

## Foreign Affairs:

# How much has the Iran War cost the US?

September 2026



1. There are no official estimates that include all costs related to the war. However, based on estimates provided by the Pentagon, economists and other experts, we estimate that the war in Iran has cost the US at least \$35 billion per month, or about \$220 billion for the six months from the start of the war in late February through the end of August.
  - a. This equals **\$1,650 for each of the 135 million households in the US**. Military related costs are estimated at \$50 billion, or about \$370 for each US household. Higher costs for consumers, primarily higher energy costs, amount to over \$170 billion, or \$1,280 per household.
  - b. Of course, the war is not over as of September 12, 2026. If the war continues through the November election, the total cost will be approximately **\$300 billion, or \$2,200 per household**.
  - c. And this excludes other major costs, including Americans killed and injured, damage to our allies' infrastructure, disruption of the US economy, an emboldened Iran, and lost US prestige and influence.
2. Costs to the US military appear to be at least \$50 billion through August.
  - a. Secretary of Defense Pete Hegseth said in July that the cost of the Iran war [was \\$37.5 billion](#) through July 21, 2026. However, this is only a part of the total cost.
  - b. The Council on Foreign Relations reported in June that the deputy secretary of defense told members of Congress that the department will be requesting [\\$80 billion in supplemental funding](#) to cover the cost of the war and other expenses.
    - i. The CFR report goes on to say "That is almost certainly **a massive underestimate**. It does not include, for example, the cost of repairing the twenty U.S. bases in the region that suffered damage from Iranian attacks.
    - ii. The United States will also need to pay to repair or replace the forty-two U.S. military aircraft, both manned and unmanned, that were lost or damaged in the conflict.
    - iii. That \$80 billion estimate was just through June. The war started on February 28, so that represents four months of costs, or **\$20 billion per month**.
  - c. An analyst at the Harvard Kennedy School estimates the cost is even higher, [\\$60 billion per month](#). Reasons for this higher estimate include:
    - i. The Pentagon's cost estimates are based on the **historical cost** of the munitions used, and the **replacement costs** will be much higher.
    - ii. Also, as noted above at least 20 U.S. military installations in the region have been severely damaged, including bases, housing, missile systems, etc. These will take years to repair.
    - iii. There will also be large **disability benefits** for the US service people injured or exposed to toxic chemicals.
  - d. Moody's Analytics provides a more conservative estimate of [\\$370 per household](#), or **\$50 billion through August**. We are using this estimate in our total cost calculation above, recognizing that it is probably significantly understated.

- 3. The cost to US Households, in the form of higher prices, is even larger.**
- a. Moody's Analytics estimates that the war has cost U.S. consumers about \$1,280 per household, or over \$170 billion through August because of higher prices.
  - b. The largest share of that came through the **higher price of gasoline**. In addition, [fertilizer prices have climbed about 47%](#), which over time will contribute to rising food costs.
  - c. That is through the end of August, so nearly \$30 billion per month. And as of September 12, 2026, gas prices remain elevated.
  - d. Airlines are reporting significant [increases in fares for airline flights](#) to offset higher fuel costs.
  - e. The war is also resulting in [record high prices for diesel fuel](#), which is used to move goods through our economy, and that is likely to raise prices even further on groceries and other items.
- 4. Military costs and higher prices for US consumers are far from the only costs of the Iran war. Other major costs include:**
- a. **Americans killed and wounded:** Eighteen American service members have been killed and at least another 624 have been wounded in the war as of August 4.
  - b. **Damage to US allies** - The Gulf states (which include Saudi Arabia, the United Arab Emirates, Qatar, Kuwait, Oman, and Bahrain) suffered an estimated **\$58 billion in damage**, according to one estimate. The US may not directly incur this cost, but it is bound to factor in our ongoing relationships with these allies.
  - c. **A destabilized US economy** - The higher inflation caused by the war puts strain on family finances. It also increases interest rates. The [Center for American Progress](#) estimates that due to higher interest rates, households will spend an estimated additional \$4.6 billion, nonfinancial businesses will spend \$12.7 billion, and the government will pay \$30.8 billion more this year, **a total of \$48.1 billion in added interest costs**.
  - d. **An emboldened and enraged Iran** - The war has caused the deaths over [3,375 people in Iran](#), including 170 killed in what was likely a Tomahawk missile strike on a girls' school. The damage to Iran is extensive; by some estimates, it will cost [\\$300 billion to rebuild](#).
    - i. And [experts warn](#) that the attacks have damaged, but **not destroyed, Iran's nuclear program – the stated objective of the war has not been achieved**.
    - ii. The Council on Foreign Relations points out that this conflict allowed Iran to unveil [a new economic weapon](#) of mass destruction: using drones, missiles and mines, it was able to close the Strait of Hormuz to all but a trickle of the usual maritime traffic.
  - e. **Lost US prestige and influence** - A former US Ambassador to Saudi Arabia has stated, "the Iran war has [destroyed the reputation of the United States](#) for steadfast statecraft and leadership, discredited American diplomacy, and led to global hedging against perceived U.S. unreliability. The United States has lost the semiautomatic followership of allies and client states. When it now calls for others to join it in its economic warfare against Iran, few, if any, respond."

**Bottom line, the unnecessary war in Iran has cost us hundreds of billions of dollars, has killed and injured American service people, has failed to meet its objectives, and has weakened the US.**

For questions and comments, contact us at [info@centerforpolicyprogress.org](mailto:info@centerforpolicyprogress.org).