

The Virginia Defense Breakdown Economic Impact Report

Go to www.forthecommondefense.org/reports to view detailed reports on Virginia counties, cities, Congressional Districts, industries, small businesses and information on sources and methodology.

- **9%:** In 2012, President Obama limited U.S. military capability to fighting one “regional conflict” and one “holding action.” Defense budgets for 2013-2021 were cut **\$487 billion – a 9% cut, at a minimum.**
- **18%:** “Sequestration,” required by law in 2011, mandates **\$500 billion** more in 2013-2021 defense cuts – **an 18% cut, at a minimum.** President Obama said he will veto any changes Congress makes.
- **Be Prepared:** In 2013 **these cuts in defense jobs and businesses** will hit Virginia counties, cities and industries. This report shows how “National Average” defense budget reductions of at least **9% and 18% could affect Virginia, using actual 2010 Virginia data.**
- **Ask Questions:** In 2012, Congress and President Obama will decide on the specific defense budget cuts. In the next 6 months, find out if these defense cuts affect your community more – or less – than this national average. See www.forthecommondefense.org/reports for reports on cities, counties, industries and more.

A 2011 nationwide economic impact study from the Center for Regional Analysis predicts that Virginia could lose hundreds of thousands of jobs and tens of billions of dollars under the “Sequestration” law:

- Virginia could lose 122,770 jobs.
- Virginia’s economy could lose \$7.24 billion in lost earnings.
- Virginia could see a \$10.54 billion decrease in Gross State Product (GSP).

Congressional experts estimate Virginia could lose DOD military active-duty and DOD civilian jobs:

- Under “Sequestration,” 10,527 **military active-duty employees** could lose their jobs.
- Under “Sequestration,” 22,428 **civilian DOD employees** could lose their jobs.

Virginia Top 5 Counties Projected Revenue Reductions Based On National Average

County Name	2000-2010 Revenue	2010 Revenue (Baseline)	2013-2021 Annual Revenue Reduced By At Least 9%	Under Sequestration: 2013-2021 Annual Revenue Reduced By At Least 18%
Fairfax	\$189,727,209,791	\$25,818,456,597	-\$2,323,661,186	-\$4,647,322,372
Arlington	\$70,392,278,439	\$9,087,388,742	-\$817,865,019	-\$1,635,730,039
Loudoun	\$18,767,411,072	\$3,750,313,283	-\$337,528,209	-\$675,056,418
Newport News	\$27,385,454,838	\$2,743,363,768	-\$246,902,749	-\$493,805,498
Virginia Beach	\$14,901,857,225	\$2,621,907,605	-\$235,971,694	-\$471,943,388



Virginia businesses will not escape the 9% and 18% cuts.

Public data for 2010 shows Virginia businesses earned over \$54.14 billion supporting America's defense:

- But under these 10-year defense cuts of at least 9%, Virginia **annual business losses** could be greater than **\$4.87 billion**. Virginia businesses may have to **fire workers**.
- And at the "Sequestration" level of at least 18% in defense cuts, Virginia **annual business losses** could be greater than **\$9.75 billion**. Some Virginia businesses may have to **shut down**.

With at least 9% or 18% in planned budget cuts, Virginia's small businesses will suffer.

From 2000-2010, {TotalBusinesses} Virginia businesses provided goods and services for America's national defense:

- **1,006 minority-owned businesses**, including 349 owned by Black Americans, 188 owned by Hispanic Americans, 58 owned by Native Americans, 229 owned by Asian-Pacific Americans, and 182 owned by other minority Americans.
- **939 small businesses** including 438 "8A" and **small disadvantaged businesses (SDB's)**
- **1,053 woman-owned** businesses
- **1,087 veteran-owned** businesses, including 468 owned by **service-disabled veterans**

Virginia Businesses Projected Revenue Reductions Based On National Average

Type of Business	Numbers of This Business Type 2000-2010	Revenue for This Business Type 2010	Revenue Losses for Business Type 2010 - at Least 9% Reduction	Revenue Losses for Business Type 2010 - at Least 18% Reduction
Minority Owned	1,006	\$8,632,863,046	-\$776,957,705	-\$1,553,915,410
Small Businesses	501	\$2,909,077,988	-\$261,817,029	-\$523,634,059
Small Disadvantaged	438	\$2,358,366,586	-\$212,253,001	-\$424,506,002
Veteran-Owned	619	\$2,465,036,763	-\$221,853,317	-\$443,706,635
Service-Disabled Veteran	468	\$1,910,031,971	-\$171,902,884	-\$343,805,768
Black American	349	\$1,240,583,450	-\$111,652,515	-\$223,305,030
Hispanic American	188	\$3,663,213,683	-\$329,689,245	-\$659,378,489
Asian-Pacific Owned	229	\$1,560,690,876	-\$140,462,184	-\$280,924,369
Women-Owned	1,053	\$2,266,185,420	-\$203,956,696	-\$407,913,392

