

# The Discretionary Budget: Military v. Non-Military

## Overview

The federal budget includes two types of spending: mandatory and discretionary.

Mandatory spending refers to money that is spent in compliance with existing laws that govern the particular program or function. Mandatory spending includes entitlements, which are money or benefits provided directly to individuals such as Social Security, Medicare, Medicaid, Food Stamps, and Federal Retirement. It also includes interest payments on the national debt.

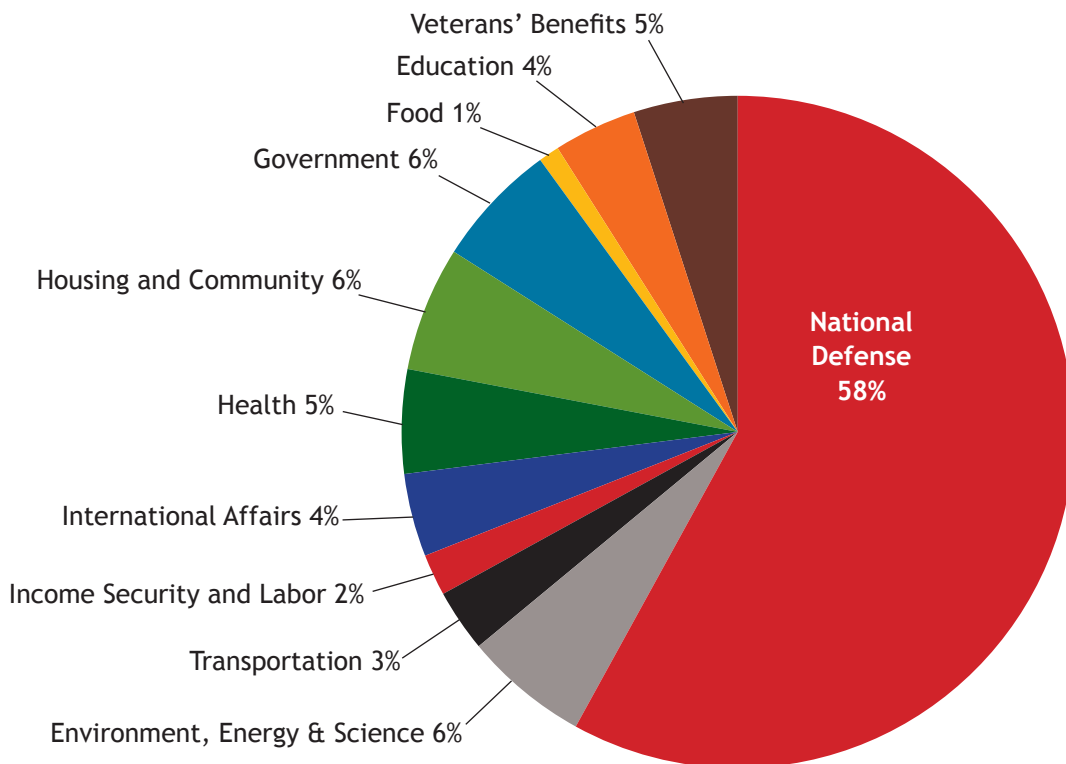
Discretionary spending refers to the part of the federal budget that Congress debates and decides every year. Congress may choose to increase or decrease spending on these programs or “level-fund” them with or without adjusting for inflation. The discretionary budget includes national defense, as well as expenditures for education, housing assistance, and many health programs.

As the chart below shows, in FY 2011, approximately 58% of the discretionary budget is allocated to national defense. This is consistent with previous budgets in which national defense has accounted for at least 50%, and sometimes close to 60% of discretionary spending.

## Quick Facts

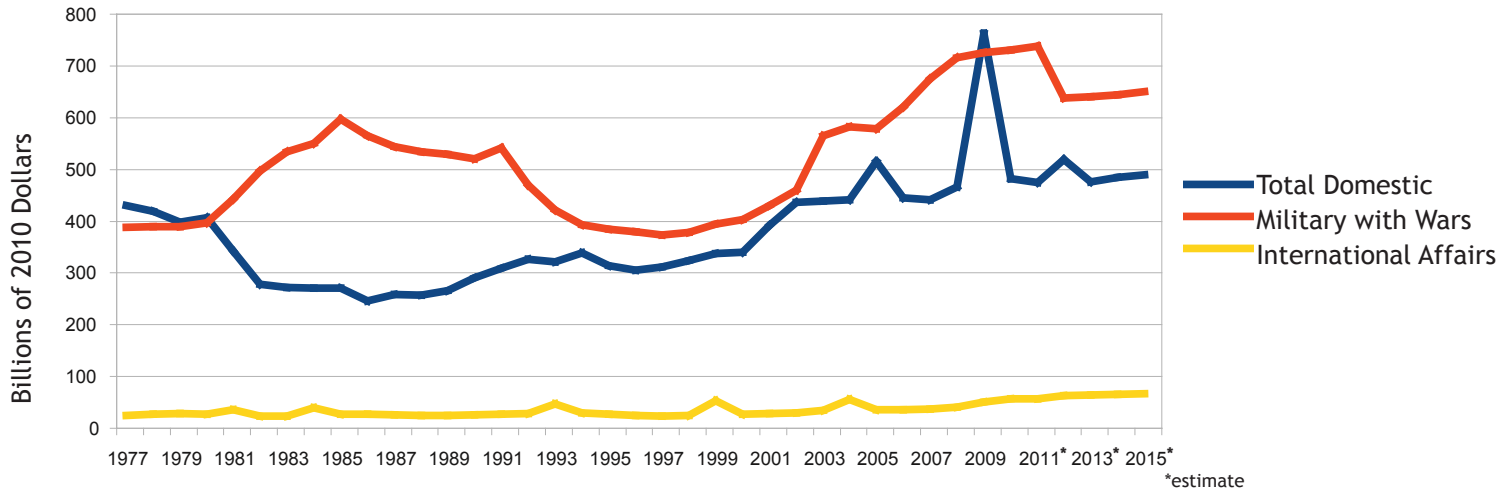
- The federal budget includes both mandatory and discretionary spending.
- Mandatory spending refers to programs that are funded by eligibility or payment rules.
- Discretionary budget items are those whose allocations Congress may adjust each year.
- Discretionary spending is approximately one-third of total federal spending. In FY 2010, discretionary spending is 36.3% of total budget authority.
- Military spending accounts for more than 50% of discretionary expenditures.
- From FY 2001-FY 2010, discretionary U.S. military expenditures increased by 71%, from \$423 billion to \$723 billion inflation adjusted 2010 dollars.

**Figure 2.1**  
Proposed Discretionary Budget Authority, FY 2011



As the graph below illustrates, discretionary spending on national defense has been on an upward trend since the late 1990s. From FY 2001 to FY 2010, while domestic discretionary expenditures increased by approximately 24%, discretionary spending on national defense increased by 71%, almost three times the rate of increase in domestic spending.

**Figure 2.2** Discretionary Spending 1977-2015\*



**Sources and Resources:**

- Budget of the U.S. Government, FY 2011, Historical Table 8.9-Budget Authority for Discretionary Programs: 1976-2015.
- Budget of the U.S. Government, FY 2011, Historical Table 10.1-Gross Domestic Product and Deflators used in Historical Tables: 1940-2015.
- Budget of the U.S. Government, FY 2011, Analytical Perspectives Table 32.1-Budget Authority and Outlays by Function, Category and Program.

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The National Priorities Project (NPP) 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.

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