

## **Fact Check: Marco Rubio on defense spending's impact on debt**

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THE MEDIA: Speech

WHO SAID IT: Marco Rubio

TITLE: U.S. senator from Florida

PARTY: Republican

THE RACE: GOP presidential primary

THE COMMENT: "The sequester is not doing a thing about balancing our budget because defense spending is not the reason why we have a debt."

THE FORUM: Town hall meeting in Derry, N.H., on Oct. 14.

WHAT WE'RE LOOKING AT: Whether defense spending is a chief contributor to the national debt and if the caps placed on defense spending have made progress toward balancing the budget.

ANALYSIS: Florida Sen. Marco Rubio made the comment after calling for a stronger American military in the face of international threats, including "a gangster in Moscow" and growing strength in North Korea, Iran and China.

Rubio's comment has two parts: his characterization of sequestration, and defense spending's impact on the national debt. Each is evaluated below.

Much of the available data lists defense spending's impact on the deficit, which is the negative difference between the federal government's revenue and expenditures. The national debt continues to grow each year there is a deficit.

## Budget caps

The Budget Control Act, enacted in August 2011, established automatic spending cuts split evenly between defense and non-defense spending to take effect from 2013 to 2021. These budget caps, often referred to as sequestration, would be implemented only if Congress couldn't pass a spending plan with at least \$1.2 trillion in cuts before 2013.

Congress failed to push through a plan by the deadline, and the caps were set with equal cuts scheduled for each of the nine years. This means defense will be cut by about \$55 billion annually for a total of just under \$500 billion in cuts by 2021, according to a White House report.

These cuts can be reduced, though, if Congress raises the spending caps, which it has already done each year since the cuts were implemented.

Since the Budget Control Act's passage, there have been significant decreases in the deficit, which loomed at \$1.3 trillion in 2011 and shrank to about \$680 billion in 2013 when the caps took effect. The deficit is expected to be about \$468 billion by the end of fiscal 2015, according to a January 2015 report by the Congressional Budget Office.

Therefore, the budget caps did have an effect on the deficit by limiting both defense and domestic spending, some experts said, which in turn would slow the growth of the national debt.

"Anything that restrains spending contributes to reducing the deficit, and in fact, the budget caps are widely considered to be helping to constrain federal spending," said Stan Collender, an expert on the federal budget who has worked for both the House and Senate budget committees and is now executive vice president of Qorvis, a Washington, D.C.-based communications firm.

"The whole point of the Budget Control Act was to control the deficit, so it's hard to deny, even though Rubio's doing that, that it's accomplishing that," said Benjamin Friedman, a research fellow in defense and homeland security studies at the Cato Institute, a libertarian think tank.

Rubio's campaign did not respond to a request for comment.

But Tom Donnelly, a defense expert and research fellow at the American Enterprise Institute, a conservative think tank, said the amount the caps will save on the defense budget pales in comparison to the overall federal budget, which is typically around \$3.5 trillion annually.

"In large economic terms, considering the federal deficit and budget, it's a really infinitesimal amount," he said.

## Defense spending

The United States shells out more for its military than any other country. In recent years, total U.S. defense spending has been about \$600 billion to \$700 billion annually.

This base budget for defense spending does not include the cost of the wars in Iraq and Afghanistan, which are considered separate and are not affected by the Budget Control Act. A Harvard study estimates the cost of these two wars will total about \$4 trillion to \$6 trillion if long-term effects such as medical care and disability payments for veterans are included.

Spending on Social Security, Medicare and Medicaid combined has hovered around roughly three times the base defense budget in the past three fiscal years (2013 to 2015). Spending on these entitlement programs has increased about 7 percent during this period, while base defense spending has decreased by about 3 percent.

The Budget Control Act's spending caps also do not apply to most entitlement programs.

Donnelly said the government must attack entitlement spending to reduce the deficit and the debt.

"If you're cutting some parts of the budget and not other parts of the budget and you continue to have a large-scale deficit and a growing debt, then I think it's more than fair to say, and the things that aren't being controlled in any way are the things that are pushing you farther and farther into debt," he said. "If you're paying your credit cards bills and not your mortgage and you're going into financial debt, what's the driver of your debt? It's your mortgage."

But just because entitlement programs cost more than defense, that doesn't mean defense isn't contributing to the deficit, others said.

"It's absurd to say the \$600 billion plus that we spend ... doesn't contribute to the deficit; of course it does," Friedman said.

"It's basic math: The deficit this past year was \$438 billion. We spent \$600 billion on defense spending. If we didn't spend a dime on defense we'd have a surplus," Collender said. "The senator is completely and utterly wrong."

Gordon Adams, professor emeritus at the American University and an expert in U.S. national security policy, said all spending is equal. He noted defense spending greatly increased after 9/11, which Congress hadn't anticipated in its budget.

"We weren't in war in Iraq and Afghanistan in 2000," he said. "All of a sudden we're spending more than we projected on defense. ... It's the third-biggest cause of the more than doubling of the American debt (between 2000 and 2011)."

The largest- and second-largest contributors to the national debt were lost government revenue caused by tax cuts that began in 2001, followed by the Great Recession, Adams said.

**BOTTOM LINE:** It's incorrect for Rubio to say the sequester isn't "doing a thing about balancing our budget" when the deficit has decreased since the passage of the Budget Control Act, and its

spending caps are expected to save hundreds of billions of dollars on defense as well as domestic spending.

Experts disagree how much of an effect these savings will have in comparison to the total budget, but any savings contributes to reducing the deficit.

Though defense spending is certainly not the sole reason "why we have a debt," it still contributes.

Therefore, it's incorrect to say defense is not one of the main reasons the U.S. has a deficit and a high national debt.

THE FINDING: No stars: False.