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## **How will the 2013 Defense Budget Cuts Affect West Virginia?**

**Washington DC February 13, 2012:** On February 13, the Obama administration presented its 2013 budget to Congress, with projected defense budget cuts, described by Rep. Howard P “Buck” McKeon, Chairman of the House Armed Services Committee as “over \$45 billion less than the President's request for last year.”

To assist community leaders and citizens in understanding how these defense budget cuts may affect their local businesses and jobs, the Center for Security Policy today launched detailed reports for estimated economic impacts of the defense budget cuts on cities, counties, congressional districts and states at [www.forthecommondefense.org](http://www.forthecommondefense.org). These Defense Breakdown Economic Impact Reports will be updated monthly with new data and specific program cut impacts, as Congress debates the proposed 2013 budget.

A **Summary Report (2 pages)** for your state can be downloadable [here](#). **Highlights for that report are below.** A non-technical FAQ explaining data sources, methodology and future plans for the Defense Breakdown can be read [here](#). To compare the national average estimate for your community to the proposed 2013 budget, visit the Department of Defense Office of the [Comptroller website](#).

The **Defense Breakdown Detailed Reports - [found here](#)** - are estimates that show the potential state-wide economic impact of defense budget cuts on cities, counties, congressional districts, minority-owned businesses, veteran-owned businesses, and other small business categories, organized with over 2,700 "Contractor location" reports. The additional set of over 26,000 reports released today shows estimated defense spending cut impacts at the "Place of Performance" - a closer measure for potential job losses - for cities, counties and states, with three separate reports for each location: spending by weapon system, by government contracting office, and by products and services.

A weaker national defense threatens the security of the United States and its allies. Furthermore, to the extent that those in favor of cutting the defense budget argue that such cuts are necessary to strengthen the economy, this report shows the opposite to be true. Drastic cuts to defense of 9% - and under the "Sequestration" cuts required for 2013, at least 18% - will cause irreversible damage to America's industrial base and R&D capabilities.

Local employers, citizens and community leaders will bear the brunt of these cuts. The Defense Breakdown Economic Impact Reports will help them prepare their local communities and make any concerns known to their elected officials.

## **Highlights from the West Virginia Summary Report:**

### **West Virginia businesses will not escape the 9% and 18% cuts**

- Public data for 2010 shows West Virginia businesses earned over \$218 million supporting America's defense:
- But under these 10-year defense cuts of at least 9%, West Virginia **annual business losses** could be greater than **\$20 million**. West Virginia businesses may have to **fire workers**.
- And at the "Sequestration" level of at least 18% in defense cuts, West Virginia **annual business losses** could be greater than **\$39 million**. Some West Virginia businesses may have to **shut down**.

### **West Virginia 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	21	\$54,523,027	-\$4,907,073	-\$9,814,145
Small Businesses	10	\$37,142,623	-\$3,342,836	-\$6,685,672
Small Disadvantaged	17	\$20,734,019	-\$1,866,062	-\$3,732,124
Veteran-Owned	20	\$11,640,013	-\$1,047,601	-\$2,095,202
Service-Disabled Veteran	7	\$21,493,348	-\$1,934,401	-\$3,868,803
Black American	9	\$18,839,660	-\$1,695,569	-\$3,391,139
Hispanic American	4	\$17,446,676	-\$1,570,201	-\$3,140,402
Asian-Pacific Owned	1	\$12,730	-\$1,146	-\$2,291
Women-Owned	48	\$22,325,444	-\$2,009,290	-\$4,018,580

The Center's "Defense Breakdown Economic Impact Reports" are part of a broader 2012 initiative, the [Coalition for the Common Defense](#), to educate and engage the American public on the importance of maintaining a strong national defense.

### **About the Coalition for the Common Defense**

The Coalition for the Common Defense is an alliance of like-minded individuals and organizations who believe that without provision for the "common defense," as articulated by the Founders, the freedom that has allowed unprecedented opportunity and prosperity to flourish in this country would soon be imperiled. In this new age of budgetary cuts, the Coalition rejects the false choice between military strength and economic health contending that economic prosperity depends on a strong national defense. Through a series of events and strategic partnerships, the coalition is calling on elected officials, candidates for office and others who share our

commitment to the common defense to uphold these principles. We must return the United States to sensible fiscal principles without sacrificing our national security.

A full statement of principles can be located [here](#). The Coalition of the Common Defense can be found online at [www.forthecommondefense.org](http://www.forthecommondefense.org).

### **About the Center for Security Policy**

The Center for Security Policy is a non-profit, non-partisan national security organization that specializes in identifying policies, actions, and resource needs that are vital to American security and then ensures that such issues are the subject of both focused, principled examination and effective action by recognized policy experts, appropriate officials, opinion leaders, and the general public.

For more information visit [www.centerforsecuritypolicy.org](http://www.centerforsecuritypolicy.org).