

Federal Deficits and Debt

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Deficit (2012)

Outlays	\$3.563 Trillion
Revenues	<u>\$2.435 Trillion</u>
Deficit	\$-1.128 Trillion

Source: CBO Projection

Where the Federal Dollar Spent Comes From:

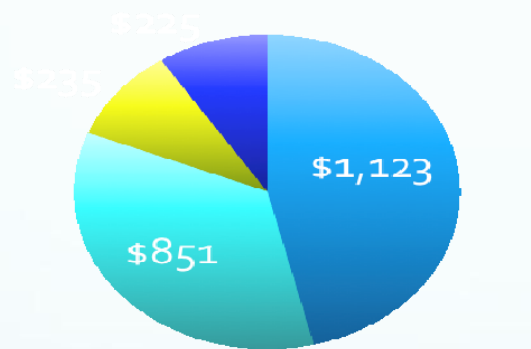
$$2.435 \div 3.563 = .68$$

\$1 spent = 68¢ revenue + 32¢ borrowed

Source: CBO Projection

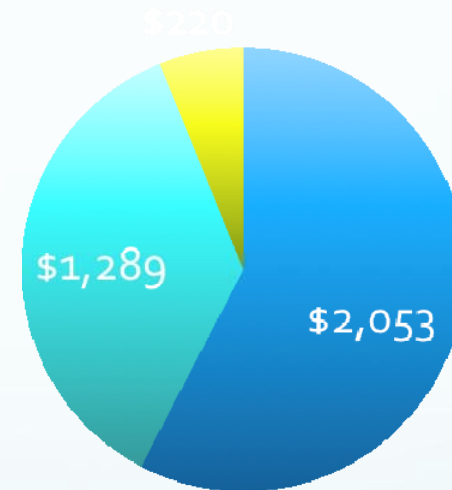
Federal Revenues and Outlays, 2012 (in billions)

Revenues



- Individual income taxes
- Social insurance taxes
- Corporate income taxes
- Other

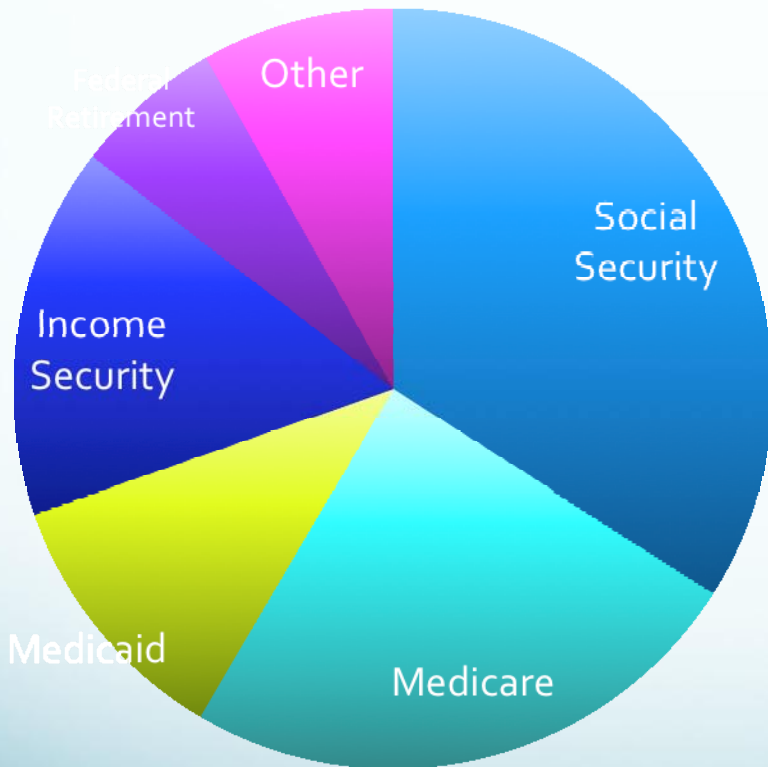
Outlays



- Mandatory
- Discretionary
- Net Interest

Source: CBO Projection

Mandatory Outlays, 2012 (in \$ Billions)



Social Security	\$768
Medicare	\$550
Medicaid	\$253
Income Security	\$357
Federal Retirement	\$143
Other	\$185

Source: CBO Projection

CBO Baseline Projections 2002-2011

- **January 2001 projection:** \$5.6 Trillion Surplus over next 10 years.
- **Actual:** \$6.1 Trillion cumulative deficit.
- **Total change:** \$11.7 Trillion.

Explanation of \$11.7 Trillion Change over 10 years (\$ billions)

What happened after the January 2001 Estimation of \$5,610 Total Surplus?

1) Changes to Outlay Projections:

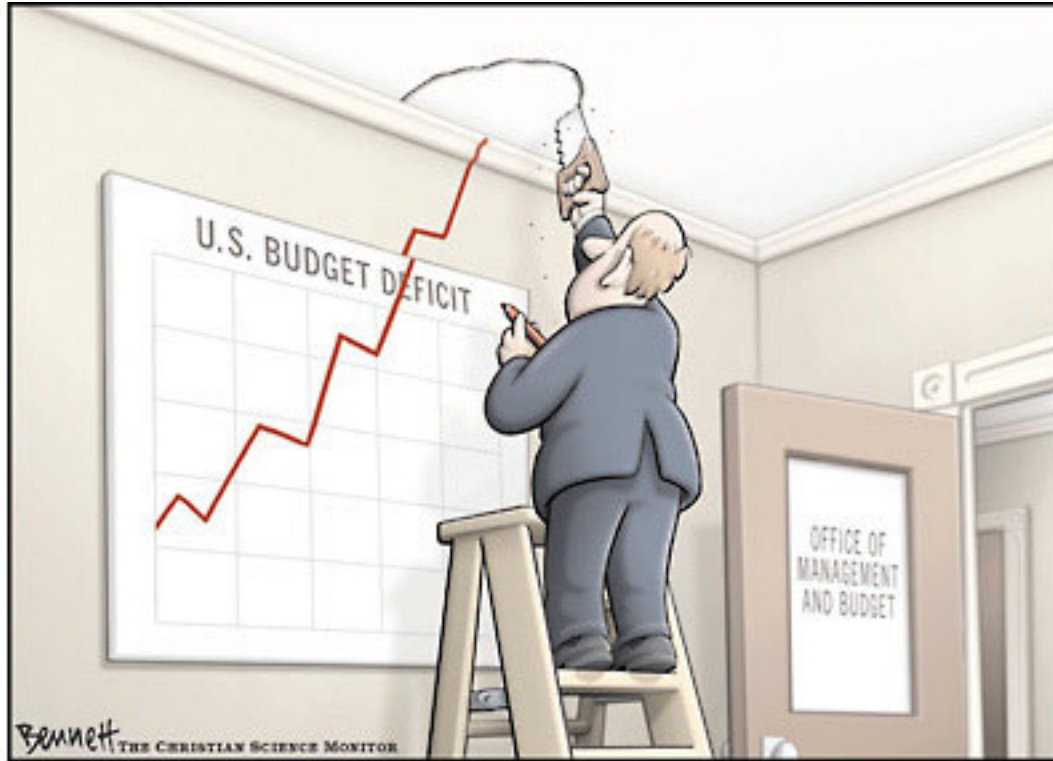
\$2,948 Discretionary (Legislative)
\$1,392 Mandatory (Legislative)
\$1,375 Net Interest (Legislative)
- \$112 Economic and Technical
\$5,602 Total Outlay Changes

2) Changes to Revenue Projections:

- \$2,808 Legislative Changes
- \$3,339 Economic and technical changes
- \$6,147 Total Revenue Changes

Total Impact on 2001 Projected Surplus = - \$11,749

Actual Cumulative Surplus or Deficit (-) = - \$6,140



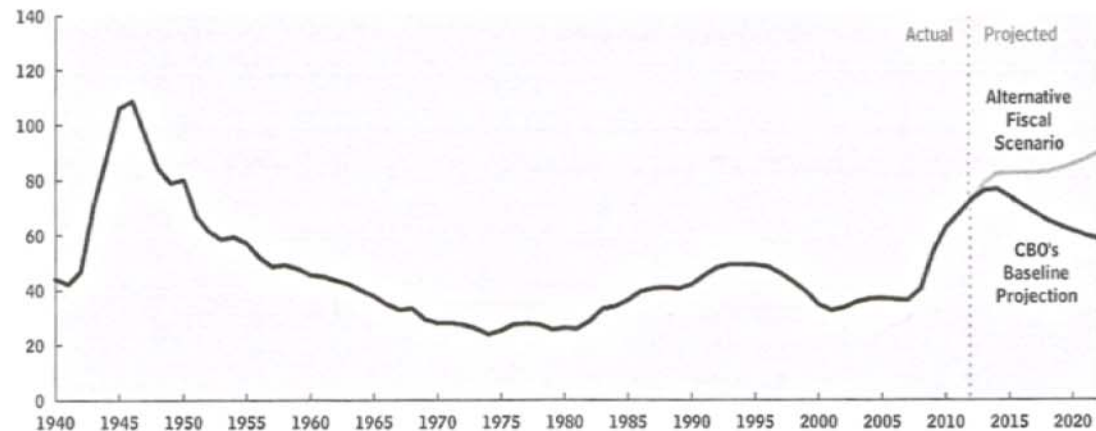
Federal Debt Held by the Public: Historically and As Projected in CBO's Baseline and Under an Alternative Fiscal Scenario

vi AN UPDATE TO THE BUDGET AND ECONOMIC OUTLOOK: FISCAL YEARS 2012 TO 2022

Summary Figure 1.

Federal Debt Held by the Public, Historically and As Projected in CBO's Baseline and Under an Alternative Fiscal Scenario

(Percentage of gross domestic product)

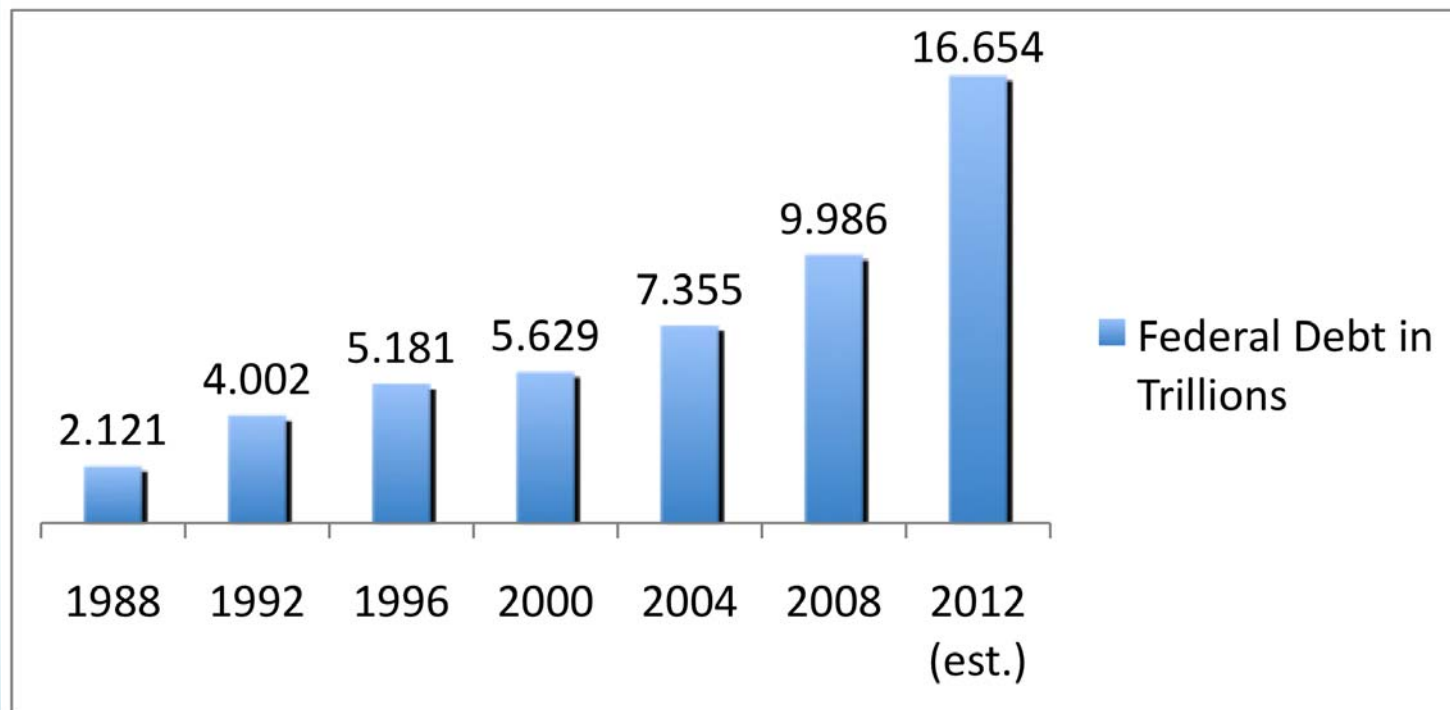


Source: Congressional Budget Office.

Note: The alternative fiscal scenario incorporates the assumptions that all expiring tax provisions (other than the payroll tax reduction), including those that expired at the end of December 2011, are instead extended; that the alternative minimum tax is indexed for inflation after 2011 (starting at the 2011 exemption amount); that Medicare's payment rates for physicians' services are held constant at their current level; and that the automatic enforcement procedures specified by the Budget Control Act of 2011 do not take effect. The budgetary effects under the alternative fiscal scenario also include the incremental interest costs associated with projected additional borrowing.

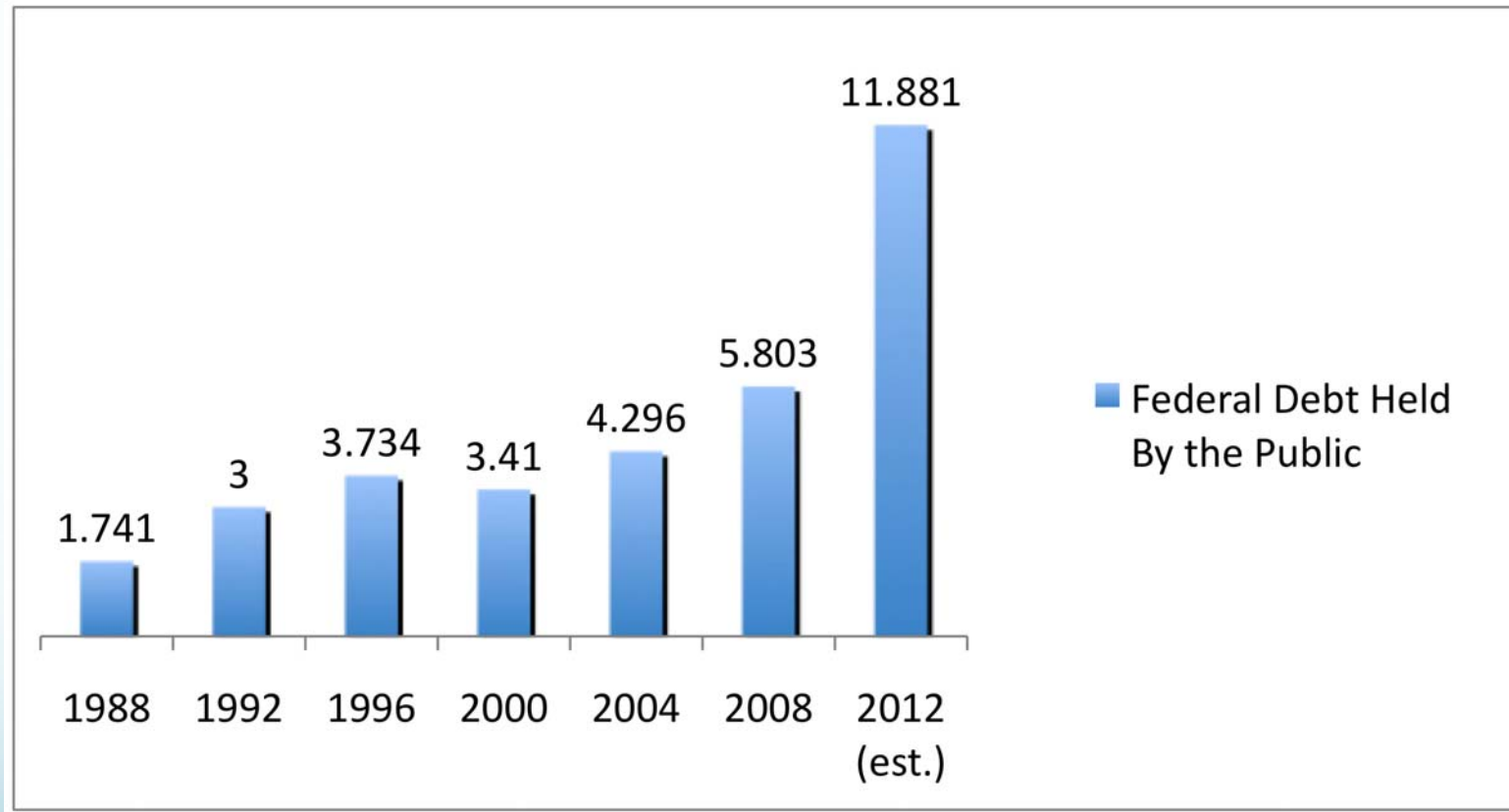
Gross Federal Debt, 1990-2012

(\$ Trillions)



Source: OMB FY2012 Historical Tables (Table 7.1)

Federal Debt Held By The Public, 1990-2012 (\$ Trillions)



Source: OMB FY2012 Historical Tables (Table 7.1)