THE FEDERAL BUDGET IN FISCAL YEAR 2022

**Mandatory Spending**
Primarily payments for benefits programs whose eligibility rules and benefit formulas are set by law.

**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**
Taxes and other funds collected from the public that arise from the government’s exercise of its sovereign powers.

**Categories of the Budget**

Federal Deficits and Debt

Federal Deficits or Surpluses, 1973 to 2022

- 5.5% of GDP: Deficit in 2022
- 3.6% of GDP: Deficit, on average, over the past 50 years
- 3.0% of GDP: Deficit in 2022
- 5.9% of GDP: Debt held by the public at the end of 2022
- 46.9% of GDP: Debt held by the public, on average, over the past 50 years

Federal Debt Held by the Public, 1973 to 2022

- 46.9% in 2022
- Average Deficit, 1973 to 2022: -3.6%

**Annual Deficit or Surplus = Revenues − Outlays**

To fund government spending in years of deficits, the Treasury borrows from individuals, businesses, the Federal Reserve, and other countries.

Data source: Congressional Budget Office, March 2023

Prepared by Dan Ready, Jorge Salazar, and Caitlin Verboon
A Closer Look at Mandatory Spending

Primarily payments for benefit programs whose eligibility rules and benefit formulas are set by law.

### At a Glance

- **Mandatory outlays by the federal government in 2022**: $4.1 Trillion
- **Outlays for Social Security and Medicare in 2022**: $2.0 Trillion
- **Mandatory outlays in 2022**: 16.5% of GDP
- **Average annual mandatory outlays between 2002 and 2021**: 12.9% of GDP

### Mandatory Outlays

**$4.1 Trillion**

### Mandatory Outlays in 2002 and 2022

#### Percentage of GDP

<table>
<thead>
<tr>
<th>Program</th>
<th>2002</th>
<th>2022</th>
<th>Change, as a Percentage of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Health Care Programs</td>
<td></td>
<td></td>
<td>2.3</td>
</tr>
<tr>
<td>Medicare</td>
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<tr>
<td>Medicaid</td>
<td></td>
<td>0.9</td>
<td></td>
</tr>
<tr>
<td>Social Security</td>
<td></td>
<td></td>
<td>0.7</td>
</tr>
<tr>
<td>Old-Age and Survivors Insurance</td>
<td></td>
<td>0.4</td>
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</tr>
<tr>
<td>Disability Insurance</td>
<td></td>
<td></td>
<td>0.2</td>
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<tr>
<td>Income Security Programs</td>
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<td></td>
<td>0.7</td>
</tr>
<tr>
<td>Earned Income, Child, and Other Tax Credits</td>
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<td>0.2</td>
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<tr>
<td>Supplemental Nutrition Assistance Program</td>
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<tr>
<td>Federal Civilian and Military Retirement Benefits</td>
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<td></td>
<td>1.9</td>
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<tr>
<td>Family Support and Foster Care</td>
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<td>0.4</td>
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<tr>
<td>Child Nutrition</td>
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<td></td>
<td>0.3</td>
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<tr>
<td>Unemployment Compensation</td>
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<td>0.3</td>
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<tr>
<td>Student Loan Programs</td>
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<td>0.1</td>
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<tr>
<td>Federal Civilian and Military Retirement Benefits</td>
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<td>0.1</td>
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<tr>
<td>Certain Veterans’ Programs</td>
<td></td>
<td></td>
<td>0.0</td>
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<tr>
<td>Certain Programs Enacted in Response to the Coronavirus Pandemic</td>
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<td></td>
<td>0.0</td>
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<tr>
<td>Other Program</td>
<td></td>
<td></td>
<td>0.9</td>
</tr>
</tbody>
</table>

### Change, as a Percentage of GDP

- **2002**: 2.0 Trillion
- **2022**: 12.9% of GDP
At a Glance

$1.7 Trillion
Discretionary outlays by the federal government in 2022

$0.9 Trillion
Outlays for nondefense programs, which accounted for more than half of the discretionary total, in 2022

6.6% of GDP
Discretionary outlays in 2022

7.3% of GDP
Average annual discretionary outlays between 2002 and 2021

Discretionary Outlays

$1.7 Trillion

Defense $751 Billion
Nondefense $910 Billion

Trends in Discretionary Outlays

Percentage of GDP

Average annual discretionary outlays between 2002 and 2021: 7.3% of GDP
Discretionary outlays in 2022: 6.6% of GDP
Outlays for nondefense programs, which accounted for more than half of the discretionary total, in 2022: $0.9 Trillion
Discretionary outlays by the federal government in 2022: $1.7 Trillion

At a Glance

Spending that lawmakers control annually through appropriation acts

Discretionary

Nondefense

Defense

Other

$290 Operation and Maintenance

$170 Military Personnel

$156 Procurement

$107 Research, Development, Test, and Evaluation

$48 Other

Other includes outlays for general government; agriculture; administrative costs of Medicare and Social Security; energy; and commerce and housing credit programs.

Nondefense includes outlays for government; agriculture; administrative costs of Medicare and Social Security; energy; and commerce and housing credit programs.

Other includes outlays for general government; agriculture; administrative costs of Medicare and Social Security; energy; and commerce and housing credit programs.
A Closer Look at Revenues

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

At a Glance

Revenues received by the federal government in 2022
Revenues from individual income taxes, the largest source of revenues, in 2022
Revenues in 2022
Average annual revenues between 2002 and 2021

$4.9 Trillion
$2.6 Trillion
19.6% of GDP
16.5% of GDP

<table>
<thead>
<tr>
<th>Source of Revenues</th>
<th>Percentage of GDP</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Income Taxes</td>
<td>16.5%</td>
<td>$2.632 Trillion</td>
<td>[39x562]</td>
</tr>
<tr>
<td>Corporate Income Taxes</td>
<td>3.6%</td>
<td>$425 Billion</td>
<td>[582x1104]</td>
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<tr>
<td>Payroll Taxes</td>
<td>2.7%</td>
<td>$1,484 Billion</td>
<td>[49x963]</td>
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<tr>
<td>Excise Taxes</td>
<td>0.1%</td>
<td>$78 Billion</td>
<td>[59x1173]</td>
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<tr>
<td>Customs Duties</td>
<td>0.1%</td>
<td>$100 Billion</td>
<td>[718x111]</td>
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<tr>
<td>Estate and Gift Taxes</td>
<td>0.0%</td>
<td>$33 Billion</td>
<td>[786x1979]</td>
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<tr>
<td>Estate and Gift Taxes</td>
<td>0.0%</td>
<td>$33 Billion</td>
<td>[786x1979]</td>
</tr>
<tr>
<td>Federal Reserve Remittances</td>
<td>0.0%</td>
<td>$107 Billion</td>
<td>[559x5]</td>
</tr>
<tr>
<td>Miscellaneous Fees and Fines</td>
<td>0.0%</td>
<td>$29 Billion</td>
<td>[671x977]</td>
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<tr>
<td>Hospital Insurance</td>
<td>0.0%</td>
<td>$339 Billion</td>
<td>[700x1468]</td>
</tr>
<tr>
<td>Other</td>
<td>0.0%</td>
<td>$78 Billion</td>
<td>[559x5]</td>
</tr>
</tbody>
</table>

Revenues received by the federal government in 2022:
$4.9 Trillion

Receipts from individual income taxes, the largest source of revenues, in 2022:
$2.6 Trillion

Revenues in 2022:
19.6% of GDP

Average annual revenues between 2002 and 2021:
16.5% of GDP

Trends in Revenues

Percentage of GDP

<table>
<thead>
<tr>
<th>Year</th>
<th>Individual Income Taxes</th>
<th>Payroll Taxes</th>
<th>Corporate Income Taxes</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>16.5%</td>
<td>2.7%</td>
<td>3.6%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2006</td>
<td>16.5%</td>
<td>2.7%</td>
<td>3.6%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2010</td>
<td>16.5%</td>
<td>2.7%</td>
<td>3.6%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2014</td>
<td>16.5%</td>
<td>2.7%</td>
<td>3.6%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2018</td>
<td>16.5%</td>
<td>2.7%</td>
<td>3.6%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2022</td>
<td>16.5%</td>
<td>2.7%</td>
<td>3.6%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Individual Income Taxes:
- Jobs and Growth Tax Relief Reconciliation Act of 2002
- American Taxpayer Relief Act of 2012
- Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010

Payroll Taxes:
- 2007 Tax Act

Corporate Income Taxes:
- 2007 Tax Act

Other:
- 2007 Tax Act

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