

# The Iowa Defense Breakdown Economic Impact Report

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

- Iowa could lose 4,730 jobs.
- Iowa’s economy could lose \$279 million in lost earnings.
- Iowa could see a \$406 million decrease in Gross State Product (GSP).

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

- Under “Sequestration,” 216 **military active-duty employees** could lose their jobs.
- Under “Sequestration,” 433 **civilian DOD employees** could lose their jobs.

## Iowa 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%
Linn	\$8,725,354,905	\$1,106,389,574	-\$99,575,066	-\$199,150,131
Muscatine	\$762,608,965	\$110,607,117	-\$9,954,641	-\$19,909,282
Des Moines	\$486,393,562	\$96,834,772	-\$8,715,130	-\$17,430,260
Scott	\$681,490,955	\$96,598,173	-\$8,693,836	-\$17,387,672
Polk	\$441,186,398	\$82,874,109	-\$7,458,670	-\$14,917,340



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

Public data for 2010 shows Iowa businesses earned over \$1.59 billion supporting America's defense:

- But under these 10-year defense cuts of at least 9%, Iowa **annual business losses** could be greater than **\$143 million**. Iowa businesses may have to **fire workers**.
- And at the "Sequestration" level of at least 18% in defense cuts, Iowa **annual business losses** could be greater than **\$286 million**. Some Iowa businesses may have to **shut down**.

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

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

- **22 minority-owned businesses**, including 8 owned by Black Americans, 4 owned by Hispanic Americans, 2 owned by Native Americans, 3 owned by Asian-Pacific Americans, and 5 owned by other minority Americans.
- **24 small businesses** including 15 "8A" and **small disadvantaged businesses** (SDB's)
- **87 woman-owned** businesses
- **56 veteran-owned** businesses, including 11 owned by **service-disabled veterans**

### Iowa 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	22	\$54,657,625	-\$4,919,186	-\$9,838,373
Small Businesses	9	\$34,092,125	-\$3,068,291	-\$6,136,583
Small Disadvantaged	15	\$60,480,881	-\$5,443,280	-\$10,886,559
Veteran-Owned	45	\$60,891,713	-\$5,480,254	-\$10,960,509
Service-Disabled Veteran	11	\$9,690,563	-\$872,151	-\$1,744,301
Black American	8	\$20,429,856	-\$1,838,687	-\$3,677,374
Hispanic American	4	\$511,455	-\$46,031	-\$92,062
Asian-Pacific Owned	3	\$715,206	-\$64,369	-\$128,737
Women-Owned	87	\$7,669,875	-\$690,289	-\$1,380,578

