

The Rhode Island Defense Breakdown Economic Impact Report

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

- Rhode Island could lose 2,355 jobs.
- Rhode Island’s economy could lose \$139 million in lost earnings.
- Rhode Island could see a \$202 million decrease in Gross State Product (GSP).

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

- Under “Sequestration,” 248 **military active-duty employees** could lose their jobs.
- Under “Sequestration,” 1,093 **civilian DOD employees** could lose their jobs.

Rhode Island 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%
Newport	\$3,114,264,544	\$340,498,241	-\$30,644,843	-\$61,289,686
Providence	\$486,651,477	\$67,539,857	-\$6,078,587	-\$12,157,175
Washington	\$134,750,457	\$20,799,837	-\$1,871,985	-\$3,743,971
Kent	\$77,071,079	\$8,836,787	-\$795,311	-\$1,590,622
Bristol	\$52,029,178	\$2,521,408	-\$226,927	-\$453,853



Rhode Island businesses will not escape the 9% and 18% cuts.

Public data for 2010 shows Rhode Island businesses earned over \$440 million supporting America's defense:

- But under these 10-year defense cuts of at least 9%, Rhode Island **annual business losses** could be greater than **\$40 million**. Rhode Island businesses may have to **fire workers**.
- And at the "Sequestration" level of at least 18% in defense cuts, Rhode Island **annual business losses** could be greater than **\$79 million**. Some Rhode Island businesses may have to **shut down**.

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

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

- **7 minority-owned businesses**, including 2 owned by Black Americans, 1 owned by Hispanic Americans, 1 owned by Native Americans, 1 owned by Asian-Pacific Americans, and 2 owned by other minority Americans.
- **13 small businesses** including 11 "8A" and **small disadvantaged businesses** (SDB's)
- **39 woman-owned** businesses
- **36 veteran-owned** businesses, including 8 owned by **service-disabled veterans**

Rhode Island 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	7	\$301,378	-\$27,124	-\$54,248
Small Businesses	2	-\$2,208,905	\$198,801	\$397,603
Small Disadvantaged	11	\$4,852,036	-\$436,683	-\$873,367
Veteran-Owned	28	\$98,137,700	-\$8,832,393	-\$17,664,787
Service-Disabled Veteran	8	\$4,235,865	-\$381,228	-\$762,456
Black American	2	\$124,468	-\$11,202	-\$22,404
Hispanic American	1	\$4,205	-\$378	-\$757
Asian-Pacific Owned	1	\$2,501	-\$225	-\$450
Women-Owned	39	\$8,161,115	-\$734,500	-\$1,469,001

