

The Pennsylvania Defense Breakdown Economic Impact Report

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

- Pennsylvania could lose 36,157 jobs.
- Pennsylvania’s economy could lose \$2.13 billion in lost earnings.
- Pennsylvania could see a \$3.11 billion decrease in Gross State Product (GSP).

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

- Under “Sequestration,” 869 **military active-duty employees** could lose their jobs.
- Under “Sequestration,” 6,777 **civilian DOD employees** could lose their jobs.

Pennsylvania 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%
Delaware	\$23,031,099,387	\$2,448,620,063	-\$220,375,814	-\$440,751,629
Allegheny	\$15,195,189,231	\$1,739,174,826	-\$156,525,741	-\$313,051,481
Montgomery	\$7,082,097,835	\$1,080,406,840	-\$97,236,619	-\$194,473,239
York	\$13,896,105,202	\$1,016,899,221	-\$91,520,934	-\$183,041,867
Dauphin	\$4,821,935,130	\$698,834,975	-\$62,895,150	-\$125,790,300



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

Public data for 2010 shows Pennsylvania businesses earned over \$10.39 billion supporting America's defense:

- But under these 10-year defense cuts of at least 9%, Pennsylvania **annual business losses** could be greater than **\$935 million**. Pennsylvania businesses may have to **fire workers**.
- And at the "Sequestration" level of at least 18% in defense cuts, Pennsylvania **annual business losses** could be greater than **\$1.87 billion**. Some Pennsylvania businesses may have to **shut down**.

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

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

- **159 minority-owned businesses**, including 61 owned by Black Americans, 24 owned by Hispanic Americans, 6 owned by Native Americans, 35 owned by Asian-Pacific Americans, and 33 owned by other minority Americans.
- **195 small businesses** including 126 "8A" and **small disadvantaged businesses** (SDB's)
- **397 woman-owned** businesses
- **323 veteran-owned** businesses, including 88 owned by **service-disabled veterans**

Pennsylvania 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	159	\$577,219,855	-\$51,949,789	-\$103,899,578
Small Businesses	69	\$423,746,273	-\$38,137,166	-\$76,274,332
Small Disadvantaged	126	\$370,409,494	-\$33,336,856	-\$66,673,712
Veteran-Owned	235	\$114,546,839	-\$10,309,216	-\$20,618,432
Service-Disabled Veteran	88	\$411,581,418	-\$37,042,329	-\$74,084,658
Black American	61	\$55,835,584	-\$5,025,203	-\$10,050,406
Hispanic American	24	\$55,967,475	-\$5,037,073	-\$10,074,146
Asian-Pacific Owned	35	\$284,617,322	-\$25,615,560	-\$51,231,120
Women-Owned	397	\$271,211,410	-\$24,409,028	-\$48,818,056

