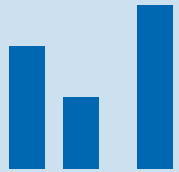
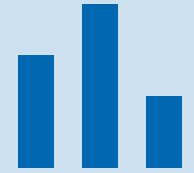
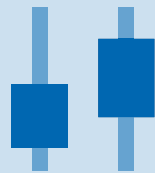
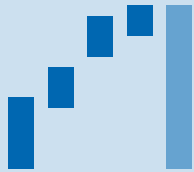


# FISCAL OVERVIEW

## Chart Pack

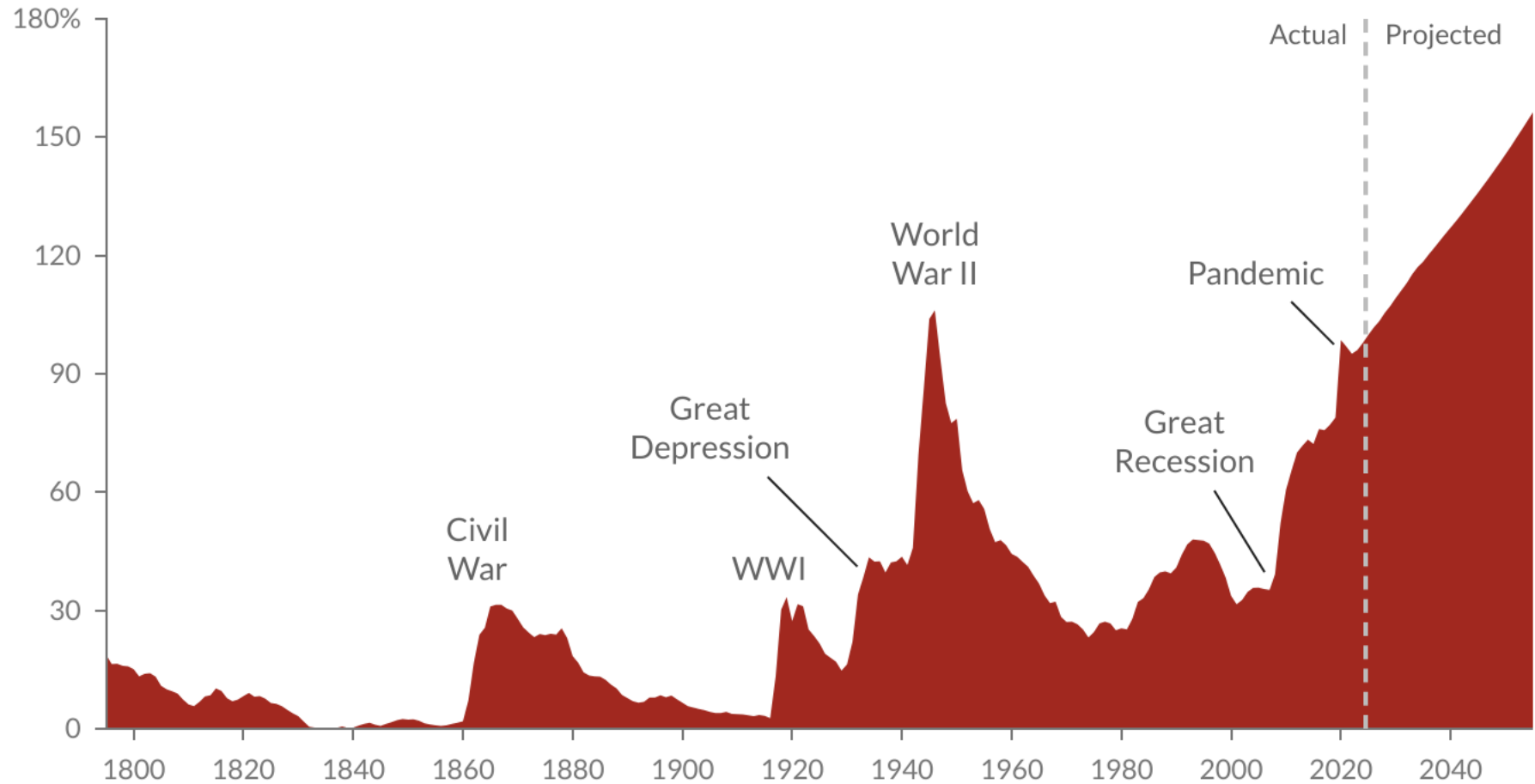


MARCH 2025



# 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.

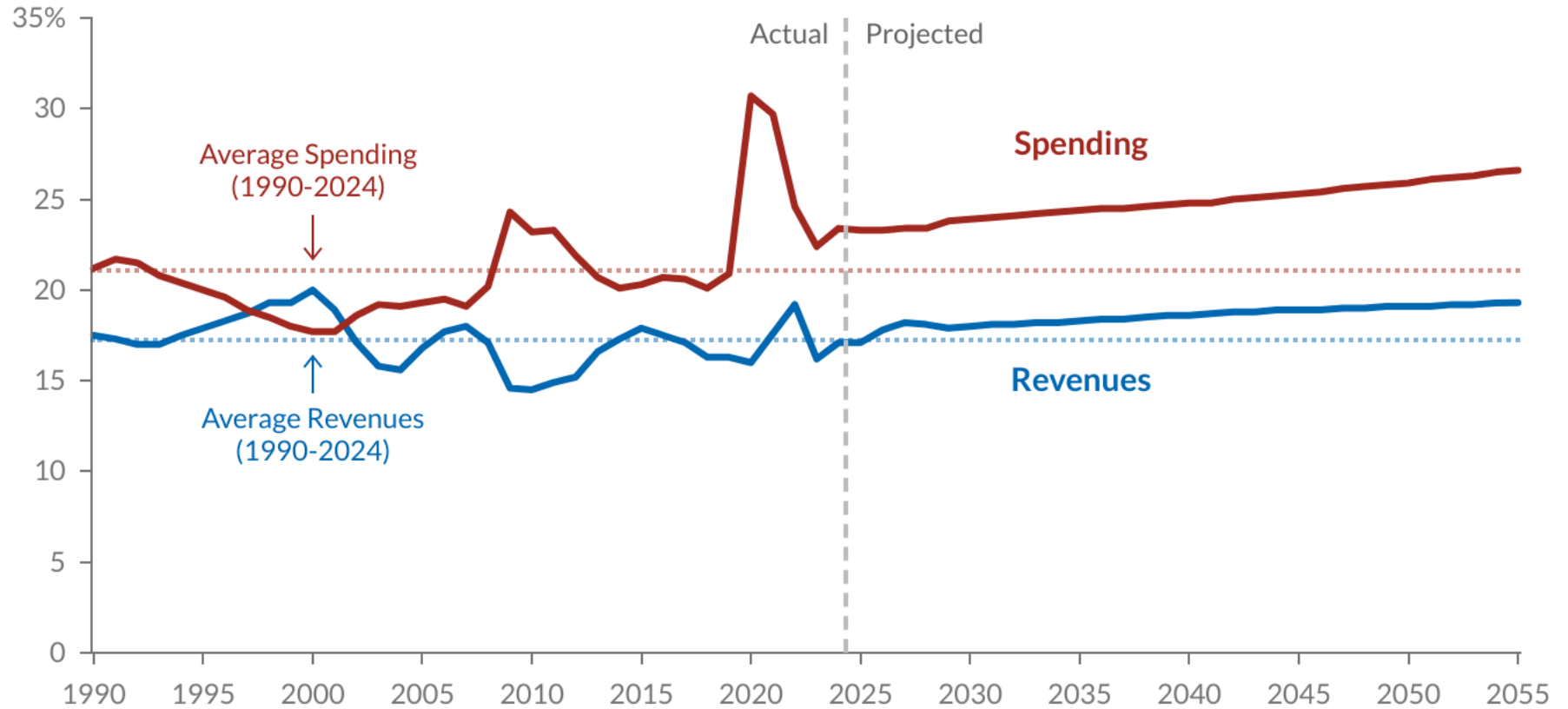
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# The growing debt is caused by a structural mismatch between spending and revenues

## Federal Spending and Revenues (% of GDP)



Sources: Congressional Budget Office

Note: Projected data have been adjusted to remove the effects of timing shifts. Data includes the long-term and ten-year projections.

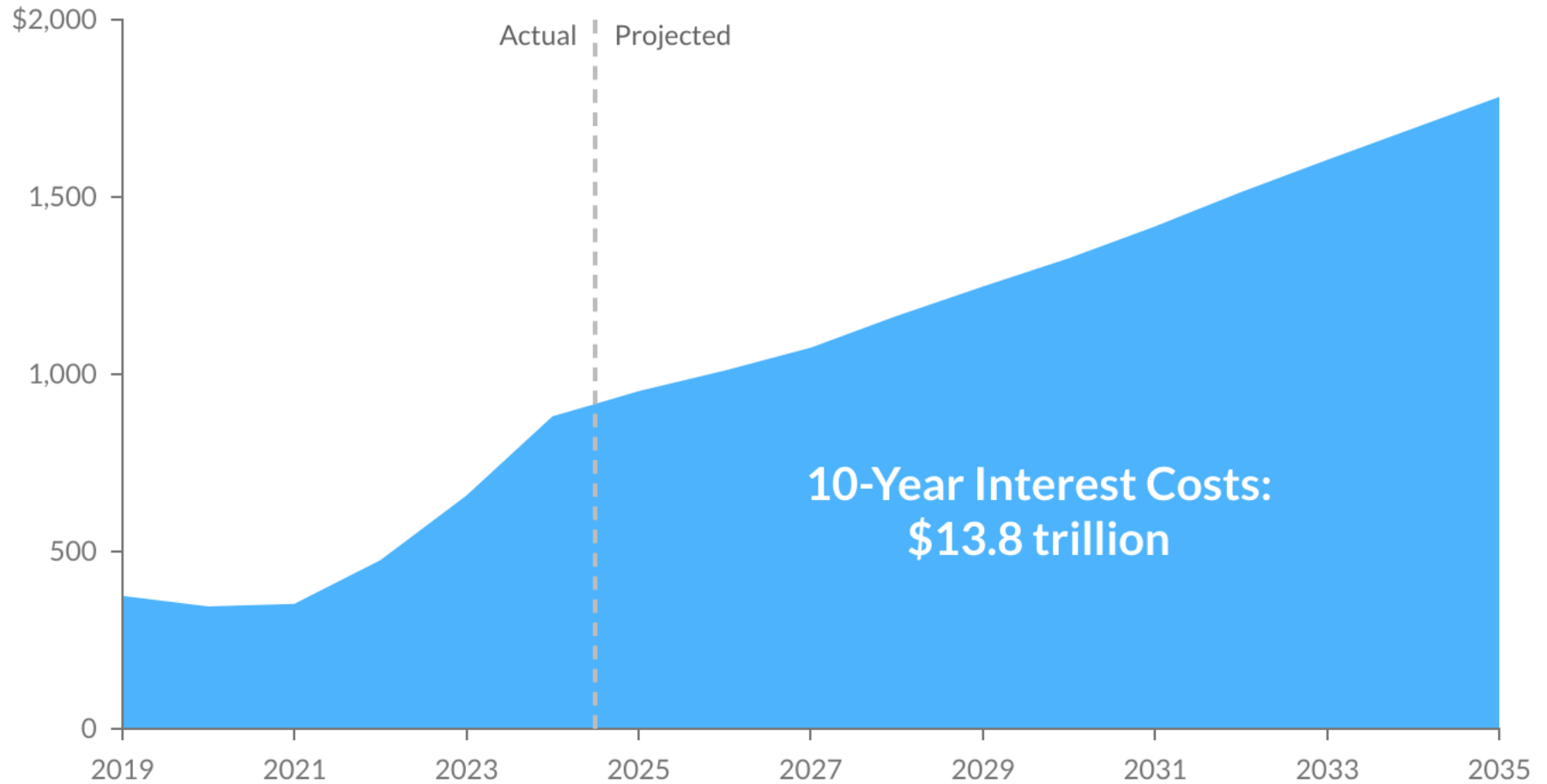
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# Net interest costs are projected to rise sharply

Billions of \$



Sources: Congressional Budget Office and Office of Management and Budget

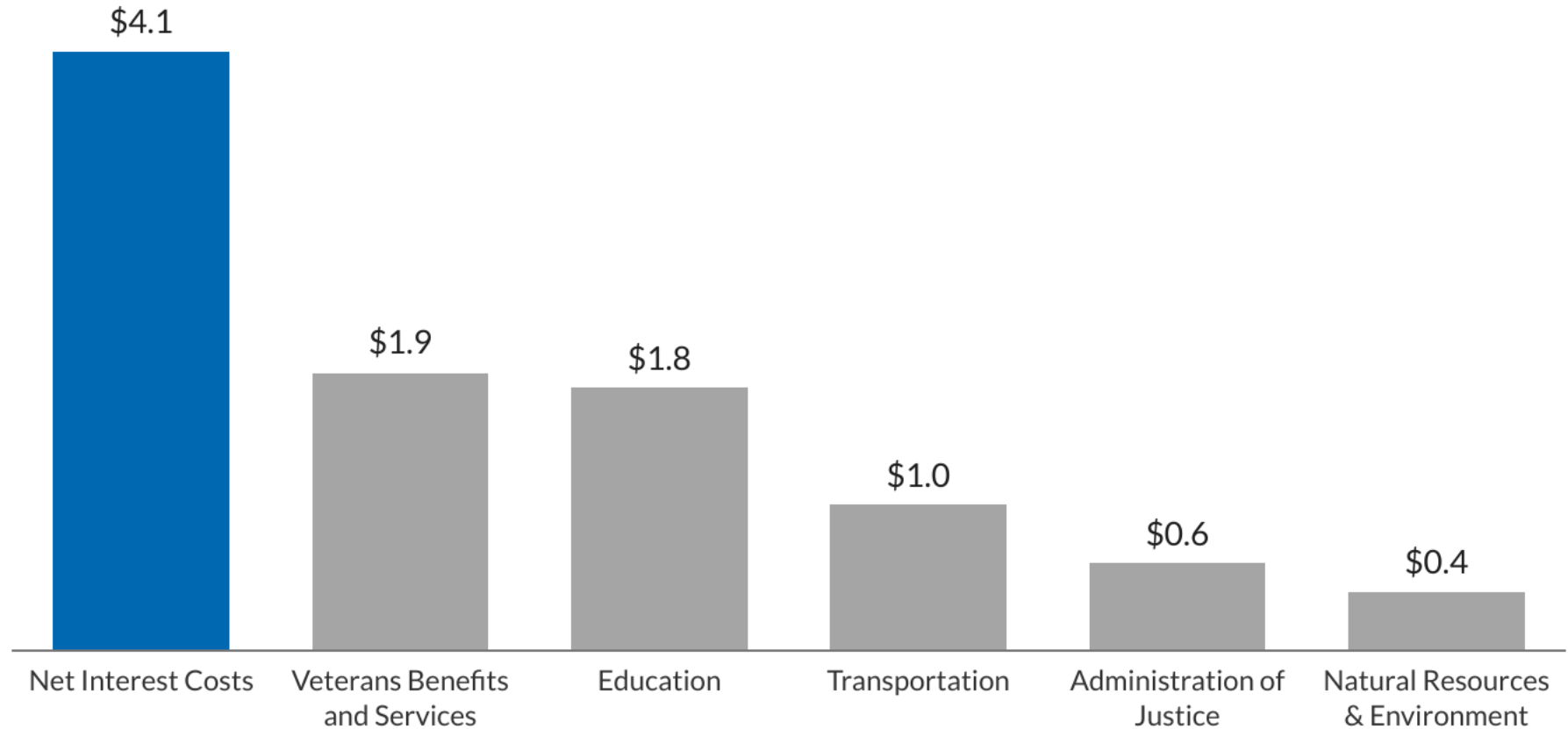
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# Over the past decade, the U.S. spent more on interest costs than on other national priorities

Federal Spending From FY2015 to FY2024 (Trillions of \$)



Source: Office of Management and Budget and Department of the Treasury

Note: Education includes education, training, employment, and social services. Treasury data are used for 2024.

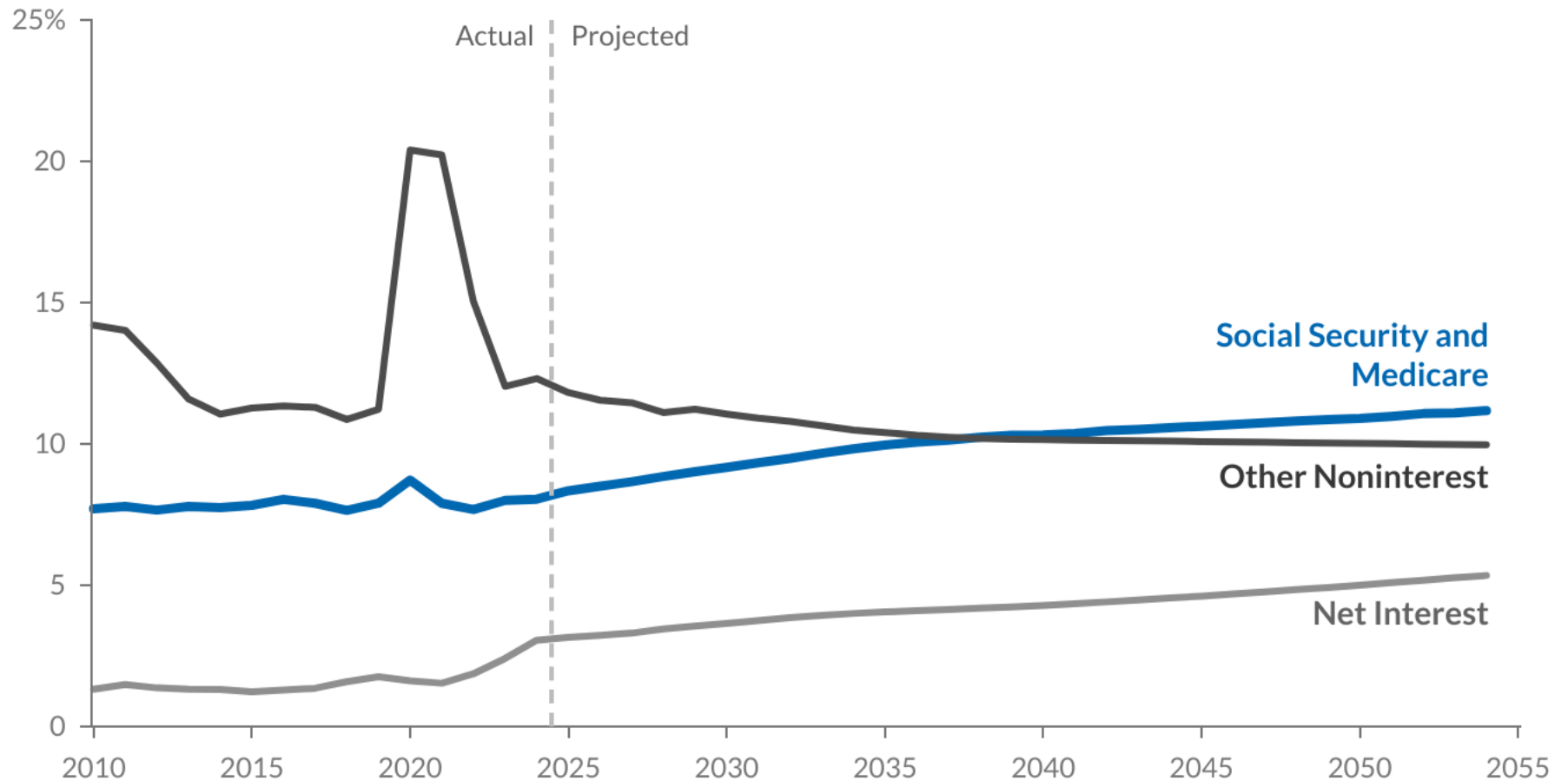
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# Spending for Social Security and Medicare will continue to climb

Federal Spending (% of GDP)



Sources: Congressional Budget Office

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

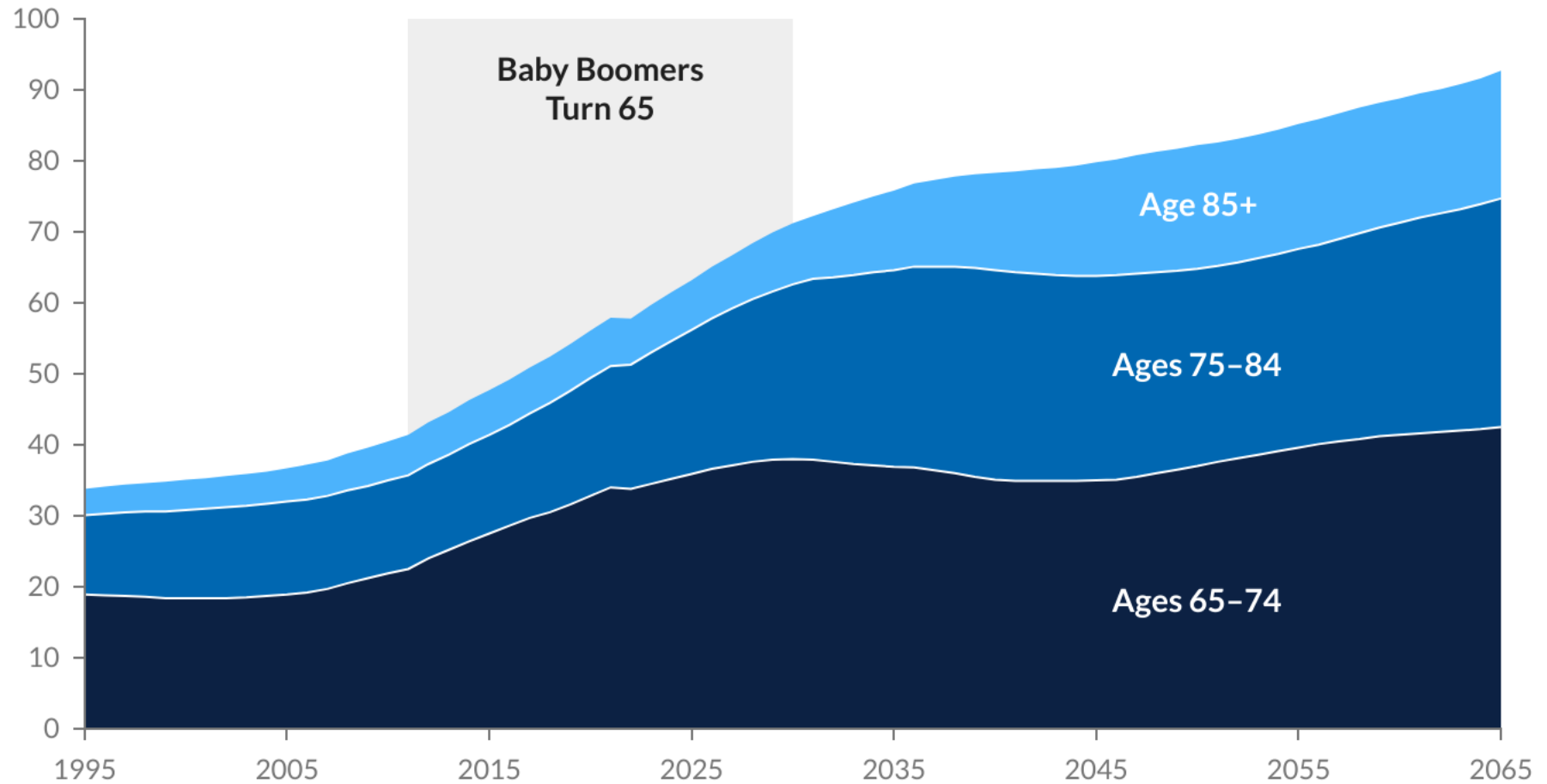
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# The elderly population is growing rapidly and living longer

U.S. Population Age 65+ (Millions)



Source: U.S. Census Bureau

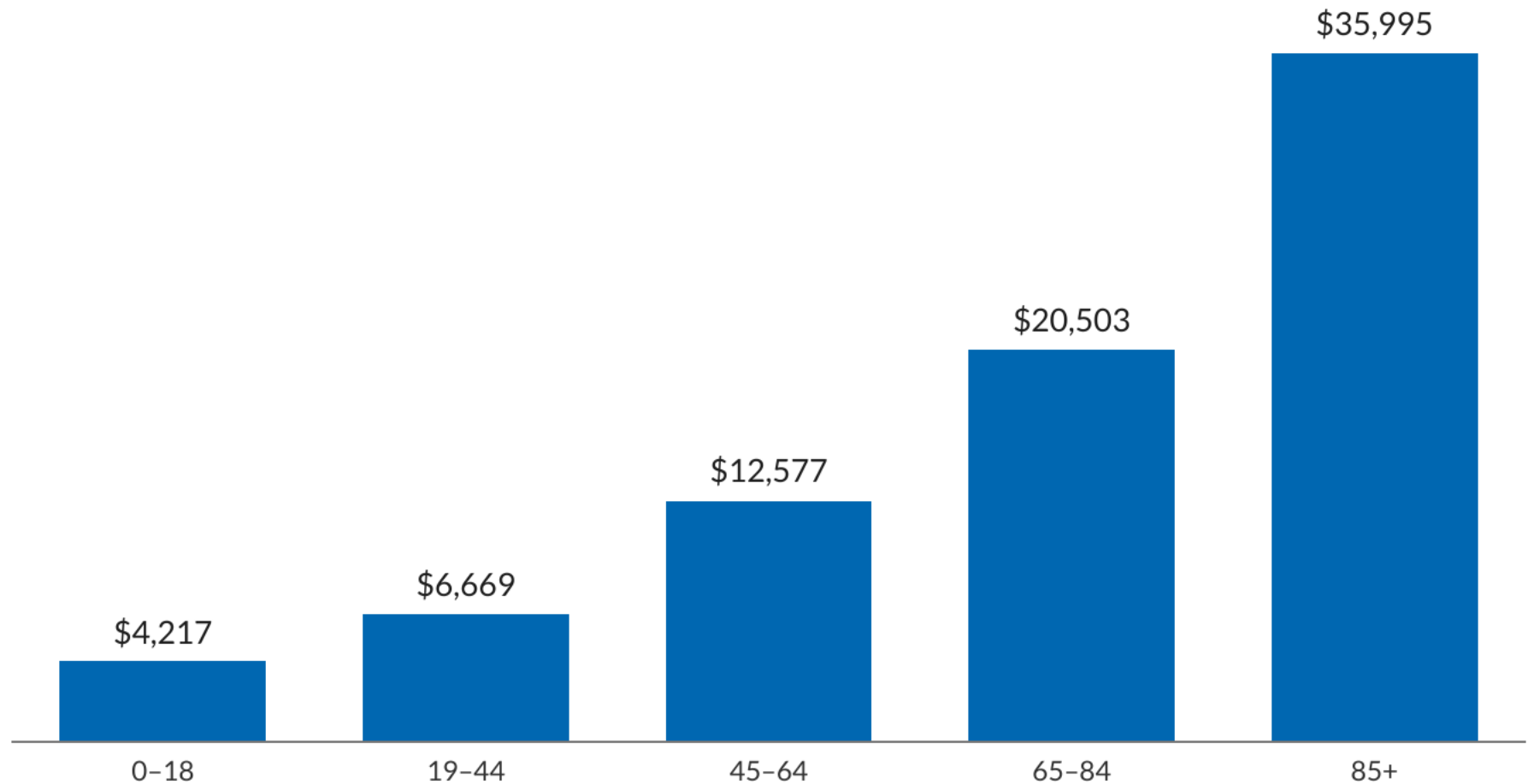
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# Medical spending increases rapidly with age

Healthcare Spending per Capita by Age Group (\$)



Source: Centers for Medicare and Medicaid Studies

Note: Data are for 2020.

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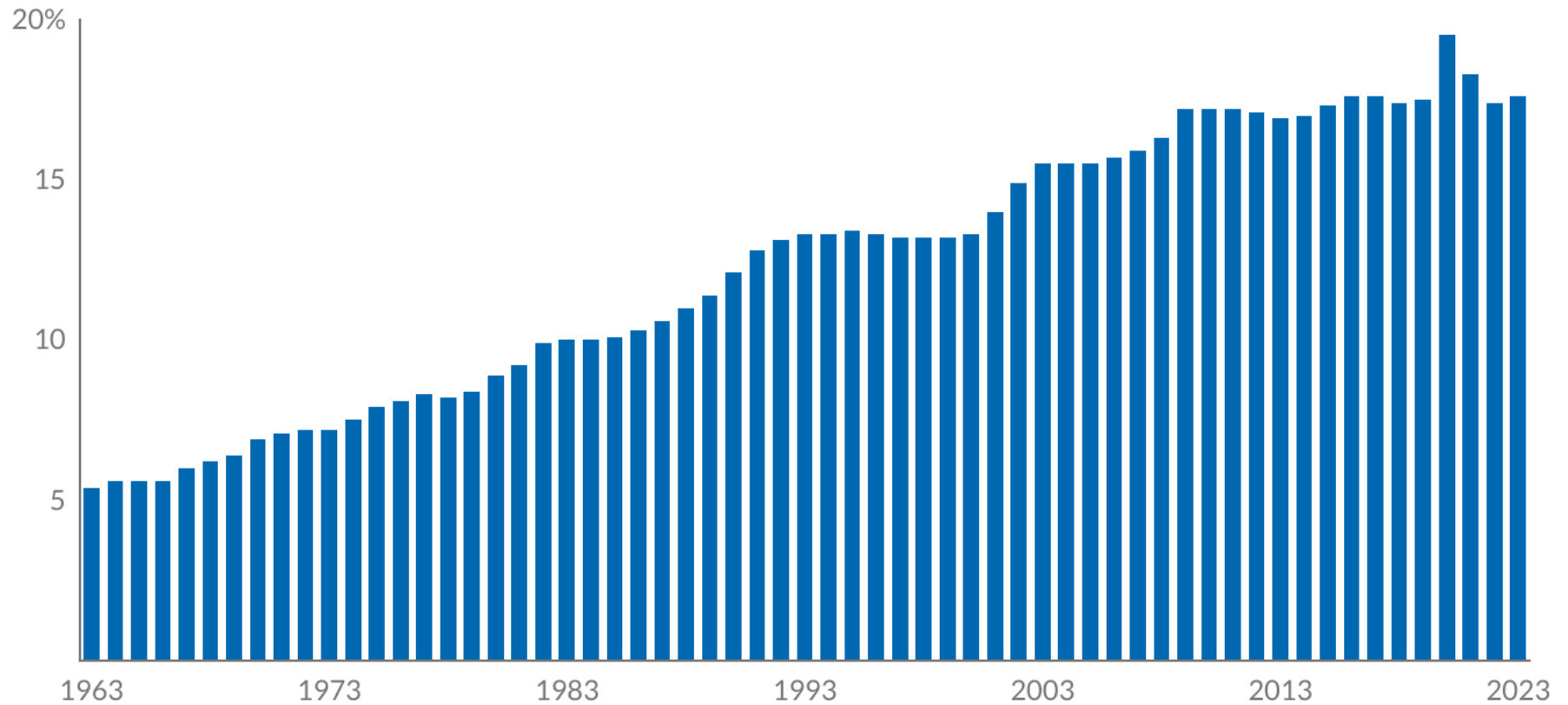


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# Healthcare costs in the United States have increased drastically over the past several decades

National Health Expenditures (% of GDP)



Source: Centers for Medicare and Medicaid Services

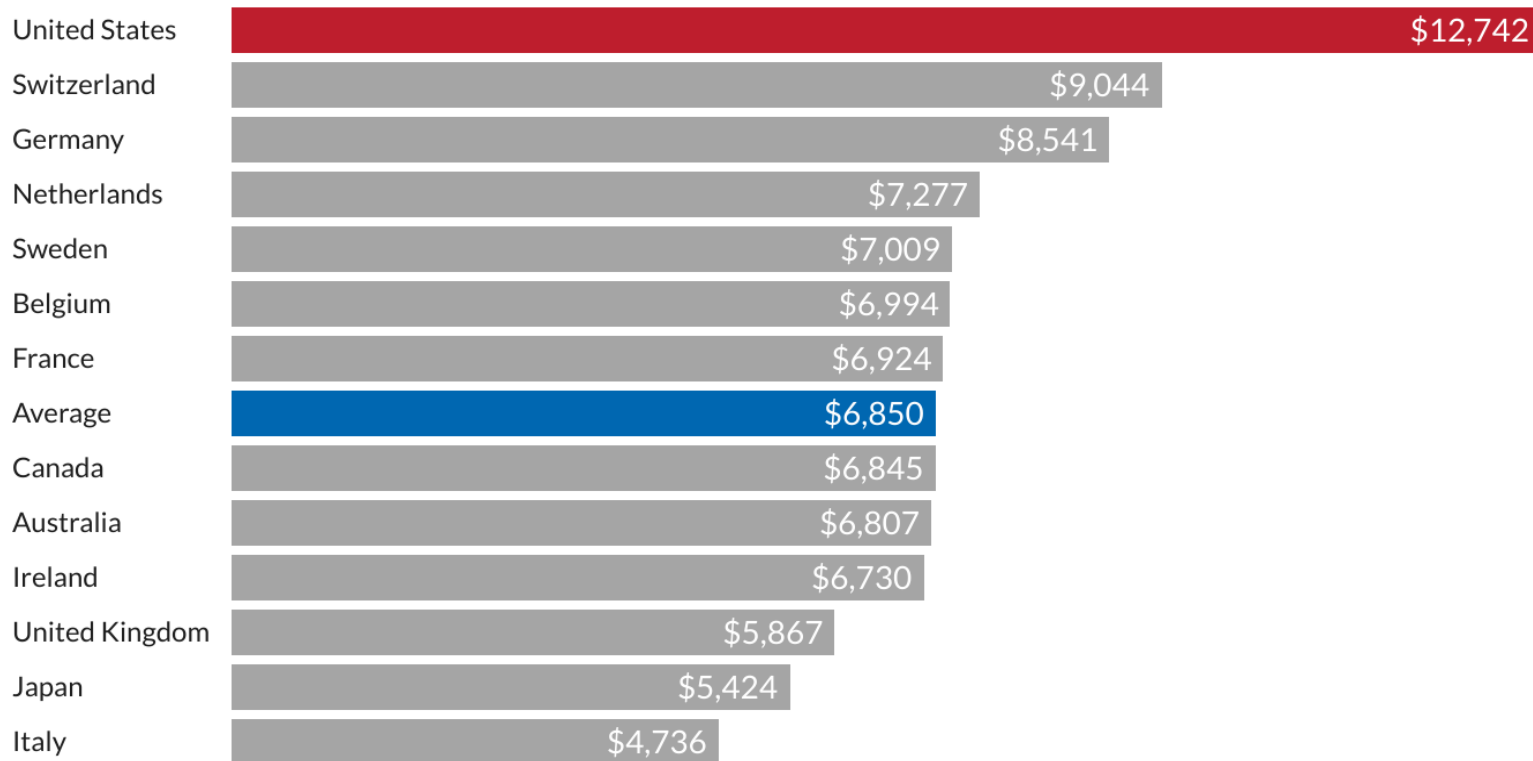
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# U.S. per capita healthcare spending is almost twice the average of other wealthy countries

## Healthcare Costs Per Capita (\$)

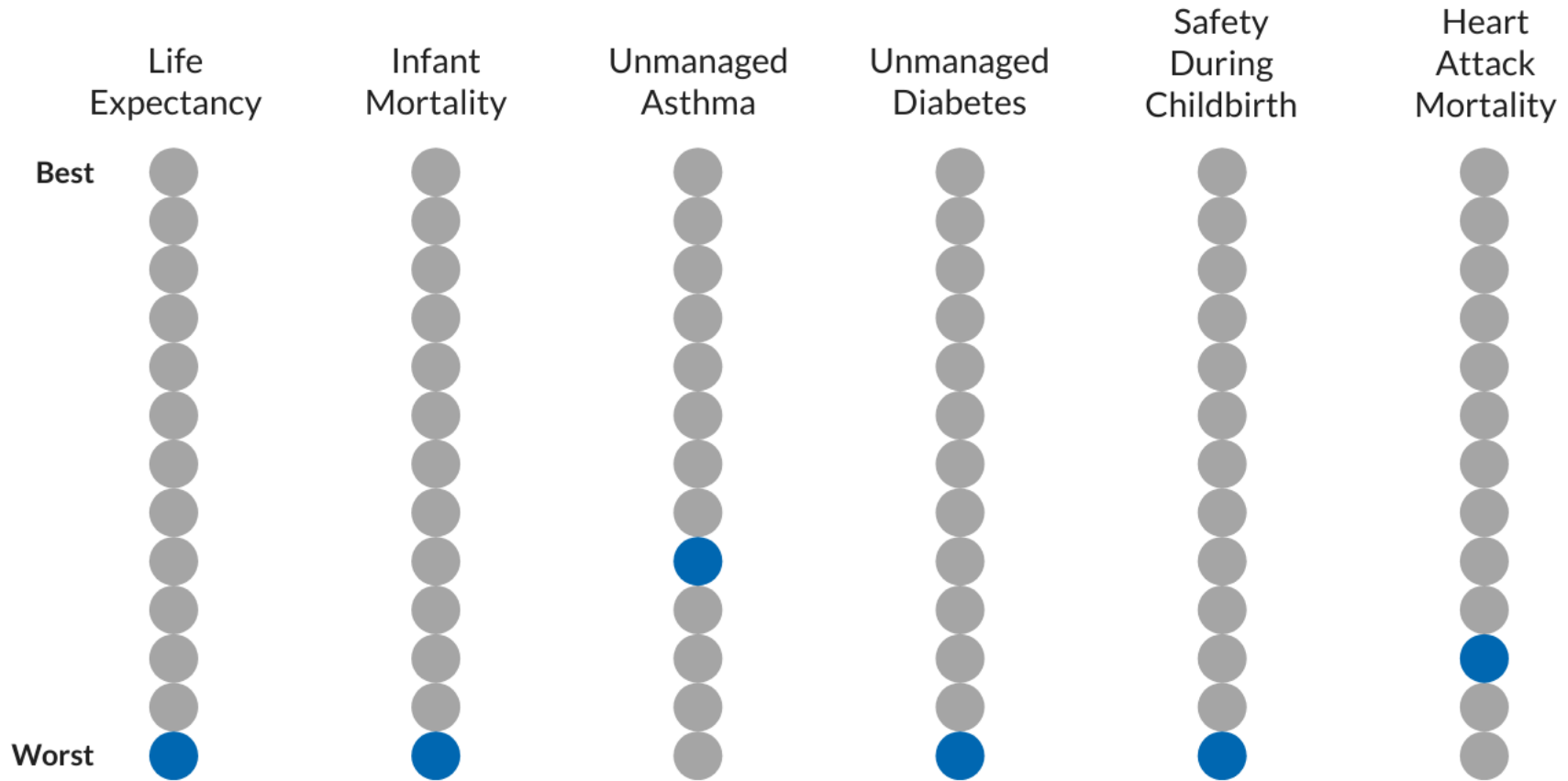


Source: Organisation for Economic Co-operation and Development

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.

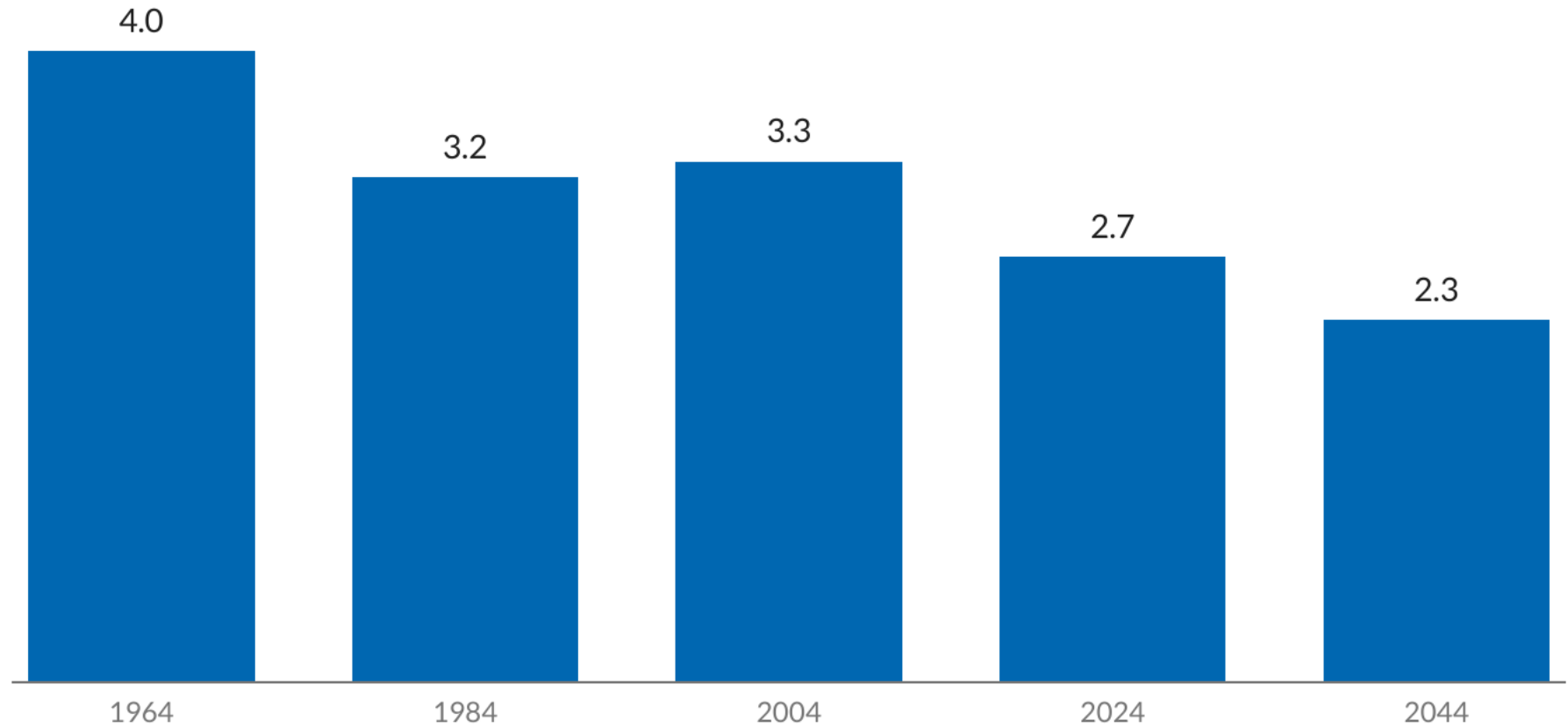
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# As the population ages, fewer workers will be paying taxes to support each Social Security beneficiary

Workers per Beneficiary Ratio



Source: Social Security Administration

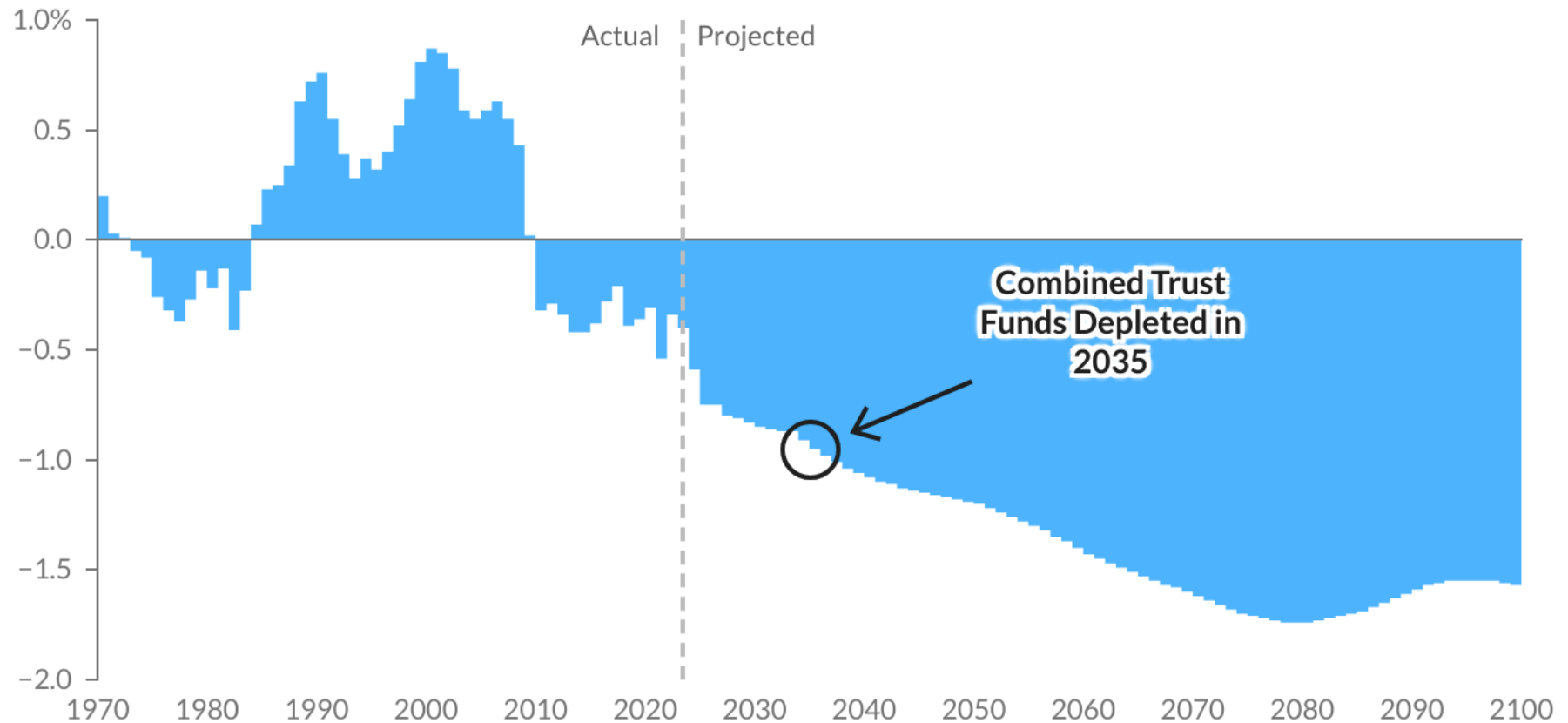
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# Social Security is facing significant cash shortfalls

## 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.

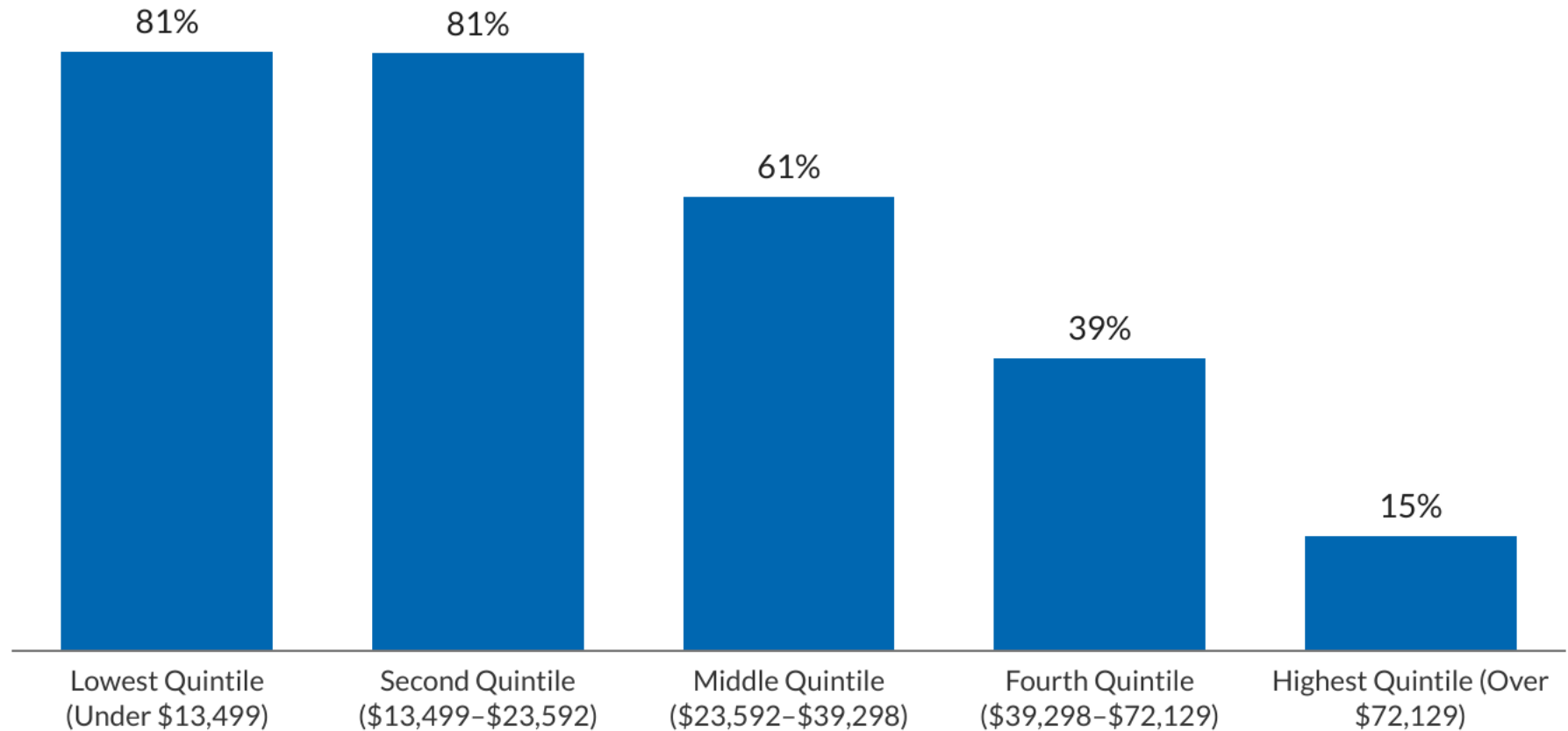
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# Low-income seniors rely on Social Security benefits for a major share of their retirement income

Social Security Benefits (% of Total Income)



Source: Social Security Administration

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

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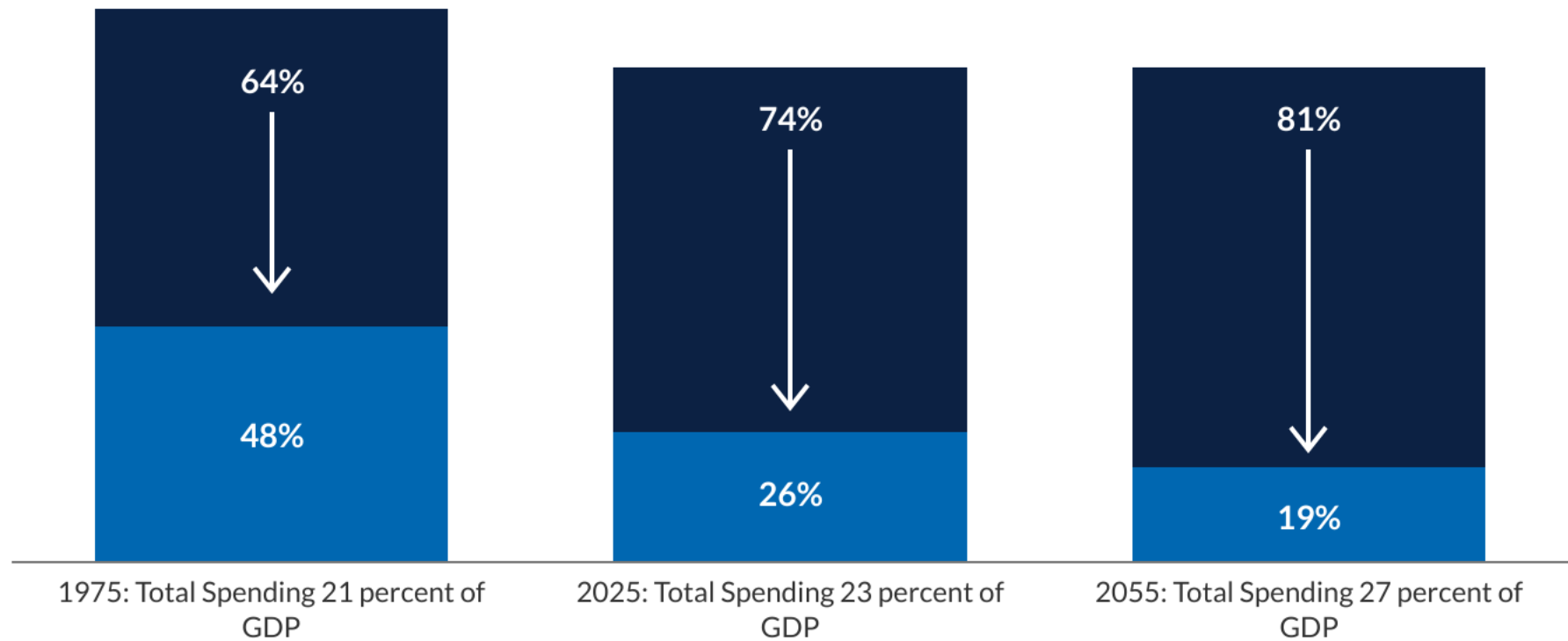


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# Mandatory spending and interest cost growth is squeezing discretionary programs

% of Federal Spending

■ Discretionary ■ Mandatory and Net Interest Spending



Sources: Congressional Budget Office

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

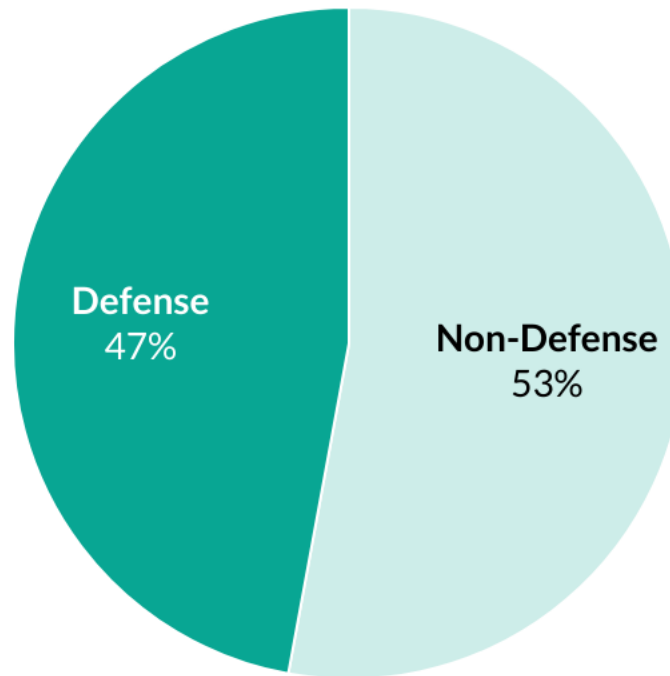
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# Defense spending accounts for nearly half of total discretionary spending

2024 Discretionary Outlays:  
\$1,815 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.

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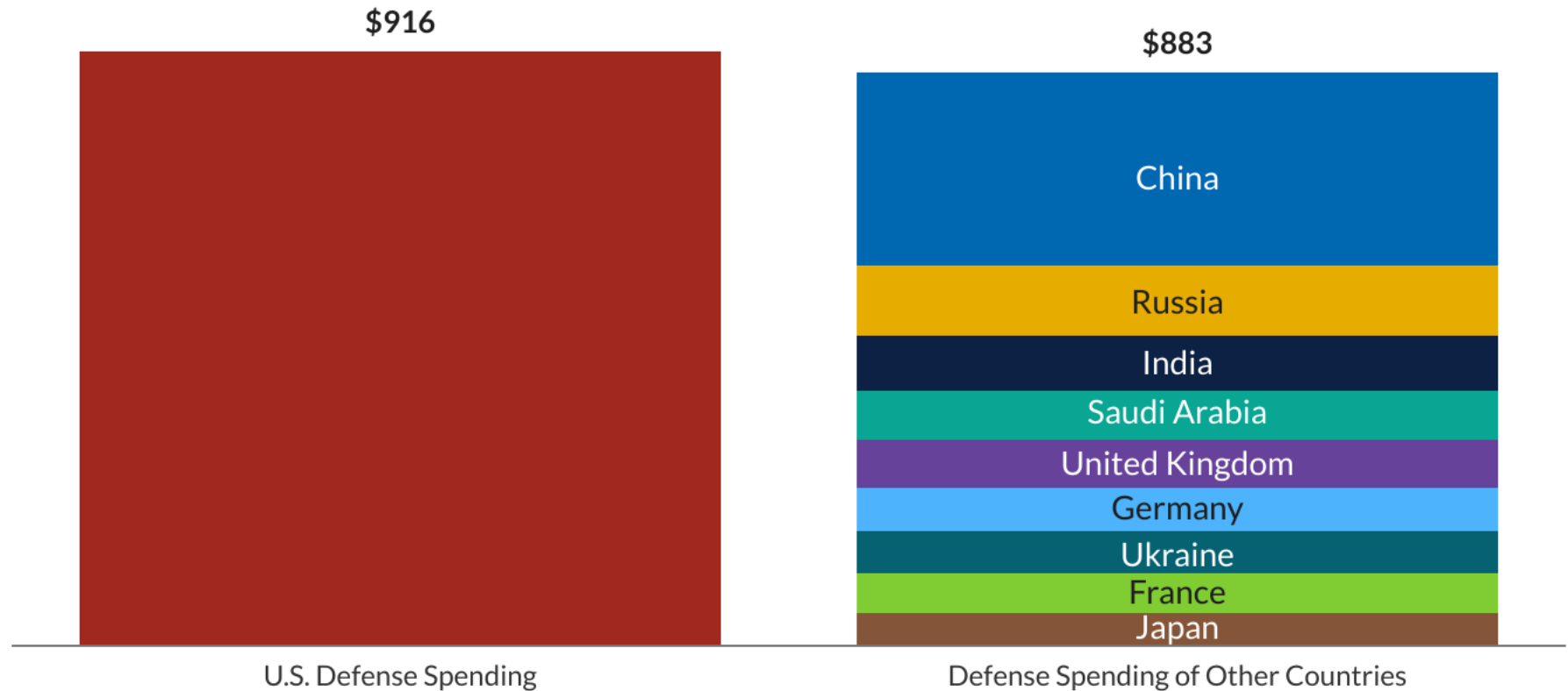


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# The United States spends more on defense than the next 9 countries combined

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.

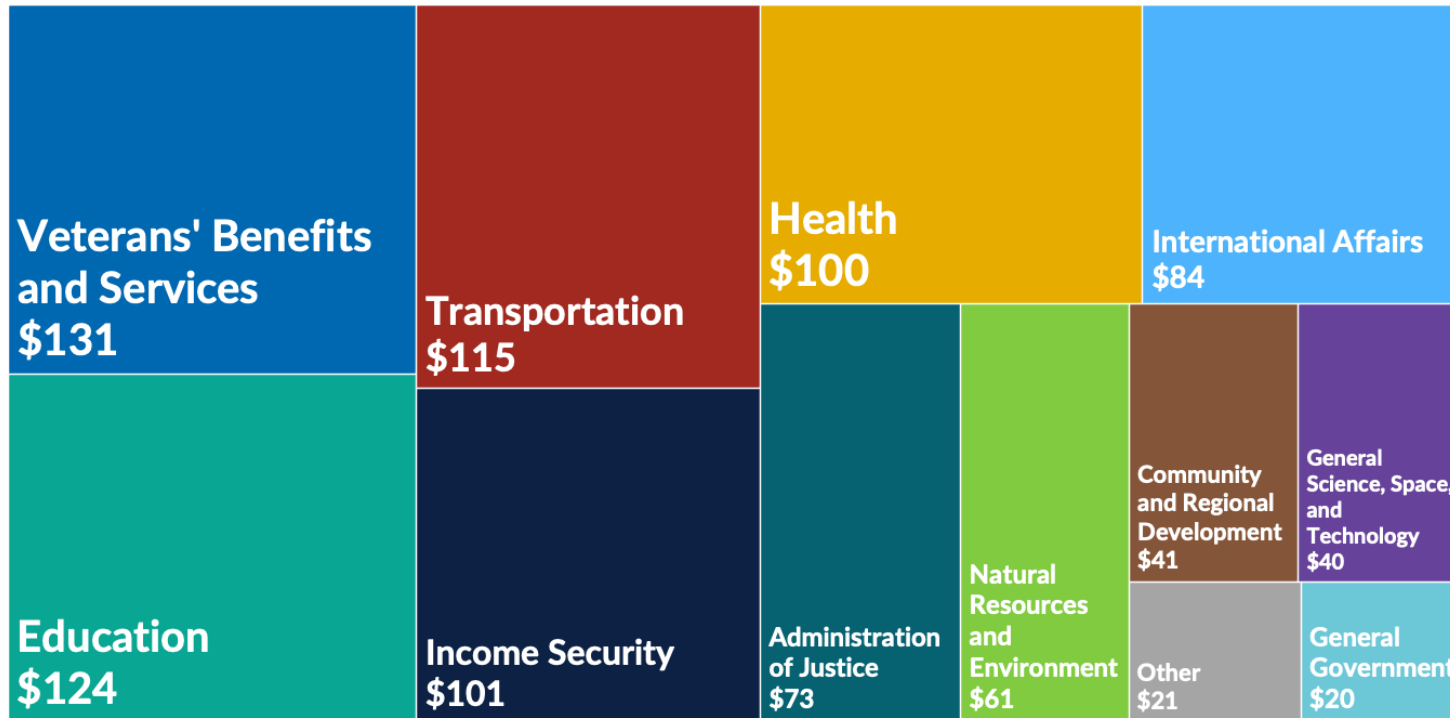
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# Non-defense discretionary spending funds a wide range of programs

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

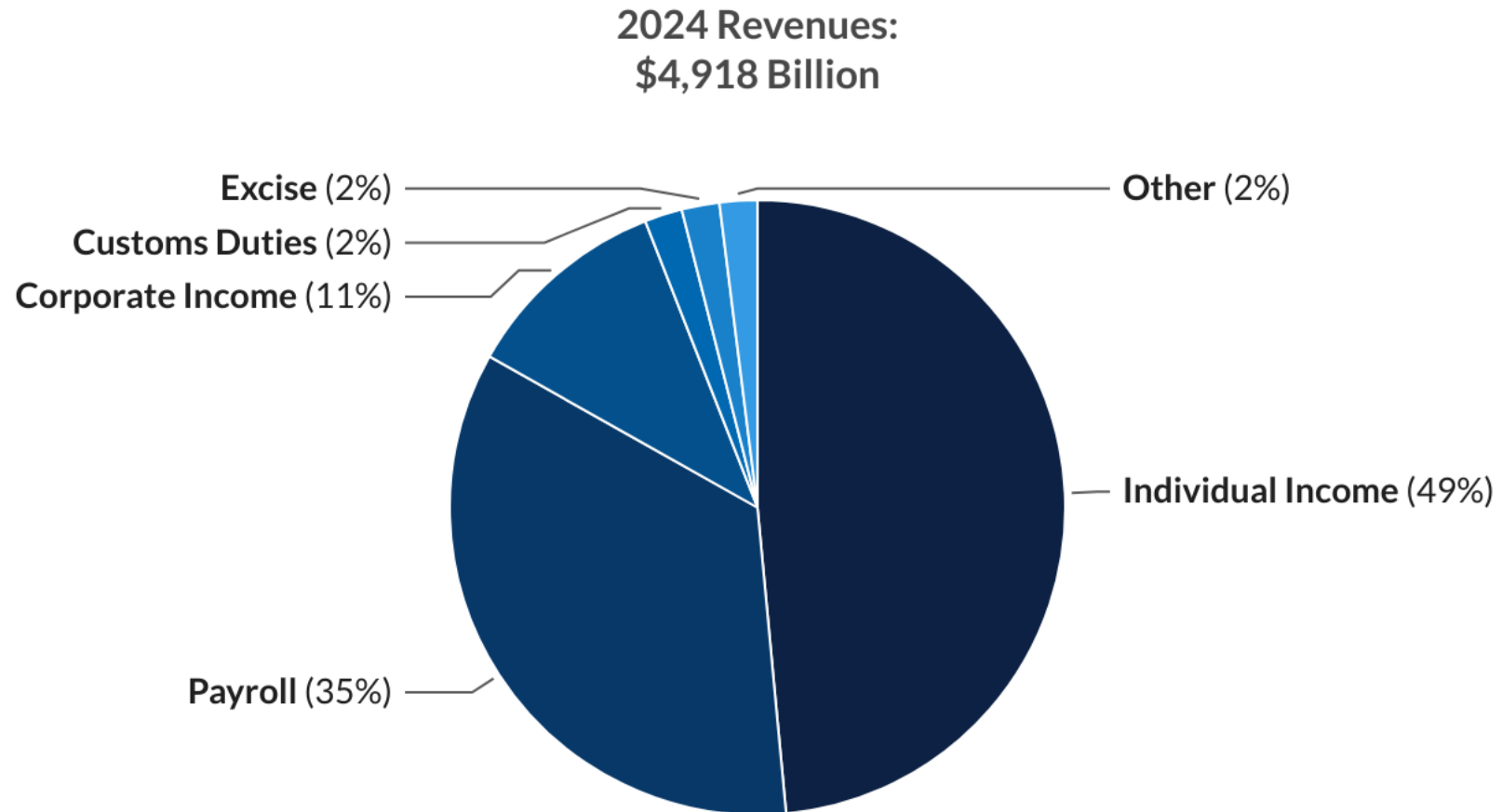


Source: Office of Management and Budget

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.



# The federal government collects revenues from a variety of sources



Source: Congressional Budget Office

Notes: "Other" includes estate and gift taxes, income from the Federal Reserve, and miscellaneous fees and fines. Totals may not add up to 100% due to rounding.

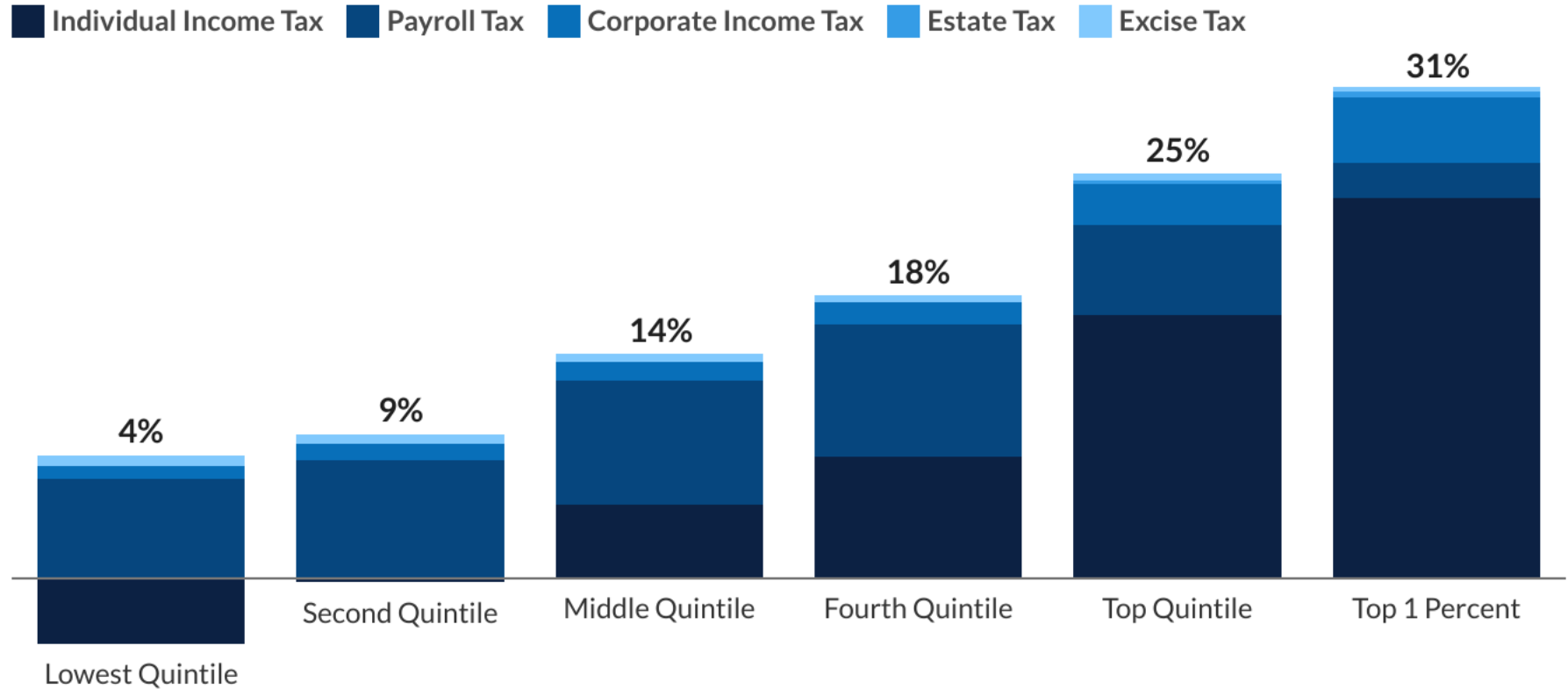
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# All income groups pay taxes, but overall the U.S. federal tax system is progressive

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.

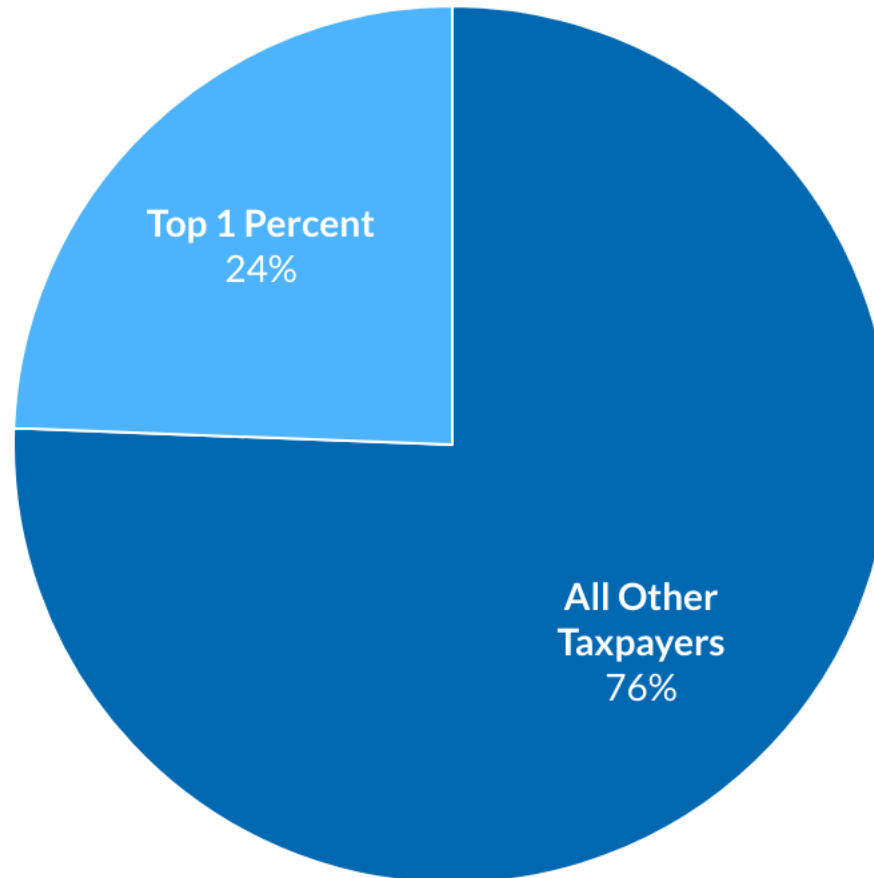
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# The top 1 percent of taxpayers generate 24 percent of total federal tax revenues

Share of 2023 Federal Tax Revenues (%)



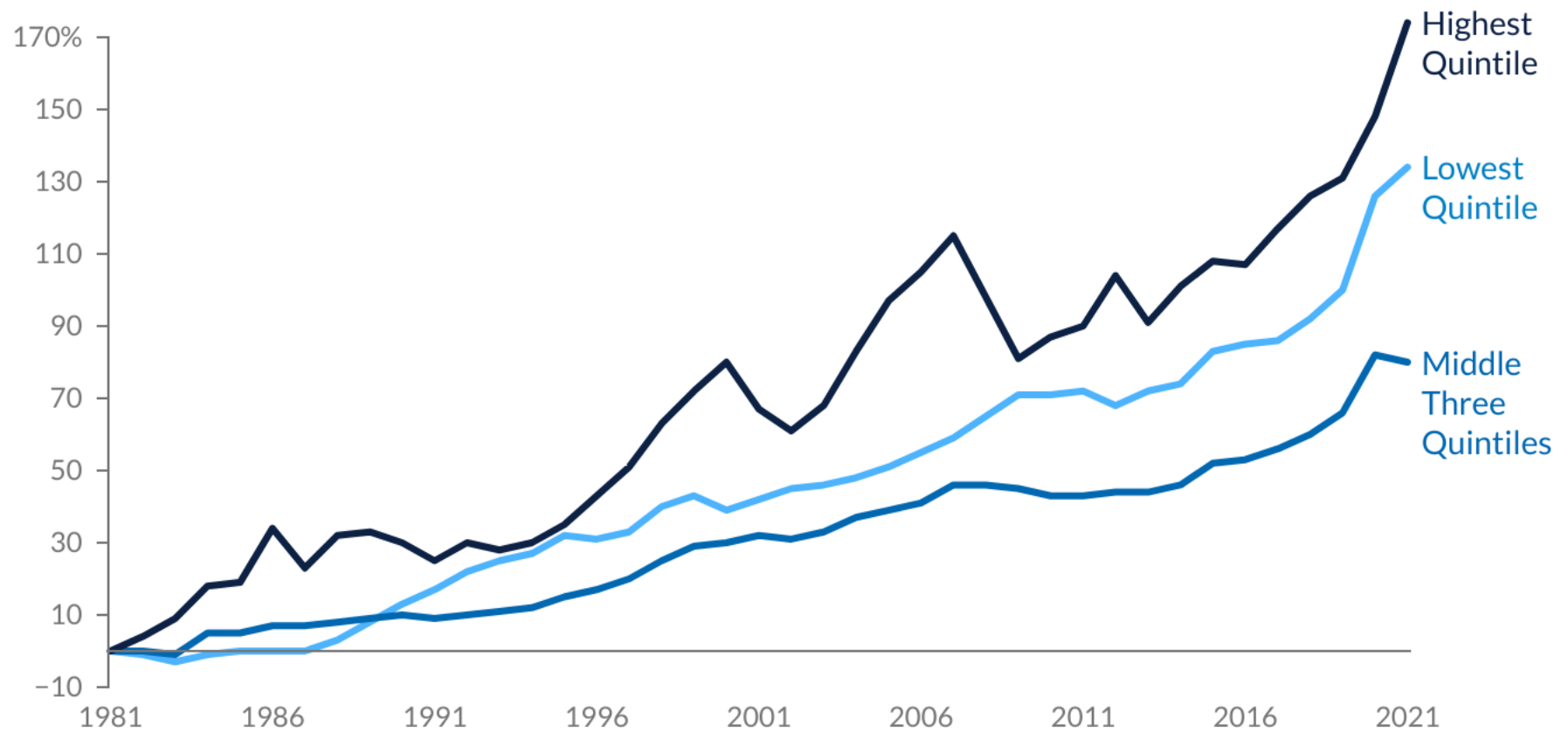
Source: Tax Policy Center

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# 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.

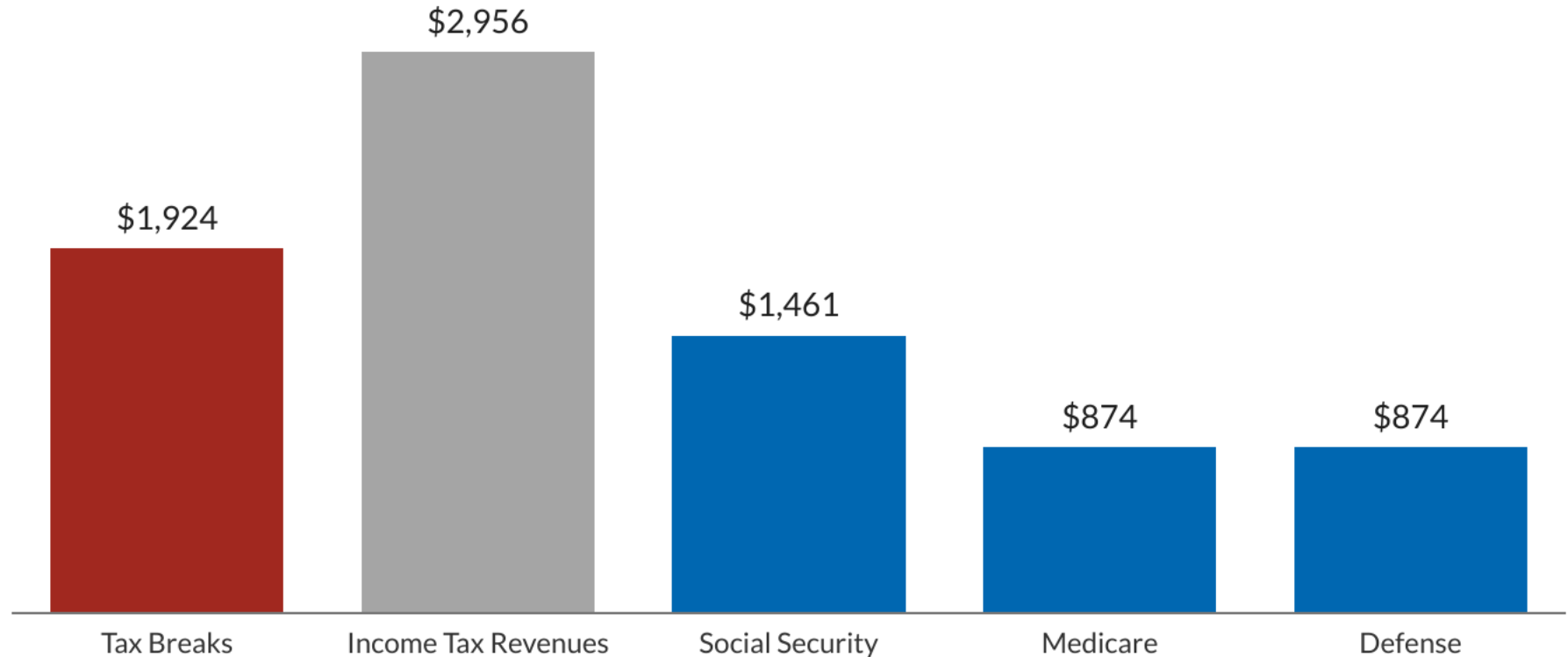
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# Tax expenditures cost more than any individual government spending program

Budgetary Cost in 2024 (Billions of \$)



Sources: Joint Committee on Taxation and U.S. Department of the Treasury

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.

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# Eight popular tax provisions account for about 75 percent of individual income tax expenditures

Budgetary Cost in 2024  
(Billions of \$)

## Largest Individual Income Tax Expenditures

Exclusion of pension contributions and earnings and individual retirement arrangements*	395
Exclusions of and reductions on dividends and long-term capital gains**	283
Exclusion of employer contributions for medical insurance and care	218
Child Tax Credit (CTC)	127
Subsidies for insurance purchased through health benefit exchanges	114
Earned Income Tax Credit (EITC)	67
20-percent deduction for certain pass-through income	63
Step-up basis of capital gains at death	62
<b>Total</b>	<b>1,329</b>

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.

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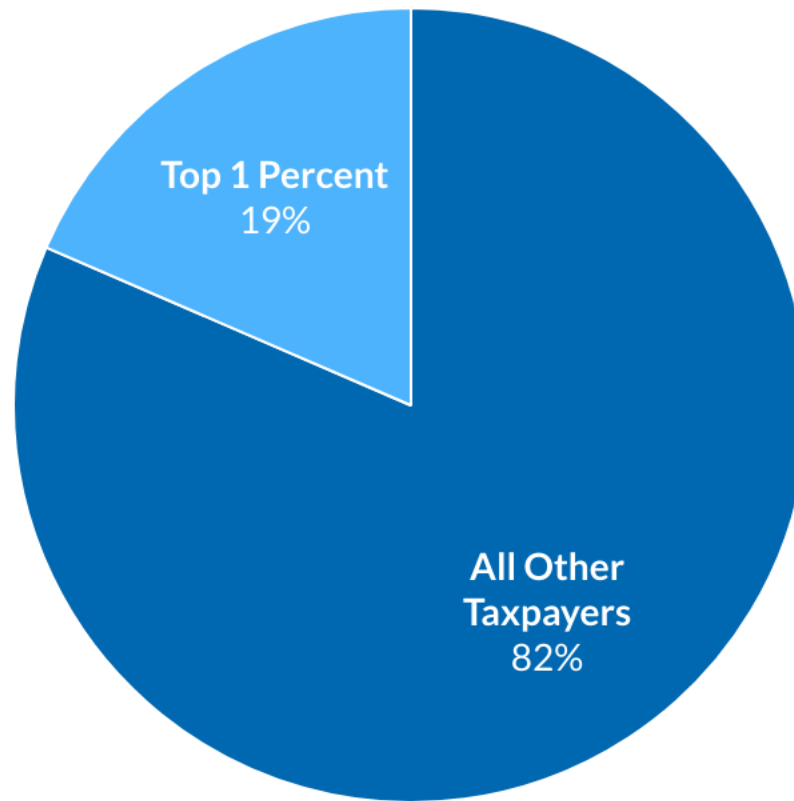


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# The top 1 percent of taxpayers receive 19 percent of the benefit from individual income tax expenditures

Distribution of 2019 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.

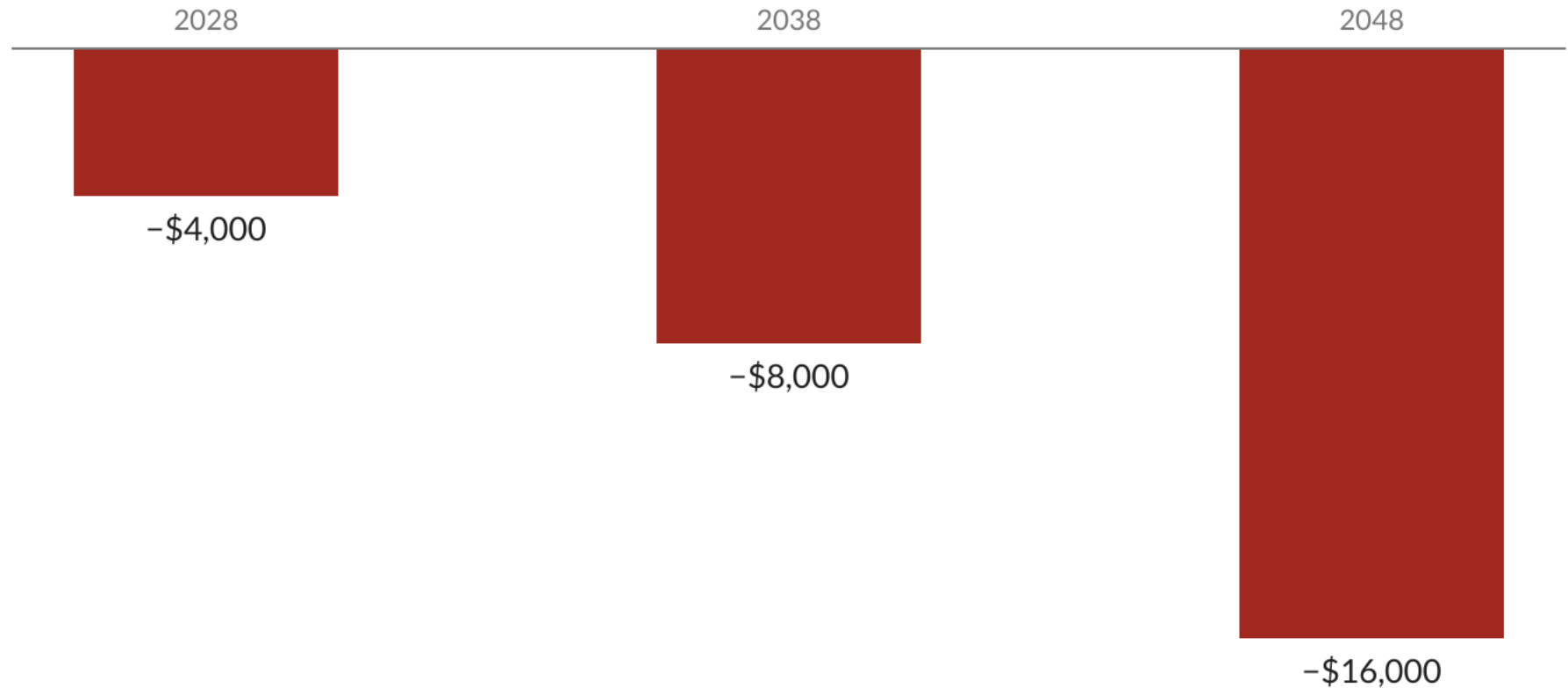
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# The growing federal debt is projected to reduce family incomes substantially

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.

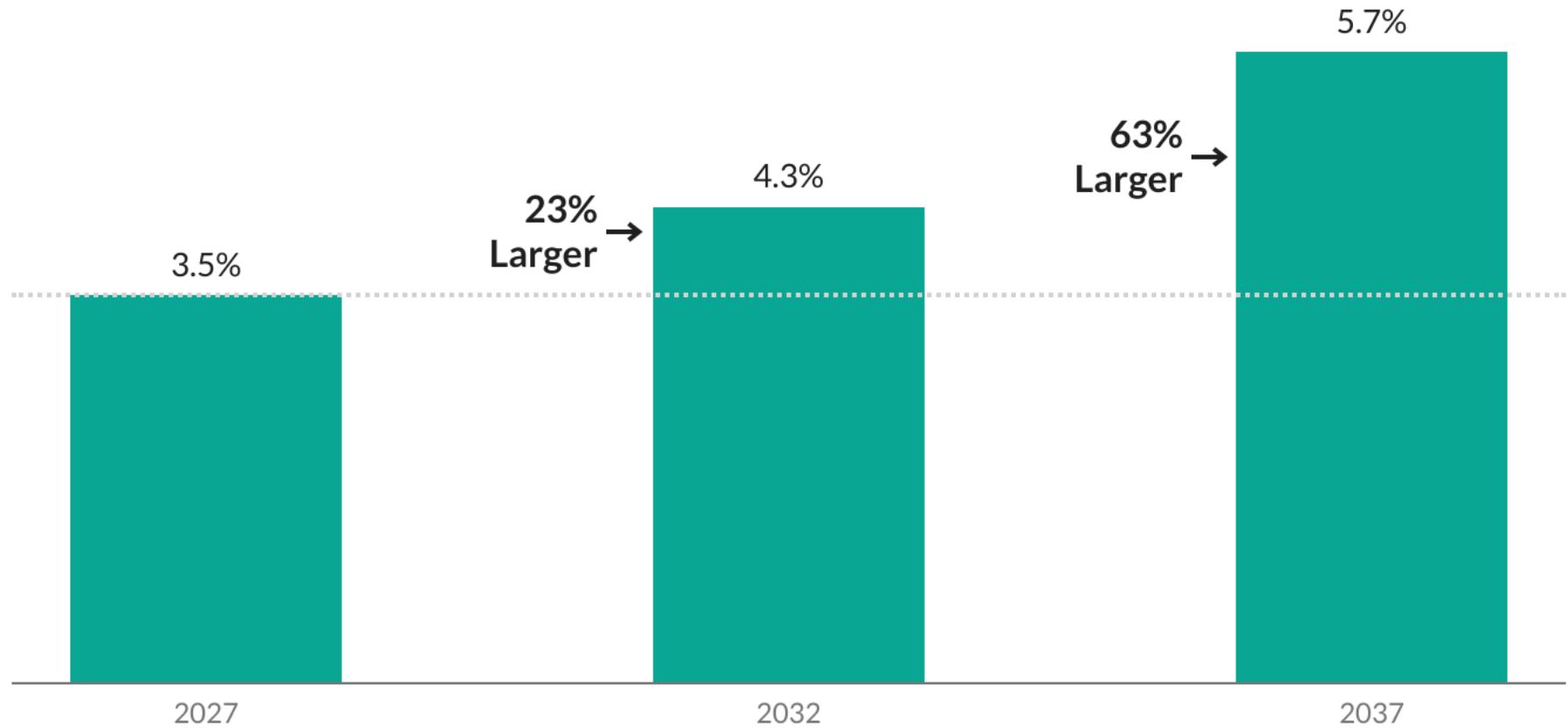
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# Waiting to enact fiscal reform raises the cost of stabilizing the debt

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.

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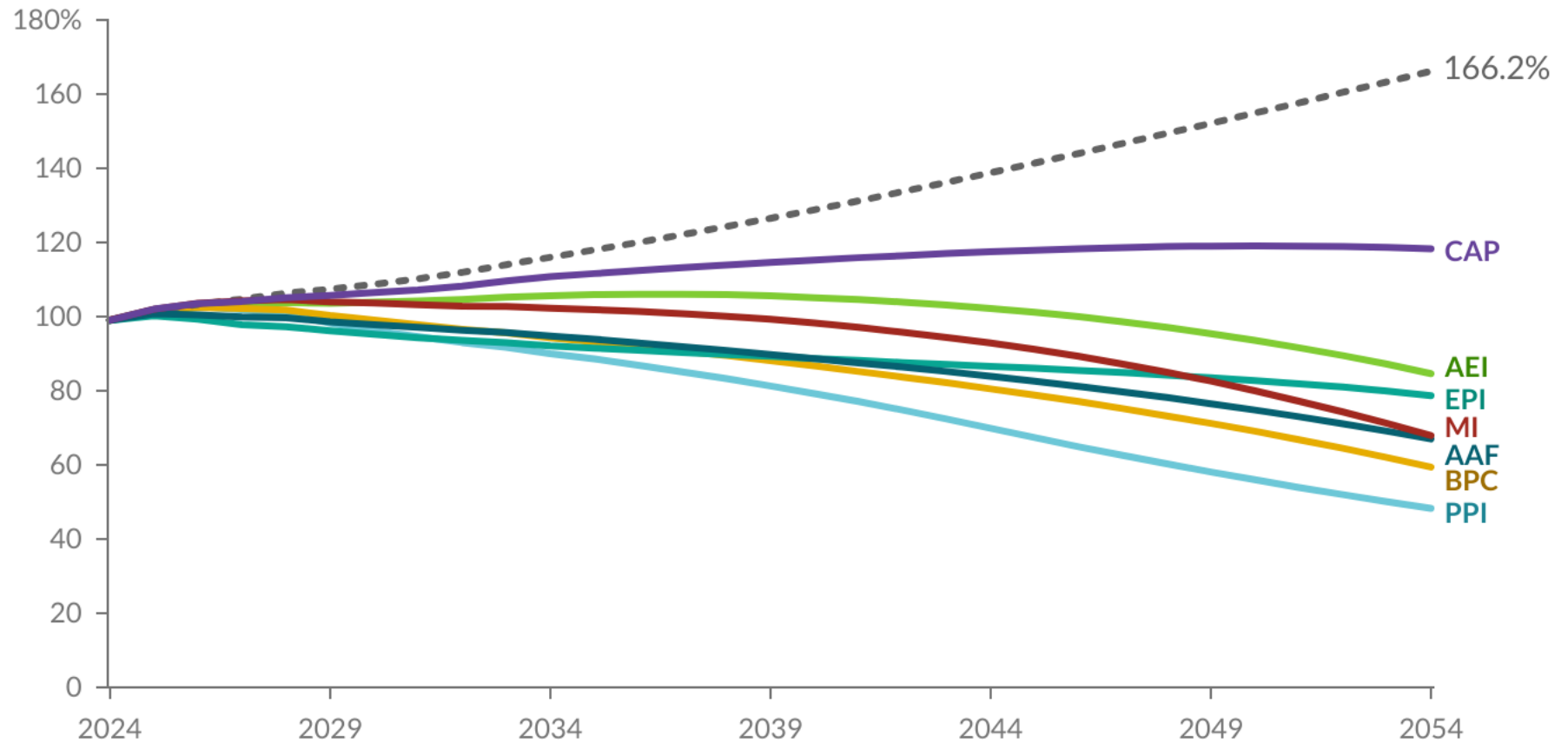


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# Solutions Initiative 2024: Projected federal debt

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).

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