

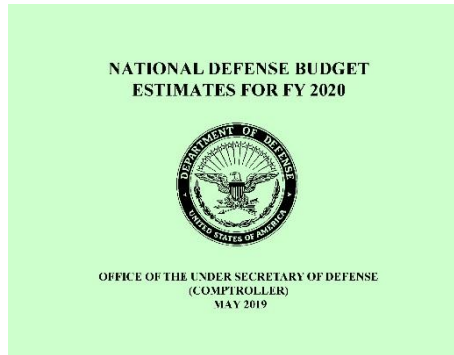
The Defense Budget in Historical Perspective

**Bloomberg
Government**

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Introduction



Every year, usually weeks or months after the president's budget request, the Department of Defense publishes the annual National Defense Budget Estimates, known as the [Green Book](#) because of its green cover.

The Green Book contains a wealth of data on DOD's budget, going back in some cases as far as 1940. The book is published in

PDF form and key datasets are provided in Excel format. The data can be extremely useful in putting defense expenditures in historical perspective. Many of the budget figures are provided in both nominal dollars as well as estimated constant 2020 dollars (adjusted for inflation) so that apples-to-apples comparisons can be made over time.

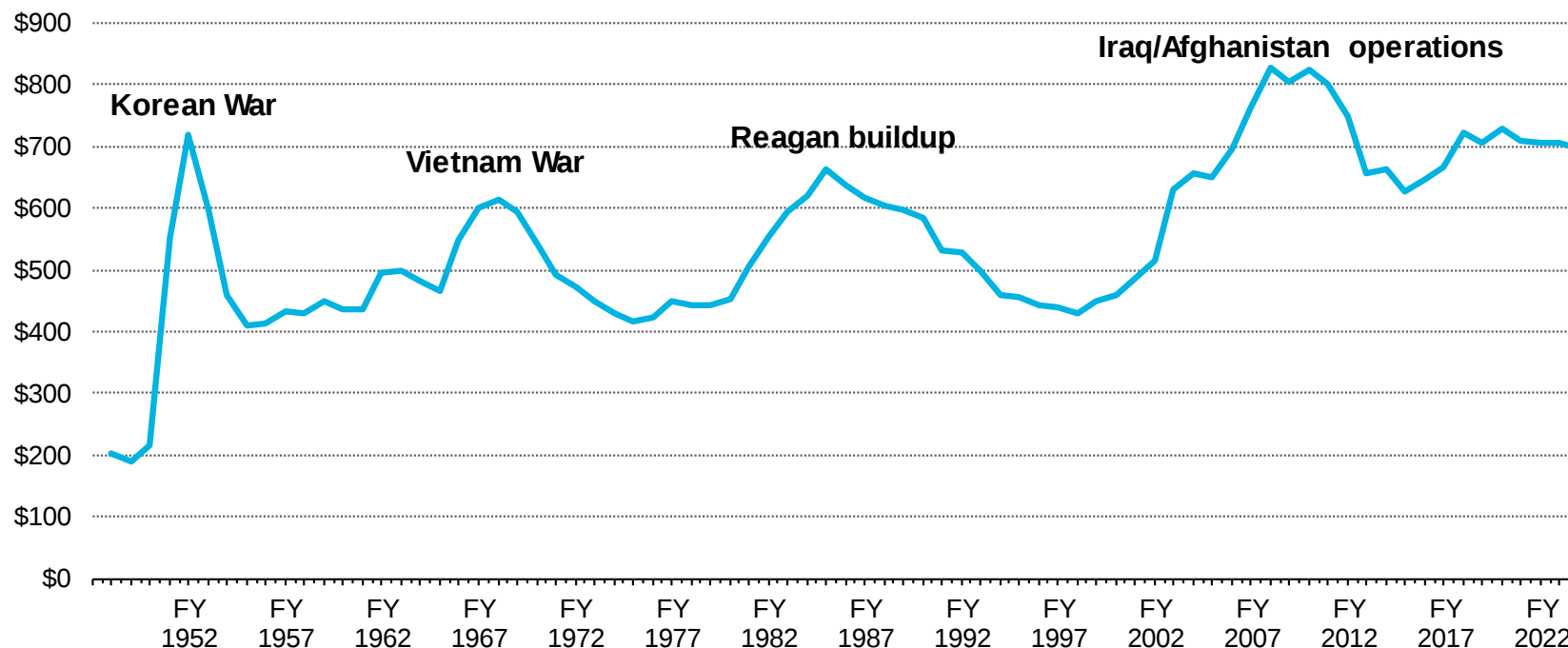
Data breakouts include by military department, public law title, major force program and as a percentage of overall federal spending and of the U.S. economy. The following charts are produced by Bloomberg Government based on the Green Book data. All years are fiscal years, all dollars are constant FY 2020 dollars and numbers are budget authority unless otherwise noted. Figures for fiscal 2020 and beyond are from the fiscal 2020 budget request.

Historical DOD Budget Authority

Currently more than mid-1980s levels, but less than the peaks of Afghan/Iraq operations

Defense Budget Authority

FY 2020 estimated constant dollars in billions



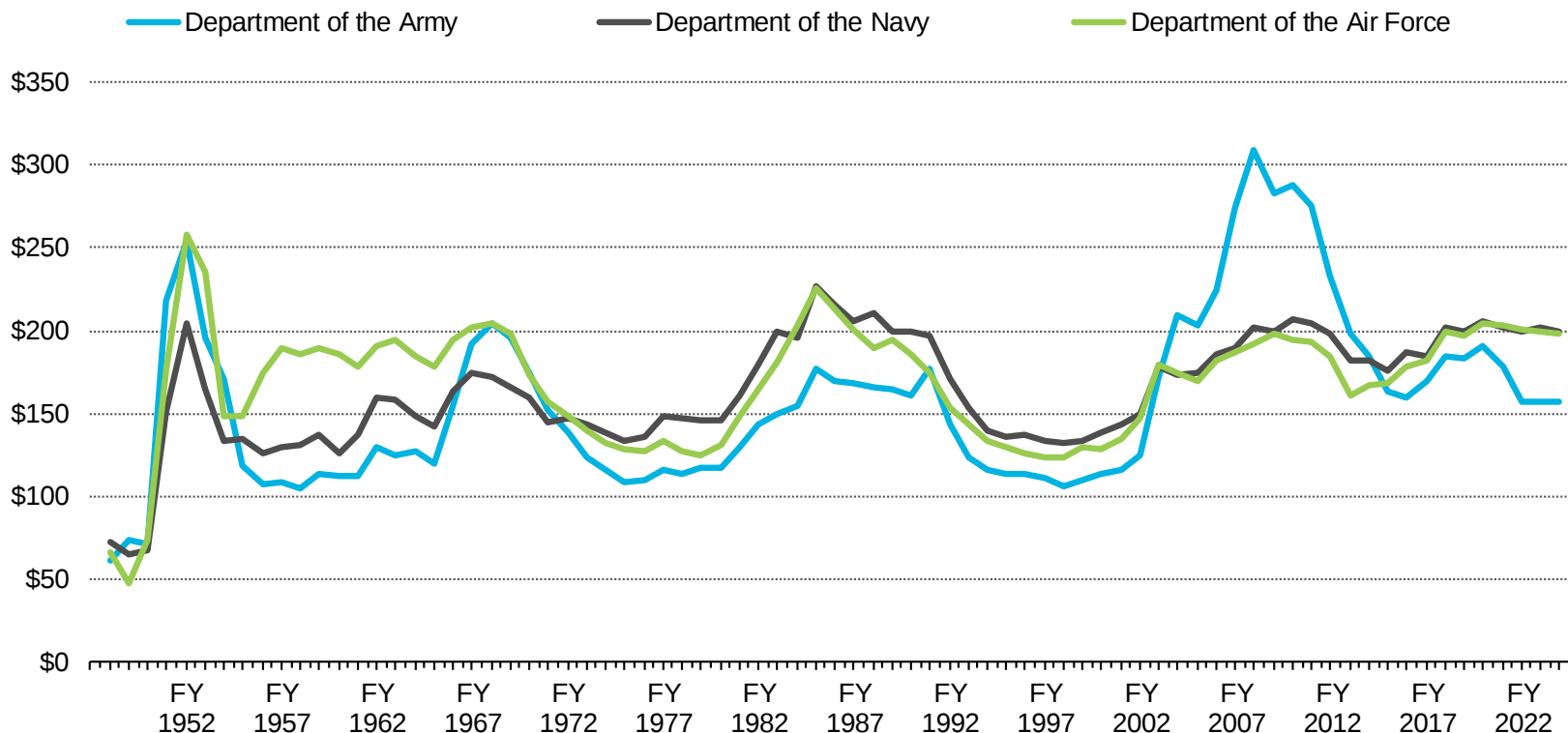
Note: FY 2020 figures are requested; 2021-2024 are DOD projections

Source: [Department of Defense FY 2020 Green Book](#) Table 6-8

Service Breakdown

Army, Navy and Air Force tend to have about equal shares of the budget

FY 2020 estimated constant dollars in billions



Note: FY 2020 figures are requested; 2021-2024 are DOD projections. Marine Corps budget is included in the Department of the Navy

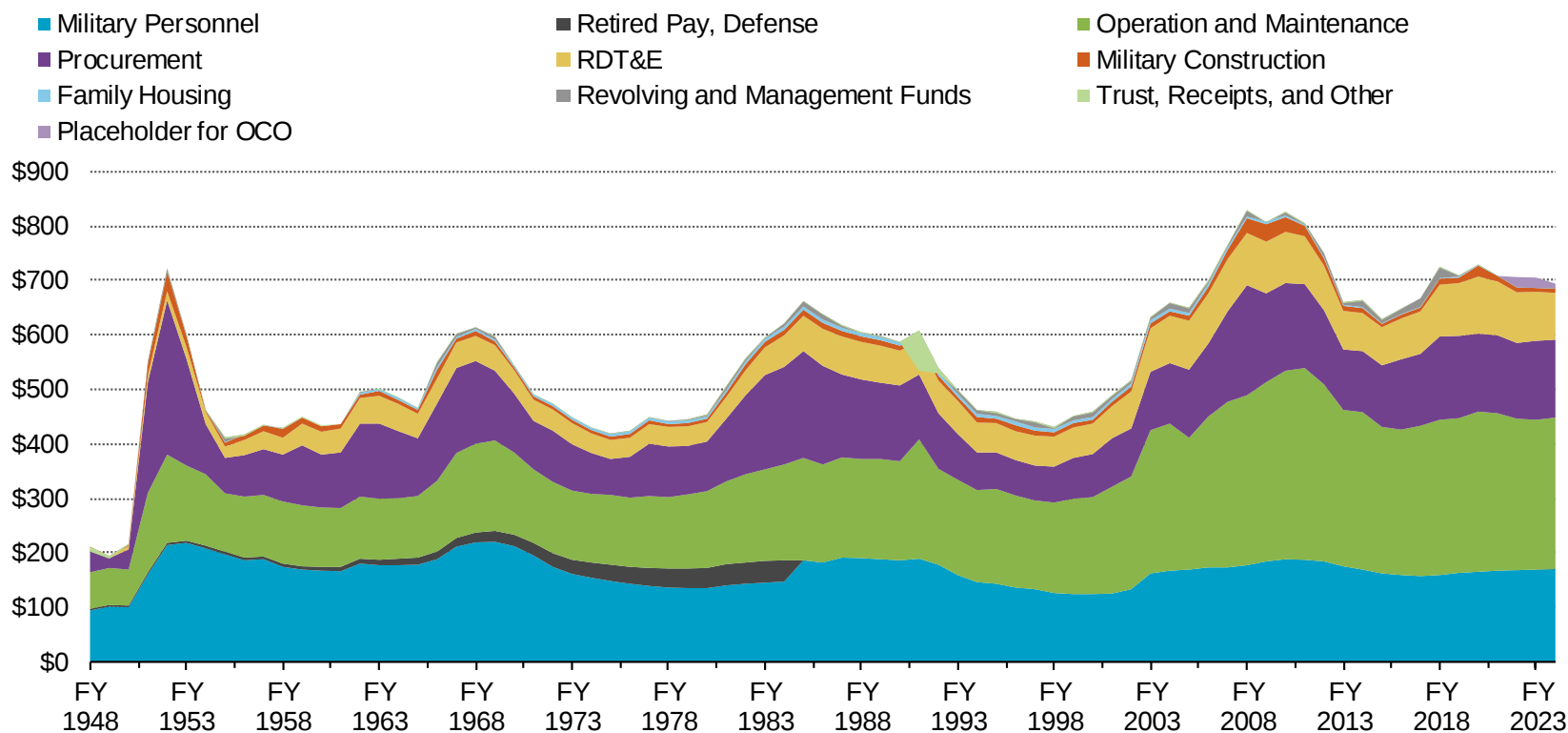
Source: [Department of Defense FY 2020 Green Book](#) Table 6-10

Title Breakdown

Operation & Maintenance is a steadily growing portion of the budget

Defense Budget Authority

FY 2020 estimated constant dollars in billions



Notes: Note: FY 2020 figures are requested; 2021-2024 are projected. RDT&E – Research, Development, Test and Evaluation; OCO – Overseas Contingency Operations; Retired Pay included in Military Personnel account after [1985](#).

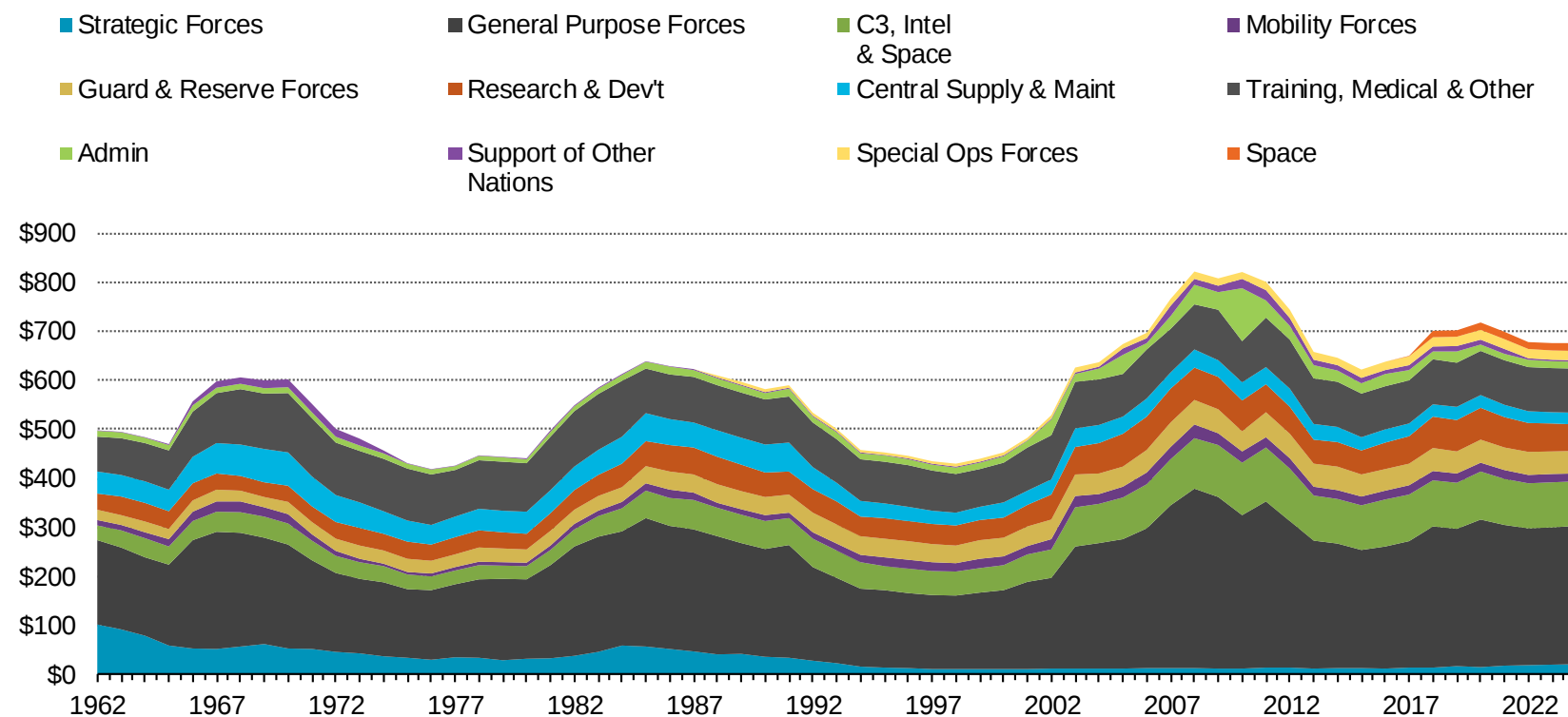
Source: [Department of Defense FY 2020 Green Book](#) Table 6-8

Type of Forces

General purpose forces still consume the lion's share but C3, Intel growing

Budget By Major Force Program

FY 2020 total obligational authority, estimated constant dollars in billions



Separate "Space" category added in FY 2017. Its relationship with the "C3, Intel and Space" category is unclear and may include classified spending; Budget numbers are Total Obligational Authority rather than Budget Authority

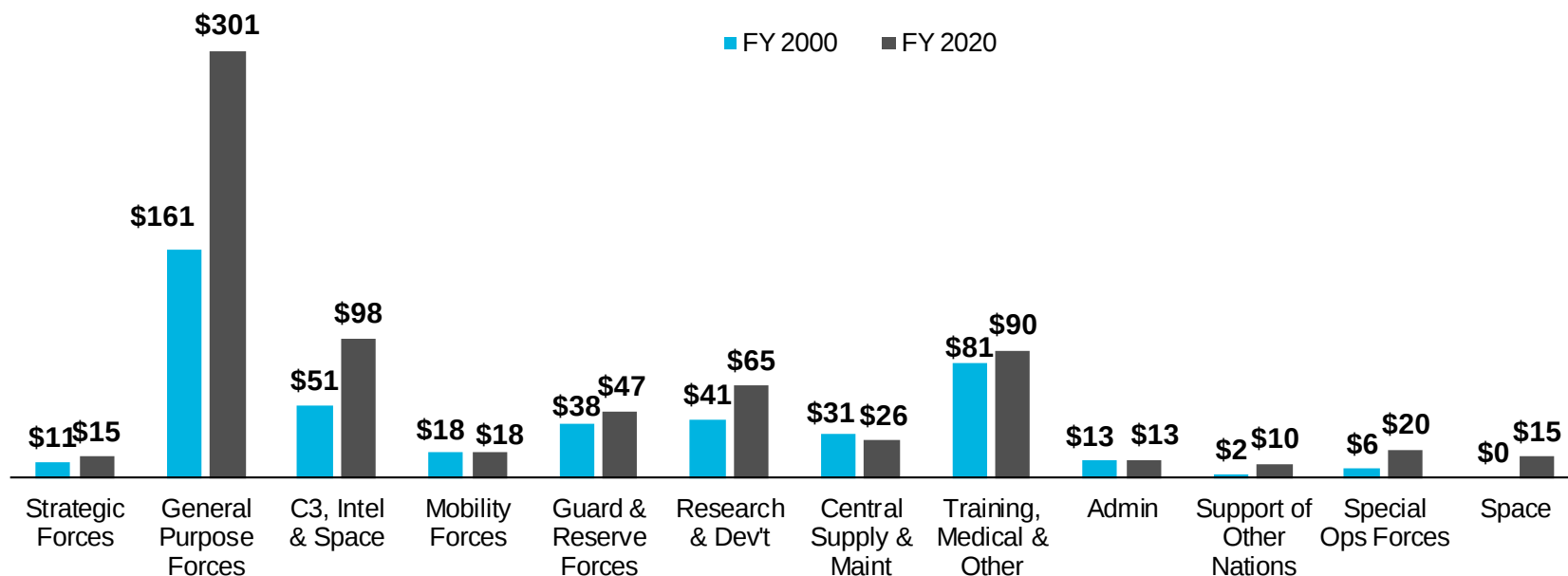
Source: [Department of Defense FY 2020 Green Book](#) Table 6-5

Some Shifts in Priorities

C3, intel and space gaining in importance

Comparison of FY 2000 Budget and FY 2020 Budget Request

FY 2020 total obligational authority, estimated constant dollars in billions

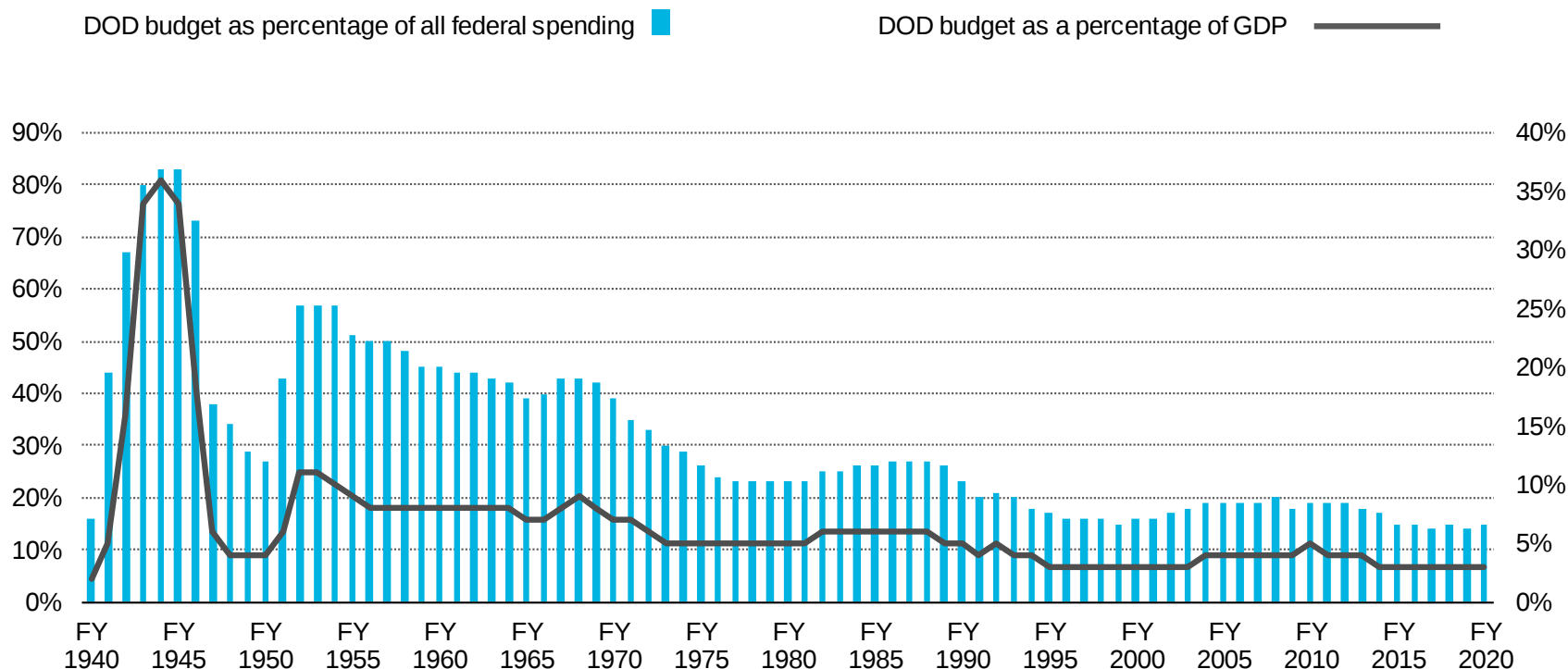


Note: Separate "Space" category added in FY 2017. Its relationship with the "C3, Intel and Space" category is unclear and may include classified spending; Budget numbers are Total Obligational Authority rather than Budget Authority

Source: [Department of Defense FY 2020 Green Book](#) Table 6-5

Defense Spending Declines Relative to Economy, GDP

Defense Spending as a Share of the Federal Budget and Economy

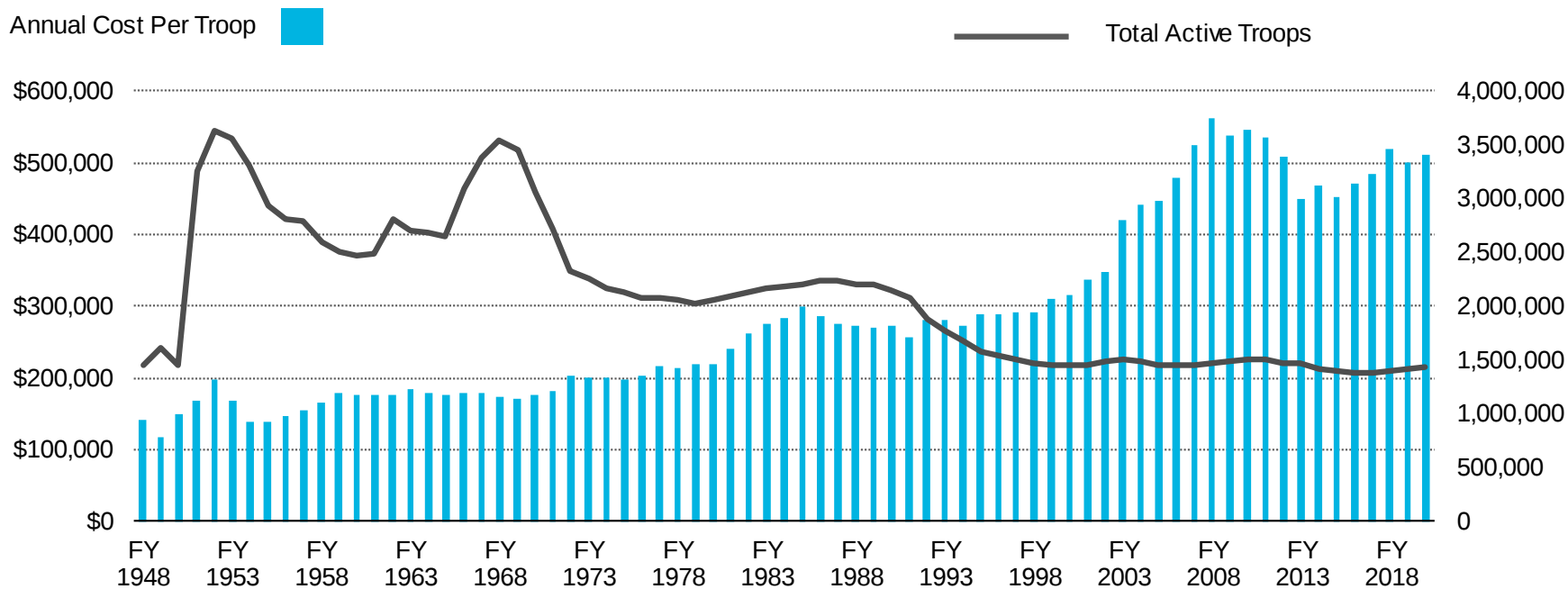


Notes: GDP – Gross Domestic Product

Source: [Department of Defense FY 2020 Green Book](#) Table 7-7

Cost to Train, Equip & Deploy Troops is Rising

Troops Are More Expensive Than They Used To Be



Notes: Cost is total DOD budget authority in estimated constant 2020 dollars divided by total number active troops (including active Reserve and Guard).

[Conscription ended in 1973](#) and the All Volunteer Force was implemented.

Source: [Department of Defense FY 2020 Green Book](#) Table 7-5

About the Analyst



Robert Levinson is a senior defense analyst with Bloomberg Government, covering defense spending, sequestration, international sales opportunities for military equipment, and government contracting. He is a retired lieutenant colonel in the U.S. Air Force with more than 20 years of service. Prior to joining Bloomberg Government, Levinson worked for Booz Allen Hamilton as a strategic communications consultant and in government relations for the American Israel Public Affairs Committee. He has a bachelor's degree from the U.S. Air Force Academy and a master's from the University of California, San Diego. He is also a graduate of Harvard's program for Senior Executives in National and International Security.

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