Understanding the Pentagon Budget

A Webinar by National Priorities Project
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www.nationapriorites.org
Quick Facts About Pentagon Spending

- Sequestration cuts discretionary spending to reduce the deficit. The military accounts for over half of all discretionary spending (57%)
- Military spending has grown by 35% since 2002, 48% if you include war costs. Domestic discretionary spending grew by only 8% over that period
- Despite a very modest 2.6% decrease projected in FY2013 – the first in over a decade – Pentagon spending will continue to grow over the next five years
- U.S. military spending accounts for 43% of the global total, 5 times more than China, the second largest
- A $1 billion federal investment in health care would create 2.4 times more jobs than investing it in the Pentagon
- Cutting Pentagon spending will not affect veterans’ benefits
Discretionary vs. Mandatory

FY2013 Total Request – $3.7 Trillion

Discretionary Spending:
- Energy
- Environment
- Science
- Military
- Education

Funding determined on an annual basis

Mandatory Spending:
- Social Security
- Medicaid
- Medicare
- Food Stamps
- CHIP

Funding is need-based & non-negotiable

Interest on Debt 7%

Discretionary 31%

Mandatory 62%

Source: OMB

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Why is the Discretionary budget important to you?

Total Requested FY2013 Discretionary Spending: $1.15 Trillion

Source: FY 2013 President's Budget
National Priorities Project

Military 57%

Pentagon "Base" 46%

Veternas' Benefits 5%

War Costs 8%

Education 6%

Int'l Military Assistance 1%

Energy & Environment 3%

Government 6%

Food & Agriculture 1%

Housing & Community 6%

Int'l Affairs 4%

Medicare & Health 5%

Science 3%

Social Security, Unemployment & Labor 2%

Transportation 2%

Source: FY 2013 President's Budget
National Priorities Project
Putting It All Together

OMB provides guidelines to agencies

Federal Agencies 1st budget drafts

OMB reviews drafts

President submits budget request to Congress

OMB compiles final budget

Federal Agencies revise drafts

House Budget Committee reviews request

12 House Appropriations subcommittees: hearings and markups

Conference Committee

12 Senate Appropriations subcommittees: hearings and markups

Senate final reviews

Senate Committee on Appropriations reviews and approves

House of Representatives final reviews

President of the United States signs into law

YOU can have an impact!
Impact: Discretionary Budget Crossroads
(In Billions of FY2013 Dollars)

Pentagon spending up 48 percent (2002-2012)

Recovery Act

Defense

Domestic Discretionary

International Affairs
Where Your 2011 Federal Income Tax Dollar Went

- Military: 27.0¢
- Medicare & Health: 21.4¢
- Social Security & Labor: 14.5¢
- Government: 12.2¢
- Veterans' Benefits: 4.5¢
- Food & Agriculture: 4.4¢
- Housing & Community: 4.3¢
- Education: 3.9¢
- Energy & Environment: 2.5¢
- Transportation: 1.9¢
- International Affairs: 1.3¢
- Science: 1.2¢

Source: OMB National Priorities Project

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Impact: Employment
What does $1 billion get us in terms of jobs?

- Military: 11,200
- Tax Cuts for Personal Consumption: 15,100
- Clean Energy Technology: 16,800
- Health Care: 17,200
- Education: 26,700

Source: PERI, 2011 National Priorities Project

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“Pentagon Spending is Being Cut”

Comparison of Pentagon Funding Projections – FY2012 and FY2013
(in Millions of FY2013 Dollars)

$487 Billion Less for the Pentagon – Not a cut…slower than expected growth

Source: OMB
National Priorities Project

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“Pentagon Spending is Being Cut”

Comparison of Pentagon Funding Projections – FY2012 and FY2013
(in Billions of FY2013 Dollars)

Projected funding in 2012 budget

Projected funding in the 2013 budget

$487 Billion Less for the Pentagon – Not a cut…slower than expected growth

Source: Budget of the United States Government, Fiscal Year 2012
National Priorities Project

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U.S. Military Spending vs. the World 2011

- United States: 43%
- NATO allies: 19%
- Rest of the World: 37%
- Cuba, Iran, N. Korea, Somalia, Sudan, Syria: 1%

Source: SIPRI
National Priorities Project

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How much Security Spending since 9/11? (FY2001-2011)

$7,600,000,000,000

- Wars: $1.38 trillion
- Pentagon: $5.6 trillion (43% increase)
- Homeland Security: $472.1 billion (301% increase)
- Nuclear Weapons: $230.3 billion (21% increase)
Impact on Security: Sensibly Saving $1 trillion

- Reduce number of nuclear weapons
  - $194 billion

- Cancel Cold War and ill-performing weapons research, development and procurement
  - $139 billion

- Reduce active-duty troops in Europe & Asia & similar cuts in Air Force and Navy
  - $394 billion

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