

*"We need to stop viewing it as aid. It's an investment."*

- Secretary of Defense,  
Chuck Hagel

*"Looking at these issues as a businessman, I believe that investing in the world's poorest people is the smartest way our government spends money."*

- Bill Gates



## POVERTY AID 101

*The Return on Investment of Helping the World's Poor*

**THE BORGEN PROJECT**



*"From an economic perspective, what happens in one country has ripple effects throughout the world."*  
 - Chris Policinski, CEO Land O'Lakes

## U.S. JOBS & GLOBAL POVERTY

*Poverty Down = Consumers Up*



History has shown that as people transition from barely surviving into becoming consumers, it opens new markets for U.S. companies and generates American jobs.

- 1 out of 5 U.S. jobs is export-based and 45 percent of our exports now go to developing nations.
- From Germany to South Korea, nearly all of the United States' top trading partners were once recipients of U.S. foreign aid.
- In March of 2011, U.S. Treasury Secretary Timothy Geithner testified before Congress that cutting foreign aid would hurt the economy and make the U.S. less competitive with China. Currently, China is rapidly expanding in Africa and other impoverished regions.
- In 2011, the U.S. Chamber of Commerce called on Congress to better fund international aid programs. The world's largest business federation opposed all cuts to the International Affairs Budget stating, "Diplomacy and development programs are essential to creating jobs and spurring economic growth in the United States."

**45%** of U.S. exports now go to developing nations. This rapidly growing consumer base is the direct result of poverty rates dropping in those nations.

### Businesses Want International Aid Protected



Shown above are some of the major companies who want the U.S. fighting the good fight and developing new markets. In June of 2011, more than 50 major companies sent a letter to Congress urging that the International Affairs Budget be protected.

### The Marshall Plan

After World War II, with GIs coming home in search of work, U.S. leaders did the unthinkable... They invested the equivalent of \$110 billion in today's dollars, overseas, rebuilding our allies and enemies alike. The return on investment for providing aid to Europe has been enormous. The U.S. now exports \$240 billion of goods annually to EU nations.

*"We have no choice but to stay engaged in the world. 95% of the people we want to sell something to live somewhere else, and America's access to and leadership in foreign markets is critical. We're the largest exporter by a significant factor, and we need to capitalize on that."*  
 - Thomas J. Donohue, President U.S. Chamber of Commerce

*"By building new markets overseas for American products, the International Affairs budget creates jobs and boosts the economy here at home."*  
 - Tom Ridge, Former Secretary of Homeland Security



**95%** of the world's population -- all potential consumers of U.S. goods and products -- live outside of the U.S. For our farmers and businesses to prosper, the U.S. must be globally engaged in helping transform poor regions into consumer regions.

## THE RETURN ON INVESTMENT OF GLOBAL DO-GOODING

*Improving Lives, Developing New Markets*

	Aid Provided THEN	Annual U.S. Exports Today (2010) NOW
EU <i>Marshall Plan</i>	\$12.7 billion	\$240 billion
South Korea <i>1960 - 1979</i>	\$5.6 billion	\$38.8 billion
Brazil <i>1960 - 1974</i>	\$2.8 billion	\$35.4 billion
India <i>1969 - 2005</i>	\$13.4 billion	\$19.2 billion
China <i>1980 - 2003</i>	\$2.6 billion	\$91.9 billion
Taiwan <i>1960s</i>	\$1 billion	\$26 billion
Indonesia <i>1967 - 1998</i>	\$6.4 billion	\$6.9 billion
Turkey <i>1960 - 1994</i>	\$4.5 billion	\$10.5 billion
Mexico <i>1960 - 2005</i>	\$1.7 billion	\$16.3 billion



**Meet the New Consumers of U.S. Products:  
The World's Fastest Growing Economies**  
 Annual average GDP growth % (2001-2010)

1. Angola	11.1
2. China	10.5
3. Myanmar	10.3
4. Nigeria	8.9
5. Ethiopia	8.4
6. Kazakhstan	8.2
7. Chad	7.9
8. Mozambique	7.9
9. Cambodia	7.7
10. Rwanda	7.6

## NATIONAL SECURITY & GLOBAL POVERTY



Improving conditions for the world's poor is a cornerstone of the United States National Security Strategy. The Pentagon's "3Ds" for protecting the United States are Defense, Development and Diplomacy.

- Former Secretary of Defense Robert Gates; Chairman of the Joint Chiefs of Staff, Admiral Mike Mullen; General Colin Powell, and more than 50 retired three- and four-star Generals have called on Congress to better fund the International Affairs budget and development programs as a crucial means of protecting the United States.
- As a sign of the Pentagon's shifting strategy towards averting threats, while outlining how to protect the United States, the 2010 U.S. National Security Strategy mentions the word "development" 76 times. In contrast, the word "military" appears only 44 times.
- During the 2011 famine in Somalia, officials reported that the terrorist group al-Shabab grew significantly in numbers simply by providing starving families with food. By August, 30,000 children had died and UNICEF estimated that \$170 million was needed to stop the famine, a sum equivalent to what the U.S. was spending every eight-hours in Iraq at the time.
- When it comes to improving America's ability to address threats to our national security, 84% of post-9/11 military officers said that strengthening non-military tools, such as diplomacy and development efforts, should be at least equal to strengthening military efforts.

### The World's Most Dangerous Countries

1. Afghanistan
2. Iraq
3. Somalia
4. Pakistan
5. Sudan
6. Yemen
7. Democratic Republic of Congo
8. Guinea
9. Russian Caucasus
10. Nigeria

Nearly all are ranked among the poorest nations on earth.

### Charlie Wilson's Other War



After the Soviet Union left Afghanistan in the late 1980s, Congressman Charlie Wilson unsuccessfully pleaded with Congress to build schools and improve conditions for people in Afghanistan. In a scene depicted in the Tom Hanks movie *Charlie Wilson's War*, the Congressman foreshadows that no good can come from allowing a population of millions of young, hopeless people to live in squalor. In the following years, extremism engulfed Afghanistan and the Taliban took control of the country providing Osama bin Laden and al-Qaeda with a safe haven to operate and plan the 9/11 attacks.

*"Development is a lot cheaper than sending soldiers."*

- Fmr. Defense Secretary, Robert Gates

*"The worst nightmare for al Qaeda is to come into a community that feels supported and has hope."*

- Sen. Lindsey Graham (R-SC)

*"The events of September 11, 2001, taught us that weak states, like Afghanistan, can pose as great a danger to our national interest as strong states. Poverty does not make poor people into terrorists and murderers. Yet poverty, weak institutions, and corruption can make weak states vulnerable to terrorist networks and drug cartels within their borders."*

- The National Security Strategy of the Bush Administration

## U.S. INVOLVEMENT

### Public Perception vs. Reality

**25%:** Percentage of the Federal Budget that most American's believe goes to Foreign Aid.

**1%:** The actual percentage going to Foreign Aid. This includes funding embassies, promoting U.S. businesses overseas, trade, etc. Only 0.5% of the Federal Budget goes to assisting the world's poor and victims of war and disasters.

### Political Priorities by the Numbers

**\$660 Billion:** Annual U.S. Military spending.

**\$28 Billion:** Annual U.S. assistance to the world's poor.

*"Foreign aid is a minuscule part of our overall budget and it's not the reason why we have a growing debt in America."*

- Sen. Marco Rubio (R-FL)

*"Don't tell me what your values are. Show me your budget and I will tell you what you value."*

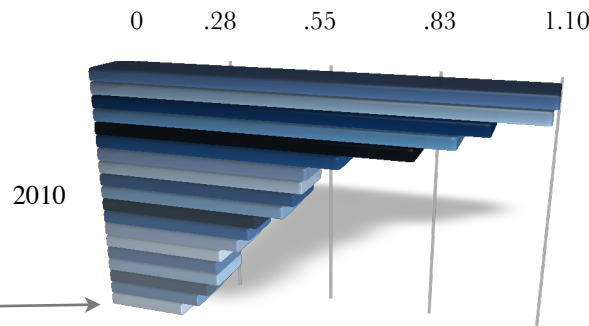
- Author Unknown

### The Biggest Givers: Countries Doing the Most

There are currently 18 wealthy nations that allocate a larger percentage of their Gross National Income to International Aid than the United States. The superstar nations in global do-gooding are:

1. Norway
2. Luxembourg
3. Sweden
4. Denmark
5. Netherlands
6. Belgium
7. U.K.
8. Finland
9. Ireland
10. France
11. Spain
12. Switzerland
13. Germany
14. Canada
15. Australia
16. Austria
17. Portugal
18. New Zealand
19. USA

Percentage of Gross National Income Allocated to Official Development Assistance



*"Every gun that is made, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and not clothed."*

- President Dwight D. Eisenhower

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