



US Government Space Budget Outlook

FY 2025

Federal Space Budget Outlook: FY 2025

This report provides an overview of the key federal entities involved in national security and civil space activities and examines the FY2025 budget allocations and program implications under the recently enacted Full-Year Continuing Appropriations and Extensions Act, 2025.

*This report aims to provide a high-level overview of relevant initiatives for this year's budget. If you would like to know more about a specific topic: **contact us at hello@resonance.holdings***



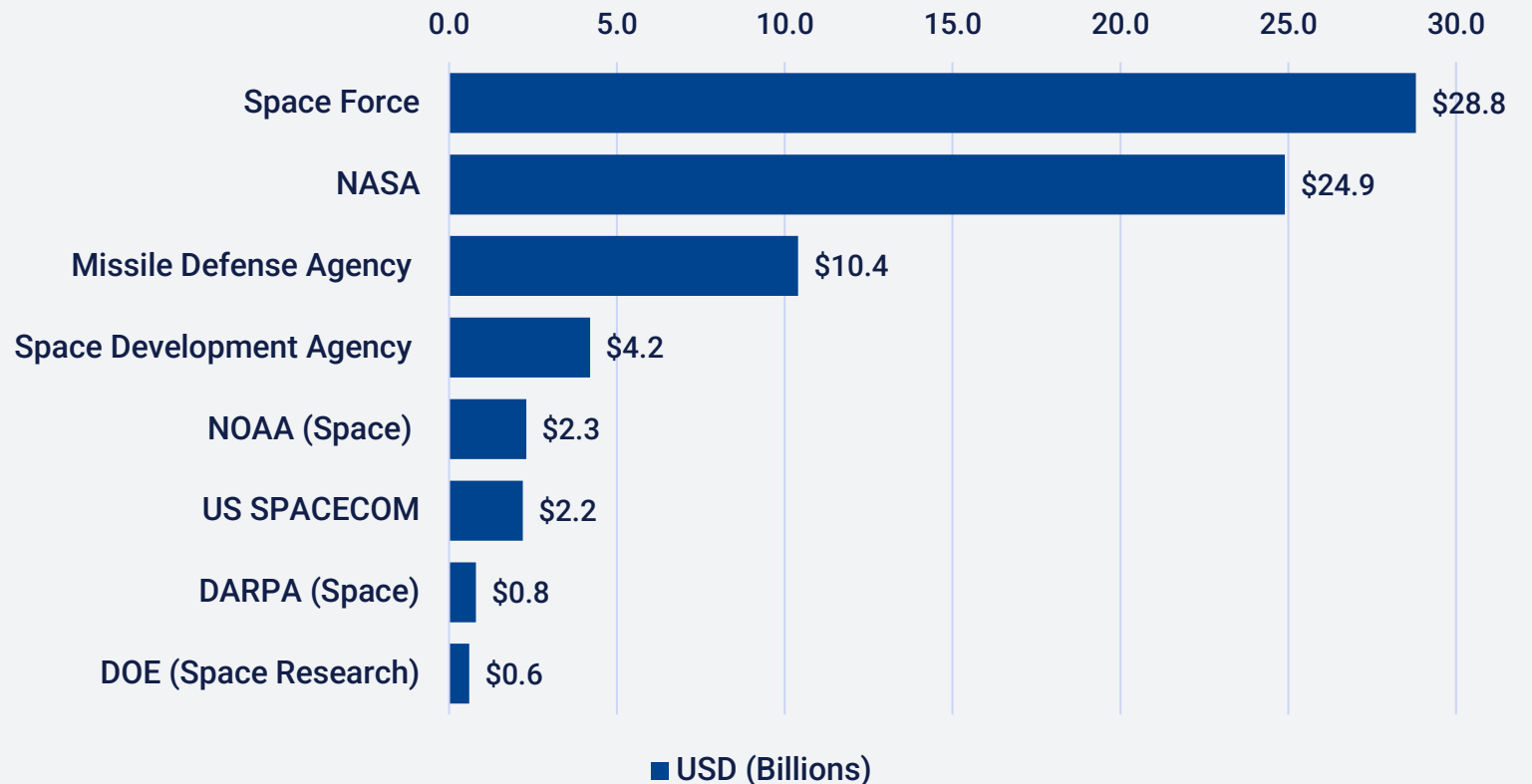
Funding for U.S. Space Activities by Federal Entity

As of March 2025, the total amount of federal funding allocated for U.S. space-related activities in 2025, including NASA, the Department of Defense (DoD) space programs, and other agencies, is not fully finalized due to ongoing budgetary processes and the recent use of a Continuing Resolution (CR).

The chart is based on publicly available information and projections for key space agencies with the largest budgets.

Caveats to the right-hand side chart:

- Does not show FCC or other DoD funding.
- The Space Development Agency's budget is a part of USSF's total budget.
- The budgets of the National Reconnaissance Office (NRO) and the National Geospatial Intelligence Agency (NGA), along with those of other U.S. intelligence agencies, are classified.



Key Takeaways for FY 2025 Space Funding

- The FY2025 funding framework provides relative stability for space programs, while navigating fiscal constraints, including an 8% annual cut in overall defense spending.
- Significant investments in Space Force, missile defense, and space-based intelligence reflect the strategic importance of space to national security. This trend is likely to continue regardless of political changes.
- While critical national security space capabilities receive continued funding, and major NASA programs remain intact, the restrictions inherent in the continuing resolution will delay some new initiatives and limit agencies' ability to adapt to emerging requirements.
- Investors should closely monitor agency spending plans as they are released in the coming months, as these will provide more granular insights into program priorities and potential contract opportunities.
- Looking ahead, we anticipate the FY2026 budget process to address longer-term funding needs more comprehensively. Major cuts to civil space funding have already been proposed and we will likely see a greater shift in funding allocated under DoD to space activities.
- Sustained U.S. leadership in space will require more comprehensive appropriations that fully account for evolving threats and national priorities in the space domain.

Defense/National Security Space Budget Outlook

Shifting in Funding to National Security Space Activities

- The Ukraine conflict, among other developments, has demonstrated the critical role of space in any future conflict.
- China's rapid development of new offensive space capabilities and continued expansion of its footprint in space poses a direct threat to U.S. space interests
- In April, Secretary of Defense Pete Hegseth announced that the Trump administration's Department of Defense budget request for FY 2026 will increase to \$1 trillion dollars; we should expect to see funding for national security and defense space programs increase.
- The growing threat from China, and to a lesser extent Russia, in recent months, has resulted in a shift in US Space Force priorities to focus on maintaining space superiority, through the development of both offensive and defensive capabilities; as well as modernization of the current missile defense systems through the creation of a "golden dome", and more robust coordination across agencies to streamline processes and better leverage US commercial space capabilities
- The U.S. joint forces integrated all-domain approach means space is likely to play a critical role in any future conflict.

Space will become more accessible to new entrants with new opportunities and pathways for commercial space companies

- As space becomes increasingly militarized, USG is increasingly reliant on commercial space capabilities
- While the U.S. commercial space sector has put up thousands of new satellites in the last 10 years, the U.S. military's presence in space has remained largely the same. There is now widespread recognition amongst senior leaders that the U.S. is not moving fast enough.
- We are likely to see a shift away from legacy contractors and more opportunities open-up for agile new space companies offering innovative, scalable and lower cost solutions.

Civil Space Budget Outlook

- While the Continuing Resolutions maintains funding for NASA at FY 2024 levels, we are likely to see future cuts to civilian space agencies and supporting programs.¹ The White House's draft budget for fiscal-year 2026 proposes significant cuts to NASA and NOAA.¹
- NASA's topline budget would be reduced by 20% to about \$20 billion. That CR sets funding for NASA's Science Mission Directorate at about \$7.3 billion for FY2025. However, the passback would provide just \$3.9 billion for the directorate in 2026, nearly a 50% decrease. Earth Science would be cut by more than 50% to just over \$1 billion; and, Planetary Science, would receive about a third less than what it received in 2024. The biggest hit would be to NASA's astrophysics division, which received about \$1.5 billion in 2024, but would get less than \$500 million in 2026. Projects like the Nancy Grace Roman Space Telescope, Mars Sample Return, and the DAVINCI Venus mission are at risk of being eliminated. The Goddard Space Flight Center may also face closure. NASA Earth science missions still in their early formulation phase, as well as those in extended operations, had been instructed to prepare termination plans for fiscal year 2026.
- NOAA's research arm could be cut by 75%, closing all weather and climate labs, severely affecting climate research and weather forecasting. These changes threaten the US's scientific leadership, which has historically relied on robust federal R&D funding.
- The OMB passback contradicts recent comments made by Jared Isaacman, the White House's nominee for NASA administrator, who claimed that: "NASA will be a force multiplier for science" at his April 9 confirmation hearing, and have also raised substantial backlash from advocates of science programs and key members of Congress. With proposed reductions to NASA and other agencies, the US investment in science and technology R&D is predicted to fall significantly.

¹ NASA has not completed allocations to its science divisions for 2025 based on the levels in the continuing resolution.

² The document, known as a passback, is not publicly released but is sent to agencies like NASA to allow them to make final appeals before the formal rollout of the budget proposal.