



Missouri Economy Indicators

Defense Contract Spending Trends

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In fiscal year 2023 (FY, Sept. 2022 to Oct. 2023), Missouri received more than \$13.3 billion from the Department of Defense (DoD), ranking 15th among states and accounting for 2.2% of total U.S. defense spending, or \$2,152 per resident. Defense contracts comprised the majority of Missouri DoD spending (87%), totaling \$11.6 billion and placing Missouri 11th in the nation for defense contract spending. Missouri typically ranks in the top 20% of states in defense contract spending, occasionally breaking into the top ten. Payroll accounted for most of the remaining 13%, while grants made up less than 1% of Missouri’s total defense spending. Overall, DoD spending contributed 3.2% to Missouri’s GDP, ranking it 13th among states.

Defense Contract Spending by Category and Top Contractors

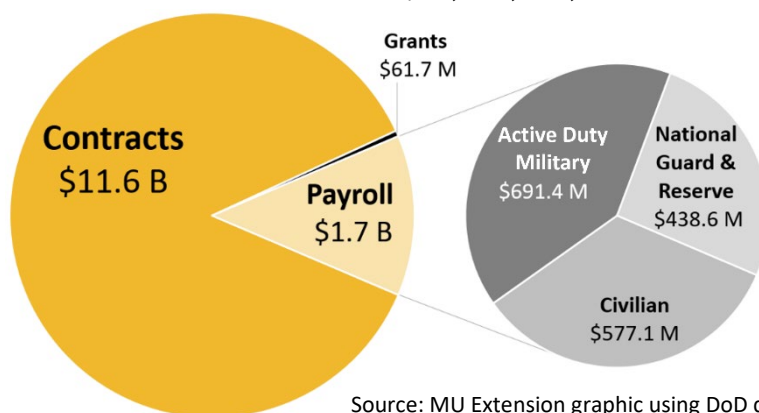
In FY23, supplies and equipment purchases comprised nearly three-quarters (74%) of Missouri’s \$11.6 billion in defense contract spending, followed by services (23%), research & development (2%) and construction (1%). Since 2016, Missouri’s defense contracts have fluctuated, peaking at \$12.5 billion in FY18 and dipping to a low of \$6.7 billion in FY22.

The top defense contractor, Boeing, received roughly 70% (\$8 billion) of FY23 contract funds. Other leading contractors included Express Scripts, Inc. (\$673 million), Olin Corp. (\$509 million), Honeywell (\$462 million) and World Wide Technology (\$404 million).

FY23 Missouri Department of Defense Expenditures



Expenditure Type	Amount	Rank
Contracts	\$11,565,368,158	11
Grants	\$61,729,353	42
Payroll	\$1,707,178,377	27
Total	\$13,334,275,887	15



Source: MU Extension graphic using DoD data.
 Note: Map above indicates Missouri military bases and counties receiving the most DoD contract obligations.

Most defense contract spending went to businesses in St. Louis and Kansas City. The bulk of the remaining spending was directed to Pulaski County (home to Ft. Leonard Wood) and Johnson County (home to Whiteman Airforce Base). Together, these two military installations and other DoD activities employed 39,379 individuals in Missouri.

The Army held the largest presence of any military branch in Missouri, receiving 68% of payroll allocations. The Air Force/Space Force followed with 21% and the Navy/Marines received 8%, with the remaining 4% allocated to “other defense.” Active-duty personnel made up the largest segment of payroll allocations (35%), followed by National Guard (28%), civilians (20%) and reserves (16%). Nearly all active-duty personnel (96%) were based in Pulaski or Johnson counties.

In terms of total funding, the Air Force/Space Force received the largest share (51%), reflecting Missouri’s significant role in supporting aerospace defense. The Navy/Marines received 23%, highlighting Missouri’s involvement in supporting naval defense and supply chains. The Army and other defense sectors each accounted for 13%.

This substantial military presence in Missouri also has a direct impact on the local economy, including the allocation of DoD contracts based on the place of performance. In FY23, Missouri’s small businesses secured \$525 million in contracts, averaging nearly \$54,000 per business. This accounted for 4% of the state’s total DoD obligations, much lower than the 20% national share (Boeing’s large funding influences comparisons to the U.S. average).

Minority-owned businesses in Missouri received \$314.5 million in DoD contract obligations, representing 2% of the state's total DoD obligations, lower than the national average of 8%.

Veteran-owned businesses in Missouri received \$14.8 million in DoD contract obligations, roughly 0.1%, far below the national share of 4%. Missouri’s Women’s Business Enterprises (WBEs) represented 1% of the state's total DoD contract value, compared to 4% nationally. Missouri’s WBEs primarily served sectors like warehousing, facilities support, and healthcare.

Additional Notes and Resources

- [UM Veteran’s Startup Ventures](#): Designed to help veterans start and grow their own businesses, this course helps veterans obtain veteran-owned small business certification through the SBA and provides tools to build a successful enterprise. The 4–5-week course is currently accepting *interest forms* and is planning to launch on March 4, 2025.
- [Veterans & Military-affiliated Resources](#): The University of Missouri System provides veteran-focused resources and serves as a network for veterans and military-affiliated individuals.
- [The Office of the Military Advocate](#): The Missouri Military Advocate coordinates state and local actions to preserve and expand Missouri’s military installations and agencies and provides reports on military expenditures.

All Missouri Economy Indicators briefs in this series are available at <http://muext.us/MissouriEconomyIndicators>

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