

The Alaska Defense Breakdown Economic Impact Report

Go to www.forthecommondefense.org/reports to view detailed reports on Alaska 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 Alaska counties, cities and industries. This report shows how “National Average” defense budget reductions of at least **9% and 18% could affect Alaska, using actual 2010 Alaska 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 Alaska could lose thousands of jobs and hundreds of millions of dollars under the “Sequestration” law:

- Alaska could lose 5,394 jobs.
- Alaska’s economy could lose \$318 million in lost earnings.
- Alaska could see a \$463 million decrease in Gross State Product (GSP).

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

- Under “Sequestration,” 3,863 **military active-duty employees** could lose their jobs.
- Under “Sequestration,” 1,339 **civilian DOD employees** could lose their jobs.

Alaska 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% |
|------------------|-------------------|-------------------------|---|---|
| Anchorage | \$19,820,822,029 | \$2,595,101,641 | -\$233,559,157 | -\$467,118,314 |
| Fairbanks N Star | \$1,178,283,349 | \$171,076,566 | -\$15,396,892 | -\$30,793,783 |
| Bethel | \$129,864,510 | \$66,533,066 | -\$5,987,976 | -\$11,975,952 |
| Yukon Koyukuk | \$119,517,573 | \$38,701,981 | -\$3,483,178 | -\$6,966,357 |
| Matanuska Sus. | \$406,051,082 | \$24,481,021 | -\$2,203,292 | -\$4,406,584 |



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

Public data for 2010 shows Alaska businesses earned over \$2.96 billion supporting America's defense:

- But under these 10-year defense cuts of at least 9%, Alaska **annual business losses** could be greater than **\$266 million**. Alaska businesses may have to **fire workers**.
- And at the "Sequestration" level of at least 18% in defense cuts, Alaska **annual business losses** could be greater than **\$533 million**. Some Alaska businesses may have to **shut down**.

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

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

- **240 minority-owned businesses**, including 14 owned by Black Americans, 11 owned by Hispanic Americans, 177 owned by Native Americans, 15 owned by Asian-Pacific Americans, and 23 owned by other minority Americans.
- **234 small businesses** including 78 "8A" and **small disadvantaged businesses** (SDB's)
- **111 woman-owned** businesses
- **81 veteran-owned** businesses, including 39 owned by **service-disabled veterans**

Alaska 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 | 240 | \$2,541,521,081 | -\$228,736,906 | -\$457,473,813 |
| Small Businesses | 156 | \$2,078,724,783 | -\$187,085,238 | -\$374,170,476 |
| Small Disadvantaged | 78 | \$189,183,411 | -\$17,026,508 | -\$34,053,015 |
| Veteran-Owned | 42 | \$3,771,894 | -\$339,470 | -\$678,941 |
| Service-Disabled Veteran | 39 | \$95,731,603 | -\$8,615,845 | -\$17,231,689 |
| Black American | 14 | \$17,659,411 | -\$1,589,347 | -\$3,178,694 |
| Hispanic American | 11 | \$6,475,569 | -\$582,801 | -\$1,165,602 |
| Asian-Pacific Owned | 15 | \$4,093,244 | -\$368,392 | -\$736,784 |
| Women-Owned | 111 | \$266,961,416 | -\$24,026,528 | -\$48,053,057 |

