

# The North Carolina Defense Breakdown Economic Impact Report

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

- North Carolina could lose 11,019 jobs.
- North Carolina’s economy could lose \$650 million in lost earnings.
- North Carolina could see a \$947 million decrease in Gross State Product (GSP).

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

- Under “Sequestration,” 19,346 **military active-duty employees** could lose their jobs.
- Under “Sequestration,” 5,107 **civilian DOD employees** could lose their jobs.

## North Carolina 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%
Cumberland	\$1,580,561,835	\$313,916,577	-\$28,252,493	-\$56,504,986
Wake	\$1,649,385,017	\$242,595,375	-\$21,833,585	-\$43,667,169
Mecklenburg	\$4,179,541,676	\$237,975,409	-\$21,417,788	-\$42,835,575
Camden	\$314,904,324	\$225,199,964	-\$20,267,998	-\$40,535,995
Guilford	\$2,077,971,628	\$175,992,425	-\$15,839,319	-\$31,678,638



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

Public data for 2010 shows North Carolina businesses earned over \$2.38 billion supporting America's defense:

- But under these 10-year defense cuts of at least 9%, North Carolina **annual business losses** could be greater than **\$215 million**. North Carolina businesses may have to **fire workers**.
- And at the "Sequestration" level of at least 18% in defense cuts, North Carolina **annual business losses** could be greater than **\$429 million**. Some North Carolina businesses may have to **shut down**.

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

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

- **205 minority-owned businesses**, including 100 owned by Black Americans, 41 owned by Hispanic Americans, 19 owned by Native Americans, 18 owned by Asian-Pacific Americans, and 27 owned by other minority Americans.
- **196 small businesses** including 129 "8A" and **small disadvantaged businesses** (SDB's)
- **404 woman-owned** businesses
- **355 veteran-owned** businesses, including 144 owned by **service-disabled veterans**

### North Carolina 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	205	\$350,403,504	-\$31,536,317	-\$63,072,633
Small Businesses	67	\$277,964,130	-\$25,016,773	-\$50,033,545
Small Disadvantaged	129	\$119,518,740	-\$10,756,687	-\$21,513,374
Veteran-Owned	211	\$487,154,157	-\$43,843,876	-\$87,687,752
Service-Disabled Veteran	144	\$270,258,438	-\$24,323,260	-\$48,646,521
Black American	100	\$45,846,126	-\$4,126,152	-\$8,252,303
Hispanic American	41	\$159,648,530	-\$14,368,368	-\$28,736,737
Asian-Pacific Owned	18	\$12,420,120	-\$1,117,811	-\$2,235,622
Women-Owned	404	\$175,641,152	-\$15,807,704	-\$31,615,409

