



# Defense Industry Adjustment

As Federal budgets decline, communities that depend on defense spending become vulnerable and leaders must look for ways to stabilize and strengthen their economy. Local economic conditions and planning can have a major impact on how defense cuts are absorbed by local economies – and how well those communities ultimately recover.

## Defense Industry Adjustment (DIA)

Defense program impacts come in all shapes and sizes. Defense contractors who may be facing program or budget cuts and manufacturers faced with staff layoffs or factory closings due to defense program changes are common economic shifts that occur during a downshift in defense spending.

**Eligibility and program requirements for OEA's DIA programs can be found in the Catalog of Federal Domestic Assistance ([www.cfda.gov](http://www.cfda.gov)). The relevant programs are:**

- [CFDA 12.611](#)
- [CFDA 12.614](#)
- [CFDA 12.617](#)

Through its DIA program, the Office of Economic Adjustment (OEA) helps communities plan and carry out a wide-array of economic adjustment activities and programs. OEA provides technical and grant assistance under its DIA program to

support economic development and adjustment activities focusing on regional job creation through business development, and expansion, workforce development, and community economic adjustment. Some specific project activities recently undertaken by OEA grantees include:

- Reviews of local defense prime and sub-contracting activity;
- Assessment of local economic strengths, weaknesses, opportunities, and threats;
- Outreach to local small businesses, workers, and other community interests;
- Export training and assistance;
- Local and regional asset mapping; and
- Economic data collection and analysis; and
- Organize activities to improve cooperation and coordination between state, regional, and local economic and workforce development entities.



## The OEA Framework:

In order to assist states and communities impacted by defense program changes, OEA works closely with grantees to carry out the “Organize, Plan and Implement” process.

Successful economic adjustment involves constant outreach and consensus building. The Organize, Plan, Implement process utilized by OEA is applicable to any size community at any stage of adjustment. It can and should be repeated in a community on a regular basis.

## About OEA

OEA is the Department of Defense’s field organization responsible for assisting state and local governments responding to major defense

program changes. Founded in 1961, OEA has helped communities in all 50 states and major United States territories develop comprehensive strategies to adjust to defense industry cutbacks, base closures, force structure realignments, base expansion, and incompatibilities between military operations and local development. With offices in Washington, DC, and Sacramento, California, our staff members are available to assist local communities throughout the United States leverage the full capabilities of the federal government through the Defense Economic Adjustment Program and Economic Adjustment Committee.

