



Insight

Defense Budget Shortfalls

RACHEL HOFF | APRIL 2, 2015

Last week, after much debate, the House and Senate passed budget resolutions for Fiscal Year 2016. In the conversation that emerged over the defense budget, many seemed to ask the question, “How much should the United States spend on defense?” The better question to ask is, “How much does it cost to defend the United States?”

The last time a defense budget started with that question was in 2012, when then-Secretary of Defense Robert Gates presented a [strategy-based assessment](#) that recommended increases in defense the budget over a ten-year period. Sequestration and the Budget Control Act, however, required cutting almost one trillion dollars from defense spending over that ten-year period. Last year, the [National Defense Panel](#), a bi-partisan commission mandated by Congress, unanimously recommended that “Congress and the President should repeal the Budget Control Act immediately and return as soon as possible to at least the funding baseline proposed in the Gates FY 2012 defense budget.”

This graph shows the shortfalls between the Gates strategic projection and actual defense spending in recent years. With the Pentagon base budget flat-lining due to sequestration and funding for Overseas Contingency Operations (OCO) declining with the drawdown in Afghanistan, the gap continues to grow. Defense spending should be determined by evaluating the threats facing the nation and determining the capabilities needed in response. To that end, the Gates budget should serve as a baseline for U.S. defense needs. As the National Defense Panel wrote of the Gates budget, “it is the minimum required to reverse course and set the military on a more stable footing.”

