

# Economic Impact of the Savannah River Site

## Executive Summary

Rachel Boyd  
Jessica Collins  
Caleb Hawkins  
Herick Isago  
Travis Smith  
Simon Medcalfe

James M. Hull College of Business  
Augusta University  
12/1/2021

The Savannah River Site (SRS, the Site) has been a key economic driver in the surrounding region since its establishment in the early 1950s.

The counties most impacted by SRS operations are Aiken, Allendale, and Barnwell counties in South Carolina and Columbia and Richmond counties in Georgia. Although employment has waned over time as its mission has evolved, SRS remains one of the largest employers in the region. As such, the influence of the Site extends across the entire region as many of the dollars circulating in the regional economy originate from or are related to the Site. The primary purpose of this study is to measure the impact of SRS on the surrounding five counties and understand how SRS influences the surrounding communities.

Since changing significantly in the 1990s, SRS's mission has been relatively stable. The outlook for SRS remains steady as the Department of Energy Environmental Management and National Nuclear Security Administration missions continue. Through the stability that SRS provides to the surrounding region there is an impact on small businesses in the area. Thus, a secondary purpose of this study is to provide insights into the possible impact that the Site has on small businesses in the region.

A third purpose of this study is to report the age profile of workers on the Site.

### **FISCAL AND ECONOMIC IMPACT**

The Savannah River Site's impact on the five counties goes beyond the number of jobs and the dollars spent in the local economy. The Site has a ripple effect in the local economy as each dollar spent circulates in the local economy and each employee spends their earnings in the local economy.

To estimate the total economic and fiscal impact of the Site on the five counties, an economic impact analysis was conducted. The analysis estimates three types of impacts: direct, indirect, and induced. The total economic impact is the sum of the direct, indirect, and induced effects of the SRS operations. The results of the study are summarized below.

**OUTPUT.** SRS organizations spent \$1.2 billion in the regional economy in the form of wages, benefits, and other direct expenditures. This spending by SRS organizations generated an additional \$1 billion. The total \$2.2 billion in output is 10 percent of the Gross Domestic Product.

**EMPLOYMENT.** The Site includes seven organizations that employed 8,639 residents of the five counties in 2020. The spending associated with the Site generated an additional 7,173 jobs in sectors such as restaurants, real estate, employment services, building services, and retail. In all, the Site supports 15,813 jobs in the regional economy, which is 6.8 percent of the five counties' employment base.

**JOBS AND WAGES.** The Site provides a wide range of good jobs for residents in the five counties. The Site organizations provide a range of jobs and careers requiring different skills and education. Site organizations offer jobs in business management, information technology, security, construction, management of natural resources, scientific research, and engineering. Many organizations employ craft personnel with a high school diploma while others provide entry level jobs after college and managerial opportunities after many years of experience. The average wages for all workers at the Site who reside in the five counties was \$97,918. By comparison, the average wage in the five counties is less than \$55,000.

**TAXES.** In addition, activities at the Site generate local, state, and federal taxes. The Site generated \$289 million in federal, state and local taxes.

**SMALL BUSINESS.** SRS has a large impact on small businesses in the region. For this study, small businesses are characterized as women-owned, disadvantaged-owned, veteran-owned, service-disabled veteran-owned, and historically underutilized businesses. In total SRS spent \$176,758,020 at small businesses both inside and outside of the impact region, and \$114,607,052, or 65 percent, within the five counties.

#### **AGE PROFILE**

The Savannah River Site's average age of the employees is 46.8 years old, slightly older than the USA average of 42.5 (Bureau of Labor Statistics, 2020). Approximately 51.7% of workers on the Site are between 45 and 64 years old.