

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

- North Dakota could lose 875 jobs.
- North Dakota’s economy could lose \$52 million in lost earnings.
- North Dakota could see a \$75 million decrease in Gross State Product (GSP).

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

- Under “Sequestration,” 1,202 **military active-duty employees** could lose their jobs.
- Under “Sequestration,” 478 **civilian DOD employees** could lose their jobs.

## North Dakota 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%
Grand Forks	\$437,138,537	\$34,455,784	-\$3,101,021	-\$6,202,041
Ward	\$565,179,480	\$31,193,172	-\$2,807,386	-\$5,614,771
Cass	\$309,904,752	\$28,178,664	-\$2,536,080	-\$5,072,160
Benson	\$67,915,780	\$26,903,071	-\$2,421,276	-\$4,842,553
Morton	\$26,607,456	\$9,184,647	-\$826,618	-\$1,653,237



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

Public data for 2010 shows North Dakota businesses earned over \$164 million supporting America’s defense:

- But under these 10-year defense cuts of at least 9%, North Dakota **annual business losses** could be greater than **\$15 million**. North Dakota businesses may have to **fire workers**.
- And at the “Sequestration” level of at least 18% in defense cuts, North Dakota **annual business losses** could be greater than **\$30 million**. Some North Dakota businesses may have to **shut down**.

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

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

- **24 minority-owned businesses**, including 6 owned by Native Americans, 1 owned by Asian-Pacific Americans, and 17 owned by other minority Americans.
- **29 small businesses** including 13 “8A” and **small disadvantaged businesses** (SDB’s)
- **44 woman-owned** businesses
- **26 veteran-owned** businesses, including 10 owned by **service-disabled veterans**

### North Dakota 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	24	\$54,673,037	-\$4,920,574	-\$9,841,147
Small Businesses	16	\$62,975,728	-\$5,667,816	-\$11,335,631
Small Disadvantaged	13	\$9,155,601	-\$824,004	-\$1,648,008
Veteran-Owned	16	\$10,454,574	-\$940,912	-\$1,881,823
Service-Disabled Veteran	10	\$4,394,011	-\$395,461	-\$790,922
Asian-Pacific Owned	1	\$6,200	-\$558	-\$1,116
Women-Owned	44	\$42,895,188	-\$3,860,567	-\$7,721,134

