

DEFENSE SPENDING BY STATE

FISCAL YEAR 2023

EXECUTIVE SUMMARY



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

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An electronic copy of this report is located online at <https://oldcc.gov/dsbs-fy2023>.

INTRODUCTION

This Executive Summary presents a high-level overview of U.S. Department of Defense (DoD) contract, grant, and personnel spending during fiscal year (FY) 2023. The maps in this report provide a state-by-state summary of defense spending on six different metrics: total defense spending, total defense spending as a percentage of state gross domestic product (GDP), total contract spending, total grant spending, total personnel payroll spending, and total personnel numbers. 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 2024 and September 2024, 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 2023 Overview

The DoD’s budget authority increased from \$795.7 billion in FY 2022 to \$874.3 billion in FY 2023.¹ DoD contract obligations, grant obligations, and payroll spending in all 50 states and the District of Columbia totaled \$609.2 billion, approximately \$1,819 per U.S. resident and 2.2 percent of the country’s GDP (see table 1). Contracts for various products and services totaled \$431.4 billion, thus comprising the majority of the spending, while DoD personnel payroll accounted for \$167.4 billion, and DoD grant spending accounted for \$10.4 billion.

Most contract funds went to supplies and equipment (such as aircraft, ships, weapons, and parts; 51 percent) and services (36 percent), with research and development (10 percent) and construction (3 percent) comprising the remainder. The largest portion of personnel pay was for active duty military (46 percent), followed by civilians (41 percent), the National Guard (8 percent), and the Reserves (5 percent). Grant awards for FY 2023 were only analyzed by state and not by service branch or award

Table 1: Top 10 States by Total Defense Spending

RANK	STATE	DEFENSE SPENDING (billions)
1	Texas	\$71.6
2	Virginia	\$68.5
3	California	\$60.8
4	Florida	\$32.3
5	Maryland	\$27.8
6	Connecticut	\$25.3
7	Pennsylvania	\$21.8
8	Arizona	\$17.0
9	Massachusetts	\$16.8
10	Washington	\$15.5
Total for Top Ten States		\$357.2
Total for 50 States and District of Columbia		\$609.2

type. DoD grant funds include funding for research and development, impact aid, National Guard programs, and Defense Production Act Title 3.

Total defense spending ranged from \$577 million in Vermont to \$71.6 billion in Texas, with a median value of

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

RANK	STATE	PERCENTAGE
1	Virginia	9.7
2	Hawaii	9.2
3	Connecticut	7.4
4	Alaska	7.0
5	Mississippi	6.1
6	District of Columbia	5.9
7	Maryland	5.4
8	Kentucky	5.2
9	Alabama	4.8
10	Maine	4.6

¹ Office of the Under Secretary of Defense (Comptroller), *National Defense Budget Estimates for FY 2025* (Washington, DC: April 2024): page 152-153, https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2025/FY25_Green_Book.pdf.

\$7.3 billion per state among the 50 states and the District of Columbia.

Approximately 59 percent of the DoD’s \$609.2 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 (9.2 percent of state GDP), Alaska (7.0 percent), Mississippi (6.1 percent), the District of Columbia (5.9 percent), Kentucky (5.2 percent), Alabama (4.8 percent), and Maine (4.6 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, Florida, Texas, and Virginia were all among the top ten recipients of defense contracts, grants, and personnel spending. In addition, New York was the only state among the top ten recipients of defense contract funds that was not among the top ten states for overall defense spending (see table 3).

Table 3: Top 10 States by Defense Contract Spending

RANK	STATE	DEFENSE SPENDING (billions)
1	Texas	\$58.7
2	Virginia	\$46.8
3	California	\$41.2
4	Connecticut	\$24.3
5	Florida	\$22.9
6	Maryland	\$18.3
7	Pennsylvania	\$18.2
8	Massachusetts	\$15.0
9	Arizona	\$14.5
10	New York	\$11.7
Total for Top Ten States		\$271.6
Total for 50 States and District of Columbia		\$431.4

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

Table 4: Top 10 States by Defense Personnel Spending

RANK	STATE	DEFENSE SPENDING (billions)
1	Virginia	\$21.3
2	California	\$18.2
3	Texas	\$12.5
4	Florida	\$8.9
5	Maryland	\$8.7
6	North Carolina	\$7.8
7	Washington	\$7.7
8	Georgia	\$7.5
9	Hawaii	\$6.2
10	Colorado	\$4.0
Total for Top Ten States		\$102.8
Total for 50 States and District of Columbia		\$167.4

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

Table 5: Top 10 States by Defense Grant Spending

RANK	STATE	DEFENSE SPENDING (millions)
1	California	\$1,352.7
2	Maryland	\$781.9
3	Michigan	\$695.5
4	Massachusetts	\$530.2
5	Pennsylvania	\$416.4
6	Virginia	\$404.8
7	Texas	\$393.2
8	Florida	\$373.5
9	New York	\$372.4
10	Alabama	\$345.3
Total for Top Ten States		\$5,666.0
Total for 50 States and District of Columbia		\$10,432.3

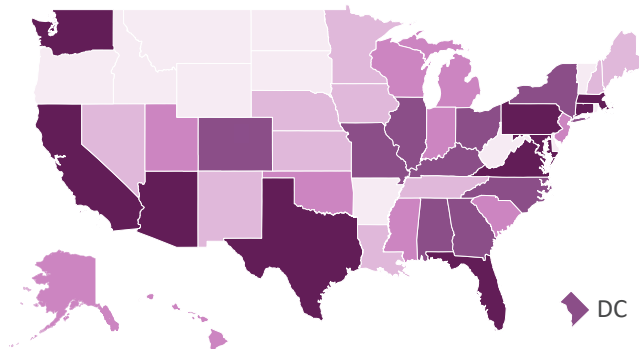
The full FY 2023 Defense Spending by State report, which includes additional details on this report’s methodology, is located at <https://oldcc.gov/dsbs-fy2023>.

UNITED STATES

FISCAL YEAR 2023

Total Spending

Billions	
	\$15.5 to \$71.6
	\$10.4 to \$15.3
	\$4.7 to \$10
	\$2.4 to \$4.6
	\$0.6 to \$1.8

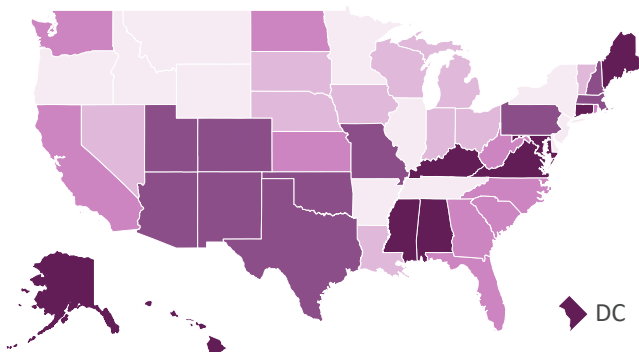


Top 10 States by Total Spending (billions)

Texas	\$71.6
Virginia	\$68.5
California	\$60.8
Florida	\$32.3
Maryland	\$27.8
Connecticut	\$25.3
Pennsylvania	\$21.8
Arizona	\$17.0
Massachusetts	\$16.8
Washington	\$15.5

Total Spending as % of State GDP

Percentage	
	4.6 to 9.7
	2.3 to 3.6
	1.5 to 2.3
	1.2 to 1.4
	0.5 to 1.2

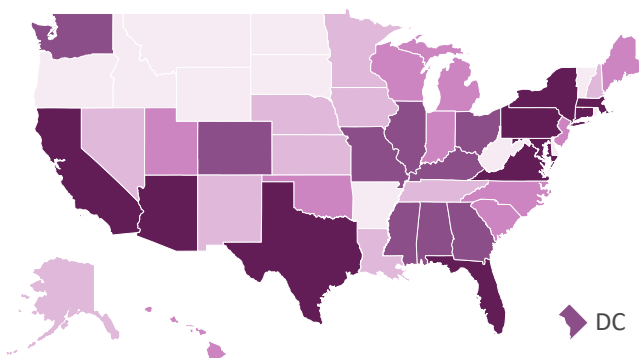


Top 10 States by Total Spending as % of GDP

Virginia	9.7
Hawaii	9.2
Connecticut	7.4
Alaska	7.0
Mississippi	6.1
District of Columbia	5.9
Maryland	5.4
Kentucky	5.2
Alabama	4.8
Maine	4.6

Contract Spending

Billions	
	\$11.7 to \$58.7
	\$7.0 to \$11.6
	\$3.2 to \$6.5
	\$1.4 to \$2.9
	\$0.2 to \$1.4



Top 10 States by Contract Spending (billions)

Texas	\$58.7
Virginia	\$46.8
California	\$41.2
Connecticut	\$24.3
Florida	\$22.9
Maryland	\$18.3
Pennsylvania	\$18.2
Massachusetts	\$15.0
Arizona	\$14.5
New York	\$11.7

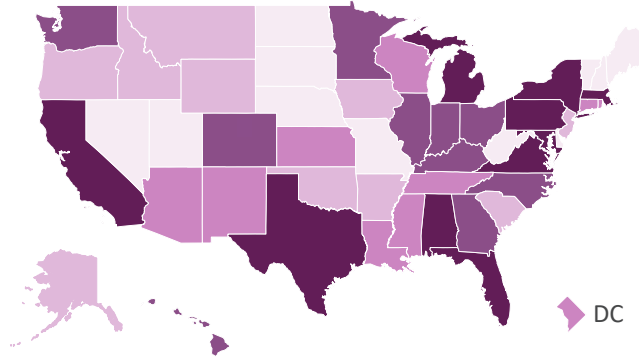
Data sources: DoD's Defense Manpower Data Center; DoD's Product Service Code Selection Tool; USAspending.gov; U.S. Bureau of Economic Analysis; U.S. Census Bureau; and U.S. Department of Housing and Urban Development.

UNITED STATES

FISCAL YEAR 2023

Grant Spending

Millions	
	\$345 to \$1,353
	\$144 to \$281
	\$108 to \$143
	\$68 to \$105
	\$35 to \$67

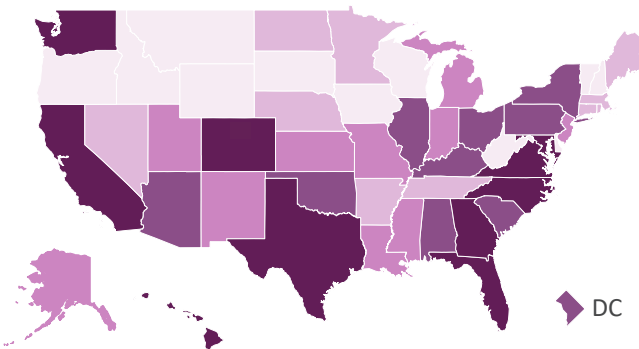


Top 10 States by Grant Spending (millions)

California	\$1,353
Maryland	\$782
Michigan	\$696
Massachusetts	\$530
Pennsylvania	\$416
Virginia	\$405
Texas	\$393
Florida	\$374
New York	\$372
Alabama	\$345

Personnel Spending

Billions	
	\$4.0 to \$21.3
	\$2.3 to \$3.8
	\$1.5 to \$2.2
	\$0.7 to \$1.4
	\$0.2 to \$0.6

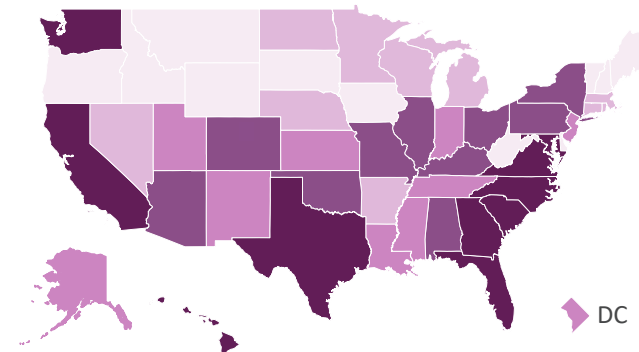


Top 10 States by Personnel Spending (billions)

Virginia	\$21.3
California	\$18.2
Texas	\$12.5
Florida	\$8.9
Maryland	\$8.7
North Carolina	\$7.8
Washington	\$7.7
Georgia	\$7.5
Hawaii	\$6.2
Colorado	\$4.0

Personnel Numbers

Thousands	
	68 to 270
	39 to 59
	25 to 37
	13 to 25
	4 to 13



Top 10 States by Personnel Numbers (thousands)

California	270
Virginia	247
Texas	212
North Carolina	132
Florida	131
Georgia	126
Washington	105
Maryland	93
Hawaii	73
South Carolina	68



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