

The Massachusetts Defense Breakdown Economic Impact Report

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

- Massachusetts could lose 38,240 jobs.
- Massachusetts’ economy could lose \$2.27 billion in lost earnings.
- Massachusetts could see a \$3.31 billion decrease in Gross State Product (GSP).

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

- Under “Sequestration,” 534 **military active-duty employees** could lose their jobs.
- Under “Sequestration,” 1,730 **civilian DOD employees** could lose their jobs.

Massachusetts 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%
Middlesex	\$54,084,704,039	\$6,176,359,374	-\$555,872,366	-\$1,111,744,731
Essex	\$25,173,885,603	\$4,154,153,178	-\$373,873,801	-\$747,747,602
Bristol	\$8,461,141,286	\$1,554,666,187	-\$139,919,962	-\$279,839,925
Norfolk	\$12,389,205,417	\$973,104,679	-\$87,579,425	-\$175,158,849
Suffolk	\$2,405,805,546	\$402,084,555	-\$36,187,611	-\$72,375,223



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

Public data for 2010 shows Massachusetts businesses earned over \$13.83 billion supporting America's defense:

- But under these 10-year defense cuts of at least 9%, Massachusetts **annual business losses** could be greater than **\$1.25 billion**. Massachusetts businesses may have to **fire workers**.
- And at the "Sequestration" level of at least 18% in defense cuts, Massachusetts **annual business losses** could be greater than **\$2.49 billion**. Some Massachusetts businesses may have to **shut down**.

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

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

- **121 minority-owned businesses**, including 21 owned by Black Americans, 23 owned by Hispanic Americans, 4 owned by Native Americans, 36 owned by Asian-Pacific Americans, and 37 owned by other minority Americans.
- **117 small businesses** including 73 "8A" and **small disadvantaged businesses** (SDB's)
- **226 woman-owned** businesses
- **164 veteran-owned** businesses, including 57 owned by **service-disabled veterans**

Massachusetts 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	121	\$341,888,828	-\$30,769,996	-\$61,539,991
Small Businesses	44	\$223,374,482	-\$20,103,704	-\$40,207,408
Small Disadvantaged	73	\$179,800,132	-\$16,182,013	-\$32,364,025
Veteran-Owned	107	\$92,240,348	-\$8,301,632	-\$16,603,263
Service-Disabled Veteran	57	\$51,953,857	-\$4,675,847	-\$9,351,695
Black American	21	\$12,745,658	-\$1,147,109	-\$2,294,219
Hispanic American	23	\$100,250,298	-\$9,022,527	-\$18,045,054
Asian-Pacific Owned	36	\$47,246,684	-\$4,252,202	-\$8,504,403
Women-Owned	226	\$117,409,700	-\$10,566,873	-\$21,133,747

