	1,333	1.1	0.3	63.9
Ohio	1.2	1.9	959	11.4	7.2	250.1
Oklahoma	2.9	1.3	1,914	7.8	4.1	74.0
Oregon	0.5	0.3	408	1.7	1.0	116.3
Pennsylvania	2.4	4.0	1,857	24.3	20.6	408.1
Rhode Island	2.5	0.3	1,818	2.0	0.9	75.0
South Carolina	2.0	1.1	1,248	6.8	3.5	71.2
South Dakota	1.8	0.2	1,463	1.4	0.9	27.6
Tennessee	0.7	0.6	521	3.8	2.4	119.6
Texas	1.7	7.8	1,513	47.4	34.0	424.6
Utah	2.9	1.4	2,466	8.6	6.4	86.9
Vermont	2.0	0.2	1,432	0.9	0.7	48.3
Virginia	10.0	12.6	8,646	76.2	53.7	364.0
Washington	1.9	2.7	2,055	16.4	8.1	307.1
West Virginia	1.4	0.2	825	1.5	1.0	90.2
Wisconsin	1.2	0.9	893	5.3	4.6	144.5
Wyoming	1.3	0.1	1,163	0.7	0.3	33.9
<b>U.S. Average/Total</b>	<b>2.1</b>	<b>100.0</b>	<b>1,784</b>	<b>606.7*</b>	<b>423.3</b>	<b>9,659.7</b>

\*These figures do not total \$606.7 billion due to rounding.

	7	8	9	10	11	12
	TOTAL PAYROLL (\$ billions)	CIVILIAN PAY (\$ billions)	MILITARY ACTIVE DUTY PAY (\$ billions)	NATIONAL GUARD & RESERVE PAY (\$ billions)	RANKING BY DEFENSE SPENDING AS A SHARE OF STATE GDP	RANKING BY TOTAL DEFENSE SPENDING
Alabama	3.8	2.5	0.8	0.5	7	9
Alaska	2.2	0.5	1.5	0.2	3	32
Arizona	2.3	0.7	1.1	0.5	13	8
Arkansas	0.8	0.2	0.3	0.3	36	40
California	19.3	6.3	11.2	1.8	29	2
Colorado	4.5	1.1	2.9	0.5	17	15
Connecticut	0.9	0.2	0.4	0.2	6	7
Delaware	0.5	0.1	0.2	0.1	46	50
District of Columbia	2.7	1.7	1.0	0.1	4	19
Florida	9.3	3.1	5.0	1.3	21	4
Georgia	7.9	2.8	4.2	0.9	28	13
Hawaii	6.3	2.1	3.9	0.4	1	18
Idaho	0.5	0.1	0.2	0.2	47	48
Illinois	2.6	1.1	0.9	0.6	45	21
Indiana	1.6	1.0	0.1	0.4	39	28
Iowa	0.4	0.1	0.0	0.3	31	35
Kansas	2.2	0.5	1.4	0.3	25	33
Kentucky	3.3	0.7	2.2	0.4	8	14
Louisiana	1.8	0.5	0.8	0.4	40	37
Maine	1.0	0.8	0.0	0.1	9	31
Maryland	9.1	5.6	2.8	0.7	5	5
Massachusetts	1.4	0.7	0.2	0.5	20	10
Michigan	1.5	1.0	0.1	0.4	43	25
Minnesota	0.7	0.2	0.0	0.5	51	39
Mississippi	1.9	0.8	0.7	0.5	10	27
Missouri	1.8	0.6	0.7	0.4	14	16
Montana	0.4	0.1	0.2	0.1	41	49
Nebraska	1.1	0.4	0.5	0.2	44	42
Nevada	1.4	0.2	1.0	0.2	33	38
New Hampshire	0.3	0.1	0.1	0.1	12	34
New Jersey	2.3	1.2	0.5	0.6	42	22
New Mexico	1.7	0.6	1.0	0.1	11	30
New York	3.1	0.9	1.3	0.9	49	12
North Carolina	8.3	1.8	5.8	0.6	30	17
North Dakota	0.7	0.1	0.5	0.1	32	46
Ohio	3.9	2.7	0.6	0.7	37	20
Oklahoma	3.6	2.1	1.2	0.4	15	24
Oregon	0.6	0.3	0.0	0.3	50	43
Pennsylvania	3.3	2.3	0.2	0.8	19	6
Rhode Island	1.0	0.6	0.3	0.2	18	41
South Carolina	3.3	0.9	1.8	0.5	23	26
South Dakota	0.4	0.1	0.2	0.1	26	45
Tennessee	1.3	0.5	0.2	0.5	48	36
Texas	12.9	4.1	7.2	1.6	27	3
Utah	2.2	1.4	0.3	0.4	16	23
Vermont	0.2	0.0	0.0	0.1	22	47
Virginia	22.1	10.9	10.2	1.1	2	1
Washington	8.0	3.0	4.4	0.6	24	11
West Virginia	0.4	0.1	0.0	0.2	34	44
Wisconsin	0.6	0.2	0.1	0.4	38	29
Wyoming	0.4	0.1	0.2	0.1	35	51
<b>U.S. Average/Total</b>	<b>173.7</b>	<b>69.8</b>	<b>80.5</b>	<b>23.4</b>	<b>N/A</b>	<b>N/A</b>

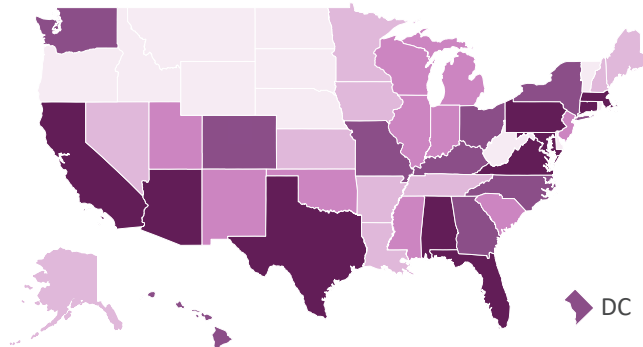
Data sources: DoD's Defense Manpower Data Center; DoD's Product Service Code Selection Tool; USAspending.gov; U.S. Bureau of Economic Analysis; U.S. Census Bureau; and U.S. Department of Housing and Urban Development.

# UNITED STATES

FISCAL YEAR 2024

## Total Spending

Billions	
	\$16.6 to \$76.2
	\$11.4 to \$16.4
	\$4.7 to \$11.1
	\$2.3 to \$4.6
	\$0.7 to \$2

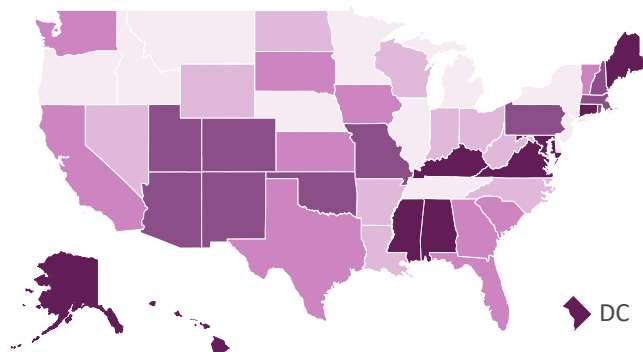


## Top 10 States by Total Spending (billions)

Virginia	\$76.2
California	\$63.2
Texas	\$47.4
Florida	\$34.8
Maryland	\$29.7
Pennsylvania	\$24.3
Connecticut	\$19.7
Arizona	\$17.1
Alabama	\$17.0
Massachusetts	\$16.6

## Total Spending as % of State GDP

Percentage	
	4.2% to 10.3%
	2.1% to 3.4%
	1.5% to 2%
	1.1% to 1.5%
	0.5% to 1.1%

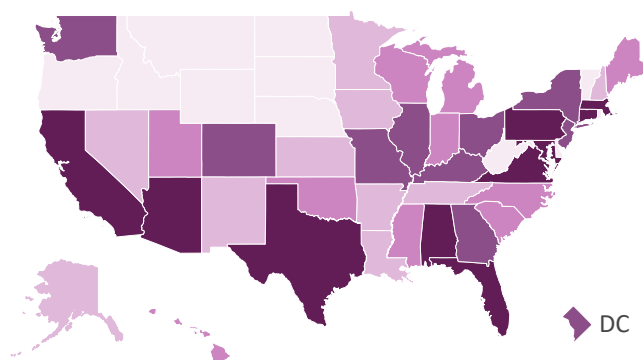


## Top 10 States by Total Spending as % of GDP

Hawaii	10.3
Virginia	10.0
Alaska	6.5
District of Columbia	6.2
Maryland	5.5
Connecticut	5.4
Alabama	5.3
Kentucky	5.0
Maine	4.7
Mississippi	4.2

## Contract Spending

Billions	
	\$12.9 to \$53.7
	\$6.7 to \$11.9
	\$3.5 to \$6.4
	\$1.4 to \$3.4
	\$0.2 to \$1



## Top 10 States by Contract Spending (billions)

Virginia	\$53.7
California	\$42.9
Texas	\$34.0
Florida	\$25.2
Pennsylvania	\$20.6
Maryland	\$19.7
Connecticut	\$18.7
Massachusetts	\$14.7
Arizona	\$14.7
Alabama	\$12.9

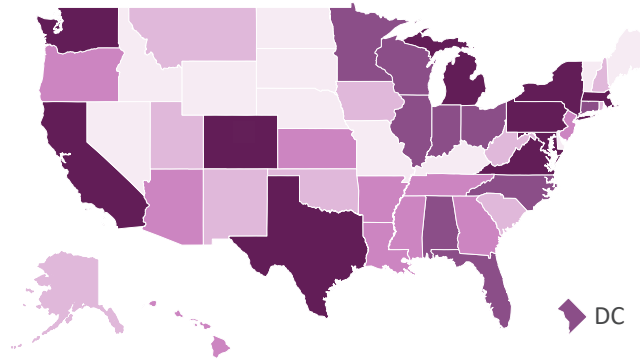
Data sources: DoD's Defense Manpower Data Center; DoD's Product Service Code Selection Tool; USAspending.gov; U.S. Bureau of Economic Analysis; U.S. Census Bureau; and U.S. Department of Housing and Urban Development.

# UNITED STATES

FISCAL YEAR 2024

## Grant Spending

Millions	
	\$266 to \$1,039
	\$145 to \$264
	\$96 to \$140
	\$71 to \$90
	\$28 to \$69

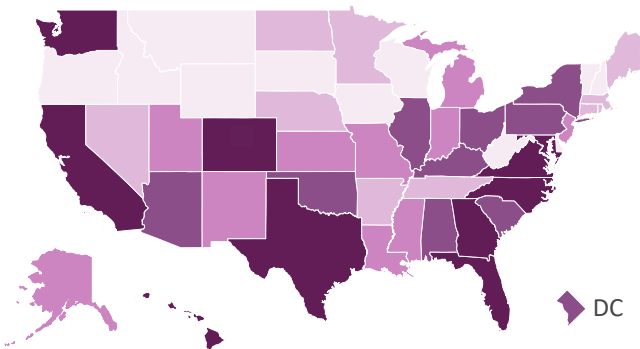


## Top 10 States by Grant Spending (millions)

California	\$1,039
Maryland	\$882
Michigan	\$714
Massachusetts	\$454
Texas	\$425
Pennsylvania	\$408
Virginia	\$364
New York	\$334
Washington	\$307
Colorado	\$266

## Personnel Spending

Billions	
	\$4.5 to \$22.1
	\$2.3 to \$3.9
	\$1.5 to \$2.3
	\$0.7 to \$1.4
	\$0.2 to \$0.6

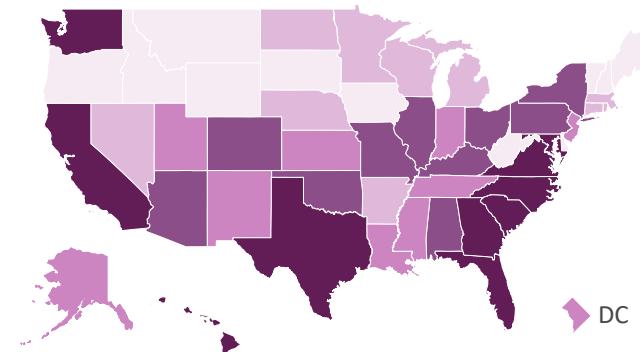


## Top 10 States by Personnel Spending (billions)

Virginia	\$22.1
California	\$19.3
Texas	\$12.9
Florida	\$9.3
Maryland	\$9.1
North Carolina	\$8.3
Washington	\$8.0
Georgia	\$7.9
Hawaii	\$6.3
Colorado	\$4.5

## Personnel Numbers

Thousands	
	66 to 274
	38 to 61
	24 to 36
	13 to 24
	4 to 13



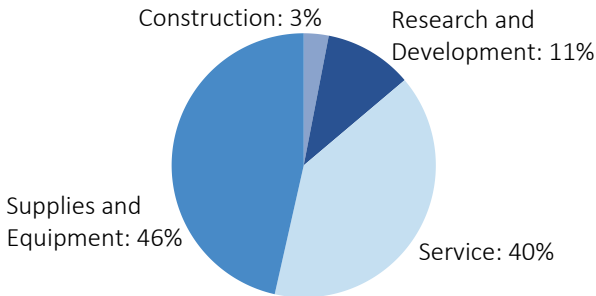
## Top 10 States by Personnel Numbers (thousands)

California	274
Virginia	247
Texas	214
North Carolina	136
Florida	134
Georgia	127
Washington	106
Maryland	95
Hawaii	72
South Carolina	66

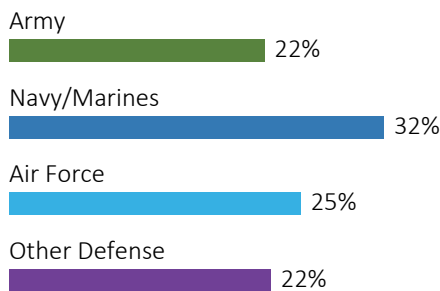
# UNITED STATES

<b>\$606.7 B</b> TOTAL SPENT	<b>2.1%</b> OF GDP	<b>\$1,784</b> PER RESIDENT	<b>\$423.3 B</b> CONTRACT SPENDING	<b>\$9.7 B</b> GRANT SPENDING	<b>\$173.7 B</b> PERSONNEL SPENDING	<b>2.6 M</b> NUMBER OF PERSONNEL
 <b>DEFENSE CONTRACTS</b>						

## By Type



## By Service



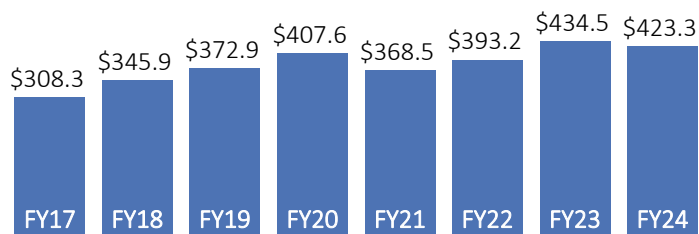
## Top Defense Contractors

(B = billions)

Lockheed Martin	\$39.9 B
RTX Corp.	\$25.2 B
General Dynamics	\$19.9 B
Boeing	\$19.3 B
Northrop Grumman	\$18.3 B
L3Harris Technologies	\$8.5 B
BAE Systems	\$8.1 B
Humana	\$8.0 B
Huntington Ingalls	\$6.9 B
Cencora	\$6.1 B

## Contract Awards Performed

(By Fiscal Year, billions)

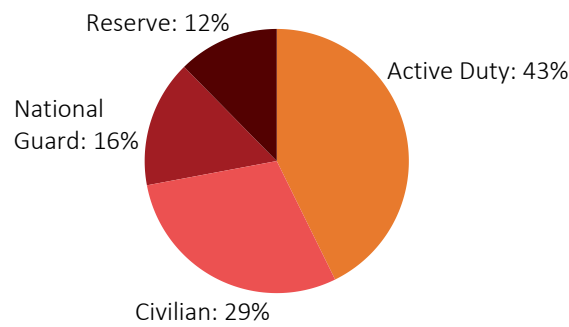


## DEFENSE PERSONNEL

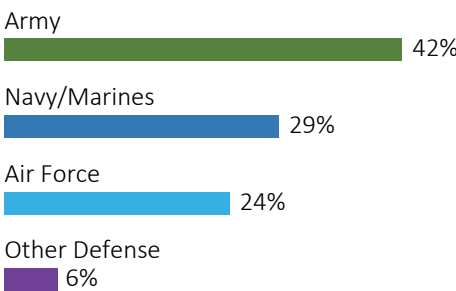
**\$173.7 BILLION**  
TOTAL PAYROLL

**2,580,307**  
TOTAL PERSONNEL

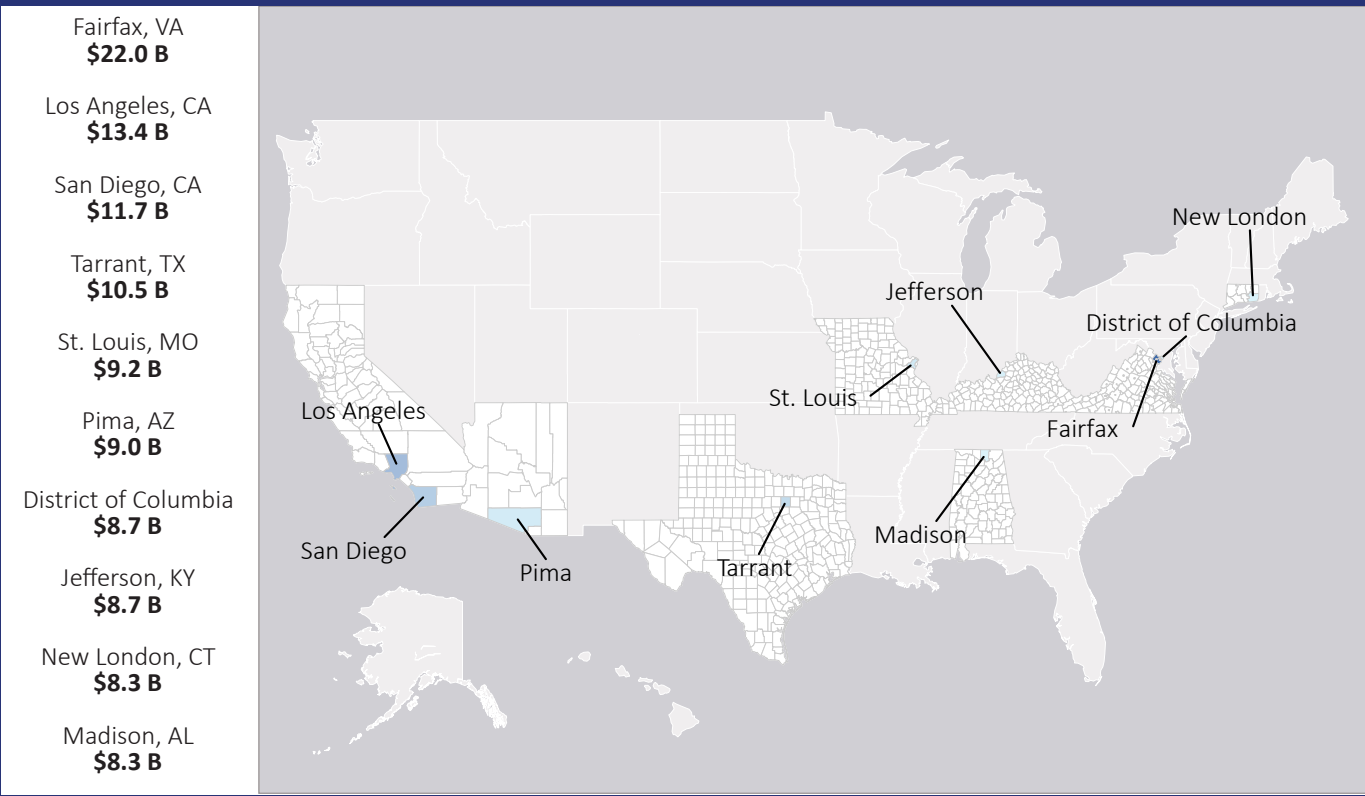
## Allocations, By Type



## Allocations, By Service



TOP DEFENSE CONTRACT SPENDING LOCATIONS (B = billions)



**Note:** This report contains defense spending and personnel data at the state and national level only. At the time of publication, FY 2024 personnel data was incomplete at the county level. Contract spending by county is available online at <https://oldcc.gov/defense-spending-state-fiscal-year-2024> as part of the Excel-formatted workbook featuring the FY 2024 metrics.

## APPENDIX: METHODOLOGY

This section contains additional details on the processes applied to derive the statistics provided in this report.

### A. Defense Contracts

This section refers to U.S. Department of Defense (DoD) contract obligations during fiscal year (FY) 2024 (i.e., October 1, 2023 through September 30, 2024). DoD-funded grant awards and gross pay, which are discussed in sections F and G respectively, are the only other types of defense spending included in this report.

Contracts are the principal method through which the DoD and other federal agencies spend money. The phrase “contract spending” reflects federal agencies’ use of contracts with suppliers to purchase all products and services over a legally specified threshold, which increased to \$5,000 on April 13, 2018, and to \$10,000 on August 31, 2018 (federal agencies can use agency credit cards to buy products and services valued at less than those amounts). While the DoD and other federal agencies obligate funds through other means, those payments comprise a small percentage of the DoD’s total expenditures.<sup>2</sup>

Contract obligation amounts are calculated from data obtained through USAspending.gov, a publicly available database of unclassified federal spending maintained by the U.S. Department of the Treasury. All relevant transaction records downloaded from USAspending.gov, over 32 million in total, listed the DoD as the “funding agency,” and most of those records (99.5 percent) also listed the DoD as the “awarding agency.” Contract spending amounts reflect obligations rather than actual expenditures. Totals are comprised of:

- Contract prime awards that federal agencies provide to private- and public-sector organizations and individuals for products (e.g., clothing and ships) and services (e.g., information technology and research and development), and

- Sub-awards that prime award recipients provide to sub-contractors.<sup>3</sup>

Contract spending figures in this report have not been adjusted for inflation.

#### *Prime and Sub-Award Reporting*

Steps were taken to ensure the prime and sub-award data were accurately reported. In cases where a prime contractor sub-contracted another vendor, the sub-contract amount was subtracted from the prime contractor’s total, as well as from the totals for the state and county in which the prime contractor was located. Moreover, the amount was added to the sub-contractor’s total and the spending for the state and county in which the sub-contractor was located.

#### *Fiscal Years for Contract Spending*

This report incorporates two different methods (for prime awards and sub-awards respectively) for assigning contract spending to a particular fiscal year. For contract prime awards, the researchers allocated contract spending to the fiscal year that each prime award transaction (including obligations, additions, and subtractions of funds) was made. For example, if a prime award of \$100 was signed on March 1, 2017, then the \$100 in funds was allocated to FY 2017. If the DoD added \$50 to the contract on October 15, 2017, then such funds were assigned to FY 2018. If the DoD deducted \$25 from the same prime award on April 30, 2019, then that deduction was allocated to FY 2019.

Contract sub-award amounts were deducted from the fiscal year in which the associated award received the most prime funds, and added to the fiscal year during which the sub-award was made, unless the sub-award was made during the same fiscal year that the most

<sup>2</sup> Office of the Undersecretary of Defense for Acquisition and Sustainment, “Class Deviation - Micro-Purchase Threshold, Simplified Acquisition Threshold, and Special Emergency Procurement Authority,” August 31, 2018, <https://www.acq.osd.mil/dpap/policy/policyvault/USA002260-18-DPC.pdf>.

<sup>3</sup> In accordance with Federal Acquisition Regulation clause 52.204-10 (Reporting Executive Compensation and First-Tier Subcontract Awards), prime contractors awarded a federal contract or order are required to file a sub-award report by the end of the month following the month in which the prime contractor awards any subcontract greater than \$30,000. (General Services Administration, “About FFATA,” accessed August 1, 2025, <https://www.fgss.gov/#a-faqs>).

prime award funds were obligated.

Continuing with the previous example, if a prime award of \$100 was signed in FY 2017 and the contractor issued a \$25 sub-award in FY 2017, then the \$25 is deducted from the prime contractor's total and added to the sub-contractor's figures for FY 2017. In this case, FY 2017 is the year during which both prime funds were obligated and sub-awards were made. If a prime award of \$100 was signed in FY 2017, was subsequently awarded an addition of \$200 in FY 2018, and then the prime contractor issued a \$25 sub-award in FY 2019, then that \$25 is deducted from FY 2018 (the year in which the highest amount of funds was obligated to the prime award) and added to FY 2019 for the sub-contractor.

### ***B. Defense Contracts, By Type***

This represents the proportion of total prime award spending in a state or the District of Columbia that went to four product and service categories: construction, research and development, service, and supplies and equipment. The list of legacy Better Buying Portfolio categories on the DoD's Product Service Code (PSC) Selection Tool was used to categorize the spending on the products and services identified by the PSC listed in each prime award record.<sup>4</sup> The federal government uses these codes to identify the products or services that comprise the majority of spending in a prime award contract. Sub-award records do not contain such a code or any other product or service identifier. Therefore, sub-award spending was categorized by the PSC of the prime award against which the sub-award was made.

### ***C. Defense Contracts, By Service***

This statistic is the percentage of defense contract spending in a state or the District of Columbia that was funded by the Military Services or other DoD activities in FY 2024. For prime awards, the "Funding Sub Agency Code" field was used to identify the specific agency that funded an award. For sub-awards, the Funding Sub Agency

Code listed for the associated prime award was used to identify the funding agency for the sub-award. All awards identifying the U.S. Departments of the Army, Navy, and Air Force were categorized as "Army," "Navy/Marines," and "Air Force/Space Force."

All other DoD activities, such as the Defense Health Agency or Defense Logistics Agency, are categorized as "Other Defense."

### ***D. Top Defense Contractors***

This list includes the private- and public-sector contractors that were among the ten biggest recipients of DoD spending in a state or the District of Columbia during FY 2024.

Researchers identified contractors using the name of the ultimate parent of the contract recipient, if a parent recipient was provided in the contract records. If no parent recipient was recorded, the researchers identified contractors by their individual recipient names. Researchers conducted rigorous quality assurance on the list of all contractor names to remove inconsistent names used for the same recipients. Researchers also reviewed recent mergers and acquisitions among defense contractors to standardize changing recipient names over the eight-year period of interest.

### ***E. Contract Awards Performed, By Fiscal Year***

These numbers represent total defense contract awards in a state or the District of Columbia for each fiscal year since 2017. Calculated according to the methodology described in Section A, these figures include both prime and sub- awards, and are often different from those listed in previous versions of this report. These differences reflect contract modifications (e.g., the addition/ reduction of funds) that occurred after the data were obtained for the prior reports, as well as the methods used to assign prime and sub-awards to specific fiscal years. This report reflects the most current estimates of

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<sup>4</sup> U.S. Department of Defense, Defense Pricing and Contracting Office, "Product Service Code (PSC) Selection Tool," accessed August 1, 2024, <https://psctool.us/>.

obligation amounts in each state in each fiscal year.

## ***F. Defense Grants***

This section refers to DoD grants awarded during FY 2024 (i.e., October 1, 2023 through September 30, 2024).

Grant awards are a form of financial assistance from the DoD (and other federal agencies) to carry out a public project or service authorized by United States Law.<sup>5</sup> Although most grants are awarded to state and local governments, “grant spending” in this report reflects all grant obligations to both governmental and nongovernmental recipients, and of all types, including block grants, formula grants, project grants, and cooperative agreements. In comparison to contracts, grants represent a small percentage of DoD’s total award obligations (2 percent).

As with the contract obligations detailed above, grant award amounts are calculated from data obtained through USAspending.gov. All of the nearly 24.7 thousand prime award transactions downloaded from USAspending.gov for this report listed the DoD as the “funding agency,” and nearly 100 percent of those transactions also listed the DoD as the “awarding agency.” As with contracts, grant spending reflects obligations rather than actual expenditures, from both grant prime awards, awarded by the federal government to private- and public-sector organizations, and grant sub-awards, awarded by those recipients to other organizations.

All grant spending in this report is summarized at the state level and reflects obligations from FY 2024 prime awards and sub-awards, including FY 2024 sub-awards of pre-FY 2024 prime award funds. The location of both prime-award grant spending and sub-award grant spending was allocated to the award recipient state. Grant spending was assigned to fiscal years following the same methodology used for contract sub-awards, in which spending was assigned to the fiscal year of each

transaction, while sub-award amounts were deducted from the fiscal year in which the associated award received the most prime funding.

Grant spending figures in this report have not been adjusted for inflation.

## ***G. Defense Personnel***

This section refers to the total active duty, civilian, National Guard, and Reserve personnel in a state or the District of Columbia in FY 2024. Defense payroll figures represent the total gross pay received by those personnel through FY 2024, while personnel counts reflect the levels on September 30, 2024. These data are from the DoD’s Defense Manpower Data Center (DMDC). Readers are cautioned not to compare personnel counts from the Defense Spending by State FY 2016 report to the FY 2024 report. Since the FY 2017 version of this report, the Defense Spending by State report reflects DMDC data for all personnel corresponding to a single snapshot in time (September 30, 2024 for the FY 2024 report) rather than over the course of the fiscal year.

Readers may notice that states with a large Navy/Marine presence (e.g., California, Washington, Virginia, and South Carolina) appear to have significantly increased in personnel and payroll from the FY 2017 version of this report. This is due to a change in how DMDC counts personnel. Personnel who previously appeared to be assigned to Armed Forces Americas or Armed Forces Europe are reported in FY 2018 through FY 2024 in their home-port state, but with an APO/FPO zip code of their current overseas location. Since APO/FPO zip codes do not have corresponding counties, their county is unknown, but they are included in state totals.

At the time of publication, FY 2024 data was incomplete at the county level and no county level personnel counts were available.

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<sup>5</sup> USAspending.gov glossary official definition of grant: “A federal financial assistance award making payment in cash or in kind for a specified purpose. The federal government is not expected to have substantial involvement with the state or local government or other recipient while the contemplated activity is being performed. The term “grant” is used broadly and may include a grant to nongovernmental recipients as well as one to a state or local government, while the term “grant-in-aid” is commonly used to refer only to a grant to a state or local government. (For a more detailed description, see the Federal Grant and Cooperative Agreement Act of 1977, 31 U.S.C. §§ 6301–6308.) The two major forms of federal grants-in-aid are block and categorical” (USAspending.gov, “Glossary”, accessed August 1, 2025, <https://www.usaspending.gov/?glossary=grant>).





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