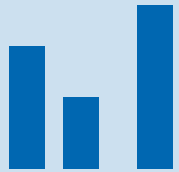
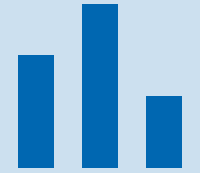
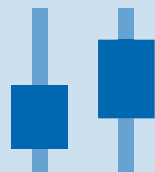
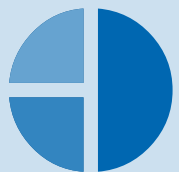
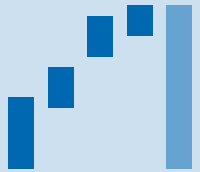


PGPF CHART PACK

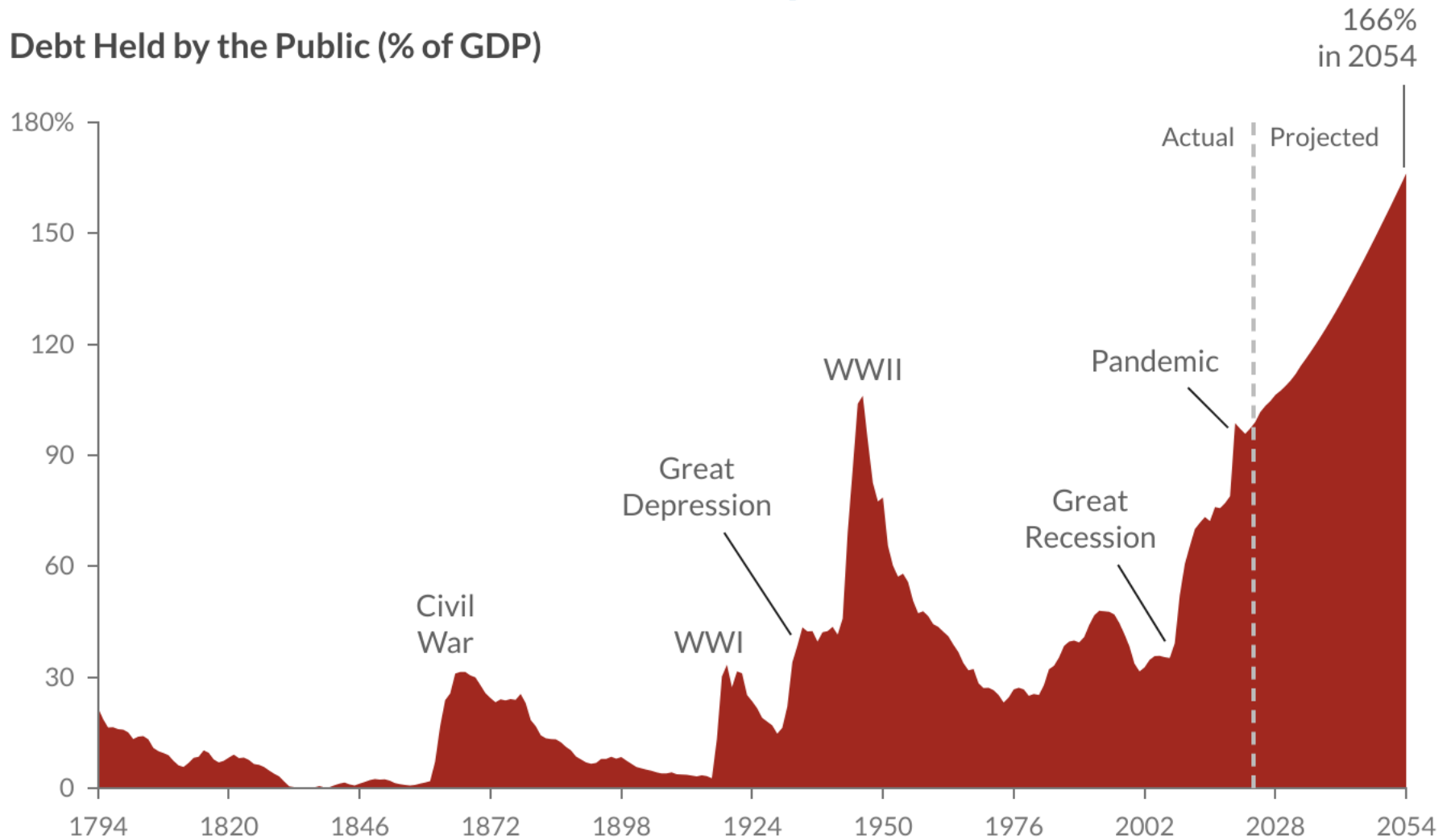


NOVEMBER 2024



Federal debt is on an unsustainable path

Debt Held by the Public (% of GDP)



Source: Congressional Budget Office

Note: Data includes the long-term projections and other previous projections

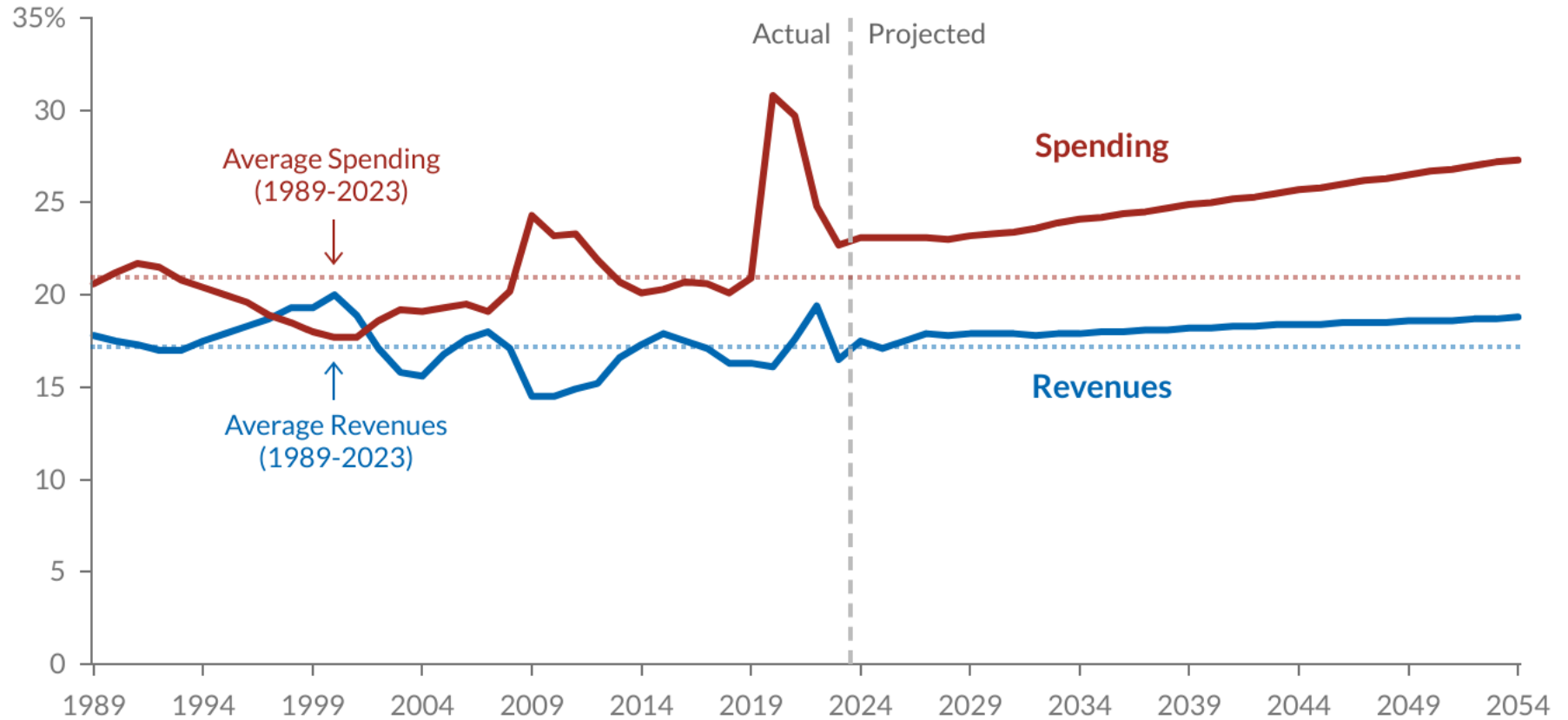
© 2024 Peter G. Peterson Foundation



VISIT [PGPF.ORG](https://www.pgpf.org)

The growing debt is caused by a structural mismatch between spending and revenues

Federal Spending and Revenues (% of GDP)



Sources: Congressional Budget Office and Office of Management and Budget

Note: Projected data have been adjusted to remove the effects of timing shifts.

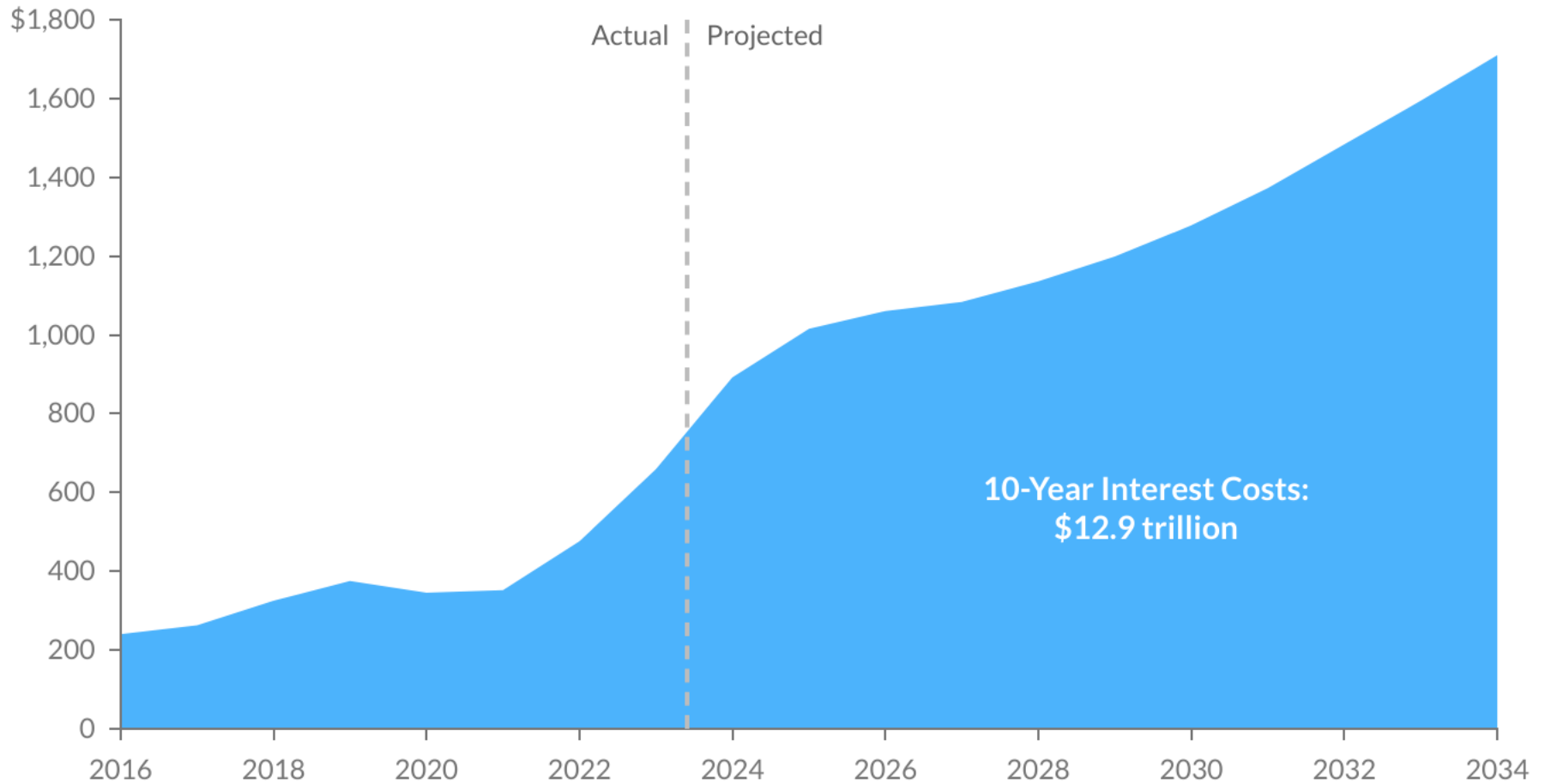
© 2024 Peter G. Peterson Foundation



VISIT [PGPF.ORG](https://www.pgpf.org)

Net interest costs are projected to rise sharply

Billions of Dollars



Sources: Congressional Budget Office and Office of Management and Budget

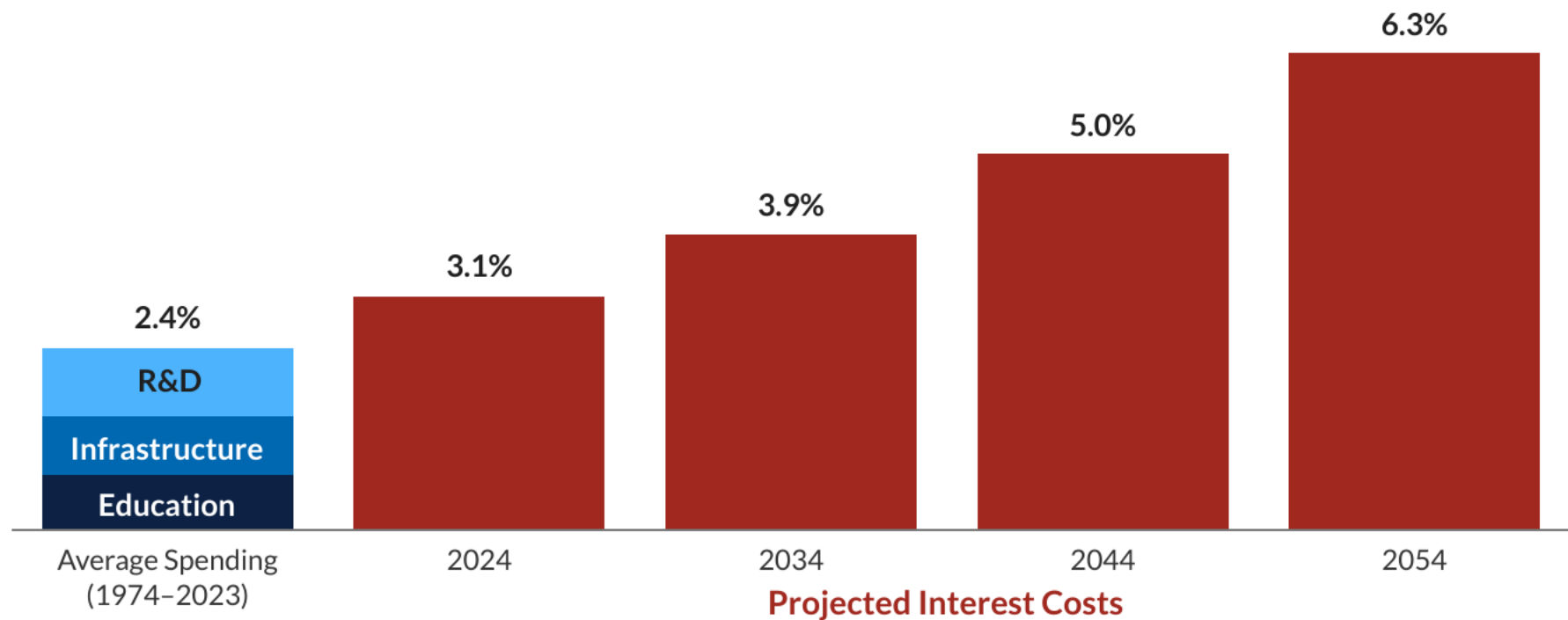


© 2024 Peter G. Peterson Foundation

VISIT [PGPF.ORG](https://www.pgpf.org)

By 2054, interest costs are projected to be nearly three times the amount the federal government has historically spent on R&D, infrastructure, and education combined

Federal Spending (% of GDP)



Sources: Congressional Budget Office and Office of Management and Budget

Note: Infrastructure excludes defense.

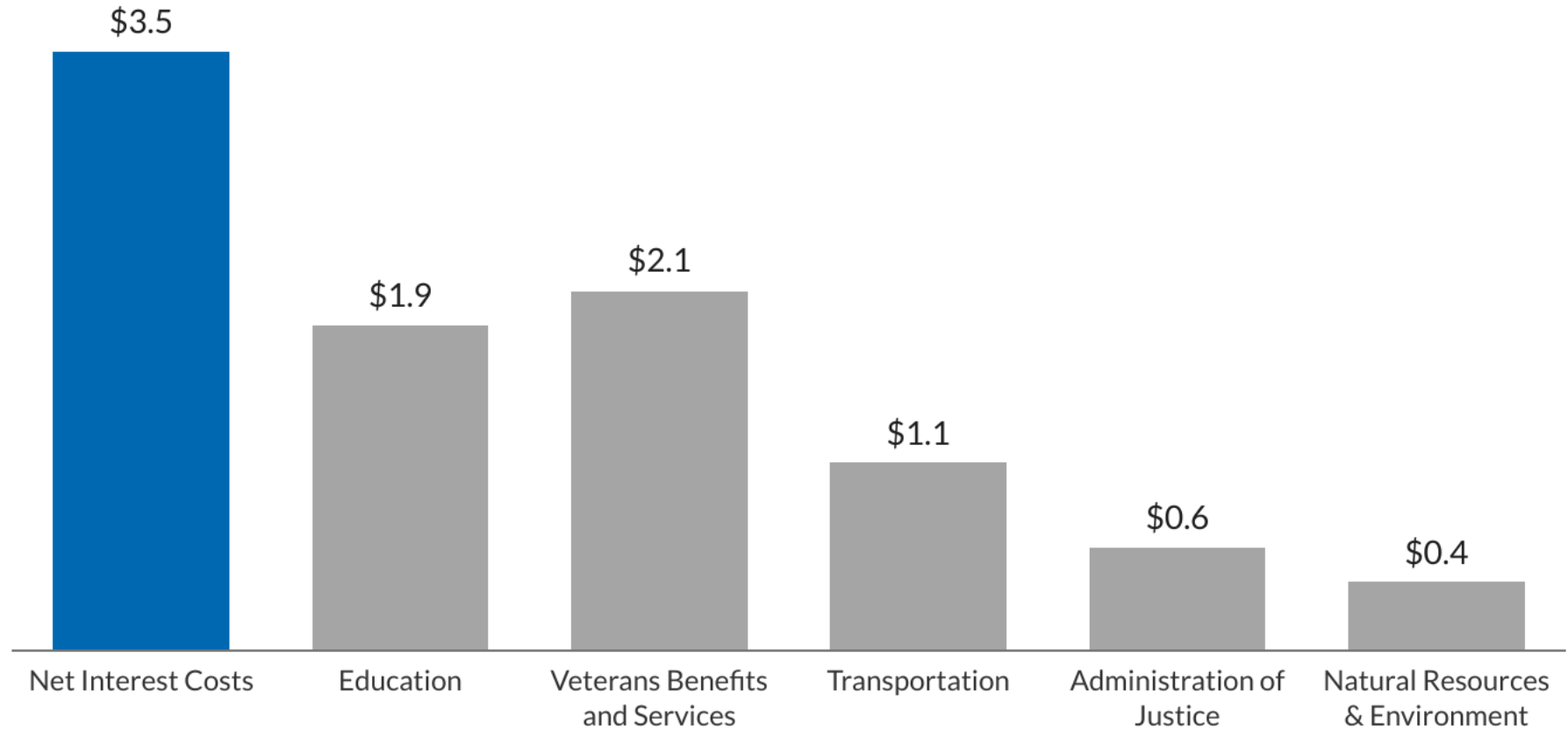
© 2024 Peter G. Peterson Foundation



[VISIT PGPF.ORG](https://www.pgpf.org)

Over the past decade, the U.S. spent more on interest costs than on other national priorities

Federal Spending From FY2014 to FY2023 (Trillions of \$)



Source: Office of Management and Budget

Note: Education includes education, training, employment, and social services.

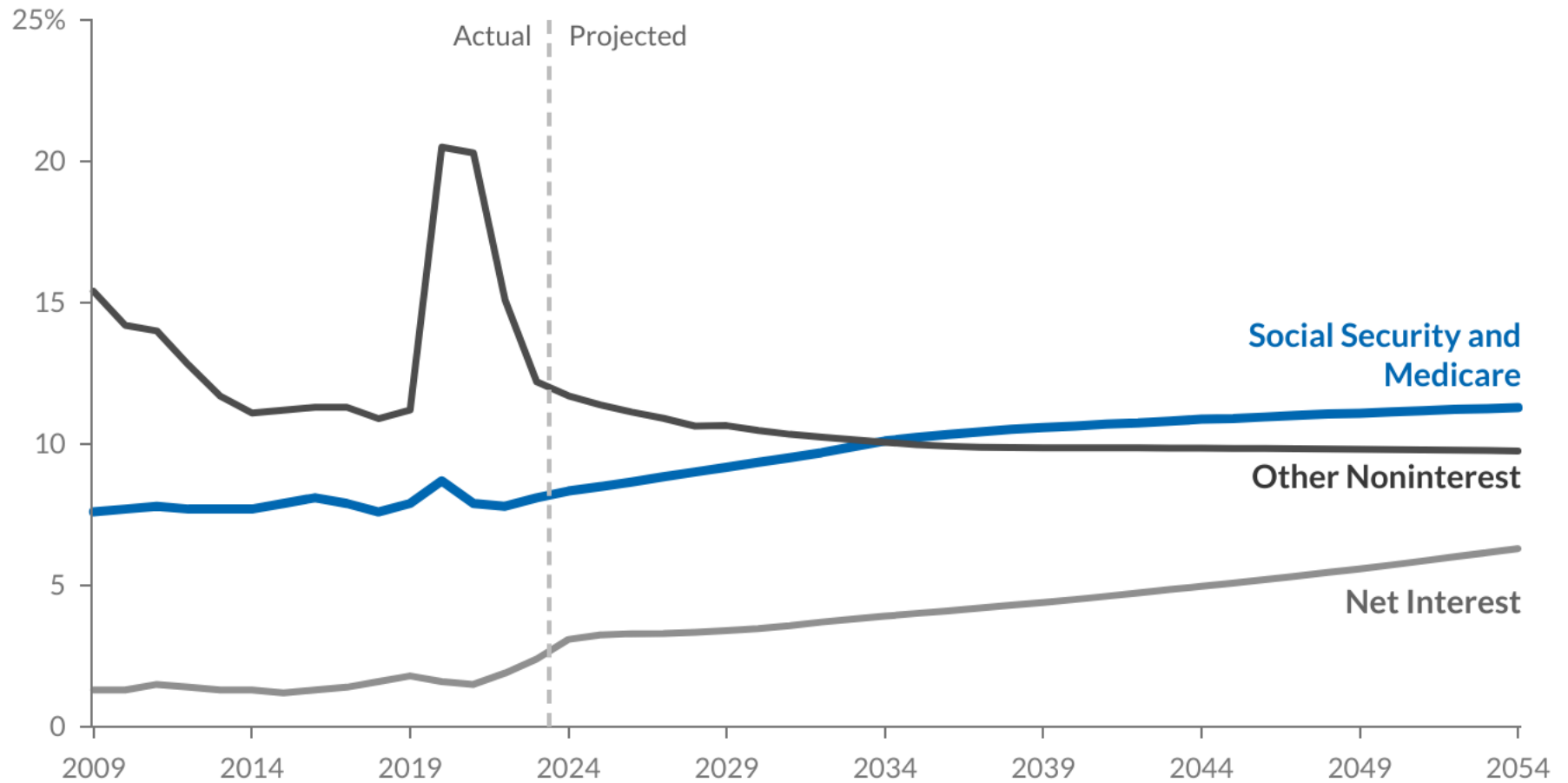
© 2024 Peter G. Peterson Foundation



[VISIT PGPF.ORG](https://www.petergpeterson.org)

Spending for Social Security and Medicare will continue to climb

Federal Spending (% of GDP)



Sources: Congressional Budget Office and Office of Management and Budget

Note: Other noninterest spending includes discretionary spending, Medicaid, Children's Health Insurance Program, and other mandatory spending.

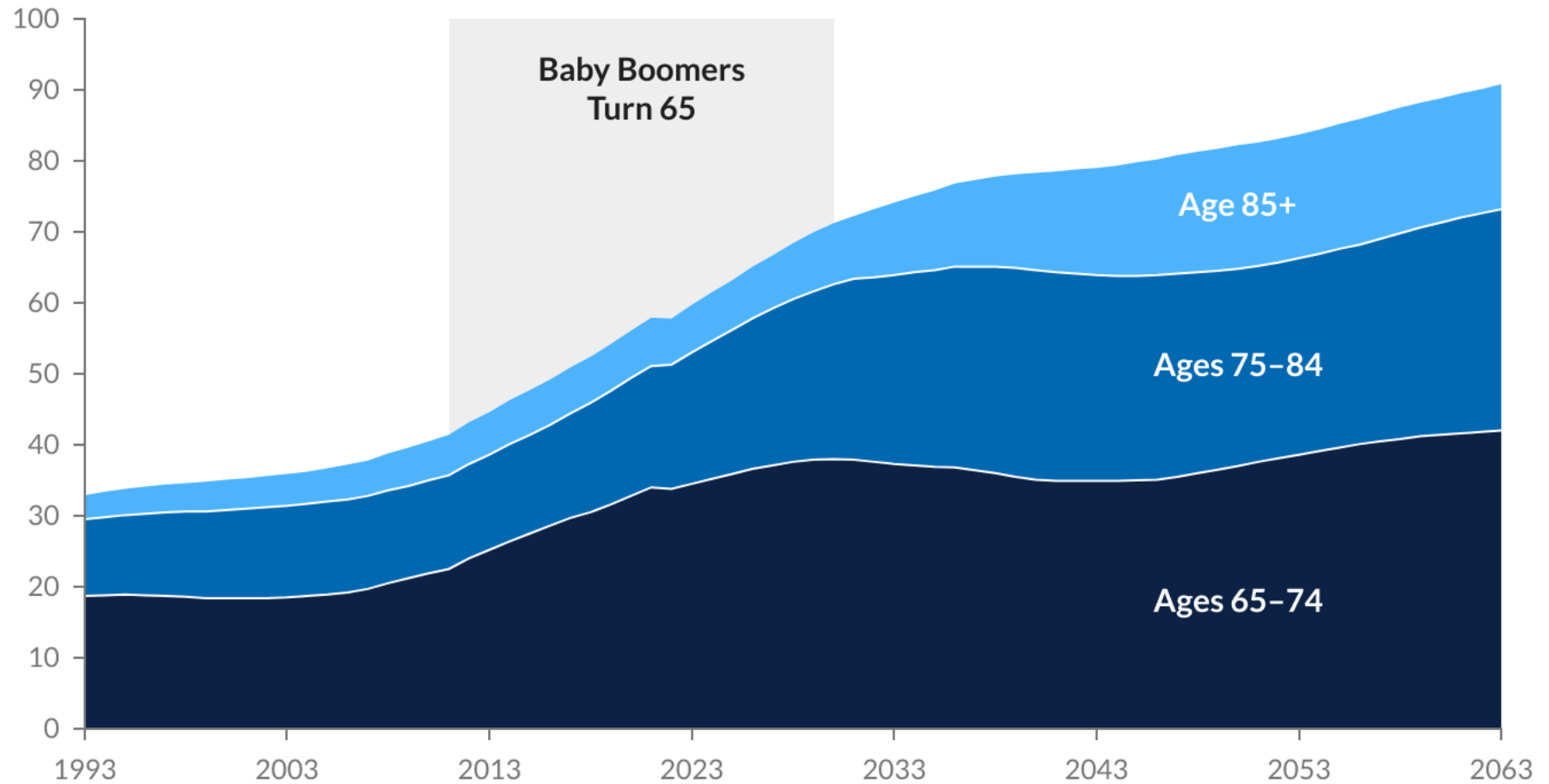
© 2024 Peter G. Peterson Foundation



VISIT [PGPF.ORG](https://www.pgpf.org)

The elderly population is growing rapidly and living longer

U.S. Population Age 65+ (Millions)



Source: U.S. Census Bureau

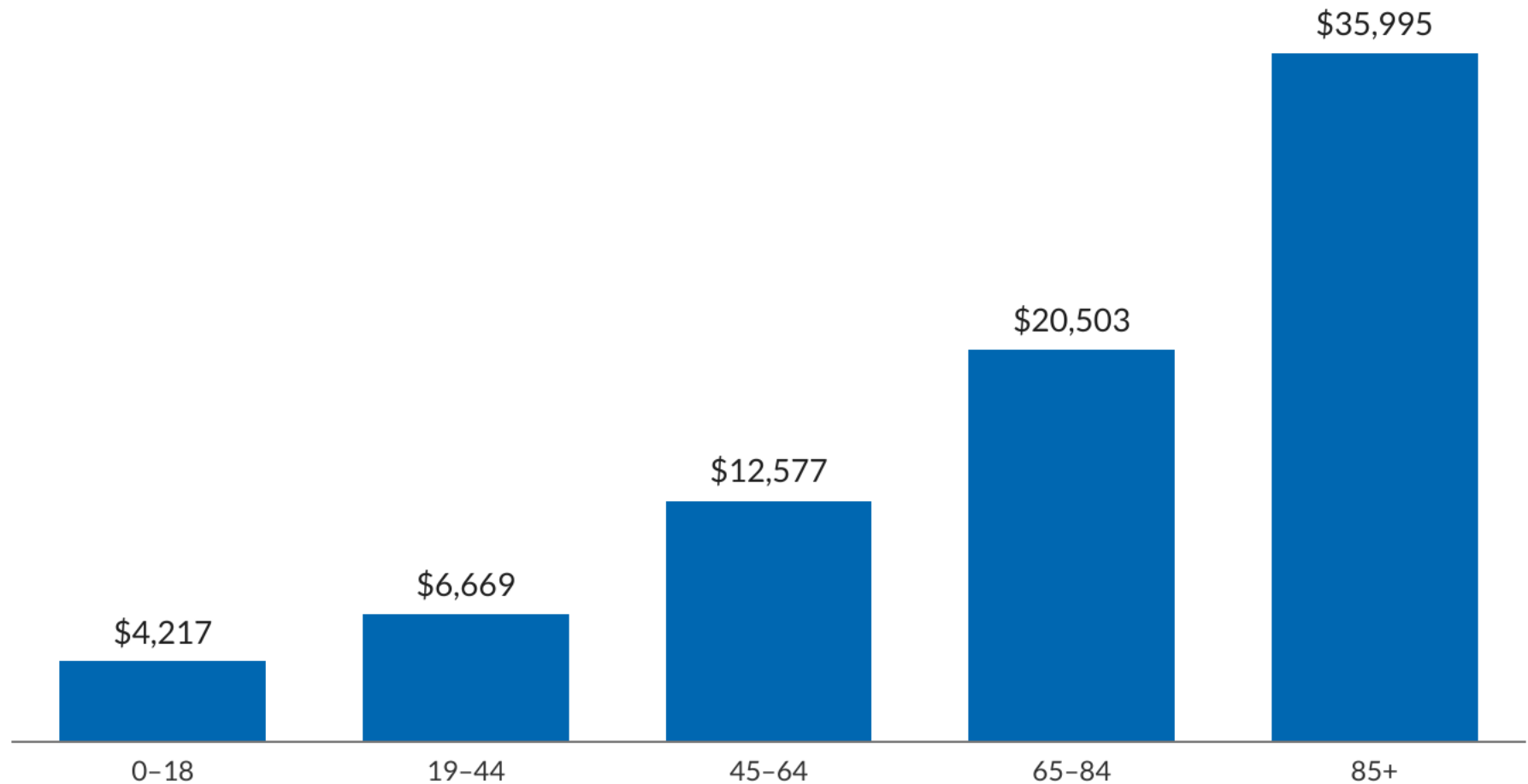
© 2024 Peter G. Peterson Foundation



VISIT [PGPF.ORG](https://www.pgpf.org)

Medical spending increases rapidly with age

Healthcare Spending per Capita by Age Group (\$)



Source: Centers for Medicare and Medicaid Studies

Note: Data are for 2020.

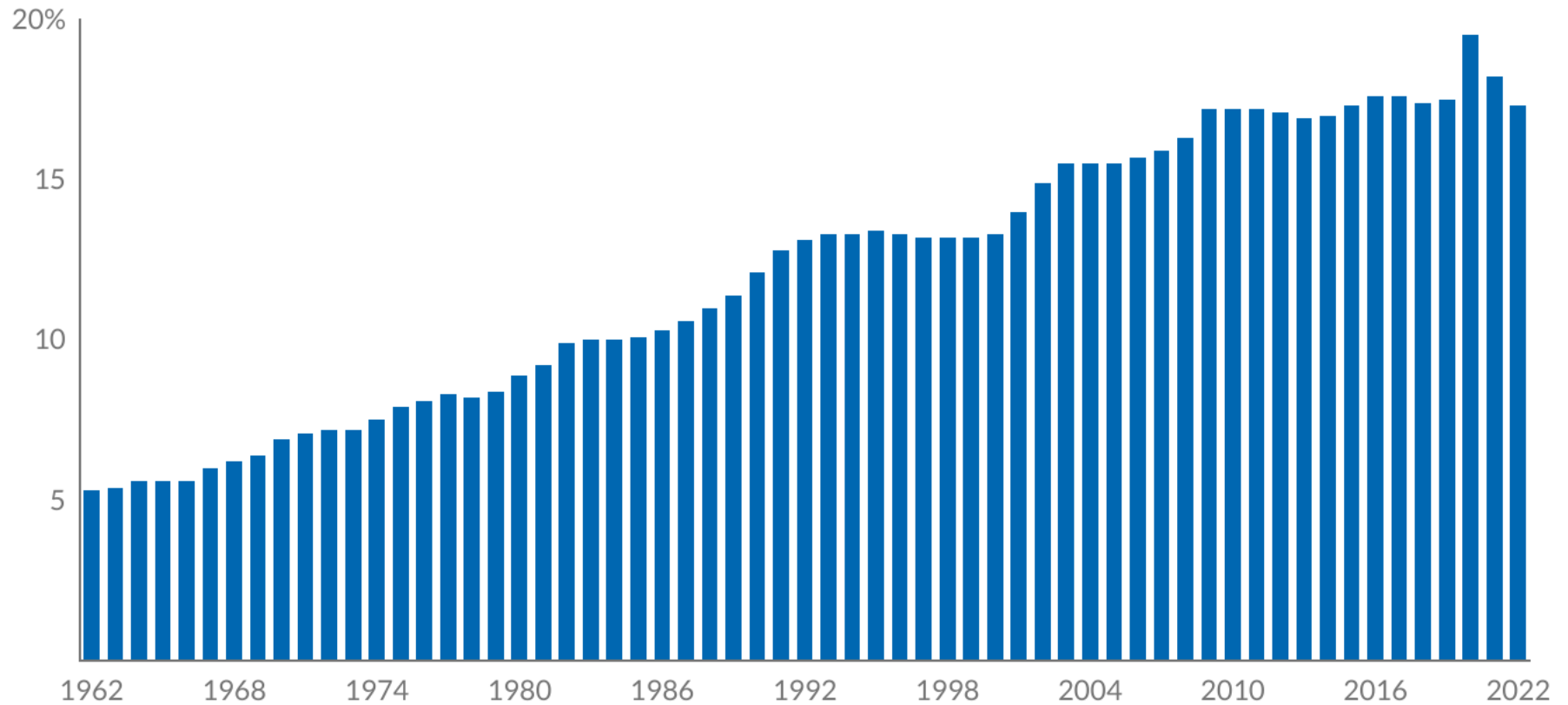
© 2024 Peter G. Peterson Foundation



[VISIT PGPF.ORG](https://www.petergpeterson.org)

Healthcare costs in the United States have increased drastically over the past several decades

National Health Expenditures (% of GDP)



Source: Centers for Medicare and Medicaid Services

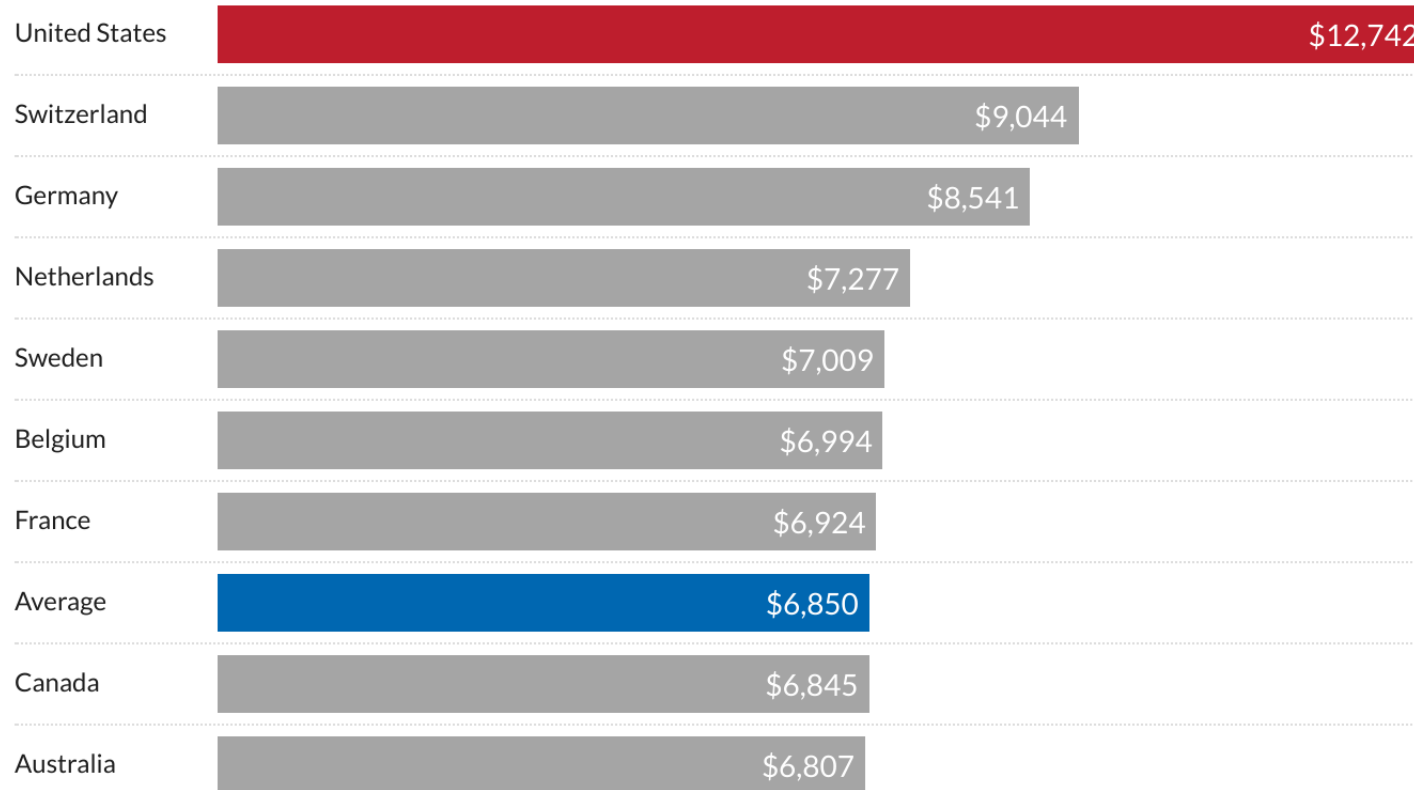
© 2024 Peter G. Peterson Foundation



[VISIT PGPF.ORG](https://www.pgpf.org)

U.S. per capita healthcare spending is almost twice the average of other wealthy countries

Healthcare Costs Per Capita (\$)

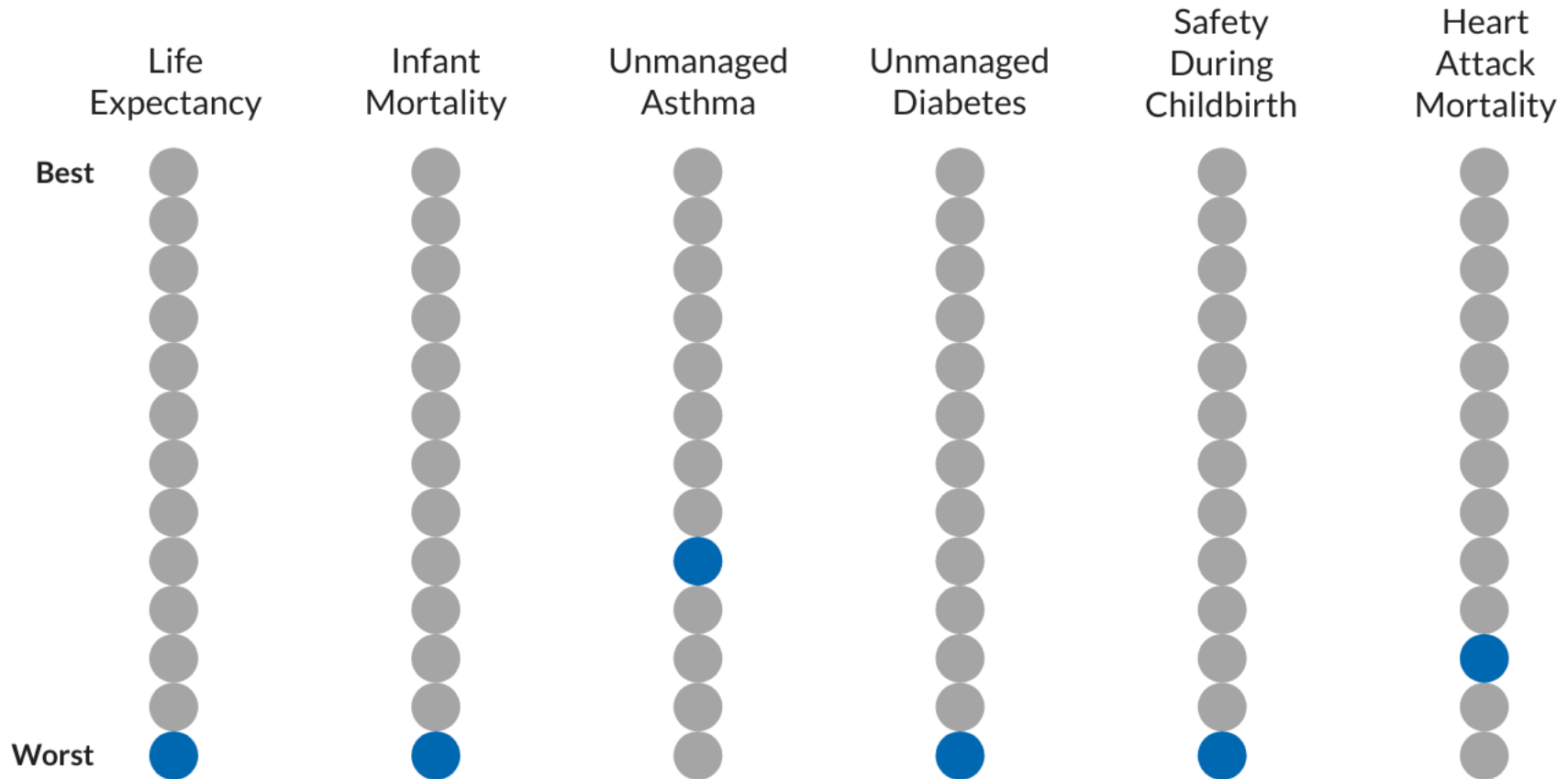


Source: Organisation for Economic Co-operation and Development

Notes: Data are for 2022. Average does not include the United States. The five countries with the largest economies and those with both an above median GDP and GDP per capita, relative to all OECD countries, were included. Chart uses purchasing power parities to convert data into U.S. dollars.

The United States has worse healthcare outcomes compared to other wealthy countries

● United States



Source: Organisation for Economic Co-operation and Development

Notes: Data are not available for all countries for all metrics. Data are for 2022 or latest available.

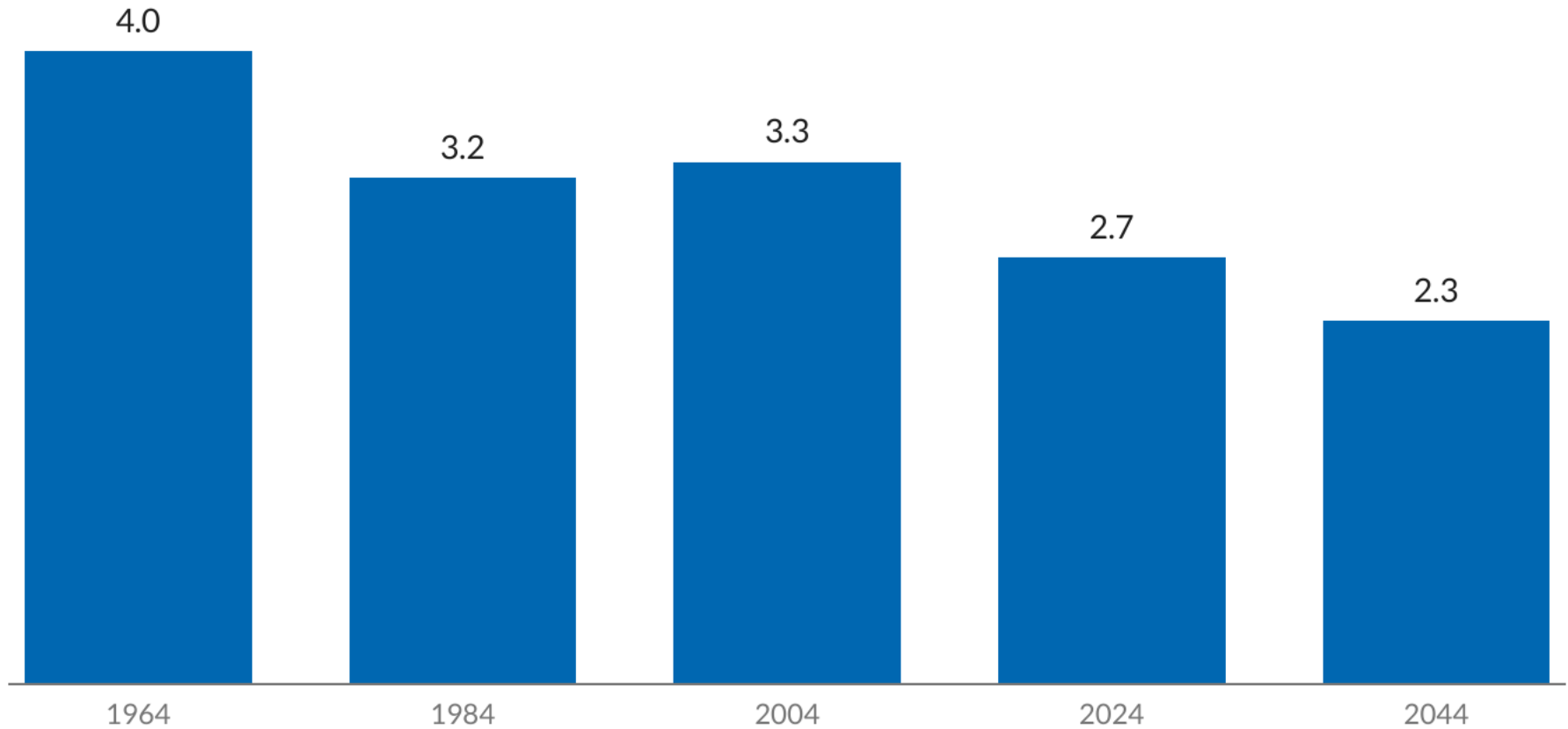
© 2024 Peter G. Peterson Foundation



VISIT [PGPF.ORG](https://www.pgpf.org)

As the population ages, fewer workers will be paying taxes to support each Social Security beneficiary

Workers per Beneficiary Ratio



Source: Social Security Administration

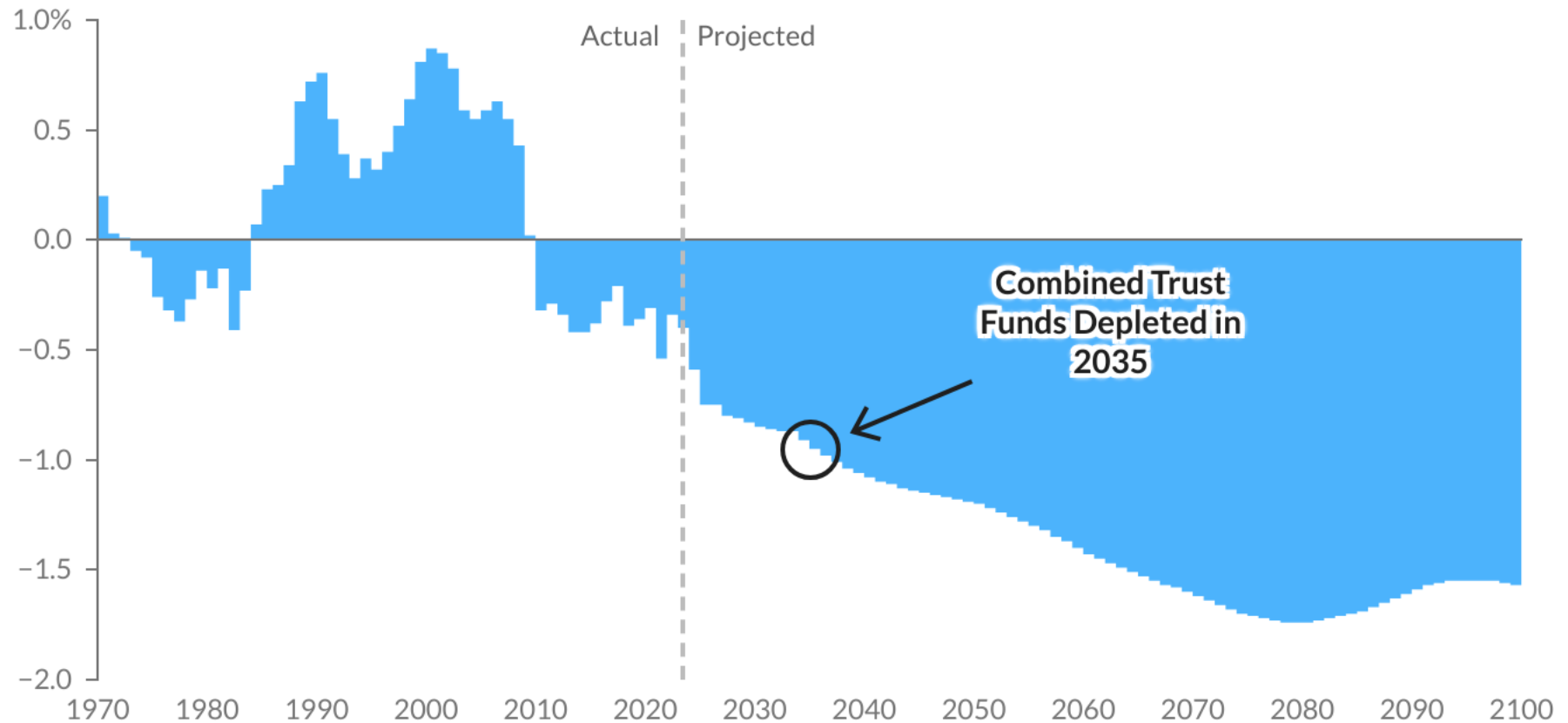
© 2024 Peter G. Peterson Foundation



VISIT [PGPF.ORG](https://www.pgpf.org)

Social Security is facing significant cash shortfalls

Social Security Surpluses/Deficits (% of GDP)



Source: Social Security Administration

Notes: Surplus/deficit numbers exclude interest income. The Social Security trust funds are combined on a hypothetical basis, but actually operate separately. The Old-Age & Survivors Insurance Trust Fund is projected to be depleted in 2033 and lead to a 21 percent cut in benefits that year; the Disability Insurance Trust Fund is not projected to become depleted during the 75-year period ending in 2098.

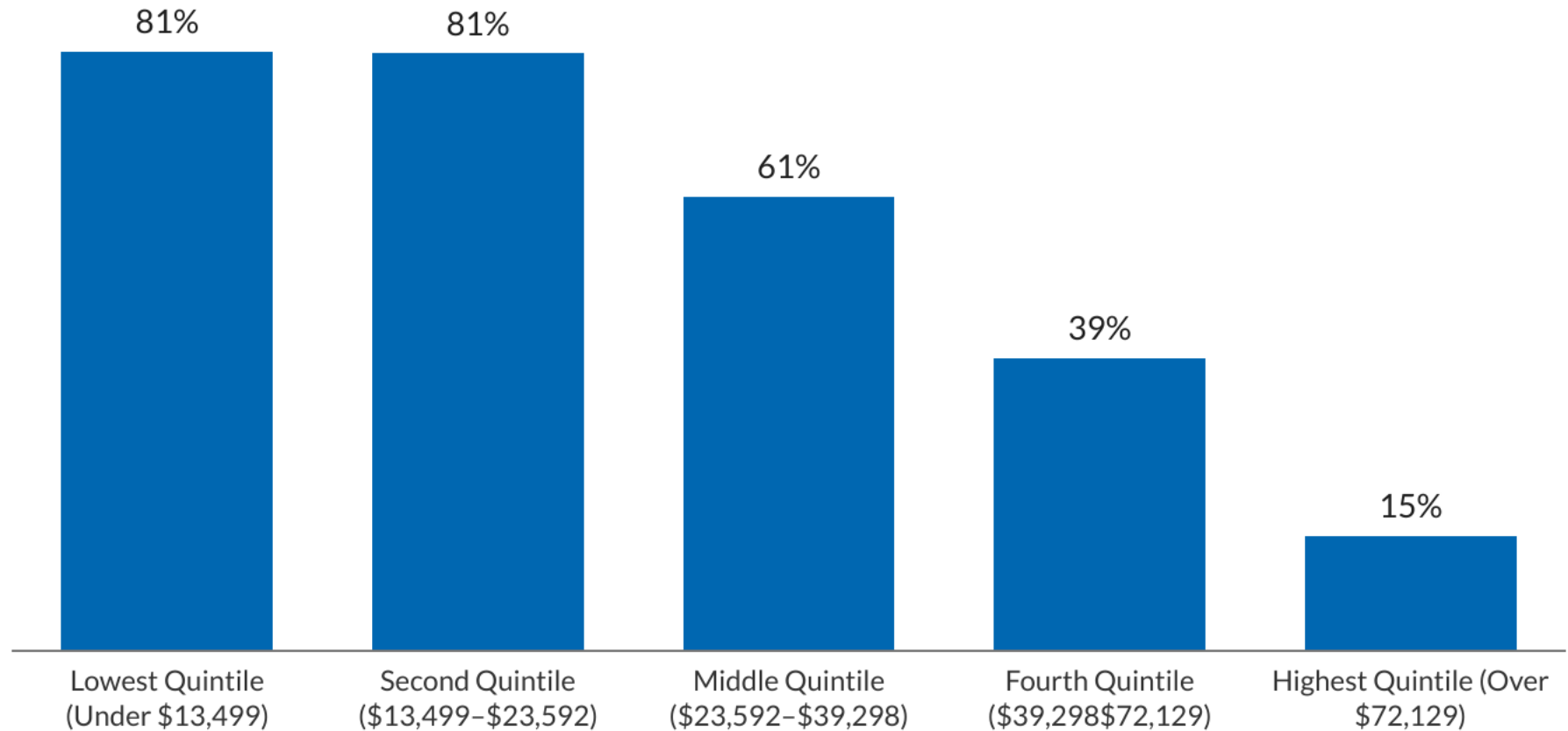
© 2024 Peter G. Peterson Foundation



VISIT [PGPF.ORG](https://www.pgpf.org)

Low-income seniors rely on Social Security benefits for a major share of their retirement income

Social Security Benefits (% of Total Income)



Source: Social Security Administration

Notes: A quintile is one-fifth of the population. Data are for 2014.

© 2024 Peter G. Peterson Foundation

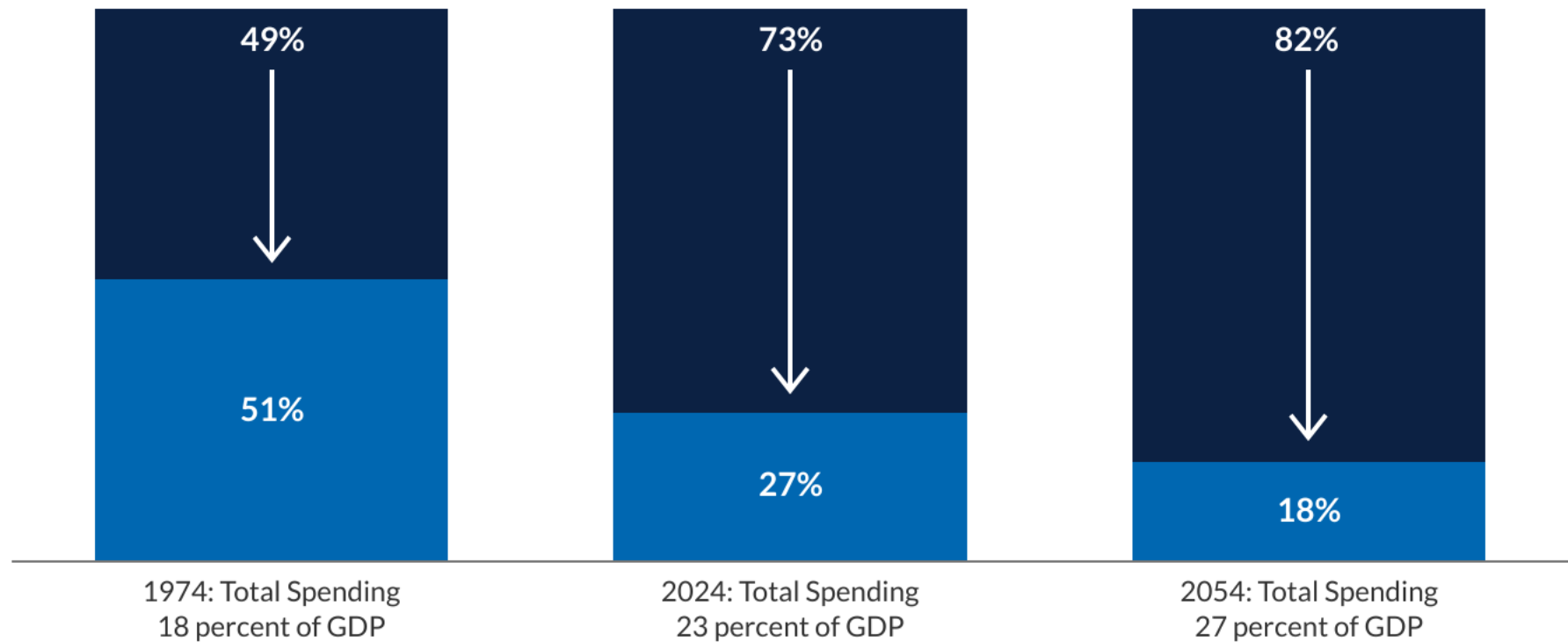


VISIT [PGPF.ORG](https://www.pgpf.org)

Mandatory spending and interest cost growth is squeezing discretionary programs

% of Federal Spending

■ Discretionary ■ Mandatory and Net Interest Spending



Sources: Congressional Budget Office and Office of Management and Budget

Note: Mandatory programs include Social Security, the major federal health programs, other entitlement programs, and offsetting receipts.

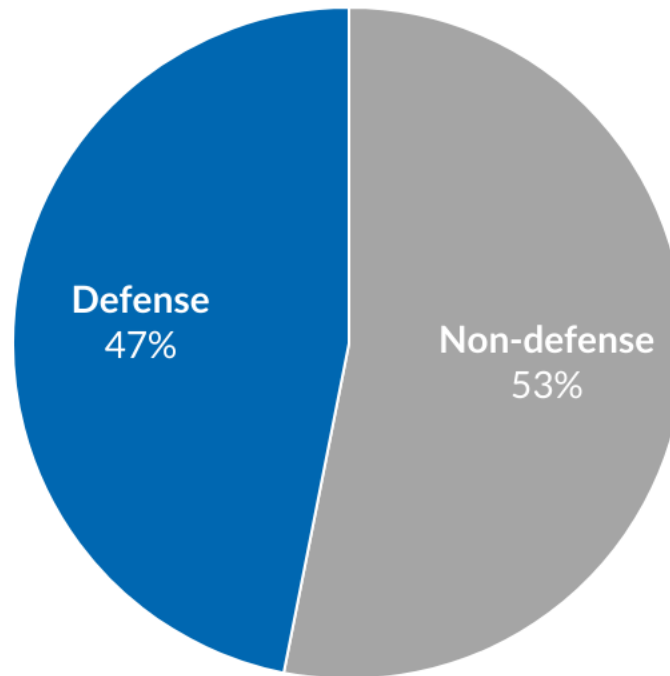
© 2024 Peter G. Peterson Foundation



VISIT [PGPF.ORG](https://www.pgpf.org)

Defense spending accounts for nearly half of total discretionary spending

2023 Discretionary Outlays:
\$1,719 Billion



Source: Congressional Budget Office

Notes: Non-Defense includes Transportation, Veteran's Benefits and Services, Health, Education, International Affairs, General Government, Administration of Justice, Natural Resources and Environment, Housing Assistance, General Science, Space and Technology, Community and Regional Development, and Training, Employment, and Social Services spending.

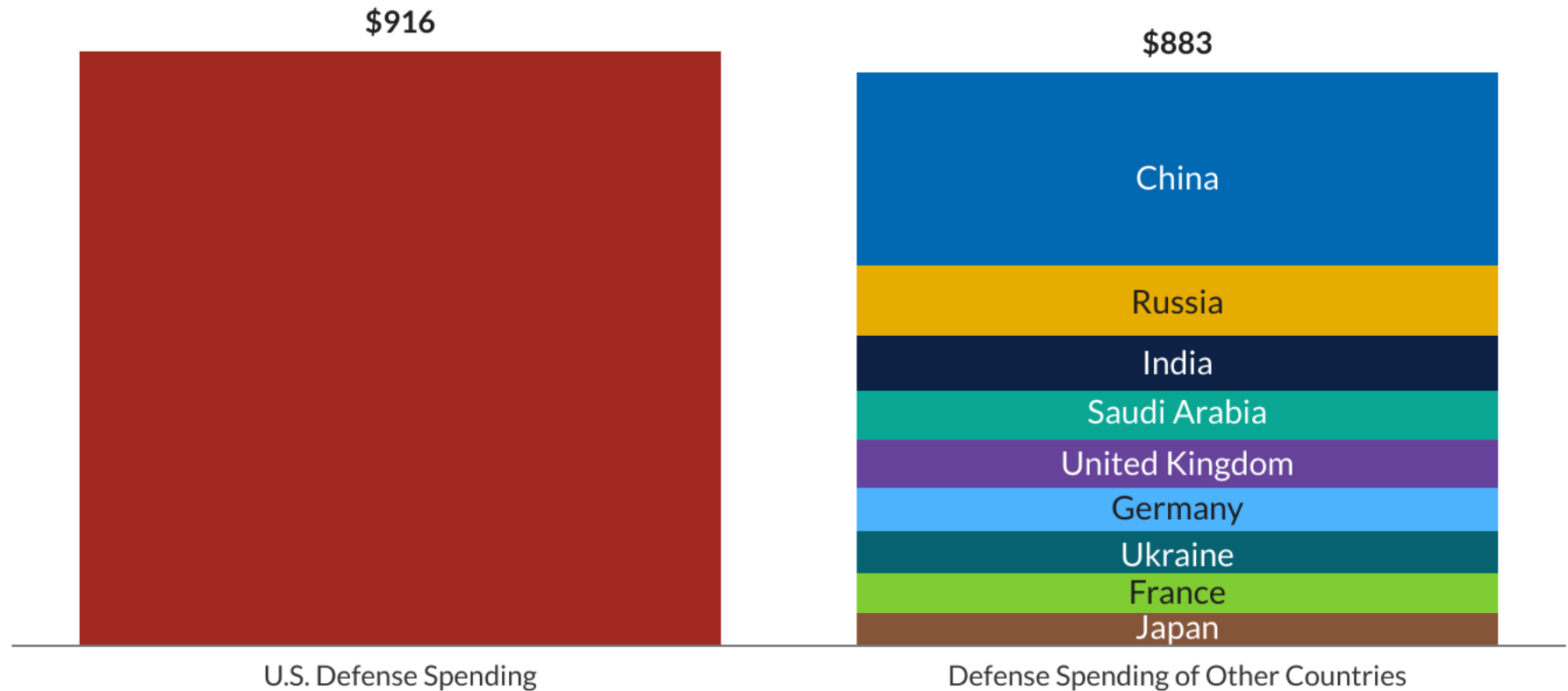
© 2024 Peter G. Peterson Foundation



[VISIT PGP.F.ORG](https://www.petergpeterson.org)

The United States spends more on defense than the next 9 countries combined

Defense Spending (Billions of Dollars)



Source: Stockholm International Peace Research Institute

Notes: Figures are in U.S. dollars converted from local currencies using market exchange rates. Data for the United States are for fiscal year 2023. Data for the other countries are for calendar year 2023. The source for this chart uses a definition of defense spending that is more broad than budget function 050 and defense discretionary spending.

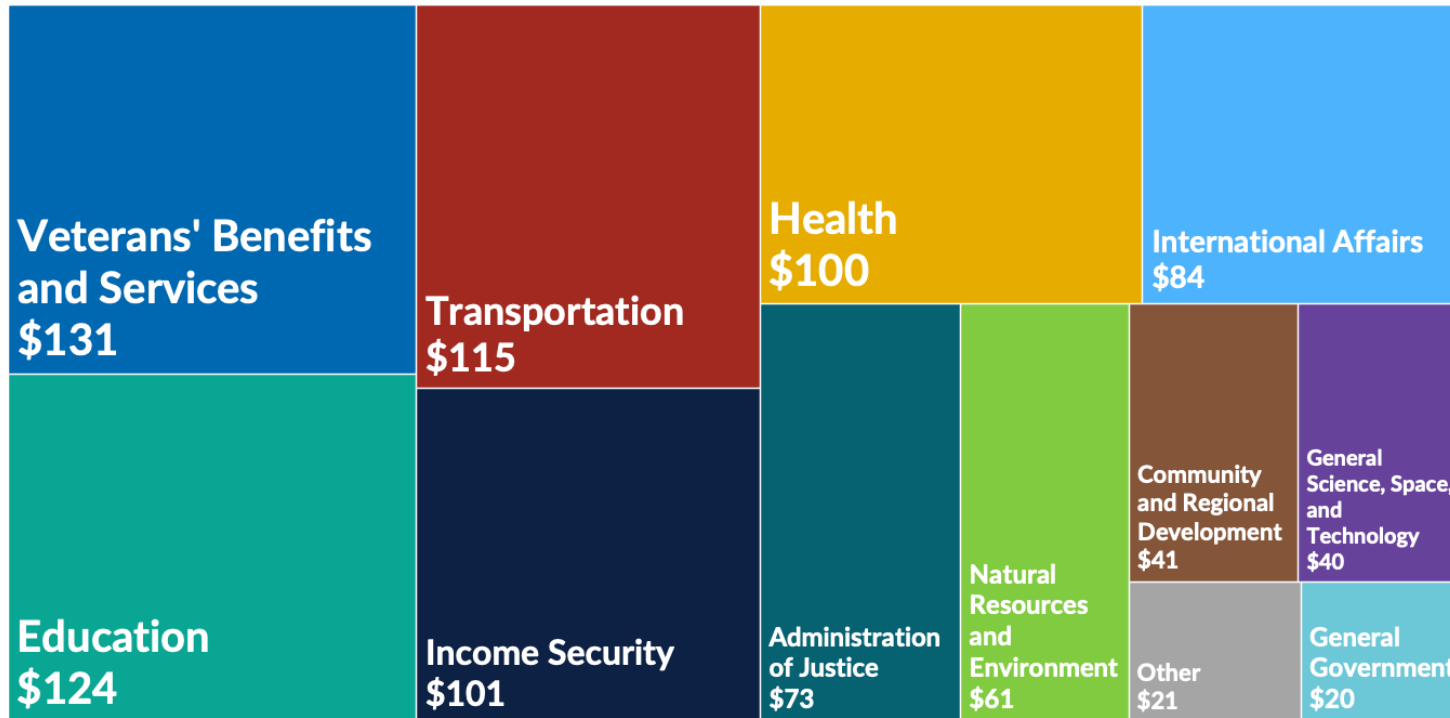
© 2024 Peter G. Peterson Foundation



VISIT [PGPF.ORG](https://www.pgpf.org)

Non-defense discretionary spending funds a wide range of programs

Nondefense Discretionary Outlays in 2023 (Billions of Dollars): \$912 Billion



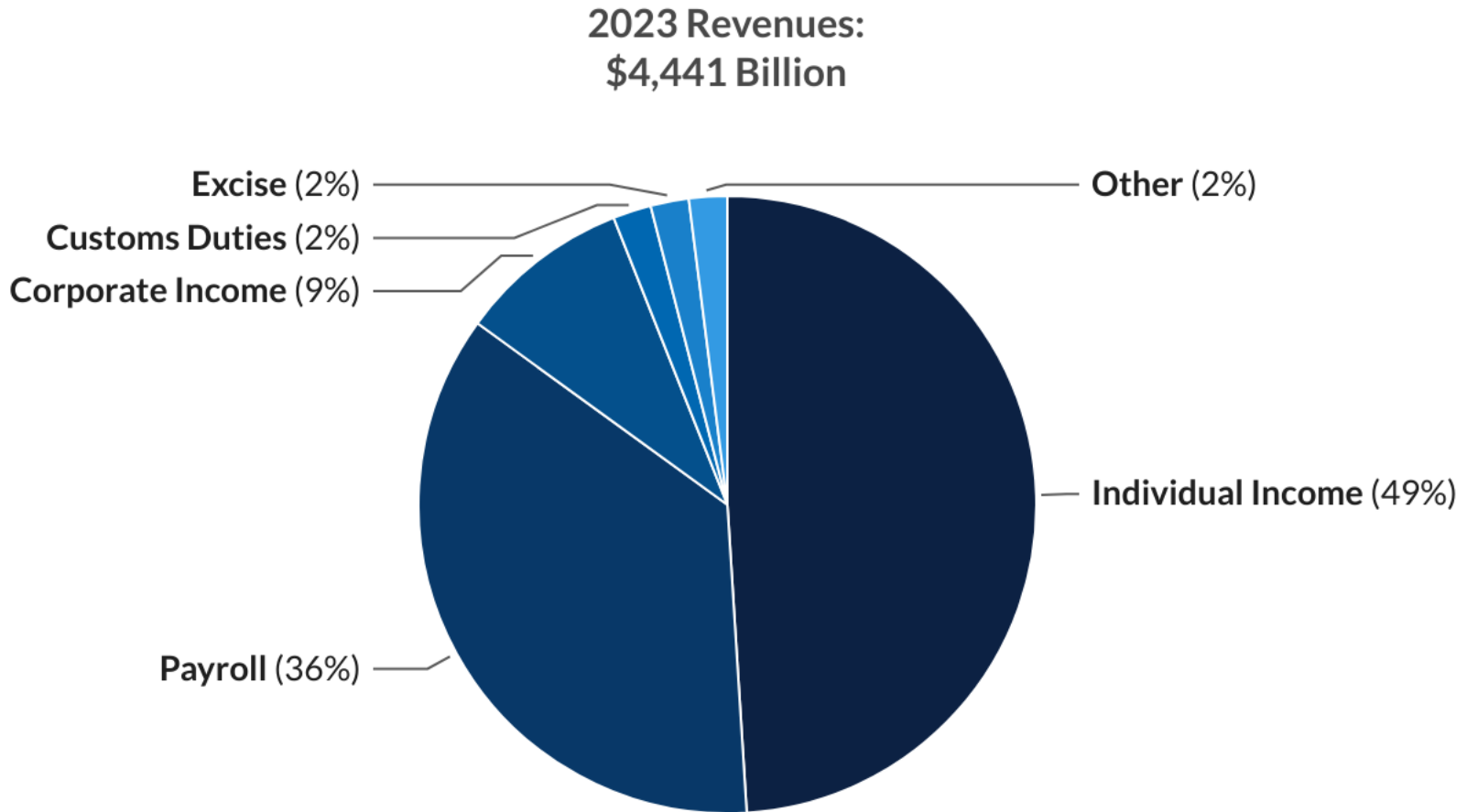
Source: Office of Management and Budget

Notes: Health includes funding for agencies that provide healthcare services or engage in health research, such as the National Institutes of Health, Centers for Disease Control and Prevention, and Indian Health Service. Education also includes Training, Employment, and Social Services (\$27 billion). Agriculture (\$8 billion) and Energy (\$6 billion) are included in Natural Resources and Environment. Income Security includes Housing Assistance (\$62 billion). Other includes Commerce and housing credit as well as the administrative costs of Social Security and Medicare.



VISIT [PGPF.ORG](https://www.pgpf.org)

The federal government collects revenues from a variety of sources



Source: Congressional Budget Office

Notes: Other includes estate and gift taxes, remittances from the Federal Reserve, and miscellaneous fees and fines.

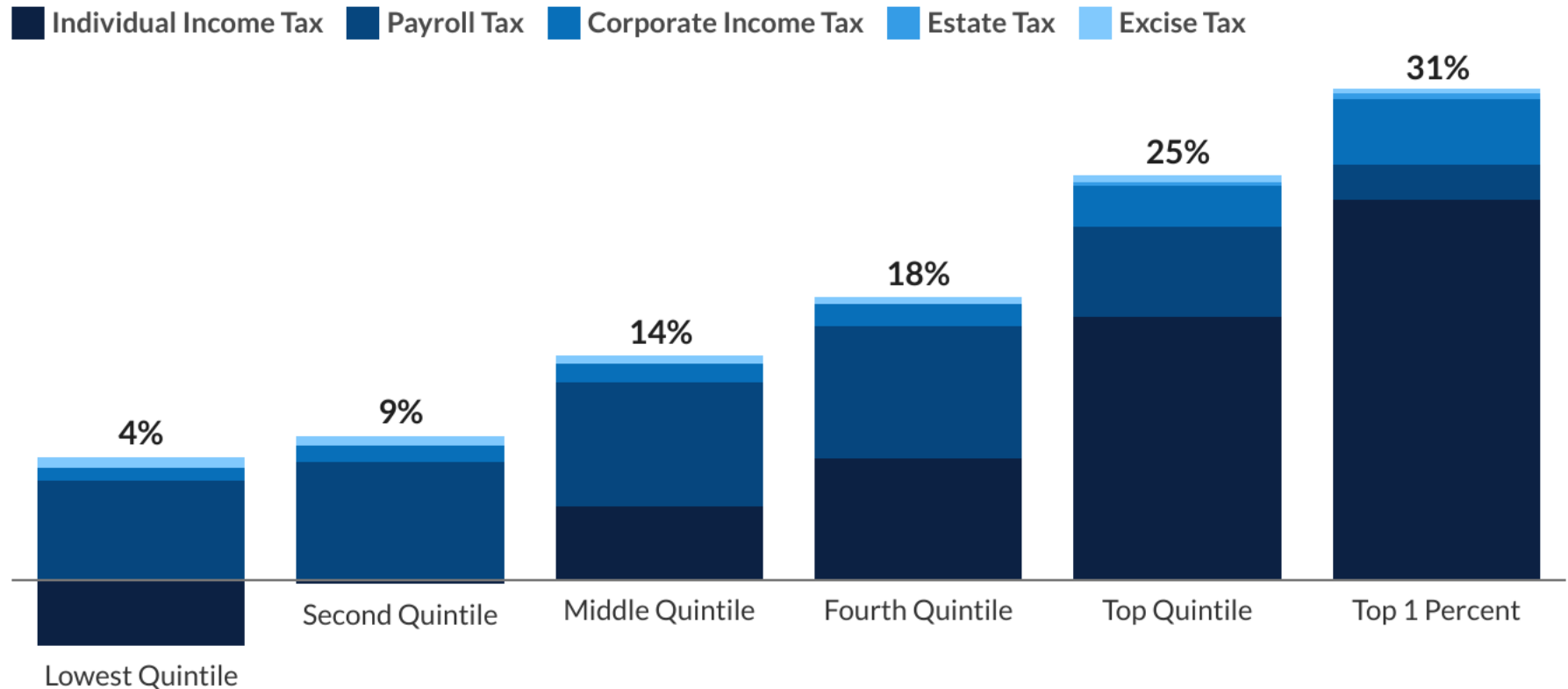
© 2024 Peter G. Peterson Foundation



VISIT [PGPF.ORG](https://www.pgpf.org)

All income groups pay taxes, but overall the U.S. federal tax system is progressive

Effective Federal Tax Rate (% of Expanded Cash Income in 2022)



Source: Tax Policy Center

Notes: Individual income tax rates for the lowest and second quintiles are negative and are netted against the payroll tax rate. A quintile is one-fifth of the population. The breaks are (in 2022 dollars): 20% \$30,000; 40% \$58,500; 60% \$103,800; 80% \$189,200; 90% \$276,100; 95% \$398,100; 99% \$982,600; 99.9% \$4,439,400.

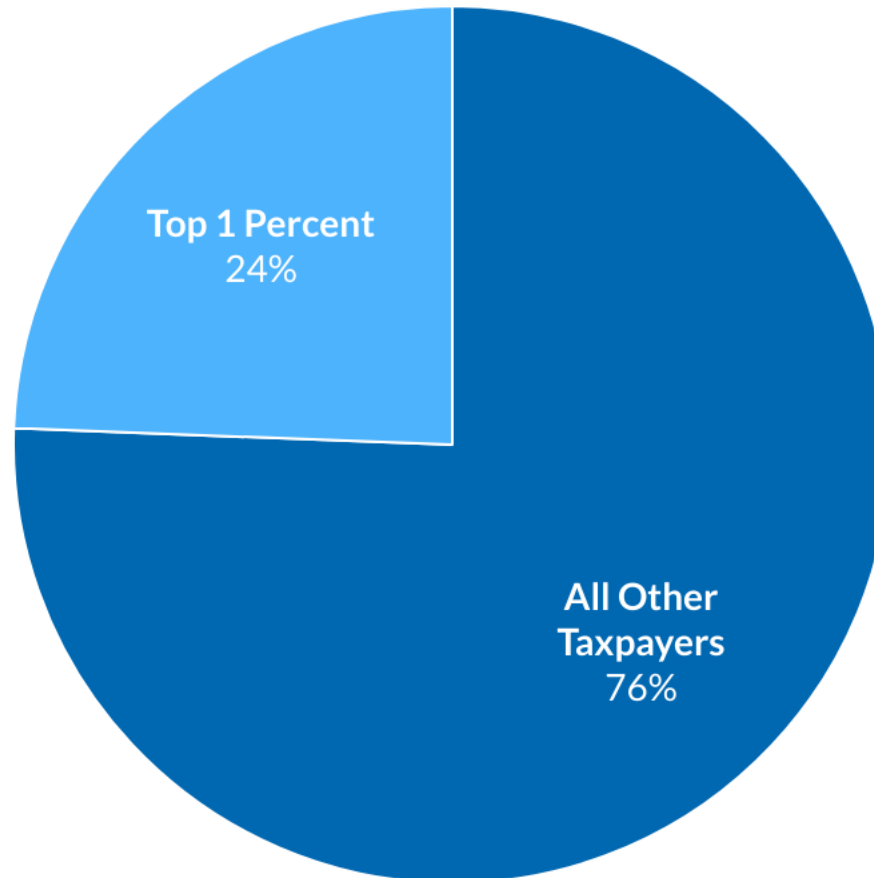
© 2024 Peter G. Peterson Foundation



[VISIT PGPF.ORG](https://www.pgpf.org)

The top 1 percent of taxpayers generate 24 percent of total federal tax revenues

Share of Federal Tax Revenues (%)



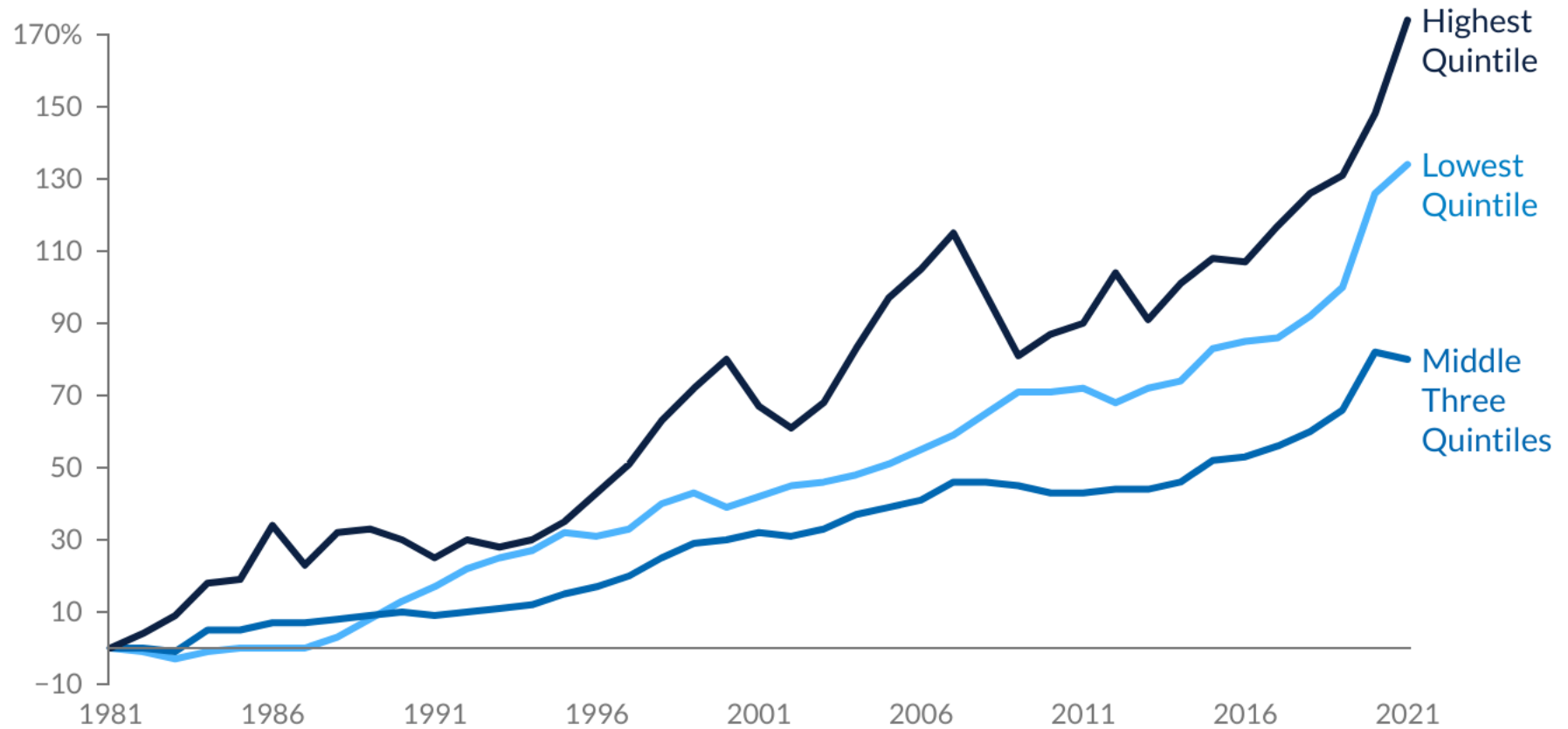
Source: Tax Policy Center

© 2024 Peter G. Peterson Foundation

[VISIT PGPF.ORG](https://www.pgpf.org)

Income growth since 1980 has been larger for high-income earners, even when including transfers and taxes

Cumulative Growth in Average Income After Transfers and Taxes (2021 \$)



Source: Congressional Budget Office

Note: Income after transfers and taxes is comprised of market income plus income from social insurance programs (i.e. Social Security), plus means-tested transfers received (i.e. Medicaid), minus federal taxes.

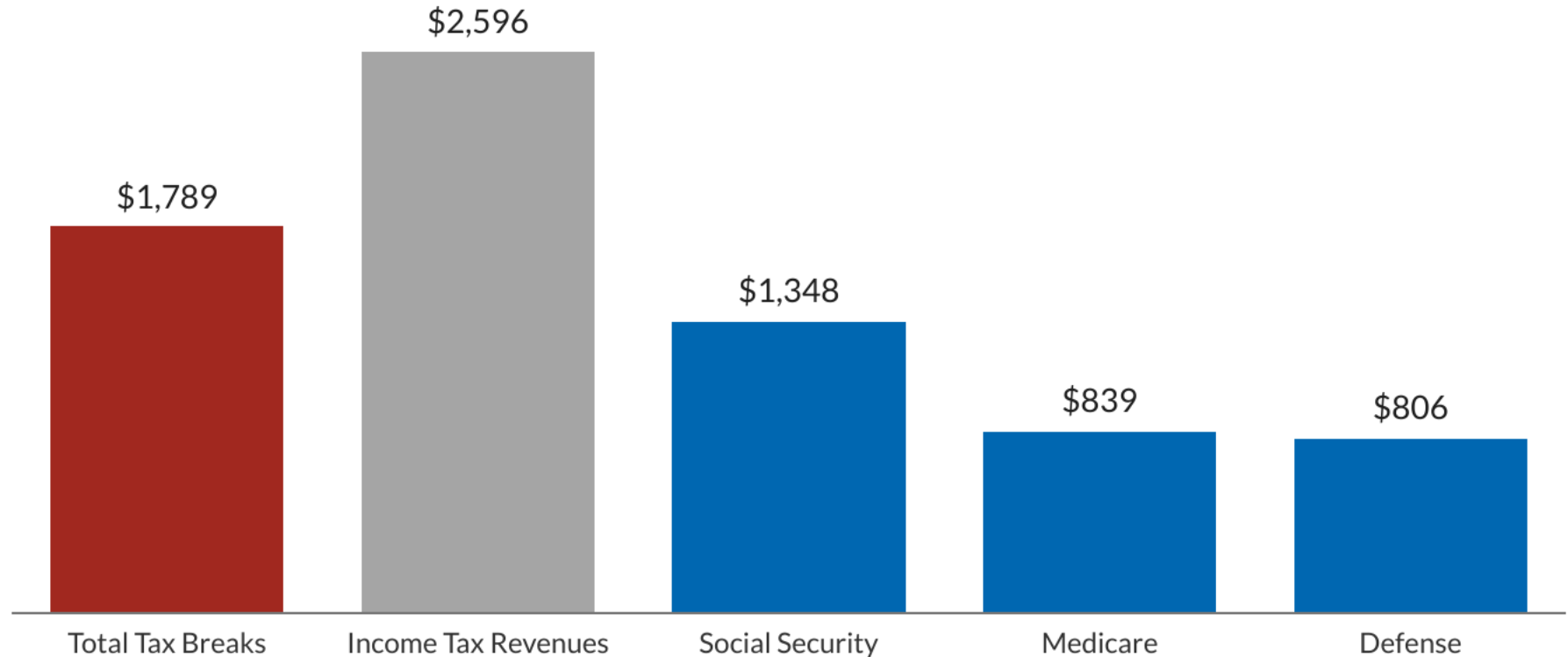
© 2024 Peter G. Peterson Foundation



[VISIT PGPF.ORG](https://www.pgpf.org)

Tax expenditures cost more than any individual government spending program

Budgetary Cost in 2023 (Billions of \$)



Sources: Office of Management and Budget and Joint Committee on Taxation

Notes: Tax breaks, also known as tax expenditures, are deductions, credits, exclusions, and preferential rates. Income tax revenues includes individual and corporate. The estimates for tax expenditures do not account for any interactive effects of combining various provisions. Medicare spending is net of premiums and payments from the states. Defense represents discretionary defense spending.

Eight popular tax provisions account for about 80 percent of individual income tax expenditures

Budgetary Cost in 2023
(Billions of \$)

Largest Individual Income Tax Expenditures

Exclusion of pension contributions and earnings and individual retirement arrangements*	369
Exclusions of and reductions on dividends and long-term capital gains**	311
Exclusion of employer contributions for medical insurance and care	202
Child Tax Credit (CTC)	122
Subsidies for insurance purchased through health benefit exchanges	80
Earned Income Tax Credit (EITC)	71
Step-up basis of capital gains at death	58
20-Percent deduction for certain Pass-through income	56
Total	1,269

Source: Joint Committee on Taxation

Notes: *Estimate includes defined benefit plans and defined contribution plans. **Estimate includes qualified dividends, home sales, and exclusion of small corporate stock. Entries do not sum due to rounding.

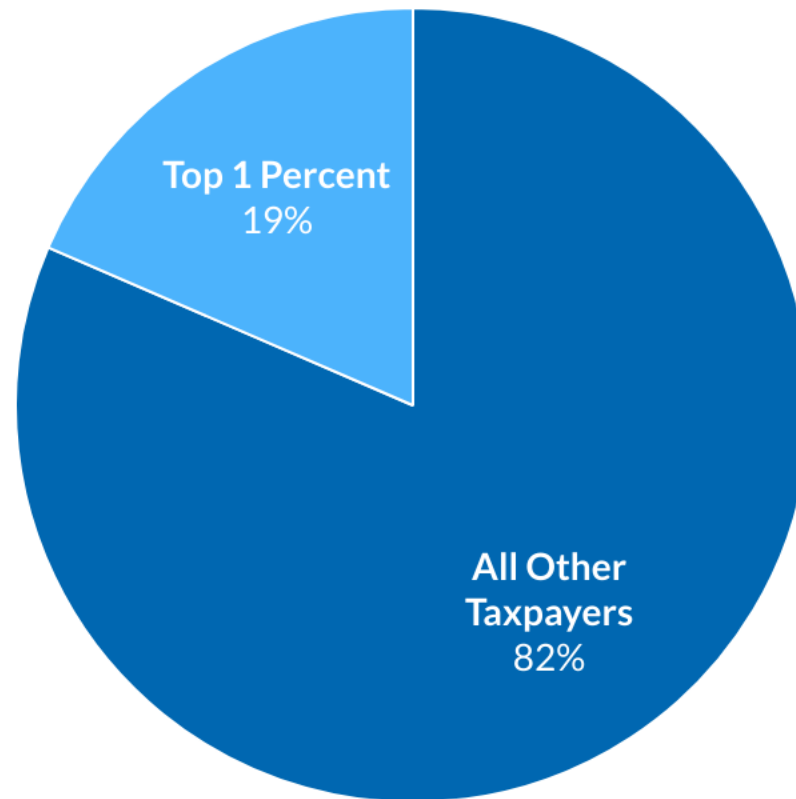
© 2024 Peter G. Peterson Foundation



VISIT [PGPF.ORG](https://www.pgpf.org)

The top 1 percent of taxpayers receive 19 percent of the benefit from individual income tax expenditures

Distribution of Individual Income Tax Expenditures (%)



Source: Congressional Budget Office

Notes: Data are for 2019. Data only include major non-business and non-payroll tax expenditures that are claimed on individual tax returns.

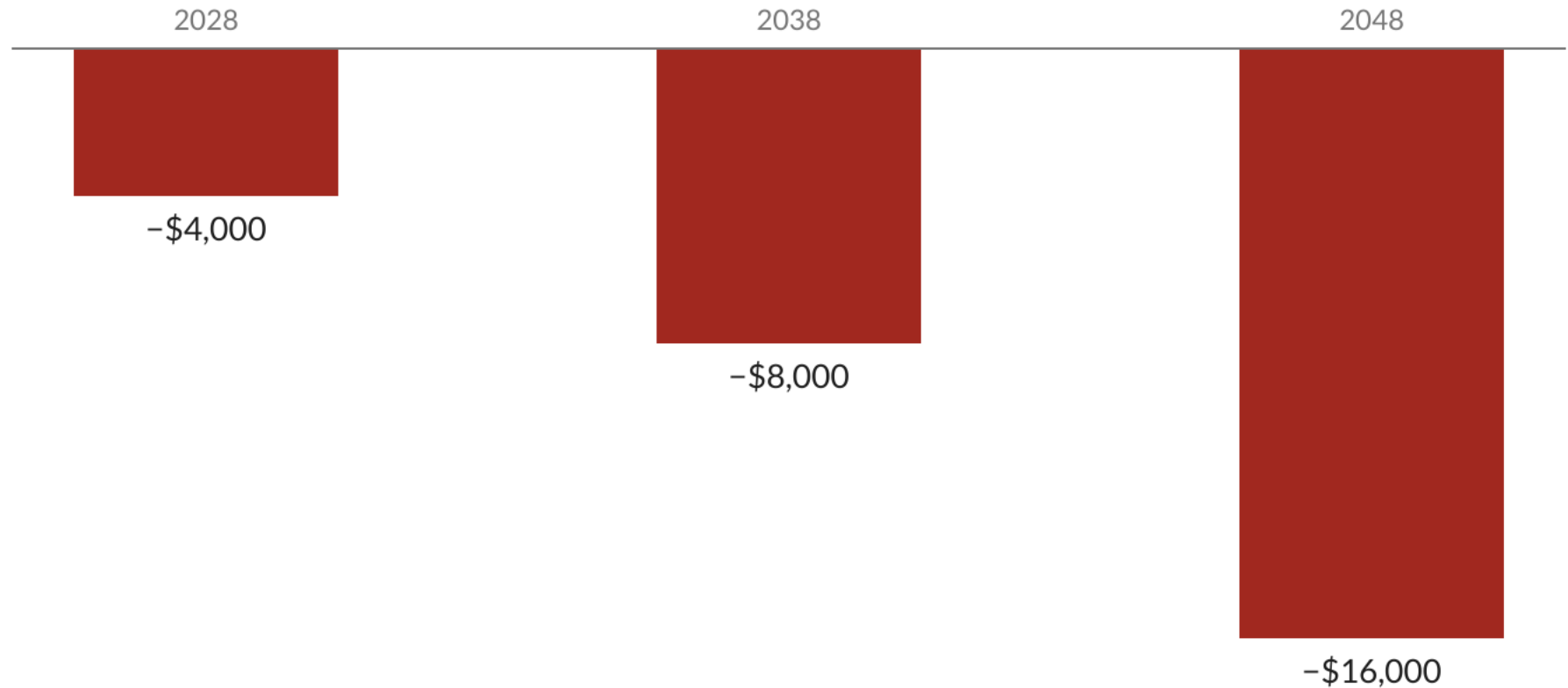
© 2024 Peter G. Peterson Foundation



[VISIT PGPF.ORG](https://www.petergpeterson.org)

The growing federal debt is projected to reduce family incomes substantially

Income Loss For a Four-Person Family, on Average (2019 \$)



Source: Congressional Budget Office

Note: The income measures are based on CBO's projections of real gross national product per person. The income loss is the difference between the income level if debt rises as it does under current law and the income level if debt remains near its current share of gross domestic product.

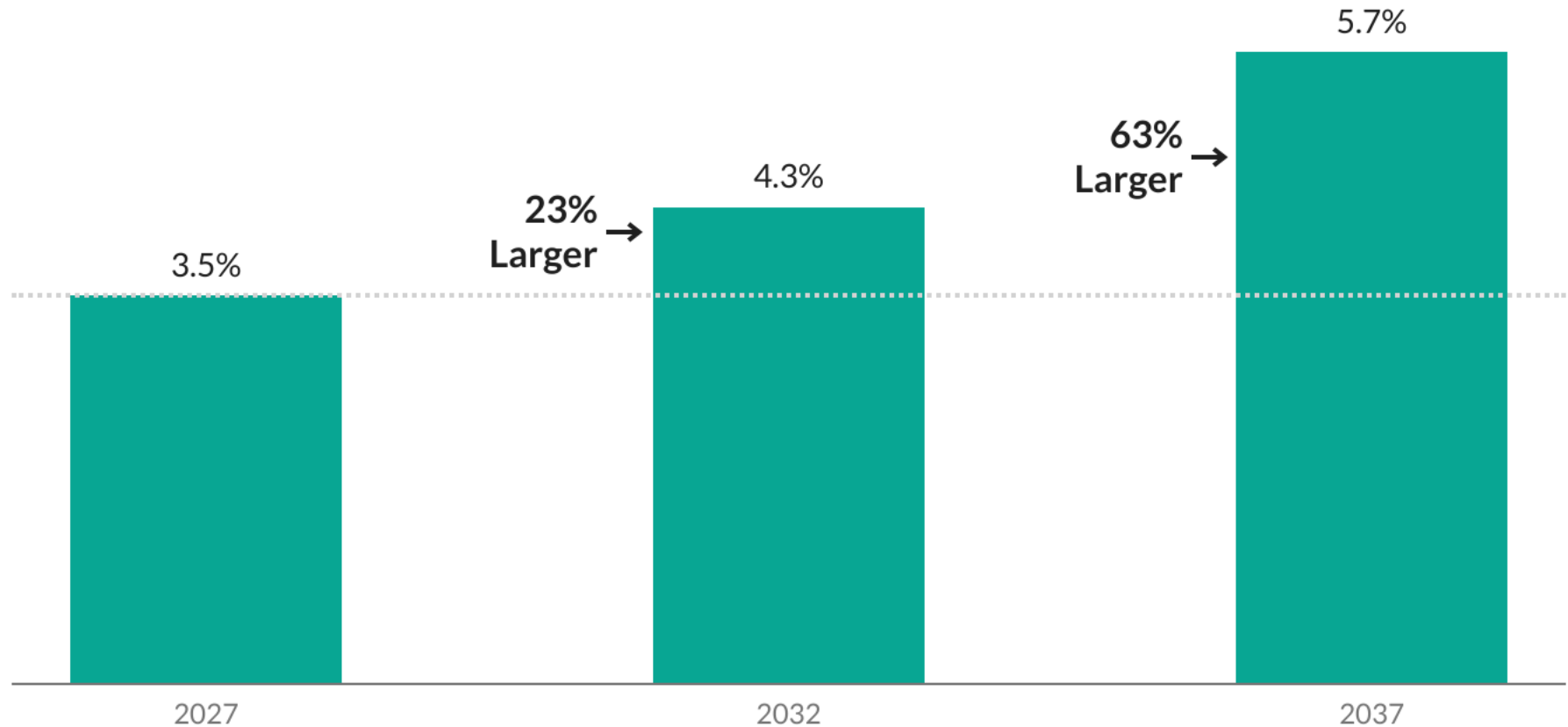
© 2024 Peter G. Peterson Foundation



[VISIT PGPF.ORG](https://www.pgpf.org)

Waiting to enact fiscal reform raises the cost of stabilizing the debt

Size of Reform Needed in First Year of Enactment (% of GDP)



Source: Congressional Budget Office

Note: Data reflects changes needed to stabilize the debt at 80 percent of GDP by 2052.

© 2024 Peter G. Peterson Foundation

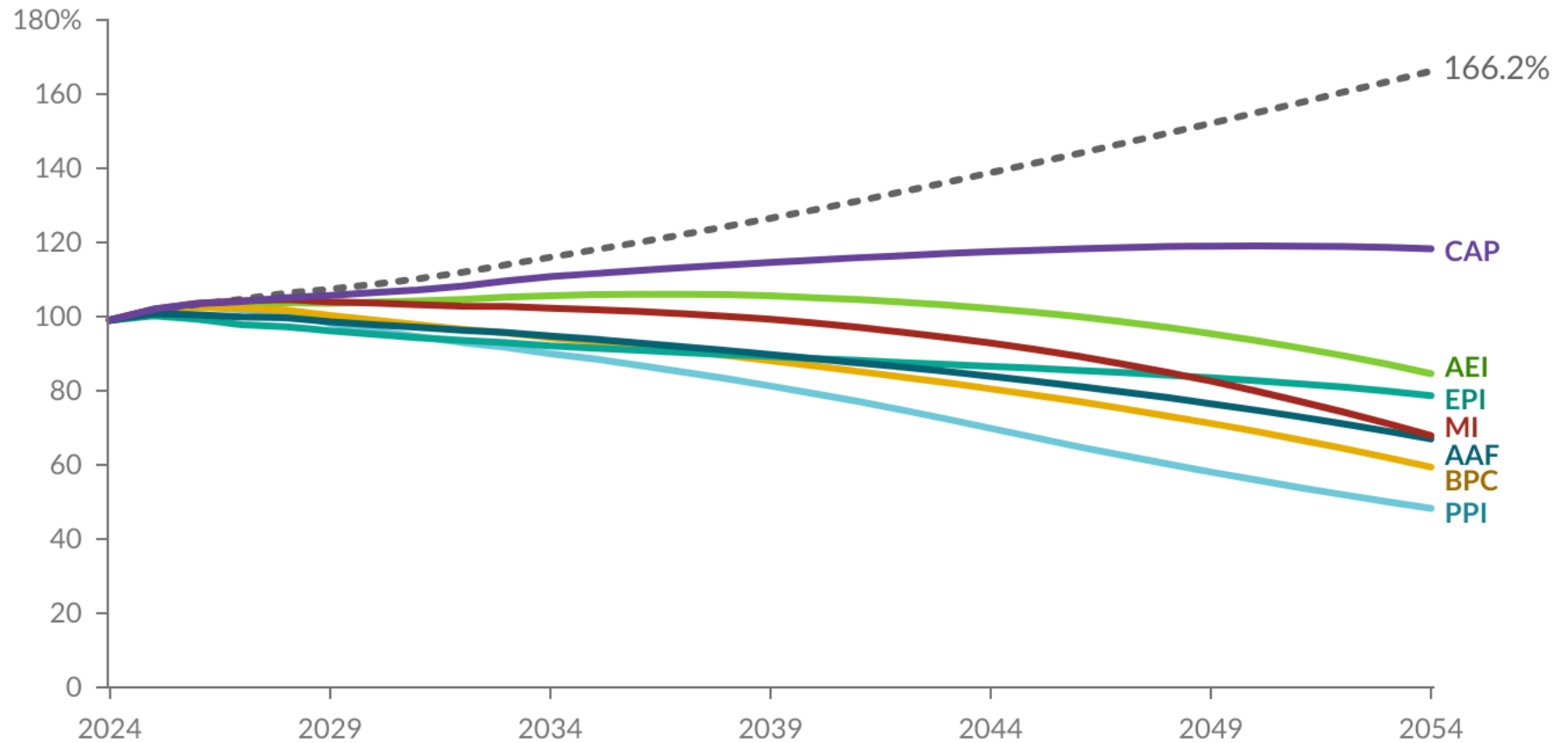


[VISIT PGPF.ORG](https://www.pgpf.org)

Solutions Initiative 2024: Projected federal debt

Debt held by the public (% of GDP)

-- Current Law



Source: Peter G. Peterson Foundation, Solutions Initiative 2024, July 2024.

Note: Current law baseline is from Congressional Budget Office, *The Long-Term Budget Outlook: 2024 to 2054* (March 2024).

© 2024 Peter G. Peterson Foundation



VISIT [PGPF.ORG](https://www.pgpf.org)