

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

- Kentucky could lose 15,739 jobs.
- Kentucky’s economy could lose \$929 million in lost earnings.
- Kentucky could see a \$1.35 billion decrease in Gross State Product (GSP).

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

- Under “Sequestration,” 7,190 **military active-duty employees** could lose their jobs.
- Under “Sequestration,” 2,241 **civilian DOD employees** could lose their jobs.

## Kentucky 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	\$24,034,479,881	\$4,043,769,418	-\$363,939,262	-\$727,878,524
Fayette	\$4,271,099,554	\$425,232,143	-\$38,270,894	-\$76,541,789
Christian	\$1,536,295,694	\$246,003,891	-\$22,140,351	-\$44,280,702
Boone	\$448,140,650	\$83,548,689	-\$7,519,382	-\$15,038,765
Hardin	\$604,284,973	\$67,103,127	-\$6,039,282	-\$12,078,563



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

Public data for 2010 shows Kentucky businesses earned over \$5.17 billion supporting America’s defense:

- But under these 10-year defense cuts of at least 9%, Kentucky **annual business losses** could be greater than **\$465 million**. Kentucky businesses may have to **fire workers**.
- And at the “Sequestration” level of at least 18% in defense cuts, Kentucky **annual business losses** could be greater than **\$930 million**. Some Kentucky businesses may have to **shut down**.

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

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

- **60 minority-owned businesses**, including 26 owned by Black Americans, 12 owned by Hispanic Americans, 5 owned by Native Americans, 6 owned by Asian-Pacific Americans, and 11 owned by other minority Americans.
- **70 small businesses** including 42 “8A” and **small disadvantaged businesses** (SDB’s)
- **133 woman-owned** businesses
- **97 veteran-owned** businesses, including 25 owned by **service-disabled veterans**

### Kentucky 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	60	\$103,017,679	-\$9,271,591	-\$18,543,183
Small Businesses	28	\$80,817,215	-\$7,273,550	-\$14,547,099
Small Disadvantaged	42	\$12,827,799	-\$1,154,502	-\$2,309,004
Veteran-Owned	72	\$16,961,251	-\$1,526,513	-\$3,053,025
Service-Disabled Veteran	25	\$43,367,032	-\$3,903,033	-\$7,806,066
Black American	26	\$27,240,259	-\$2,451,623	-\$4,903,247
Hispanic American	12	\$28,049,365	-\$2,524,443	-\$5,048,886
Asian-Pacific Owned	6	\$7,707,611	-\$693,685	-\$1,387,370
Women-Owned	133	\$97,396,396	-\$8,765,676	-\$17,531,352

