

**ONE DAY
OF THE
IRAQ
WAR**

=

**\$720
Million**

ONE MINUTE OF THE IRAQ WAR = \$500,000

FREQUENTLY ASKED QUESTIONS

Q. HOW DID YOU COME UP WITH \$720 MILLION FOR ONE DAY OF THE IRAQ WAR?

The Iraq War supplemental funding bills passed by Congress comes to \$410 billion for four years or about \$280 million/day. The additional \$440 million/day represents the costs already incurred but not yet paid for such as paying the interest on the war debt, caring for the wounded, replenishing military equipment and rebuilding Iraq. These future costs are based upon the work of Nobel Prize winning economist Joseph Stiglitz and Linda Bilmes of the Kennedy School of Government at Harvard. In a *Milken Review* update to an article first published in the *National Bureau of Economic Research*, Stiglitz and Bilmes calculated the costs that have already been incurred and will come due in the future.

Q. WON'T THE MONEY THAT HAS BEEN APPROVED BY CONGRESS FOR THE IRAQ WAR PAY FOR EVERYTHING?

No. That supplemental funding covers the cost of deploying troops, feeding and housing them while in Iraq, and the costs of being an occupying power, such as recruiting and training Iraqi police.

Q. OTHER THAN WHAT IS BEING COVERED BY THE SUPPLEMENTAL, WHAT ADDITIONAL IRAQ WAR COSTS HAVE WE PAID FOR?

Increased Defense Spending — \$160 Billion. Many Iraq War costs are embedded in the annual budget of the Department of Defense. Stiglitz and Bilmes estimate 30% of the increase in that department over the last four years can be attributed directly to the Iraq War. These include increased funds to recruit, activate and pay for reservists and Guard members, pay private contractors and replace military equipment. Military hardware is being used up at six times the peacetime rate and will have to be replaced.

DIRECT BUDGET COSTS ONLY PART OF STORY

As large as the direct costs of \$1 trillion—current and future—are, the macro-economic consequences of the cost of the Iraq War could be even larger.

- (1) increase in the price of oil and higher interest rates;
- (2) loss of trade due to increase in anti-American sentiments;
- (3) increase in insecurity that has followed from the way the war has been pursued;
- (4) increase in “social costs” — such as the lost productivity of young men and women who died or were severely injured — what economists call the “value of a statistical life” or VSL. These macro-economic costs could range from \$200 billion to over \$1 trillion — that is in addition to the over \$1 trillion in direct costs.

Q. WHAT COSTS WILL WE BE PAYING FOR IN THE FUTURE?

Veterans Disability and Medical Care — \$290 Billion. We have an obligation to make sure that Iraq war veterans are taken care of upon return. Thousands of military personnel have suffered severe brain and spinal injuries that will require round the clock care for the rest of their lives. Other wounds include post traumatic stress syndrome, exposure to depleted uranium, blindness, loss of limbs and severe burns. Over 25,000 were wounded in 4 years.

Interest on War Debt — \$191 Billion. Since we are paying for this war during a time of tax cuts for the wealthy, we are paying for the war on credit. This interest figure is based on Congressional Budget Office calculations.

Q. HOW MUCH HAS FOUR YEARS OF WAR REALLY COST?

These figures would put the total cost of the first 4 years of the Iraq War at **over \$1 trillion** or **\$720 million per day** or a **half a million dollars per minute**. Each day the war continues beyond those first four years costs another \$720 million.

Q. IF THIS MONEY WASN'T SPENT ON THE IRAQ WAR, CAN WE BE SURE THAT IT WOULD HAVE BEEN SPENT ON HUMAN NEEDS?

No. But it is our duty as citizens to let our government know what our priorities are for the Federal budget and for the direction of our country. Join us in advocating for an end to the Iraq war, rescinding tax cuts for the wealthy, and a commitment to meeting human needs both here and in Iraq.

SOURCES:

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