

The Maryland Defense Breakdown Economic Impact Report

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

- Maryland could lose 36,227 jobs.
- Maryland’s economy could lose \$2.16 billion in lost earnings.
- Maryland could see a \$3.14 billion decrease in Gross State Product (GSP).

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

- Under “Sequestration,” 4,860 **military active-duty employees** could lose their jobs.
- Under “Sequestration,” 8,742 **civilian DOD employees** could lose their jobs.

Maryland 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%
Montgomery	\$51,829,866,973	\$7,165,899,742	-\$644,931,002	-\$1,289,862,005
Howard	\$13,776,706,675	\$1,888,054,685	-\$169,924,928	-\$339,849,857
Anne Arundel	\$14,916,421,729	\$1,661,265,275	-\$149,513,881	-\$299,027,761
Baltimore	\$10,017,123,207	\$1,349,538,022	-\$121,458,427	-\$242,916,854
Prince Georges	\$10,712,830,239	\$1,222,007,412	-\$109,980,671	-\$219,961,343



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

Public data for 2010 shows Maryland businesses earned over \$15.32 billion supporting America’s defense:

- But under these 10-year defense cuts of at least 9%, Maryland **annual business losses** could be greater than **\$1.38 billion**. Maryland businesses may have to **fire workers**.
- And at the “Sequestration” level of at least 18% in defense cuts, Maryland **annual business losses** could be greater than **\$2.76 billion**. Some Maryland businesses may have to **shut down**.

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

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

- **729 minority-owned businesses**, including 393 owned by Black Americans, 100 owned by Hispanic Americans, 17 owned by Native Americans, 113 owned by Asian-Pacific Americans, and 106 owned by other minority Americans.
- **644 small businesses** including 272 “8A” and **small disadvantaged businesses (SDB’s)**
- **703 woman-owned** businesses
- **469 veteran-owned** businesses, including 178 owned by **service-disabled veterans**

Maryland 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	729	\$2,434,675,602	-\$219,120,813	-\$438,241,626
Small Businesses	372	\$1,537,934,614	-\$138,414,121	-\$276,828,242
Small Disadvantaged	272	\$518,668,734	-\$46,680,188	-\$93,360,376
Veteran-Owned	291	\$364,079,376	-\$32,767,145	-\$65,534,290
Service-Disabled Veteran	178	\$269,737,384	-\$24,276,366	-\$48,552,731
Black American	393	\$871,974,443	-\$78,477,703	-\$156,955,406
Hispanic American	100	\$272,928,264	-\$24,563,545	-\$49,127,089
Asian-Pacific Owned	113	\$708,888,152	-\$63,799,936	-\$127,599,872
Women-Owned	703	\$1,196,010,855	-\$107,640,981	-\$215,281,962

