

1%

THE INTERNATIONAL AFFAIRS BUDGET: WORKING FOR AMERICA

The International Affairs Budget funds the majority of America's civilian foreign policy programs – diplomatic relations with other countries, security assistance to key allies, trade and economic relationships with the global community, health clinics and schools in the developing world, and humanitarian relief efforts in the wake of natural disasters.



INTERNATIONAL
AFFAIRS BUDGET:
1%

WHAT'S COVERED IN THE BUDGET?

- Combating global threats through anti-terrorism programs
- Supporting strategic allies, like Israel and Jordan, and stabilizing weak and fragile states
- Creating jobs by promoting U.S. exports through the Export-Import Bank, Overseas Private Investment Corporation, and U.S. Trade and Development Agency
- Strengthening security at U.S. embassies
- Leveraging partnerships between U.S. agencies, like State Department, Millennium Challenge Corporation, and USAID, and the private sector
- Responding to humanitarian disasters and reducing global poverty

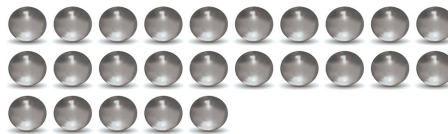
With a mere one percent of the entire U.S. federal budget, the International Affairs Budget supports all of America's civilian tools of development and diplomacy.

PERCEPTION & REALITY: FOREIGN AID SPENDING

While polls show that most Americans think that foreign aid spending is 25% of the annual federal budget – and that 10% would be the appropriate amount to spend – the actual number is only around 1%.

Amount Americans
think we spend
on foreign aid

25
PERCENT



Amount Americans
say we spend on
foreign aid

10
PERCENT



Amount we
actually spend
on foreign aid

1
PERCENT



BUILDS ECONOMIC PROSPERITY

America's prosperity is directly linked to the global economy, and as over half of U.S. exports already go to the developing world, international affairs programs are critical for building new markets abroad for U.S. goods and services and creating jobs at home.

- **Creating American Jobs:** One in four U.S. jobs is supported by trade, and as the fastest growing markets in the world are in developing countries, that number will only grow.
- **Building New Markets:** 95 percent of the world's consumers live outside of the U.S., and competition is stiff. America must be engaged.

RETURN ON INVESTMENT: *U.S. foreign assistance investments in South Korea transformed the devastated country from an aid recipient into America's seventh largest trading partner with revenues of more than \$100 billion last year. In fact, annual trade with South Korea today far surpasses what the U.S. spent in over two decades of security and economic assistance, bringing home a tremendous return on investment.*

KEEPS AMERICA SAFE

Military and national security leaders agree: in order for America to be safe and secure, we need all of our tools of national security – development and diplomacy alongside defense – to deal with the threats facing the United States today.

- **Preventing Crises:** Development and diplomacy tools help defuse conflicts before they happen, preventing the need to put our men and women in uniform in harm's way.
- **Stabilizing Conflict Zones:** Programs provide counter-terrorism assistance, and training for local law enforcement, both of which promote democracy and support our allies

RETURN ON INVESTMENT: *Beginning in 1999, the Plan Colombia partnership moved the Latin American country from a cartel-ridden state to a strategic ally preventing narcotics trafficking at our borders and using counter-narcotics and economic development programs to deter the threat of a major drug war on American territory.*

DEMONSTRATES AMERICAN VALUES

Humanitarian assistance showcases the values that America stands for as a nation and as a people – compassion, a belief in human dignity, and a generosity to help the less fortunate in the world.

- **Responding to Disasters:** Following the devastation of Super Typhoon Haiyan in the Philippines, the U.S. provided food, shelter, and medicine to help over 16 million people.
- **Investing in Agriculture:** Innovative food security programs educate farmers on crop rotation and establish drought warning systems to avoid the risk of famine.

RETURN ON INVESTMENT: *As part of the President's AIDS Initiative (known as PEPFAR), nearly seven million people are currently receiving life-saving treatment, and more than 240,000 babies were born HIV-free in 2013.*



MYTHS & FACTS ABOUT FOREIGN ASSISTANCE

MYTH: 25% OF GOVERNMENT BUDGET IS SPENT ON FOREIGN ASSISTANCE.

FACT: Foreign assistance is only 1% of the federal budget; America actually spends nearly 50% less on foreign assistance today as a percentage of GDP than during the Reagan Administration.

MYTH: FOREIGN ASSISTANCE JUST DOESN'T WORK.

FACT: U.S. foreign assistance continues to demonstrate compelling results. The President's Emergency Plan for AIDS Relief (PEPFAR) alone has saved nearly 7 million lives and prevented 240,000 infants from being born with HIV in 2013. Plan Colombia's targeted military and economic assistance helped the country move from a cartel-ridden state trafficking in drugs in our hemisphere to a strategic ally and economic partner in a decade.

MYTH: FOREIGN ASSISTANCE GOES TO CORRUPT GOVERNMENTS.

FACT: Most U.S. assistance doesn't go to governments. In fact, more than 90 percent of USAID's funding goes to respected non-governmental organizations, private firms, foundations and universities that are held to the highest degree of accountability.

MYTH: IT WOULD BE MORE EFFECTIVE TO HAVE CHARITIES AND BUSINESSES PROVIDE ASSISTANCE.

FACT: Charities and businesses are actually increasingly partnering with government agencies to deliver more effective foreign assistance and promote investment opportunities. Partnerships enable charities and businesses to draw on expertise, credibility, and resources and to scale up their work for larger impact. In 2013, USAID cultivated more than 200 partnerships, leveraging more than \$3 for each \$1 invested by the agency.

MYTH: FOREIGN ASSISTANCE DOESN'T HELP THE AMERICAN ECONOMY.

FACT: With the fastest growing markets in the developing world, foreign assistance actually creates American jobs by building and opening markets for American goods and services. It promotes rule of law, fights corruption, and strengthens local institutions that create the enabling environment for American private investment. More than 1 in 5 American jobs are tied to international trade, while 1 in 3 manufacturing jobs are tied to U.S. exports.

MYTH: THERE IS NO OVERSIGHT OF FOREIGN ASSISTANCE TO ENSURE THE MONEY IS WELL SPENT.

FACT: Strong oversight mechanisms are in place to ensure effective, transparent, and accountable foreign assistance. USAID has dramatically increased the number of self-evaluations of programs since 2011 and learned and adapted its programs to be more effective. The MCC does not even enter into agreements with countries without a proven record of accountability for governance and democratic reform. Lastly, Congress is working to strengthen transparency and accountability through the Foreign Aid Transparency and Accountability Act of 2013.



FOREIGN AID SUPPORTERS: IN GOOD COMPANY



ROBERT GATES
SECRETARY OF DEFENSE
(2006-2011)

"I never miss an opportunity to call for more funding for and emphasis on diplomacy and development. Whatever we do should reinforce the State Department's lead role in crafting and conducting U.S. foreign policy, to include foreign assistance, of which building security capacity is a key part."



**PRESIDENT
GEORGE W. BUSH**

"One of the lessons of September 11th is that what happens overseas matters here at home. We face an enemy that can only recruit when they find hopeless people, and there is nothing more hopeless to a child who loses a mom or dad to AIDS to watch the wealthy nations of the world sit back and do nothing."



**PRESIDENT
RONALD REAGAN**

"The ultimate importance to the United States of our security and development assistance programs cannot be exaggerated."



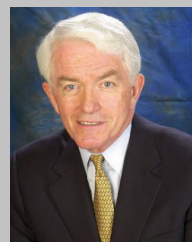
CONDOLEEZZA RICE
SECRETARY OF STATE
(2005-2009)

"For the United States, supporting international development is more than just an expression of our compassion. It is a vital investment in the free, prosperous, and peaceful international order that fundamentally serves our national interest."



**GENERAL
JAMES MATTIS**

"If you don't fund the State Department fully, then I need to buy more ammunition."



THOMAS J. DONOHUE
PRESIDENT AND CEO OF U.S.
CHAMBER OF COMMERCE

"We have no choice but to stay engaged in the world. 95% of the people we want to sell something to live somewhere else, and America's access to and leadership in foreign markets is critical. We're the largest exporters in the world by a significant factor, and we need to capitalize on that."



FROM THE EXPERTS



HILLARY CLINTON
SECRETARY OF STATE
(2009-2013)

"Development was once the province of humanitarians, charities, and governments looking to gain allies in global struggles. Today it is a strategic, economic, and moral imperative – as central to advancing American interests and solving global problems as diplomacy and defense."



**PRESIDENT
BARACK OBAMA**

"Meeting the challenges of our time cannot be the work of our military alone—or the United States alone. It requires all elements of our national power, working together, and in concert with allies and partners."



**SECRETARY OF STATE
JOHN KERRY**

"This is not a time for America to pull back from the world. This is a time to step forward... The international affairs budget lays the foundation for our ability to fulfill our responsibilities abroad... We can either pay now to help brave people build a better, democratic future for themselves, or we will certainly pay later with increased threats to our own national security."



MADELEINE ALBRIGHT
SECRETARY OF STATE
(1997-2001)

"First, despite the many prophets of doom and decline, American leadership remains today a pillar of international security, justice and peace. Second, I believe we will only be able to maintain our leadership if we have adequate resources. And third, we are determined that America remains strong and respected."



**PRESIDENT BILL
CLINTON**

"Apart from the moral claim that we ought to save every child we can, we live in an interdependent world in which we have learned the hard way that no matter how brilliantly our forces perform, we cannot kill, jail, or occupy all of our adversaries. We have to build a world with more partners, and fewer adversaries. That's what foreign policy is about."



ROBERT GATES
SECRETARY OF DEFENSE
(2006-2011)

"I never miss an opportunity to call for more funding for and emphasis on diplomacy and development. Whatever we do should reinforce the State Department's lead role in crafting and conducting U.S. foreign policy, to include foreign assistance, of which building security capacity is a key part."



QUICK ANSWERS FOR YOUR NEXT TOWN HALL

WHY ARE WE BUILDING SCHOOLS OVERSEAS WHEN OUR SCHOOLS ARE FALLING APART HERE?

Frankly, because it's a national security issue. If we're not providing alternatives to signing up for the Taliban, we're going to be right back where we started a decade ago. Former Secretary of Defense Robert Gates said it best, "Development is a lot cheaper than sending soldiers."

WHY DO WE SPEND SO MUCH MONEY ON FOREIGN ASSISTANCE?

Foreign assistance is actually only one percent of the federal budget, and America today actually spends half of what it did during the Reagan Administration (as a percent of GDP). It is a cost effective way to avoid conflicts before we have to put boots on the ground. It also increases markets to sell our goods and services, which means jobs back here at home.

ISN'T FOREIGN ASSISTANCE A BIG WASTE OF TAXPAYER MONEY?

Foreign assistance is a valuable national and economic security tool to protect our interests in the world, with a great return on investment. Eleven of America's top 15 trading partners are now graduates of U.S. foreign assistance programs, which is why the U.S. Chamber of Commerce and top business leaders say it secures our place in the global economy. And it's simply the right thing to do. Our HIV/AIDS relief efforts prevented almost a quarter of million babies from being born HIV positive last year.

SHOULDN'T WE JUST MIND OUR BUSINESS IN THE WORLD?

Since 95 percent of the world's consumers, and America's potential customers, live outside our borders, we have to stay engaged to be competitive in the global economy with countries like China. And if we choose to stick our heads in the sand, new enemies and terrorism will continue to pose a threat to us here at home.

HOW DOES SENDING MONEY TO OTHER COUNTRIES HELP US HERE AT HOME?

It's an investment in our own future. U.S. foreign assistance agencies work with businesses to create opportunities and in turn create American jobs. The Overseas Private Investment Corporation (OPIC) has supported over \$200 billion in investments, and helped create over 340,000 U.S. jobs. Half our exports already go the developing world, and we need to be in these fast growing economies to sell our goods and services. Our competitors, including China, are busy there, and we risk falling behind if we're not. If we're serious about putting people back to work, exports and international trade help us achieve that.

WHY ARE WE ARE GIVING ASSISTANCE TO CORRUPT GOVERNMENTS AND PEOPLE THAT HATE US OVERSEAS?

Most U.S. assistance goes directly to serve people in need, not to governments. In fact, more than 90 percent of U.S. foreign assistance funding goes to respected organizations like Save the Children and World Vision, or private firms, foundations and universities that are held to the highest degree of accountability.