

# Afghanistan & National Priorities:

the impact of federal spending  
on military and war in an  
economic crisis



# About NPP

National Priorities Project is a federal budget research organization dedicated to making government spending information more transparent and meaningful, and helping ordinary people use it to organize and advocate on their own behalf.



# Today's Talk

- *You* & the federal budget
  - What's at stake?
  - Spotlight on FY2011
- The impact of federal spending & related trends
  - Costs & opportunities, focus on war spending

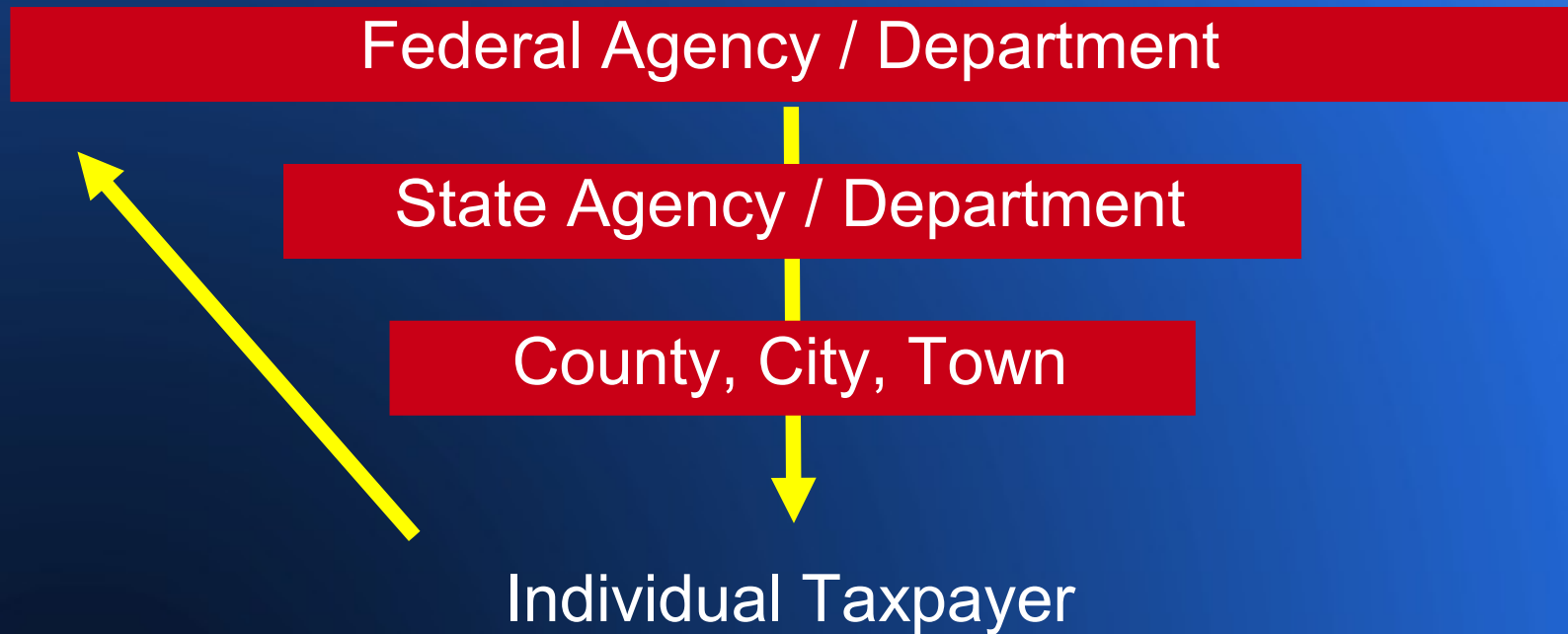
# Afghanistan & National Priorities

*You & the federal budget*

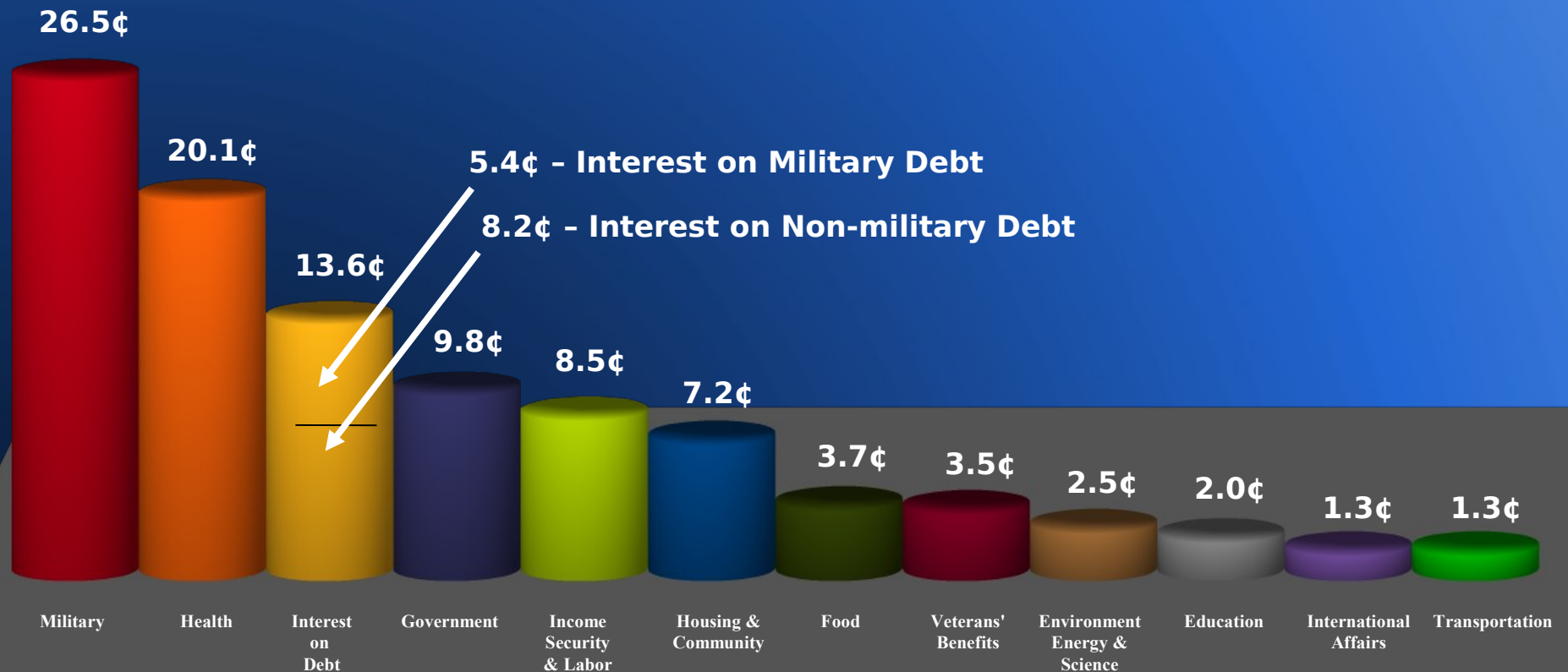


# Our relationship to federal spending

## Flow of most federal funds and cuts



# Our nation's priorities: *the breakout of your 2009 federal tax dollars*



# Our nation's priorities

## *spotlight on Maine*

The median income family in Bangor, Maine paid approximately \$3,800 in federal income taxes for 2009. Here is how that money was spent:

Military	\$1,007
Health	\$734
Non-military Interest on Debt	\$311
Military Interest on Debt	\$205
Income Security & Labor	\$323
Housing & Community Development	\$274
Veterans Benefits	\$133
Food	\$141
Government	\$372
Education	\$76
Environment, Energy & Science	\$95
International Affairs	\$49
Transportation	\$49

# Where federal funds land in my community

## Where

Schools

## Federal programs

→ Head Start, Title I

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- ➔ Infrastructure (water, transit, roads, bridges)

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→ Early childhood, economic development, social services block grant, weatherization, fuel assistance, youth programs, food and hunger programs

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➔ Medicare, Medicaid, TANF, SNAP, Jobs programs

➔ Unemployment benefits, job training, jobs

➔ Pell grants, student loans, grants to schools

# Maine Out of Balance

What's at stake?



# American crises

- ◆ Official U.S. poverty rate in 2009 rose to 14.3% from 13.2% in 2008 (*Maine: more than 47,000 children*)
- ◆ Home foreclosures in August hit the highest level since the mortgage crisis began
- ◆ More than 50 million without health insurance in 2009 (*Maine: more than 137,000*)
- ◆ Racial and economic disparities in access to quality education
- ◆ Unemployment remains high at 9.7%, affecting 15 million people. Adding the underemployed brings the total affected to 26.4 million people, or 17.1% (*Maine: has lost more than 26,000 jobs*)

# American crises

Engineers: “Infrastructure = D”

25% of our bridges  
33% of roads  
10% drinking water

Stimulus solves 8% of problem



American Federation of Teachers: \$254.6 billion to repair schools  
*(Maine: more than \$659 million)*



# Recovery for cities: a long road for Maine cities


Half the nation's metro areas will not return to pre-recession employment levels until the end of 2012.

Some in crisis for many years:

Bangor, ME: 2012, Q3

Lewiston-Auburn: 2013, Q1

Portland: 2013, Q2



Metro areas represent  
86% of U.S.  
employment and 90%  
of economic input



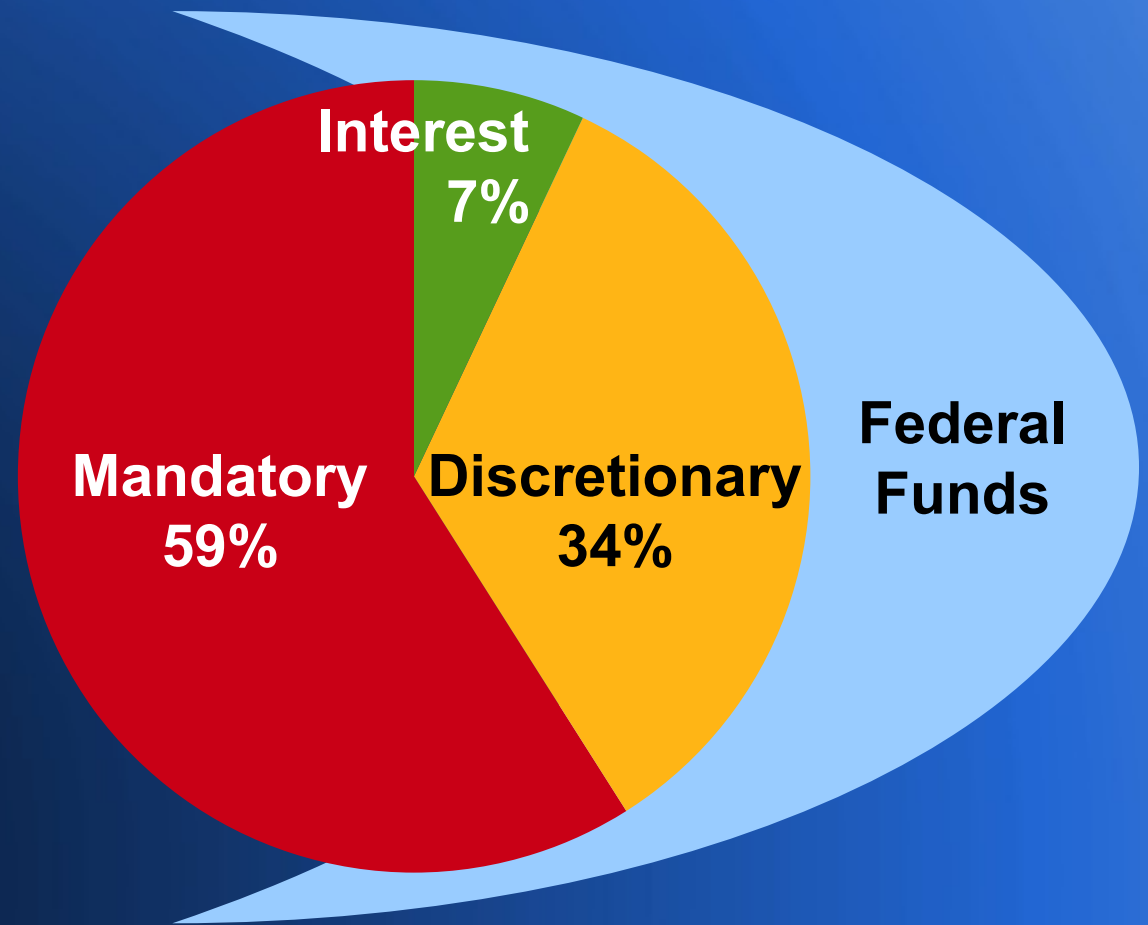
# Maine Out of Balance

## Spotlight on FY2011

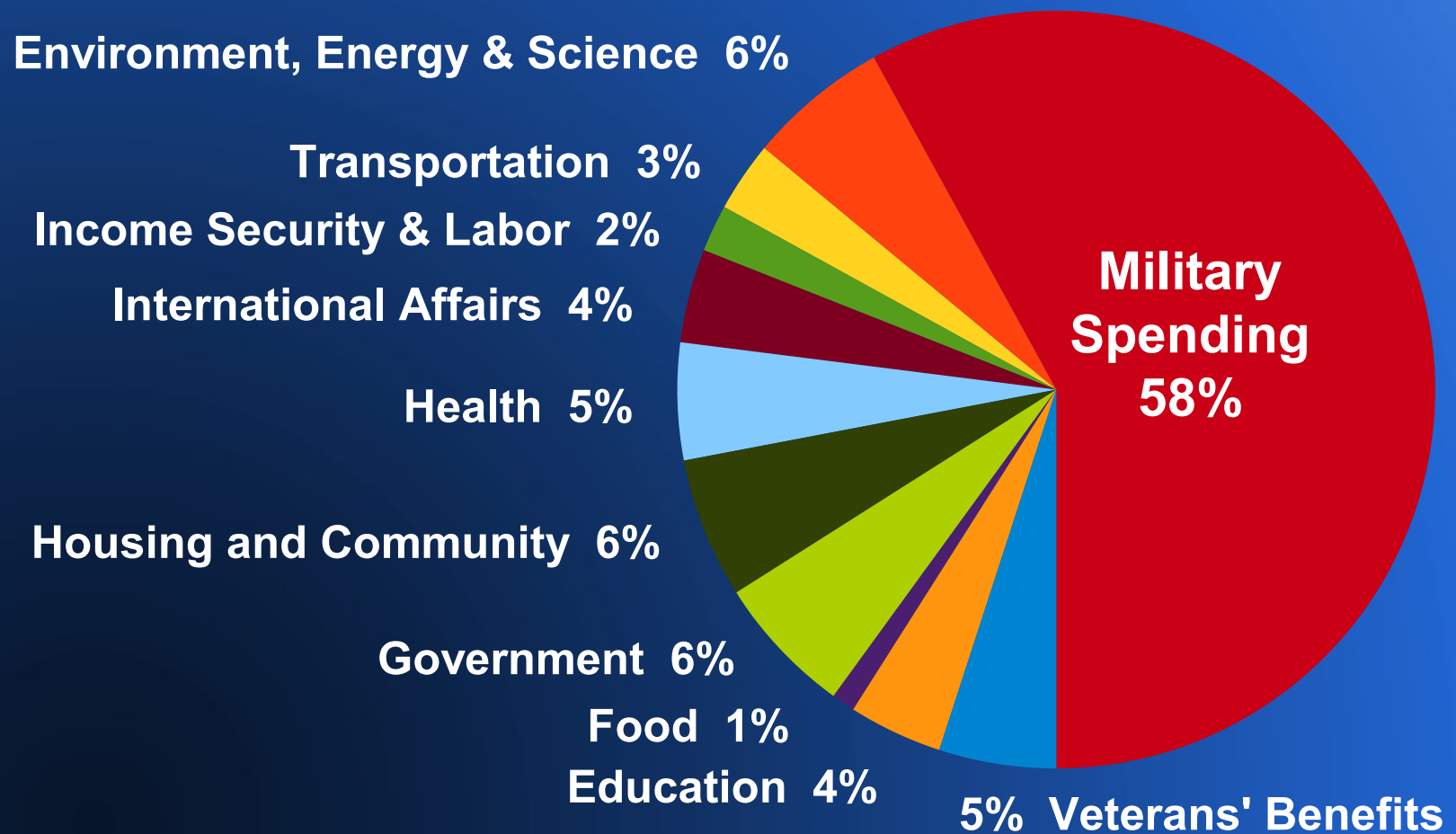


# The FY2011 federal budget: spotlight on \$3.8 trillion

**FY 2011 = \$3.8 trillion**



# FY2011 Discretionary Spending

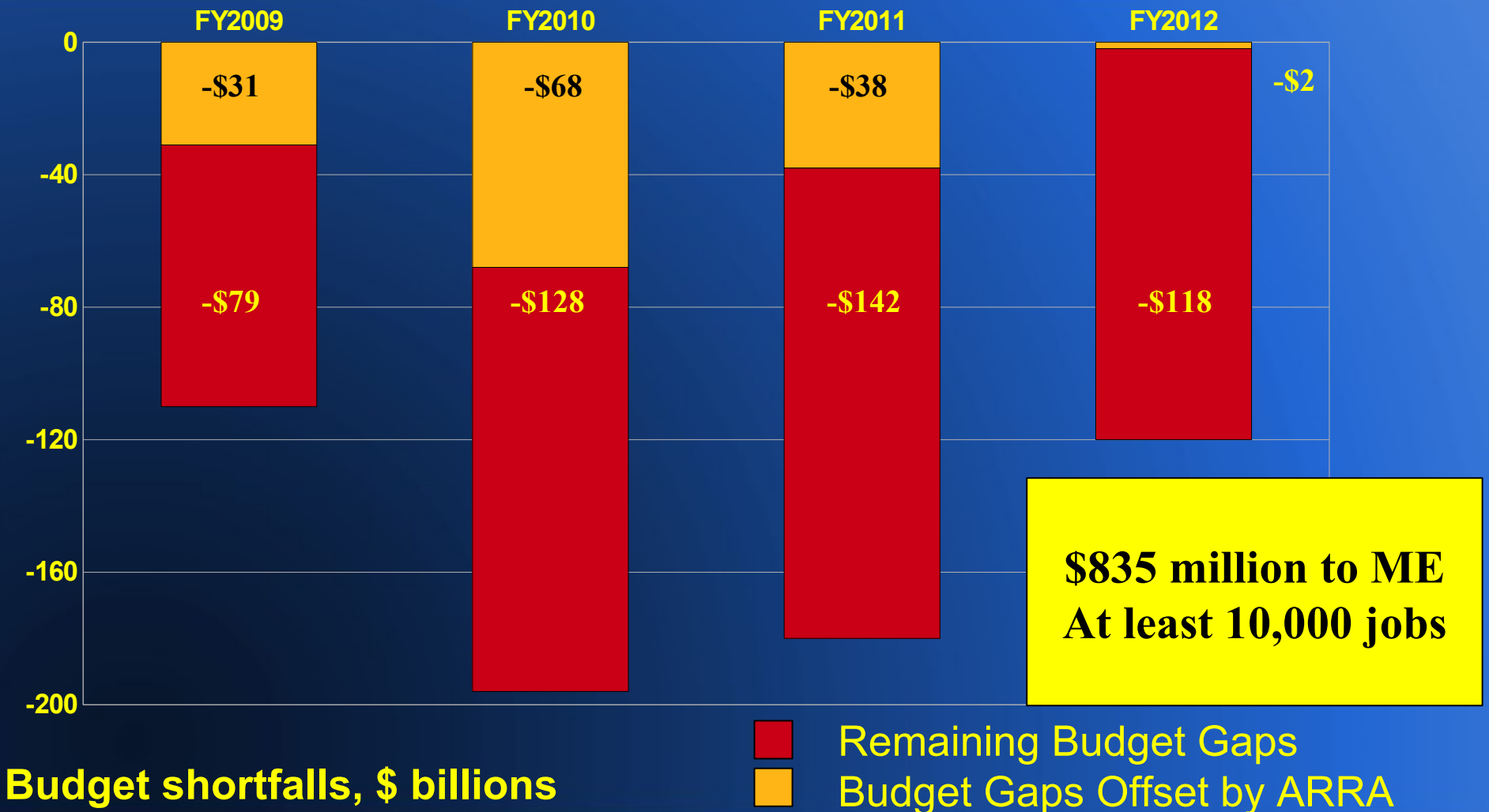


# For Maine this means...

Children's Health Insurance	\$41.7 million
Low-Income Home Energy Assistance	\$26.5 million
Title 1 Grants	\$52.0 million
Community Development Block Grants	\$19.2 million

# ARRA Reduces State Budget Gaps

## Large Deficits Remain

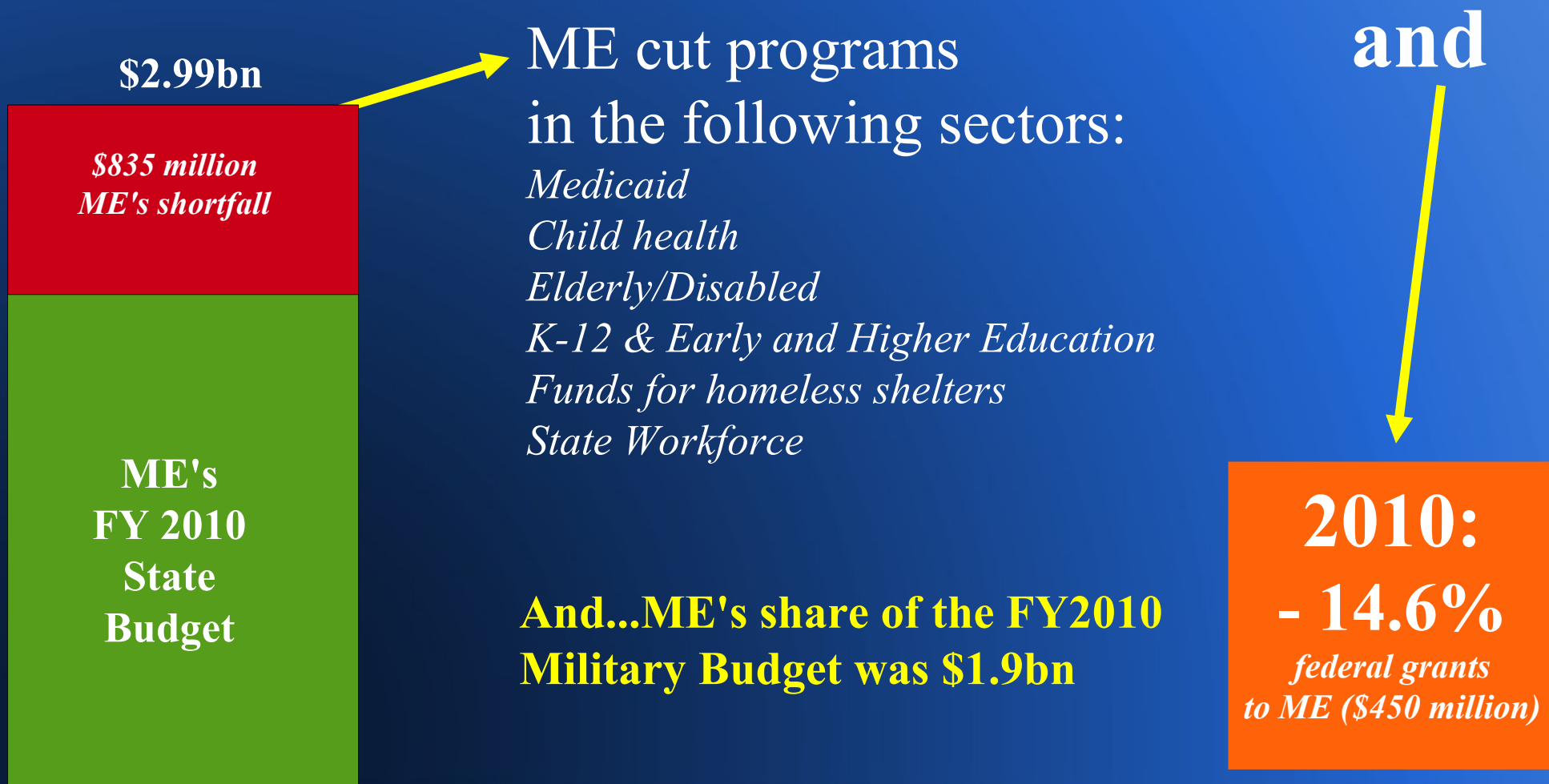


# Maine Out of Balance

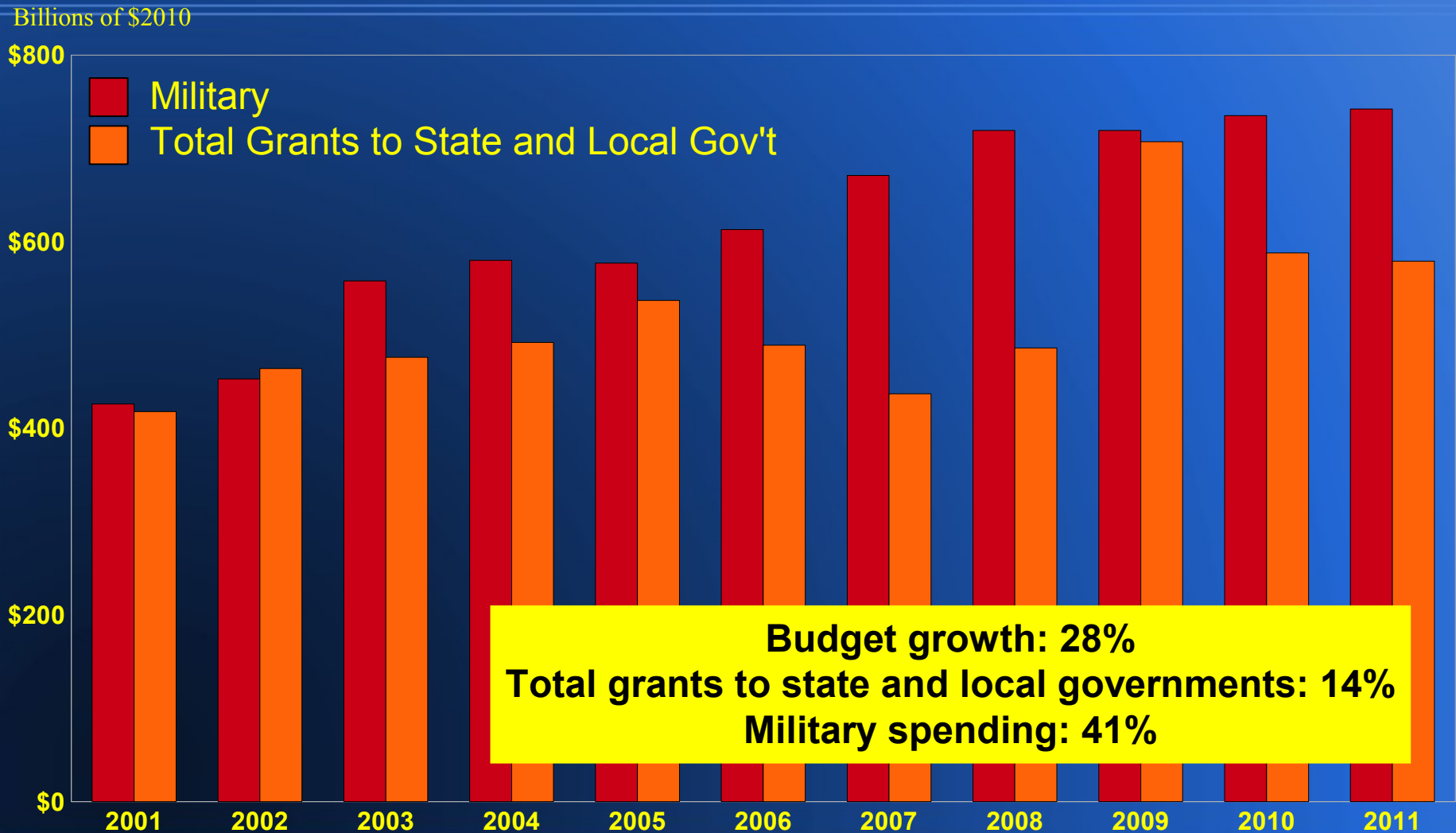
The impact of federal spending  
& related trends



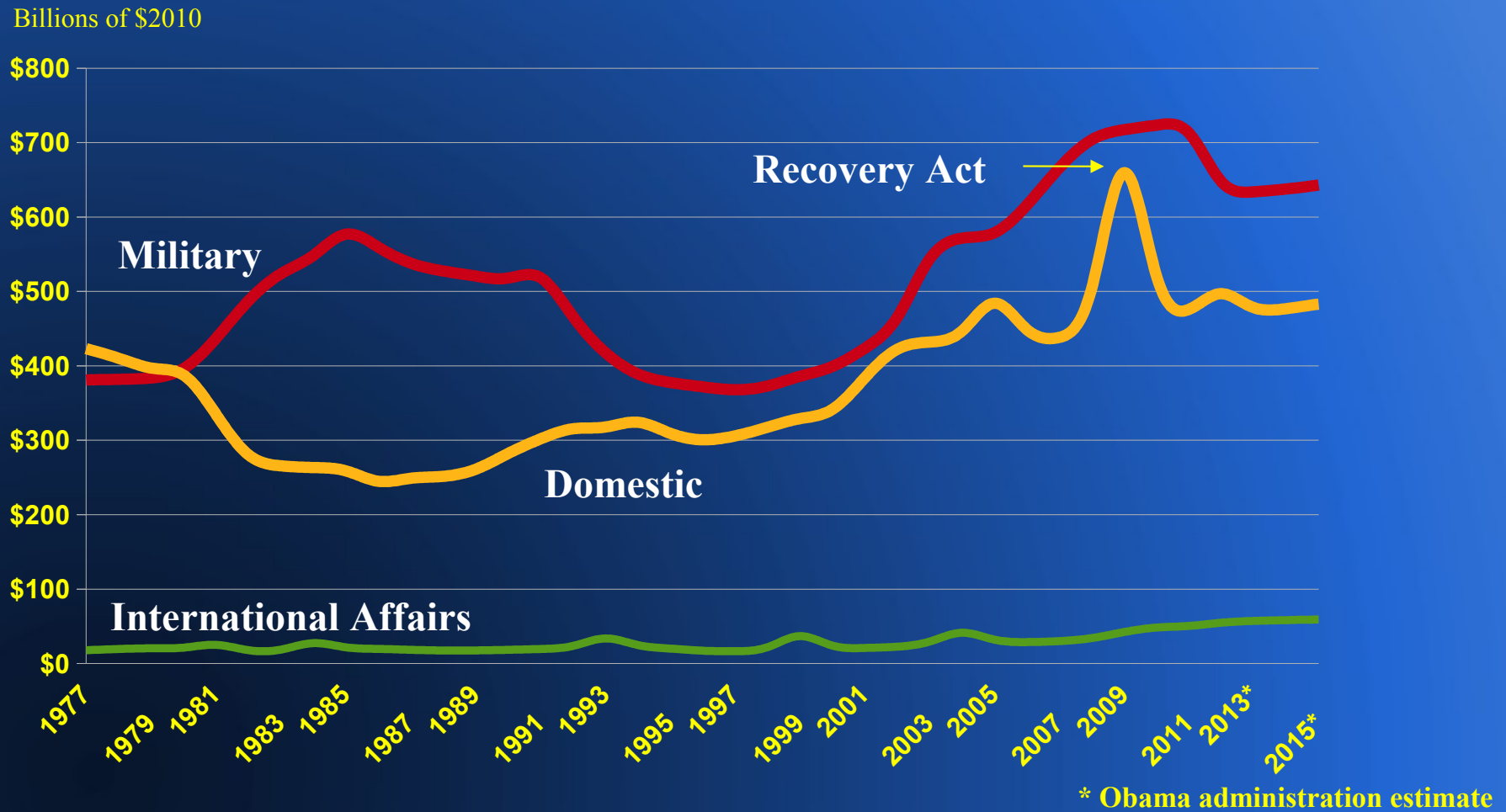
# Federal cuts add to state budget deficit in FY2010



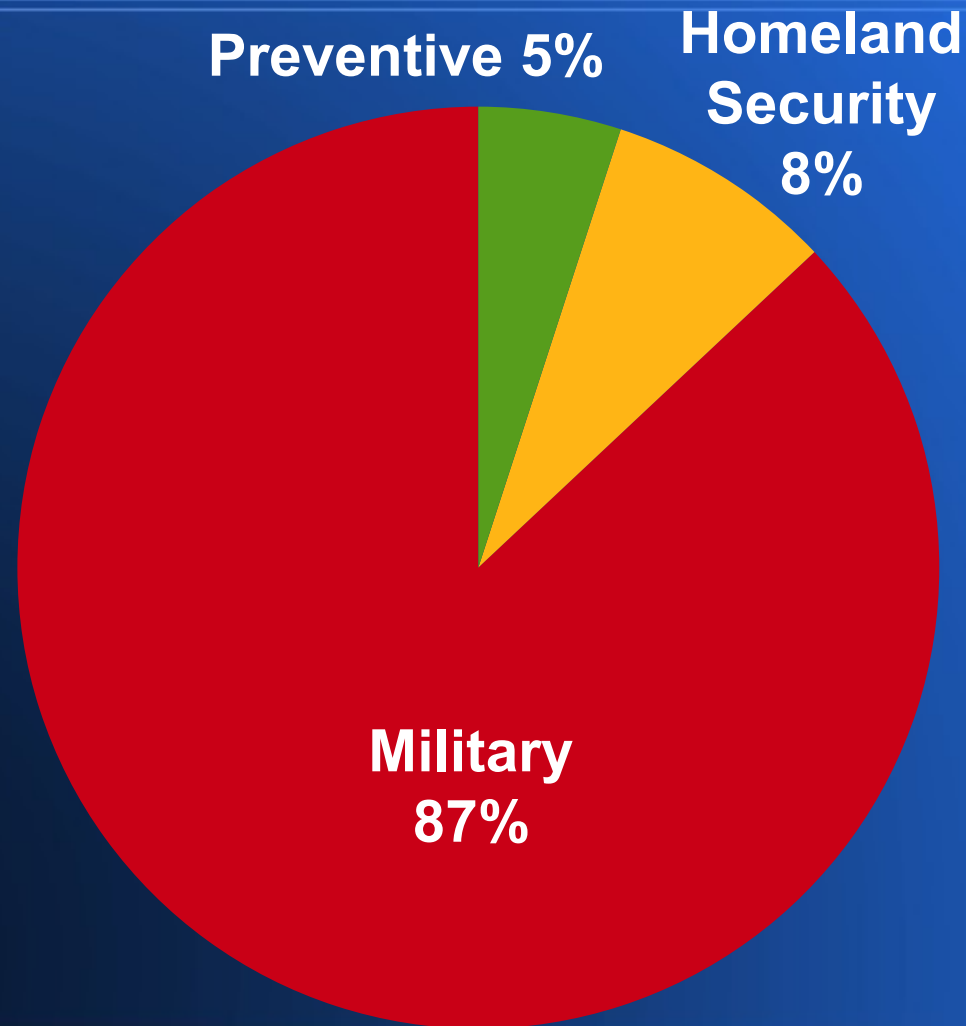
# Trend of competing priorities



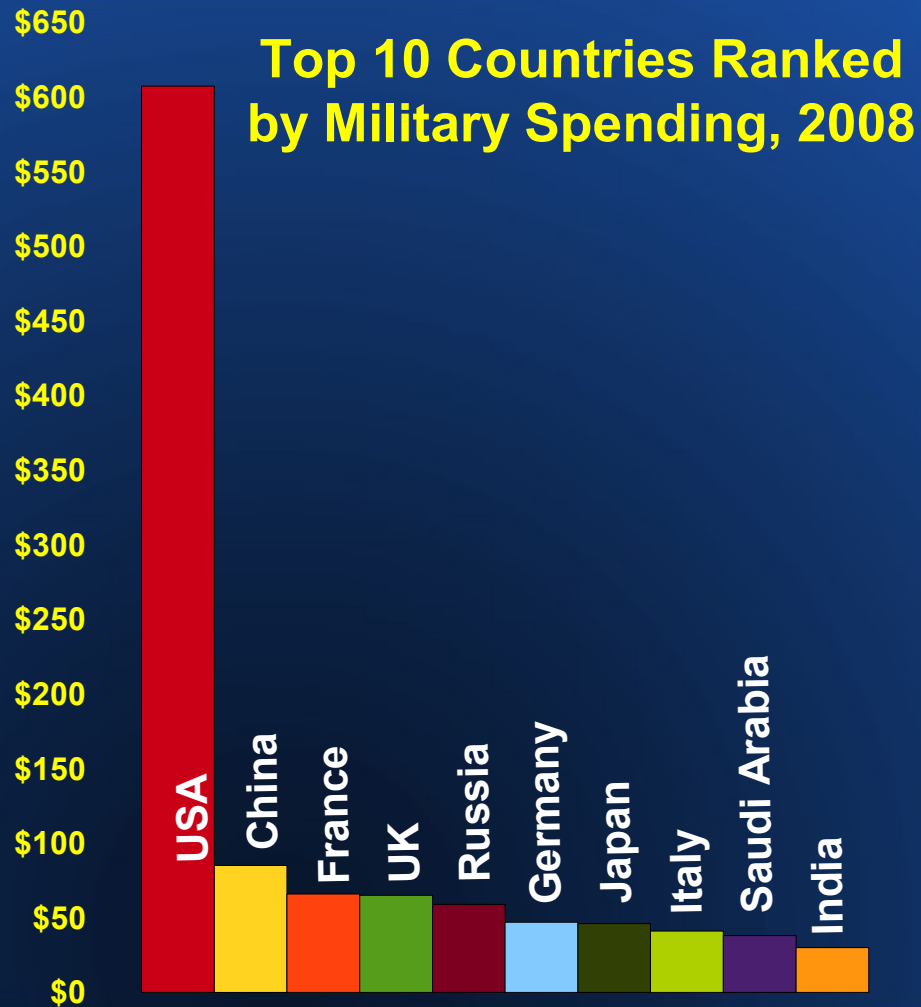
# Federal discretionary spending: community-level impact



# A deeper look at US military spending in FY2011

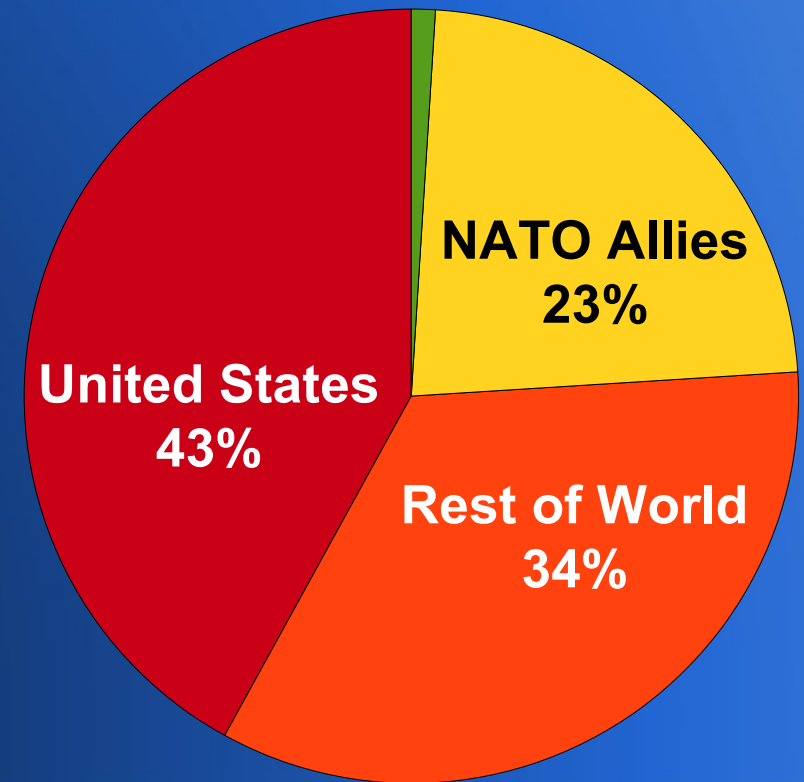


# U.S. military spending: Global context today

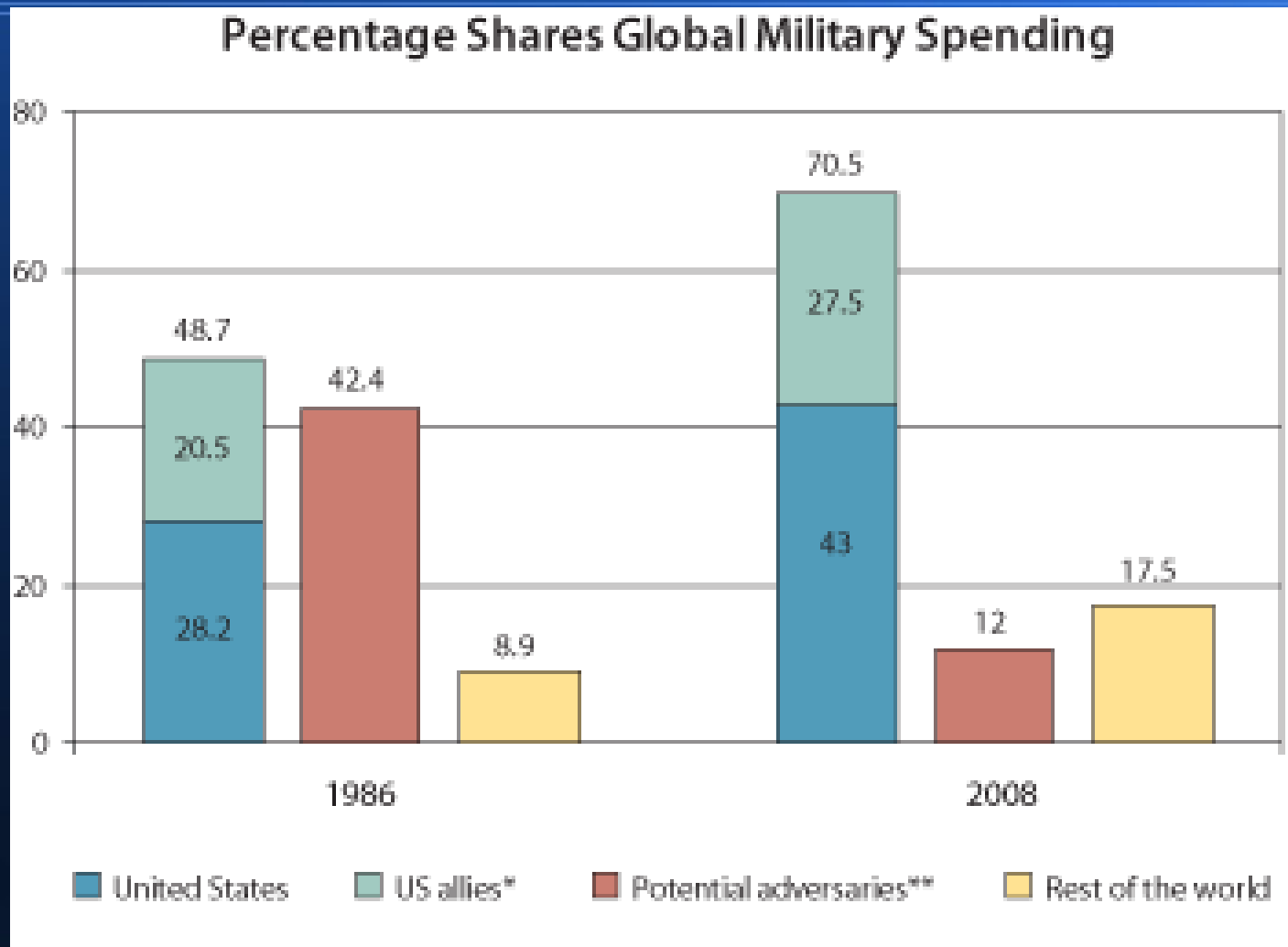


## World Military Spending, 2008

Cuba, Iran, Libya, N. Korea, Sudan, Somalia and Syria 1%



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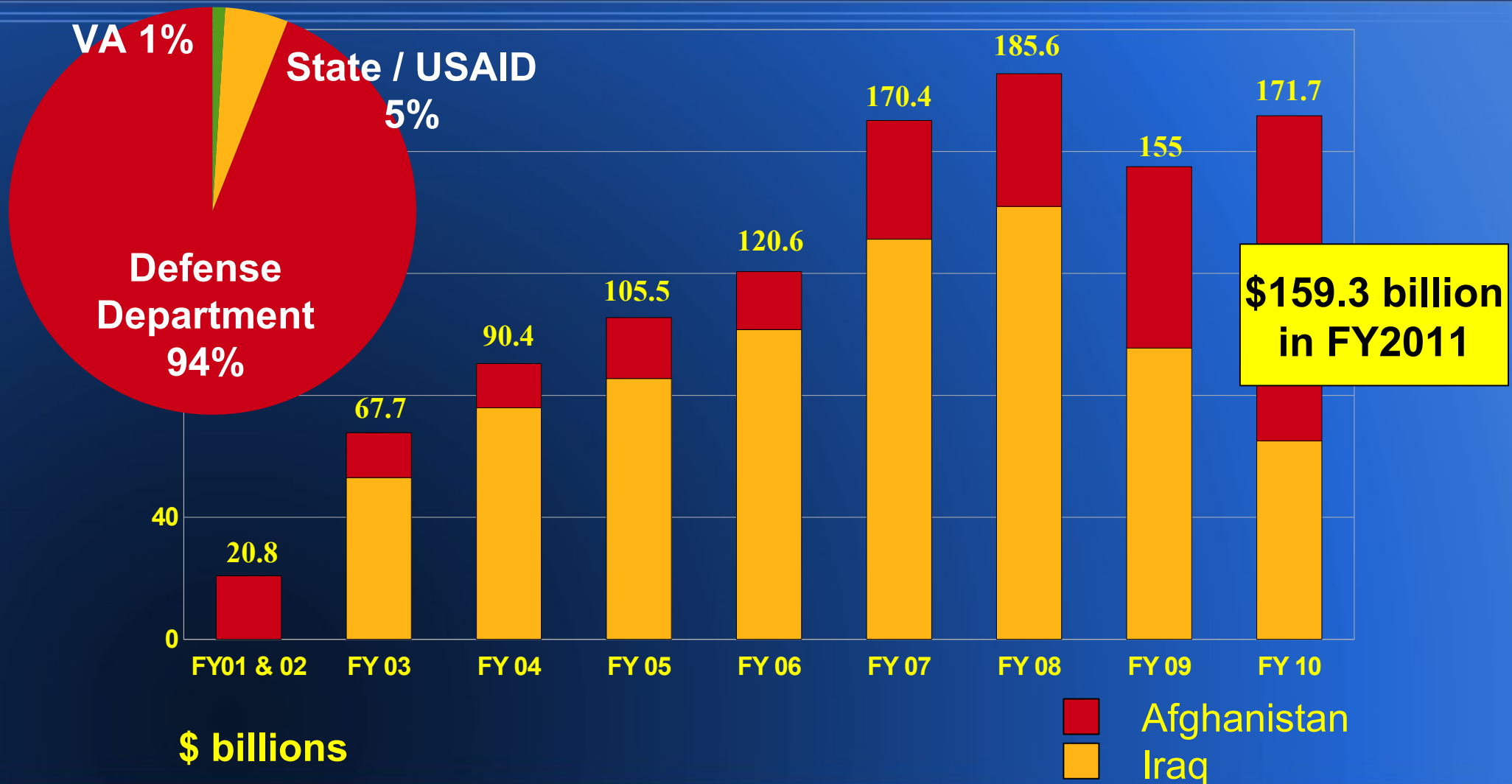


# Maine Out of Balance

## Costs & opportunities



# Iraq and Afghanistan War Costs



# Opportunity Costs of War Spending

**United States**

**War FY2011 = \$170.5 billion**

**\*\* 39 million households (35%) re-fit with solar panels**

# Opportunity Costs of War Spending

## Maine

**Iraq and Afghanistan Wars  
2001 to 2011 = \$3.4 billion**

***Afghanistan alone = \$1.2 billion***

***Afghanistan in FY2011 = \$321.4 million***

***22x the requested amount by U Maine to  
prevent 5% tuition hike***

# Opportunity Costs of War Spending

## Bangor, ME

Afghanistan War 2001 to 2011 = \$24.2 million

\*\*more than \$650 for every person in Bangor

\*\*3,628 Veterans with healthcare

\*\*3,185 Head Start places

\*\*2,520 full college scholarships

# Opportunity Costs of War Spending

## Bangor, ME

Afghanistan War FY2011 = \$6.3 million

\*\*provide 25% of Bangor households with wind-powered electricity

\*\*a 7% increase to city budget, rather than a \$673,485 cut

\*\*20% expansion of police force paid for 12 years

\*\*salary for approximately 110 teachers

# Thank you!

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