



Center for Strategic and Budgetary Assessments

STUDIES

Analysis of the FY 2017 Defense Budget and Trends in Defense Spending

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Resources: Budget & Resources

As the last budget request of the Obama Administration, the FY 2017 request largely continues the shift towards greater investment in the high-end capabilities necessary in a new strategic era that holds the potential for great power competition. However, the choices made within the FY 2017 budget reflect the tensions between investments in capability and capacity, and between a global "presence" force and a "surge capability" force. Key areas of analysis include:

- the political fight about base and overseas contingency defense spending;
- the projected overall defense spending topline;
- the FY 2017 Overseas Contingency Operations request and the continued role of OCO funding;
- trends in past and projected procurement spending, with a particular focus on key aviation and shipbuilding programs;
- priority RDT&E areas of investment, including the Third Offset Strategy, within a planned decline in RDT&E spending;
- rising O&M costs, which are crowding out procurement spending;
- growing military personnel costs and declining end-strength; and defense-related spending outside of DOD's budget.

This report also analyzes the services' budget trends from FY 2001 to the FY 2017 request, and historical perspectives on defense budget cycles and defense spending relative to GDP.

Katherine Blakeley and the Center for Strategic and Budgetary Assessments present an analytic assessment of the FY2017 defense budget.