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By Kent Hoover February 8, 2013

Would sequestration bring defense-cuts disaster? No, says Center for International Policy, Cato Institute

Defense contractors are fighting to stop across-the-board federal budget cuts known as sequestration that are scheduled to kick in March 1.

The across-the-board cuts to federal spending known as sequestration go into effect in three weeks, and as this deadline nears, we're going to hear lots of reports about how bad these cuts are going to be for the economy.

Thursday, for example, the Potomac Research Group released a survey that found that most investment managers think the Dow Jones Industrial Average would drop by 5 percent or more if sequestration goes into effect. A study released last year by the Aerospace Industries Association estimated that sequestration's \$1.2 trillion in spending cuts over 10 years would cost the economy more than 2 million jobs.

But would sequestration really have that much of a negative impact? Thursday, experts from across the political spectrum got together for a press call to argue that it wouldn't.

Half of the spending cut by sequestration would occur in the nation's defense budget. Those cuts alone would cost the economy more than 1 million jobs, according to the AIA study.

But a study released Thursday by the Center for International Policy concluded those job loss claims are double or triple what they actually would be if sequestration goes into effect.

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