

The Federal Budget Now and In the Future



THE CONCORD COALITION

www.concordcoalition.org



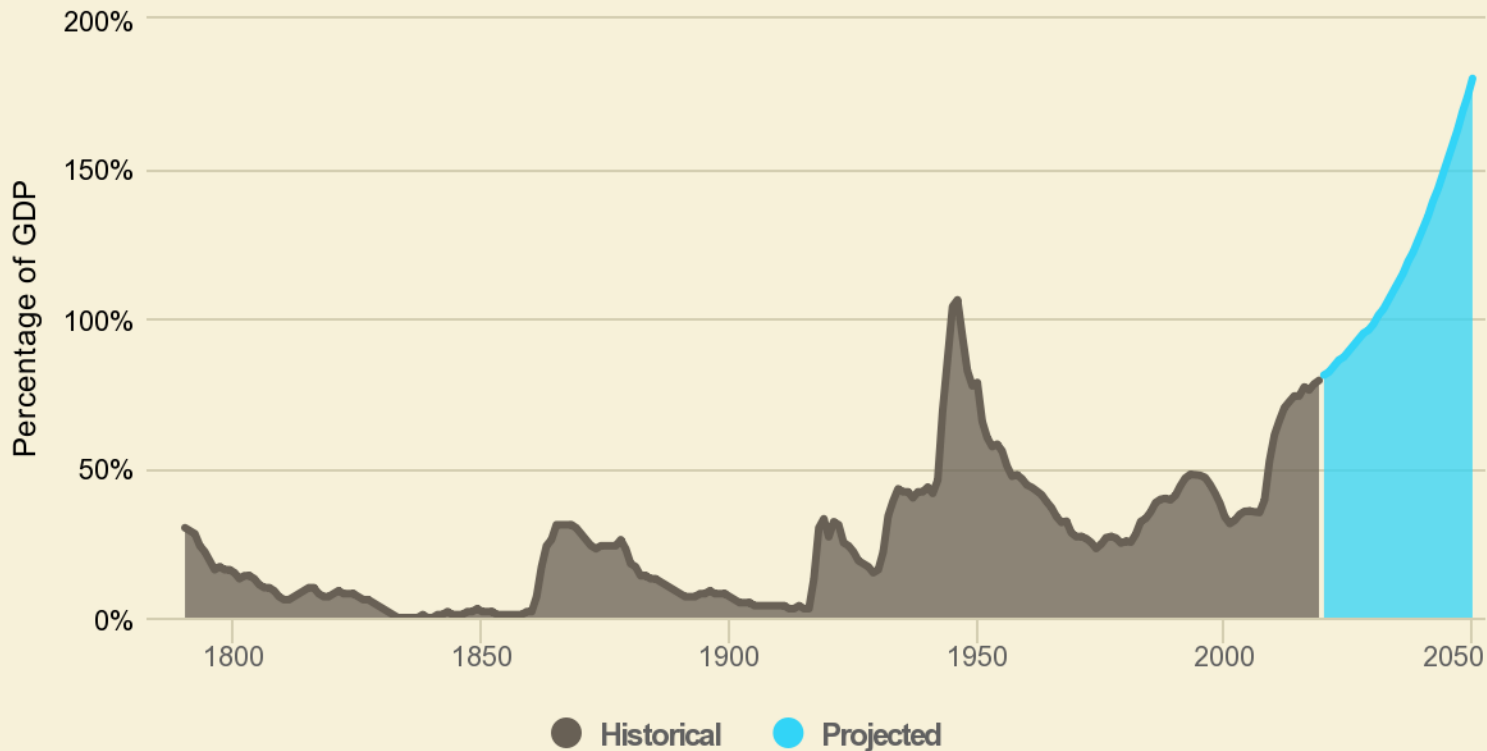
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U.S. Debt is On An Unsustainable Path

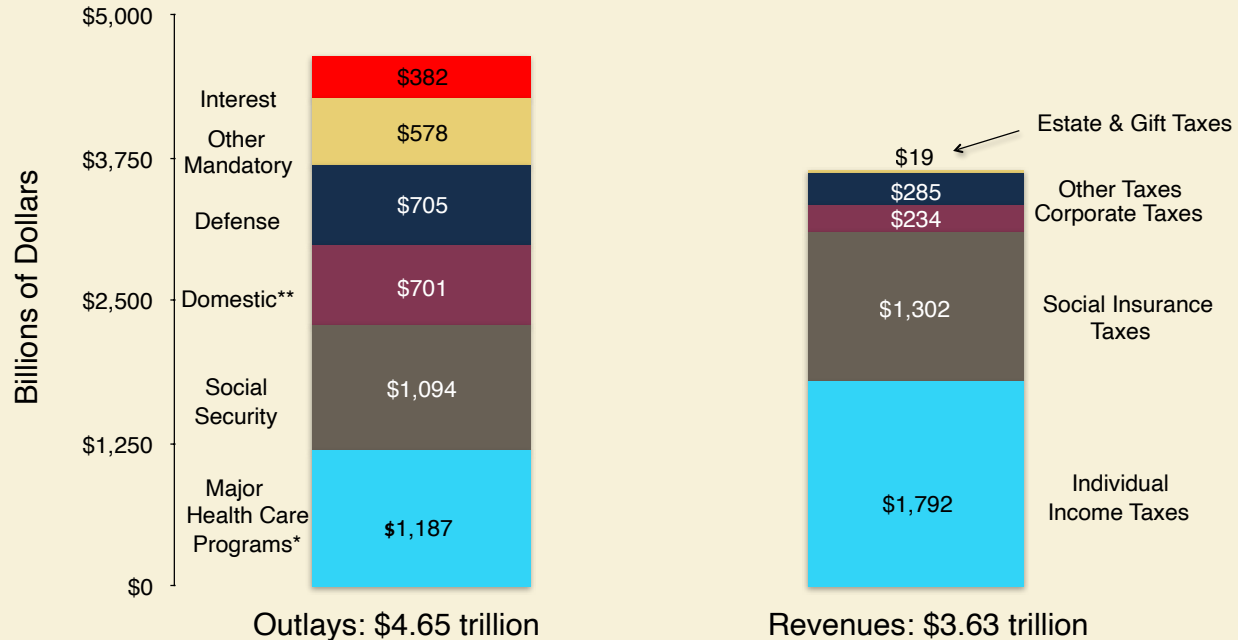
1790-2050



Source: CBO Budget and Economic Outlook, January 2020

Composition of Fiscal Year 2020 Federal Budget

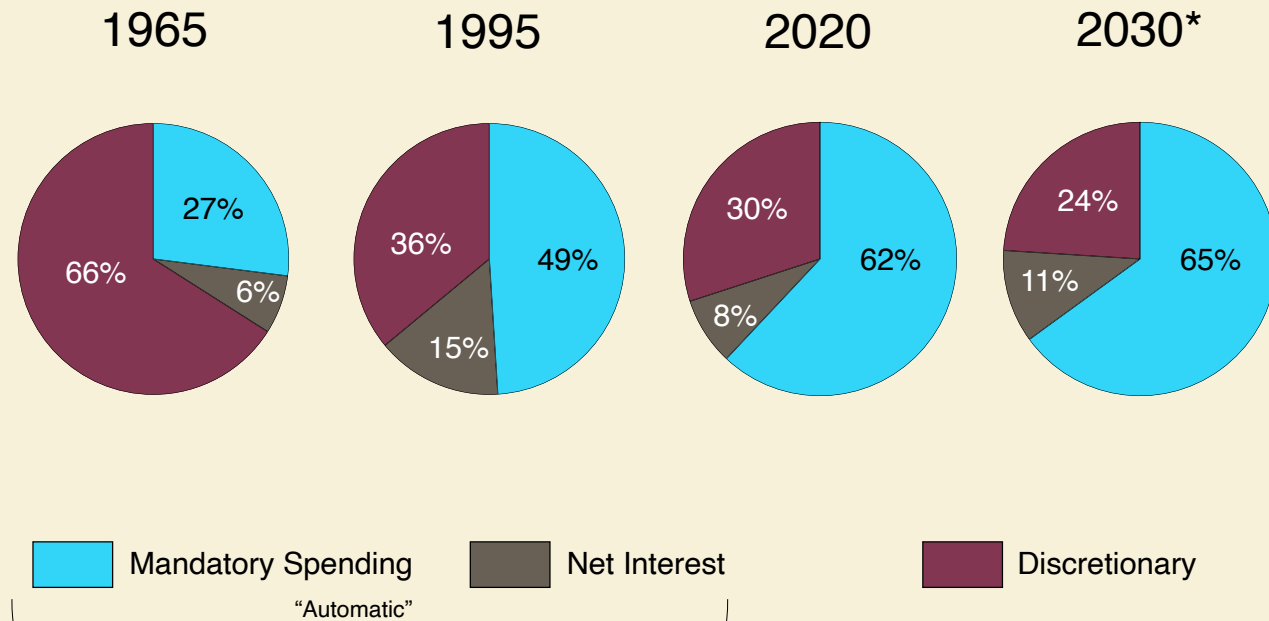
Deficit: \$1,015 Billion



*Includes Medicare, Medicaid, CHIP, and exchanges subsidies spending net of offsetting receipts.

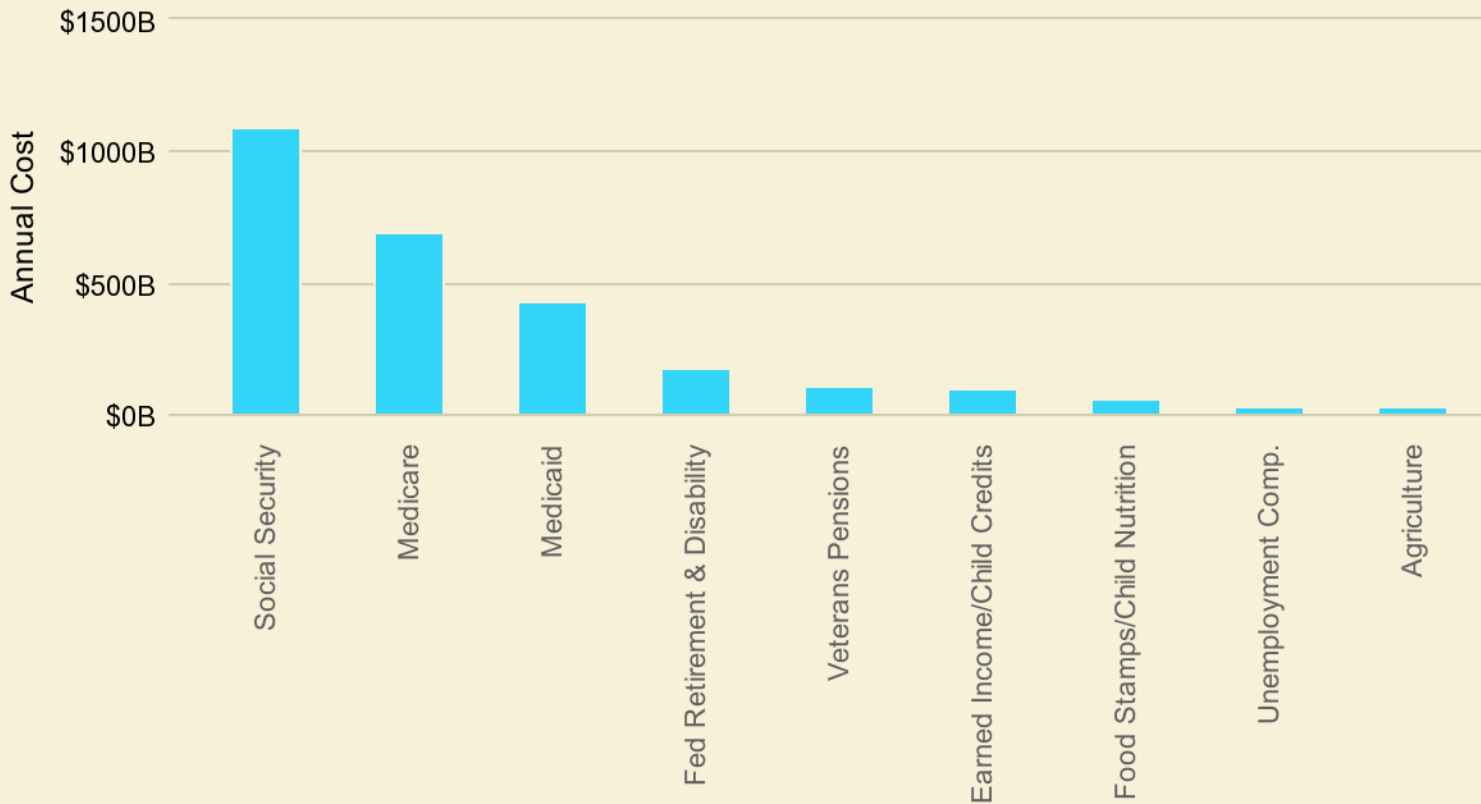
**Includes all appropriated domestic spending such as education, transportation, homeland security, housing assistance and foreign aid.

Automatic Expenditures Are Consuming a Growing Share of the Budget



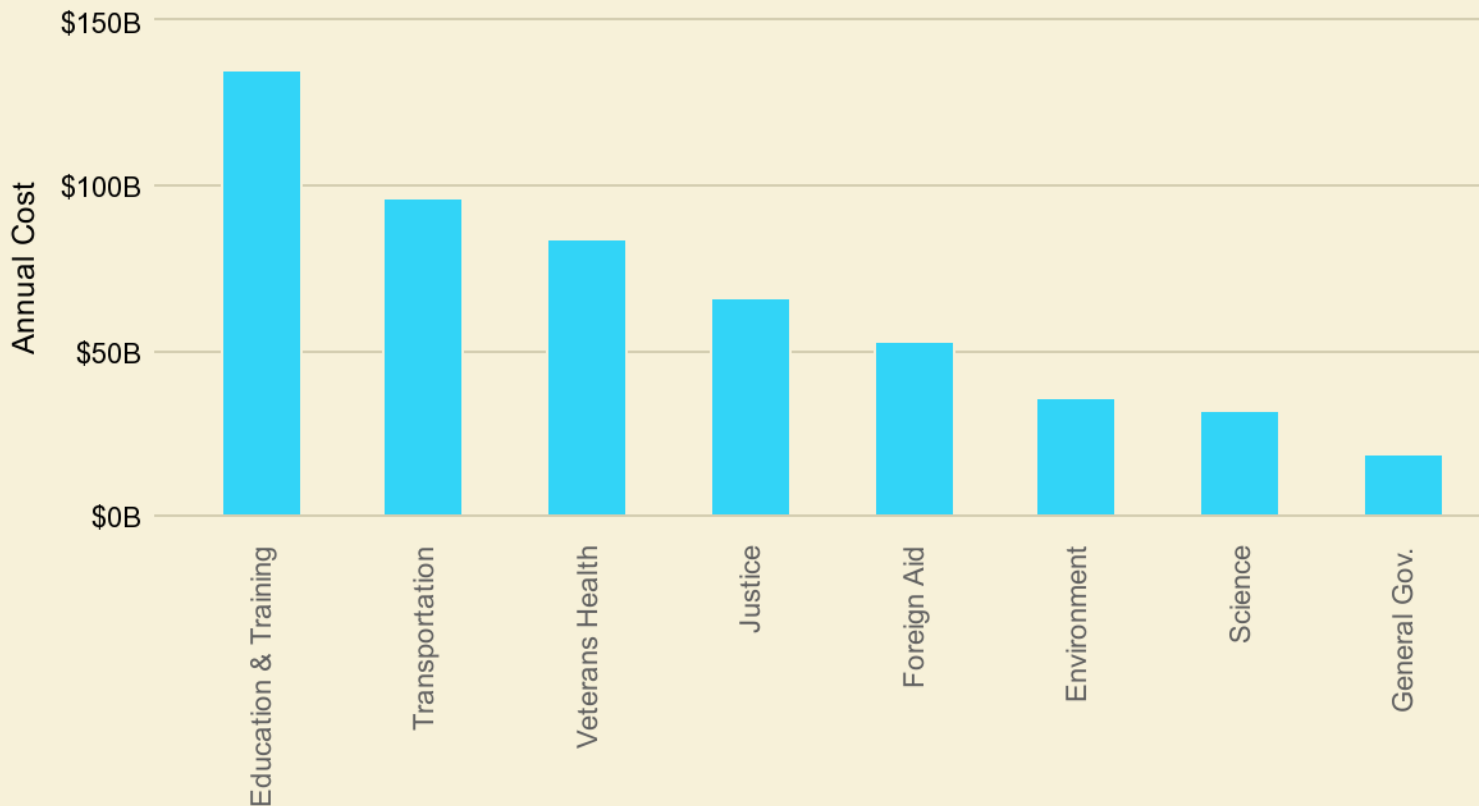
*Projected
Source: Congressional Budget Office, January 2020

Outlays for Select Mandatory Programs



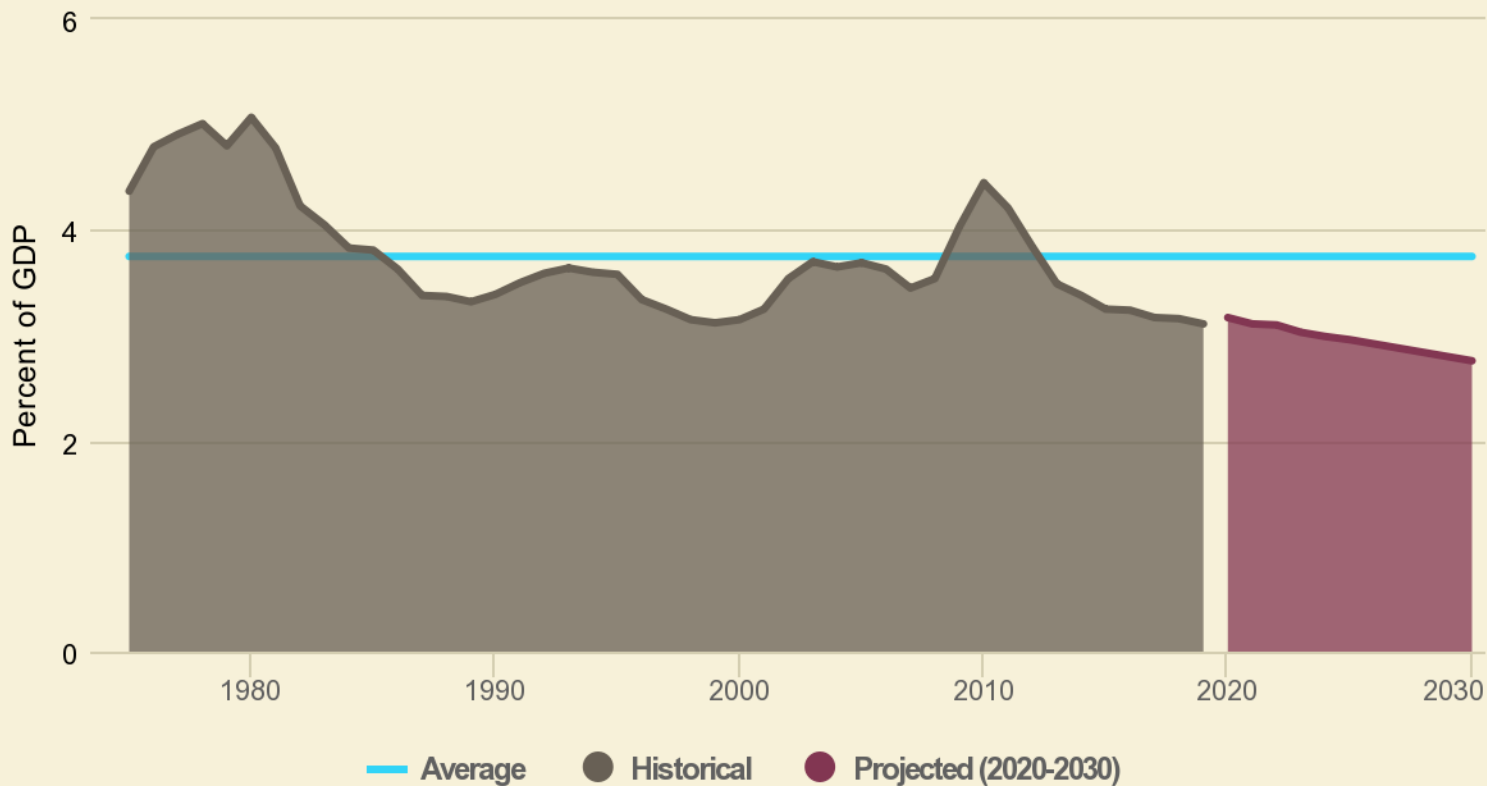
Source: CBO Budget and Economic Outlook, January 2020

Outlays for Select Non-Defense Discretionary Programs



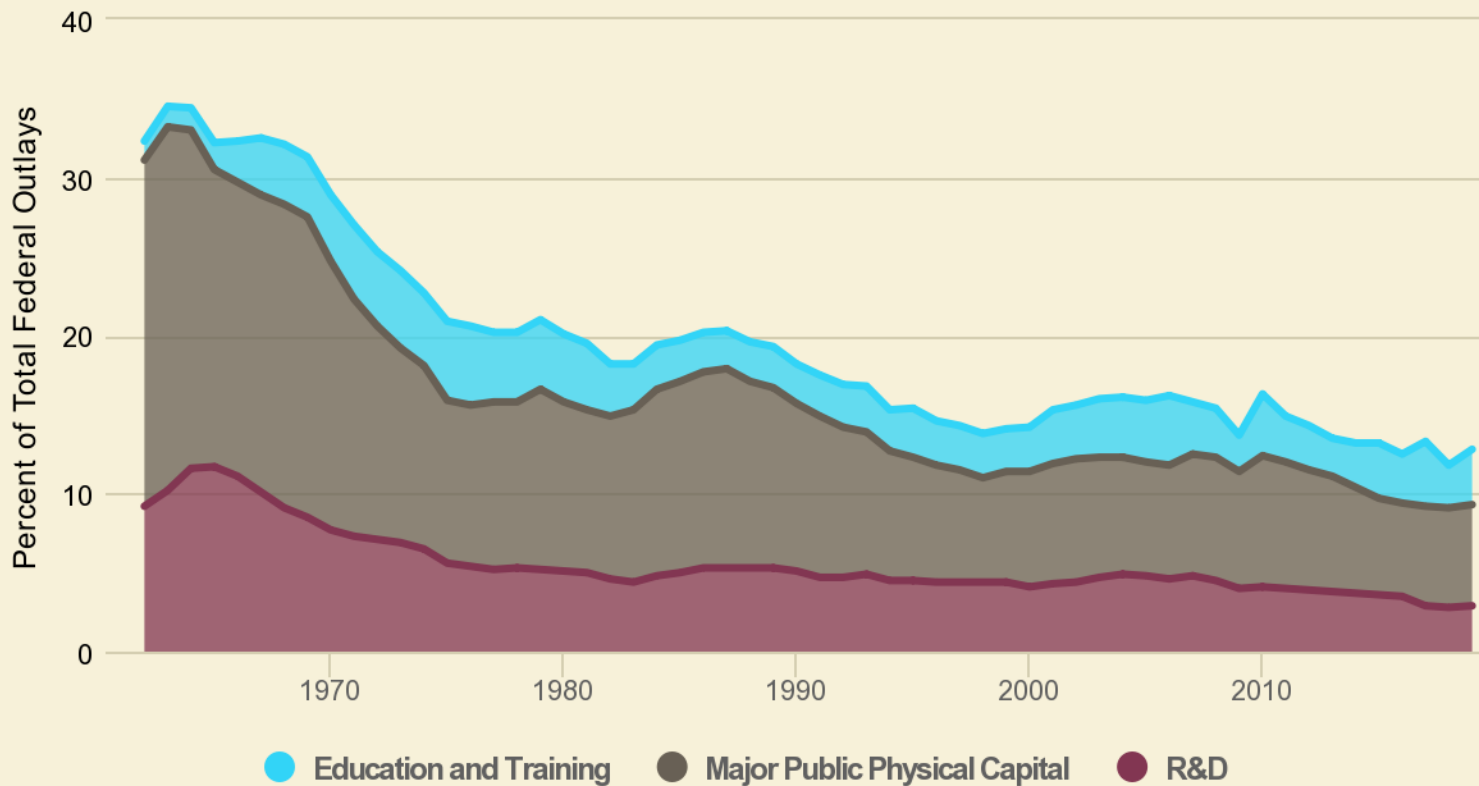
Source: CBO Budget and Economic Outlook, January 2020 and Treasury FMS, 2019

Non-Defense Discretionary Spending

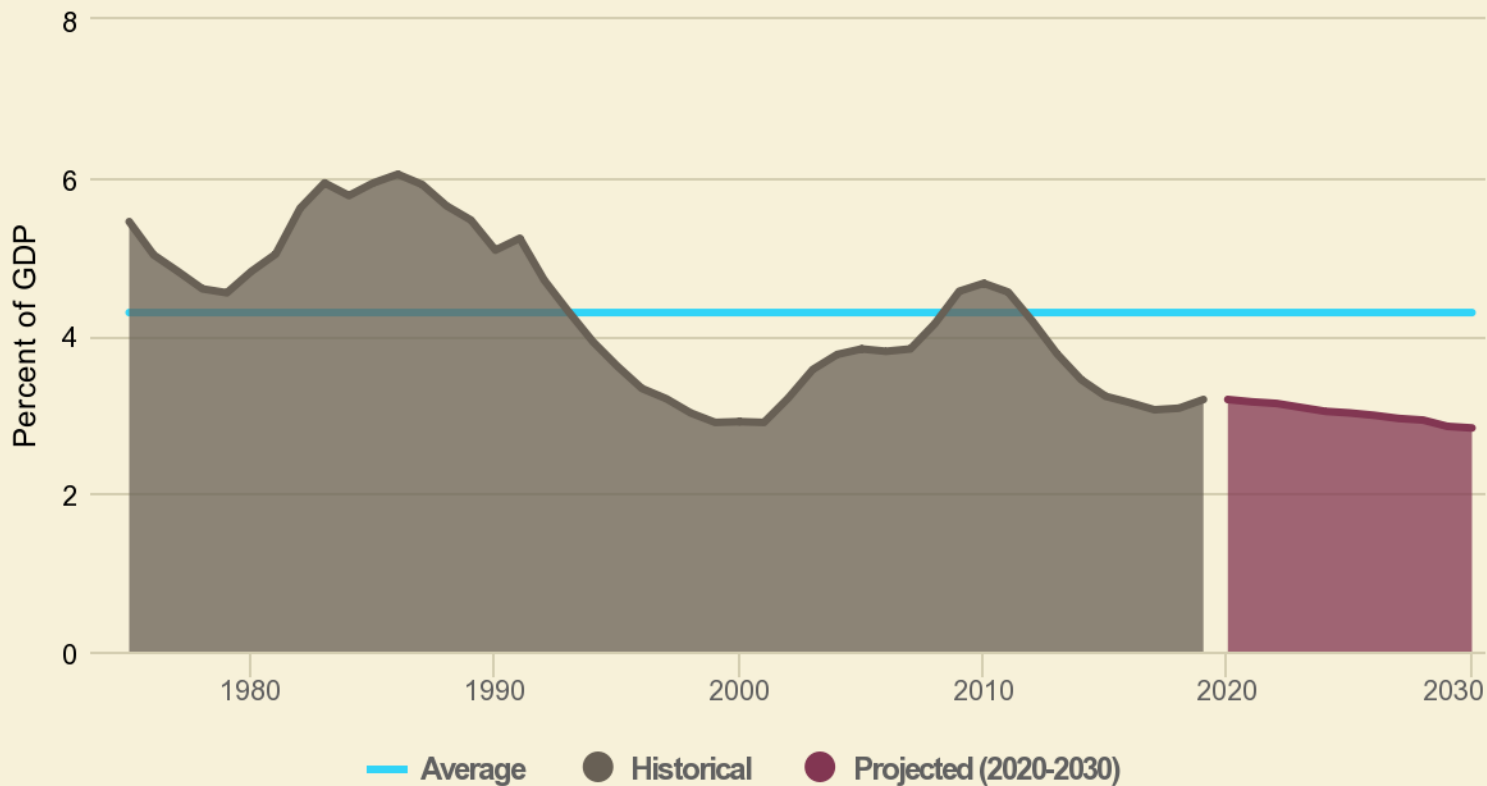


Source: CBO Budget and Economic Outlook, January 2020

All Types of Federal Investment Have Declined

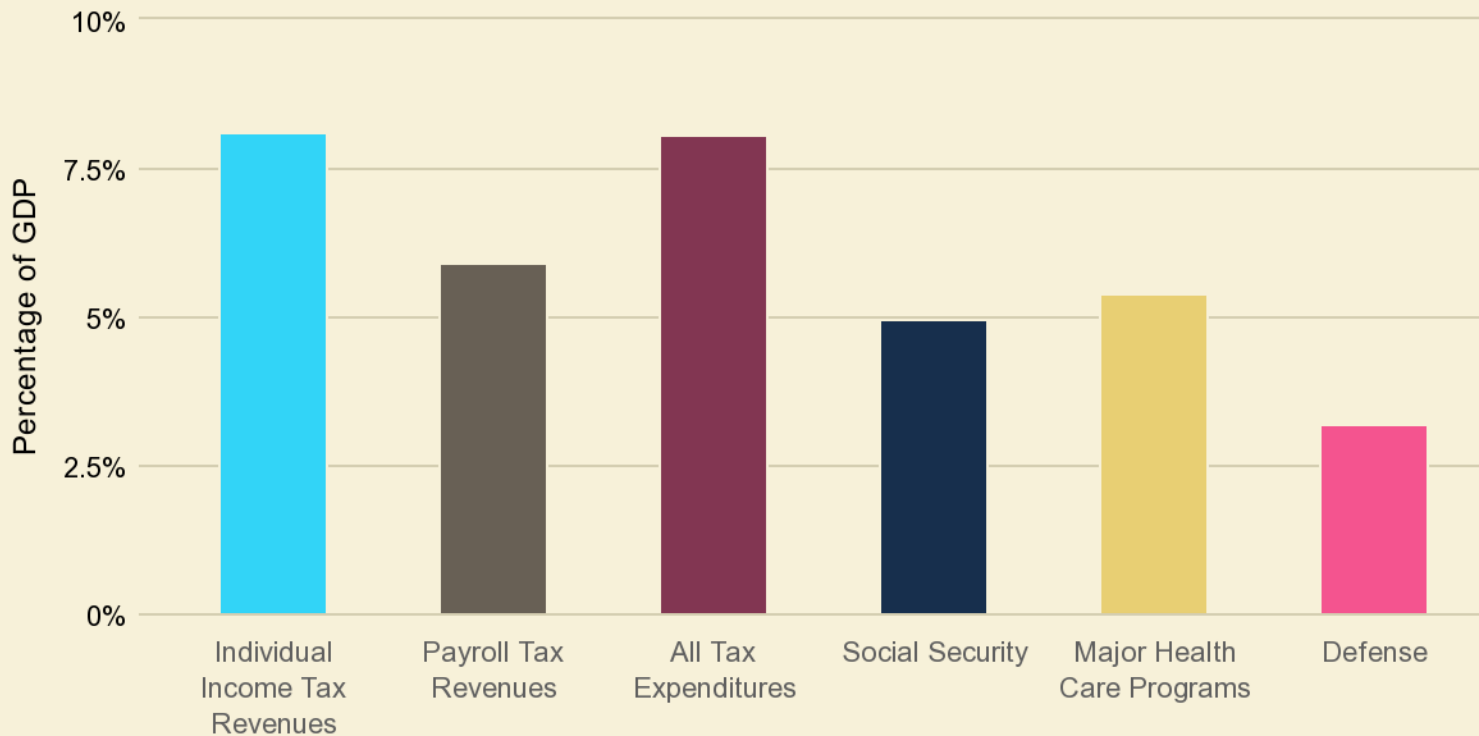


Defense Discretionary Spending



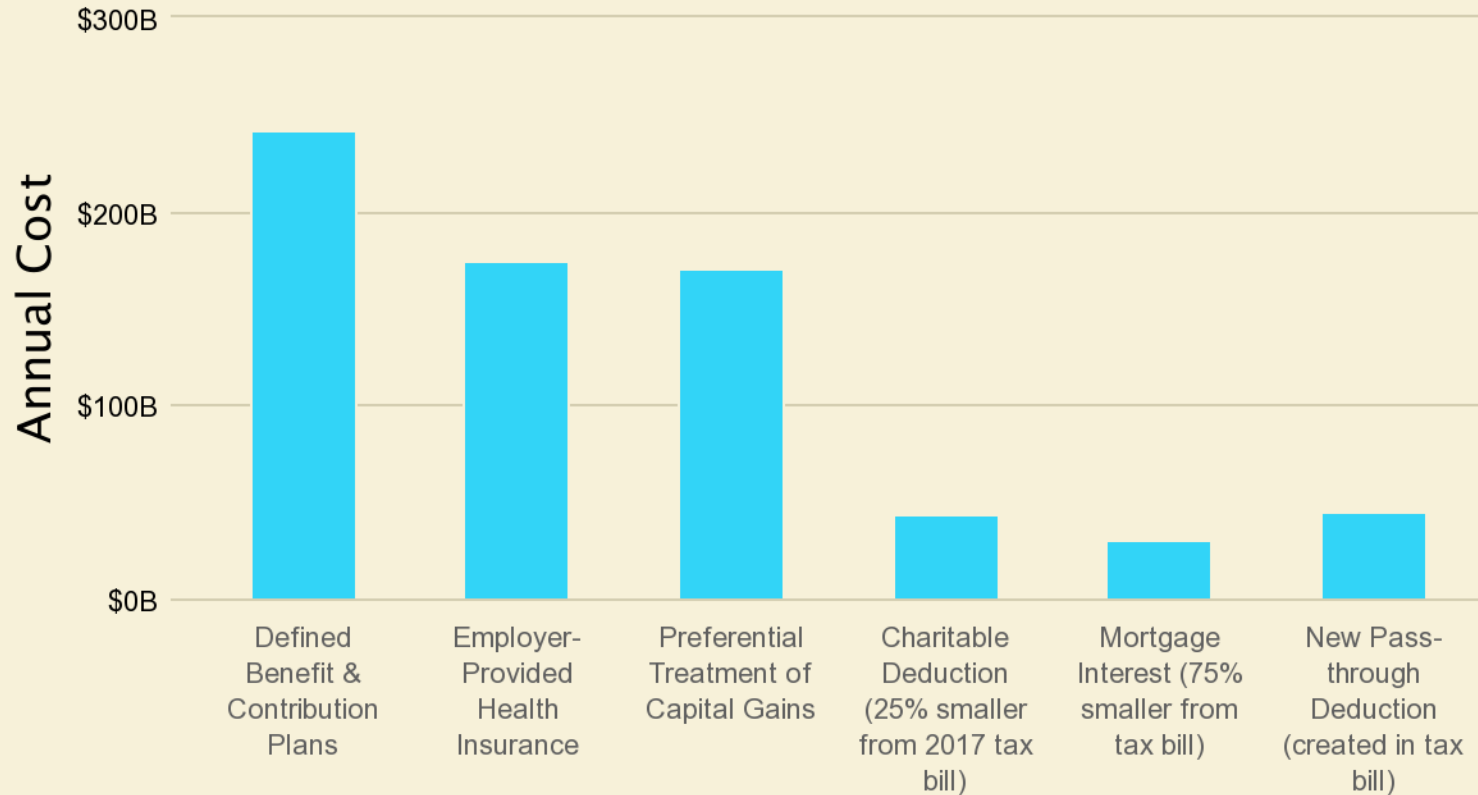
Source: CBO Budget and Economic Outlook, January 2020

Tax Expenditures Compared to Major Categories of Revenue and Spending



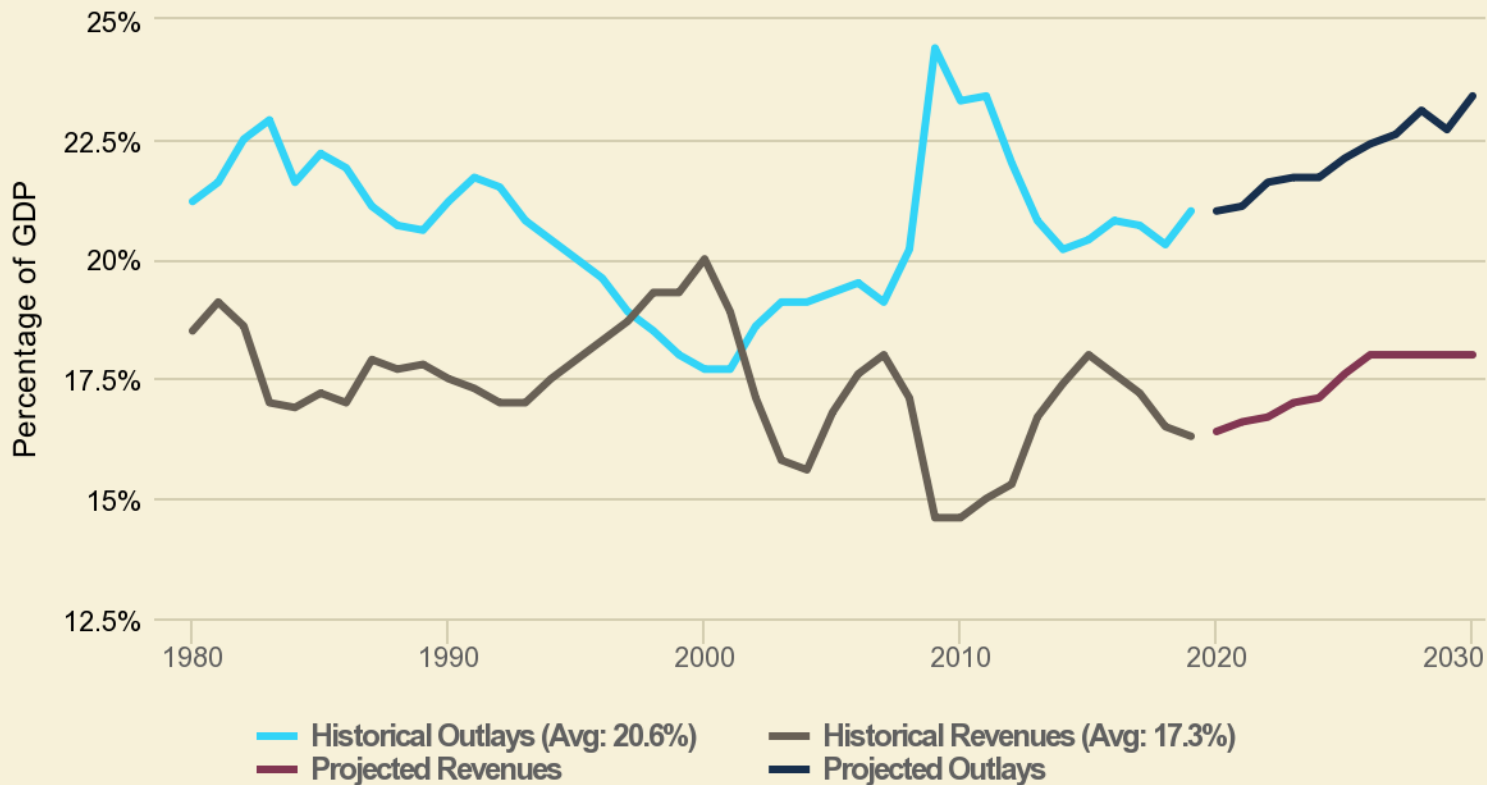
Source: CBO Budget and Economic Outlook, January 2020

Select Large Tax Expenditures (2020)



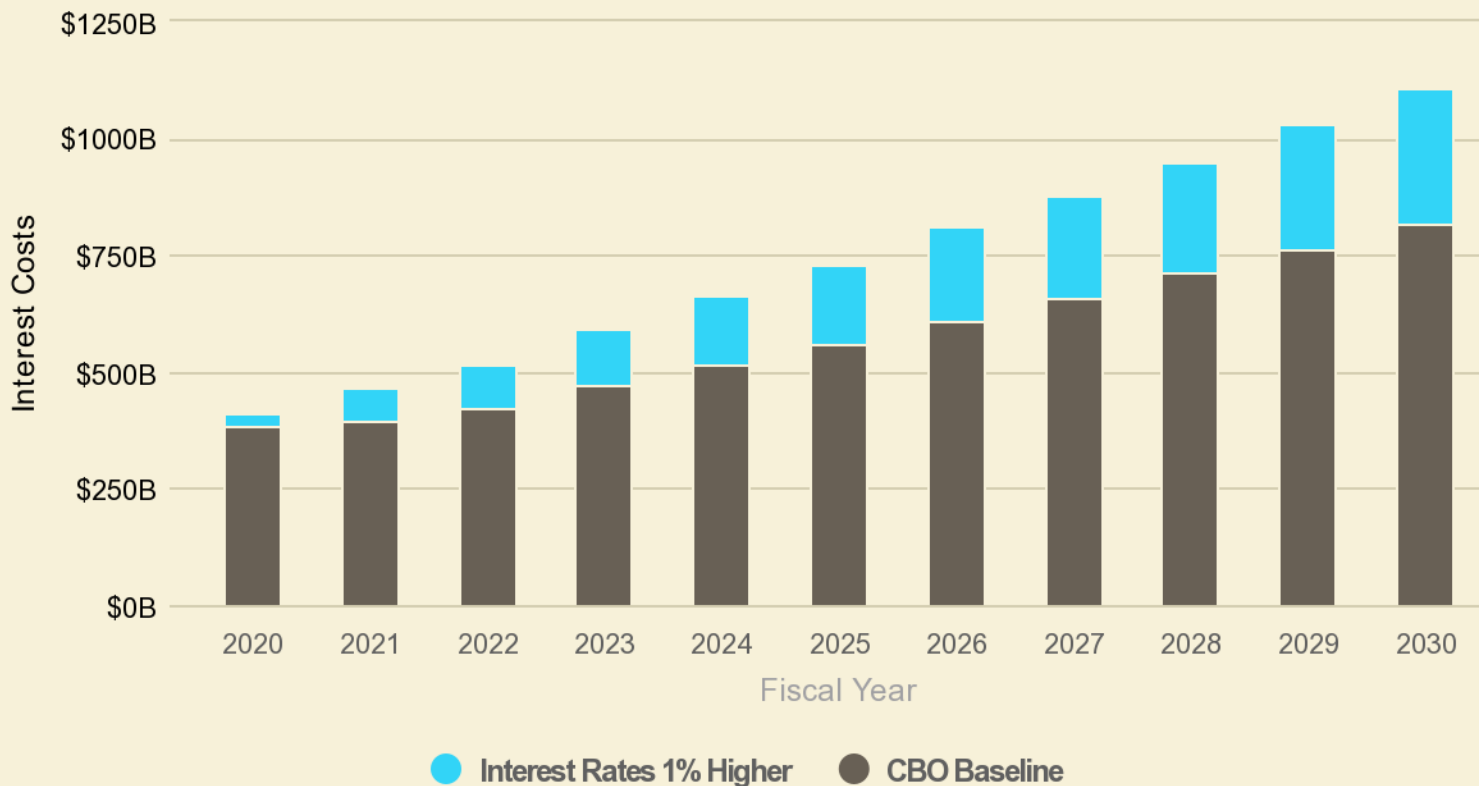
Source: Joint Committee on Taxation, Estimates Of Federal Tax Expenditures, Dec 2019 & Jan 2017

Revenues and Outlays



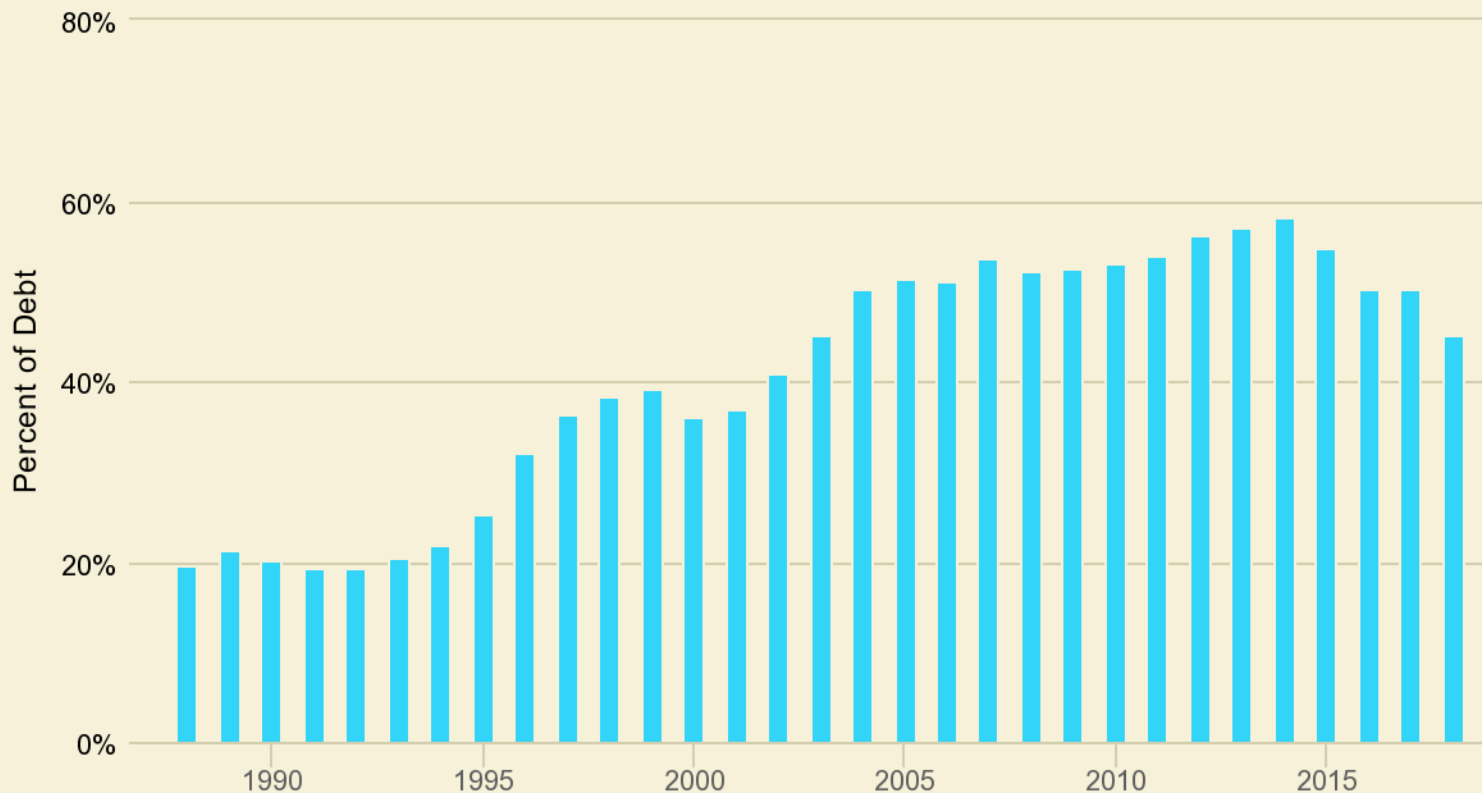
Source: CBO Budget and Economic Outlook, January 2020

Interest Costs Will Grow



Source: CBO Budget and Economic Outlook, January 2020 & Concord Coalition Analysis

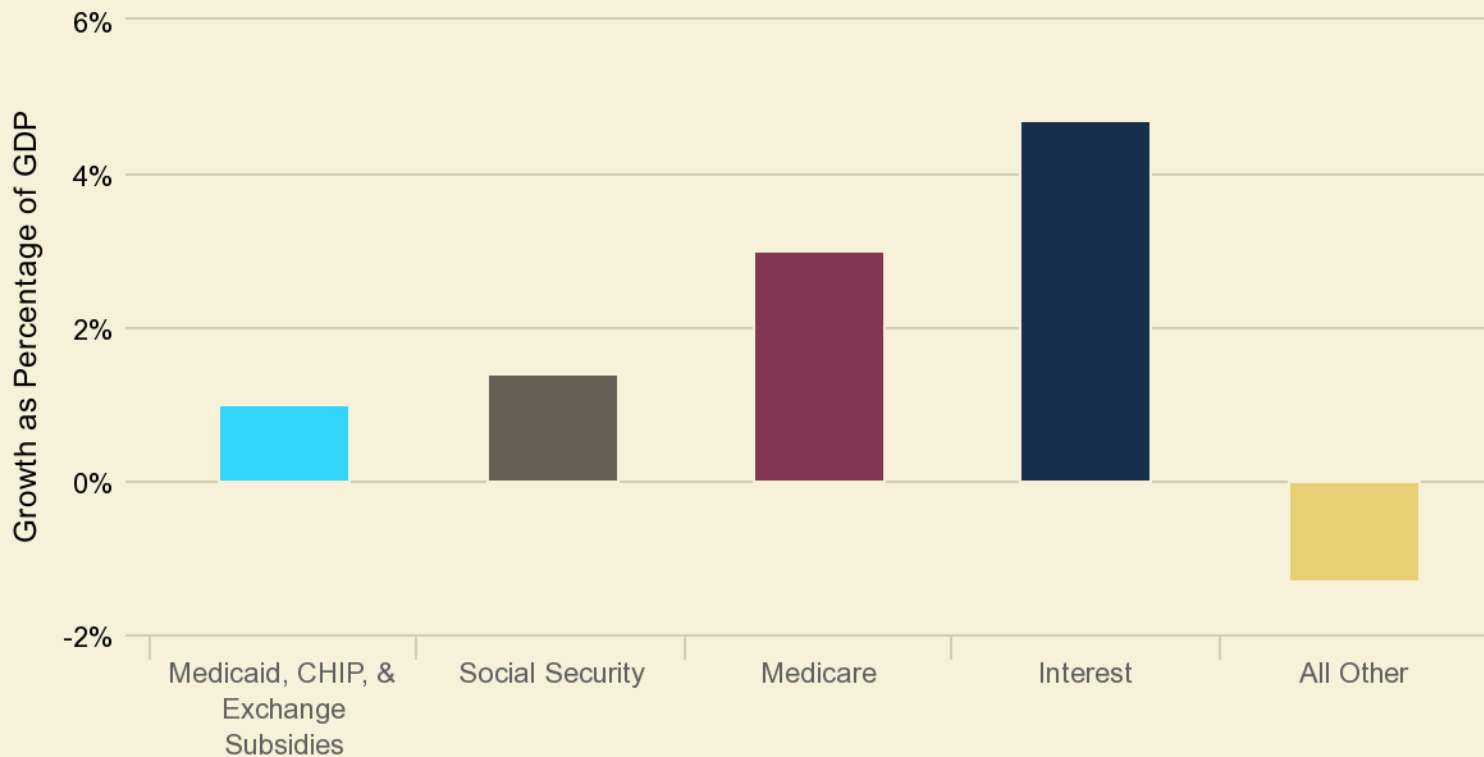
Percent of Publicly Held Debt Owned by Foreigners



Source: US Treasury Bulletin, June 2019

The Sources of Growth in Federal Spending

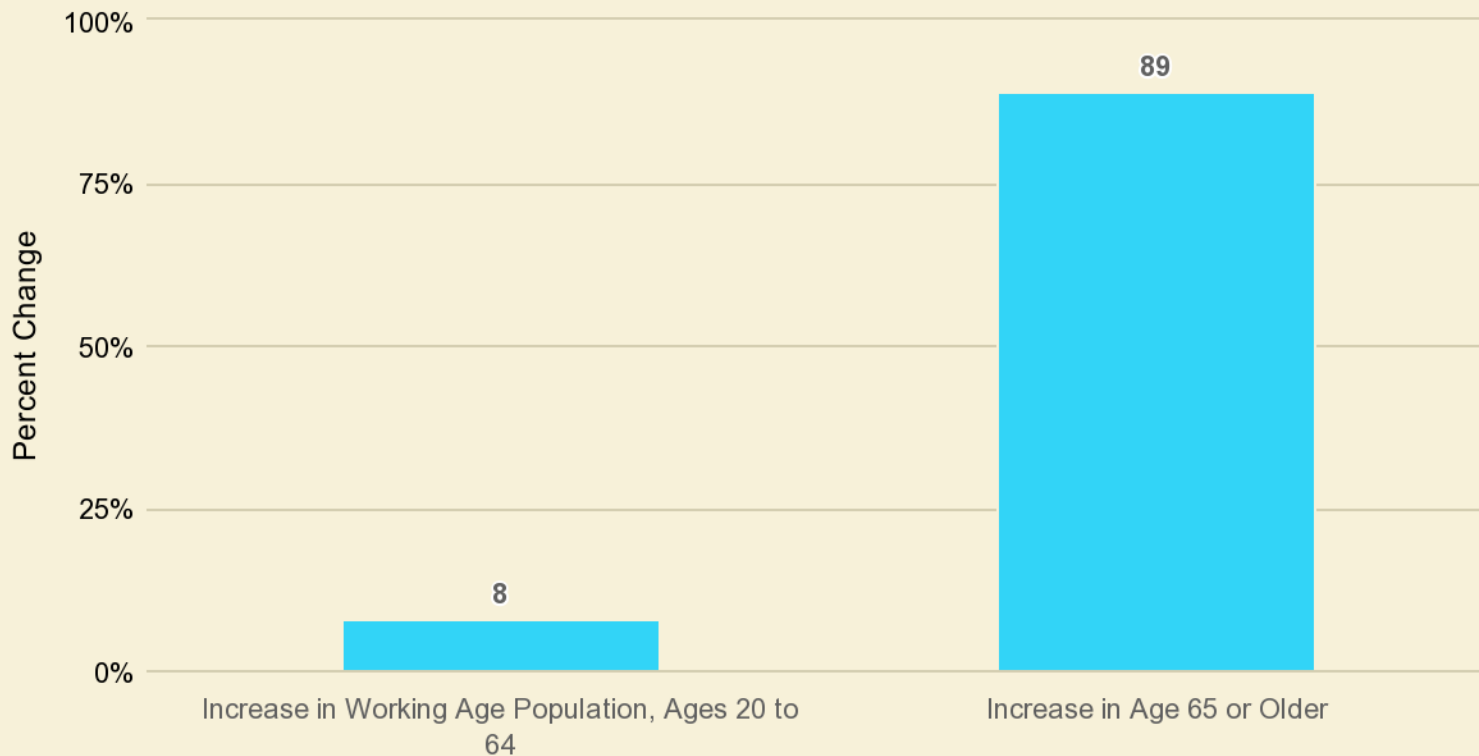
CHANGE IN OUTLAYS AS A PERCENTAGE OF GDP, 2018-2048



Source: CBO Long-Term Budget Outlook, June 2018

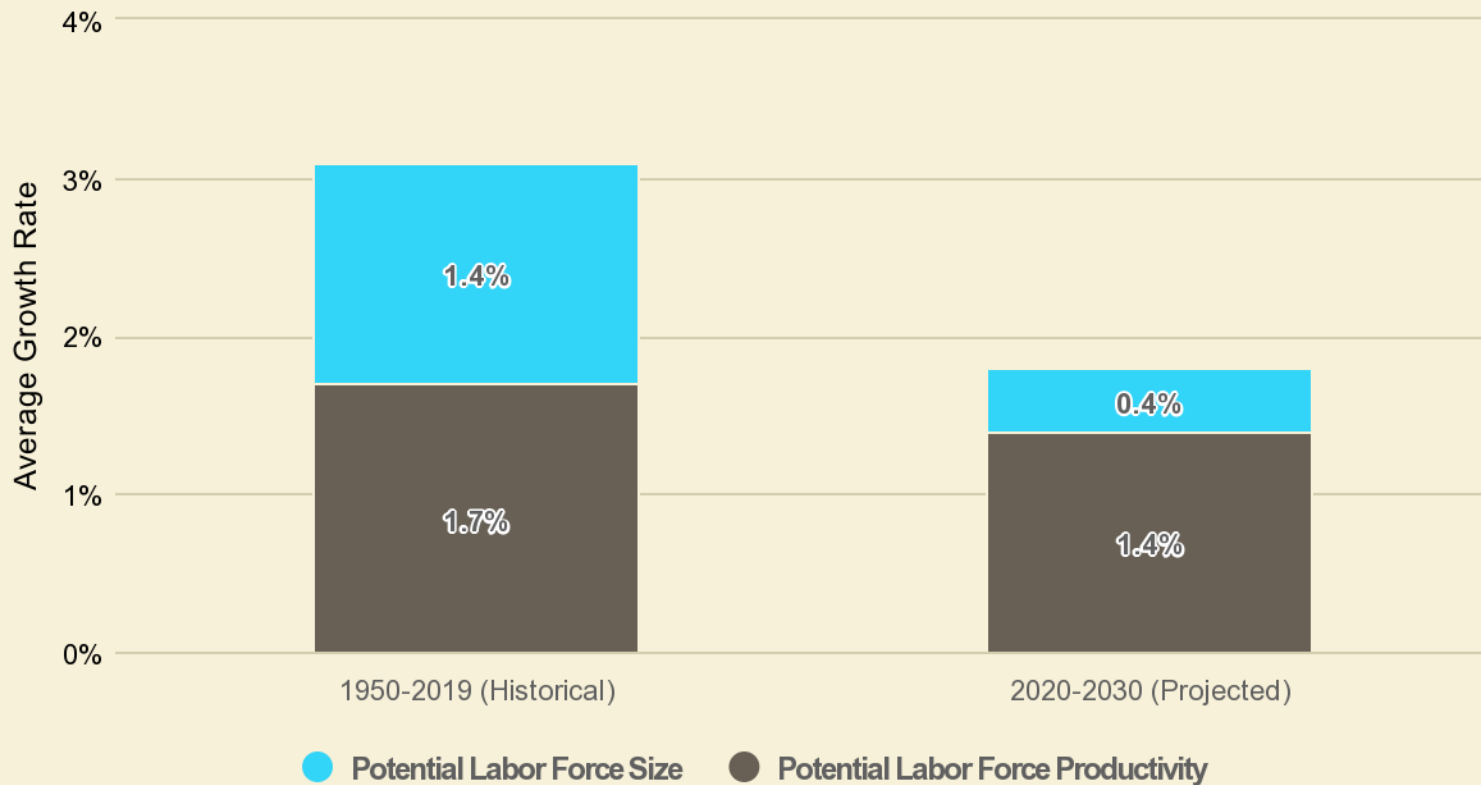
America's Population is Aging

2010-2035



Source: CBO Long-Term Budget Outlook, June 2019

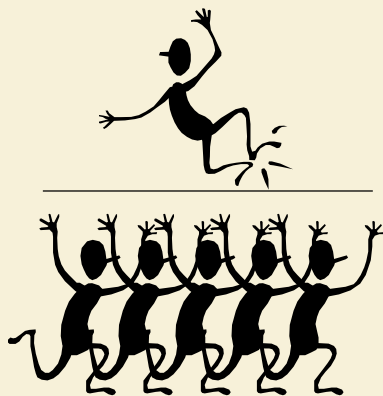
Components of Potential GDP Growth



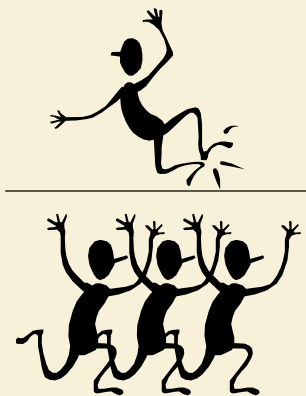
Source: CBO Budget and Economic Outlook, January 2020

Americans are Living Longer and Having Fewer Children

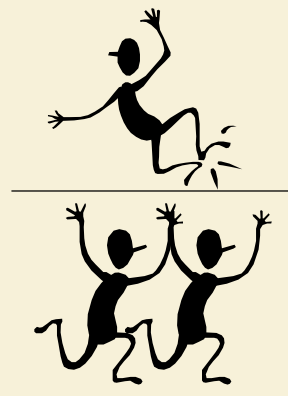
Consequently, fewer workers are available to support each Social Security and Medicare Recipient



1960: 5.1 to 1

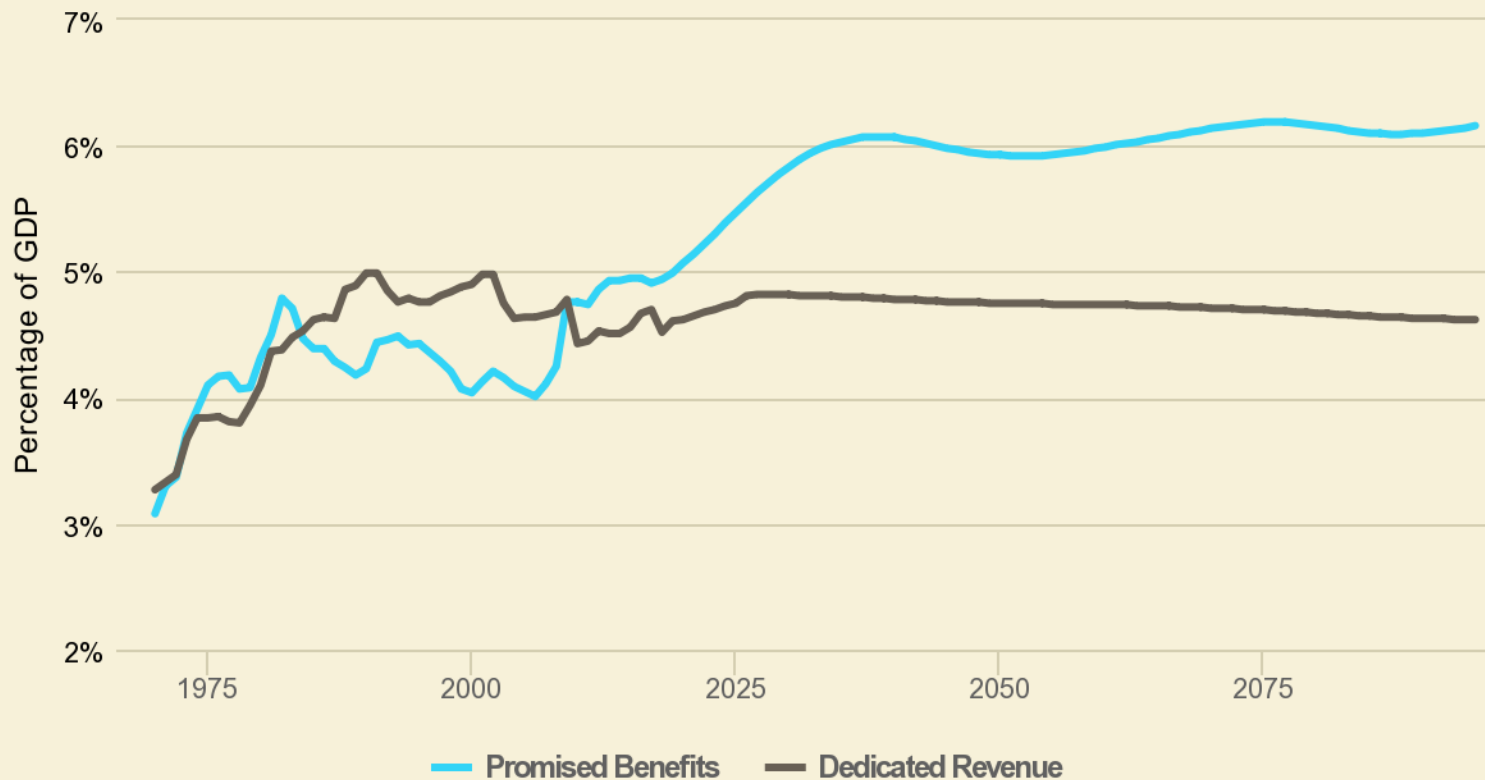


2010: 3 to 1



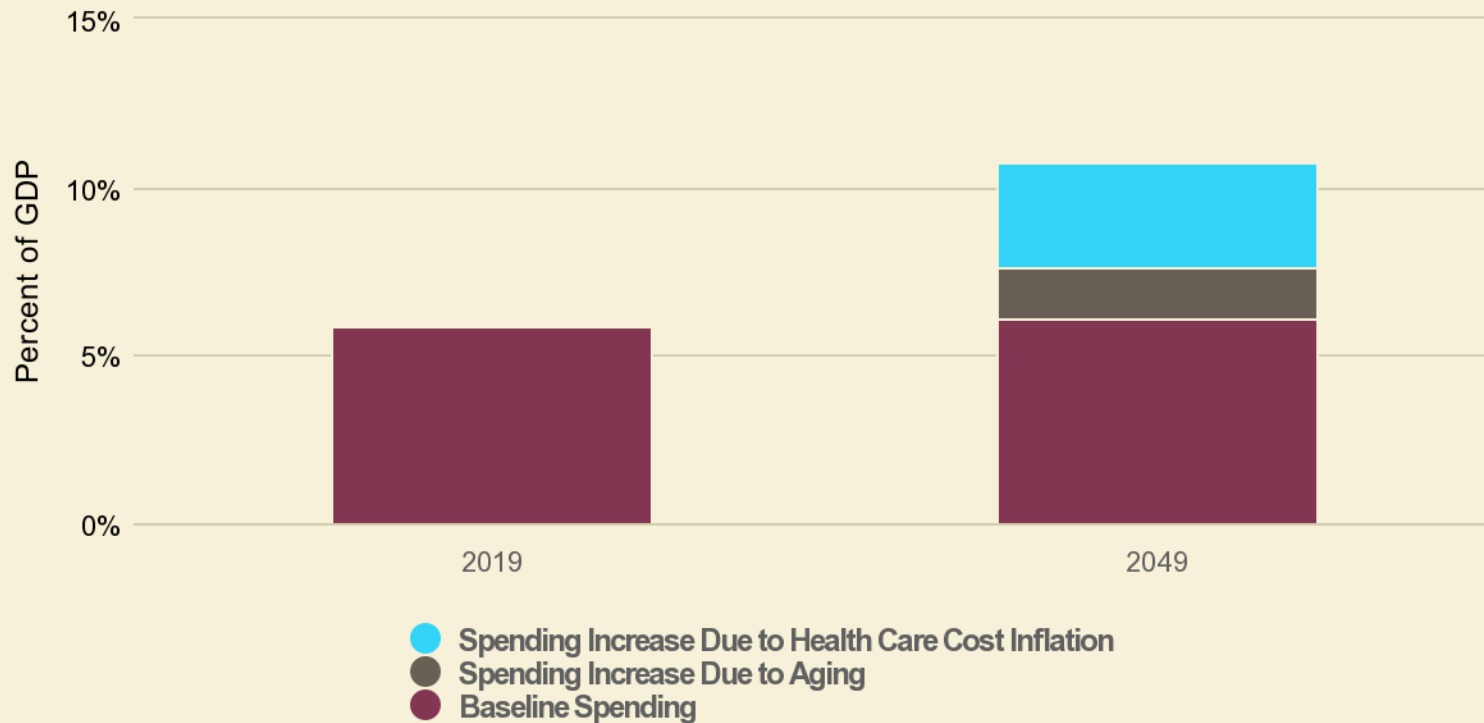
2030: 2 to 1

Social Security Revenues vs Spending



Source: Social Security Trustees Report, June 2018

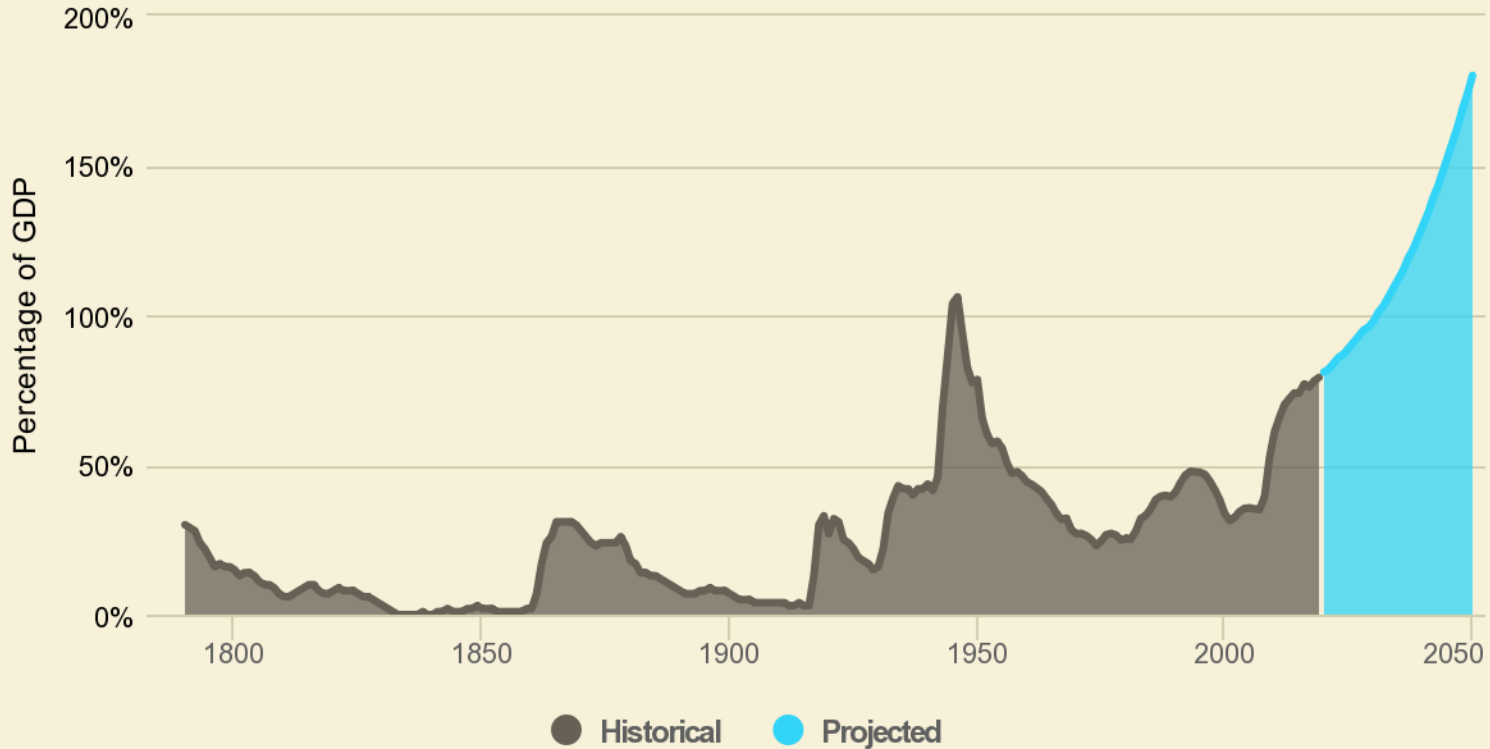
Aging and Cost Inflation Drive Growth in Major Health Care Programs



Source: CBO Long-Term Budget Outlook, June 2019

U.S. Debt is On An Unsustainable Path

1790-2050



Source: CBO Budget and Economic Outlook, January 2020

Lower Deficits Lead to Higher Incomes

The Per-Person Size of the Economy Grows With Deficit Reduction

If we reduce the deficit by **\$3.3 Trillion** over 10 Years...

...national income per person would be **\$3,000 higher**

(in 2048, where this scenario would also bring the debt down from 152% to 100% of GDP)

If we reduce the deficit by **\$4.8 Trillion** over 10 Years...

...national income per person would be **\$4,000 higher**

(in 2048, where this scenario would also bring the debt down from 152% to 78% of GDP, the current level)

Key Points of Agreement

In our travels around the country with experts from diverse perspectives, we have found agreement on the following key points:

- Current fiscal policy is unsustainable
- There are no easy solutions, such as cutting waste fraud and abuse or growing our way out of the problem.
- Finding solutions will require bipartisan cooperation and a willingness to discuss all options.
- Public engagement and understanding is vital in finding solutions.
- This is not about numbers. It is a moral issue.

How Can I Make a Difference?

- Visit www.concordcoalition.org to learn more about these fiscal issues and sign up for our email updates.
- Become a “fiscal lookout” as part of The Concord Coalition’s volunteer community.
- Lead the discussion on the issue of fiscal responsibility with friends, family and other members of your community.
- Tell your Representative and Senators in Congress that we need strong leadership for fiscal responsibility.
- Follow us on Facebook and Twitter (@ConcordC)
- Support The Concord Coalition. We need your help!