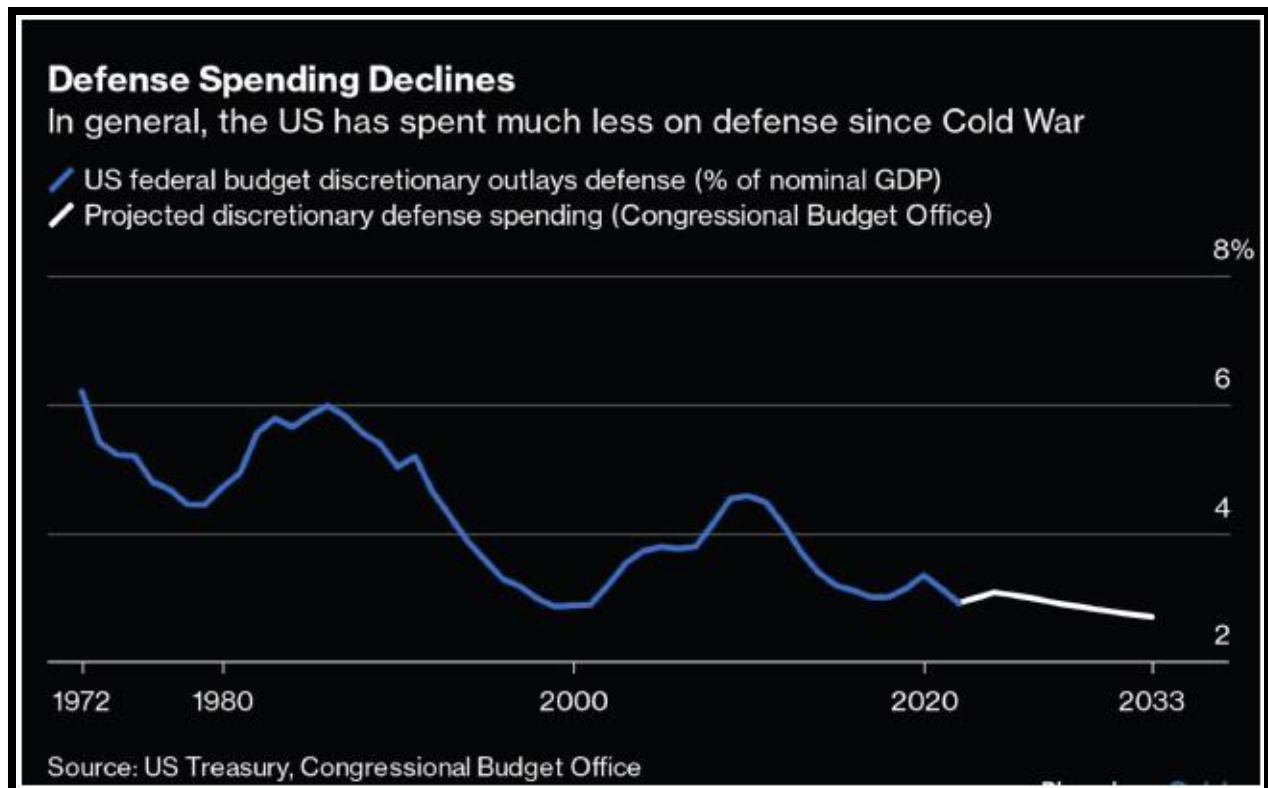




ACTUAL Military Spending

January 9, 2024

The U.S. military budget just keeps going up, year after year, as a percentage of the U.S. economy, and the amount of support the U.S. is sending to Israel and Ukraine is driving it through the roof. Right?



Interestingly, this common take that we read in the press is completely wrong. As the chart shows, as a percentage of the U.S. economy, defense spending has been declining, off and on, since the 1980s, and that trend is projected to continue. However, we feel about the support for allies and Russian victims, the idea that the support is eroding the U.S. economy is plain wrong.

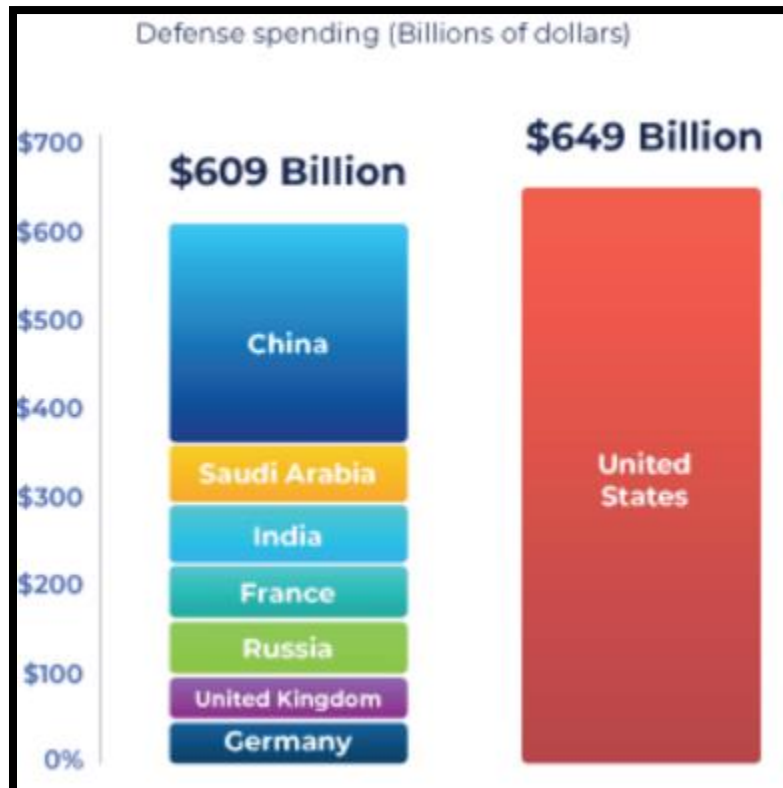


Chart: Peter G. Peterson Foundation, pgpf.org

That said, it is not wrong to say that U.S. defense spending might be somewhat out of proportion. Look at the next chart, which shows that America spends more on its defense than the next seven countries—combined. Compare that with the so-called ‘general government function’— basically the costs of the branches of government and the federal government staff as a whole: at \$133 billion, it’s less than a fifth of what we spend on our military.

Sources:

<https://www.advisorperspectives.com/articles/2023/12/29/the-new-economic-normal-isnt-anything-well-recognize>

<https://www.itsuptous.org/blog/breaking-down-us-federal-budget-charts-and-graphs#:~:text=Federal%20Budget%3A%20Mandatory%20spending&text=Only%20a%20portion%20of%20the,%242.739%2Dtrillion%20mandatory%20spending%20budget.>

<https://www.pgpf.org/budget-basics/top-10-largest-budget-functions>

If you have any questions about this article or want to discuss your family finances, investment portfolio, or financial planning advice, please call on me anytime at my number [\(215\) 325-1595](tel:2153251595) or you can [click here to schedule a meeting](#).

Please feel free to forward this article and offer to anyone you know who might have financial questions or need some unbiased advice. Most financial advice is sales advice. In stark contrast, we are fee-only (non-commissioned) fiduciary advisors. We just provide truthful, unbiased advice to our clients.



Jeffrey Broadhurst
MBA, CFA, CFP
Broadhurst Financial Advisors, Inc.



****PRIVACY NOTICE****

This message is intended only for the individual or entity to which it is addressed and may contain information that is privileged, confidential, or exempt from disclosure under applicable federal or state law. You are hereby notified that any dissemination, distribution, or copying of this communication, except in accordance with its intended purpose, is strictly prohibited.

Our physical and mail address:

1911 West Point Pike
P.O. Box 301
West Point, PA 19486-0301

Contact us:

Phone: (215) 325-1595
Email: jeff@broadhurstfinancial.com