

The California 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 California counties, cities and industries. This report shows how “National Average” defense budget reductions of at least **9% and 18% could affect California, using actual 2010 California 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 California could lose hundreds of thousands of jobs and tens of billions of dollars under the “Sequestration” law:

- California could lose 125,789 jobs.
- California’s economy could lose \$7.41 billion in lost earnings.
- California could see a \$10.79 billion decrease in Gross State Product (GSP).

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

- Under “Sequestration,” 19,634 **military active-duty employees** could lose their jobs.
- Under “Sequestration,” 15,341 **civilian DOD employees** could lose their jobs.

California 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%
San Diego	\$80,265,328,310	\$12,586,897,645	-\$1,132,820,833	-\$2,265,641,666
Los Angeles	\$118,888,015,560	\$10,907,584,993	-\$981,682,688	-\$1,963,365,377
Santa Clara	\$47,027,684,325	\$4,906,752,528	-\$441,607,745	-\$883,215,490
Orange	\$44,591,264,127	\$3,849,567,232	-\$346,461,065	-\$692,922,129
Sacramento	\$21,776,842,835	\$3,312,766,621	-\$298,149,008	-\$596,298,015



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

Public data for 2010 shows California businesses earned over \$43.24 billion supporting America's defense:

- But under these 10-year defense cuts of at least 9%, California **annual business losses** could be greater than **\$3.89 billion**. California businesses may have to **fire workers**.
- And at the "Sequestration" level of at least 18% in defense cuts, California **annual business losses** could be greater than **\$7.78 billion**. Some California businesses may have to **shut down**.

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

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

- **1,573 minority-owned businesses**, including 222 owned by Black Americans, 547 owned by Hispanic Americans, 40 owned by Native Americans, 537 owned by Asian-Pacific Americans, and 227 owned by other minority Americans.
- **1,282 small businesses** including 807 "8A" and **small disadvantaged businesses (SDB's)**
- **1,450 woman-owned** businesses
- **993 veteran-owned** businesses, including 332 owned by **service-disabled veterans**

California 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	1,573	\$3,804,484,473	-\$342,403,616	-\$684,807,232
Small Businesses	475	\$1,453,765,081	-\$130,838,862	-\$261,677,725
Small Disadvantaged	807	\$757,720,131	-\$68,194,814	-\$136,389,629
Veteran-Owned	661	\$558,259,589	-\$50,243,365	-\$100,486,730
Service-Disabled Veteran	332	\$378,435,861	-\$34,059,229	-\$68,118,458
Black American	222	\$1,096,875,113	-\$98,718,764	-\$197,437,528
Hispanic American	547	\$889,854,536	-\$80,086,911	-\$160,173,823
Asian-Pacific Owned	537	\$827,325,145	-\$74,459,266	-\$148,918,532
Women-Owned	1,450	\$1,329,284,211	-\$119,635,584	-\$239,271,167

