

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

- Delaware could lose 662 jobs.
- Delaware’s economy could lose \$39 million in lost earnings.
- Delaware could see a \$57 million decrease in Gross State Product (GSP).

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

- Under “Sequestration,” 645 **military active-duty employees** could lose their jobs.
- Under “Sequestration,” 406 **civilian DOD employees** could lose their jobs.

## Delaware 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%
New Castle	\$1,082,720,020	\$163,509,181	-\$14,715,827	-\$29,431,654
Kent	\$482,647,108	\$62,134,713	-\$5,592,124	-\$11,184,249
Sussex	\$60,836,377	\$7,470,652	-\$672,359	-\$1,344,717



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

Public data for 2010 shows Delaware businesses earned over \$233 million supporting America's defense:

- But under these 10-year defense cuts of at least 9%, Delaware **annual business losses** could be greater than **\$21 million**. Delaware businesses may have to **fire workers**.
- And at the "Sequestration" level of at least 18% in defense cuts, Delaware **annual business losses** could be greater than **\$42 million**. Some Delaware businesses may have to **shut down**.

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

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

- **23 minority-owned businesses**, including 13 owned by Black Americans, 2 owned by Hispanic Americans, 1 owned by Native Americans, 2 owned by Asian-Pacific Americans, and 5 owned by other minority Americans.
- **23 small businesses** including 18 "8A" and **small disadvantaged businesses** (SDB's)
- **44 woman-owned** businesses
- **34 veteran-owned** businesses, including 12 owned by **service-disabled veterans**

### Delaware 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	23	\$13,028,448	-\$1,172,560	-\$2,345,121
Small Businesses	5	\$7,729,493	-\$695,654	-\$1,391,309
Small Disadvantaged	18	\$14,407,638	-\$1,296,687	-\$2,593,375
Veteran-Owned	22	\$1,162,990	-\$104,669	-\$209,338
Service-Disabled Veteran	12	\$20,018,597	-\$1,801,674	-\$3,603,348
Black American	13	\$2,017,986	-\$181,619	-\$363,237
Hispanic American	2	\$1,851,281	-\$166,615	-\$333,231
Asian-Pacific Owned	2	\$3,602,791	-\$324,251	-\$648,502
Women-Owned	44	\$22,729,394	-\$2,045,646	-\$4,091,291

