POLARIS
NATIONAL SECURITY

The Dividends of Deterrence

How Trump's Foreign Policy Prevents $500 Billion in Costs—and Saves $2,500 per American Household

August 2026

EXECUTIVE SUMMARY

In October 2024, POLARIS National Security documented the enormous costs imposed on American taxpayers by the Biden-Harris Administration's deterrence failures. From the Southern Border to Ukraine and the Middle East, the United States was repeatedly forced to spend billions managing crises that stronger policies could have prevented. Building on that analysis, this report quantifies the dividends generated by the second Trump Administration's foreign policy.

Our analysis finds that the Trump Administration's policies are projected to avert **more than half a trillion dollars**—approximately $512 billion—in costs that would likely have been imposed on American taxpayers by a second Biden-Harris term. Against approximately $186 billion in incurred, committed, or projected costs to restore deterrence and reverse prior blunders, the Trump Administration is projected to generate approximately **$326 billion** in net taxpayer savings over its four-year term, **a nearly three-to-one return** for the American people.

The largest quantified costs averted include:

- **$258 Billion – Shifting the Ukraine Burden:** The Trump Administration is projected to save taxpayers hundreds of billions of dollars by shifting ongoing weapons support toward allied-financed purchases.
- **$158 Billion – Securing the Southern Border**: By reducing "gotaways," eliminating mass parole, and lowering the settled illegal immigrant population, the Trump Administration is averting approximately $158 billion in projected taxpayer costs.
- **$49 Billion – Advancing Peace in the Middle East:** By brokering an end to the war in Gaza, securing a U.S.-Houthi ceasefire, and eliminating Iran's projected containment burden, the Trump Administration is projected to avert approximately $49 billion in taxpayer costs that a second Biden-Harris term would have incurred through continued emergency aid, open-ended naval operations, and the indefinite containment of Iran.

- **<u>$47 Billion – Foreign Assistance Reforms</u>:** The Trump Administration is saving tens of billions of dollars by tackling USAID's unaccountable bureaucracy, eliminating wasteful programs, and working with Congress to preserve funding for core security, humanitarian, and health priorities.

Beyond these direct fiscal benefits, the Trump Administration has generated substantial strategic dividends by forestalling a nuclear Iran, deterring conflict over Taiwan, reducing opioid deaths, expanding foreign military sales, and weakening America's adversaries.

The bottom line is clear: The Trump Administration's Peace Through Strength policies are projected to prevent $512 billion in costs, generate $326 billion in net taxpayer savings—almost $2,500 per American household—and forestall contingencies that would impose ***trillions*** more in costs on the American people.

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The Dividends of Deterrence

How Trump's Foreign Policy Generated a Nearly 3-to-1 Return for Taxpayers

TOPLINE FIGURES

The second Trump Administration's Peace Through Strength foreign policy has delivered substantial taxpayer savings by restoring deterrence, forging peace, and shifting burdens to allies.

APPROXIMATELY **$512B** IN AVOIDED COSTS	–	APPROXIMATELY **$186B** INVESTED TO RESTORE DETERRENCE	=	APPROXIMATELY **$326B** IN NET TAXPAYER SAVINGS OVER FOUR YEARS
that would likely have been incurred under four more years of Biden-Harris policies.		Real border-security and military-operation costs to restore deterrence.		A roughly 2.8-to-1 benefit-cost ratio for the American people.

THE LARGEST QUANTIFIED DIVIDENDS INCLUDE:

EUROPEAN THEATER

$258B

SHIFTING THE UKRAINE BURDEN

in averted appropriations with Europe funding Ukraine's defense by purchasing U.S.-made weapons.

WESTERN HEMISPHERE

$158B

SECURING THE WESTERN HEMISPHERE

in projected costs foreclosed through fewer gotaways, reduced parole, and a smaller settled illegal population.

FOREIGN ASSISTANCE REFORMS

$47B

in taxpayer savings from reforming programs, cutting waste, and refocusing on U.S. priorities.

MIDDLE EAST

$49B

ADVANCING PEACE IN THE MIDDLE EAST

in projected costs averted by ending the war in Gaza, confronting the Houthis, and forestalling direct Iran-containment costs.

$326B

IN NET TAXPAYER SAVINGS OVER FOUR YEARS

ALMOST ~$2,500

PER AMERICAN HOUSEHOLD

while helping forestall contingencies that could have imposed trillions more in costs on the American people.

STRATEGIC DIVIDENDS BEYOND THE BUDGET

- FORESTALLING A NUCLEAR IRAN
- PREVENTING CONFLICT OVER TAIWAN
- REDUCING OPIOID DEATHS
- EXPANDING FOREIGN MILITARY SALES
- WEAKENING AMERICA'S ADVERSARIES

Beyond these direct fiscal benefits, the Trump Administration has generated substantial strategic dividends.

ALL FIGURES IN CONSTANT JUNE 2026 DOLLARS

Introduction

In October 2024, POLARIS National Security documented the financial cost imposed on American taxpayers by the global deterrence collapse fueled by the Biden-Harris Administration's foreign policy blunders.[1] After they ushered in the Taliban's conquest of Afghanistan, failed to prevent Putin's invasion of Ukraine, bankrolled Iran and its terror proxy wars, and abetted the worst border crisis in American history, the United States was forced to spend hundreds of billions of dollars managing and ending crises that deterrence policies could have averted.

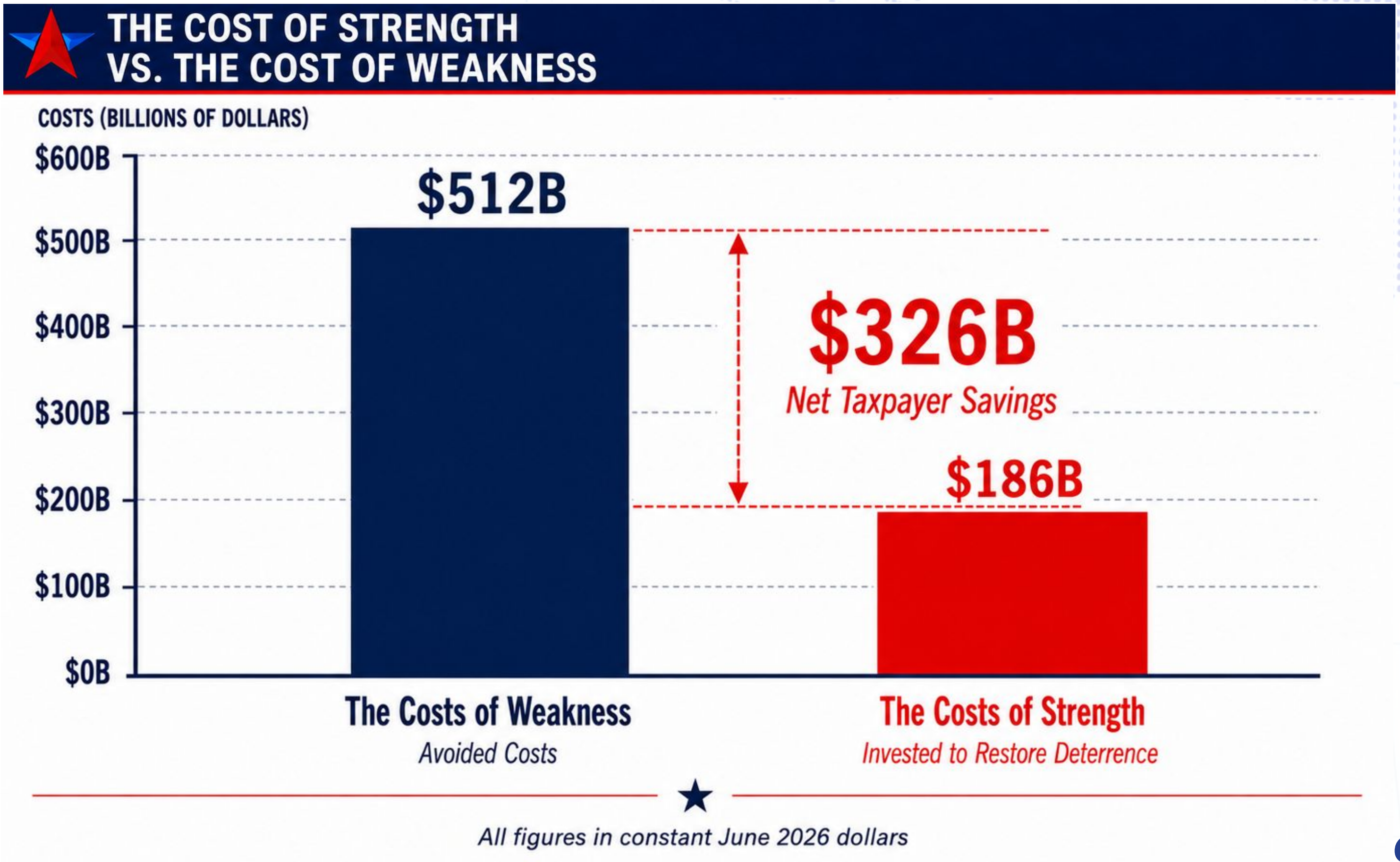
Our previous report estimated that Biden's deterrence failures not only left the world more dangerous than it was found–it cost U.S. taxpayers upwards of **$406 billion** or over **$3,000 from every American household**. These failures exacted a heavy cost on U.S. taxpayers, forcing major outlays to conduct damage control, salvage our interests, and defend allies. They also resulted in federal dollars being used to undercut our own security.

President Trump has pursued a fundamentally different approach to national security. Theater by theater, the second Trump Administration has endeavored to reverse these deterrence failures. By tackling crises before they metastasize, brokering historic peace deals, and pushing allies to share the West's security burden, the Trump Administration has launched America's comeback on the world stage–and saved taxpayers hundreds of billions in the process.

To be sure, restoring deterrence has not been cost-free. Peace Through Strength requires real investments in military power–and current costs are even higher to compensate for Biden's defense cuts and geopolitical fallout from the Biden-Harris Administration. Nonetheless, the Trump Administration's foreign policy has delivered robust savings and staved off the hundreds of billions in costs that a second Biden-Harris term would have forced on taxpayers. Since January 2025, the Trump Administration is projected to avert approximately **$512 billion in costs while investing roughly $186 billion to restore deterrence—*generating a nearly three-to-one return for American taxpayers.***

This report quantifies the dividends of the Trump Administration's foreign policy, analyzing the ways in which it has saved the American people hundreds of billions of dollars. Our quantitative analysis concludes the Trump Administration's second-term foreign policies are projected to **save taxpayers $326 billion over a four-year time horizon—*all while foreclosing contingencies that would have cost trillions more for indefinite and reactive crisis management.***

More than their predecessors, Biden and Harris proved the price of weakness is high for the American people. Once again, the Trump Administration is vindicating the wisdom of Peace Through Strength–and proving deterrence creates windfalls for U.S. taxpayers. **The lesson is clear: *The cost of deterrence is a fraction of the cost of retreat.***



Methodology

This report estimates the taxpayer savings generated by the Trump Administration's national security policies. We compare the predicted spending trajectory of a second Biden-Harris presidency against the incurred, committed, and projected costs of the Trump Administration's second-term policies over the same period, beginning in January 2025 and ending in January 2029. Our analysis distinguishes two categories of benefits and one constant-dollar standardization convention:

1. **Averted Costs**: Direct public-sector costs avoided or reduced by the Trump Administration when compared to projected Biden-Harris spending trajectories, including federal, state, and local expenditures borne by American taxpayers. For the counterfactual four-year term projections, we use theater-specific continuation baselines: final-year spending where it best reflects the policy trajectory, and multi-year real averages where irregular supplemental appropriations better capture the relevant Biden-Harris spending pattern.[2] Per-capita fiscal costs are applied on a net basis—gross public expenditure less taxes paid by the population in question. Net taxpayer savings—the report's fiscal dividend—equal total taxpayer costs averted less the costs incurred to restore deterrence.

2. **Strategic Dividends**: Beyond direct taxpayer savings, restoring deterrence generates wider strategic benefits and economic returns. These include U.S. economic returns on foreign military sales and defense industrial activity as well as the impacts of restoring global market stability, degrading adversaries' military and financial capacities, and preventing the twin crises of a nuclear-armed Iran and conflict with China. Strategic dividends documented are evidence of the full value of deterrence restoration, but are distinct from taxpayer dividends and do not feature in our topline figures.

Unless otherwise noted, all price-denominated figures in this report are expressed in constant June 2026 dollars using the Consumer Price Index for All Urban Consumers (CPI-U, U.S. city average, not seasonally adjusted; June 2026: 333.952). June 2026 is used as the common price base because it was the latest month for which an official CPI-U reading was available when this analysis was finalized. Each estimate is converted from the price level of the period it measures rather than the date of its publication. Discrete enacted amounts and military operations are converted at their enactment or event month, fiscal-year aggregate spending levels are converted at the applicable fiscal-year average, and derived savings are computed only after their underlying components have been standardized separately. Figures that are not price quantities—market price spreads, output multipliers, and estimates expressed as a share of GDP—are re-anchored to current values rather than deflated.

Where a source's price base is ambiguous, we use the year the expenditure occurred rather than the publication year. Per-household figures use 133.97 million U.S. households (June 2026). Where a fiscal-year 2026 factor is used, the October 2025 index is interpolated, as BLS did not publish that month during the appropriations lapse. The effect is immaterial at the reported level of precision. Cumulative nominal sums spanning multiple years and price levels are left nominal and labeled unadjusted, unless annual cash-flow data permit a year-by-year conversion.

To avoid double counting, the Southern Border estimate treats avoided "gotaways," avoided parole admissions, and the decline in the already-settled illegal population as mutually exclusive cohorts. The settled-population component excludes individuals already counted in the "gotaway" and parole calculations.

For the Middle East, historical Biden-era expenditures are used to establish continuation baselines; those historical expenditures are not themselves added to the January 2025–January 2029 costs-averted topline. Operation Prosperity Guardian is presented at its full historical cost, including the carrier-strike-group and regional force posture, munitions expenditures, equipment losses, logistics, and related operations required to respond to Iran-backed Houthi attacks. That observed FY 2024 regional burden provides the empirical baseline for the cost of continuing the Biden-era Red Sea/Houthi posture through a second Biden-Harris term. Because the Biden-era campaign secured no durable strategic resolution of the underlying Houthi threat, this analysis assumes that a comparable carrier-strike-group and regional force posture would have remained necessary through January 2029.

For purposes of the report-wide topline, that projected continuation burden is attributed once to the Red Sea and Houthi dividend, where the historical Operation Prosperity Guardian baseline is established. Analytically, however, the same carrier strike group and regional force posture burden also forms part of the broader Iran-containment counterfactual because the Houthis are an Iranian proxy and the underlying force requirement reflected the cost of containing Iran's regional proxy network. Accordingly, the Iran section compares the Trump Administration's direct campaign against $26.8 billion in broader projected Iran-containment costs—$20.8 billion in continued regional carrier strike group and force-posture costs plus $6.0 billion in recurring direct Iranian missile-defense and THAAD costs. The $20.8 billion force posture component is included in that comparison for analytical purposes but is not added again to report-wide costs-averted total, thereby avoiding double counting.

Our report's core claim is precise*: The second Trump Administration's targeted deterrence investments are projected to avert major costs that a second Biden-Harris term would have imposed on the American people—and the return on those investments is strong.*[3]

The Western Hemisphere

$158 Billion in Costs Averted

Dividend #1: Securing the Southern Border

The largest recurring cost of the Biden-Harris Administration's deterrence failures was not overseas, but at the Southern Border. It presided over the largest illegal-immigration surge in American history, with more than 11 million nationwide border encounters recorded during the Biden-Harris Administration.[4] Monthly encounters peaked at 370,883 nationwide in December 2023, when Border Patrol apprehended approximately 336 illegal aliens per hour between ports of entry along the Southwest Border.[5]

The Biden-Harris Administration released more than 2.3 million migrants directly into the United States, rescinded the Remain-in-Mexico policy, suspended border wall construction, and gutted interior enforcement.[6] The fiscal burden imposed by these border policies was massive. As previous investigations have confirmed, the cost of Biden's border failures reached $172 billion per year, or equivalent to roughly $1,090 per American taxpayer.[7] The tax burden spread across federal, state, and local governments, encompassing law enforcement, public schools, hospitals, and welfare systems nationwide.

That figure is itself a floor: updated estimates put the illegal immigrant population at 18.6 million by the end of Biden's term, meaning the true annual cost likely exceeded $172 billion in his final two years.[8] Left unchecked through a second Biden-Harris term, that trajectory is projected to have imposed approximately $688 billion in cumulative public-sector costs by January 2029.

Restoring control of the Southern Border has required real investment. On

July 4, 2025, President Trump signed the One Big Beautiful Bill Act into law, providing approximately $157.2 billion in counted border-security and interior-enforcement spending.[9] Restated to constant June 2026 dollars, that investment equals approximately $162.5 billion. CBO-scored immigration-related receipts offset approximately $19.5 billion, reducing the net taxpayer cost to approximately $143 billion.

The impact of securing the border has been historic: By February 2025, apprehensions at the border fell 94 percent, compared to February 2024.[10] U.S. Border Patrol recorded 237,538 encounters between ports of entry at the U.S.-Mexico border in FY 2025, down from more than 1.5 million in FY 2024—the lowest annual level since 1970.[11] Through April 2026, not a single illegal immigrant apprehended by the Border Patrol is reported to have been released into the interior.[12]

What that has saved American taxpayers is substantial and measurable. The collapse in illegal immigration under President Trump means millions fewer unvetted migrants entering and settling in the United States without legal authorization, averting long-term costs across schools, hospitals, law enforcement, and welfare programs.

Under the Biden-Harris Administration, two million "gotaways"–illegal immigrants who evaded detection and did not appear in official encounter statistics–entered the homeland over four years.[13] Under President Trump, "gotaways" are estimated to have fallen to 72,000 in FY 2025, with DHS reporting a further 86 percent reduction during the first half of FY 2026.[14] Projected through the remainder of the term, that reduction foreclosed at least $38 billion in additional costs.[15]

Between FY 2021 and FY 2024, the Biden-Harris Administration also paroled an average of 715,000 individuals per year, a four-year total of 2.86 million parolees.[16] Around half of households from the primary parolee-sending countries received welfare, at nearly twice the rate of U.S.-born households.[17]

Under President Trump, parole admissions fell under 50,000 in FY 2025, a reduction of 665,000 per year compared to the Biden-Harris baseline.[18] That reduction likely foreclosed over $54 billion in future costs over four years.[19]

President Trump's enforcement policies have also driven a historic decline in the settled illegal immigrant population itself. Demographic analysis estimated* the illegal immigrant population at approximately 15.8 million in January of 2025, when President Trump entered office. This was a historic high driven by four years of unchecked entries under Biden.[20]

By mid-2025, that figure fell to an estimated 14.2 million, a decline of 1.6 million in just six months–the largest such drop ever recorded in the Current Population Survey.[21] Subsequent data indicates the non-citizen population has remained suppressed.[22] This supports a central estimate of approximately two million fewer illegal immigrants residing in the United States since Trump re-entered office.[23]

Applying the blended net per-capita fiscal cost derived from FAIR's 2023 study—$7,210 in 2022 dollars, or approximately $8,227 in constant June 2026 dollars—that reduction represents approximately $16 billion in annualized fiscal savings, foreclosing an estimated $66 billion in projected cumulative costs over four years.

**FAIR and the Center for Immigration Studies use different estimation methods and arrive at different population levels. The population baseline and reduction use the CIS series throughout so that both come from a single source; the fiscal-savings calculation applies FAIR's blended net per-capita fiscal-cost rate.*

Combined, these three enforcement achievements– reducing “gotaways,” reducing the settled illegal alien population, and eliminating mass parole–have prevented approximately $158 billion in future fiscal costs that would otherwise have accumulated. Every year the border remains secure, those avoided costs continue to grow.

<u>Fighting the Fentanyl Epidemic</u>

All the while, fentanyl—a leading driver of overdose deaths among working-age Americans—flowed across that same border. The Council of Economic Advisers calculated* the annual societal cost of the opioid epidemic at 9.7 percent of GDP—approximately $3.15 trillion at current output.[24]

President Trump moved to reverse that trajectory on day one. He declared a national emergency at the border, restored the Remain-in-Mexico policy, deployed military assets to support enforcement, expanded detention capacity, and ended mass catch-and-release. In 2025, fentanyl trafficking at the border was cut in half, compared to 2024.[25] CBP has seized 61 percent more drugs in FY2026 through April than during the same period of FY 2024 under Biden, including 73 percent more heroin.[26]

The human cost of the fentanyl epidemic is falling alongside it: Synthetic opioids, primarily fentanyl, accounted for 60 percent of all overdose deaths, killing approximately 48,900 Americans in 2024 alone.[27] That level plummeted 22 percent during President Trump’s first year back amid the border crackdown.[28] Applying the federal government’s standard methodology, the 22 percent decline in synthetic opioid deaths during that year represents an associated approximate economic value of $158 billion.[29] If that improvement holds over a full four-year term–given sustained border enforcement and continued fentanyl supply disruption–the cumulative savings would reach $634 billion.[30]

This decline is concentrated in synthetic opioids–the drug category most

**Figure originally published as a share of U.S. GDP (2023) and re-anchored to current output.*

directly tied to border policy. Though overdose deaths have been in decline and multiple factors have contributed to this trend, President Trump's enforcement policies are sustaining and extending this trajectory for years to come. The scale of what is at stake–hundreds of billions of dollars per year–places border enforcement among the investments with the highest returns that the second Trump Administration has pursued.

The Biden-Harris Administration's open border policies cost American taxpayers $172 billion per year–costs widely expected to have continued into its second term. By contrast, President Trump's enforcement policies have generated widespread cost savings. Through reduced "gotaways," eliminated mass parole programs, and a historic drop in the settled illegal immigrant population, the Trump Administration has averted at least $158 billion in future fiscal costs that otherwise would have been incurred across all levels of government.

***Taxpayer Costs Averted*: Approximately $158 billion** *in future costs foreclosed by reducing "gotaways," eliminating mass parole programs, and lowering the settled illegal immigrant population.*

***Strategic Dividends*: $158.4 billion** *associated with the 22 percent decline in synthetic opioid deaths during President Trump's first year. If that improvement proves durable, the value over four years would reach* ***$634 billion*.**

Strategic Dividend #2: Tackling Threats in the Americas

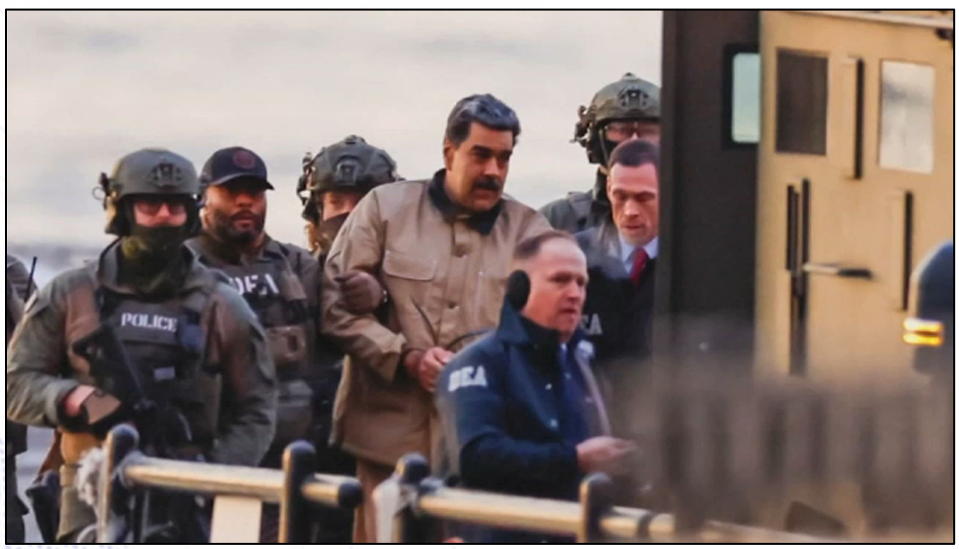
In 2020, Nicolás Maduro was indicted in U.S. federal court for leading a 25-year conspiracy to traffic cocaine into the United States.[31] His state-sponsored narco-terrorism operation used Venezuelan military assets, coordinated with transnational criminal organizations like Tren de Aragua, the Sinaloa Cartel, and the FARC (Revolutionary Armed Forces of Colombia). Under Maduro's leadership, Venezuela became a key transit corridor for cocaine moving into the U.S. homeland.[32]

Biden's response to these affronts to U.S. security was to offer Caracas concessions. His Administration allowed enforcement to lapse, and treated the Western Hemisphere's most dangerous narco-terrorist as a diplomatic inconvenience rather than a fugitive of American justice. Tren de Aragua–the Venezuelan criminal organization operating under his protection–expanded across 16 American states during Biden's tenure, abetting murder, kidnapping, drug distribution, and trafficking from New York to Texas.[33]

At roughly FY2024 funding levels, these Western Hemisphere counter-drug activities equated to approximately $16.5 billion across four years via the Department of Defense ($4.6 billion), U.S. Coast Guard ($9.5 billion), and the State Department Bureau of International Narcotics and Law Enforcement ($2.4 billion).[34] Over that same period, fentanyl deaths hit an all-time high, killing an estimated 74,000 Americans in 2023 alone while Venezuela's narco-infrastructure operated at full force with impunity.[35]

At those funding levels, the Biden-Harris approach represented approximately $16.5 billion across four years on counterdrug operations and the threat grew on every front. The Trump Administration's counterdrug spending in FY 2025 ran at comparable levels, as Congress funded most agencies at FY 2024 spending levels under the Full-Year Continuing Appropriations Act, 2025 (H.R. 1968).[36] But President Trump rejected Biden's playbook and ramped up pressure on Caracas. The Trump Administration designated the Cartel de los Soles as a Foreign Terrorist Organization (FTO), launched Operation Southern Spear, conducted dozens of strikes on narco-terrorist vessels, and blockaded sanctioned Venezuelan oil tankers.[37] The U.S. also deployed the largest American naval presence to the region in decades, including the USS Gerald R. Ford carrier strike group, sending Maduro an unmistakable message: stand down or face American justice.

Maduro chose the latter. In a daring military operation, 60 U.S. Special Forces descended by helicopter into Caracas, overpowered Maduro's security detail, and extracted him to a U.S. warship 100 miles offshore–all without any American loss of life. At 2 hours and 28 minutes, Operation Absolute Resolve was one of the shortest conflicts in history.



Thanks to President Trump's bold move, Maduro now awaits trial at the Metropolitan Detention Center in Brooklyn on charges of narco-terrorism conspiracy, cocaine importation conspiracy, and weapons offenses. Since the second Trump Administration took office, the DOJ has indicted over 260 Tren de Aragua members and ICE has detained more than 3,500.[38]

Bloomberg Government estimated the incremental operational cost of Operation Southern Spear at approximately $2 billion through February 2026.[39] Restated over the August 2025–February 2026 operating period, that equals approximately $2.1 billion in constant June 2026 dollars.

Had the U.S. endured a second term of the Biden-Harris Administration, Maduro likely would have remained at the helm in Caracas and continued his regime's narco-terrorist operations against the United States. That would have forced indefinite spending against a coddled and growing threat. The Biden Administration spent $16.5 billion over four years and the Venezuela threat grew. The Trump Administration spent approximately $2.1 billion in months and eliminated its source.

Removing China's Venezuelan Oil Discount

Venezuela's narco-state served a second strategic purpose as China's most valued source of discounted sanctioned crude oil, a sanctions-evasion lifeline that saved Beijing's energy producers billions every year.

In 2025, China was receiving approximately 642,000 barrels per day of Venezuelan crude–three percent of its total crude imports at discounts of $13-15 per barrel below Brent.[40] At a $14-per-barrel average, the discount on those Venezuelan volumes had a gross value* of approximately $3.28 billion per year, providing subsidized energy to Chinese refiners and manufacturers.[41]

President Trump's blockade of Venezuela and capture of Maduro ended that arrangement. By February 2026, Venezuelan exports to China collapsed. Chinese refineries were forced to seek replacement supplies, including Iranian and Russian crude priced at roughly $10–12 per barrel below Brent—still discounted, but generally less deeply than the Venezuelan barrels they replaced.[42] As a result, China lost access to a discounted Venezuelan oil stream with a gross annual value of approximately $3.28 billion, although its net replacement cost was substantially lower. Moreover, following the onset of Operation Epic Fury, Iranian oil exports dropped 80 percent from March to April.[43] The more recent U.S. blockade of Hormuz has further disrupted Iran's supply, meaning Chinese refiners have faced significantly higher energy costs with no easy substitute.

Meanwhile, Venezuelan oil is flowing to American refiners rather than to Beijing at sanctioned discounts. Approximately 40 million barrels of

**Oil price differentials are stated as observed and are not adjusted for inflation. That figure measures the value of the Venezuelan discount—not China's ultimate net cost after securing replacement supplies.*

Venezuelan oil have shipped to the United States, with direct exports rising to approximately 375,000 barrels per day.[44]

Venezuela has also signed deals with U.S. firms for exploration in the Orinoco Belt–involving potential investments worth billions–bringing American capital into the hemisphere's largest proven oil reserve and locking out China and Russia from Venezuela's energy sector for the first time.[45]

Collapsing the Cuban Regime's Economic Lifeline

Venezuelan oil exports to Cuba were also the economic foundation sustaining the Western Hemisphere's most hostile regime. Since 2000, Venezuela has provided Cuba with $63.8 billion* in oil subsidies.[46] In 2025, Venezuela remained Cuba's largest oil supplier, delivering an average of approximately 26,500 barrels per day—roughly one-third of the island's daily oil needs.[47]

Cuba's minimum annual oil bill runs to $2.6–3.1 billion.[48] Without deeply discounted Venezuelan oil, that bill cannot be paid.

With Maduro gone and U.S. pressure in effect, Cuban oil imports fell to effectively zero in January 2026, with only two small vessels reaching the island in the entire first quarter of 2026.[49] Russia sent a tanker carrying approximately 730,000 barrels of crude oil—an emergency shipment that

Nominal, unadjusted: a 25-year cumulative sum spanning many price levels and cannot take a single deflator.

offered only temporary relief.[50] With the regime siphoning what little energy it could get off the Cuban people, the island's electrical grid completely collapsed twice in March 2026 alone, with blackouts exceeding 18 hours daily nationwide.[51] The regime faces a structural energy crisis it cannot afford to resolve–and no viable patron to bail it out.

Through the Trump Corollary to the Monroe Doctrine, this Administration has done what decades of U.S. policy could not: eliminating the narco-terrorist running the hemisphere's most dangerous state-sponsored drug operation, disrupting a Venezuelan oil trade whose discounts carried a gross value of more than $3 billion per year for Chinese refiners at 2025 volumes and prices, redirecting Venezuelan oil to American refiners and American workers, and collapsing the economic lifeline sustaining a hostile communist government 90 miles from American shores.

Four more years of the Biden-Harris approach would likely have preserved every one of those threats indefinitely–and denied American taxpayers the dividends of all these achievements.

***<u>Deterrence Investment</u>**: For approximately **$2.1 billion,** the Trump Administration launched Operation Southern Spear and dismantled state-directed narco-terrorist infrastructure that years of counter-drug spending under the Biden-Harris Administration failed to address.*

***<u>Strategic Dividends</u>**: The blockade and removal of Maduro disrupted a discounted Venezuelan oil trade whose price advantage had a gross value of approximately **$3.28 billion** per year for China at 2025 volumes. China obtained replacement supplies at smaller discounts, so this figure does not represent its net economic loss. Venezuelan oil is now flowing to U.S. refiners, instead; 40 million barrels have already shipped, with direct exports rising to 375,000 barrels per day. Not included in our topline estimates.*

The European Theater

$258 Billion in Burden Shifting

Dividend #3: Aiding Ukraine on Europe's Dime

Biden's failure to deter Putin's invasion of Ukraine forced Congress to appropriate approximately $193.5 billion in constant June 2026 dollars across FY 2022 through FY 2024 through five emergency supplemental acts supporting Ukraine and the broader U.S. response to Russia's war.[52] Those appropriations included assistance to Ukraine, replenishment of U.S. stocks, military operations and support in Europe, economic assistance, and humanitarian programs. GAO reports approximately $46 billion nominally in drawdown-related replenishment costs across the period.[53]

That three-year total equals an average of approximately $64.5 billion per fiscal year.[54] Projecting that average real annual rate over four years from January 2025 through January 2029—through a hypothetical second Biden-Harris Administration term—yields approximately $258 billion in additional U.S. costs.[55] Continuing the Biden-Harris model would have left America writing major checks, with no structural mechanism to shift ongoing weapons support toward allied financing.

President Trump replaced that model, making burden-shifting a cornerstone of America's Ukraine policy. He established the Prioritised Ukraine Requirements List (PURL), a NATO-coordinated funding mechanism under which NATO allies purchase American weapons for Ukraine directly.[56]

The move accelerated the procurement and delivery of U.S.-made military equipment to Ukraine without requiring new U.S. appropriations for the weapons purchased through the mechanism. Instead of relying on aid grants, NATO allies are now purchasing U.S. weapons to help Ukraine and replenishing U.S. inventories in the process. NATO purchases for Ukraine reached over $4.1 billion in 2025.[57] U.S. Foreign Military Sales (FMS) notifications for Ukraine totaled over $2.5 billion.[58] Projecting that combined rate forward, allied purchases of American-made weapons for Ukraine are expected to generate up to approximately $27 billion in projected revenue, before accounting for any overlap between PURL-funded purchases and FMS notifications for U.S. defense manufacturers.[59] Denmark alone received approximately $15 billion in FMS notifications for modernization and to help backfill stocks drawn down in supporting Ukraine.[60]

Unlike the Biden-Harris aid model, PURL shifts the primary funding burden from U.S. appropriations to allied purchases of American-made weapons. European allies now fund the same domestic defense industrial activity that American taxpayers were underwriting by purchasing U.S.-manufactured weapons sent to Ukraine directly. President Trump's model ensures Ukraine receives continued support while delivering fiscal savings and sustaining U.S. defense-industrial activity through allied-financed purchases.

Continuing the Biden-Harris approach indefinitely–as Harris pledged to do on the 2024 campaign trail–would have required more appropriations on top of the $193.5 billion already allocated.[61] Instead, thanks to the Trump Administration, Ukraine continues to receive American weapons, but allied governments finance the purchases rather than U.S. taxpayers.

This does not even account for the new defense investments European allies are finally making, which will relieve America's long-term security burden in the West. In 2025, European NATO members and Canada increased their defense spending by 20 percent in a single year—over $90 billion in NATO's published constant 2021 prices*–and for the first time in the Alliance's history, every NATO ally met the two percent of GDP baseline.[62] In June of 2025, NATO allies also committed to spend five percent of GDP on defense and security-related requirements by 2035—3.5 percent on core defense requirements and up to 1.5 percent on related security and resilience investments.[63]

Beyond burden-shifting, the Trump Administration has reframed America's relationship with Ukraine from donor to investor, converting American support into a long-term economic project. The U.S.-Ukraine Reconstruction Investment Fund, signed in April 2025, requires Ukraine to contribute 50 percent of future revenues from qualifying new resource royalties and licenses to a jointly governed investment fund. Fund resources are invested in Ukraine, with profits fully reinvested during the first ten years before distributions may occur.[64] While no estimate of the fund's future value is included in our topline, it lays the groundwork for a long-term economic partnership that will yield additional dividends for the American people.

**Stated in NATO's published constant 2021 prices, not restated to June 2026 dollars: NATO deflates each ally's spending with its own national deflator at 2021 exchange rates, a composite basis that cannot take a U.S. CPI conversion.*

***Taxpayer Dividends**: **Approximately $258 billion** in projected U.S. appropriations avoided by ending the Biden-Harris aid trajectory and shifting ongoing support toward allied-financed purchases through PURL and related mechanisms.*

***Strategic Dividends**: Up to approximately **$27 billion** in projected* revenue for the U.S. defense industry from NATO allies purchasing U.S.-made weapons for Ukraine. Moreover, European NATO Allies and Canada increased defense spending by more than $90 billion, or approximately 20 percent, in 2025 alone. Not included in our topline estimate.*

**Before accounting for any overlap between PURL-funded purchases and FMS notifications in revenue.*

The Middle East

$49 Billion In Costs Averted

Dividend #4: Ending the War in Gaza

Biden's Middle East blunders reached their climax on October 7, 2023–a deterrence failure that forced massive damage control costs on American taxpayers. In the first year after October 7, the Biden Administration provided approximately $14.1 billion in above-baseline emergency military aid to Israel—approximately $15.1 billion in constant June 2026 dollars—on top of Israel's ordinary annual military-aid allotment.[65]

Of that emergency aid, $5.2 billion nominally—approximately $5.54 billion in constant June 2026 dollars—funded defensive systems specifically: $4.0 billion for Iron Dome and David's Sling and $1.2 billion for Iron Beam.[66] These emergency costs incurred by American taxpayers, while necessary, were also a predictable consequence of Biden's failure to deter Iran and its terror proxies prior to October 7.

What made Biden's Gaza policy particularly baffling–and especially costly–was its strategic incoherence. It combined maximum expenditure with minimum impact: On one hand, Biden was granting emergency aid to Israel at roughly $15.1 billion per year in constant June 2026 dollars, with no effective diplomatic strategy to end the war and reach a ceasefire. On the other hand, he withheld specific weapons Israel needed to defeat Hamas on the battlefield, halting deliveries of 2,000-pound bombs and critical munitions at Israel's time of need.[67] The result was an incoherent policy in which U.S. taxpayers helped fund Israel's fight while Biden's embargo made it harder to win it—all without a resolution in sight.

The contrast with the Trump Administration's approach was stark. Within months, President Trump brokered the Gaza Accords, facilitated a ceasefire, and ended the need for emergency aid, cutting costs for American taxpayers. Had we entered a second term of the Biden-Harris Administration, the war would likely have continued even longer, forcing more aid disbursements on the taxpayers' dime. On the campaign trail, Harris pledged to continue the Biden Administration's wartime spending indefinitely.[68]

Had a second Biden-Harris Administration continued the first-year above-baseline emergency-aid rate, taxpayers could have faced approximately $60.4 billion in additional spending over four years, in constant June 2026 dollars. The figure in our topline reflects a more modest estimate: By 2026, an overwhelming majority of Senate Democrats have voted to block offensive weapons transfers to Israel, while support for defensive systems such as Iron Dome and Iron Beam remains durable.[69] A second Biden-Harris Administration facing that pressure would likely have limited aid to defensive systems only, yielding approximately $22.2 billion in avoided costs over four years.[70]

The fallout would not have ended there. A second Biden-Harris term could also have imposed more limited arms embargoes on Israel, not only halting the delivery of 2,000-pound bombs–used to eliminate Hamas and Hezbollah's leadership–but also military assets vital to Israel's defense. That could have weakened Israel's readiness to execute its daring air campaigns that destroyed Iran's air defense network and set the conditions for Operation Midnight Hammer.[71] That could have forced the U.S. to tolerate a nuclear-threshold Iran or required the use of even more forceful unilateral American action to confront it alone.

Thankfully, the Trump Administration has done the opposite, positioning Israel to take the fight to Iran and its terror proxies directly. By brokering an end to the war in Gaza, the Trump Administration eliminated the need for emergency aid to Israel and shrunk the financial burden on U.S. taxpayers. It also created revenue streams for America via foreign military sales, which ensure Israel has the weapons it needs to defend itself while benefiting the American economy.

On February 7, 2025, the Trump Administration notified Congress of approximately $8.8 billion in arms sales to Israel, including an approximately $7.1 billion munitions package—the largest single munitions sale to Israel since 2015—with precision-guided bombs, general-purpose munitions, and BLU-109 bunker-busters.[72] On February 28, the State Department approved three additional FMS packages totaling approximately $3.01 billion nominally—approximately $3.1 billion in constant June 2026 dollars—including munitions, guidance kits, penetrator warheads, and D9 bulldozers.[73]

Separately, Secretary Rubio expedited delivery of roughly $4 billion in previously approved military assistance; because that action did not itself constitute a new sale notification, it is not added to the FMS total. A further approximately $6.8 billion package followed in early 2026.[74] Together, using the unrounded constant-dollar component values, these notified arms sales total approximately $18.8 billion. If fully executed and delivered, they would direct production, supply-chain activity, and employment benefits toward American industry and workers. That enables Israel to procure U.S.-made weapons while directing the resulting production and employment benefits toward American industry and workers.

Moreover, the economic return of those sales to the United States extends beyond just their face value. Every dollar spent on the U.S. defense industry generates approximately $1.80 in total U.S. economic output through indirect supply chain spending and induced workforce consumption effects.[75] Applied to the approximately $18.8 billion unrounded constant-dollar total, the cited multiplier indicates that, if fully executed and delivered, those sales could support approximately $33.8 billion in total U.S. economic activity, including defense production, supply-chain activity, and related services.

Trump's actions brokered an end to the war in Gaza, ended the projected need for above-baseline emergency grants, expanded U.S. arms sales, and saved taxpayers approximately $22.2 billion over four years–all while leaving Israel stronger than Biden's approach ever did.

Re-Opening the Red Sea

Iran's Houthi proxy in Yemen was one of its most costly instruments–a terror army that used Iranian weapons and money to hold the world's most vital shipping lane hostage for ~14 months while the Biden-Harris Administration watched on.

In 2021, the Biden-Harris Administration rescinded the Houthis' Foreign Terrorist Organization (FTO) designation, handing them a sanctions lifeline. Following October 7, the Houthis launched a sustained campaign of missile and drone attacks against commercial shipping in the Red Sea—the most intense maritime threat the U.S. Navy had faced since World War II. Container vessel traffic through the region dropped approximately 75 percent in 2024 compared to 2023 levels. Over 2,000 commercial vessels diverted around the Cape of Good Hope, with each re-routed voyage adding $1 million in fuel costs and 10–14 days of additional transit time.

In response, the Biden-Harris Administration launched Operation Prosperity Guardian, a defensive naval coalition that spent ~13 months firing high-cost interceptors at Houthi drones costing only a few thousand dollars. The results were meager: the Houthis kept firing and American consumers kept paying elevated prices.

The total cost of Biden's Red Sea response was substantial. Brown University's Costs of War project estimates U.S. regional military operations during FY2024 cost approximately $4.86 billion, driven heavily by the response to Iran-backed Houthi attacks and including additional carrier strike group operations, munitions expenditures, equipment losses, logistics, and other related military activity.[76] Restated using the FY 2024 average CPI-U, that represents approximately $5.21 billion in actual Biden-era costs in constant June 2026 dollars. By every reasonable measure, the expenditure bought management rather than resolution: the Houthis kept firing, the regional force posture remained necessary, and commercial shipping remained under pressure.

On March 15, 2025, the Trump Administration launched Operation Rough Rider, a 52-day offensive air campaign against Houthi military infrastructure across Yemen. On May 5, 2025, the Houthis agreed to halt attacks on U.S. vessels and Red Sea shipping lanes reopened.

Biden spent billions over roughly 13 months of Operation Prosperity Guardian and suffered a strategic defeat. Operation Rough Rider incurred an estimated $1.1 billion in constant June 2026 dollars over 52 days and achieved a ceasefire. Continuing the Biden-Harris approach through January 2029—with the same open-ended commitment, structural cost asymmetry, and absence of strategic resolution—would have required maintaining a comparable regional carrier strike group and force posture at an estimated cost of approximately $20.8 billion over four years in constant June 2026 dollars. Rear Admiral George Wikoff, the U.S. Naval commander in charge of Operation Prosperity Guardian, publicly stated in August 2024 that the operation failed to deter the Houthis and halt attacks on Red Sea shipping.[77]

With the Houthis showing no signs of stopping, the trajectory under a second Biden-Harris term was toward continued or escalating conflict. The Trump Administration eliminated that liability in 52 days for a fraction of the cost of a single year of the Biden-Harris approach.

Notably, this estimate does not account for the widespread economic damage prevented by Operation Rough Rider. Under the Biden-Harris Administration, the U.S. suffered an economic burden on the order of tens of billions due to Biden's Red Sea crisis, with American consumers and the U.S. economy facing elevated shipping costs and inflationary pressures.[78] Thanks to President Trump's campaign, those pressures were substantially reduced.

***Net Taxpayer Savings**: Approximately **$41.9 billion** over four years, comprising $22.2 billion in avoided emergency military grants to Israel and $20.8 billion in avoided costs from a continued open-ended Red Sea/Houthi campaign, minus $1.1 billion in costs incurred for Operation Rough Rider.*

***Strategic Dividends**: Approximately **$33.8 billion** in potential U.S. economic activity supported by $18.8 billion in notified foreign military sales to Israel, if fully executed and delivered. American defense manufacturers and workers would capture the economic benefit. Not included in the topline estimate.*

Dividend #5:

Decimating the Iran Threat Instead of Managing It Indefinitely

The Islamic Republic of Iran has been at war with the United States since 1979. For nearly half a century, it has funded terrorist organizations, killed American soldiers, and built the regional proxy network that launched the October 7 attack on Israel. Biden's response to this 47-year campaign of aggression was to fund it; President Trump's was to face it.

When the first Trump Administration concluded, Iran was flailing under Maximum Pressure. Sanctions slashed its oil exports, sending Hamas, Hezbollah, and the Houthis scrambling for resources. The Biden-Harris Administration dismantled that pressure. It lifted sanctions enforcement, relaxed export controls, and allowed Iran to generate approximately $107 billion* in oil revenues over four years–cash that flowed to Tehran's proxies and its own ballistic missile and nuclear programs.[79] Instead of slowing Iran's military buildup, Biden financed it.

Nominal, unadjusted: a four-year cumulative sum spanning multiple price levels and cannot take a single deflator.

While Biden chased Tehran for a deal, Iran accelerated uranium enrichment from 3.67 percent to 60 percent purity.[80] By July 2024, Secretary Blinken said Iran's nuclear breakout time was probably down to one or two weeks.[81] The IAEA assessed that Iran had stockpiled enough uranium enriched to 60 percent purity, if further enriched to weapons grade, for nine nuclear weapons.[82] Simultaneously, Iran expanded its ballistic missile arsenal to over 3,000–the largest in the Middle East–while its proxies launched October 7, disrupted global shipping in the Red Sea, and fired on U.S. forces across the region.[83]

The price of these policies became even more visible in 2024. Iran's direct missile barrages against Israel forced the United States to expend costly interceptors in Israel's defense. Pentagon replenishment documents indicate that roughly $1 billion was required to replace U.S. Standard Missile interceptors associated with the April 2024 defense, while JINSA estimates the United States spent as much as $334.8 million defending against Iran's October attack.[84] Restated separately to constant June 2026 dollars, the two episodes represent approximately $1.42 billion in U.S. costs in a single year. Two THAAD batteries deployed in the region add approximately $68 million in annual operations-and-sustainment costs.[85]

Those direct Iranian barrages and missile-defense requirements alone would have produced approximately $6.0 billion in projected U.S. costs over four years in constant June 2026 dollars. The broader carrier-strike-group and regional force-posture burden associated with Operation Prosperity Guardian is attributed to the Red Sea/Houthi dividend for purposes of the report-wide topline. Analytically, however, that same burden forms part of the broader Iran-containment counterfactual because it reflects the cost of containing Iran's proxy network; it is therefore included in the later $26.8 billion Iran comparison but is not added again to the report-wide costs-averted total.[86]

By contrast, the Trump Administration has executed a two-part campaign to neutralize the Iranian threat at its source. In June 2025, Operation Midnight Hammer struck Iran's three nuclear facilities at Natanz, Fordow, and Isfahan. In 25 minutes–with no U.S. aircraft or personnel lost—the U.S. dramatically set back Iran's nuclear program and ended the Twelve Day War within 48 hours. Operation Epic Fury advanced that mission by destroying substantial portions of Iran's ballistic-missile arsenal and production base, severely degrading its naval forces, degrading its air-defense network, dismantling its command and control infrastructure, and eliminating its senior military leaders.

The combined estimated cost of the U.S. Iran campaigns is approximately $39.6 billion, including FY2025 U.S. operations in and against Iran and the Pentagon's current estimate for the 2026 campaign.[87] The Biden-Harris approach would have spent billions absorbing recurring missile barrages, deploying missile-defense batteries, and managing the consequences of a nuclear-threshold Iran. The Trump Administration's direct campaign required substantially greater upfront expenditure, but unlike the recurring containment model, it sought to eliminate the underlying threat rather than finance its indefinite management.

The Biden-Harris Alternative: A Massive Windfall for Iran's Regime

The cost comparison above still understates the true price of a second Biden-Harris term's Iran policy. It captures only what American taxpayers would have spent containing Iran–not what Biden and Harris were prepared to transfer directly to Tehran.

From his first day in office, Biden chased a return to the Iran nuclear deal from a position of weakness. When Iran stalled talks again and again, the Biden-Harris Administration refused to take action, even as Iran enriched uranium to 60 percent purity and approached nuclear breakout.

The Biden-Harris Administration's second-term policy was clear: a return to the negotiating table with Iran's regime in a position of maximum strength and America in a position of maximum weakness. The price of the deal that would have emerged would have exceeded the JCPOA's massive costs and left Tehran in a stronger position than ever. Obama's 2013 interim agreement delivered roughly $11.9 billion nominally in cumulative sanctions relief before a final agreement was even reached.[88] Then, the 2015 deal unlocked a further approximately $141 billion in assets and sanctions relief, including over $70 billion in liquid cash.[89] A JCPOA-type successor agreement negotiated during a second Biden-Harris term could have delivered even greater concessions to Iran.

A revived deal could have given Iran immediate access to up to $149 billion in frozen assets, $83 billion annually from the removal of oil sanctions, $14 billion annually in reduced import costs, and more than $57 billion annually in other export earnings.[90] Separately, the cited testimony estimated that sanctions relief under a revived agreement could reach as much as $800 billion over five years—equivalent to approximately $640 billion, nominal, over a four-year term.

These resources would have flowed–as Biden-era oil revenues previously did–into Iran's military, its ballistic missile arsenal, its nuclear infrastructure, and its regional proxy network. This agreement would not have produced a static threat, but an accelerating one, as Iran's capabilities expanded. The U.S. would in turn have incurred even higher costs to manage a better armed Iran–all while financing the expansion of the threat it was trying to contain. Nor does this estimate account for the cost of Iran actually crossing the nuclear threshold, a step the Trump Administration's forceful actions have prevented. It is not inconceivable that a second Biden-Harris Administration despite its insistence to the contrary–might ultimately have allowed Tehran to become a *de facto* nuclear state, much as successive administrations failed to prevent North Korea from going nuclear.

Furthermore, this scenario is not even to consider the incalculable costs of Iran using a nuclear weapon against the United States or its allies. The Bipartisan Policy Center, which published a detailed estimate of the potential economic costs of a nuclear Iran, found that even without any actual conflict, a nuclear-armed Iran would immediately raise global oil prices by 10-25 percent, reduce U.S. GDP by up to 1.33 percent within three years—approximately $431 billion at current output–as well as eliminate more than 1.7 million jobs and raise inflation by a full percentage point,* all before a shot is even fired.[91]

Conflicts triggered by a nuclear Iran would produce even more catastrophic costs: A U.S. GDP contraction of 8 percent in a single year, equivalent to approximately $2.6 trillion at current output, gasoline prices surging more than 70 percent, and nearly seven million Americans losing their jobs. That's not to mention the near-certain costs of additional U.S. regional military deployments, increased Iranian terrorism, and the arms race that a nuclear Iran would trigger across the region–conditions that would add to the fiscal burden on American taxpayers.

The Trump Doctrine Has Deprived Iran of Hundreds of Billions

While a JCPOA 2.0 deal would have handed Tehran up to $640 billion, nominal, over a four-year term, President Trump's military actions have already imposed the most severe economic blow to the Iranian regime in its history. After only the first two months of Operation Epic Fury, it was estimated the U.S. operation could impose approximately $144 billion in total economic damage on Iran, or 40 percent of its total pre-war GDP.[92] Replacing destroyed military assets alone will cost Iran roughly $46 billion, equivalent to 4–6 years of the regime's entire defense budget.[93]

Moreover, the U.S. blockade drained Iran of an estimated $435 million per day: $276 million in lost exports and $159 million in blocked imports.[94] This

Figures originally published as shares of U.S. GDP (October 2012) and re-anchored to current output; job-loss equivalents are re-anchored to the U.S. labor force.

amounted to $13 billion per month in economic losses. These costs imposed on Tehran are sure to rise with a renewed U.S. blockade on the Strait of Hormuz.

*__Taxpayer Cost Comparison__: Operations Midnight Hammer and Epic Fury total **$39.6 billion** in incurred or projected costs, compared with **$26.8 billion** in projected Iran-containment costs under a second Biden-Harris Administration—including roughly $20.8 billion* to sustain the regional carrier-strike-group and force posture required to contain Iran and its proxy network, plus $6.0 billion in direct Iranian missile-defense and THAAD costs. The Trump approach therefore required **$12.8 billion more in upfront costs—but achieved a radically different strategic outcome.***

*__**Strategic Dividends**__: **$144 billion** in estimated economic damage imposed on Iran, plus the avoidance of a nuclear-Iran scenario associated with an estimated **$431 billion U.S. GDP loss** within three years and a conflict scenario associated with as much as **$2.6 trillion** in U.S. GDP loss in a single year. Not included in the topline taxpayer-savings estimate.*

** The $20.8 billion force-posture component is attributed to the Red Sea/Houthi dividend in the report-wide topline and is not counted twice.*

$47 Billion in Costs Averted

Dividend #6: Recouping Wasteful Spending

For decades, foreign assistance has served as an important instrument of American foreign policy, enabling the U.S. to support its allies and respond to humanitarian crises overseas. But under the Biden-Harris Administration, the dysfunction in U.S. foreign aid reached new heights. As its bureaucracy expanded and programs multiplied, much of the foreign assistance system drifted from U.S. interests, evaded accountability, and lost a coherent theory of return for American taxpayers.

While many USAID initiatives delivered historic successes, others undermined the very goals they were created to achieve. An increasingly unaccountable bureaucracy directed many taxpayer dollars toward ideological pet projects, including DEI initiatives, gender ideology projects, and climate-related activities. The system not only failed to deter these abuses and mission drift–it rewarded them. The examples are numerous:

- The Biden Administration solicited a $500,000—roughly $625,000 in constant June 2026 dollars—grant to a humanist organization to promote atheism in Nepal.[95]
- USAID funded dance classes in Wuhan, pottery lessons in Morocco, and DEI workplace programming in Serbia.[96]
- USAID partners routinely billed overhead rates exceeding 50 percent of their total awards–and the agency could not account for overhead charges on $142 billion* worth of awards.[97]

Meanwhile, poor vetting allowed U.S. dollars to flow to America's adversaries. More than $164 million in USAID grants—nominal and unadjusted—benefited

** Nominal, unadjusted: a cumulative award total spanning multiple years and cannot take a single deflator.*

actors linked to extremist and terrorist organizations, including Hezbollah, Hamas, and Al-Qaeda.[98] The oversight system relied heavily on prime grantees to vet their own sub-contractors, creating vulnerabilities for funding abuse and strengthening the adversaries taxpayers were simultaneously spending billions to combat.

The model also failed to deter recipients from obstructing the U.S. on its foreign policy priorities, fueling a perverse incentive structure. Of the 178 countries receiving U.S. assistance between 2020 and 2022, nearly three-quarters voted against the United States in a majority of non-consensus votes at the U.N. General Assembly, while 27 of the 30 largest recipients opposed the United States more often than they supported it. The Biden-Harris Administration failed to impose consequences on recipient nations for this opposition, signaling they could continue defying U.S. interests without repercussions on foreign assistance.[99]

In response to these shortcomings and others, President Trump ordered a 90-day review of foreign development assistance to evaluate its alignment with U.S. foreign policy objectives.[100] Subsequent reforms reduced USAID's program portfolio, consolidated remaining functions within the Department of State, and imposed greater executive accountability over foreign assistance.[101] The Administration's America First framework aims to ensure that foreign assistance advances U.S. interests through lifesaving programs, strategic investments, or measurable national security objectives.

The FY2026 appropriations approved by Congress reduced the International Affairs Budget from approximately $61.1 billion enacted for FY 2025 to approximately $51.3 billion for FY 2026.[102] Restated separately to constant June 2026 dollars, those levels equal approximately $63.8 billion and $52.1 billion, respectively—a real annual reduction of approximately $11.6 billion.

Congress' funding reductions were not indiscriminate. Security assistance to key partners—including counterterrorism, counternarcotics, and foreign military financing—was preserved.[103] Life-saving global health programs including PEPFAR, malaria, tuberculosis, maternal and child health, and nutrition remained funded.[104] The reforms focused on restructuring the foreign assistance architecture: USAID's administrative bureaucracy was reduced, development and economic assistance accounts were consolidated into a new National Security Investment Programs account, and the DFC assumed a larger role in promoting investment, trade, and private-sector partnerships rather than open-ended grant dependency.[105]

The Trump Administration also applied its reset to humanitarian assistance, consolidating fragmented project grants into a single State Department account and signing a landmark agreement with the U.N. to administer funds through country-level pools under strict accountability conditions–giving the United States direct visibility and control over how U.N. humanitarian dollars are used.[106] While critics framed the move as nothing more than heartless austerity and pointed to aid lapses, the results have also vindicated the vision: An additional $1.8 billion U.S. commitment reached 21.1 million people in under four months, with 92 percent of funding directed to populations in the highest severity humanitarian need–the best targeting rate achieved by a donor on record.[107] Furthermore, the reforms are projected to generate nearly $1.95 billion in efficiency savings by cutting duplication and overhead.[108]

The Administration also advanced a Trade Over Aid approach, emphasizing development finance, trade, and private investment as better long-term partnership mechanisms.[109] State Department research has found that many developing nations preferred investment that fosters self-sustaining growth over long-term dependence on multilateral assistance.[110] The results are already measurable: U.S. exports to Africa rose 23 percent in 2025, and the State Department supported over 60 commercial deals worth more than $26 billion—backed by a new Commercial Diplomacy Strategy that embeds dedicated deal teams in missions and evaluates ambassadors on deals brokered to counter China's economic footprint across the continent.[111]

For the first time, the State Department's FY 2026–2030 Strategic Plan directed that aid prioritize countries advancing U.S. interests, with military cooperation, alignment in international organizations, and fair economic relations as allocation criteria.[112] The FY 2026 appropriations law reinforced those principles by conditioning some aid on U.N. voting behavior, increasing oversight of international organizations, and prohibiting UNRWA funding.[113]

The fiscal benefits of Congress' foreign aid budget are substantial. Restated separately to constant June 2026 dollars, the FY2025 and FY2026 enacted International Affairs levels differ by approximately $11.6 billion annually. If that real annual reduction is maintained across the report's four-year comparison window, cumulative savings would total approximately $46.5 billion.[114]

A second Biden-Harris Administration likely would have continued foreign assistance at or above the FY 2025 funding level while preserving the structural failures of the prior system: mission drift, weak accountability, lax oversight, perverse incentives, and funding U.S. adversaries.

By contrast, the foreign assistance reforms pursued by the Trump Administration and conservatives in Congress have sought to ground U.S. aid in accountability, measurable returns, and alignment with national interests. Programs now must demonstrate they make America safer, stronger, or more prosperous. That standard is already generating demonstrable dividends for taxpayers.

Costs Averted*: Approximately* ***$46.5 billion*** *over four years from the real reduction in the enacted International Affairs Budget, while preserving core national security, humanitarian, and global health priorities.*

Strategic Dividend*: Centering U.S. foreign assistance on American interests is deterring waste, cutting off adversary-linked aid channels, and pushing recipient nations to support U.S. objectives, creating dividends beyond direct savings.*

Deterring China

Preventing the Most Expensive War in History

Failing to deter war with Communist China would dwarf the combined costs of every deterrence failure in the Biden-Harris Administration–and the estimates are only growing more alarming.

Bloomberg Economics recently published its most comprehensive analysis of the estimated cost of a conflict over Taiwan–and the findings are staggering.[115] Estimates show the costs to the global economy could total approximately $11.3 trillion–roughly 9.6% of global GDP*–in the first year alone, surpassing the impact of the COVID-19 pandemic and the 2008 global financial crisis. For the United States specifically, Bloomberg's model estimates a 6.6% hit to America's GDP in the first year of conflict–equivalent to $2.1 trillion in lost economic output. Even in a scenario short of outright war like a blockade, U.S. GDP is estimated to fall 3.2% and global GDP 5.3% within the first year.

Those numbers only tell part of the story. Taiwan's fall would mean the loss of a vital democratic partner whose autonomy remains central to America's prosperity and security. A free and democratic society of 23 million people, Taiwan has built one of the most dynamic economies in the world. Its semiconductor industry produces the vast majority of the advanced chips powering U.S. defense systems, technology, and more. But a Chinese takeover would not only deal a crushing blow to the American economy and our supply chains–it would embolden every adversary, subject millions to totalitarian rule, and cast doubt on U.S. security commitments.

Under the Biden-Harris Administration, that catastrophe was becoming more likely, not less. Taiwan's arms backlog had grown to over $21 billion in purchased but undelivered systems, leaving the island under-resourced as the PLA accelerated its military buildup and expanded the frequency and scale of its exercises.[116] Had we entered a second Biden-Harris term, it is not difficult

**Dollar equivalents re-anchored to current U.S. and global output; percentage estimates as originally published.*

to imagine Xi Jinping making a move on Taiwan–especially after U.S. credibility was decimated in Afghanistan, Ukraine, the Middle East, and at the border.

The Trump Administration has taken action to reverse that trajectory and reaffirm deterrence in the Pacific. On December 17, 2025, the Pentagon notified Congress of an approximately $11.4 billion arms package to Taiwan—the largest single sale to Taiwan in history.[117] The package is designed to make a Chinese amphibious invasion so costly and risky that Beijing decides not to attempt it. Dozens of HIMARS launchers, hundreds of ATACMS missiles, Harpoon refurbishment kits, loitering munitions, M109A7 self-propelled howitzers, Javelin missiles–these are the weapons that sink ships, destroy landing craft, and destroy armor before it reaches the beaches. With arms packages like these, China will face a more capable adversary–all without major U.S. expenditures.

Thankfully, Taiwan is matching the support with its own investments. President Lai committed to raising Taipei's defense spending to five percent of GDP by 2030, and the Legislative Yuan approved a special defense-procurement framework of $25 billion through 2033, focused on purchasing U.S. weapons.[118] That is a boon to U.S. industry as it collects the revenue, defense production gains, and employment benefits.

The cost of deterring China is measured in billions. The cost of failing to deter China is measured in trillions–and it would alter the American way of life.

Taxpayer Impact: *The Trump Administration's military support for Taiwan imposes* ***no additional costs*** *on taxpayers, with Taiwan slated to pay in full for its* ***$11.4 billion*** *arms package.*

Strategic Dividends: *A conflict over Taiwan could inflict an estimated* ***$2.1 trillion in lost U.S. economic output*** *in the first year alone. The Trump Administration's deterrence policies are strengthening Taiwan's defenses and reducing the risk of invasion—protecting a vital democratic partner and helping avert economic losses measured in* ***trillions****.*

Conclusion

This report confirms that the price of weakness far exceeds the cost of strength. Our analysis concludes that since January 2025, the Trump Administration has incurred, committed, or is estimated to incur approximately $186 billion to restore American deterrence across the world. This estimate includes: ~$143 billion in net border security and interior enforcement costs; ~$2.1 billion in operational costs to extract Nicolás Maduro and dismantle a state-directed narco-terrorism infrastructure; ~$1.1 billion to re-open the Red Sea and conduct Operation Rough Rider against the Houthis; and ~$39.6 billion in FY 2025 U.S. operations in and against Iran—including Operation Midnight Hammer—and the Pentagon's current estimate for the 2026 Iran campaign.

By contrast, the projected costs of four more years of the Biden-Harris Administration–which the Trump Administration's actions are foreclosing–are of an entirely different magnitude. Based on confirmed Biden-era spending rates projected through January 2029, we estimate the costs averted by the Trump Administration over a four-year time horizon total approximately $512 billion. In practical terms, the Trump Administration has spent about 36 cents restoring deterrence for every dollar likely to have been spent managing the fallout from Biden-Harris policies.

Left unchanged through a second Biden-Harris term, the border crisis was projected to impose approximately $688 billion in public-sector costs over four years. By contrast, Trump's border enforcement pays for itself within the same four-year window: $143 billion in net taxpayer investment is projected to avert approximately $158 billion in public-sector costs.

Across FY 2022 through FY 2024, Congress appropriated approximately $193.5 billion in constant June 2026 dollars through five supplemental acts supporting Ukraine and the broader U.S. response to Russia's war—an average of approximately $64.5 billion per fiscal year. Projecting that average real annual rate through a hypothetical second Biden-Harris term yields approximately $258 billion in avoided U.S. costs.

Emergency aid for the Gaza war had been running at approximately $15.1 billion per year above the baseline MOU in constant June 2026 dollars. For the topline estimate, however, this analysis assumes a more conservative defensive-only counterfactual, yielding approximately $22.2 billion in avoided above-baseline emergency military grants over four years. A continued Biden approach to the Red Sea is projected to have required approximately $20.8 billion over four years to sustain the open-ended carrier-strike-group and regional force posture demonstrated during Operation Prosperity Guardian. Separately, recurring direct Iranian missile barrages and THAAD deployments are projected to have imposed approximately $6.0 billion in Iran-containment costs over four years. Foreign assistance reforms avert approximately $46.5 billion more.

These estimates indicate the Trump Administration's deterrence policies are projected to generate approximately $326 billion in net taxpayer savings over four years in direct fiscal costs. Importantly, this figure does not capture many costs averted by the Trump Administration's foreign policy that are not quantifiable with public data: the indefinite counter-drug expenditures of leaving Maduro in power; Red Sea shipping disruption costs; the catastrophic compounding liability of a nuclear-armed Iran, and more.

Beyond our topline estimate, each section of this report documents additional strategic dividends: ~$158.4 billion from the decline in opioid deaths, ~$34 billion in U.S. economic activity that could be supported by notified arms sales to Israel if fully executed and delivered, ~$144 billion in economic damage imposed on Iran, and the foreclosure of a Taiwan conflict carrying trillions in fallout for the U.S. economy in its first year alone.

In theater after theater, our analysis confirms that Peace Through Strength is saving the American people hundreds of billions of dollars, and ultimately trillions more. The lesson is simple: ***The cost of maintaining deterrence is a fraction of the cost of losing it.***

Appendix

COSTS INCURRED (CONSTANT JUNE 2026 DOLLARS)	
Item	**Cost**
Securing the Border (net four-year cost)	$143B
FY2025 Iran operations, including Operation Midnight Hammer	$2.1B
Operation Southern Spear / Maduro operation	$2.1B
Operation Rough Rider (Houthis)	$1.1B
Operation Epic Fury (Iran)	$37.5B
TOTAL COSTS INCURRED	**~$186B**

Costs incurred reflect operation-specific expenditures. Baseline force posture, including routine carrier strike group presence, is excluded except where a specific deployment is attributable to the counterfactual policy. See footnotes 3 and 76.

COSTS AVERTED (CONSTANT JUNE 2026 DOLLARS)	
Item	**Cost**
Southern Border costs averted (detailed *below*)	$158B
Ukraine-response appropriations / allied burden-shifting	$258B
Gaza emergency aid averted	$22.2B
Red Sea / Houthi campaign averted	$20.8B
Iran-containment costs averted *(includes proxy/CSG posture and direct missile defense)*	$26.8B
Foreign assistance reform savings	$46.5B
TOTAL COSTS AVERTED	**~$512B**

SOUTHERN BORDER COSTS AVERTED (DETAILED BREAKDOWN)

• Gotaways reduction	$38B
• Parole reduction	$54B
• Settled illegal population reduction	$66B
TOTAL SOUTHERN BORDER COSTS AVERTED	**$158B**

NET SAVINGS SUMMARY	
Total Costs Averted	~$512B
Less: Total Costs Incurred	~$186B
TOTAL NET TAXPAYER SAVINGS (OVER FOUR YEARS)	**~$326B**

NOTES:

- All figures are in constant June 2026 dollars.
- Component figures are rounded for presentation. Topline arithmetic uses the displayed rounded totals.
- Costs averted reflect projected costs that would likely have been incurred under a second Biden-Harris Administration.
- Net savings equals total costs averted minus total costs incurred.
- See Methodology and footnotes 3 and 76 for additional detail.

Footnotes

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2 — Southern Border costs averted reflect costs aggregated across federal, state, and local governments, not exclusively a federal appropriations offset. Costs incurred under the Trump Administration are drawn from federal government and congressional sources where available. Unless otherwise noted, all price-denominated figures in this report are expressed in constant June 2026 dollars. Component figures are rounded for presentation. Topline arithmetic is calculated from the displayed rounded totals; underlying section calculations and constant-dollar conversions use unrounded values. See Methodology. When legislation creates direct, CBO-scored receipts associated with a counted investment, those receipts are netted against incurred costs after the underlying annual cash flows are separately restated to constant June 2026 dollars.

3 — Methodological note on defense spending: This report measures the costs of deterrence failures and the savings generated by reversing them, not the full cost of maintaining deterrence itself. The Trump Administration's defense budget reflects a deliberate investment in military power, readiness, and modernization designed to prevent far costlier wars and crises. Our analysis compares the projected costs of specific Biden-Harris policy trajectories against the Trump Administration's alternative approaches in the same theaters. The taxpayer dividends documented here reflect costs avoided through stronger deterrence, not the broader defense investments that make deterrence possible. Section-level figures represent taxpayer costs averted. Net taxpayer savings equal total taxpayer costs averted less total costs incurred.

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68 — CNN, "Harris-Walz Interview: Full Transcript," August 29, 2024, https://www.cnn.com/2024/08/29/politics/harris-walz-interview-read-transcript.

69 — Democratic support for restricting offensive weapons transfers to Israel escalated rapidly between 2024 and 2026. In November 2024, 17 Senate Democrats voted to block bomb and munitions sales to Israel. By July 2025, 27, a majority of the caucus, voted to block certain offensive weapons sales, and by April 2026, 40 of 47 Senate Democrats, 85%, voted to block the sale of bulldozers and 1,000-pound bombs.

70 — Brown University's Costs of War analysis identifies $5.2 billion of the April 2024 emergency military-aid package as supplemental defensive-system funding: $4.0 billion for Iron Dome and David's Sling and $1.2 billion for Iron Beam. Restated from April 2024 prices to constant June 2026 dollars using CPI-U, the defensive-only annual baseline is approximately $5.54 billion: $5.2 billion × (333.952 ÷ 313.548) ≈ $5.54 billion. Projected across four years, that yields approximately $22.2 billion: $5.2 billion × (333.952 ÷ 313.548) × 4 ≈ $22.15 billion. Because Brown's $14.1 billion full emergency-aid figure covers the first year from October 2023 through September 2024, it is restated using the FY2024 average CPI-U rather than the April 2024 index: $14.1 billion × (333.952 ÷ 311.581) ≈ $15.11 billion. Projected across four years, that yields approximately $60.4 billion. The $5.2 billion defensive-systems component is a discrete April 2024 appropriation and therefore remains restated at the April 2024 index, yielding approximately $22.2 billion over four years.

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85 — Congressional Research Service, "The Terminal High Altitude Area Defense (THAAD) System," CRS Report IF12645, March 23, 2026, https://www.congress.gov/crs-product/IF12645. CRS estimates annual operations-and-sustainment costs of approximately $32.5 million per THAAD battery. Two batteries therefore equal approximately $65 million annually on the source-period basis, or approximately $68 million annually in constant June 2026 dollars.

86 — The approximately $20.8 billion carrier-strike-group and regional force-posture burden is derived from the same observed FY2024 Biden-era regional/Operation Prosperity Guardian baseline described in fn. 76. For purposes of the report-wide topline, that projected continuation burden is attributed once to the Red Sea/Houthi dividend and is not separately added again under Iran. Analytically, however, the burden forms part of the broader Iran-containment counterfactual because the Houthi threat was sustained by Iran and the continuing regional force posture reflected the cost of containing Iran's proxy network. The Iran comparison therefore combines approximately $20.8 billion in projected regional carrier-strike-group and force-posture costs with approximately $6.0 billion in independently identifiable direct Iranian missile-defense and THAAD costs described in fns. 84–85, yielding approximately $26.8 billion in broader projected Iran-containment costs. The $20.8 billion component is included in this comparison but counted only once in the report-wide taxpayer-savings topline. Brown's $4.86 billion FY2024 regional estimate includes the $2.44 billion CENTCOM supplemental appropriation for operations, force protection, deterrence, and replacement of combat expenditures. Publicly available execution data do not disaggregate that appropriation sufficiently to establish whether the separately identified April 2024 Standard Missile replenishment requirement is wholly outside Brown's regional tally. Accordingly, some appropriation-level overlap cannot be definitively ruled out from public data.

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NATIONAL SECURITY