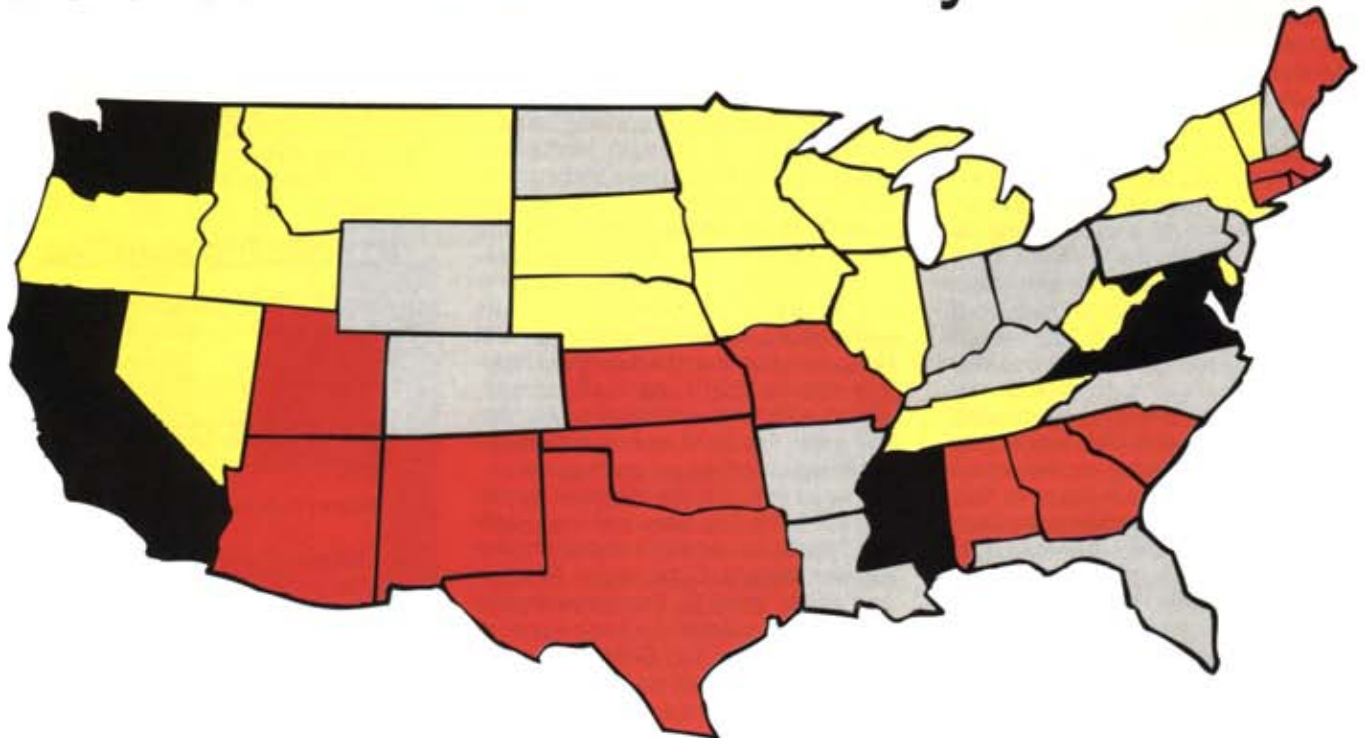


The Chart Page

By Tamar A. Mehuron, Associate Editor

Defense in the Local Economy



Defense Share ■ 7.5% or more ■ 5.2 to 7.4% ■ 4 to 5.1% ■ 2 to 3.9%

The negative effects of cuts in the defense budget would fall most heavily on states with above-average levels of defense activity. The seven state economies most heavily dependent on defense spending: Alaska (12.2% of the economy), Hawaii (11.9%), Virginia (11.4%), California (9.5%), Mississippi (8.1%), Washington (8.0%), and Maryland (7.8%). The next most dependent tier of state economies were: South Carolina (7.1%), New Mexico (7.0%), Maine and Connecticut (both 6.7%), Kansas (6.4%), Utah (6.3%), Oklahoma, Missouri, and Alabama (5.9%), Georgia (5.7%), Massachusetts (5.4%), Rhode Island (5.3%), and Arizona and Texas (5.2%). These states either have large defense installations (as in Alaska), major defense contractors, or both.

Source: Congressional Budget Office, "Effects of Alternative Defense Budgets on Employment," April 1993.