



## Pentagon Cuts in Perspective

*What the administration proposes is hardly dramatic.*

*from Project on Defense Alternatives Briefing Memo #53, 5 January 2012*

While the administration's new budget will modestly trim the recent peak in defense spending, it will preserve most of the meteoric post-1998 rise in the Pentagon base budget.

- In real terms, planned spending for 2013-2017 will be 4% below actual spending during 2008-2012.
- Measured against earlier spending plans the rollback seems more significant because the earlier plans had aimed to continue the real growth in the base budget.

The table below shows cumulative budget authority for the DoD "base budget" for 2008-2012 (inclusive) and, under various plans, for 2013-2017. It shows the totals both in "then year" dollars and in constant 2012 dollars. Finally, it shows how much the alternative plans for the next five years differ from actual budget authority during 2008-2012.

**Comparison of Actual and Planned DoD Base Budgets, 2008-2017**  
(dollar amounts in trillions)

	Five-year total in "then year" dollars	Five-year total in 2012 dollars	Real Change from 2008-2012 period
2008-2012 Actual Budget Authority	2.59	2.65	0
Obama 2010 Plan for 2013-2017	2.95	2.76	+ 4%
Obama 2011 Plan for 2013-2017	3.08	2.88	+ 9%
Obama 2012 Plan for 2013-2017	2.99	2.79	+ 5%
Obama 2013 Plan for 2013-2017 (estimated)	2.73	2.55	- 4%
Sequestration	2.46	2.3	- 13%

According to the OMB memo leaked last year, the Administration will seek a DoD base budget of \$523 billion for FY 2013 and allow increases for inflation thereafter. This sets the future budget slightly higher than the budget for 2008 (2013 dollars), but lower in real terms than the base budgets for 2009, 2010, 2011, and 2012. As noted above, this amounts to a real reduction of 4% in total base budget authority for the 2013-2017 period versus 2008-2012.

This modest reduction is a reduction from a peak. The period 2008-2012 represents the peak of the spending surge that commenced in 1998. The administration's new budget plan, while more restrained than its previous ones, preserves most of this surge:

- The FY 2013 budget, if set at \$523 billion as expected, will be 37% higher in real terms than the FY 1998 budget.
- Total base budget spending during 2013-2017 will be only 7% less in real, inflation-adjusted terms than spending during the peak five years of Reagan-era budgeting, when the United States faced the Soviet empire and had a military 50% larger than today's.
- Measured against the average Pentagon budget for the entire Cold War period (1948-1992), the prospective base budget for FY 2013 will be 20% higher, in real terms.