

The Chart Page

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Trading Places: Defense and Entitlements

KEY

- National Defense Outlays
- Payment to Individuals

Figure 1 shows that, in 1962, defense spending as a percent of GDP was substantially higher than payments to individuals for such entitlements as Social Security, Medicare, and retirement pay. By 1995, the situation was reversed. Spending for individual entitlements had far outpaced defense outlays, which were continuing to decline.

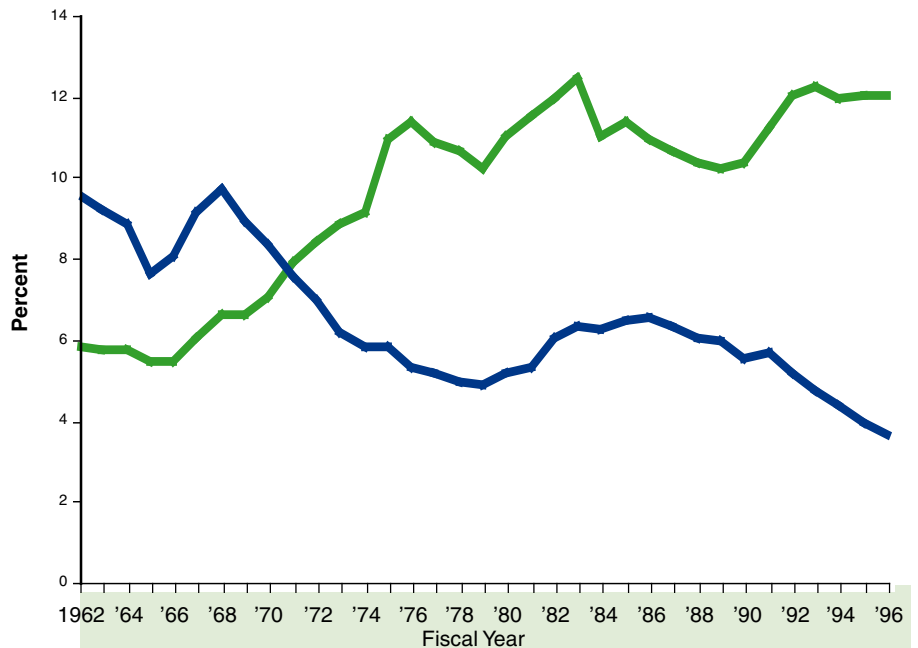
When calculated as a percentage of federal outlays, this trend is even more pronounced. Figure 2 shows that in 1995, payments to individuals were more than triple the percentage of outlays going to defense.

Figures for FY 1996 are estimates.

Source: USAF Statistical Digest, FY 1995.

Defense Outlays vs. Payments to Individuals

Percent of US Gross Domestic Product



Percent of Federal Outlays

