

The New Mexico Defense Breakdown Economic Impact Report

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

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

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

- Under “Sequestration,” 1,840 **military active-duty employees** could lose their jobs.
- Under “Sequestration,” 1,757 **civilian DOD employees** could lose their jobs.

New Mexico 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%
Bernalillo	\$6,293,272,583	\$598,189,884	-\$53,837,092	-\$107,674,183
Dona Ana	\$1,872,202,022	\$219,612,380	-\$19,765,115	-\$39,530,230
Otero	\$386,802,700	\$46,111,372	-\$4,150,024	-\$8,300,047
Santa Fe	\$285,917,337	\$31,638,670	-\$2,847,480	-\$5,694,961
Rio Arriba	\$367,441,544	\$30,885,869	-\$2,779,728	-\$5,559,457



New Mexico businesses will not escape the 9% and 18% cuts.

Public data for 2010 shows New Mexico businesses earned over \$997 million supporting America’s defense:

- But under these 10-year defense cuts of at least 9%, New Mexico **annual business losses** could be greater than **\$90 million**. New Mexico businesses may have to **fire workers**.
- And at the “Sequestration” level of at least 18% in defense cuts, New Mexico **annual business losses** could be greater than **\$179 million**. Some New Mexico businesses may have to **shut down**.

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

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

- **201 minority-owned businesses**, including 10 owned by Black Americans, 133 owned by Hispanic Americans, 17 owned by Native Americans, 10 owned by Asian-Pacific Americans, and 31 owned by other minority Americans.
- **159 small businesses** including 68 “8A” and **small disadvantaged businesses** (SDB’s)
- **157 woman-owned** businesses
- **76 veteran-owned** businesses, including 28 owned by **service-disabled veterans**

New Mexico 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	201	\$292,968,730	-\$26,367,187	-\$52,734,373
Small Businesses	91	\$168,396,265	-\$15,155,664	-\$30,311,329
Small Disadvantaged	68	\$103,015,364	-\$9,271,383	-\$18,542,766
Veteran-Owned	48	\$10,506,208	-\$945,559	-\$1,891,118
Service-Disabled Veteran	28	\$33,107,109	-\$2,979,640	-\$5,959,280
Black American	10	\$6,415,463	-\$577,392	-\$1,154,783
Hispanic American	133	\$193,892,116	-\$17,450,291	-\$34,900,582
Asian-Pacific Owned	10	\$27,918,033	-\$2,512,623	-\$5,025,246
Women-Owned	157	\$150,851,907	-\$13,576,672	-\$27,153,344

