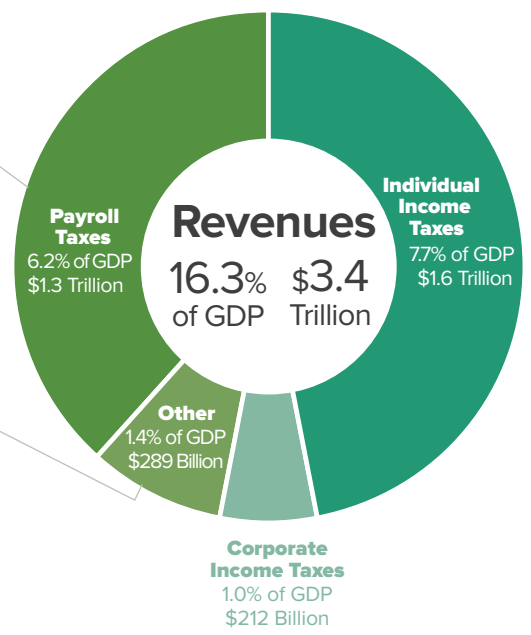


THE FEDERAL BUDGET IN FISCAL YEAR 2020

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



Mandatory Spending

21.8% of GDP
\$4.6 Trillion

Net Interest
1.6% of GDP
\$345 Billion

Outlays

31.2% of GDP
\$6.6 Trillion

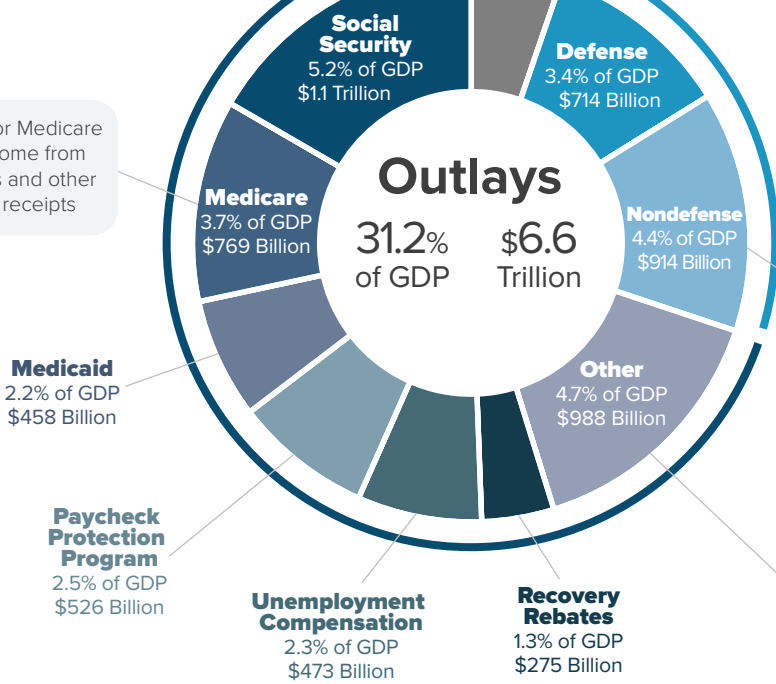
Discretionary Spending

7.8% of GDP
\$1.6 Trillion

Outlays for Medicare minus income from premiums and other offsetting receipts

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

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



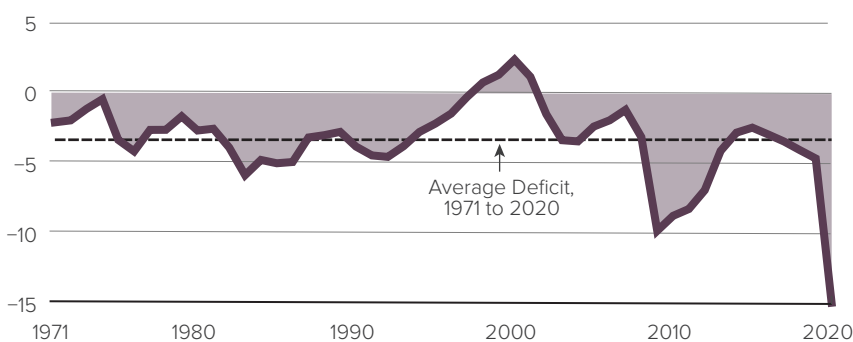
CATEGORIES OF THE BUDGET

Category	Description
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, 1971 to 2020

Percentage of Gross Domestic Product



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.

14.9%
of GDP

Deficit in 2020

3.3%
of GDP

Deficit, on average, over the past 50 years

\$3.1 Trillion

Deficit in 2020

100%
of GDP

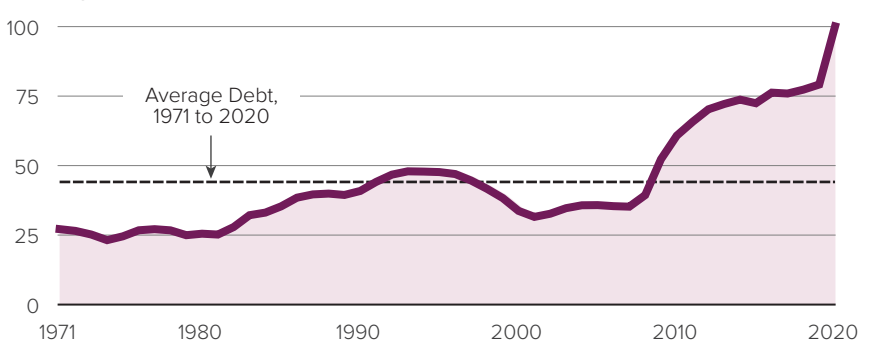
Debt held by the public at the end of 2020

44%
of GDP

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

Federal Debt Held by the Public, 1971 to 2020

Percentage of Gross Domestic Product



Debt

Debt held by the public is roughly equal to the sum of annual deficits and surpluses from prior years plus the Treasury's cash balances and outstanding federal loans.