

U.S. Foreign Assistance

What Is U.S. Foreign Assistance?

Foreign assistance has been an instrument of U.S. foreign policy through which the U.S. government has provided resources to countries policymakers have deemed to be strategically important, countries in conflict, and other populations in need. Most U.S. foreign assistance prior to 2025 was administered by the U.S. Agency for International Development (USAID); the U.S. Departments of State (State), Agriculture, Health and Human Services, the Treasury, and Defense; and the Millennium Challenge Corporation (MCC). The Trump Administration has made changes to the U.S. government entities administering foreign assistance, including ceasing USAID's administration of ongoing foreign aid as of July 1, 2025. State appears now to be the lead U.S. foreign assistance provider, having assumed certain former USAID functions.

U.S. foreign assistance has taken many forms. Most aid has historically been provided on a grant basis through projects implemented by nonprofit organizations, businesses, U.S. government agencies, foreign governments, and multilateral organizations. Some aid has provided goods such as vaccines, malaria nets, food, military hardware, or textbooks. Some has included U.S. expertise like technical advice, training, and research products, or infrastructure like roads and power lines, among others, in a wide range of sectors (**Figure 1**). Some aid also has been provided as direct budget support (cash) to foreign governments or multilateral organizations.

Congress has authorized and appropriated foreign assistance through legislation, including the Foreign Assistance Act of 1961, as amended, and annual Department of State, Foreign Operations, and Related Programs (SFOPS) appropriations laws. (In the 119th Congress, the House Appropriations Committee renamed its former SFOPS Subcommittee as the National Security, Department of State, and Related Programs [NSRP] Subcommittee.) Congress also has conducted oversight of foreign aid programs using reporting and notification requirements, hearings, and Office of Inspector General and Government Accountability Office audits and investigations, among other means.

Rationales for and Against U.S. Foreign Assistance

Policymakers present varied arguments for and against U.S. foreign assistance.

Supporters of U.S. foreign assistance have tended to cite at least three rationales for providing foreign aid: *national security*, to help build stability and counter global threats; *commercial interests*, to expand U.S. export markets by supporting economic growth and trade integration; and *U.S. goodwill*, to meet vulnerable people's basic needs, such as food, shelter, and medicine.

Critics have tended to cite at least three rationales for limiting or not providing foreign aid: *ineffectiveness*, that

foreign aid does not produce intended results; *waste*, that taxpayer dollars are directed toward ill-advised or corrupt purposes; and *prioritizing other federal spending* that may more directly benefit U.S. citizens.

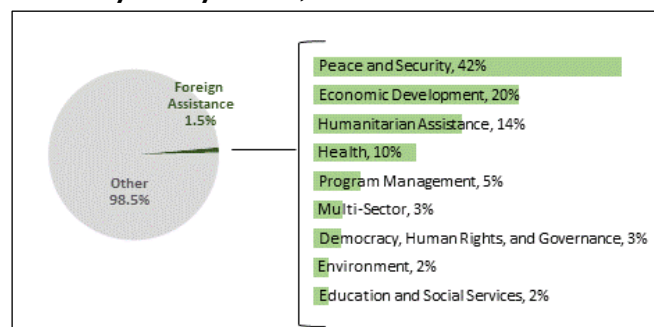
Both supporters and critics have advocated for foreign assistance reform. Proposals have included consolidating aid authorities into a single agency (variously, merging all aid into State, or elevating USAID to a Cabinet Department); reforming the Foreign Assistance Act to adjust priorities; eliminating or streamlining funding directives in annual appropriations; conditioning foreign assistance on recipients' meeting certain standards; substituting or complementing official aid with private and charitable dollars (including substituting more trade for aid); channeling more aid through local entities; steering aid to the highest-impact projects; and delivering aid through multilateral institutions instead of U.S. agencies.

How Much Is Spent on U.S. Foreign Assistance?

In FY2023, the most recent year for which near-complete data are available, the United States obligated an estimated \$99.9 billion in foreign assistance from all sources, as reported by foreignassistance.gov. This represented about 1.5% of the total federal budget (**Figure 1**) and 5.4% of discretionary budget authority. The total comprises funds pursuant to the SFOPS appropriations and aid from other appropriations, including supplemental funding for the U.S. response to Russia's 2022 full-scale invasion of Ukraine.

Among 32 donors reporting development assistance expenditures (which exclude military assistance), the United States ranked first in 2024 in dollar terms, and 24th out of 32 as a share of gross national income.

Figure 1. Foreign Aid as a Portion of Federal Budget Authority and by Sector, FY2023



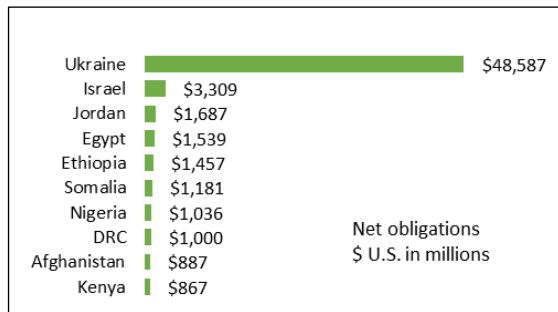
Source: [Foreignassistance.gov](https://foreignassistance.gov) data last updated on July 31, 2025, and accessed on August 4, 2025; CRS calculations.

Who Has Received U.S. Foreign Assistance?

Approximately 175 countries and territories received U.S. assistance in FY2023. Top U.S. bilateral aid recipients have been strategic allies, countries in humanitarian crisis, counterterrorism partners, and global health focus countries.

The top 10 FY2023 recipients accounted for about 62% of aid obligations (**Figure 2**).

Figure 2. Top Recipients of U.S. Aid, FY2023



Source: Foreignassistance.gov data last updated on July 31, 2025, and accessed on August 4, 2025; CRS calculations.

Historical Trends

Foreign aid levels have fluctuated depending on U.S. policy, crises abroad, and budget constraints (**Figure 3**).

U.S. foreign assistance funding rose in the 1980s due to more aid to Central America and efforts at Middle East peace, peaking within the decade in 1985. The end of the Cold War and a deficit reduction law led to lower aid funding in the 1990s, though aid to Eastern Europe increased to support democracy, foster private markets, and advance European integration. Aid resurged in the 2000s with aid related to wars in Iraq and Afghanistan and the launch of the President's Emergency Plan for AIDS Relief and MCC. In the early 2010s, foreign aid funding decreased as U.S. military operations in Iraq and Afghanistan scaled back alongside new fiscal constraints in the Budget Control Act of 2011. Assistance obligations remained steady through the late 2010s as Congress and the Administration assessed emerging crises and set new priorities, such as the Ebola epidemic in West Africa and the U.S. response to humanitarian needs amid the rise of the Islamic State.

For FY2018-FY2021, the first Trump Administration proposed deep annual cuts to foreign assistance; Congress opted to maintain or increase foreign aid. Focus areas included countering the global influence of the People's

Republic of China (PRC) and Russia (including through a new U.S. International Development Finance Corporation); humanitarian crises; and global health, including the COVID-19 response. Beginning in 2021, the Biden Administration set three cross-cutting priorities for foreign assistance: responding to climate change, addressing the COVID-19 pandemic, and combating authoritarianism. U.S. aid reached new peaks with enactment of foreign assistance packages for the U.S. response to Ukraine.

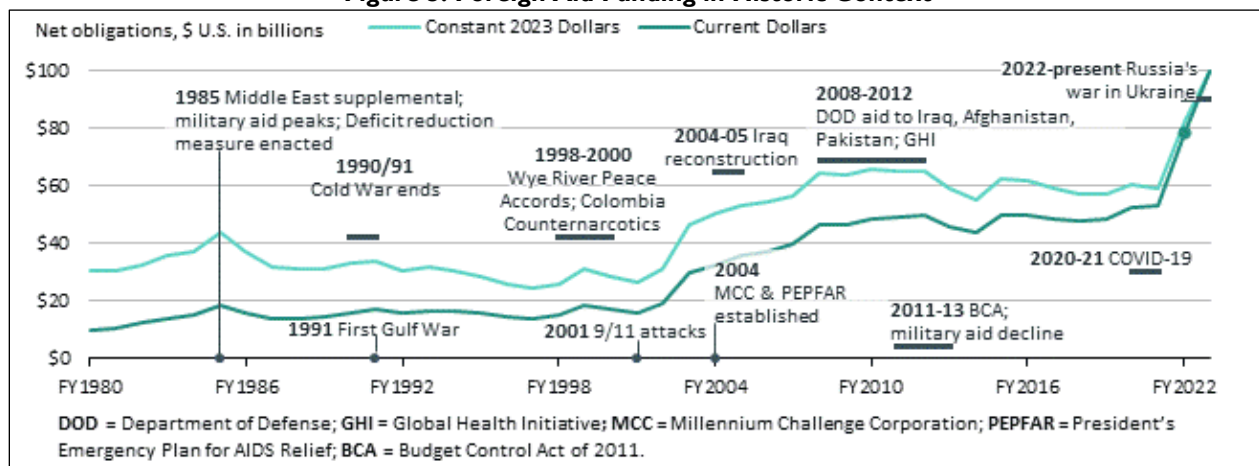
The second Trump Administration has cancelled many U.S. aid programs, largely ended USAID's administration of foreign aid, and requested a more than 40% cut to SFOPS aid funding for FY2026, relative to FY2025 enacted funding. The Administration appears to prioritize aid for select purposes, such as countering the PRC, addressing migration, stopping the movement of illicit drugs, and maintaining aid to Israel and other Middle East partners.

Role of Congress and Outlook

Congress has shaped U.S. foreign assistance. In authorizing and appropriating aid, Members may accept, reject, or otherwise respond to Administration budget requests and legislative proposals; seek to decrease, increase, or otherwise direct foreign assistance toward sectors and countries they assess to be priorities; authorize aid initiatives and agencies; require the Administration to produce aid strategies and reporting; and prohibit or condition certain assistance. Congress also may focus on the Administration's adherence to statutory requirements for foreign assistance, as well as the accountability and effective oversight of aid programs. Members may examine how, if at all, any such actions align with the Administration's foreign assistance aims and the Administration's ability to adjust assistance to meet what Congress assesses to be emerging needs.

For historical information on foreign assistance, see CRS Report R40213, *Foreign Assistance: An Introduction to U.S. Programs and Policy*. For current funding information, see CRS Report R48624, *Department of State, Foreign Operations, and Related Programs: FY2026 Budget and Appropriations*.

Figure 3. Foreign Aid Funding in Historic Context



Source: Foreignassistance.gov data last updated on July 31, 2025, and accessed on August 4, 2025; CRS calculations.

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