

Dramatic Surge in Defense Spending: Where do your tax dollars go?

Military spending accounted for 27 cents of every income tax dollar

By [National Priorities Project](#)

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Editor's Note

The following report by the National Priorities Project (NPP) shows how the surge in military spending in recent years is leading to the demise of State supported social programs in America.

More than a quarter of what you pay in taxes goes to finance Washington's military adventure in the Middle East and the deployment, around the World, of an extensive arsenal of weapons of mass destruction.

These figures do not include the various black budgets allocated to the military and intelligence apparatus, which do not appear in US public accounts.

The surge in defense hits Education. For every dollar spent on education, more than five dollars are spent on what is euphemistically referred to "defense".

Michel Chossudovsky, Global Research, 8 April 2007

WHERE DO YOUR TAX DOLLARS GO?

THE UNITED STATES April 2007

Military, health and interest on the debt consume two-thirds of every income tax dollar.



The median income family in the United States paid \$3,736 in federal income taxes in 2006 . Here is how that amount was spent:

Military

\$1,014

Interest on the Debt (Military)

\$340

Interest on the Debt (Non-Military)

\$385

Health

\$779

Income Security

\$224

Education

\$169

Veterans' Benefits

\$125

Nutrition

\$98

Housing

\$70

Natural Resources

\$57

Job Training

\$11

Other

\$463

Notes: The breakdown of the income tax dollar is based on an analysis of each agency's federal fund outlays according to function and sub-function (category) for fiscal year 2006, which can be found in OMB, *Budget of the U.S. Government, FY2008, Analytical Perspectives*. Numbers may not add up due to rounding. Military includes the government definition of national defense, international security assistance and Iraq-related spending in the Executive Office of the President. Income security includes Supplemental Security Income (aimed at elderly, disabled and blind with low income), tax credit programs, TANF, child care spending and other programs aimed at families. Other includes the following function and sub-function areas: general science, space and technology, international affairs other than military assistance, energy, agriculture, commerce and housing credit, transportation, community and regional development, labor and social services other than job training, justice, general government, and undistributed offsetting receipts.

[Where do Your Tax Dollars Go? Notes and Sources](#)

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Past and current military spending totals 40 cents

Military spending accounted for 27 cents of every income tax dollar paid. But that only tells part of the story. At least nine cents of every federal income tax dollar paid today can be attributed to borrowing to pay for past wars and military build-ups. On top of that, disability payments, health care and other benefits accrued to veterans make up a little over three cents of the federal income tax dollar.

This number only promises to grow larger. Since the war began, Congress has appropriated or spent nearly half a trillion dollars on the Iraq War alone. Like other wars before it, this one

is also deficit financed, which means hundreds of billions of dollars more in interest payments. Veterans' disability payments and health care costs of the many, permanently-disabled soldiers will also add hundreds of billions over the coming years.

Pennies left for other spending

Non-military tools of national security claim little of the tax dollar. Spending on preventive security measures – such as diplomacy, economic development assistance, and locking down nuclear materials – amounted to only *three-quarters of a penny*.

Put it all together, and Americans are spending roughly 40 cents of every tax dollar on past and present military spending.

While global warming becomes more alarming and verifiable, investing in renewable energy and conservation amounted to only hundredths of a penny of the federal income tax dollar.

All of our national parks, natural resources, pollution abatement and any other environmental spending came to only one and a half cents of the income tax dollar.

Meeting domestic needs such as affordable housing, nutrition and other forms of nutrition support received only a few pennies each. Health, however, comprised a large portion of the federal income tax dollar at 20 cents due to rising medical costs and increasing benefits for seniors. Nevertheless, the number and percentage of uninsured Americans continues to rise.

National Priorities Project (NPP) is a 501(c)(3) research organization that analyzes and clarifies federal data so that people can understand and influence how their tax dollars are spent. Located in Northampton, MA, since 1983, NPP focuses on the impact of federal spending and other policies at the national, state, congressional district and local levels. For more information, go to www.nationalpriorities.org.

Breakdown of the Individual Income Tax Dollar: Your income taxes are allocated to the federal funds budget; this is the budget that has been broken down for the chart on page 1 of *Where Do Your Tax Dollars Go?* The total federal government budget includes the federal funds and the trust funds budgets. Trust funds include Social Security, Railroad Retirement, and others. All numbers are derived from the tables of individual federal agency budgets as provided in the [Office of Management and Budget \(OMB\), Budget of the U.S. Government, FY2008, Analytical Perspectives](#). The breakdown is for outlays (as opposed to budget authority) in fiscal year 2006, since this most closely corresponds to your tax filing. Total federal funds outlays in 2006 were \$2,055,074,000,000. We have defined the categories on the bar chart as follows:

Median Income Family Taxes: The median income family's taxes were computed first by forecasting 2006 income levels by state from the 2002, 2003, 2004 and 2005 American Community Survey. Data for cities, towns and counties that were at least 65,000 in population were available in the 2005 American Community Survey for the first time. For those that were available, we calculated the city/town/county family median income as a percentage of the state level in 2005. We then applied that percentage to the state forecast for 2006 to come up with a 2006 level for the city, town or county. For smaller cities, towns and counties, we based the number on state and local data from the 2000 Census. Then, the tax estimate was computed by assuming standard deductions and exemptions for a married

couple with one dependent, including one child credit. No other deductions or credits were assumed. Additional data and statistics on income and taxes are available at:

[NPP Database](#)

[Census Bureau](#)

[Internal Revenue Service](#)

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