**THE FEDERAL BUDGET IN 2017**

**Mandatory Spending**
131% of GDP
$2.5 Trillion

**Spending**
20.8% of GDP
$4.0 Trillion

**Discretionary Spending**
6.3% of GDP
$1.2 Trillion

**Net Interest**
14% of GDP
$613 Billion

**Revenues**
17.3% of GDP
$3.3 Trillion

**Definitions**
- *Mandatory Spending*: Spending on programs for which Congress is not free to 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.
- *Funds collected from the public that arise from the government’s exercise of its sovereign powers.*

**Federal Deficits or Surpluses, 1968 to 2017**
- **Deficit as a percentage of GDP**: 2.9% in 1968, 3.5% in 1978, 0.7% in 2017, 41% in 1988, 60% in 2008.
- **Debt held by the public as a percentage of GDP**: 20.8% in 1968, 60% in 1978, 41% in 1988, 60% in 2008.

**Federal Debt Held by the Public, 1968 to 2017**
- **Average Debt, 1968 to 2017**: $1.2 Trillion
- **Debt held by the public as a percentage of GDP**: 2.9% in 1968, 3.5% in 1978, 0.7% in 2017, 41% in 1988, 60% in 2008.

**Categories of the Budget**
- **Mandatory Spending**: Primarily 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.

**The Annual Deficit or Surplus**
- **Deficit as a percentage of GDP**: 2.9% in 1968, 3.5% in 1978, 0.7% in 2017, 41% in 1988, 60% in 2008.
- **Debt held by the public as a percentage of GDP**: 20.8% in 1968, 60% in 1978, 41% in 1988, 60% in 2008.

**The Federal Budget**
- **Funds collected from the public that arise from the government’s exercise of its sovereign powers.**

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

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Source: Congressional Budget Office, March 2018

All data are for federal fiscal years, which run from October 1 to September 30. Numbers may not add up to totals because of rounding.