



Center for Strategic and Budgetary Assessments

## STUDIES

# How I Learned To Start Worrying And Hate Real Growth: Analysis of the 2023 Defense Budget Request

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Resources: Budget & Resources

In May 2022, the Pentagon presented its second budget request to the Biden Administration, proposing a \$773 billion topline for Fiscal Year 2023. Although estimates of nominal and real growth have varied based on this figure, the question of inflation's impact on the defense budget looms large. Congress recognizes that accepting the Administration's request as-is would lead to slim pickings when it comes to funding the DoD's priorities, but the question remains whether to approve a large increase to avoid a purchasing power gap or to continue the trend of minor budgetary increases.

In *How I Learned to Start Worrying and Hate Real Growth*, CSBA Fellow and Director of Defense Budget Studies Travis Sharp analyzes the FY 2023 Defense Department Budget Request, especially in light of the central inflation question. Sharp examines not only current and historical defense spending trends, but also how the DoD has conducted its budgetary predictions dating back to Fiscal Year 1977. He finds that predicting based on real growth alone would lead to significant fluctuations in the DoD's purchasing power, amounting to differences of tens of billions of dollars. Instead, Sharp proposes a series of models based upon the outlook for inflation that would better serve to inform the upcoming fiscal year's budget and avoid fights in the budgetary war room.

This report is the 37th in a series of annual budget analyses published by CSBA and its predecessor organization.