

PROTECT AMERICAN INTERESTS WITH

SMART AND SUSTAINABLE DEFENSE SPENDING



Our View

The greatest threat to America's safety and future prosperity is our mounting debt, which threatens our ability to fund a strong national defense. According to [recent polling](#), 71% of veterans and 67% of military families agree.

As the largest source of discretionary spending, right-sizing the U.S. defense budget must be part of any conversation about securing America's fiscal future and long-term strength. Investing America's limited defense resources smartly and sustainably can ensure our military continues to be well-equipped for its most crucial missions.

The Debt and Spending Crisis

In 2010, Chairman of the Joint Chiefs of Staff Adm. Mike Mullen called the national debt and its impact on our economy “the most significant threat to our national security.” With a record \$6.6 trillion in spending for [FY 2020](#), our national debt now stretches well over \$28 trillion and reached its largest-ever size in [relation to our economy](#). As major trust funds [deplete](#) over the next decade and interest payments consume [larger portions of the budget](#), it will be more urgent than ever to put U.S. finances on a more sustainable path as we seek to offset COVID-19 relief efforts to save lives, save livelihoods, and recover stronger.

Fiscal Health and National Security

Overspending harms our long-term growth, materially impacting our ability to support a strong national defense. The CBO estimates every extra dollar added to our deficit crowds out 33 cents of private investment, [damaging long-term growth](#). In order for our military to remain a top-notch fighting force capable of securing our vital interests, we cannot overspend our limited defense resources on investments not critical to those interests.

The U.S. faces formidable threats, but these pale in comparison to the historic challenges of the Cold War. Nevertheless, FY 2020’s largest-ever \$738 billion defense budget continues a trend of U.S. defense spending [surpassing its inflation-adjusted Cold War peak every year since 2005](#).

Foreign Policy Choices Impose Costs that Detract from More Significant Priorities

U.S. foreign policy choices come with real opportunity costs, both domestically and for our military.

- Total cost of post-9/11 wars through FY 2020: [\\$6.4 trillion](#).
 - ◇ Higher housing costs: By 2010, increased debt due to the war on terror drove higher interest rates, increasing median annual mortgage payments by \$600 (the average size of 2001 federal tax cut rebate checks).⁹
 - ◇ Deferred domestic projects: To put [\\$6.4 trillion](#) into perspective, it could have paid for the July 2020 infrastructure package passed by the House more than 4 times over.
- Annual cost of the war in Afghanistan: [\\$45 billion](#).
 - ◇ Deferred modernization: One year of Afghanistan spending could immediately pay for [half](#) of the Navy’s 12 planned Columbia-class ballistic missile submarines acquisitions over the next decade, its “top priority” program, leaving over \$3 billion in savings.
 - ◇ Deferred infrastructure repairs: One year of Afghanistan spending could clear the Federal Highway Administration’s estimated [backlog](#) of needed capital investments for future highway and bridge repairs, leaving nearly \$8 billion in savings.

CONGRESS SHOULD:

- **Stop funding endless wars:** Military engagements in far flung regions such as Afghanistan, Iraq, Syria, Somalia, and Yemen carry heavy costs but have few clear objectives, are not critical to keeping us safe, and make our troops easier targets.
- **End OCO budget gimmicks:** Stop authorizing [inappropriate uses](#) of Overseas Contingency Operations funds, which allow DOD base budget expenses to bypass budget control caps.
- **Support allied defensive capabilities by ending redundant programs:** Our alliance relationships are important, but our prosperous European partners are better able to defend themselves than ever through NATO. Redirecting the [\\$5.4 billion](#) four-year annual average spent on the European Defense Initiative would promote more capable allies and fund force modernization.
- **Support an overdue BRAC round:** With roughly 20% excess base capacity, the DOD has been asking Congress for a round of [Base Realignment and Closure for years](#). Overspending on unnecessary bases contributes to our fiscal crisis and delays needed force modernization.
- **Continue the DOD audit:** Congress should continue to support the DOD audit, which identified over [\\$700 million](#) in savings last year.

CONGRESS SHOULD NOT:

- **Buy excess equipment:** Overspending our limited resources unnecessarily damages our long-term ability to fund the defense we need. For example, the 2021 National Defense Authorization Act funded purchases of 14 more F-35s than the DOD requested, at a per unit cost of likely [\\$100 million or more](#). Congress should avoid excess acquisitions in the 2022 NDAA, particularly acquisitions that are above or not even requested by DOD.