

# FACT SHEET

# WAR IMPOVERISHES US

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Militarism creates the threat of nuclear apocalypse and is the single biggest cause of climate and environmental collapse, but in the short term, it kills more by the diversion of funds from useful projects than through all the horrors of war.

It is common to think that, because many people have jobs in the war industry, spending on war and preparations for war benefits an economy. In reality, spending those same dollars on peaceful industries, on education, on infrastructure, or even on tax cuts for working people, would produce more jobs and, in most cases, better paying jobs than would spending that money on the military.<sup>1</sup>



“ Every gun that is made, every warship launched, every rocket fired, signifies in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed. This world in arms is not spending money alone. It is spending the sweat of its laborers, the genius of its scientists, the hopes of its children.

- U.S. President Dwight D. Eisenhower, “Cross of Iron” speech, 1953

# DIRECT COSTS

War has a huge direct financial cost, the vast majority of which is in funds spent on the preparation for war. The world spends \$2 trillion every year on militarism, of which the United States spends about half, or \$1 trillion. This \$1 trillion includes the annual Pentagon base budget, plus the war budget, nuclear weapons in the U.S. Department of Energy, Homeland Security, the Central Intelligence Agency, the State Department, the Veterans Administration, and interest on debt. In fact, annual interest on debt generated by U.S. military programs is \$100 billion.<sup>2</sup>

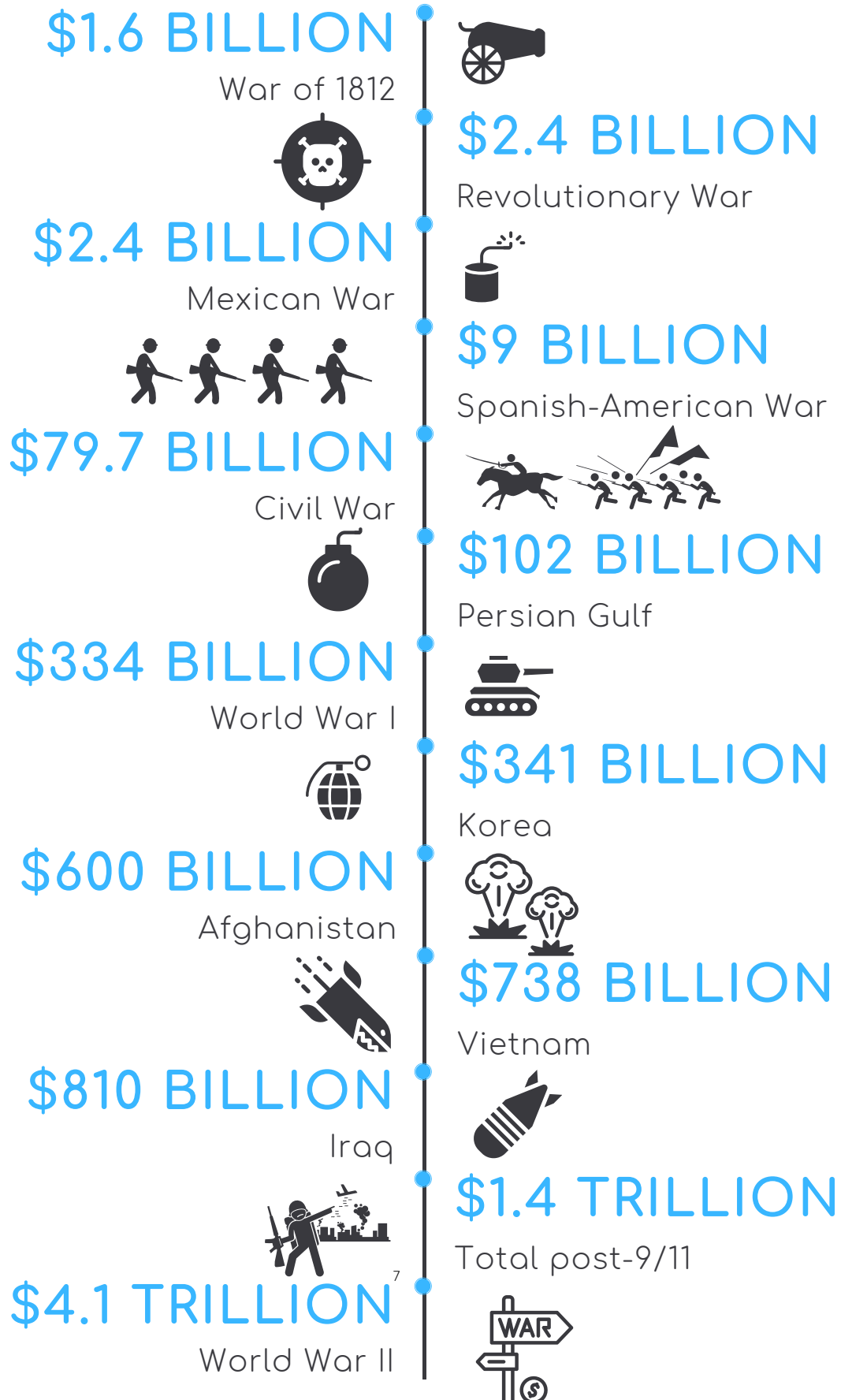
\$150 billion/year of U.S. military spending is used to station U.S. troops at 800 military bases in 80 countries around the world. In comparison, Russia, France, and the UK have 10-20 foreign military bases each, and China has 1. It costs an average of \$10,000-\$40,000 more per year to station U.S. military personnel on overseas bases vs. on domestic bases.<sup>3</sup>

In 2018, the Pentagon conducted its first-ever audit, at a price tag of \$413 million.<sup>4</sup> It failed the audit, due to unprecedented accounting fraud. The U.S. Department of Defense (DoD) has been fudging the numbers in its annual reports to Congress, representing trillions of dollars of unaccounted-for transactions. In fact, economist Mark Skidmore reviewed the DoD Office of Inspector General (OIG) reports from 1998 to 2015 and found a whopping \$21 trillion of Pentagon financial transactions that could not be traced, documented, or explained. To put that number in comparison, \$21 trillion is five times more than what the entire U.S. federal government spends in a year.<sup>5</sup>

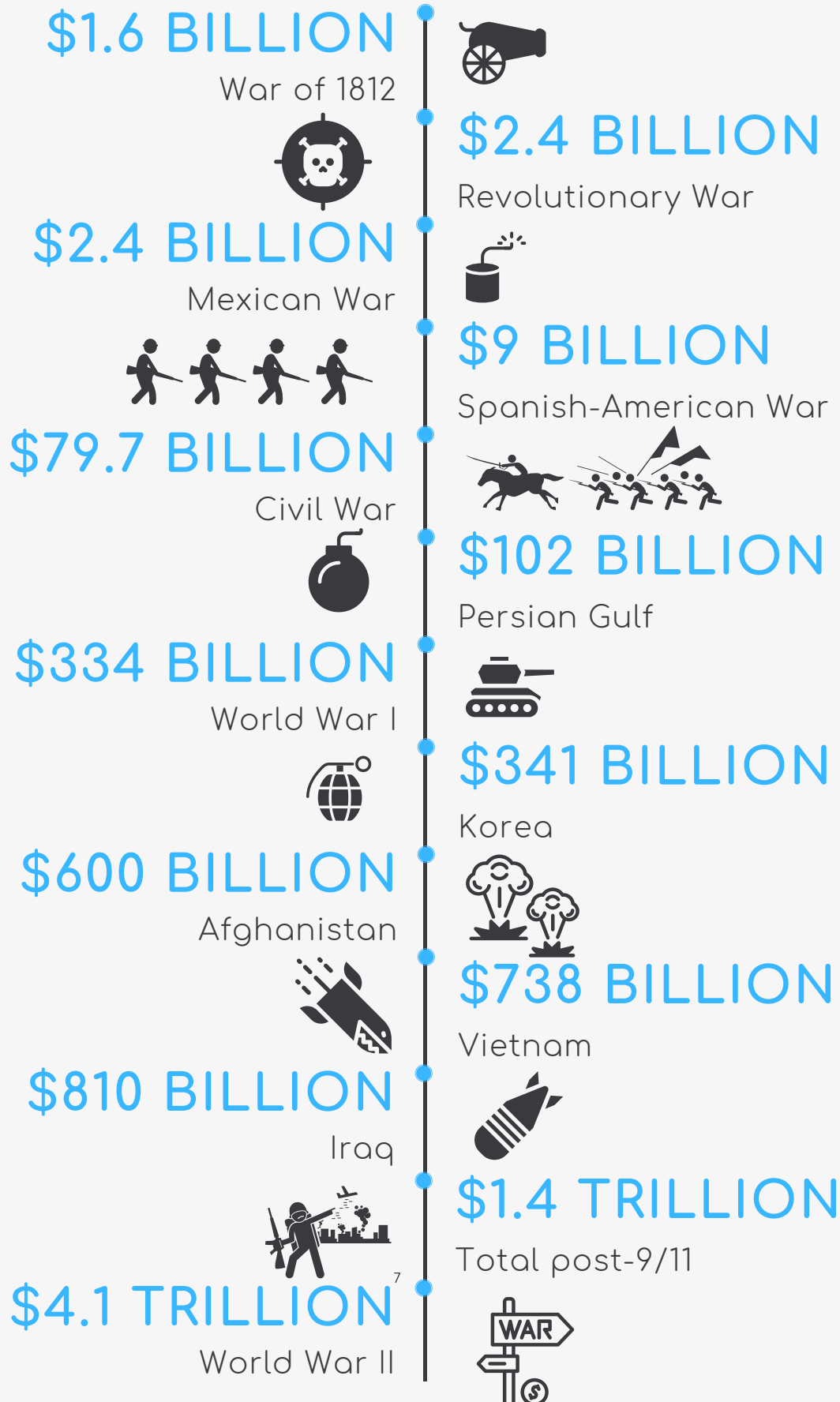
Furthermore, a 2016 report by the Defense Business Board found that the U.S. Department of Defense could save \$125 billion over five years just by trimming excess bureaucracy. Additionally, a report from the Pentagon's Inspector General indicates that the department has ignored hundreds of recommendations that could have saved it more than \$33.6 billion.<sup>6</sup>



# WAR COSTS



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# DAMAGE DONE

War and violence cause trillions of dollars worth of destruction each year.<sup>8</sup> According to the 2018 Global Peace Index, produced by the Institute for Economics & Peace (IEP), the global economic impact of violence is \$14.76 trillion, 12% of global GDP.<sup>9</sup>

The costs to the aggressor, enormous as they are, can be small in comparison to those of the nation attacked. For example, two-thirds of the total £30bn price tag of the Kosovo war will be needed to rebuild Yugoslavia, making it seven times more expensive to reconstruct the country than it was to bomb it. According to the independent G17 group of Serbian economists, damage to the country's industry amounted to £1.74bn, and Yugoslavia lost 44% of industrial production due to the war.<sup>10</sup>



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## INDIRECT EXPENSES

Wars can cost an aggressor nation that fights wars far from its shores twice as much in indirect expenses as in direct expenditures. According to a Harvard University study, the U.S. wars on Iraq and Afghanistan have cost a total of \$6 trillion when indirect expenses are considered, including future care of veterans, interest on debt, impact on fuel costs, and lost opportunities.<sup>11</sup>

Even if Washington stopped spending on its wars tomorrow, it would owe more than \$8 trillion in interest alone, because the post-9/11 wars have been fought with borrowed money.<sup>12</sup>

According to Robert Pollin and Heidi Garrett-Peltier of the Political Economy Research Institute, investing in peacetime industries produces more jobs, and, in many cases, better-paying jobs, than would spending that money on the military. For example, each billion dollars of government spending invested in the military creates about 12,000 jobs. Investing it instead in healthcare produces 18,000 jobs, in education 25,000 jobs, and in mass transit 27,700 jobs. The average wages and benefits of the 25,000 education jobs created is significantly higher than that of the military's 12,000 jobs. In the other fields, the average wages and benefits created are lower than in the military, but the net impact on the economy is greater due to the greater number of jobs.<sup>13</sup>

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## WAR SPENDING INCREASES INEQUALITY

Military spending exacerbates economic inequality by transferring trillions of public dollars into increasingly privatized industries. As a result, it further concentrates wealth in a small number of hands.

## War is a drain to our economy and perpetuates wealth inequality.

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### LEARN MORE AT:

[worldbeyondwar.org/impooverishes](http://worldbeyondwar.org/impooverishes)

World BEYOND War is a global grassroots network of volunteers, activists, and allied organizations advocating for the abolition of war and its replacement with an alternative global security system based on peace and demilitarization. Visit WorldBEYONDWar.org to join the global movement to end all wars.

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