

DoD Releases Report on Defense Spending by State in Fiscal Year 2022

[Release from the U.S. Department of Defense](#)

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Today, the Department of Defense Office of Local Defense Community Cooperation released its Fiscal Year 2022 Defense Spending by State report to help states and communities better understand how Defense procurement, personnel spending and grants impact their economies. Fiscal Year 2022 is the first year to incorporate DoD grant awards, which were reported to [USAspending.gov](#).

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 vendors, numbers, and types of defense personnel, and, for the first time, grants awarded by DoD. This snapshot provides public and private leaders with a starting place to assess how defense investments across installations, communities, and the private sector can be optimized by supporting regional innovation, industrial capability and capacity, supply chain resilience, and cultivating a skilled workforce.

"Our industrial base is one of our greatest competitive advantages, and this report enables our state, local, and industry partners to visualize the full scope of our investments as we focus on fostering a resilient and robust defense ecosystem," said Dr. Radha Plumb, Deputy Under Secretary of Defense for Acquisition and Sustainment. "As we work to deliver the technologies and services our warfighters

need at speed and scale, the report highlights how the Department is expanding our relationships with industries not traditionally associated with defense and serves as a tool for state and local partners to identify new partnership opportunities.”

Defense spending fell in Fiscal Year 2022 as the federal government ramped down its response to the COVID-19 pandemic. DoD contract obligations and payroll spending in the 50 states and the District of Columbia decreased by \$10.1 billion over the prior year. This is the result of a 2.3 percent decrease in DoD contract obligations and a 0.06 percent decrease in payroll spending.

DoD contract obligations, payroll spending, and grant awards in the 50 states and the District of Columbia totaled \$558.7 billion, which is 2.2 percent of the country’s gross domestic product. If the total spending were divided across every U.S. resident, it would amount to \$1,679 per U.S. citizen. Of those funds, \$389.5 billion (70 percent) were spent on contracts for products and services, \$159.4 billion (28 percent) paid the salaries of DoD personnel, and \$9.7 billion (2 percent) were awarded as grants.

Virginia, Texas, and California topped the list of recipients for overall defense spending. However, Virginia, Hawaii, and Connecticut ranked highest when considering defense spending relative to their respective state GDPs.

The top ten states for total Defense spending in Fiscal Year 2022 were:

Rank	State	Defense Spending (billions)
1	Virginia	\$62.7
2	Texas	\$58.0
3	California	\$56.2
4	Florida	\$30.2

5	New York	\$28.1
6	Maryland	\$26.4
7	Connecticut	\$22.3
8	Pennsylvania	\$17.9
9	Massachusetts	\$15.2
10	Arizona	\$15.0

Texas, Connecticut, and North Carolina had the largest overall increases in DoD spending from Fiscal Year 2021 to 2022. This was driven by a large contract to Lockheed Martin in Texas, increases in contracts to General Dynamics and Raytheon in Connecticut, and a large contract with GlaxoSmithKline in North Carolina. Two large contracts – Pfizer, Inc. in New York (\$16.7 billion) and Moderna, Inc. in Massachusetts (\$1.8 billion) – also remain through COVID-19 vaccine and treatment purchases by DoD, in coordination with the U.S. Department of Health and Human Services. Arizona replaced Washington in the top ten states with an increase of \$0.3 billion in Fiscal Year 2022.

The top ten recipients of Defense contracts in Fiscal Year 2022 were:

Rank	Company	Defense Spending (billions)
1	Lockheed Martin	\$44.5
2	Raytheon Technologies	\$25.4
3	General Dynamics	\$21.5
4	Pfizer, Inc.	\$16.7
5	Boeing	\$14.2
6	Northrop Grumman	\$12.8
7	Humana	\$7.7
8	L3Harris Technologies	\$6.2
9	Huntington Ingalls	\$6.1
10	BAE Systems	\$4.9

Nine of the ten companies were on this list in Fiscal Year 2021. BAE Systems replaced Moderna, Inc., which was an anomaly in 2021 due to the federal government's response to the COVID-19 pandemic.

According to Patrick O'Brien, the OLDCC Director, "We know state and local leaders are eager to support the resiliency of military installations and the modernization of the defense industrial base. The contract, grant, and personnel data in this report presents governors, local officials, and other leaders with topline information to help them target their efforts."

This analysis primarily entailed an examination of DoD funded prime- and sub-award contract data, grant awards, and defense personnel and payroll figures drawn from an array of sources, including DoD's Defense Manpower Data Center and USAspending.gov, which is managed by the U.S. Department of the Treasury. Fiscal Year 2022 is the first year to incorporate DoD grant awards, which were reported to USAspending.gov. This spending includes support for the National Guard as well as Research and Development activities.

The Fiscal Year 2022 report, as well as previous years' reports, can be found on the OLDCC website at: <https://oldcc.gov/dsbs-fy2022>

A supplemental analysis report of DoD contract, personnel, and grant spending in American Samoa, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands of the United States is forthcoming.