

Short & Long-Term Budget Trends

Updated June 2016



THE CONCORD COALITION

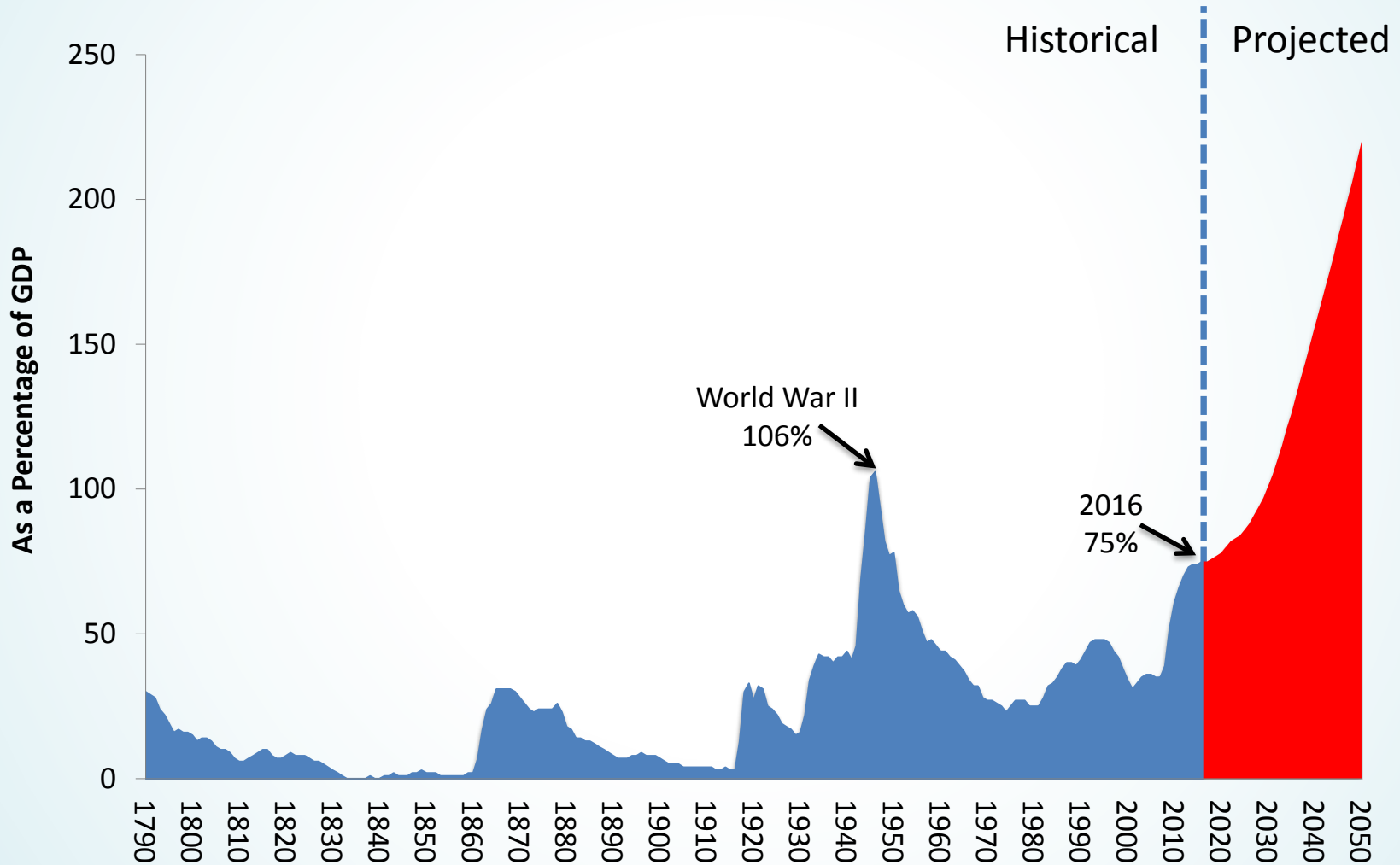
www.concordcoalition.org



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America is on an Unsustainable Fiscal Path

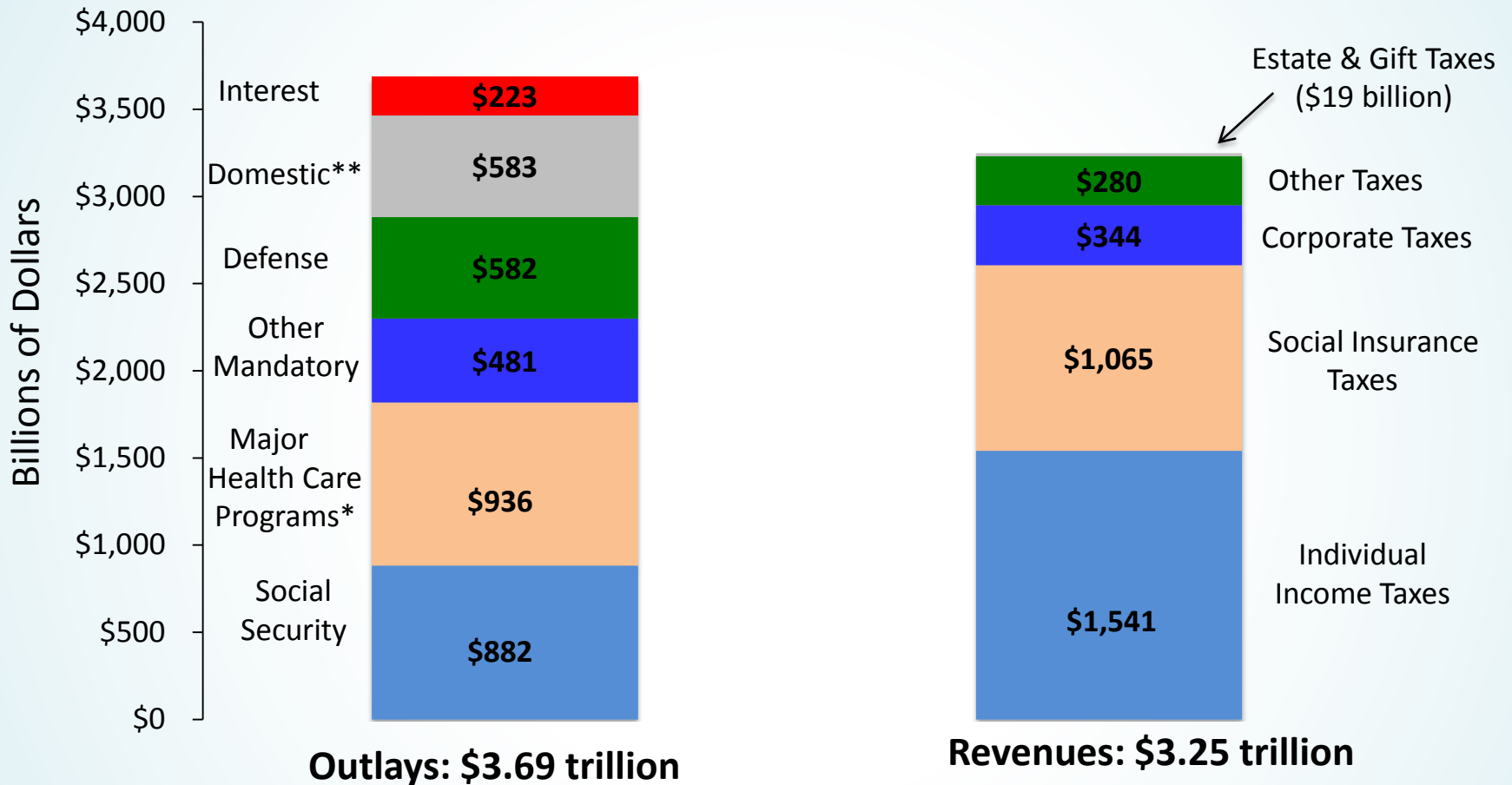
Debt Held by the Public, as a Percent of GDP, 1790-2050



Source: Congressional Budget Office.

Composition of Fiscal Year 2015 Federal Budget

Deficit: \$438 Billion

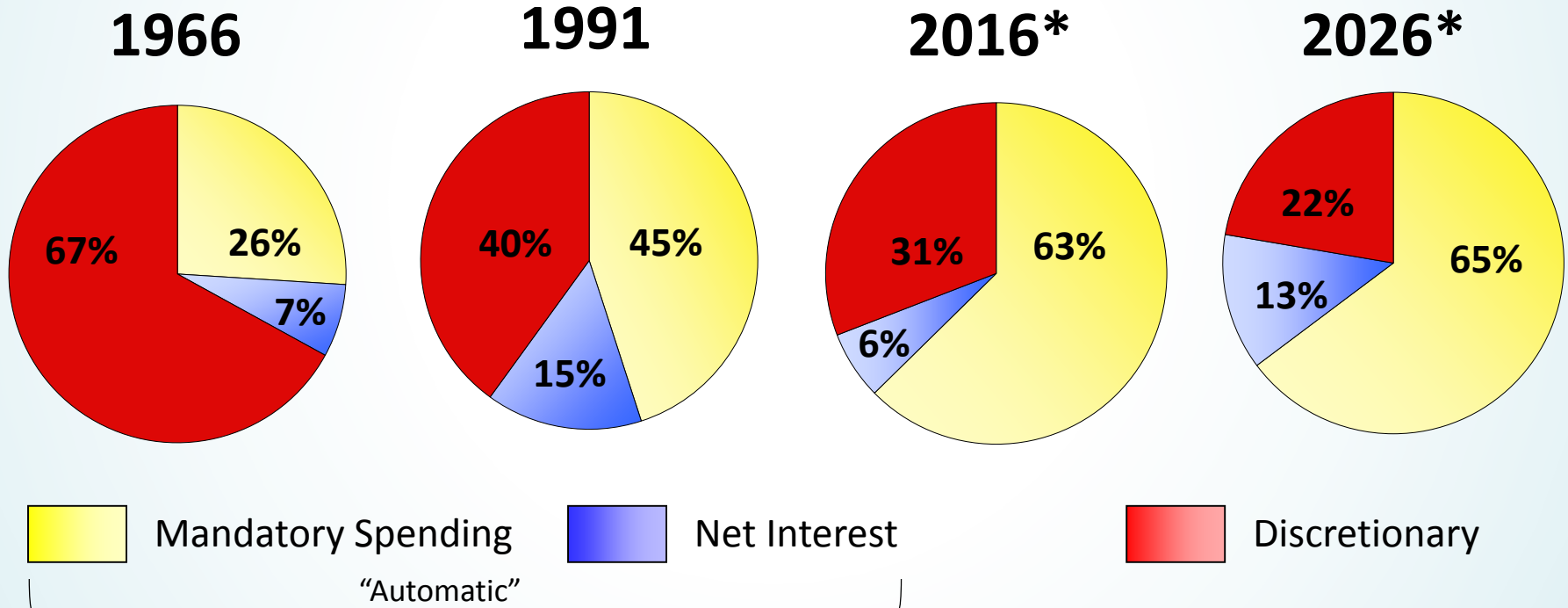


*Includes Medicare, Medicaid, CHIP, and exchanges subsidies spending net of offsetting receipts.

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

Source: Congressional Budget Office, March 2016.

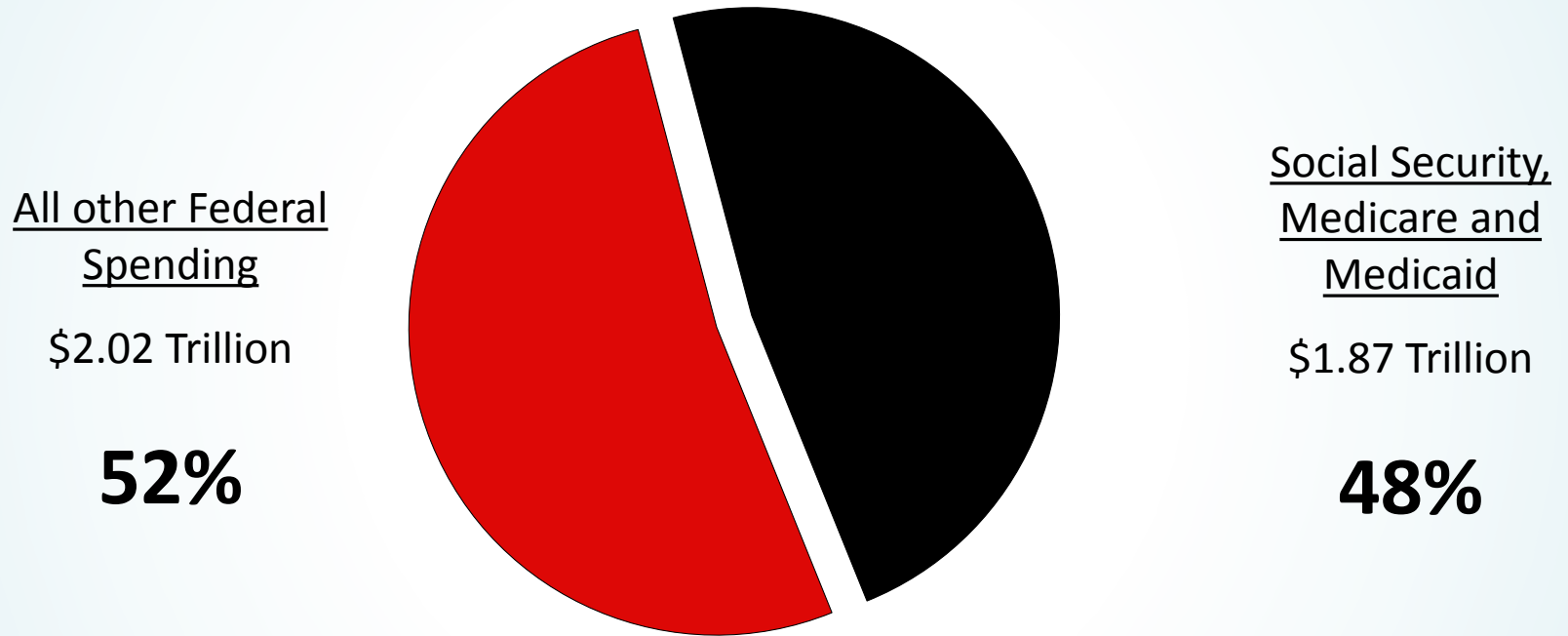
Automatic Expenditures Are Consuming a Growing Share of the Budget



*Projected

Source: Congressional Budget Office, March 2016.

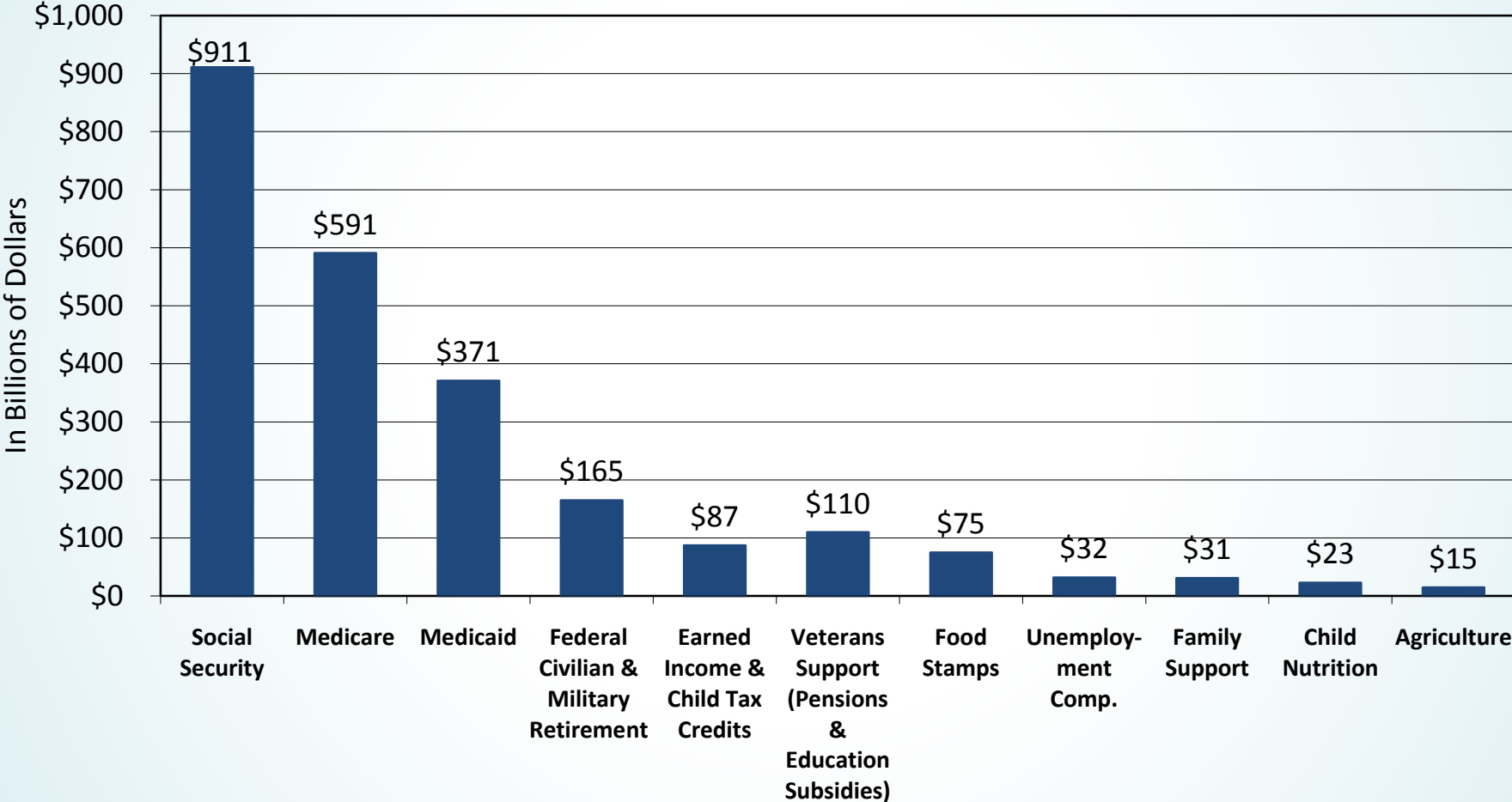
Social Security, Medicare, & Medicaid as a Percentage of the Federal Budget



Source: Congressional Budget Office, March 2016.

Outlays of Select Mandatory Spending Programs

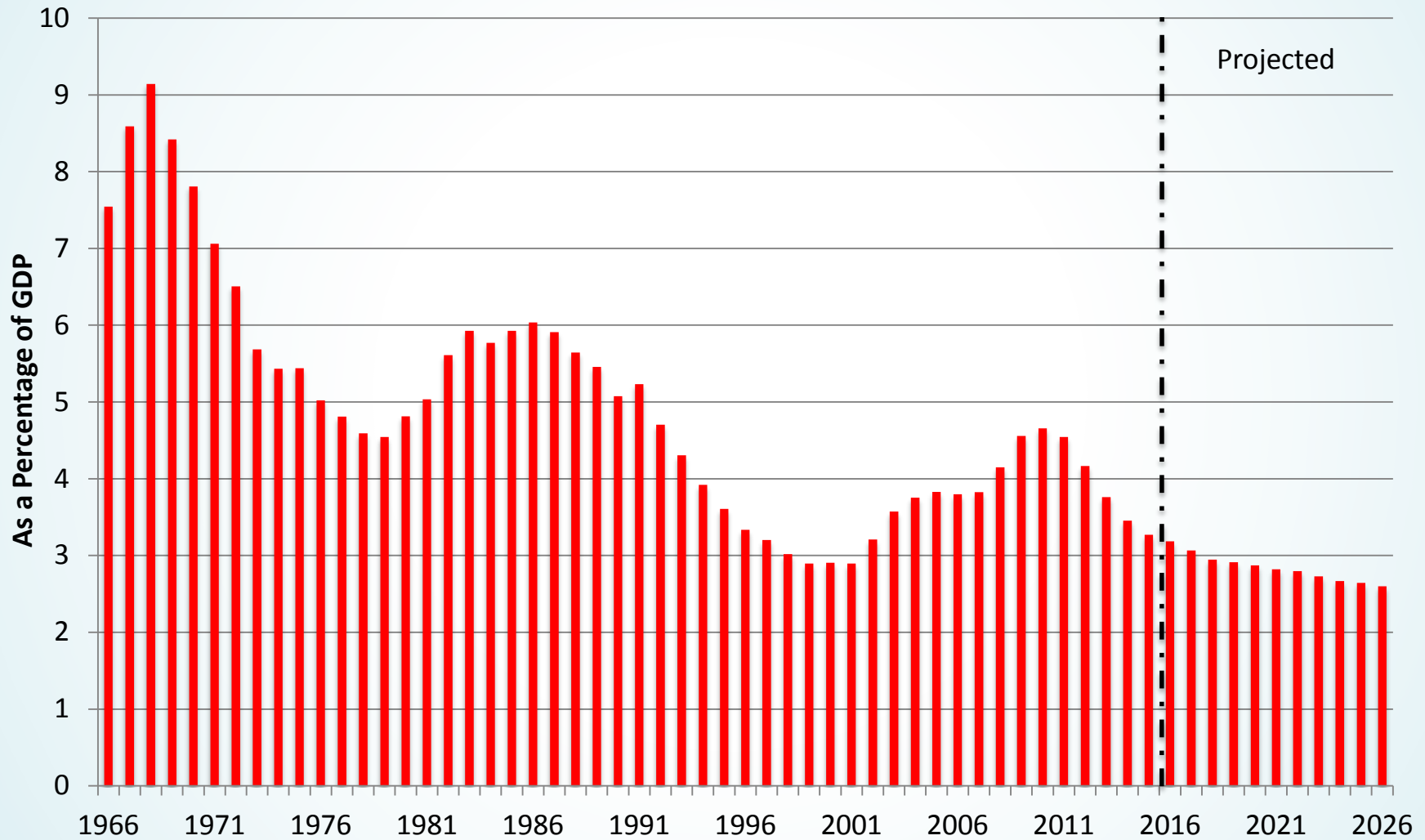
Fiscal Year 2016 Projected



Source: Congressional Budget Office, March 2016.



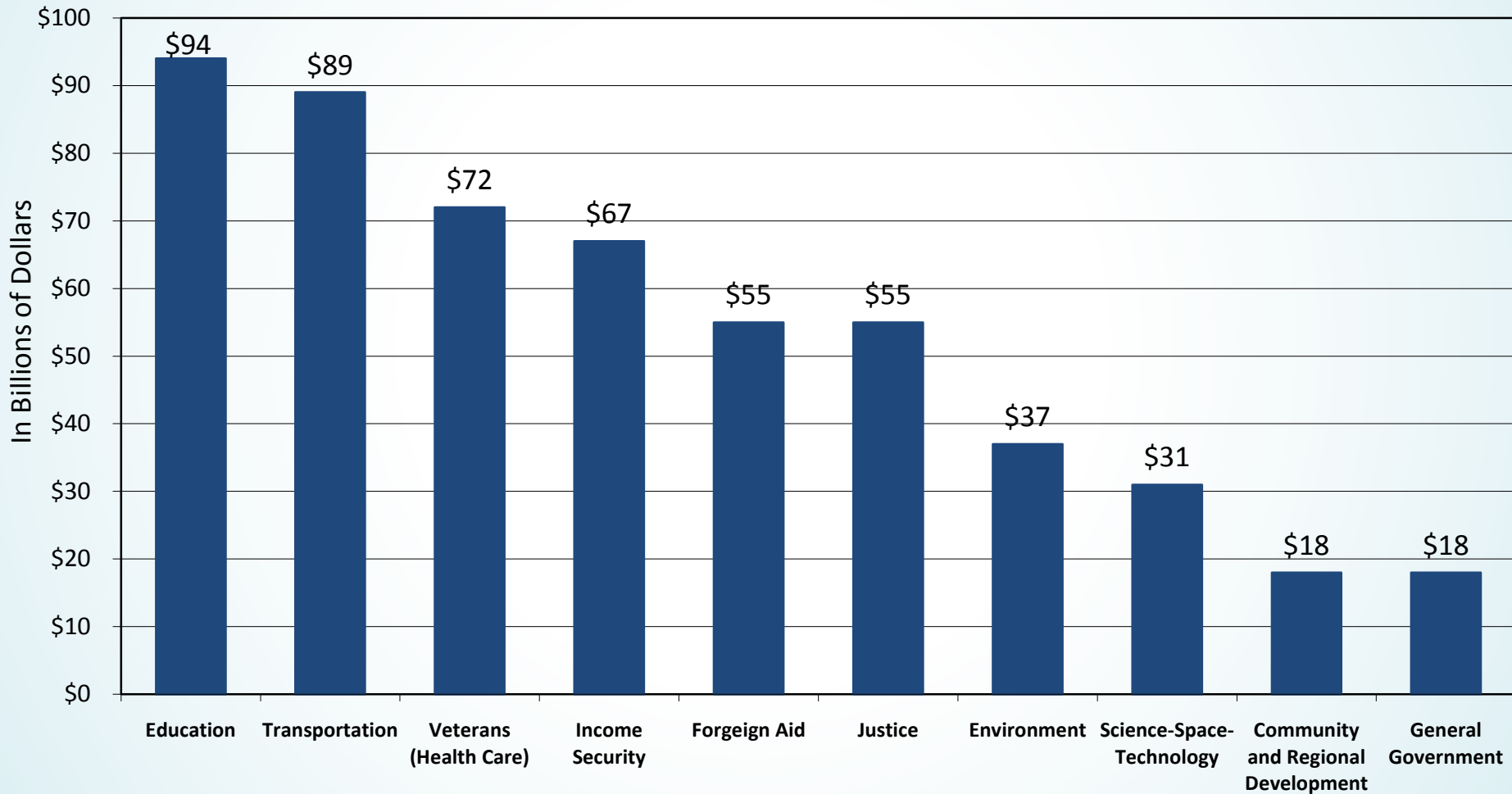
Defense Discretionary Spending as a Percentage of GDP



Source: Congressional Budget Office, January 2016.

Outlays of Select Non-Defense Discretionary Spending Programs

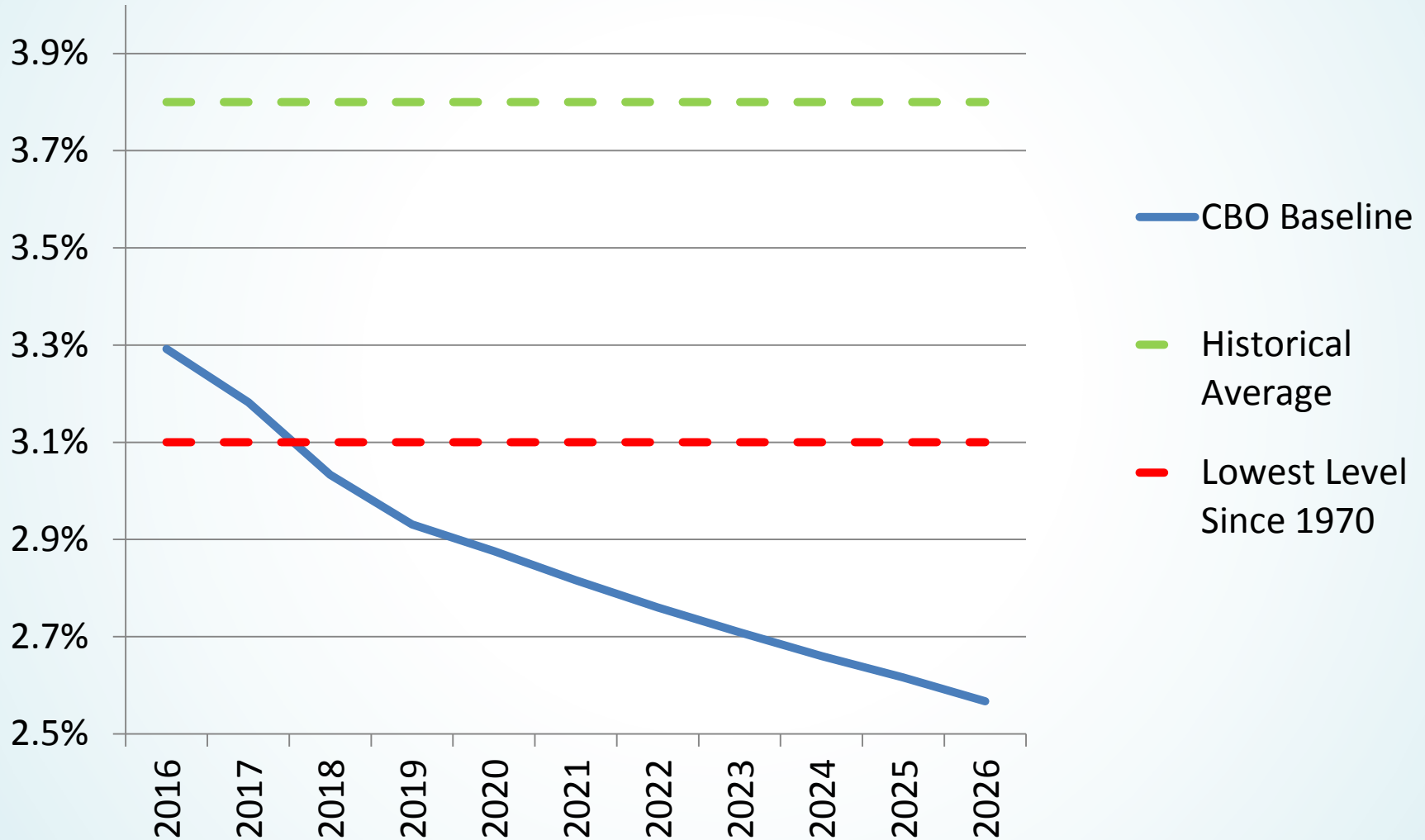
Fiscal Year 2016 Projected



Source: Congressional Budget Office, January 2016.



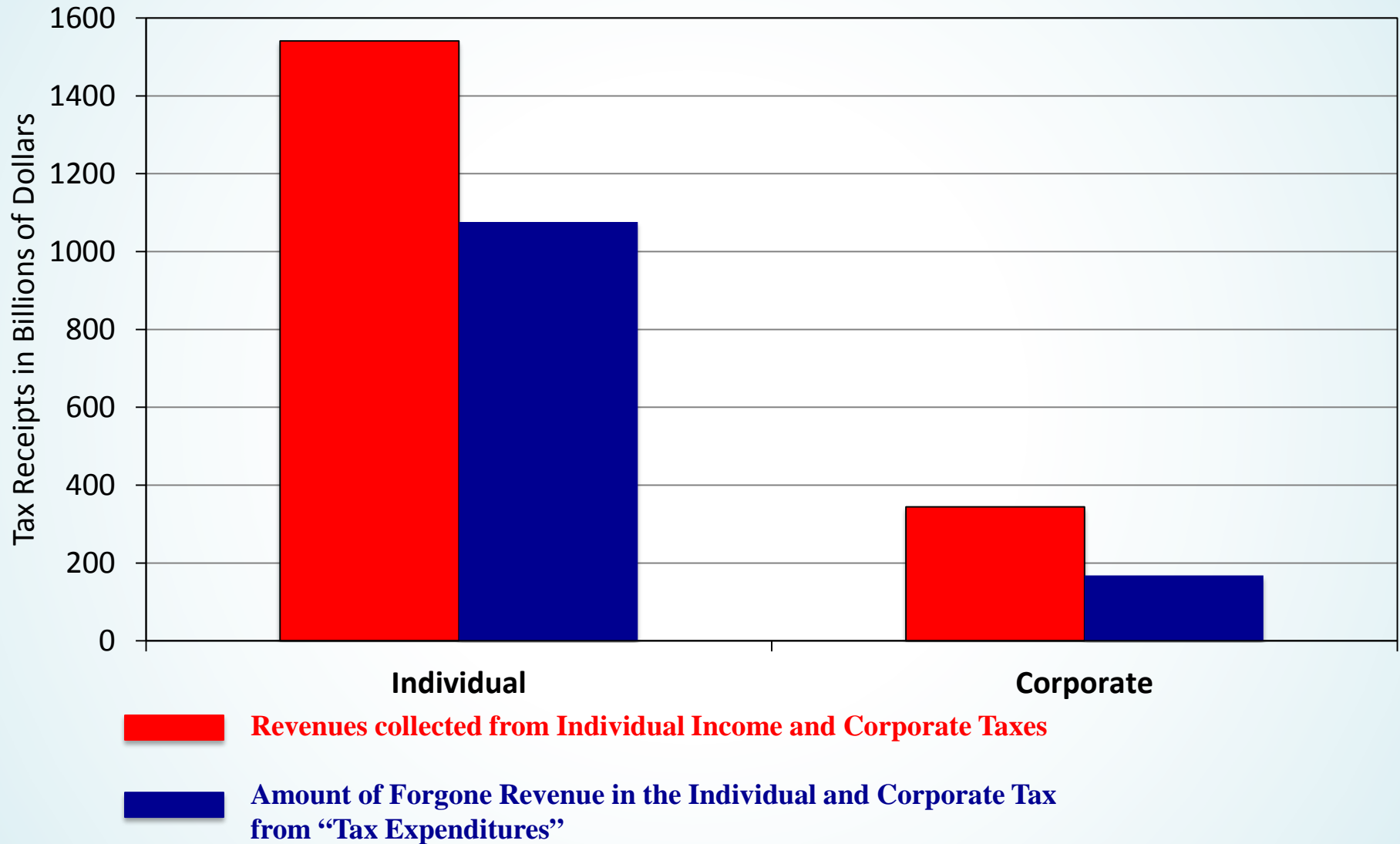
Projected Non-Defense Discretionary Spending as a Percentage of GDP



Source: Congressional Budget Office, January 2016.

Tax Expenditures: The Hidden Entitlement

Fiscal Year 2015



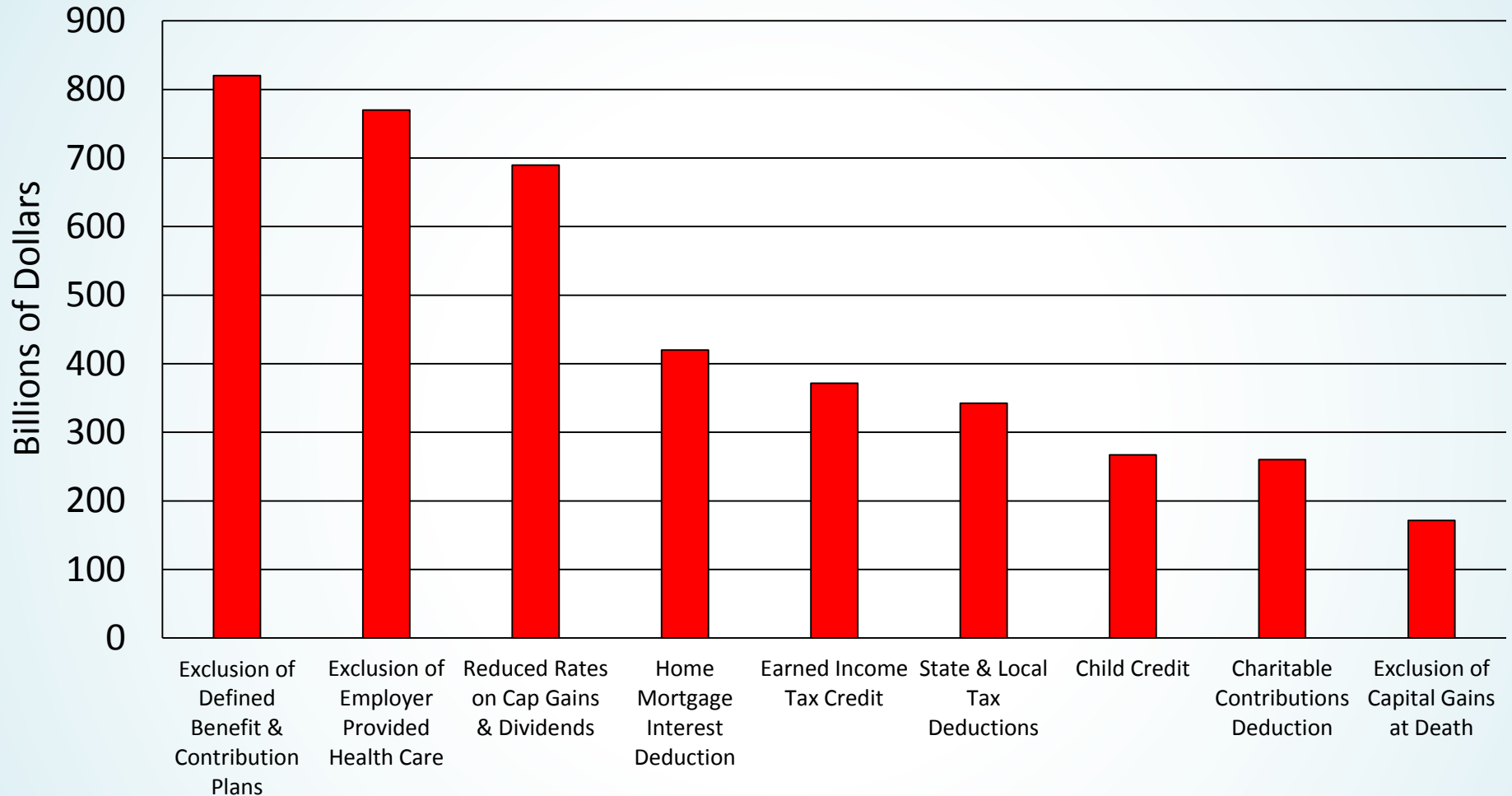
Source: Joint Committee on Taxation, x-141-15, December 7, 2015 & Congressional Budget Office Budget Office, January 2016.



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Largest Tax Expenditures

Fiscal Years 2015-2019

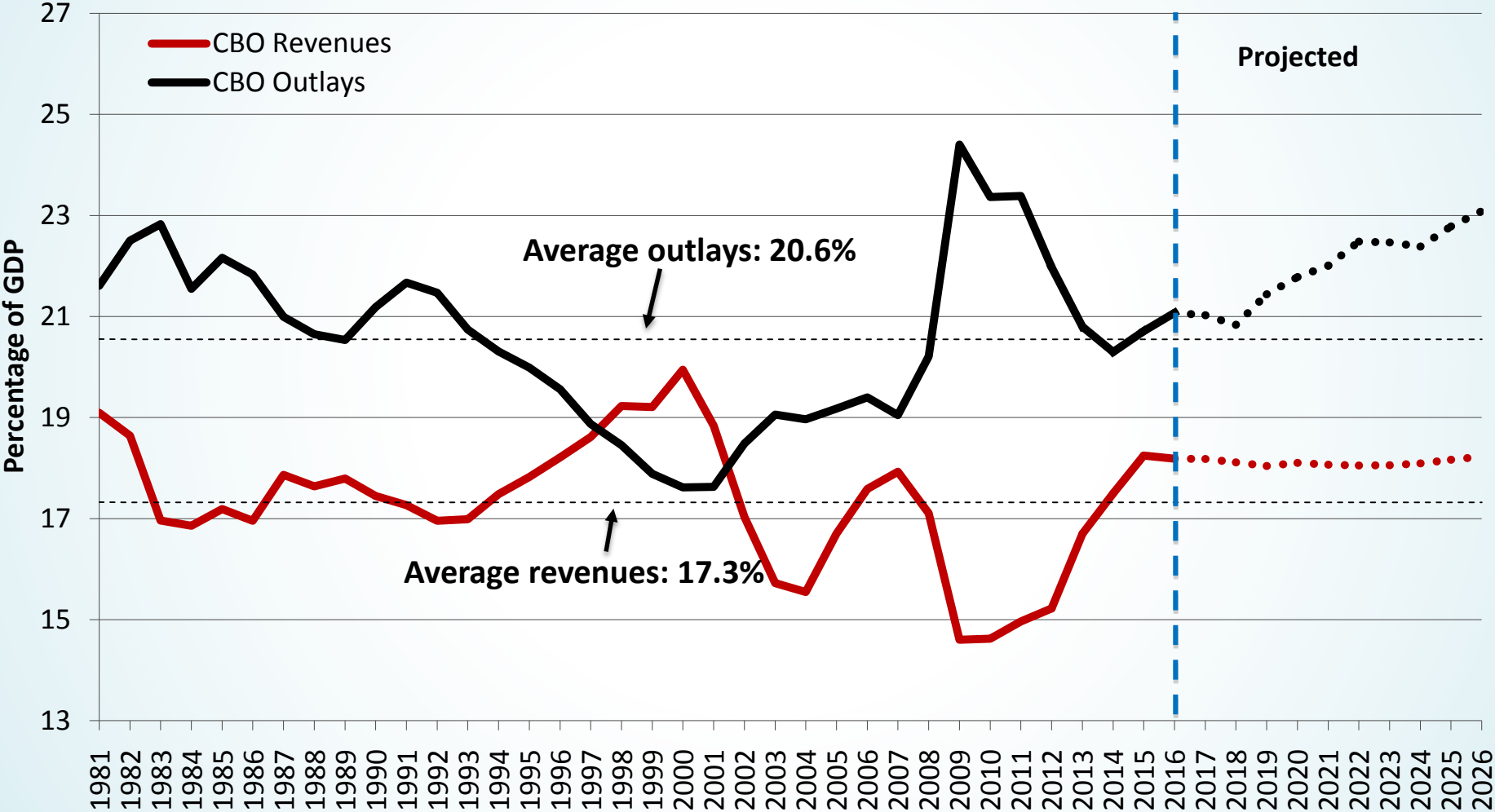


Tax expenditures are any reduction in income tax liabilities that result from special tax provisions or regulations that provide tax benefits to particular taxpayers. These special income tax provisions are referred to as tax expenditures because economically they are considered analogous to direct outlay programs.

Source: Joint Committee on Taxation, x-141-15, December 7, 2015.

Federal Spending vs. Revenues as a Percent of GDP

CBO Baseline 2016-2026

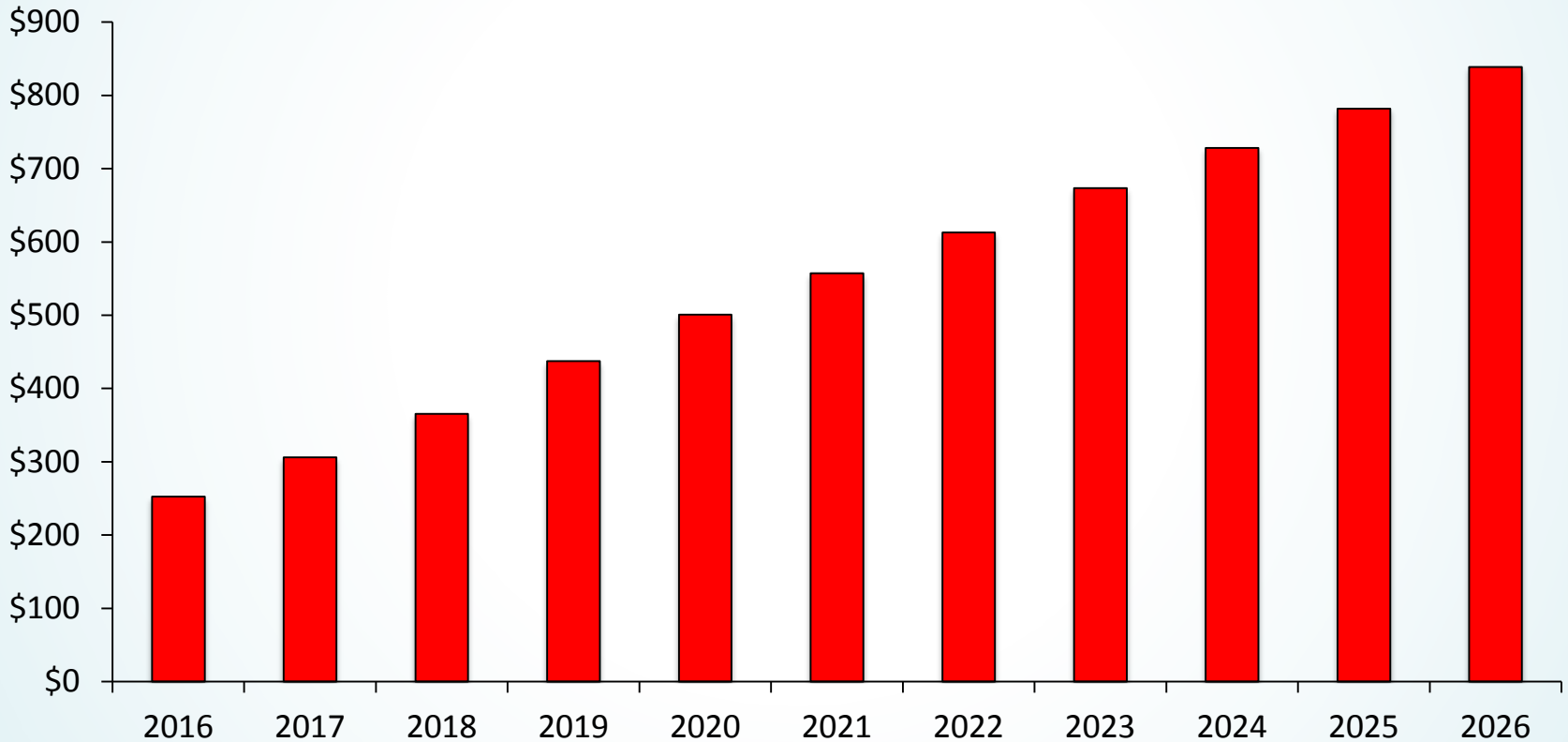


Source: Congressional Budget Office, March 2016.



Interest Costs Rise Sharply Under Current Law

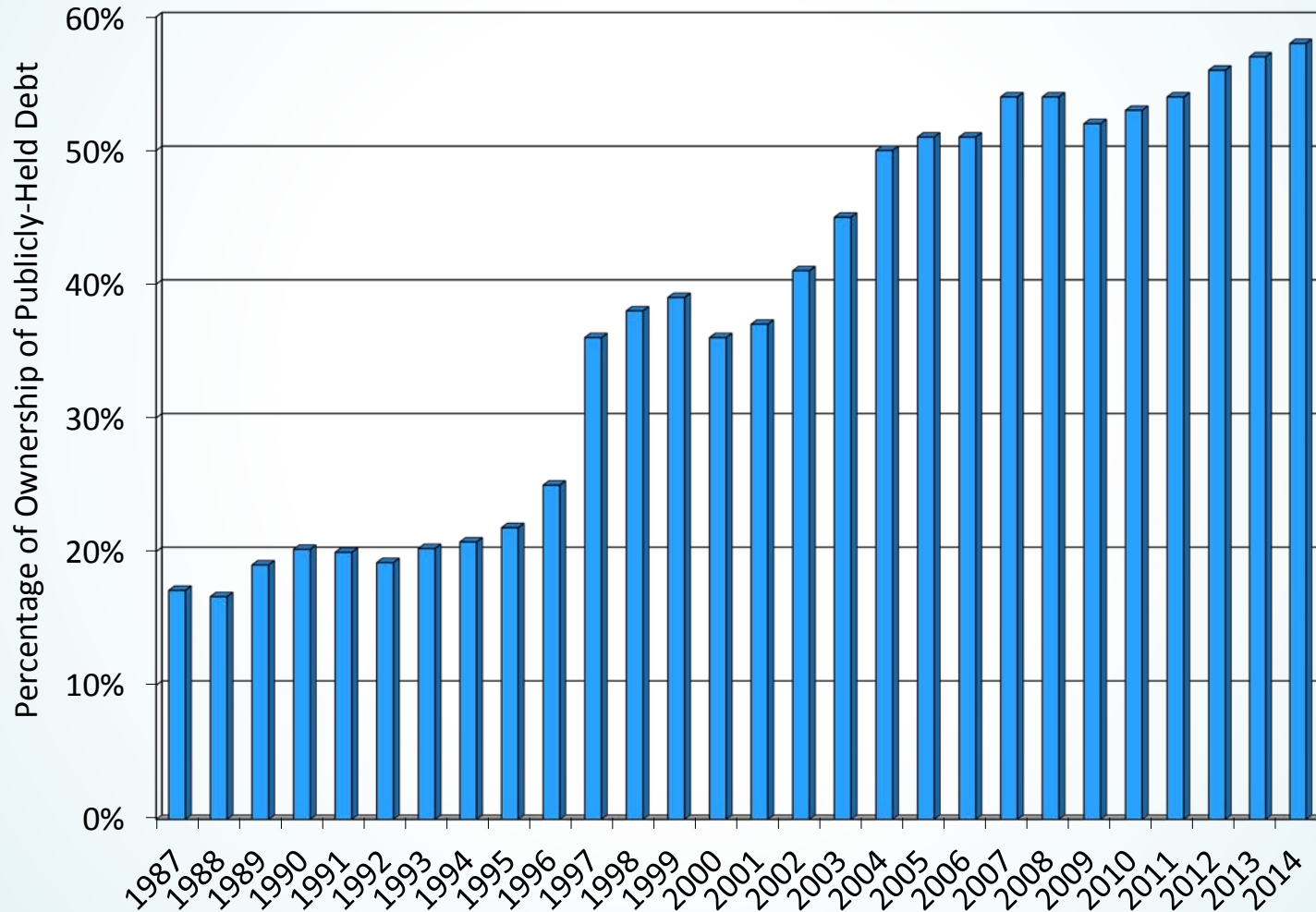
Net Interest, in Billions of Dollars, 2016-2026



Source: Congressional Budget Office, March 2016.

Percentage of Debt Held by the Public Owned by Foreigners

1987-2014



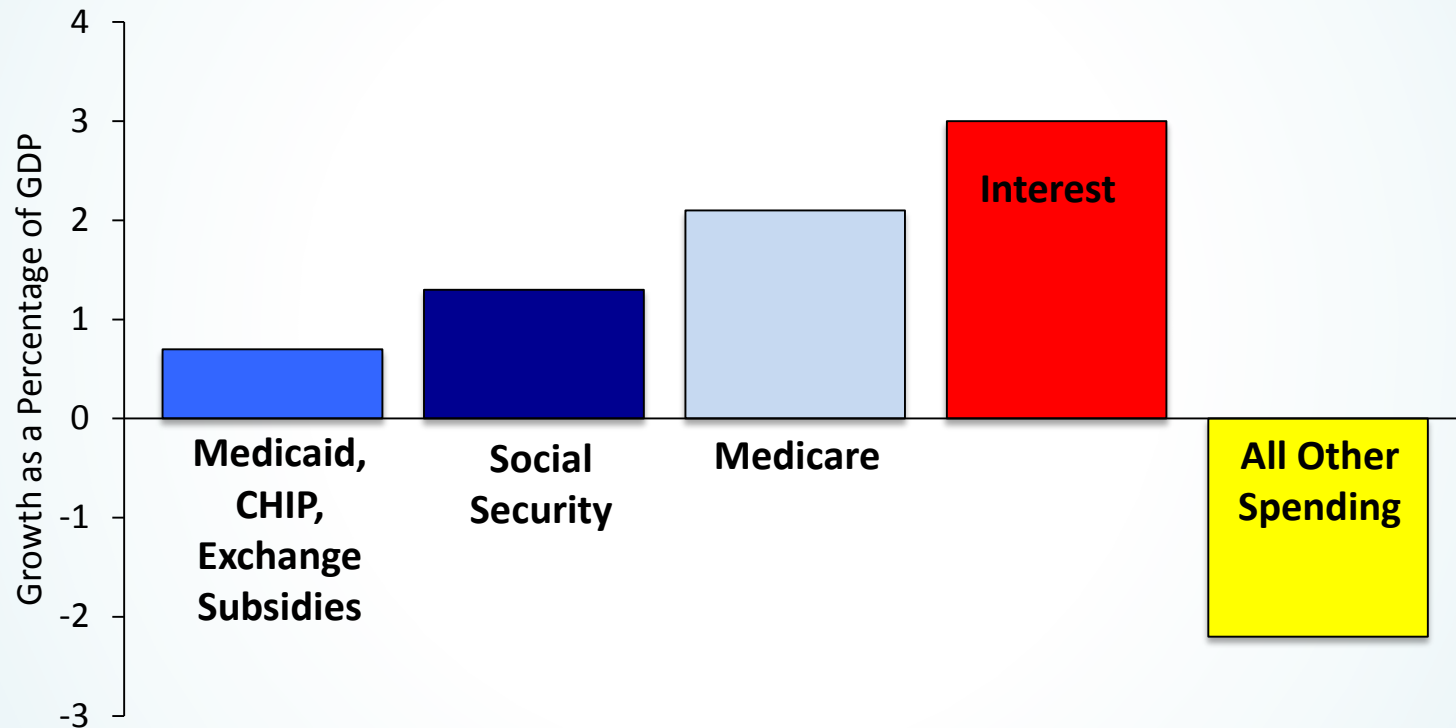
Source: United States Treasury Department, Treasury Bulletin, Table OFS-2, December 2015.



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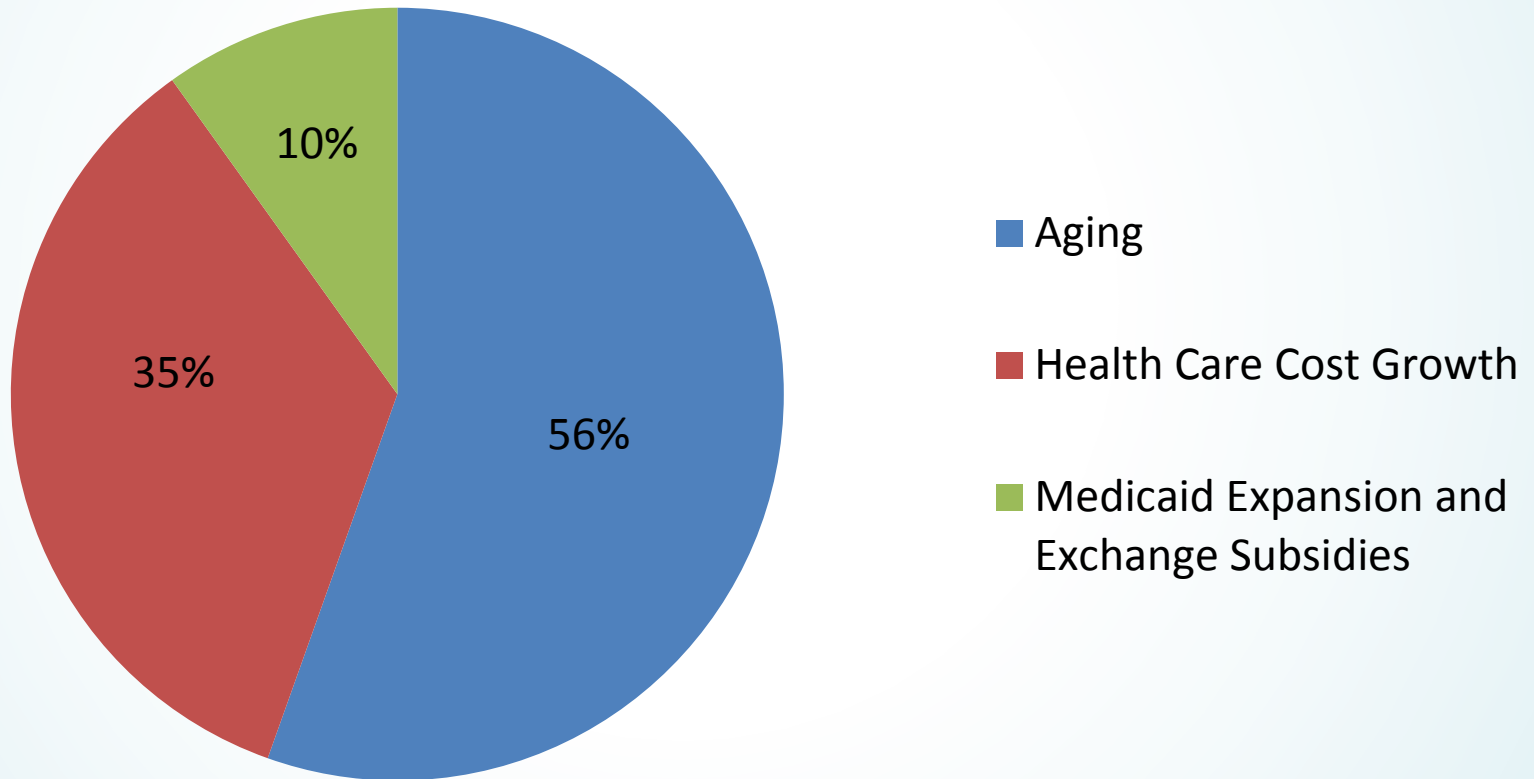
The Sources of Growth in Federal Spending

Change in Outlays as a Percentage of GDP, 2015-2040



Source: CBO Extended Baseline, June 2015.

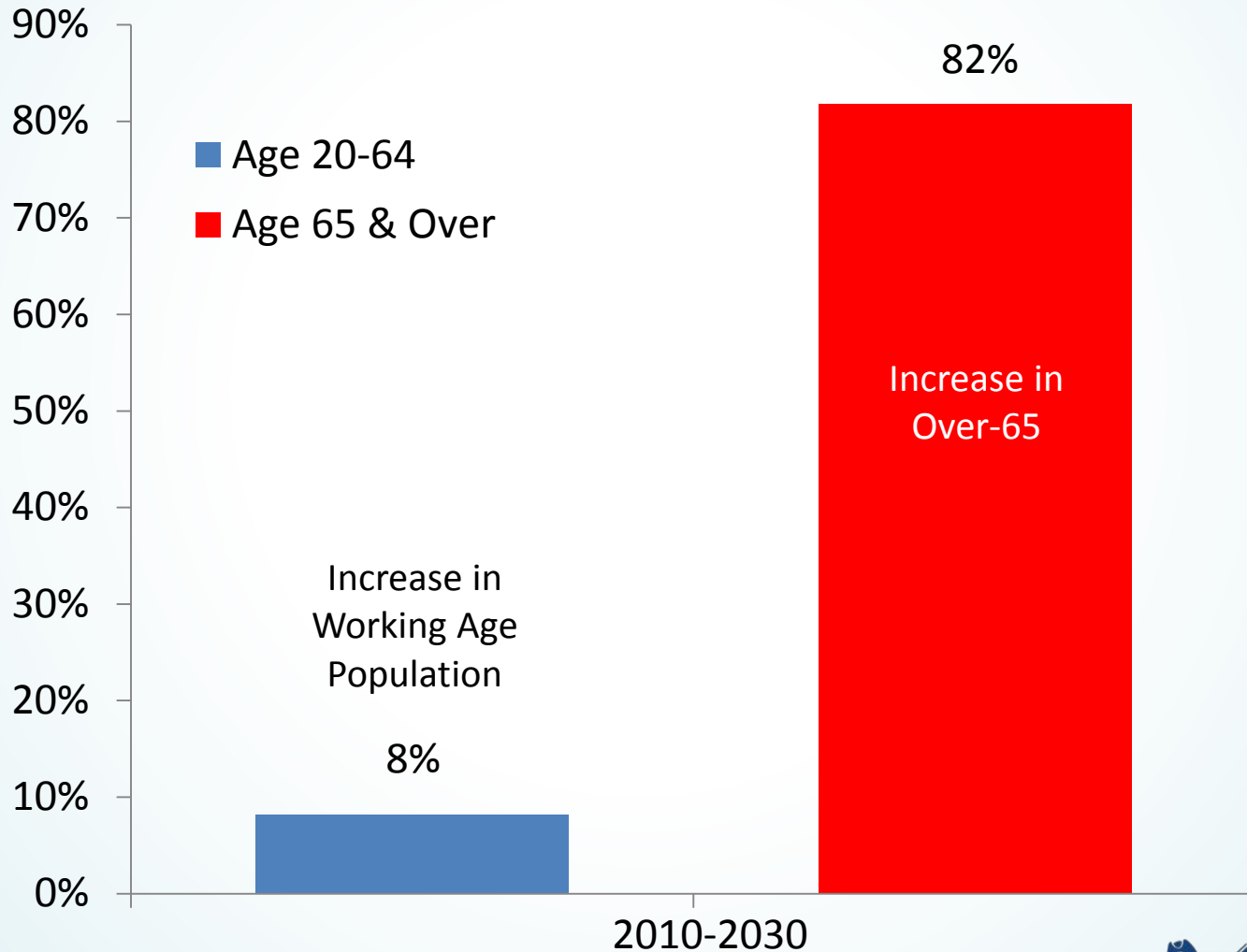
Population Aging Is the Largest Factor in Growth of Health Care Programs and Social Security Over 25 Years 2015-2040



Source: Congressional Budget Office, June 2015.

America's Population is Aging

Percentage Change Increase in Population



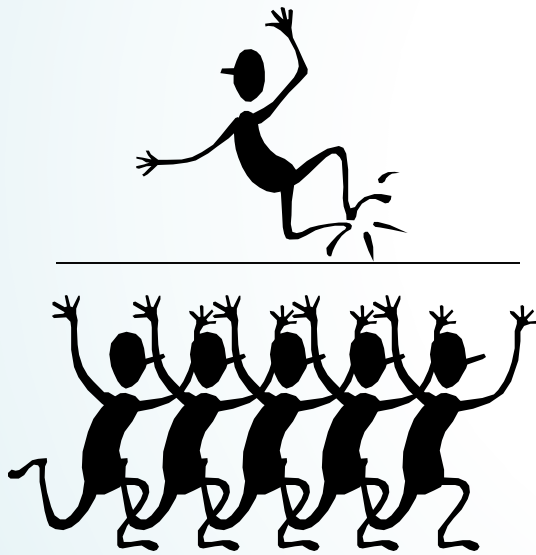
Source: 2015 CBO Long-Term Outlook & Concord Coalition Analysis



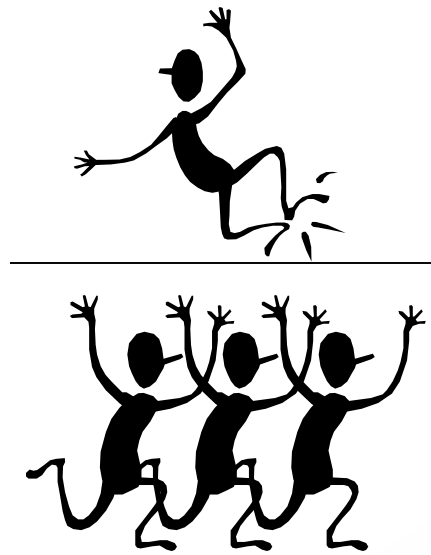
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Americans are Living Longer and Having Fewer Children

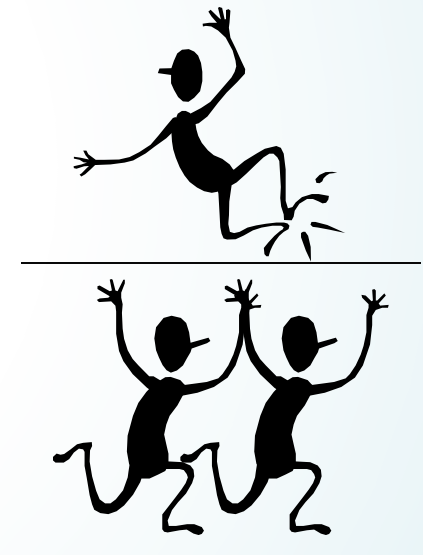
Consequently, fewer workers are available
to support each Social Security and Medicare recipient



1960: 5.1 to 1

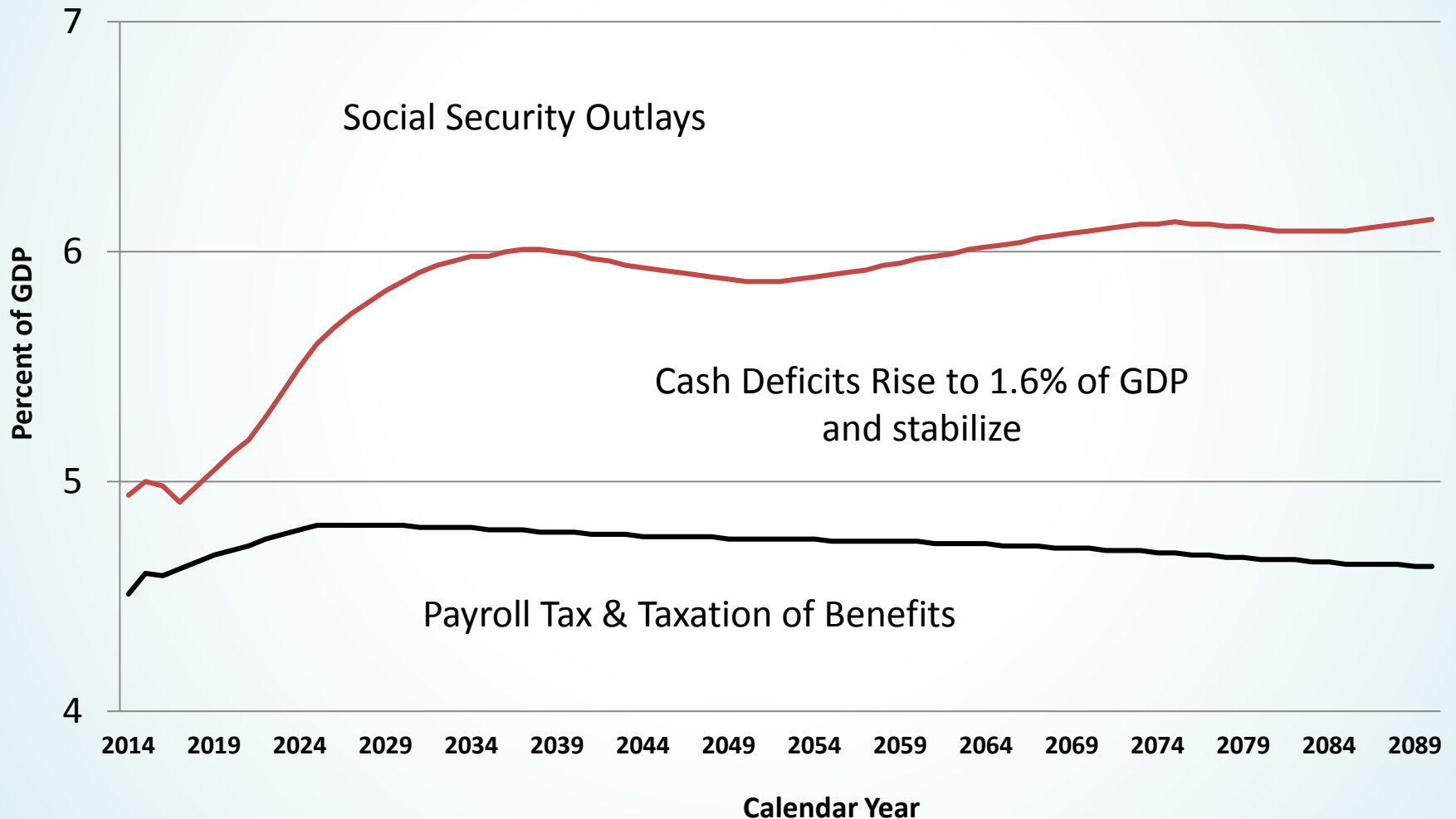


Today: 2.8 to 1



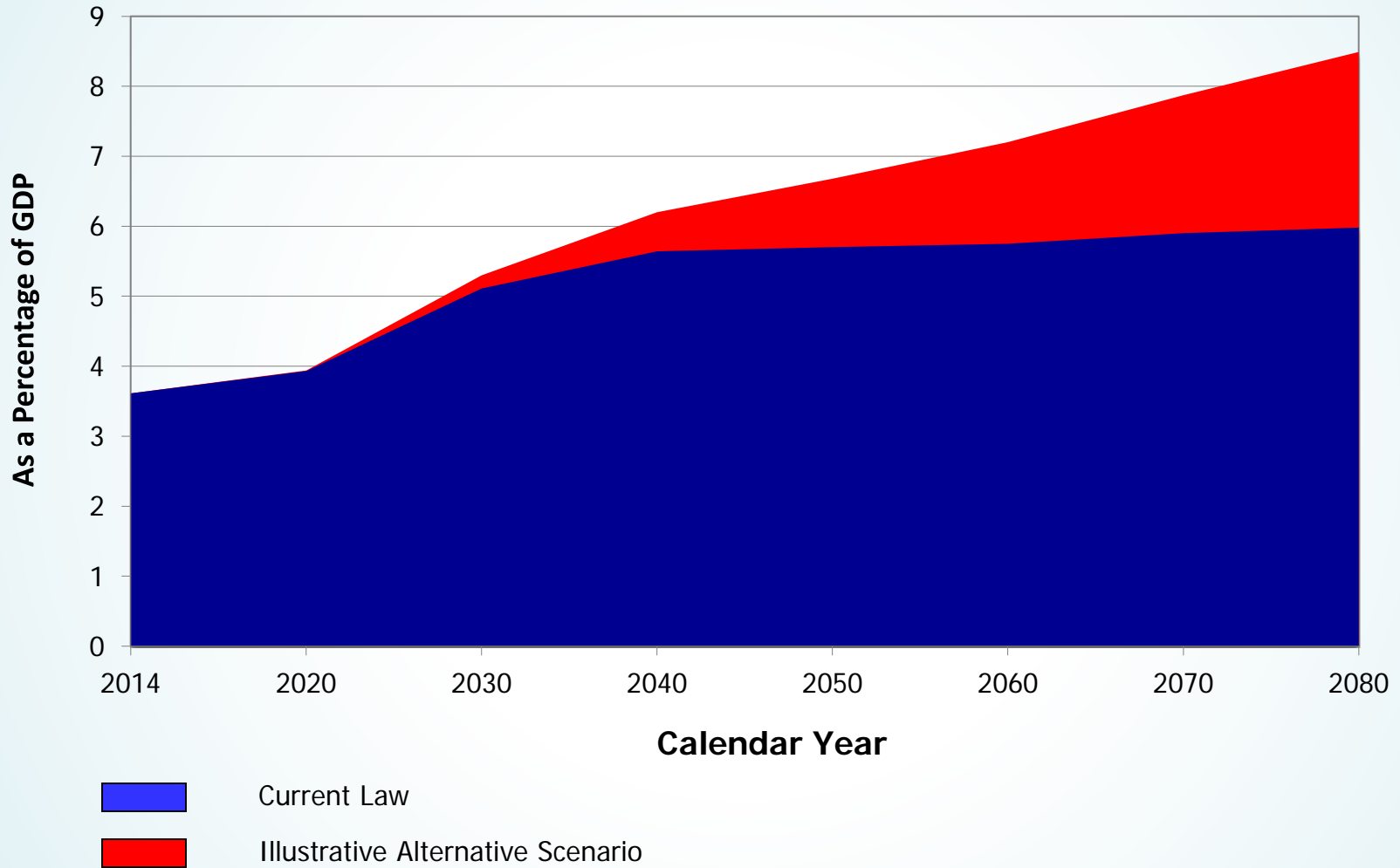
2030: 2.3 to 1

Social Security Promised Benefits Exceed Dedicated Tax Revenues



Source: Social Security Trustees, June 2016 (Intermediate Projections).

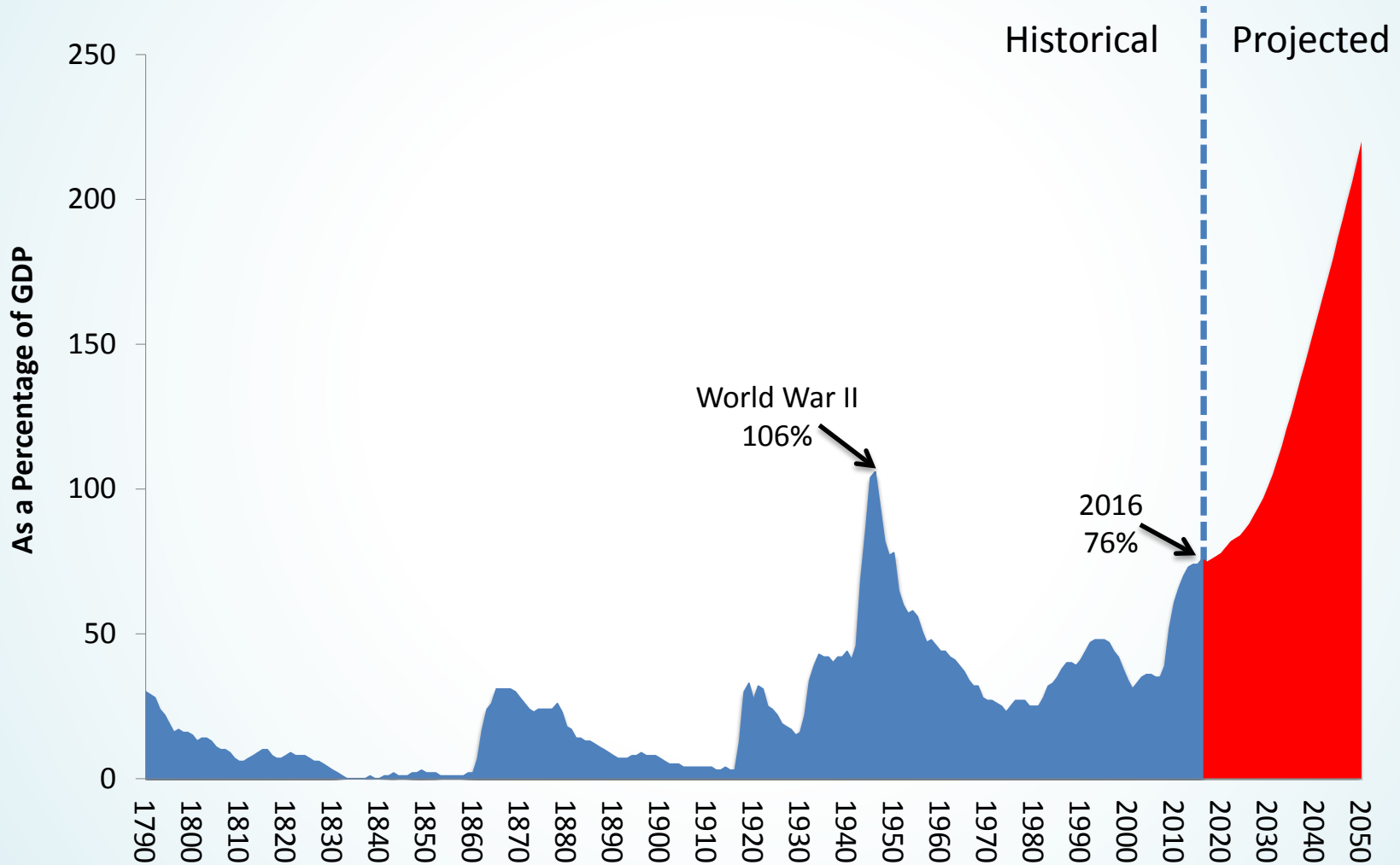
Medicare Costs Under Alternative Scenarios



Source: Medicare Trustees, June 2016.

America is on an Unsustainable Fiscal Path

Debt Held by the Public, as a Percent of GDP, 1790-2050



Source: Congressional Budget Office.



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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 weekly Washington Budget Report.

- Become a part of The Concord Coalition's volunteer community and help us give the country a fiscal wake-up call.

- 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.

- Take personal responsibility for your own retirement and start saving now.

- Join our on-line communities:



- Support The Concord Coalition. We need your help!

A screenshot of the website for The Concord Coalition. The header features the organization's logo and navigation links: Home, About, Issues, Act, Publications, and Donate. Below the header is a search bar and a row of social media icons. The main content area is titled "Washington Budget Report: January 20, 2016" and includes a "Back to WBR Issue List" link. A section titled "In This Issue..." lists four articles: "CBO Warns of Rising Federal Deficits and Debt", "Kerrey, Danforth Become Concord Coalition Co-Chairs", "Fiscal Fridays: Christie Interview Today", and "Your First Budget: Interviews with Paul Fiorina". The first article, "CBO Warns of Rising Federal Deficits and Debt", is expanded to show its text. The text discusses new projections from the Congressional Budget Office (CBO) showing the federal deficit rising for the first time since 2009. It quotes Robert L. Bixby, executive director of The Concord Coalition, stating that the CBO numbers "clearly demonstrate that recent legislation combined with the relentless fiscal pressures of an aging population add up to steadily rising debt from this point forward." It also mentions that each presidential candidate should explain to voters how they would work to reverse this dynamic. The article notes that the CBO released a summary Tuesday of its annual Budget and Economic Outlook, projecting that under current law federal deficits -- which have dropped in recent years -- will begin rising again this year to \$544 billion and could reach \$1.4 trillion by 2026. It further states that the deficits projected over the next decade would add a total of \$9.4 trillion to the nation's debt. The article concludes with a warning from the budget office that federal debt held by the public will climb from about 76 percent of GDP at the end of this year -- the highest since World War II -- to 89 percent at the end of 2026. A link to "Read more with CBO Update Shows Growing Debt Burden Will Face Next President" is provided. On the right side of the page, there is a "GET INVOLVED" section with buttons for "DONATE", "EVENTS", "SIGN UP", and "JOIN US". Below that is a "Concord in The News" section with several news snippets and "Read Article" links.