According to a review by the Stockholm International Peace Research Institute (SIPRI), global military expenditure rose 3.7% in real terms in 2022 to a new record high of $2.24 trillion. The three largest defense spenders – US, China and Russia – accounted for 56% of the global total. US spending alone represents 39% of the global total and 3x more than China. Europe, in aggregate, had its largest increase in over 30 years with numerous countries announcing multi-year plans to boost spending.

At $750 bn in 2022, US defense spending is the highest in the world, and the 2nd largest category of US Government spending after Social Security. While we expect upcoming debt ceiling negotiations between Republicans and Democrats to be contentious, both sides of the aisle have opposed spending cuts in Social Security and Medicare, and both support increases in defense spending.

Military spending growth rates for 10 largest & selected other economies (2022)

- Ukraine: +640%
- Finland: +36%
- Lithuania: +27%
- Saudi Arabia: +16%
- Sweden: +12%
- Poland: +11%
- Russia: +9%
- India: +6%
- Japan: +6%
- Iran: +5%
- China: +4%
- Belarus: +4%
- UK: +4%
- Canada: +3%
- Germany: +2%
- US: 1%
- France: 1%
- Taiwan: 0.7%
- Italy: (-4%)
- Brazil: (-8%)