



Fairfax County Economic Development Advisory Commission

The Magnitude and Significance of Economic Impacts on Fairfax County From Sequestration

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The Economic Impact of the Budget Control Act of 2011 in 2013 (\$s in billions)

<u>Sources of Impact</u>	<u>GDP Impact</u>	<u>Labor Income</u>	<u>Job Losses</u>
DOD Budget			
Reductions (\$56.7)	\$94.5	\$46.5	1,090,359*
Non-DOD-Agency			
Reductions (\$59.0)	\$120.5	\$62.9	1,047,349**
Total Impacts (\$115.7)	\$215.0	\$109.4	2,137,708

*direct jobs losses include 48,000 federal workers and 277,545 federal contractor jobs; an additional 282,426 jobs of suppliers and vendors to primes would be lost accounting for 56% of all job losses; **direct job losses include 229,116 federal workers and 191,413 federal contractor jobs; and additional 150,552 jobs of suppliers and vendors would be lost accounting for 54% of the total.

Source: "The Economic Impact of the Budget Control Act of 2011 on DOD and Non-DOD Agencies," Stephen S. Fuller, July 17, 2012.






The Impacts of the Budget Control Act of 2011 on Employment in Small Businesses, 2013

Sources of Impact	Federal Spending Reductions		
	DOD	Non-DOD	Totals
Direct Federal			
Contractor Jobs	81,552	76,047	157,598*
% of all contractors	29.9	40.1	34.1
Total Small Business			
Job Losses	520,398	435,782	956,181
% of all private sector job losses	50.2	53.4	51.6

*an additional 798,583 indirect and induced jobs in small businesses would be lost accounting for 58% of all indirect and induced jobs lost due to sequestration.

Source: "The Economic Impacts of Sequestration on Small Business," U.S. House of Representatives Committee on Small Business, Stephen S. Fuller, September 20, 2012.






Federal Spending Trends in DC, Maryland and Virginia, 2000- 2010 (in billions of dollars)

Area	2000	2010	%Change	% Total	**
United States	\$1,637.2	\$3,276.4	100.1	100.0	
District of Columbia	28.2	61.9	119.2	1.9	0.2
Maryland	45.1	96.3	113.5	2.9	1.9
Virginia	62.7	136.1	117.0	4.2	2.6
Total Area	\$136.0	\$294.3	116.4	9.0	4.7
Fairfax County	\$14.8	\$48.8	297.3	1.5	0.35

Source: Consolidated Federal Funds Report, 2010

**population as a percent of US






Total Federal and DoD Spending in DC, Maryland and Virginia, 2010

(in billions of dollars)

<u>Area</u>	<u>Total \$s</u>	<u>DoD \$s</u>	<u>% Total \$s</u>	<u>%US DoD</u>
United States	\$3,276.4	\$557.0	17.0	100.0
District of Columbia	61.9	8.7	14.0	1.6
Maryland	96.3	18.7	19.4	3.4
Virginia	<u>136.1</u>	<u>58.1</u>	<u>42.7</u>	<u>10.4</u>
Total Area	\$294.3	\$85.5	29.0	15.4
Fairfax County*	\$28.8	\$18.8	65.0	3.4

Source: Consolidated Federal Funds Report, 2010
*excludes federal stimulus dollars and state transfers of federal \$s

Summary of Impacts the of Budget Control Act of 2011 on Fairfax County in 2013

Decline in Federal Spending*	\$4.628 billion
Decreased Gross County Product	\$8.705 billion
% decrease in 2013 GCP	8.4%
Total Job Loss	86,557
% of all 2013 County employment	13.4%
Total Loss of Direct Jobs	28,946
Federal Civilian Job Loss**	7,973
Federal Contract or Job Loss	20,973
Loss of Job by Subcontractor, Suppliers and Vendors Dependent on Federal Spending	18,660

Source: GMU Center for Regional Analysis *civilian payroll and procurement outlays
**jobs are reported by place of employment not by place of residence



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