

# MYTHS & FACTS

## About the International Affairs Budget

**MYTH** The United States spends about 25% of its budget on foreign assistance.

**FACT** Americans consistently say in polls that they believe the U.S. spends 25% of the federal budget on foreign assistance and that they would be satisfied with 10%. In fact, only 1.4% of the federal budget went to the International Affairs budget in FY10. This funding percentage represents a decline from the Cold War, when America spent a larger share of the budget on these programs.

**MYTH** The United States spends far more than any other country on foreign assistance.

**FACT** The United States is the most generous nation in total dollars, but when it comes to percentage of Gross National Income (GNI) dedicated to Official Development Assistance, we ranked 19<sup>th</sup> of the 23 major donor countries in 2009. Sweden, for example, dedicated 1.12% of its GNI, the United Kingdom gave 0.52%, and the United States allocated only 0.2%.

**MYTH** With so many threats to U.S. national security, helping people around the world distracts from keeping America safe.

**FACT** International Affairs programs are cost-effective as they help reduce the need for far more costly military interventions. Secretary of Defense Robert Gates, Chairman of the Joint Chiefs Admiral Michael Mullen, General David Petraeus, and other military leaders have repeatedly called on Congress to increase U.S. investments in development and diplomacy programs. They know U.S. national security depends on capable civilian experts who can serve alongside the military in countries such as Iraq and Afghanistan and in fragile states to prevent conflict from starting.

**MYTH** America's overseas spending is merely altruistic and when economic times are tough, we can't afford it anymore.

**FACT** International Affairs programs are not about charity, but strategic investments in our economy. A "who's who" of leading Fortune 500 companies (including Caterpillar, General Electric, and Walmart) and small business CEOs recommend greater U.S. investments in development and diplomacy because it helps their businesses and the American economy. U.S. exports now generate more than 1 out of 5 American jobs and nearly half of U.S. exports go to the developing world. U.S. investments through the International Affairs budget improve the economic climate for U.S. companies by helping countries stabilize, promote market regulations, and develop infrastructure.



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## About the International Affairs Budget

**MYTH** Foreign assistance doesn't work.

**FACT** U.S. foreign assistance has helped cut the number of children dying before their fifth birthday in half worldwide, reduced polio cases by 99% in just 20 years, saved millions of lives from drought and famine, taught millions of children to read and write, reduced narcotics trafficking, and established critical new markets for American goods and services.

**MYTH** U.S. foreign assistance goes to governments with no accountability.

**FACT** Most U.S. foreign assistance is given to reputable, accountable non-profit organizations to carry out development work directly with individuals, communities, and civil society. Many of these organizations are also based here in the U.S. and generate jobs and economic activity here at home. Reforms are currently under way at the State Department and USAID to ensure development efforts are better coordinated across government and provide the best return to the American taxpayers.

**MYTH** U.S. foreign assistance provides limited economic benefit at home.

**FACT** For every dollar the U.S. spends to promote exports overseas, \$40 come back home. Over the past 40 years, trade has tripled as a share of our economy, 97% of the U.S. businesses that benefit from exports are small and medium sized enterprises.



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