GAME CHANGERS
Economic Policies for a Working America

POLICY BRIEF

A Smaller, Safer Military[1]

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The Problem

U.S. military strategy is driven by global dominance rather than real security. This approach has directly enabled U.S. wars that have flouted international law and are counterproductive to national and global security. The resulting budgetary pressures have contributed to austerity and underinvestment domestically and globally, making the country and world less safe.

Past Failures

The 2026 invasions of Venezuela and Iran have been costly in both lives and treasure. It is remarkable that neither required any supplementary funding at the outset, instead made possible by a U.S. war machine always at the ready. Meanwhile, the U.S. provides arms to regimes that fuel both conflict and war crimes, as demonstrated by the devastating cases of Gaza and Yemen, among others. This is not a new problem. The "endless wars" on Iraq and Afghanistan occupied U.S. troops and resources for a generation, cost trillions of dollars and countless lives, and triggered mass migration. No one is safer as a result.

For decades, global dominance has driven U.S. military policy, enabling wars and creating arms races that heighten both risk and spending. Half of the Pentagon budget goes to private contractors whose lobbying and campaign contributions provide another feedback mechanism for ever-higher spending and more militaristic approaches to world problems. Meanwhile, our economic peer countries have better outcomes in health, education, happiness, and other measures of human thriving, while the United States consistently ranks number one in military spending and power.

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1 This policy brief complements the Game Changers policy brief by Heidi Peltier: "De-Militarizing the Federal Budget and Recalibrating the Labor Market."

Calls for a more restrained military posture and a smaller military budget from across the political spectrum have met with limited success. Brief periods of spending restraint in the 1990s and 2010s were followed by a return to military expansion and higher spending. Now the U.S. is facing new endless wars and a possible $1.5 trillion military budget – a 173 percent increase since 2000, when military spending was $554 billion in 2026 dollars.

Game Changer: Refocus From Hegemony to Defense

To prevent new wars of choice and rein in military spending, the U.S. must rethink its national security strategy, reorienting from global dominance to defense. Such a rethinking would make war less likely and save hundreds of billions of dollars for non-military purposes.

There have been various proposals for a smaller military budget, though more work is needed to develop alternative proposals. Senator Ed Markey has proposed a FY 2027 cap of $750 billion for the national security budget, which would save roughly $250 billion annually compared to the current $1 trillion budget. Taxpayers for Common Sense and the Project on Government Oversight have proposed $497 billion in cuts relative to the president's $1.5 trillion request by focusing on procurement (major weapons purchases) and Research, development, testing and evaluation (RDT&E) of new weapons systems alone, while recognizing that additional cuts are possible. In 2019, I identified $350 billion in savings from the military budget, or more than $400 billion in 2026 dollars. Since then, the budget has also grown by nearly $200 billion in inflation-adjusted terms.

To rein in unnecessary military spending and refocus on defense, the U.S. should take the following initial steps:

Reduce the U.S. military footprint. The U.S. should radically cut back on its military footprint and so-called "power projection" around the world to refocus on true defense of the U.S. homeland and a more limited capability to support allies in times of crisis. The U.S. has upward of 750 military installations, at least 70 percent of the world's total, and more than 170,000 active-duty personnel stationed around the globe, ostensibly to provide security to U.S. national interests and allies. Instead, this presence becomes a provocation or even a target, as in the case of Iran's targeting of U.S. bases in Gulf countries during the recent war. Ending the pursuit of global military dominance would enable deep cuts across the forces, with significant reductions in air and naval capacities, personnel, and some reductions in space and cyber capabilities to refocus on defense.

Revive diplomacy. Rather than simply off-load militarism to allies, the U.S. should seek new treaties and understandings that reduce the need for militarism everywhere. This should include more engaged talks with key rivals, especially China, where the need for cooperative management of challenges including the climate crisis, global health crises, pandemics, and economic challenges can best be met through diplomacy rather than through military means. The U.S. should seek new weapons agreements and treaties, especially with regard to military uses for AI, autonomous weapons, and nuclear weapons.

Reduce and then eliminate nuclear weapons. Nuclear weapons and the threat of proliferation make the world more dangerous. The majority of countries in the world have signed the

UN Treaty on the Prohibition of Nuclear Weapons, though the U.S. and other nuclear-armed states are notably absent. In the short term, the U.S. should reduce its nuclear arsenal to a level consistent with nuclear deterrence, a reduction of thousands of warheads, and adopt a nuclear dyad (air and sea delivery) by retiring the intercontinental ballistic missile (ICBM) force and ending the development of its replacement. Longer-term, the U.S. should pursue diplomacy among nuclear-armed states with the ultimate goal of eliminating nuclear weapons entirely.

Limit foreign weapons sales. The U.S. should adopt much more restrictive limits on arms sales and military aid to reduce the chances of contributing to atrocities around the globe.

Feasibility

Refocusing on defense rather than global hegemony would directly enable new investment in infrastructure, social programs, and other domestic needs, without increasing pressure on debts, deficits or related political pressure. Politically, there is broad popular support for both ending wars and for reinvesting in non-military programs.

This refocusing would result in some job loss and therefore necessitate the creation of economic pathways for those who experience job loss. On the military side, much of the personnel reduction could be achieved through attrition. On the civilian side, there are precedents for retraining and re-employment, like the DoD's Office of Economic Adjustment. Studies have shown that an equal investment in education, healthcare, or other sectors would provide more good jobs than in military sectors. Making changes over several years would ensure that both workers and diplomatic allies are able to adjust and thrive.

For more information, please visit our policy page.

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