

The Washington Defense Breakdown Economic Impact Report

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- **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 Washington counties, cities and industries. This report shows how “National Average” defense budget reductions of at least **9% and 18% could affect Washington, using actual 2010 Washington 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 Washington could lose tens of thousands of jobs and billions of dollars under the “Sequestration” law:

- Washington could lose 15,648 jobs.
- Washington’s economy could lose \$924 million in lost earnings.
- Washington could see a \$1.34 billion decrease in Gross State Product (GSP).

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

- Under “Sequestration,” 7,694 **military active-duty employees** could lose their jobs.
- Under “Sequestration,” 6,995 **civilian DOD employees** could lose their jobs.

Washington 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%
King	\$24,635,968,638	\$3,641,827,615	-\$327,764,498	-\$655,528,997
Thurston	\$1,705,394,467	\$254,553,195	-\$22,909,788	-\$45,819,577
Kitsap	\$1,889,736,670	\$227,506,941	-\$20,475,626	-\$40,951,251
Pierce	\$2,388,060,752	\$193,989,456	-\$17,459,052	-\$34,918,103
Spokane	\$1,336,227,731	\$177,439,526	-\$15,969,558	-\$31,939,116



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

Public data for 2010 shows Washington businesses earned over \$5.01 billion supporting America's defense:

- But under these 10-year defense cuts of at least 9%, Washington **annual business losses** could be greater than **\$451 million**. Washington businesses may have to **fire workers**.
- And at the "Sequestration" level of at least 18% in defense cuts, Washington **annual business losses** could be greater than **\$902 million**. Some Washington businesses may have to **shut down**.

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

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

- **221 minority-owned businesses**, including 43 owned by Black Americans, 49 owned by Hispanic Americans, 28 owned by Native Americans, 58 owned by Asian-Pacific Americans, and 43 owned by other minority Americans.
- **179 small businesses** including 105 "8A" and **small disadvantaged businesses** (SDB's)
- **296 woman-owned** businesses
- **279 veteran-owned** businesses, including 89 owned by **service-disabled veterans**

Washington 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	221	\$343,553,181	-\$30,919,788	-\$61,839,575
Small Businesses	74	\$176,822,995	-\$15,914,070	-\$31,828,140
Small Disadvantaged	105	\$201,824,521	-\$18,164,208	-\$36,328,415
Veteran-Owned	190	\$61,250,889	-\$5,512,580	-\$11,025,160
Service-Disabled Veteran	89	\$150,888,414	-\$13,579,958	-\$27,159,916
Black American	43	\$48,392,286	-\$4,355,306	-\$8,710,612
Hispanic American	49	\$42,273,420	-\$3,804,608	-\$7,609,216
Asian-Pacific Owned	58	\$62,491,779	-\$5,624,260	-\$11,248,521
Women-Owned	296	\$134,436,557	-\$12,099,291	-\$24,198,581

