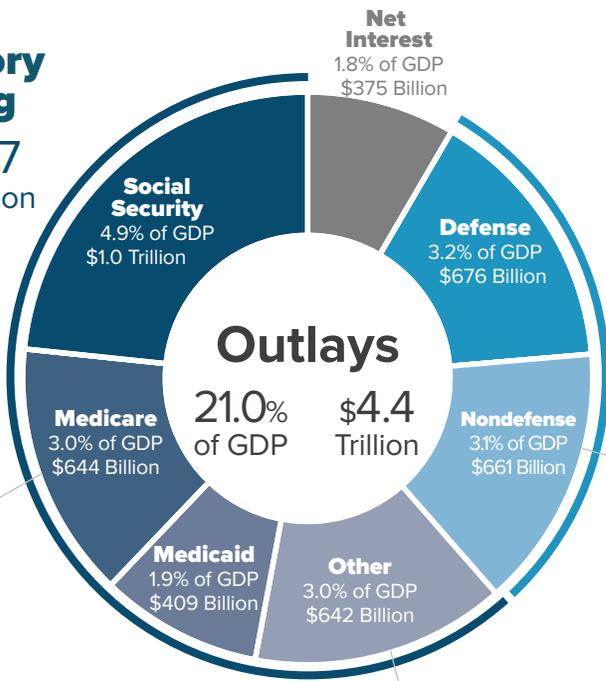


THE FEDERAL BUDGET IN 2019

Mandatory Spending

12.9% of GDP \$2.7 Trillion



Outlays for Medicare minus income from premiums and other offsetting receipts

Outlays for unemployment compensation, federal civilian and military retirement, some veterans' benefits, the earned income tax credit, the Supplemental Nutrition Assistance Program, and other mandatory programs, minus income from offsetting receipts

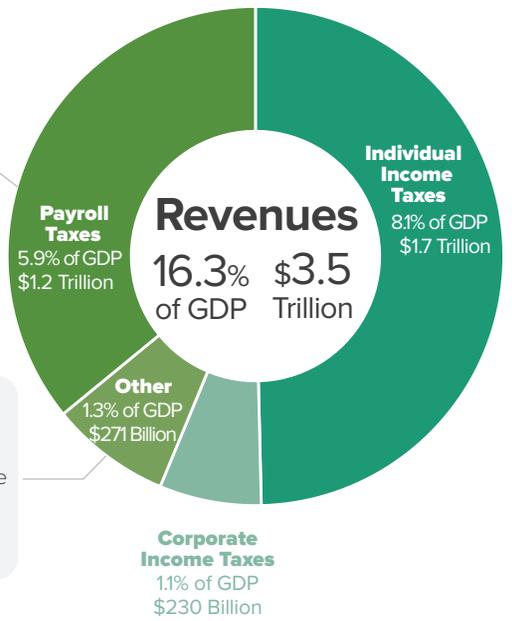
Discretionary Spending

6.3% of GDP \$1.3 Trillion

Outlays for many programs related to transportation, education, veterans' benefits, health, housing assistance, and other activities

Taxes that fund social insurance programs, primarily Social Security and Medicare's Hospital Insurance program

Excise taxes, estate and gift taxes, customs duties, remittances from the Federal Reserve, and miscellaneous fees and fines



CATEGORIES OF THE BUDGET

Mandatory Spending

Primarily payments for benefit programs for which laws set eligibility rules and benefit formulas

Discretionary Spending

Spending that lawmakers control through annual appropriation acts

Net Interest

The government's interest payments on debt held by the public, offset by interest income the government receives

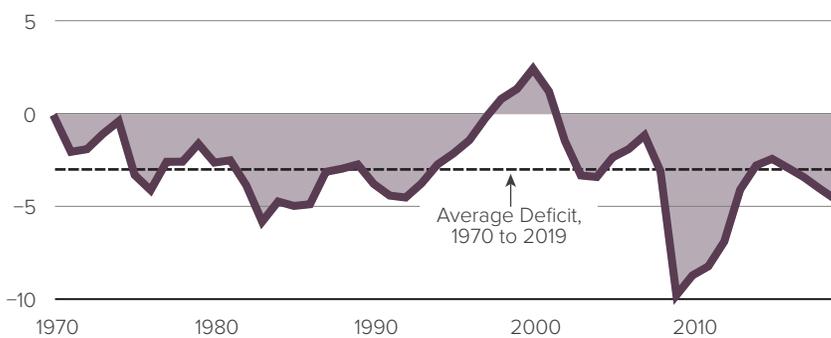
Revenues

Funds collected from the public that arise from the government's exercise of its sovereign powers

DEFICITS AND THE DEBT

Federal Deficits or Surpluses, 1970 to 2019

Percentage of Gross Domestic Product



Annual Deficit or Surplus = Revenues – Outlays

To fund government spending in years of deficits, the government borrows from individuals, businesses, and other countries by selling them Treasury securities

3.0%
of GDP

Deficit, on average, over the past 50 years

4.6%
of GDP

Deficit in 2019

\$1.0 Trillion

Deficit in 2019

43%
of GDP

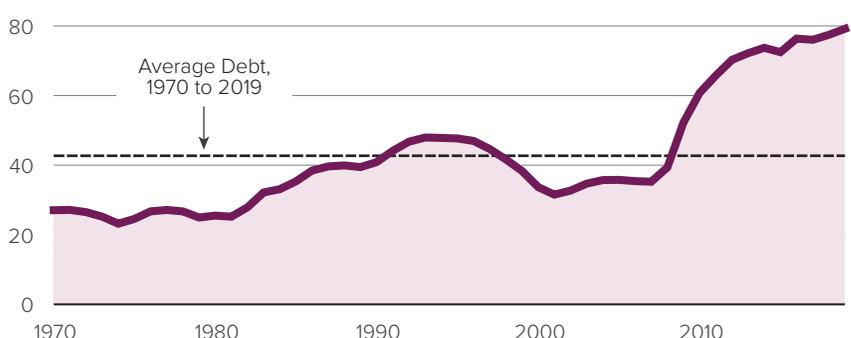
Debt held by the public, on average, over the past 50 years

79%
of GDP

Debt held by the public at the end of 2019

Federal Debt Held by the Public, 1970 to 2019

Percentage of Gross Domestic Product



Debt

Debt held by the public is roughly equal to the sum of annual deficits and surpluses.