

The Tennessee Defense Breakdown Economic Impact Report

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

- Tennessee could lose 9,419 jobs.
- Tennessee’s economy could lose \$556 million in lost earnings.
- Tennessee could see a \$809 million decrease in Gross State Product (GSP).

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

- Under “Sequestration,” 585 **military active-duty employees** could lose their jobs.
- Under “Sequestration,” 1,992 **civilian DOD employees** could lose their jobs.

Tennessee 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%
Shelby	\$9,863,843,281	\$1,604,748,257	-\$144,427,349	-\$288,854,698
Coffee	\$6,269,089,980	\$733,048,184	-\$65,974,339	-\$131,948,678
Knox	\$2,092,901,848	\$235,034,078	-\$21,153,068	-\$42,306,136
Sullivan	\$674,624,009	\$205,669,376	-\$18,510,245	-\$37,020,489
Hardeman	\$613,231,860	\$160,739,526	-\$14,466,558	-\$28,933,116



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

Public data for 2010 shows Tennessee businesses earned over \$3.71 billion supporting America's defense:

- But under these 10-year defense cuts of at least 9%, Tennessee **annual business losses** could be greater than **\$334 million**. Tennessee businesses may have to **fire workers**.
- And at the "Sequestration" level of at least 18% in defense cuts, Tennessee **annual business losses** could be greater than **\$668 million**. Some Tennessee businesses may have to **shut down**.

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

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

- **121 minority-owned businesses**, including 58 owned by Black Americans, 16 owned by Hispanic Americans, 7 owned by Native Americans, 18 owned by Asian-Pacific Americans, and 22 owned by other minority Americans.
- **113 small businesses** including 60 "8A" and **small disadvantaged businesses** (SDB's)
- **161 woman-owned** businesses
- **144 veteran-owned** businesses, including 58 owned by **service-disabled veterans**

Tennessee 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	121	\$221,735,722	-\$19,956,216	-\$39,912,432
Small Businesses	53	\$187,157,047	-\$16,844,135	-\$33,688,270
Small Disadvantaged	60	\$32,429,806	-\$2,918,683	-\$5,837,365
Veteran-Owned	86	\$185,010,218	-\$16,650,920	-\$33,301,841
Service-Disabled Veteran	58	\$61,800,025	-\$5,562,002	-\$11,124,005
Black American	58	\$58,326,345	-\$5,249,371	-\$10,498,743
Hispanic American	16	\$15,256,704	-\$1,373,103	-\$2,746,207
Asian-Pacific Owned	18	\$16,613,740	-\$1,495,237	-\$2,990,473
Women-Owned	161	\$160,243,039	-\$14,421,874	-\$28,843,748

