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“A Clearer View”

Consider the following statistics:

Total US Federal Government receipts ¹	\$3,722.4 billion
Total military (defense) expenditures (operational and investment) ²	\$847.8 billion
Total military expenditures as a percentage of total receipts	22.8 percent

These statistics are for 2019—a year untouched by the Covid-19 Pandemic. The third statistic reveals that the US Government expended nearly 25 percent of its total receipts on “guns” as opposed to “butter.” That is, some may argue that the nation spent nearly one-quarter of its total intake on the capacity to kill and destroy, and not on goods and services that contribute to the physical, mental, and social well-being of its people. There is, of course, a counterargument because defense/military spending is viewed as producing defense services, which help to ensure peace, tranquility, and security. In addition, peace and security are extended and enhanced as jobs, income, and wealth are generated and sustained through military spending.

Now consider military spending over a more extended period. Over the last 12 years (2010-2021), US defense spending can be summarized as follows:

Total military (defense) spending ^{3,4}	\$9.6 trillion
Total spending on compensation	\$3.0 trillion
Total spending on operational goods and services	\$3.0 trillion
Total investment spending	\$1.9 trillion
Buildings and other structures	\$0.1 trillion
Equipment	\$1.0 trillion
Intellectual property (Software and R&D)	\$0.8 trillion

Would you agree that the nation benefited to the tune of nearly \$10 trillion over the period from having defense services? Clearly, US armed services personnel benefited to the tune of about \$3.0

¹ This data point is from the US Department of Commerce’s Bureau of Economic Analysis (BEA), National Income and Product Account (NIPA) Table 3.2; www.bea.gov (Ret. 110622).

² This data point is from BEA NIPA Table 3.9.5; www.bea.gov (Ret. 110622).

³ The total military spending includes \$1.9 trillion in consumption of fixed capital, which is akin to depreciation; see BEA NIPA Table 3.9.5; www.bea.gov (Ret. 110622).

⁴ These data are from BEA NIPA Tables 3.9.5 and 3.10.5; www.bea.gov (Ret. 110622).

trillion from the compensation that they received. But what about the \$3.0 trillion expended for operational goods and services and the nearly \$2 trillion for investment goods? Again, American labor produced the operational and investment goods and the services that were not procured overseas. And there is no doubt that many workers earned reasonable salaries from producing these goods and services for the military—especially those in technology fields.

But it is common knowledge that for nonmilitary workers, who produced these goods and services, most worked for corporations in the “military industrial complex.” These corporations are generally characterized by outcomes for corporations broadly; i.e., corporate leadership extracts compensation that is many multiples of workers’ compensation.

Which are the top US corporations involved and who serves as leaders of these companies? Table 1 provides a list of the top 10 military (defense) contractors, their defense spending takes, and the names of their CEOs. All of these companies are publicly traded.

Table 1.—Top Ten Defense Contractors and their CEOs for 2021

No.	Corporations	Chief Executive Officers
1	Lockheed Martin (\$40.2 Billion)	James D. Taiclet
2	Boeing (\$22.1 Billion)	David L. Calhoun
3	Raytheon Technologies (\$20.7 Billion)	Gregory J. Hayes
4	General Dynamics (\$17.8 Billion)	Phebe N. Novakovic
5	Pfizer (\$13.3 Billion)	Albert Bourla
6	Northrop Grumman (\$12.9 Billion)	Kathy Warden
7	Huntington Ingalls Industries (\$7.4 Billion)	Christopher D. Kastner
8	Humana (\$7.1 Billion)	Bruce D. Broussard
9	Moderna (\$6.9 Billion)	Stephane Bancel
10	Regeneron Pharmaceutical (\$5.6 Billion)	Leonard S. Schleifer

Sources: Bloomberg Government and companies’ websites.⁵

As we consider the information in Table 1, we clarify that total non-compensation military spending (operational and investment) by the US was \$434.2 billion in 2021. Therefore, given the take of the top 10 defense contractors (about \$154 billion), we comprehend that there are many, many more US firms feeding from the trough.

This information should be useful to Black Americans because, although our contributions to US Federal Government receipts may not be at a “representative” level, we should still be concerned about management of the nation and about who benefits excessively from the nation’s spending—in this case, military (defense) spending.⁶

For completeness, Table 2 reflects the seven industries in which the top 10 defense contractors for 2021 are classified, along with the Black American 2021 industry employment shares. Blacks are

⁵ The list of corporations and their take of military spending is from <https://about.bgov.com/TOP-DEFENSE-CONTRACTORS/>, which is a Bloomberg Government Internet website (Ret. 110822). The names of corporate leaders are from the companies’ Internet websites (Ret. 110922).

⁶ See “[Black American Taxes: Comparing What We Pay](#),” which indicates that Black Americans paid only about 7.5 percent of US income taxes during 2019, when we comprised about 13 percent of the population.

underrepresented in five of the seven industries. Importantly, we comprehend that Black employment in these industries is likely to be concentrated within lower compensation strata. Therefore, the extent to which Black Americans benefit from this spending is limited.

Table 2.—Top Ten Defense Contractors’ Industries and Black Employment Shares

No.	NAICS (North American Industrial Classification System Codes) of Corporations	Black American Employment Shares
1	32541 – Medicinal, Botanical, and Pharmaceutical Preparation Manufacturing (Pfizer, Moderna, and Regeneron Pharmaceutical)	7.8%
2	33422 – Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing (Boeing)	8.6%
3	33451 – Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing (Raytheon Technologies and Northrop Grumman)	4.3%
4	33641 – Aircraft Manufacturing (Lockheed Martin and Boeing)	7.4%
5	33661 – Ship Building (General Dynamics and Huntington Ingalls Industries)	17.2%
6	52411 – Direct Health and Medical Insurance Carrier (Humana)	14.2%
7	54161 – Administrative Management and General Management Consulting Services (Lockheed Martin)	8.8%

Sources: Google, NAICS.com, and BLS.⁷

Given the results of the November 8, 2022 elections, and the general ineffectiveness of Black American politicians at the national level, we should not expect any meaningful change in the above-described conditions.

However, because we have little-to-no influence on how our taxes are expended, this Analysis Brief should serve as additional impetus for Black Americans to seek self-determination so that we can have a clearer view, and enjoy greater control, of our governance—especially concerning how our resources are expended to provide for security services.

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⁷ Corporations’ NAICS codes were obtained from Google. NAICS codes were matched with industry descriptions through [NAICS.com](https://www.naics.com). Black American employment shares by industry were obtained from the US Department of Labor’s Bureau of Labor Statistics (BLS) “Table 18. Employed persons by detailed industry, sex, race, and Hispanic or Latino ethnicity;” <https://www.bls.gov/cps/cpsaat18.htm>. (All Ret. 110922)