

The South Dakota Defense Breakdown Economic Impact Report

Go to www.forthecommondefense.org/reports to view detailed reports on South Dakota 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 South Dakota counties, cities and industries. This report shows how “National Average” defense budget reductions of at least **9% and 18% could affect South Dakota, using actual 2010 South 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 for reports on cities, counties, industries and more.

A 2011 nationwide economic impact study from the Center for Regional Analysis predicts that South Dakota could lose thousands of jobs and hundreds of millions of dollars under the “Sequestration” law:

- South Dakota could lose 1,701 jobs.
- South Dakota’s economy could lose \$100 million in lost earnings.
- South Dakota could see a \$146 million decrease in Gross State Product (GSP).

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

- Under “Sequestration,” 652 **military active-duty employees** could lose their jobs.
- Under “Sequestration,” 347 **civilian DOD employees** could lose their jobs.

South 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%
Union	\$1,824,367,226	\$269,240,388	-\$24,231,636	-\$48,463,272
Pennington	\$567,810,193	\$92,379,860	-\$8,314,188	-\$16,628,375
Minnehaha	\$208,309,936	\$56,036,933	-\$5,043,324	-\$10,086,648
Brookings	\$15,695,955	\$6,407,583	-\$576,682	-\$1,153,365
Yankton	\$16,324,140	\$4,918,760	-\$442,688	-\$885,377



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

Public data for 2010 shows South Dakota businesses earned over \$444 million supporting America’s defense:

- But under these 10-year defense cuts of at least 9%, South Dakota **annual business losses** could be greater than **\$40 million**. South Dakota businesses may have to **fire workers**.
- And at the “Sequestration” level of at least 18% in defense cuts, South Dakota **annual business losses** could be greater than **\$80 million**. Some South Dakota businesses may have to **shut down**.

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

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

- **19 minority-owned businesses**, including 1 owned by Black Americans, 4 owned by Hispanic Americans, 8 owned by Native Americans, and 6 owned by other minority Americans.
- **22 small businesses** including 13 “8A” and **small disadvantaged businesses** (SDB’s)
- **45 woman-owned** businesses
- **53 veteran-owned** businesses, including 15 owned by **service-disabled veterans**

South 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	19	\$6,808,960	-\$612,806	-\$1,225,613
Small Businesses	9	\$3,457,688	-\$311,192	-\$622,384
Small Disadvantaged	13	\$4,139,150	-\$372,524	-\$745,047
Veteran-Owned	38	\$13,549,922	-\$1,219,493	-\$2,438,986
Service-Disabled Veteran	15	\$9,886,967	-\$889,827	-\$1,779,654
Black American	1	\$2,606	-\$235	-\$469
Hispanic American	4	\$2,392,467	-\$215,322	-\$430,644
Women-Owned	45	\$6,338,145	-\$570,433	-\$1,140,866

