Updated: **May 2026**

Foreign Aid

Summary and Key Points

Policy Proposals

1. Press the U.S. Department of State to execute a three-year global health security strategy plan to transition U.S. aid programs to national country ownership before the fall 2028 elections. Complete the defunding of expensive, leftwing intermediaries such as United Nations agencies and international NGOs.

2. Transition humanitarian aid commitments to regional allies in Europe and the Persian Gulf. Cut all assistance to countries where taxpayer funds are diverted to terrorists and criminal syndicates.

3. End funding to the National Endowment for Democracy, the U.S. Institute of Peace (USIP), and the Peace Corps.

4. Transition foreign assistance programs from welfare grants to diplomacy centered on trade and investment benefits as the core method to promote American national power overseas.

Quick Facts

1. Since 1946, U.S. foreign aid spending has averaged $35 billion per year, and in total exceeds $2.5 trillion. Despite recent cuts, the United States remains the world's single largest donor.

2. Israel, Egypt, Pakistan, and Afghanistan were among the top recipients of U.S. military aid for decades. The United States should rightly fund its allies (Israel) and stop funding countries that work against its interests (aid to Afghanistan has now been eliminated).

3. Foreign aid from all governments was $223 billion in 2023, while global private remittances, the money that immigrants and migrants send to their families in their home countries, exceed $700 billion annually.

What to Say About Foreign Aid

- Foreign aid should advance American interests, not bankroll a permanent international aid bureaucracy. Endless foreign aid weakens accountability abroad and asks American taxpayers to pay for other governments' failures.

- Taxpayer dollars should never go to governments or groups that fund terrorists or criminal networks.

- The United States should stop paying expensive intermediaries who undermine our allies and push divisive agendas abroad.

- Aid works best when it helps countries stand on their own, not depend on Washington year after year. Congress should end funding for programs that fail to improve security, stability, or prosperity.

- Wealthy regional partners should take more responsibility instead of relying on American taxpayers.
- Real diplomacy comes from trade, investment, and alliances—not endless welfare-style cash transfers.

The Issue

"Foreign aid" is a catch-all moniker that encompasses a wide variety of overseas activities funded by U.S. government agencies in poor countries around the world, mostly through international organizations (such as the United Nations), international NGOs, and for-profit contractors. The total spent per year in taxpayer-funded U.S. foreign aid and international diplomatic operations (such as the costs of maintaining U.S. embassies) has traditionally been less than 1 percent of the federal budget.

Too often, nonmilitary foreign aid has been divorced from U.S. national security goals, unlike security assistance, such as to Israel and Egypt, that had a clearer geostrategic purpose. Aid beneficiaries are often located in unstable areas of the world, requiring the U.S. to cooperate with less-than-ideal governments.

Traditionally, foreign aid is intended to reduce poverty and encourage economic growth in recipient countries by funding activities dedicated to improving agriculture, education, health, and democracy. Higher standards of living support U.S. interests as wealthier countries are more stable, ideologically friendlier, and likely to become mutually beneficial economic partners. Unfortunately, the record of such aid in promoting economic growth and improved living standards is poor and the aid industry became beholden to the financial and ideological interests of self-serving implementers rather than those of the taxpayer, leading to much waste, fraud, and abuse.

Although aid, specifically global health and humanitarian aid, has had some positive impact (containing deadly epidemics, such as Ebola, responding to natural disasters, such as hurricanes, and feeding starving war refugees), the trillions of dollars of aid given by the United States (and other donors) have failed to produce promised results. Foreign aid has not generated economic growth or "graduated" countries from aid dependence. Open-ended aid programs remove incentives for recipient governments to end economy-strangling socialist policies, tackle endemic corruption, and take responsibility for the social services needs of their own citizens, relying instead on foreign donors to finance those needs.

USAID, established in 1961 to check Soviet expansionism, led U.S. foreign aid efforts to blunt communism's appeal in poor countries and helped to transition former Soviet satellites in Eastern Europe into U.S. allies. Thereafter, private capital flows proliferated and soon overshadowed the impact of government aid programs by a factor of 20 to one. Today, developing countries have far greater access to investment capital and global markets than they did 60 years ago.

During the post–Cold War period, two negative trends in foreign aid emerged. First, aid saw substantial permanent increases in global health and humanitarian aid responses. Under President George W. Bush, the President's Emergency Plan for AIDS Relief (PEPFAR) saved millions of people in Africa from the devastating disease. However, the program has lasted more than two decades and cost $125 billion. The global health lobby that emerged from it has spawned a powerful progressive industry that presses the U.S. Congress for never-ending funding while dissuading recipient countries from ending their dependence on U.S. foreign aid. Humanitarian responses to conflict continue post-war, resulting in multigenerational dependence on emergency food and nonfood aid and the radicalization of frustrated populations.

Second, the multibillion-dollar aid industry became a global platform to promote the goals of the Left, beginning with the Clinton Administration's fixation on promoting abortion overseas, expanding into climate and LGBTQ advocacy during two Obama Administrations, and peaking with the transgender and DEI ideologies of the Biden Administration. Aid became a money pot for U.S.-based NGOs that provide the political Left with

an infrastructure of election foot soldiers, donors, advocacy groups, and anti-conservative media narratives all paid for by the U.S. taxpayer.

The arrival of a second Trump Administration has inaugurated radical reform of U.S. foreign aid and realignment with U.S. national interests and traditional values. Key elements of that reform have been the dismantling of USAID, deep cuts in aid levels, the defunding of the aid industrial complex, and assigning responsibility for ensuring that aid is a tool of national security—not an international social welfare program.

Despite these historic reforms, the U.S. Congress remains beholden to a multimillion-dollar disinformation campaign by the aid industrial complex that risks the overturning of these reforms in a post-Trump White House by maintaining high foreign aid spending levels that will sustain the leftwing aid industrial complex.

Recommendations

Foreign aid must align with U.S. national interests and American values. It can relieve global poverty only if coupled with promoting American commercial interests—especially in critical minerals, energy security, and other strategic sectors, addressing humanitarian crises without funding terrorists or aid dependence, promoting private sector–led economic growth, and advancing U.S. security priorities amid Chinese communist threats. The Trump Administration has instituted a new and realistic baseline for effective foreign aid delivery. Legislation should codify the Trump Administration's foreign aid reforms, and appropriators should adopt lower spending levels to encourage efficiencies and defund the global radical Left.

USAID must never be revived, and the aid industrial complex must be starved of its funding base. This agency failed to achieve its own goals of alleviating poverty, promoting U.S. interests, protecting Americans, and reflecting common American values. Agency staff was captured by the radical Left seeking to build a radical global infrastructure of progressive NGOs, to interfere in other country elections by supporting leftwing political candidates and subverting conservative ones, and to discriminate against Christian countries and faith-based organizations. It also ignored the diversion of billions in aid to terrorist and criminal organizations as well as anti-American governments.

Humanitarian assistance must focus on responding to major natural disasters and epidemics, or to support large numbers of refugees and displaced persons fleeing war. These kinds of responses serve the national interest and generate international goodwill toward the United States. However, stringent rules and vetting procedures must govern the distribution of food and nonfood emergency aid to avoid falling into the hands of terrorists and criminals, affected communities must be locally integrated to prevent intergenerational aid dependence, and regional allies must assume financial responsibility for the long-term care of these communities.

Similarly to the Administration's Global Health Security Strategy, all global health programs must bypass expensive, corrupt, and radicalized U.N. agencies, international NGOs, and for-profit contractors and sign direct compact agreements with the governments of recipient countries in order to transition program responsibility to national ownership. The State Department should work with local faith-based groups to strengthen national health care capacity. Setting limits on U.S. global health programs will improve America's ability to respond to outbreaks of dangerous viruses while strengthening the capacity of recipient national governments to provide social services to their own people. Working through local churches will act as natural barriers to progressive activist efforts to impose abortion, LGBTQ ideology, and other socially divisive mandates on traditionally conservative societies. The U.S. must also end its program reliance on hostile multilateral organizations, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria, which suffer from gross inefficiencies, corruption, radical international staff, and deep penetration by America's enemies, especially communist China.

The multibillion-dollar Democracy Fund must be eliminated. This congressional foreign aid budget line funded some of the most egregious overseas programs, including transgender, DEI, and climate "justice" programs that violated American values and damaged America's global reputation. These funds supported a global civil society program based on the social movement theories of Donatella della Porta, a Marxist professor in Italy, and so-called disinformation campaigns targeted conservatives abroad. The National Endowment for Democracy (NED) spearheaded such disinformation campaigns, hired only leftwing activists, and its officers interfered in the 2024 election by coordinating multimedia attacks on presidential candidate Donald Trump as "Hitler," "Stalin," and "Mussolini." Congress continues to fund the NED at record levels, rewarding bad behavior, and removing all executive branch oversight of the NED's overseas activities. Other institutions, such as the USIP and the Peace Corps, merit termination given their leftwing partisanship or inconsequential impact, respectively.

Facts + Figures

FACT: U.S. foreign assistance spending (including security assistance) has averaged about $35 billion a year since 1946 (in 2018 dollars), and in total exceeds $2.5 trillion.

FACT: Although there have been American foreign aid programs for more than 100 countries around the world, four of the top five recipients of U.S. aid in recent years—Israel, Egypt, Pakistan, and Afghanistan—had been in the top five for decades, though with the Taliban in control of Afghanistan, U.S. aid to that country is now eliminated.

FACT: Today foreign aid is dwarfed by private financial flows—from charities, foundations, corporations, churches, and individuals—along with increased trade and investment generated by the growth of the private sector, greater domestic resources, substantial flows of remittances, and increased capital flows to developing countries.

- Global remittances alone exceed $700 billion annually, and dwarf any impact that U.S. foreign aid programs could make on these countries.
- Remittances are on top of global foreign direct investment (FDI) inflows (comprised of equity capital, reinvested earnings, and intracompany loans), which the United Nations Conference on Trade and Development estimates to have been about $1.5 trillion in 2024 (including investment in developed and developing nations).
- In addition to remittances and FDI, the figures for which are probably greatly understated, there are private philanthropy flows, which the Indiana University Global Philanthropy Indices estimated to be $70 billion globally in 2023.
- Americans have been generous in their global charitable giving, reaching $35.54 billion in 2024 according to Giving USA.
- Global government foreign aid by Organization for Economic Cooperation and Development member countries reached more than $223 billion in 2023, with the U.S. government the largest donor at $65 billion.

FACT: Although the U.S. government has made some efforts over the years to consolidate and improve the transparency and accountability of U.S. foreign assistance programs, tracking and assessing the vast array of U.S. foreign aid programs remains opaque.

- Despite congressional requirements, the U.S. government still fails to provide Congress lists of all awards and subawards, preventing Congress from exercising its accountability functions and preventing the American public from scrutinizing aid decisions by U.S. aid officials.

- Major foreign aid agencies include the U.S. Department of State, the International Development Finance Corporation, the Millennium Challenge Corporation, the U.S. Export-Import Bank, the Department of the Treasury, the Department of Agriculture, the Department of Health and Human Services, the Department of War (Department of the Army, Department of the Navy, Department of the Air Force, and U.S. Army Corps of Engineers), the Department of the Interior, the Department of Justice, the Department of Labor, the Department of Commerce, the Department of Energy, the Department of Homeland Security, and the Department of Transportation.

Resources

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