

# The Arkansas Defense Breakdown Economic Impact Report

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- **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 Arkansas counties, cities and industries. This report shows how “National Average” defense budget reductions of at least **9% and 18% could affect Arkansas, using actual 2010 Arkansas 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](http://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 Arkansas could lose thousands of jobs and hundreds of millions of dollars under the “Sequestration” law:**

- Arkansas could lose 3,452 jobs.
- Arkansas’ economy could lose \$204 million in lost earnings.
- Arkansas could see a \$296 million decrease in Gross State Product (GSP).

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

- Under “Sequestration,” 1,120 **military active-duty employees** could lose their jobs.
- Under “Sequestration,” 1,042 **civilian DOD employees** could lose their jobs.

## Arkansas 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%
Jefferson	\$1,484,630,341	\$200,968,257	-\$18,087,144	-\$36,174,288
Pulaski	\$1,212,953,715	\$150,938,714	-\$13,584,485	-\$27,168,970
Washington	\$863,013,143	\$150,740,048	-\$13,566,605	-\$27,133,210
Conway	\$146,750,862	\$22,929,546	-\$2,063,659	-\$4,127,318
Crawford	\$93,778,450	\$9,881,694	-\$889,352	-\$1,778,705



## Arkansas businesses will not escape the 9% and 18% cuts.

Public data for 2010 shows Arkansas businesses earned over \$606 million supporting America's defense:

- But under these 10-year defense cuts of at least 9%, Arkansas **annual business losses** could be greater than **\$55 million**. Arkansas businesses may have to **fire workers**.
- And at the "Sequestration" level of at least 18% in defense cuts, Arkansas **annual business losses** could be greater than **\$109 million**. Some Arkansas businesses may have to **shut down**.

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

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

- **55 minority-owned businesses**, including 25 owned by Black Americans, 7 owned by Hispanic Americans, 7 owned by Native Americans, 5 owned by Asian-Pacific Americans, and 11 owned by other minority Americans.
- **58 small businesses** including 34 "8A" and **small disadvantaged businesses** (SDB's)
- **129 woman-owned** businesses
- **91 veteran-owned** businesses, including 25 owned by **service-disabled veterans**

### Arkansas 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	55	\$66,760,683	-\$6,008,462	-\$12,016,923
Small Businesses	24	\$17,882,206	-\$1,609,399	-\$3,218,797
Small Disadvantaged	34	\$6,325,257	-\$569,273	-\$1,138,546
Veteran-Owned	66	\$7,790,417	-\$701,138	-\$1,402,275
Service-Disabled Veteran	25	\$2,539,463	-\$228,552	-\$457,103
Black American	25	\$51,104,553	-\$4,599,410	-\$9,198,820
Hispanic American	7	\$3,888,028	-\$349,923	-\$699,845
Asian-Pacific Owned	5	\$862,748	-\$77,647	-\$155,295
Women-Owned	129	\$20,925,508	-\$1,883,296	-\$3,766,592

