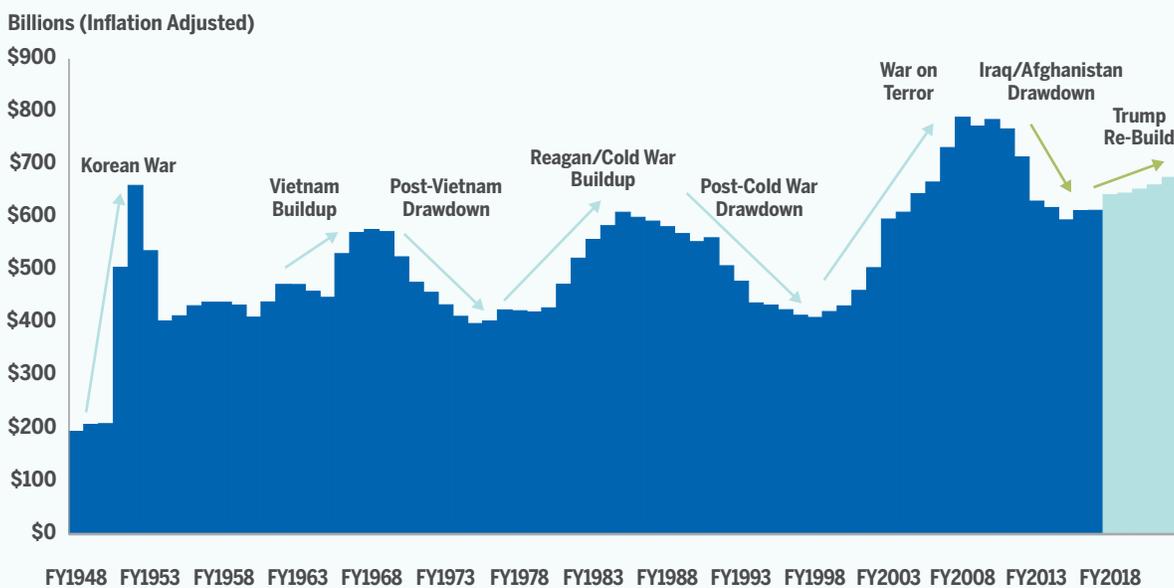


## Is the Best Offense a Strong Defense?

The upcoming Memorial Day holiday merits an examination of how defense spending has changed over time and how the government is currently allocating its defense budget.

### U.S. Department of Defense Budget



- Defense spending has tended to trend upward in preparation for wars over the past 70 years. At this time it is expected to increase over the next five years, thus reversing its recent downward trajectory.
- The top two areas to receive major investments are aircrafts and shipbuilding. Shipbuilding in particular seems to be part of a larger investment program, with the future goal of increasing the fleet to 355 ships from 277 at a cost of approximately \$14.5 billion per ship.
- Businesses that may benefit include defense companies engaged in shipbuilding, aircraft or weapons systems, as well as technology companies that produce chips for use in military applications. Other potential investment opportunities may exist in cloud computing, robotics, and artificial intelligence software.

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