“American national power depends on a strong industrial sector capable of meeting both peacetime and wartime production demands.”
— National Security Strategy, President Donald J. Trump, November 2025, p. 4

President Trump’s National Security Strategy (NSS) is explicit that American power rests not only on our military forces, but on the strength and readiness of the industrial sector that supports them.

The NSS wisely defines industrial strength in operational terms: the ability to sustain production in peacetime and to surge rapidly under wartime conditions.

Under this framework, aggregate spending alone is not a sufficient measure of strength. A defense industrial base dominated by a small number of large contractors may appear strong by dollar value while remaining structurally fragile. True industrial strength depends on supplier depth, redundancy, and distributed production capacity across defense-relevant manufacturing, materials, electronics, engineering, sustainment, and logistics.

Using federal contracting data from fiscal years 2015 through 2024, this paper evaluates whether the structure of the current defense industrial base aligns with the requirements President Trump has set forth, and examines the role 8(a) firms play within that structure.

The issue is not program preservation as an end in itself, but whether eliminating an existing procurement mechanism would weaken the industrial characteristics the Trump NSS identifies as essential to American national power.

“That requires not only direct defense industrial production capacity but also defense-related production capacity.”
— National Security Strategy, President Donald J. Trump, November 2025, p. 4

Methodology is available at: https://www.8afacts.org/defense_industrial_base

Key Findings (FY2015–FY2024)

1. 8(a) firms are consistently over-represented in the defense-industrial supplier base. Across fiscal years 2015–2024, 8(a) firms comprised approximately 4–6 percent of active federal vendors, but 7–8 percent of vendors operating in defense-industrial NAICS. This yields a persistent concentration ratio of 1.3–1.6, indicating that 8(a) firms are materially more likely to participate in defense-industrial activity than the average federal vendor.

2. This pattern is stable across time and shocks.
The over-representation of 8(a) firms in defense-industrial NAICS holds across eleven fiscal years, including periods of procurement consolidation and COVID-era surge spending. The stability of this ratio across administrations and spending environments indicates a structural role rather than a transient or policy-driven anomaly.

3. 8(a) firms provide breadth, not dollar concentration.
While 8(a) firms represent a disproportionate share of defense-industrial vendors, they account for a modest share of defense-industrial obligations—generally 4–5 percent annually.

4. 8(a) defense-industrial obligations are significantly less concentrated than defense obligations overall, providing redundancy and bench depth.
From FY2015–FY2024, defense-industrial obligations across all vendors are highly concentrated, with the top 25 firms routinely receiving 35–45 percent of total defense-industrial dollars. By contrast, the top 25 8(a) defense-industrial firms receive approximately 25–30 percent of 8(a) defense-industrial obligations. This pattern holds at every cutoff examined (top 1, 5, 10, and 25 firms).

5. No single 8(a) firm dominates defense-industrial spending.
In no year does the largest 8(a) defense-industrial vendor account for more than 3–4 percent of 8(a) defense-industrial obligations. This contrasts with the broader defense industrial base, where single-firm shares regularly exceed 5–15 percent during surge periods. *The 8(a) segment therefore exhibits significantly lower single-point-of-failure risk*.

Metric	Defense Industrial Base (All Vendors)	8(a) Defense-Industrial Vendors	Real-World Consequence
Share of active federal vendors	—	~4–6%	Baseline presence
Share of defense-industrial vendors	100%	~7–8%	8(a) firms are over-represented in defense-industrial participation
Vendor concentration ratio (defense vs all)	—	1.3–1.6	Structural over-representation, stable over time

Metric	Defense Industrial Base (All Vendors)	8(a) Defense-Industrial Vendors	Real-World Consequence
Share of defense-industrial obligations	100%	~4–5%	Modest dollar share consistent with tier-2 / tier-3 roles
Top 1 firm share (defense dollars)	~4–15%	~2–4%	Lower single-point-of-failure risk
Top 10 firms' share	~21–33%	~13–18%	Broader distribution among 8(a) firms
Top 25 firms' share	~34–45%	~25–30%	Significantly less concentrated
Pattern stability (2015–2024)	—	Yes	Holds across COVID and surge periods

Across every year examined, 8(a) participation increases supplier breadth while reducing dollar concentration. The 8(a) segment is consistently less concentrated than the defense industrial base overall, indicating a structural contribution to redundancy and resilience rather than dominance or dependency.

Conclusion

President Trump's National Security Strategy makes clear that American national power depends on an industrial sector capable of sustaining peacetime production and surging rapidly in wartime. The data from FY2015–FY2024 show that 8(a) firms play a measurable role in delivering exactly those characteristics within defense-industrial sectors. They are consistently over-represented in the defense-industrial supplier base, broadly distributed across firms, and significantly less concentrated than defense contracting overall. This pattern reflects redundancy, depth, and reduced single-point-of-failure risk—core attributes of a resilient defense industrial base.