

The Arizona Defense Breakdown Economic Impact Report

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

- Arizona could lose 33,208 jobs.
- Arizona’s economy could lose \$1.95 billion in lost earnings.
- Arizona could see a \$2.83 billion decrease in Gross State Product (GSP).

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

- Under “Sequestration,” 3,557 **military active-duty employees** could lose their jobs.
- Under “Sequestration,” 2,398 **civilian DOD employees** could lose their jobs.

Arizona 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%
Maricopa	\$51,314,316,180	\$6,340,107,302	-\$570,609,680	-\$1,141,219,360
Pima	\$37,657,694,601	\$5,204,677,773	-\$468,421,018	-\$936,842,036
Yuma	\$218,728,502	\$52,642,376	-\$4,737,814	-\$9,475,628
Cochise	\$528,873,079	\$41,882,738	-\$3,769,447	-\$7,538,893
Apache	\$89,303,442	\$23,037,664	-\$2,073,390	-\$4,146,780



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

Public data for 2010 shows Arizona businesses earned over \$11.69 billion supporting America's defense:

- But under these 10-year defense cuts of at least 9%, Arizona **annual business losses** could be greater than **\$1.05 billion**. Arizona businesses may have to **fire workers**.
- And at the "Sequestration" level of at least 18% in defense cuts, Arizona **annual business losses** could be greater than **\$2.10 billion**. Some Arizona businesses may have to **shut down**.

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

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

- **169 minority-owned businesses**, including 28 owned by Black Americans, 73 owned by Hispanic Americans, 11 owned by Native Americans, 30 owned by Asian-Pacific Americans, and 27 owned by other minority Americans.
- **155 small businesses** including 81 "8A" and **small disadvantaged businesses** (SDB's)
- **220 woman-owned** businesses
- **169 veteran-owned** businesses, including 60 owned by **service-disabled veterans**

Arizona 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	169	\$254,150,401	-\$22,873,537	-\$45,747,074
Small Businesses	74	\$160,098,278	-\$14,408,846	-\$28,817,691
Small Disadvantaged	81	\$549,618,932	-\$49,465,706	-\$98,931,412
Veteran-Owned	109	\$119,537,559	-\$10,758,381	-\$21,516,761
Service-Disabled Veteran	60	\$57,533,329	-\$5,178,000	-\$10,356,000
Black American	28	\$24,113,186	-\$2,170,187	-\$4,340,374
Hispanic American	73	\$109,096,820	-\$9,818,714	-\$19,637,428
Asian-Pacific Owned	30	\$52,416,621	-\$4,717,496	-\$9,434,992
Women-Owned	220	\$146,211,433	-\$13,159,029	-\$26,318,059

