The False Choice of "Defense or Infrastructure" – May 13, 2021

As the Biden Administration and Congress consider new investments in infrastructure, they should be wary of attempts to create a false choice between defense and infrastructure spending. For example, a recent report from the *RAND Center for Analysis of U.S. Grand Strategy* sounds a false alarm about the consequences of "prioritizing defense spending over infrastructure investment" while ignoring other federal spending and the security consequences of diverting defense funds to other domestic priorities. Others, including longtime opponents of defense spending, are tendentiously attempting to leverage the infrastructure debate to renew their push for deep cuts to funding for our military. **Here are four key points for protecting both defense and infrastructure investments, rather than pitting them against one another:**

1. **Choosing between defense and infrastructure is a false choice.**
   - A recent report from the RAND Center for Analysis of U.S. Grand Strategy warns against "continuing to prioritize defense spending over infrastructure investment." This is a false characterization of budget priorities. Defense spending does not come at the expense of infrastructure investment any more than non-defense discretionary spending or mandatory spending, which together accounted for nearly 80% of federal outlays in 2019. The report selectively ignores these other categories of federal spending and arbitrarily pits defense and infrastructure against each other.
   - The amount of funding we give our military to perform their missions and defend the nation should not be determined by a domestic infrastructure plan.
   - It is pure hypocrisy to advocate for trillions in new spending for infrastructure while arguing that modest budget growth of 3-5% is unaffordable.
   - With bipartisan defense experts warning that America could lose the next war it fights, cutting defense spending would be an irresponsible choice.

2. **Defense spending is not choking off infrastructure investment.**
   - National defense has been falling as a share of federal outlays for the last 30 years, dropping from 28.1% in 1987 to 15.2% in 2019.
   - Both as a share of the federal budget and as a share of GDP, today's spending on national defense is roughly half the level during the last major military modernization in the 1980s. In fact, spending on national defense today most closely resembles the 1990s when the U.S. had no peer competitor, slashed defense spending, and cashed the so-called "peace dividend."
   - Modest defense budget growth of 3-5% that bipartisan experts have assessed as necessary to fulfill our defense strategy will not fundamentally affect the affordability of infrastructure investment, especially on the order of the Biden Administration's $2.7 trillion proposal.

3. **Infrastructure is a national security issue and national security is an infrastructure issue.**
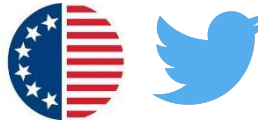   - New infrastructure legislation should include funding for critical infrastructure protection as well as modernizing defense infrastructure that supports our military service members.
   - The recent Colonial Pipeline cyberattack clearly demonstrates the need for investment to prevent shutdowns, delays, and negative economic impacts. This investment will also strengthen our defenses against attacks on critical infrastructure, such as ports and railways, that may be launched by our adversaries in a time of crisis or conflict to disrupt U.S. military deployments.
   - A major component of defense spending is infrastructure. But budget cuts and uncertainty over the last decades have resulted in significant infrastructure challenges for DOD.
   - The SHIPYARD Act would invest $25 billion dollars to modernize American public and private shipyards that support the U.S. Navy fleet. This bipartisan legislation would help bring back jobs lost in the pandemic, improve fleet maintenance and military readiness, and boost American shipbuilding to compete with China.
   - Congress should also address America's crumbling nuclear weapons infrastructure. 60% of NNSA's facilities are more than 40 years old, and nearly 40% are in poor condition. Stories of roof collapses and faulty ventilation are sadly common. As the former NNSA commissioner warned last year, "If not appropriately addressed, the age and condition of NNSA's infrastructure will put NNSA's deterrence mission, and the safety of its workforce, the public, and the environment, at risk."

4. **Infrastructure investment can be good for the economy. The same is true for defense.**
   - The RAND report claims that "diverting funds from defense spending to infrastructure likely would boost U.S. economic growth in the long term." However, the report does not address the security consequences of such a decision.
   - Funding for our military should be based on what's necessary to perform its missions and defend the nation – not on economic growth projections or multiplier effects.
   - Failing to invest in defense and deterrence now could result in a deteriorating security situation that harms economic growth, potentially requiring greater defense spending than would have otherwise been necessary.
   - While setting the defense budget is not about maximizing economic growth, it is important to emphasize that defense spending can and often does make substantial contributions to economic growth and infrastructure development.
   - The aerospace and defense sector represented 1.4% of the total US workforce in 2019 and contributed $396 billion to American GDP.
   - The Pew Trusts reported in 2020 that U.S. defense spending is invested in all 50 states and DC, and 62 percent of all defense spending in the states was spent on contracts for purchases of goods and services that drive American infrastructure growth and revitalization

- Increases in defense research and development (R&D) spending on average [result in additional increases in privately funded R&D](#), which builds communities, supplies jobs, and assists in wage increases across hiring levels.