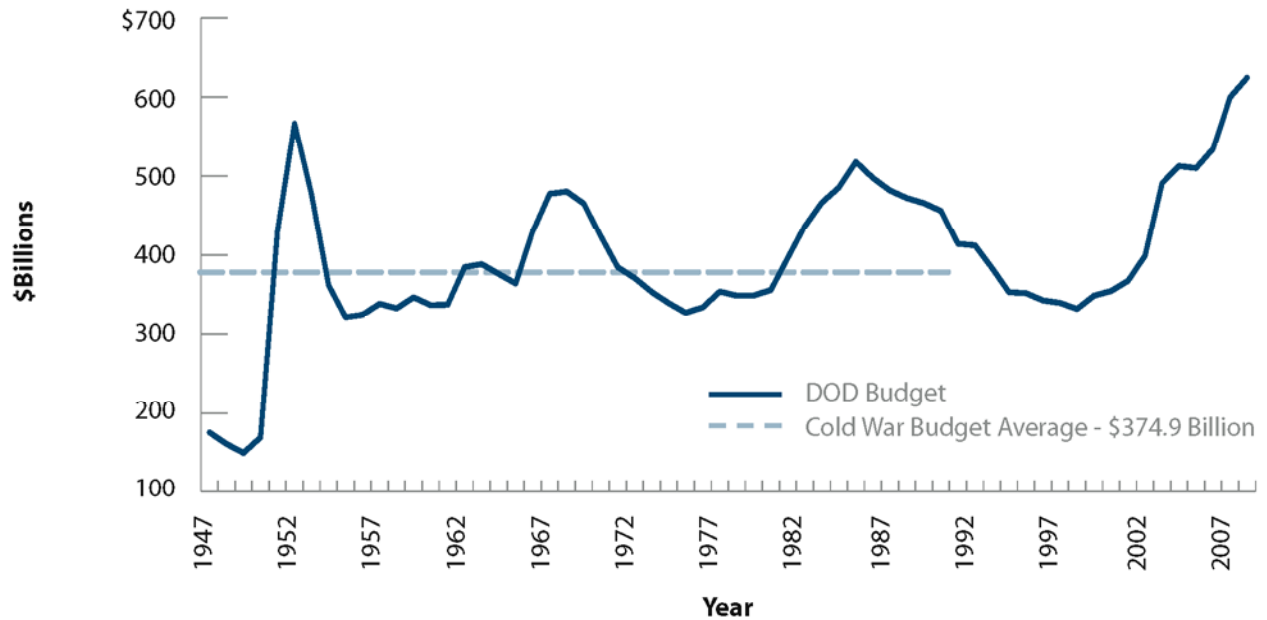


Department of Defense Spending Over Time (\$Billions, Constant 2007 Dollars)



Department of Defense Spending 1947-2008 (\$Billions, Constant 2007 Dollars)

1940s		1950s		1960s		1970s		1980s		1990s		2000s	
-		1950	169.5	1960	336.7	1970	423.6	1980	355.7	1990	456.0	2000	354.4
-		1951	430.8	1961	337.2	1971	384.3	1981	396.3	1991	413.9	2001	367.3
-		1952	566.8	1962	384.5	1972	370.7	1982	436.6	1992	411.8	2002	398.9
-		1953	476.7	1963	388.2	1973	353.2	1983	466.6	1993	383.4	2003	491.0
-		1954	361.9	1964	376.0	1974	339.1	1984	485.5	1994	352.9	2004	512.6
-		1955	321.3	1965	363.8	1975	326.9	1985	517.8	1995	351.7	2005	510.1
-		1956	324.5	1966	429.8	1976	333.9	1986	497.6	1996	342.6	2006	534.5
1947	175.7	1957	338.3	1967	477.6	1977	353.7	1987	481.8	1997	339.5	2007	598.5
1948	161.2	1958	332.6	1968	480.4	1978	348.6	1988	472.2	1998	331.8	2008	622.8
1949	149.9	1959	346.5	1969	465.4	1979	348.9	1989	465.8	1999	348.6	-	-

This table shows spending for the Department of Defense (not other defense related spending) in “constant 2007 dollars,” which measures all dollars as equivalent to those spent in 2007.

Spending for the Department of Defense over time, shown above, is typically measured in “constant”

dollars, which are dollars normalized to the value of those in one fiscal year. In this case, the dollars are normalized to fiscal year 2007, which are from DOD’s standard budget document “National Defense Budget Estimates,” also known as the “Greenbook.”

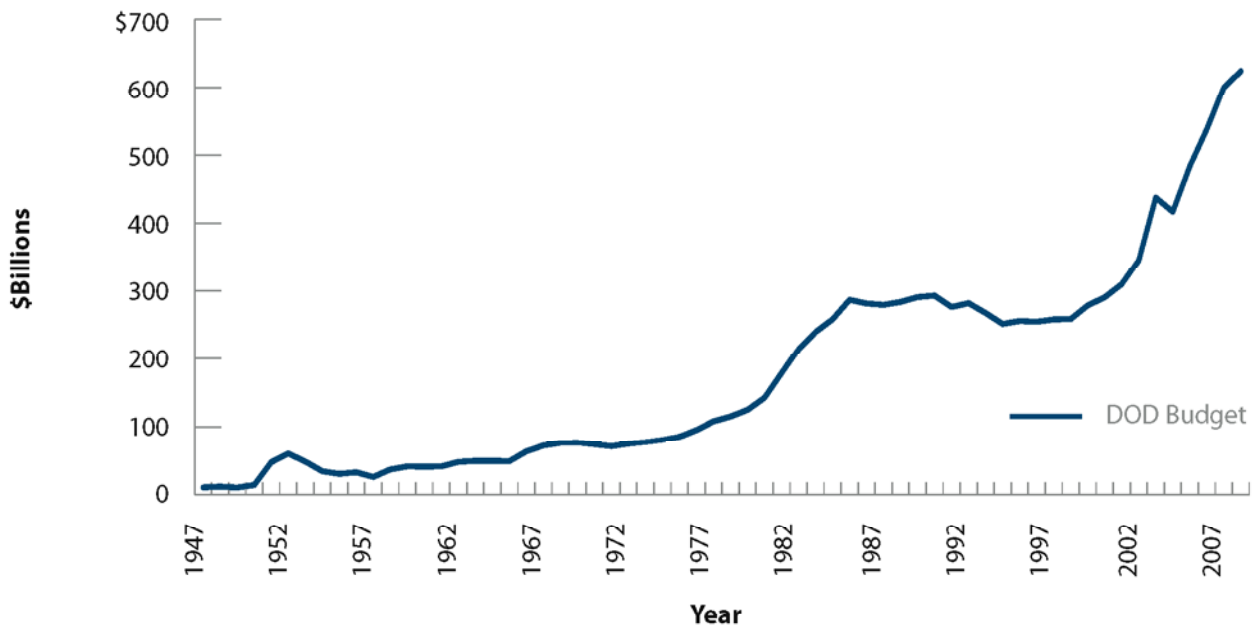
At the time of publication, DOD's Office of the Comptroller had not yet made available the 2008 edition of this book; therefore, constant 2007 dollars are shown.

Another way to depict the dollars spent is to show "current" dollars, which are the dollars appropriated for any fiscal year in the value of that fiscal year. The chart below shows DOD's spending in "current" dollars over the same time frame as the chart above. Clearly, the pattern depicted is different.

The difference between "constant" and "current" dollars is sometimes exploited by individuals seeking to make spending appear to be larger or smaller. For

example, while both the previous chart and the one below show current DOD spending to be the highest ever since 1947, the chart below makes much more dramatic recent increases in defense spending. One way weapon system advocates seek to understate the cost of a weapon program is to calculate the cost of the program using constant dollars from when the program started, known as "base year" dollars. For example, having been started in 2000, the Navy's new aircraft carrier (the CVN-21) has a "base year" dollar cost of \$28.7 billion for three ships; in "current" dollars, the total program is currently estimated at \$36.1 billion for three ships.

Department of Defense Spending Over Time (\$Billions, Current Dollars)



Note: Data for FYs 2005-2008 have been adjusted to reflect supplemental budget requests submitted subsequently. These dollar figures are discretionary spending annual appropriations only.

Source: National Defense Budget Estimates for 2007, Office of the Under Secretary of Defense (Comptroller), March 2006, http://www.dod.mil/comptroller/defbudget/fy2007/fy2007_greenbook.pdf.