

# The Federal Budget and Militarized Spending



**“Our spending on war and violence is arresting our ability to provide true security and well-being at home,”**

Rev. Dr. William J. Barber II and Rev. Dr. Liz Theoharis, [Poor People’s Moral Budget](#)

## ***Our Indefensible Budget Priorities***

**While policymakers in the United States have failed to prioritize the federal policies necessary to stop worsening climate change, they have not found it difficult to secure huge amounts of funding for the military and other “security” needs.**

In fact, the United States is the single biggest military spender in the world: U.S. military expenditures are roughly the size of the [next seven](#) largest military budgets combined. According to records kept by the National Priorities Project at the Institute for Policy Studies, in any given year, military spending accounts for [over half](#) of the federal government’s annual discretionary budget—the budget that Congress sets each year during its annual appropriations process. In 2020, military spending accounted for 54% of all federal discretionary spending, a total of \$756 billion. By comparison, the federal discretionary budget in 2020 included only \$2.7 billion for energy efficiency and renewable energy. The military budget in 2020 was 272 times larger than the federal budget for energy efficiency and renewable energy.<sup>82</sup>

As a further statement of national priorities, the U.S. Department of Energy in fact deals more in nuclear weapons—the other great existential threat to humankind, beside climate change—than in energy. The Department of Energy budget for 2020 was \$38 billion, of which \$24 billion, or 62%, was for nuclear weapons.

**The military budget in 2020 was 272 times larger than the federal budget for energy efficiency and renewable energy.**

Since September 11, 2001 an all-encompassing “war on terror” has ushered in a seemingly limitless military spending spree. According to [Brown University’s Cost of War](#)

[Project](#), an estimated \$6.4 trillion has been spent on the U.S. War on Terror since 2001.<sup>83</sup> Originally defined as a mission to defend the United States against future terrorist threats from al Qaeda and affiliated organizations, the “global war on terror” has expanded from fighting in Afghanistan to wars and military occupations in more than 80 countries. On top of an expansion of wars abroad, the Department of Homeland Security was created in 2002 in large part to coordinate the “defense of the homeland” against terrorist attacks, ushering in significant increases in militarized domestic spending. Compared to the \$6.4 trillion spent on war in the past two decades, [the cost of shifting the U.S. power grid to 100% renewable energy over the next ten years is an estimated \\$4.5 trillion.](#)<sup>84</sup> Instead of funding endless wars, we could have transformed our fossil-fueled energy system, with money to spare.

The endless wars in Iraq and Afghanistan haven’t made anyone safer. They have [claimed 800,000 human lives](#) and displaced an estimated 21 million more, all while further destabilizing the region.<sup>85</sup> These violent wars cost \$70 billion per year.

[For every dollar spent](#) on diplomacy and humanitarian aid in 2020, the U.S. spent \$16.65 on the military.<sup>86</sup> This underfunding of diplomacy has dire implications for the climate crisis, given its nature as a truly global problem: any solution must depend on international cooperation and negotiation - in other words, on a robust diplomatic effort.

The U.S. military budget alone encompasses a huge percentage of discretionary spending. When we account for militarized spending across the budget, however, militarization occupies an even greater piece of the pie. On top of the traditional military budget, the [broader militarized budget](#) includes discretionary spending on veterans’ affairs, homeland security, and law enforcement and incarceration. Non-traditional segments of the militarized budget add tens of billions in spending per year. A 2016 calculation of the militarized budget found that it accounted for a whopping 64% of discretionary spending. In the past few decades, militarized spending on incarceration and immigration enforcement—now at \$25.6 billion in 2020—has skyrocketed to more than 11 times what it was in 1976, after adjusting for inflation. Of course, this is also nearly ten times the \$2.7 billion in federal funding for energy efficiency and renewable energy.<sup>87</sup>



## Who Profits from the Militarized, Extractive Economy?

As the federal government increases military spending, they also prop up the power and influence of military corporations, which then use their influence to help draft and pass policies from which they further profit.

Nearly half of the military budget [goes to contractors](#) every year.<sup>88</sup> In 2019, the Department of Defense had obligated \$381 billion in contracts, with a budget of \$688 billion. These contracts are incredibly lucrative, with CEOs of the top five DoD contractors—Lockheed Martin, Boeing, General Dynamics, Raytheon, and Northrop Grumman—being paid a combined \$100 million per year.

**The average Pentagon contractor salary is close to \$200,000, compared to an entry level pay for a soldier which is \$20,172.**

**While thousands of active-duty service people and their families qualify for food stamps, most of the military budget pads the pockets of major military corporations.**

The [average Pentagon contractor salary](#) is close to \$200,000, compared to an entry level [pay for a soldier](#) which is \$20,172.<sup>89</sup> While thousands of active-duty service people and their families qualify for food stamps, most of the military budget pads the pockets of major military corporations.

The same goes for border security, where corporations make millions of dollars in profit to monitor, arrest, incarcerate, and deport people. As U.S. budgets for border and immigration control has grown

massively since the 1980s, so have corporate profits associated with border militarization. Between 2006 and 2018 ICE, CBP, and Coast Guard together issued [more than 344,000 contracts](#) for order and immigration control services worth \$80.5 billion.<sup>90</sup> The same corporations that reap huge financial rewards from high levels of US military spending also dominate the border security business. Take Lockheed Martin, for example. In 2009 the largest military contractor in the world landed a contract potentially worth more than \$945 million for the maintenance and upkeep of 16 surveillance planes. This single contract was [equal to the entire border and immigration enforcement budgets](#) from 1975 to 1978.<sup>91</sup> Compared to the money paid to corporations, humanitarian groups supporting refugees and migrants along the U.S.-Mexico border receive pennies in federal spending.

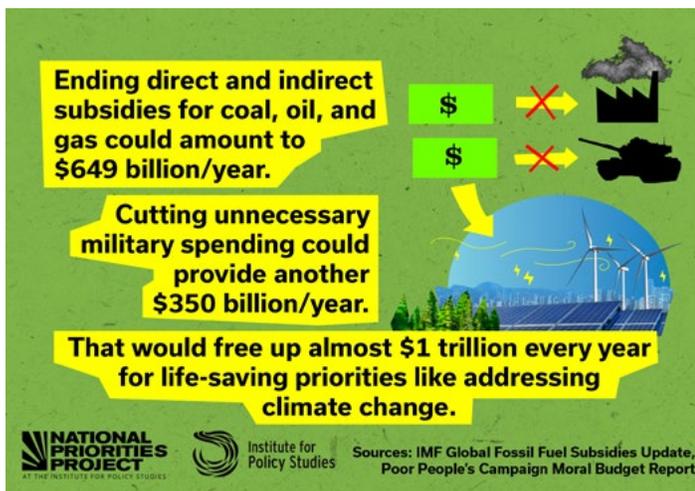
Like the military industrial complex, the fossil-fuel industry thrives on the corporate drive for profits. As their business model brings the world to the brink of climate chaos, [BP, Shell, Chevron, and Exxon](#) have made almost \$2 trillion in profits since 1990.<sup>92</sup> Mirroring the tactics of the beneficiaries of the military industrial complex, the big four fossil fuel corporations have used their tremendous wealth and power to safeguard policies that would protect their profit-margin even with the knowledge that such policies were driving the climate crisis. Both the fossil fuel industry and military industrial complex—which rely on one another to remain in operation—follow the paradigms of the [extractive economy](#), premised on the accumulation, concentration, and enclosure of wealth and power.

**The same corporations that reap huge financial rewards from high levels of U.S. military spending also dominate the border security business.**

## Trade-Offs of the Militarized Economy

Proposals to meaningfully address the climate crisis at the rate and scale necessary are often characterized as unrealistic pipe dreams. The same scrutiny is seldom applied to ever-expanding military spending. The reality is that there's no shortage of funds for a Just Transition to a green economy.

Enforcing fair taxes on the wealthy, corporations, and Wall Street could yield [\\$866 billion](#) estimated annual revenue; ending direct and indirect subsidies for coal, oil, and gas could amount to another [\\$649 billion](#); and the U.S. could safely redirect [at least \\$350 billion](#) from the Pentagon's current spending per year and achieve true security by ending wars, reducing our aggressive posture overseas, and reining in military contracts that drain public coffers for private gain - all measures that would actually increase our security.<sup>93</sup> Among the most ambitious proposals to address the climate crisis is Senator Bernie Sanders' [Green New Deal proposal](#), which calls for \$16.3 trillion over ten years in public



investment. Regardless of the specific price tag, cutting military spending could fund at least a significant portion of the Green New Deal.

The Pentagon monopolizes the funding we need to meaningfully address the climate crisis. For instance, just 11% of the Pentagon's 2019 budget—about \$80 billion—[could produce enough wind and solar energy](#) to power every one of the almost 128 million households in the United States. As renewable

energy prices continue to fall, the fraction gets smaller.<sup>94</sup> One percent of 2019's military budget could have funded over 125,000 infrastructure jobs instead. Reallocating funds across the militarized budget broadens the possibilities. Instead of the \$25 billion spent on immigration and border enforcement in 2020, tax dollars could have paid for 337,000 clean energy jobs.

Besides the dire consequences for people and the planet, continuing business as usual will also have significant economic costs. Inaction on climate change [could cost up to 16% of GDP](#) per year—that's equivalent to wiping out \$3.3 trillion from the U.S. economy.<sup>95</sup> Then there's the lost opportunity cost. By spending money on militarization, we lose the opportunity to invest our federal dollars in other ways that would actually benefit our communities, like education, social work, healthcare, infrastructure and clean energy.

**The reality is that there's no shortage of funds for a Just Transition to a green economy.**

Paying for war isn't an investment, it's a loss. If we adjust our spending priorities, there's so much to gain. Our government's enormous and unnecessary military expenditures have warped our sense of what's possible, tricking us into believing we can't afford to improve our lives or keep our planet livable. When we take back our resources from elites who profit off violent wars, weapons, and walls we can reinvest trillions of dollars back into our communities and begin to repair the harm inflicted on people and the planet by militarization at home and around the world.