

To: Interested Parties
From: Center for American Progress
Date: July 15, 2026
Re: Costs of the Trump administration's war in Iran

State of Play

President Donald Trump's unlawful war of choice in Iran continues to impose severe costs on American households, U.S. service members, civilians in the Middle East, U.S. global interests, the environment, and the global economy. It is difficult to overstate the levels of harm that Trump's war has imposed over a short timeframe. With the effective collapse of the [June 17](#) ceasefire, both Iran and the Trump administration [announcing](#) a reinstatement of their blockades of the Strait of Hormuz, and President Trump calling for—and later [walking back](#)—a 20% fee on “all cargo shipped” through the strait, all these war-related costs are likely to continue to accumulate in the days and weeks ahead.

The Trump administration's deliberate obfuscation of expenditures, battlefield assessments, and other updates on the war makes estimating a precise total of the costs impossible. Acknowledging these constraints, the information below represents CAP's best effort to assess the full toll of President Trump's war in Iran on the United States and American interests.

Costs of the Iran War

Defense costs

- According to the Department of Defense (DOD), [14 American servicemembers](#) have been killed and at least another 414 were wounded in the war as of July 14.
- The DOD has neither provided adequate estimates of the costs of operations to date nor has provided enough clarity and detail around the nature of operations to allow for precise independent accounting. Nevertheless, reliable, independent estimates from the Center for Strategic and International Studies place the **total costs at between [\\$34 billion and \\$42 billion](#) as of June 23**, accounting for the costs of personnel deployments, munitions, equipment loss and damage, fuel, security, and other costs. Other estimates, which assume a broader range of costs and higher burn rate for munitions, suggest the cost of Operation Epic Fury [could have reached over \\$100 billion](#) by late June.
- **None of this necessitates immediate supplemental funding.** The best course of action for Congress is to provide additional general transfer authority for the current fiscal year and to ensure the DOD budget for the coming year reflects actual needs.

- o The DOD has already requested \$114 billion in its FY2027 appropriations request to replenish critical, high-demand munitions stockpiles—nearly five times the enacted funds for these munitions for FY2026—as well as an *additional* \$60 billion for other munitions development and procurement.
- o Congress should work with the Department of Defense to ensure that the FY2027 budget includes appropriate funding for the necessary magazine depth rather than seek to provide any additional funding through supplemental assistance.

Domestic economic costs

- Prices for fuel remain higher than before the Trump administration’s attacks on Iran. As of July 14, Americans had paid more than **\$68 billion in extra costs for gas and diesel** since the Iran war began, according to the Brown University [Iran War Energy Cost Tracker](#). That amounts to more than \$500 per household in higher costs.

The war in Iran is increasing costs for fuel

Prices of select commodities as of July 14, compared with prewar levels

Indicator	February 27, 2026 (before the war started)	July 14, 2026	% increase
 West Texas Intermediate crude oil (WTI) per barrel	\$67.02	\$79.95	+19.3%
 Brent crude oil per barrel	\$72.87	\$85.53	+17.4%
 Dutch Title Transfer Facility natural gas (TTF) per megawatt hour (MWh)	€31.98	€53.40	+67%
 Gasoline per gallon	\$2.98	\$3.86	+29.5%
 Diesel per gallon	\$3.76	\$4.88	+29.8%
 Jet fuel per gallon	\$2.50	\$3.38	+35.2%
 Heating oil per gallon	\$2.60	\$4.03	+54.9%

Notes: July 14 prices were collected before markets closed. Prices for gasoline and diesel reflect U.S. averages, while jet fuel is the average for Chicago, Houston, Los Angeles, and New York. The July 13 prices for jet fuel represent the latest data available.

Source: MarketWatch, "Crude Oil Continuous Contract" (last accessed July 2026); MarketWatch, "Brent Crude Oil Continuous Contract" (last accessed July 2026); AAA, "National Average Gas Prices" (last accessed July 2026); Camila Domonoske, "Gasoline prices are still rising as the Iran war stretches into its third week," NPR, March 16, 2026; Airlines for America, "Daily Jet Fuel Spot Prices" (last accessed July 2026); MarketWatch, "Heating Oil Continuous Contract" (last accessed July 2026); TradingView, "Dutch TTF Natural Gas Calendar Month Futures" (last accessed July 2026).

Table: Center for American Progress

- **Gas and diesel prices are about 30% higher than before the war.** The national average price for regular gasoline was \$3.86 per gallon as of July 14, compared with \$2.98 on February 27, according to [AAA](#).
 - o As of July 14, nine states (Alaska, California, Hawaii, Idaho, Illinois, Nevada, New York, Oregon, Washington) and Washington, D.C. had [regular gas prices](#) above \$4 per gallon. The states with the highest percentage increases (40% or more) relative to prices [before the war](#) were Montana, New Mexico, Utah, and Wyoming.

- o With oil prices increasing in response to rising tensions, gas prices are [going up](#) and [unlikely to come down](#) anytime soon. Even back in April, Secretary of Energy [Chris Wright](#) said that gas falling back below \$3 “might not happen until next year.”
- Higher fuel prices helped push **inflation up to the highest level in three years**. The annual increase in the Consumer Price Index (CPI) for May ([4.2%](#)) was the highest since [April 2023](#). While inflation cooled in June ([3.5%](#)), inflation still erased nearly all of workers’ wage gains over the past 12 months.
- **The war has driven up interest rates**, making it more expensive to borrow. 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.
- **The total cost of the war so far is about [\\$1,100 per American household](#)**, considering the roughly **\$150 billion in costs to date** across higher costs for energy, airfare, groceries, and borrowing plus defense spending, according to Moody’s Analytics chief economist [Mark Zandi](#).

Geopolitical costs

- China has successfully exploited the conflict to [recast itself as a responsible international actor](#)—contrasting itself favorably with President Trump’s unilateralism and militarism—and strengthened its negotiating position with the United States.
- The Trump administration’s [suspension of oil sanctions on Russia](#) in an attempt to stabilize the oil market has resulted in an economic boon for Russia, which earned an additional [\\$2.3 billion](#) in May alone.
- The redeployment of critical U.S. military assets, especially [missile defense batteries in South Korea](#), and [consumption of munitions](#) needed by Ukraine have weakened allied security and raised questions about U.S. reliability.
- Iran’s ability to survive the combined U.S.-Israeli effort to overthrow the regime has [emboldened Tehran](#), weakening U.S. deterrence and encouraging Iran to adhere to maximalist positions on control of the Strait of Hormuz and its nuclear program.
- The U.S. failure to neutralize Iran’s threat to Gulf partners has both [reduced American influence](#) over key international players and [negatively impacted](#) their economic growth at a time when the region faces massive capital needs, such as for reconstruction and stabilization in [Gaza](#), Lebanon, and other locations.

Humanitarian costs

- The independent Iranian civil society organization Human Rights Activists News Agency ([HRANA](#)) estimated that at least 1,701 Iranian civilians, including 307 children, had been killed in the war from February 28 to April 8.

- According to [Airwars](#), at least 157 Iranian civilians, the vast majority schoolgirls, were killed in a single incident, a U.S. strike on a school in Minab, Iran, on the first day of the war (February 28).
- Al Jazeera reported at least [26,500 people](#) had been injured as of June 10.
- As of June 10, 26 Israeli civilians have been confirmed killed, while over 7,800 other Israelis have been wounded or hospitalized, according to [Al Jazeera](#).

Environmental and health costs

- From February through March 2026, there were more than [300 incidents of potential environmental harm](#) documented across 12 countries, concentrated along the Gulf coast and Tehran. Resulting “[black rain](#)” from strikes carried soot, ash, toxic chemicals, [burnt fuel residue](#), and possibly [asbestos/silica debris](#). Heavy metals and PFAS are leaching into groundwater and soil, creating a [lasting toxic legacy](#) as seen in Iraq, Afghanistan, Gaza, Ukraine, and Lebanon.
- Bombed [oil facilities](#) (Tehran, Aghdasieh, Shahrān, Karaj), chemical plants, and weapons depots turned smog into “[apocalyptic](#)” [toxic haze](#) with [days-long fires](#), prompting [stay-indoors warnings](#) amid releases of toxic residues, such as hydrocarbons, sulfur oxides, and nitrogen compounds.