



By Ben Armbruster on Aug 9, 2012 at 12:46 pm

**Study: Military Spending Cuts Won't Harm The Economy** | After experts (and a non-partisan government report) debunked claims that automatic military spending cuts set to take effect next year won't decimate the military and leave America defenseless, Republicans and their allies trotted out a new bugaboo: reducing the defense budget will crash the economy. But experts said that isn't true either. And now a new study from the libertarian CATO Institute piles on, finding that the cuts are unlikely to have a crippling effect on the broader U.S. economy. "The defense sector is too small a part of the economy for changes in defense spending to have large aggregate effects on [gross domestic product]," said CATO's Benjamin Zycher.