



Forum for American Leadership

10 Defense Budget Myths

As President Biden prepares to submit the FY2022 budget to Congress, myths and misinformation surround the defense budget. The facts are important to remember, and the stakes are higher than ever.

Myth 1: “We just had historic defense budgets under Trump. We can afford to cut back now.”

- Recent defense budget increases were necessary to support recovery from the readiness crisis brought on by the Budget Control Act (BCA) years, as well as to increase investment in capabilities required to compete with China and Russia. New budgetary resources did help improve readiness and accelerate modernization, but that progress is both insufficient and fragile.
- President Trump’s defense budgets may have repaired the military, but they did not rebuild it. The scale of the damage done to our military during the BCA decade was simply too great to overcome in just a few years.
- As former Deputy Secretary of Defense Bob Work has written, “Without question, the ‘Trump bump’ improved force-wide readiness and allowed the Department of Defense to start repairing some of the damage to the program forced by the sequestration caps.
- Despite recent gains, another readiness crisis (less time for training, maintenance shortfalls, lack of available ships and aircraft) is a real near-term possibility. Falling readiness in the carrier fleet, largely driven by CENTCOM op-tempo, is just one warning sign.
- Moreover, recent defense budget increases did not provide the resources for a major force structure buildup or to address shortfalls and gaps such as ship maintenance backlogs, outdated forward posture, vulnerable logistics networks, inadequate testing infrastructure, insufficient munition stocks, lack of cruise missile defense, and the like.
- While investments in emerging technologies such as artificial intelligence have increased in recent years, those investments have still not reached the scale required to regain or maintain the advantage against China.
- After living off the Reagan-era procurement boom for nearly 40 years, DoD risks being overwhelmed by a modernization “bow wave” as it attempts to modernize the nuclear triad and recapitalize its fighter, bomber, and submarine fleets simultaneously.
- Sufficient, timely, and predictable funding are essential to seeing DOD through this critical period of modernization. Defense cuts could result in major capability and

capacity gaps as well as inject cost, schedule, and performance risk into major defense acquisition programs.

Myth 2: “COVID means we should cut back on defense and refocus on non-traditional threats.”

- The American people should not be forced to choose between public safety and national security. This is a false choice cynically advanced by long-time opponents of defense spending.
- COVID has added to the challenges facing our nation’s security, not reduced them.
- The arrival of a global pandemic did not mark the departure of strategic competition. In fact, the aggressive behavior of China and Russia has only intensified.
- To use COVID as an excuse to cut funding for our military would be a shameful strategic mistake with profound consequences for our servicemembers.

Myth 3: “Smaller budgets will force the Pentagon to make smarter choices.”

- In the best of times, it might be said that smarter choices can help lead to smaller budgets. But the reverse is almost never true. And unfortunately, it is not the best of times.
- Defense budget opponents have cited a line often attributed to Winston Churchill: “We have run out of money. Now we have to think.” A good one liner, but poor policy advice. In a bureaucratic environment like the Pentagon, visionary thinking and risk-taking are viewed as expensive luxuries—unaffordable in times of scarcity.
- Budget stability and growth give decisionmakers greater confidence to take risk and to embrace the cause of change and reform inside the Pentagon. Budget uncertainty and decline tend to force decisionmakers to minimize damage by being risk-averse and protecting the status quo.
- Cutting the defense budget – especially if those cuts are not strategy driven – incentivizes non-strategic and counterproductive behaviors. Military services will try to protect the present (i.e. end-strength, programs of record) at the expense of the future (i.e. R&D, force posture). Meanwhile, Congress will double down on protecting parochial interests.

Myth 4: “We can afford to cut the defense budget because it’s larger than the next 10 countries combined.”

- Wars aren’t fought by comparing budget tables. The bipartisan NDS commission, whose members included current Deputy Secretary of Defense Kathleen Hicks, warned that even with its current defense budget, “the U.S. military could lose the next state-versus-state war it fights.”
- China and Russia have the luxury of focusing on one primary adversary: the United States. They don’t spend money to defend allies because they don’t have any. They don’t honestly report their defense spending. And they enjoy lower costs because of conscription and economic factors such as state control of the economy.
- Comparing U.S. defense spending to that of other countries is misleading. When factoring in the advances of purchasing power parity (PPP) of countries like Russia and China, this advantage shrinks considerably.

- The breadth of missions the U.S. military must perform in defense of American interests, security, and prosperity is fundamentally different than our competitors or allies. Meanwhile, China and Russia are focused on winning wars that would occur close to their own territory.
- Providing a force of 1.3 million all-volunteer professionals with robust total compensation (i.e. pay, benefits, special services) is one of the main reasons America's defense budget is higher than China and Russia. America places a higher value on supporting and caring for the needs of our service members and their families. We should be proud of this fact, not weaponizing it as a rationale for cutting defense.
- It doesn't matter what other countries spend, or what the U.S. spends in relation to them. What matters is that the U.S. defense budget accomplishes the objective of preventing conflict through credible deterrence. At the current budget level, we are at serious risk of failing to achieve that objective. A lower budget level will not make it any easier to do so.

Myth 5: “We can afford to cut the defense budget because it already takes up half the federal budget.”

- Defense and non-defense spending have composed roughly equal shares of the discretionary budget since the 1990s.
- Focusing on discretionary spending ignores mandatory spending, which comprises 70% of the federal budget and continues to grow much faster than increases in discretionary accounts.
- Between 1989 and 2019, as a share of federal outlays, defense declined by more than 40%, while Medicare doubled.
- Combining discretionary and mandatory spending, defense was just 15.2% of the federal budget in 2019.
- The defense budget should be sized to carry out U.S. policy and strategy to deter and, if necessary, to win wars—not to achieve some arbitrary percentage of federal spending.

Myth 6: “We can cut legacy systems, invest in future capabilities, and cut defense budget at the same time.”

- We must be prepared to shed legacy force structure when it does not fit our strategic priorities. But any savings generated by such decisions must be reinvested into new force design, posture, and capabilities to build force structure that better suits our strategic priorities.
- Shedding legacy systems will be easier when sound acquisition strategies, backed by robust defense budgets, deliver the new capabilities our military needs to perform their missions without assuming greater risk.
- Cutting force structure (i.e. legacy systems, end strength) without reducing military missions and/or operational tempo will harm military readiness.

Myth 7: “We should invest in quality, not quantity.”

- The idea that the United States enjoys an immutable qualitative advantage over adversaries like China and Russia is dangerously outdated.

- “Quality over quantity” arguments ignore basic realities of economies of scale when it comes to capital investments like defense equipment.
- Buying small numbers of exquisite systems is still very expensive due to large upfront development costs, but still leaves the military without the capacity it needs to maintain readiness or achieve battlefield advantage.
- Even if the United States is successful in preserving its qualitative advantage in key areas, quantity still has a quality all its own. Aircraft, ships, and tanks can only be in one place at one time.

Myth 8: “We can cut the defense budget by cutting waste, fraud, and abuse.”

- Rooting out waste, fraud, and abuse is necessary in the Pentagon as it is in every federal department.
- But the idea that the United States could afford a significantly smaller defense budget if only we cut waste, fraud, and abuse is a fantasy.
- A DoD audit can help improve financial management practices, but savings derived through those improvements are likely to be modest. DoD and Congress are fully capable of tracking how the defense budget is obligated. Eliminating waste, fraud, and abuse is fundamentally the work of oversight, not an audit.
- Nearly every year, unfunded requirements of the military services dwarf the size of savings initiatives.
- After Secretary Gates cancelled tens of billions of dollars’ worth of procurement programs in 2009-2011, he assessed: “the proverbial ‘low-hanging fruit’...have not only been plucked, they have been stomped on and crushed. What remains are much-needed capabilities.”

Myth 9: “We can cut the defense budget by ending the forever wars.”

- There is no peace dividend to be collected as the United States scales back counterterrorism operations. Rather, there is a war debt to be paid off. The United States needs to reinvest any savings into recovering depleted military readiness, retraining and reequipping U.S. forces for high-end threats from China and Russia, and reinvesting in capabilities overlooked during counterterrorism operations such long-range fires, integrated air and missile defense, resilient C4ISR, and more.
- The best way to eliminate the need for the Overseas Contingency Operations (OCO) account is to pass defense budgets that provide sufficient funding for our military needs and avoid mistakes like the BCA caps.
- Large portions of the OCO account are not specifically dedicated to wartime exigencies, but rather support day-to-day operations and enduring requirements. This may be an argument for more honest accounting, but it cuts against the argument the scaling back counterterrorism operations will yield large savings.
- To be sure, DoD needs more cost-effective and sustainable strategies for counterterrorism operations. But any savings realized through pursuing these strategies will be uncertain in scale and long-term in scope, especially because implementing them will require upfront investment, specialized training, and the like.

Myth 10: “We can cut the defense budget by reinvesting in diplomacy.”

- Choosing between a strong American military and strong American diplomacy is a false choice.
- Weakening America's military will not make America's diplomacy stronger—it will do the opposite.
- Military power should not substitute for other elements of national power, nor can it be replaced by them.
- Using DoD as a utility tool for non-defense activities dangerously dulls the military's warfighting edge. The executive and legislative branches should work together to ensure the State Department, as well as our intelligence and law enforcement agencies, have the necessary capability and capacity to execute their missions with minimal assistance from DoD.
- Congress should support robust funding for the State Department, including additional funding for Foreign Military Financing (FMF) and International Military Education & Training (IMET) to boost the military capabilities of key allies and partners.

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