

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

- Minnesota could lose 4,619 jobs.
- Minnesota’s economy could lose \$273 million in lost earnings.
- Minnesota could see a \$397 million decrease in Gross State Product (GSP).

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

- Under “Sequestration,” 316 **military active-duty employees** could lose their jobs.
- Under “Sequestration,” 688 **civilian DOD employees** could lose their jobs.

## Minnesota 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%
Hennepin	\$12,444,936,380	\$894,626,603	-\$80,516,397	-\$161,032,795
Dakota	\$5,454,717,407	\$594,116,407	-\$53,470,479	-\$106,940,958
Anoka	\$4,559,629,213	\$289,795,347	-\$26,081,582	-\$52,163,165
Ramsey	\$838,526,532	\$118,671,081	-\$10,680,398	-\$21,360,795
Saint Louis	\$121,456,411	\$11,078,456	-\$997,061	-\$1,994,122



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

Public data for 2010 shows Minnesota businesses earned over \$2.00 billion supporting America's defense:

- But under these 10-year defense cuts of at least 9%, Minnesota **annual business losses** could be greater than **\$180 million**. Minnesota businesses may have to **fire workers**.
- And at the "Sequestration" level of at least 18% in defense cuts, Minnesota **annual business losses** could be greater than **\$359 million**. Some Minnesota businesses may have to **shut down**.

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

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

- **53 minority-owned businesses**, including 14 owned by Black Americans, 7 owned by Hispanic Americans, 5 owned by Native Americans, 9 owned by Asian-Pacific Americans, and 18 owned by other minority Americans.
- **66 small businesses** including 43 "8A" and **small disadvantaged businesses** (SDB's)
- **100 woman-owned** businesses
- **102 veteran-owned** businesses, including 38 owned by **service-disabled veterans**

### Minnesota 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	53	\$15,122,587	-\$1,361,033	-\$2,722,066
Small Businesses	23	\$7,252,707	-\$652,744	-\$1,305,487
Small Disadvantaged	43	\$31,071,944	-\$2,796,475	-\$5,592,950
Veteran-Owned	64	\$18,692,976	-\$1,682,368	-\$3,364,736
Service-Disabled Veteran	38	\$16,668,717	-\$1,500,185	-\$3,000,369
Black American	14	\$4,147,249	-\$373,252	-\$746,505
Hispanic American	7	\$2,704,429	-\$243,399	-\$486,797
Asian-Pacific Owned	9	\$1,118,945	-\$100,705	-\$201,410
Women-Owned	100	\$23,272,426	-\$2,094,518	-\$4,189,037

