

## **Manufacturers: Defense cuts would cost more than 1 million jobs**

Washington, D.C., June 21, 2012 - The National Association of Manufacturers (NAM) today released a new report, [Defense Spending Cuts: The Impact on Economic Growth and Jobs](#) [1], that highlights the potential impact defense spending cuts under the Budget Control Act (BCA) of 2011 will have on U.S. jobs and economic growth.

The report's findings paint a stark picture of the potential harm the BCA budget caps and across-the-board cuts under sequestration will have—a loss of 1,010,000 private sector jobs, including 130,000 manufacturing jobs, by 2014. This job loss will increase the unemployment rate by 0.7 percent and decrease GDP by almost 1 percent by 2014. The report shows that the long-lasting effects of these cuts will be felt by not just by the defense equipment supply chain, but also the everyday Americans who are protected by these products.

“In a fragile economic recovery, policymakers need to take whatever steps necessary to prevent defense cuts that will cost more than one million jobs,” said NAM President and CEO Jay Timmons. “This report makes it clear that these cuts will punish the businesses that create the cutting-edge products keeping us safe at home and abroad, creating a negative effect on the supply chain between large and small manufacturers. Congress needs to make the tough decisions on spending to address our debt crisis, but these decisions cannot be made at the expense of our economic and national security.”

Timmons also remarked, “The Defense Spending Cuts report is part of a larger effort of the NAM’s Defense Manufacturing Working Group that brings together manufacturers in the defense and aerospace industries and their suppliers to highlight the impact these industries have on our nation’s innovation and economy. Businesses and consumers across the United States will feel the loss of jobs and economic activity. Washington must take swift action to prevent these cuts to avoid the irreversible harm they will cause.”

These cuts and the subsequent job loss will be particularly harmful to a wide range of manufacturing industries that are direct and indirect suppliers of defense equipment and supplies. The largest losses will be in large nondurables and transport equipment, including the aerospace industry that will lose 3.4 percent of its jobs, the ships and boats industry that will lose 3.3 percent of its jobs and the search and navigation equipment industries that will lose 9.3 percent of its jobs. Business leaders are already taking steps to reduce payroll to prepare themselves for the cuts ahead.

“Manufacturers have been the bright spot in our economic recovery, and these cuts will be a blow to the efforts they’ve made to invest in their business and workforce,”

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said Della Williams, president and CEO of Williams-Pyro, Inc. "The men and women working in defense manufacturing will bear the brunt of the damage these cuts will inflict on small and medium-sized manufacturers. We can't risk the loss of jobs, innovation and progress that are at stake here."

Click [here](#) [2] to read the summary of the Defense Spending Cuts report.

Click [here](#) [3] to read the full report.

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