

# President Trump's Potential \$1.5 Trillion Defense Budget

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## KEY TAKEAWAYS

President Trump has indicated that he plans to propose an FY 2027 defense budget that would approach defense spending levels under Ronald Reagan in the 1980s.

This spending will need to be focused on expanding capacity in ships, planes, and munitions and procurement of greater numbers of existing platforms.

The U.S. can also accelerate development of next-generation capabilities by increasing funding for the B-21, F-47, F/A-XX, strategic deterrent, and Golden Dome.

President Donald Trump has announced in a social media post that he intends to request a \$1.5 trillion defense budget for fiscal year (FY) 2027, explaining that the roughly 50 percent increase over last year's budget is necessary to build a U.S. military that is capable of defending America's national interests.<sup>1</sup>

In current dollars, this is certainly the highest the defense budget has ever been, but inflation affects defense budgets just as much as it does groceries or housing, and comparing dollars that are not adjusted for inflation is generally unhelpful in analyzing annual defense spending over time.<sup>2</sup> A far more useful measure is defense spending as a percentage of gross domestic product (GDP). For comparison, in the 1950s and 1960s the United States spent up to 10 percent of GDP on defense spending, and in the 1980s, we spent around 6 percent to 7 percent of GDP on defense.<sup>3</sup>

This paper, in its entirety, can be found at <https://report.heritage.org/ib5405>

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Since the end of the Cold War, U.S. defense spending has dropped to between 3 percent and 4 percent of GDP even as the U.S. military has continued to be tasked with worldwide deployments. A higher and higher percentage of that spending has gone toward operations and maintenance, personnel, and research and development with spending on procurement receiving far less than it should. As a result, our men and women in uniform in many cases are using dated systems, and we are not fielding sufficient numbers of ships, planes, and munitions—the hardware necessary for military power.

President Trump’s \$1.5 trillion budget would increase defense spending to approximately 5 percent of GDP, which is still below the budgets under President Ronald Reagan but a massive funding increase for the U.S. military. With this increase, the U.S. would exceed the defense spending goal set by the Hague Summit in 2025, leap back to the forefront of the U.S. alliance network in spending as a percentage of GDP, and become roughly on par with Poland and the Baltic States in this metric.

A spending increase of this size will need substantial oversight to ensure targeted, strategic investments and to prevent waste, fraud, and abuse. In particular, Congress will need to be held to account to ensure that appropriations increases do not reflect parochial interests instead of military necessities. The national debt is also a national security concern, and the increase in defense spending will need to be fiscally responsible, ideally with money saved elsewhere in the federal budget. New spending needs to be focused on the U.S. military’s most pressing needs with funding prioritized for ships, planes, munitions, the strategic deterrent, infrastructure in the Indo-Pacific, and missile defense.<sup>4</sup> President Trump’s flagship initiatives like Golden Dome and the Golden Fleet fit neatly within these categories and will deserve substantial allocations of funding.

## Spending by Category

**Air Force.** For aircraft, this is an opportunity to expand the total procurement numbers of the B-21 bomber. The world watched with amazement in the summer of 2025 as the U.S. Air Force executed Operation Midnight Hammer—a feat accomplished using our fleet of just 19 B-2 bombers. The B-21 Raider is the replacement for the B-2 with upgraded capabilities, and the U.S. is already planning to procure 100 of them. The Air Force should request a far higher total procurement number, aiming instead for a fleet of 250 or even 300 B-21s.<sup>5</sup> This bomber is an incredible strategic asset that gives pause to potential adversaries and, if built in sufficient quantities,

could well deter China from starting a war over Taiwan for another generation. Expanded orders of F-35 fighter aircraft to at least 75 a year also makes sense.<sup>6</sup> Another reasonable investment would be a cash infusion for the F-47 program to speed up delivery timelines.

**Navy.** The Navy has made some very poor procurement decisions over the years and stands out as perhaps the worst performer among the services in terms of modernization programs in the 21st century. Sea power, however, is essential to American security and prosperity, and the Navy needs to fix itself. President Trump has made this a personal priority, and Navy leadership cannot afford to allow the new frigate program or battleship program to fail. Naval Sea Systems Command (NAVSEA) needs to be given strict parameters so that it will not overload the new ships with requirements and not be allowed to add requirements after construction starts. The submarine industrial base also needs a cash infusion with expanded piers for construction and maintenance as well as an order for three *Virginia*-class submarines per year.

If the Navy is feeling truly inspired, it could use this opportunity for a block buy of ships for the rest of the decade, doubling or tripling its planned purchases of attack submarines, destroyers, and frigates in FY 2027.<sup>7</sup> Using this increase to complete the funding of the next two *Ford*-class carriers would also be appropriate. The Navy needs to take this opportunity to reverse the decline in the number of total battleforce ships in recent years and simultaneously send a massive demand signal to the shipbuilding industry through large increases in ship orders.

**Air Force and Navy.** It is always tempting to focus on combat capabilities, but the Air Force and Navy need to remember to make major investments in their workhorse logistics platforms that enable day-to-day power projection. Airlift, sealift, and fueling platforms have been neglected in procurement for far too long, and it would be a major mistake for the Navy and the Air Force not to take this opportunity to massively expand the procurement of, for example, KC-46 tankers, C-17s, and supply and transport ships. In line with the recommendations from The Heritage Foundation *Special Report* “TIDALWAVE: Strategic Exploitation and Sustainment in a U.S.–China Conflict,” which evaluates in detail the logistical requirements of a potential protracted conflict with China, Congress should authorize and appropriate funds for an additional (at a minimum) 15 T-AKE dry cargo vessels and an additional 20 replenishment oilers.<sup>8</sup>

**Army.** The Army should stake its claim for relevance in the Indo-Pacific by expanding the number of Multi-Domain Task Force (MDTF) units beyond five, funding an additional two MDTFs in one budget. Both new MDTFs should be planned for permanent stationing in the Indo-Pacific

from the start.<sup>9</sup> The existing MDTFs and any new MDTFs need much deeper magazine depth to carry out their deterrence mission effectively, and the Army will need large block buys of SM-6, PrSM, and Tomahawk missiles to equip them. Additionally, the Army should take this opportunity to accelerate its artillery modernization program, investing money and finalizing requirements for the Self-Propelled Howitzer Modernization Program. Emerging technologies in autonomous systems and C-UAS are important and will doubtless receive plenty of funding, but the U.S. Army also needs to keep its global edge in the traditional components of ground combat: infantry, armor, and artillery. In short, the Army should stake its claim in the new budget by requesting substantial funding for its next generation of artillery and large block buys of precision-guided munitions.

**Marine Corps.** The Marine Corps has rightly focused its efforts on the Indo-Pacific through Force Design 2030<sup>10</sup> and its investments on what it would need for littoral combat operations in theater. Much of what the Marine Corps needs to be effective in the Indo-Pacific is the procurement of additional amphibious ships to get Marines to the fight. The Department of the Navy needs to finalize the design requirements for and accelerate construction of the Landing Ship Medium (LSM). Additionally, the Navy needs to fund two aviation support logistics ships to replace its aging *Wright*-class ships, which already are operating past their expected service life.<sup>11</sup>

**Strategic Deterrent and Missile Defense.** The strategic deterrent and missile defense are critical in this new era of great-power competition and the proliferation of missile technology among our adversaries, but core components of our strategic deterrent are woefully outdated. The Trump Administration has already recognized this need and made some key investments in the FY 2026 defense budget, especially through the One Big Beautiful Bill Act. Further funding for the Sentinel missile program and the *Columbia*-class ballistic missile submarine will be needed in the expanded budget.<sup>12</sup> The Golden Dome project, an inspired transformation of how the U.S. thinks about deterrence and continental defense, will also require continued support.

**FMS and FMF.** Internationally (and outside the NDAA but still relevant), foreign military sales (FMS) and foreign military financing (FMF) should be in line with the priorities of the Trump Administration's National Security Strategy with priority given to deterring China and defending the homeland. To deter China, FMS and FMF should be prioritized for Taiwan, Japan, the Philippines, and Australia, and these four countries should be moved to the front of the line for deliveries and, in particular, financing of the munitions needed to deter China. Both the executive branch and

Congress should clearly state that these countries are to receive priority in FMS and FMF in FY 2027 and thereafter. New financing and sales, as well as donations of excess equipment, should be directed to key partners and allies in the Western Hemisphere like Colombia, Guyana, Argentina, Ecuador, Chile, and the countries of the Caribbean with a focus on the ground combat systems, small arms, and drones needed to combat cartels and gangs. Funding for the Caribbean Basin Security Initiative, which currently stands at only \$88 million, should be increased by at least 50 percent.<sup>13</sup>

**Operational and Infrastructure Funding.** Given the strategic focus on defending the homeland and deterring China, U.S. Indo-Pacific Command (INDOPACOM), Northern Command (NORTHCOM), and Southern Command (SOUTHCOM) should receive the lion's share of new operational and infrastructure funding. In INDOPACOM, the defense of Guam, Agile Combat Employment,<sup>14</sup> and new infrastructure investments in the Philippines are especially in need of funding. In SOUTHCOM, infrastructure improvements at Roosevelt Roads in Puerto Rico and in the U.S. Virgin Islands are needed, as is expanded operational funding for special operations throughout the theater.

## Conclusion

Defense spending should be aligned with defense strategy, and the Trump Administration has been clear that its national defense strategy is to defend the homeland and deter China. To achieve these goals:

The new funding made available through the potentially massive investment in American security in the FY 2027 defense budget should be focused on expanding capacity across the services but especially in sea power and airpower. Large procurement orders for existing programs should therefore be coupled with investments in next-generation capabilities like the B-21 and F-47.

America's long-neglected strategic deterrent needs funding to defend the homeland. Programs like the Sentinel missile and *Columbia*-class submarine should therefore receive the support they need to be operationalized in the near future.

In terms of global strategy, new spending needs to prioritize the Indo-Pacific and the Western Hemisphere, enabling both the United States and our partners and allies to deter aggression and achieve our security goals.

## Endnotes

1. Donald J. Trump (@realDonaldTrump), "After long and difficult negotiations with Senators, Congressmen, Secretaries, and other Political Representatives, I have determined that, for the Good of our Country, especially in these very troubled and dangerous times, our Military Budget for the year 2027 should not be \$1 Trillion Dollars, but rather \$1.5 Trillion Dollars. This will allow us to build the 'Dream Military' that we have long been entitled to and, more importantly, that will keep us SAFE and SECURE, regardless of foe. If it weren't for the tremendous numbers being produced by Tariffs from other Countries, many of which, in the past, have "ripped off" the United States at levels never seen before, I would stay at the \$1 Trillion Dollar number but, because of Tariffs, and the tremendous Income that they bring, amounts being generated, that would have been unthinkable in the past (especially just one year ago during the Sleepy Joe Biden Administration, the Worst President in the History of our Country!), we are able to easily hit the \$1.5 Trillion Dollar number while, at the same time, producing an unparalleled Military Force, and having the ability to, at the same time, pay down Debt, and likewise, pay a substantial Dividend to moderate income Patriots within our Country!" Truth Social, January 7, 2026, 4:17 PM, <https://truthsocial.com/@realDonaldTrump/posts/115855894695940909> (accessed February 24, 2026).
2. Wilson Beaver, "A Conservative Defense Budget," in *2026 Index of U.S. Military Strength*, ed. Robert Peters, Daniel R. Green, and Wilson Beaver (Washington: The Heritage Foundation, 2026), pp. 37–46, [https://static.heritage.org/2026/Military\\_Index/2026\\_IndexOfUSMilitaryStrength.pdf?\\_gl=1\\*143xt5\\*\\_gcl\\_au\\*MTc4MDQ0NzgyMy4xNzcyMTQ5NzI1\\*\\_ga\\*MzUxNzkyMDkzLjE2NTQ5ODczNzQ.\\*\\_ga\\_W14BT6YQ87\\*czE3NzI4MjlyODMkbzQ4OSRnMSR0MTc3MjgyMjI4NyRqNTYkbDAkaDA](https://static.heritage.org/2026/Military_Index/2026_IndexOfUSMilitaryStrength.pdf?_gl=1*143xt5*_gcl_au*MTc4MDQ0NzgyMy4xNzcyMTQ5NzI1*_ga*MzUxNzkyMDkzLjE2NTQ5ODczNzQ.*_ga_W14BT6YQ87*czE3NzI4MjlyODMkbzQ4OSRnMSR0MTc3MjgyMjI4NyRqNTYkbDAkaDA).
3. Calculated based on data in Table 7-1, "Total Federal Outlays, Current Dollars," in U.S. Department of Defense, Office of the Under Secretary of Defense (Comptroller), *National Defense Budget Estimates for FY 2025*, April 2024, pp. 276–278, [https://comptroller.war.gov/Portals/45/Documents/defbudget/FY2025/fy25\\_Green\\_Book.pdf](https://comptroller.war.gov/Portals/45/Documents/defbudget/FY2025/fy25_Green_Book.pdf) (accessed March 6, 2026).
4. Robert Greenway, Wilson Beaver, Robert Peters, Alexander Velez-Green, John Venable, Brent Sadler, and Jim Fein, "A Conservative Defense Budget for Fiscal Year 2025," Heritage Foundation *Special Report* No. 281, April 2, 2024, <https://www.heritage.org/defense/report/conservative-defense-budget-fiscal-year-2025>.
5. Shawn Barnes and Robert Peters, "Time to Double the Production Rate of the B-21," Heritage Foundation *Issue Brief* No. 5384, June 23, 2025, <https://www.heritage.org/defense/report/time-double-the-production-rate-the-b-21>.
6. Wilson Beaver, Robert Peters, Brent D. Sadler, Jason Camilletti, Shawn Barnes, and Mike Jernigan, "Conservative Priorities for the 2027 Defense Budget," Heritage Foundation *Background* No. 3937, October 16, 2025, <https://www.heritage.org/defense/report/conservative-priorities-the-2027-defense-budget>.
7. Brent D. Sadler, "Nine for the Navy: Proposals to Accelerate a Delayed Naval Buildup," Heritage Foundation *Issue Brief* No. 5394, September 23, 2025, <https://www.heritage.org/defense/report/nine-the-navy-proposals-accelerate-delayed-naval-buildup>.
8. Robert Greenway and Anna Gustafson, "TIDALWAVE: Strategic Exploitation and Sustainment in a U.S.–China Conflict," Heritage Foundation *Special Report* No. 324, January 16, 2026, p. 262, [https://static.heritage.org/-/2025/SR324\\_TIDALWAVE\\_REDACTED.pdf?\\_gl=1\\*1rpnhn\\*\\_gcl\\_au\\*MjEzMTJlMjEwMDkzMS4xNzY0MzUzODcw\\*\\_ga\\*MzUxNzkyMDkzLjE2NTQ5ODczNzQ.\\*\\_ga\\_W14BT6YQ87\\*czE3NzE4ODUwODYkbzQ3NSRnMSR0MTc3MTg4NjY0MyRqMzYkbDAkaDA](https://static.heritage.org/-/2025/SR324_TIDALWAVE_REDACTED.pdf?_gl=1*1rpnhn*_gcl_au*MjEzMTJlMjEwMDkzMS4xNzY0MzUzODcw*_ga*MzUxNzkyMDkzLjE2NTQ5ODczNzQ.*_ga_W14BT6YQ87*czE3NzE4ODUwODYkbzQ3NSRnMSR0MTc3MTg4NjY0MyRqMzYkbDAkaDA).
9. Wilson Beaver, "The Army's Role in the Indo-Pacific," Heritage Foundation *Issue Brief* No. 5346, March 12, 2024, <https://www.heritage.org/defense/report/the-armys-role-the-indo-pacific>.
10. See, for example, General David H. Berger, Commandant of the Marine Corps, "Force Design 2030," U.S. Department of the Navy, U.S. Marine Corps, March 2020, p. 2, <https://www.hqmc.marines.mil/Portals/142/Docs/CMC38%20Force%20Design%202030%20Report%20Phase%20I%20and%20II.pdf?ver=2020-03-26-121328-460> (accessed February 24, 2026).
11. Aaron-Matthew Lariosa, "Marines Want New Class of Aviation Support Ships," U.S. Naval Institute News, February 4, 2025, <https://news.usni.org/2025/02/04/marines-want-new-class-of-aviation-support-ships> (accessed February 23, 2026).
12. Robert Peters, "A Nuclear Posture Review for the Next Administration: Building the Nuclear Arsenal of the 21st Century," Heritage Foundation *Special Report* No. 287, July 30, 2024, <https://www.heritage.org/defense/report/nuclear-posture-review-the-next-administration-building-the-nuclear-arsenal-the-21st>.
13. Karla I. Rios, "Caribbean Basin Security Initiative," Congressional Research Service *In Focus* No. IF10789, updated November 27, 2024, [https://www.congress.gov/crs\\_external\\_products/IF/PDF/IF10789/IF10789.32.pdf](https://www.congress.gov/crs_external_products/IF/PDF/IF10789/IF10789.32.pdf) (accessed February 23, 2026).
14. See Luke A. Nicastro, "Defense Primer: Agile Combat Employment (ACE) Concept," Congressional Research Service *In Focus* No. IF12694, June 24, 2024, [https://www.congress.gov/crs\\_external\\_products/IF/PDF/IF12694/IF12694.4.pdf](https://www.congress.gov/crs_external_products/IF/PDF/IF12694/IF12694.4.pdf) (accessed February 24, 2026).