



# Key Charts for 2010 Budget Overview

3-7-2010



# \$3.5 trillion in spending in 2009

	<b>\$ Billions</b>	<b>Change from 2008</b>
Medicare & Medicaid	680	+15%
Social Security	660	+9%
Defense	640	+7%
Financial Rescue	250	--
Interest	200	-23%
All Other	1,100	+18%
<b>TOTAL</b>	<b>3,520</b>	<b>+18%</b>



## \$2.1 trillion in revenues in 2009

	<b>\$ Billions</b>	<b>Change from 2008</b>
Individual Income	920	-20%
Payroll	890	-1%
Corporate Income	140	-54%
Other	160	-8%
<b>TOTAL</b>	<b>2,110</b>	<b>-17%</b>

The budget deficit was \$1.4 trillion in 2009

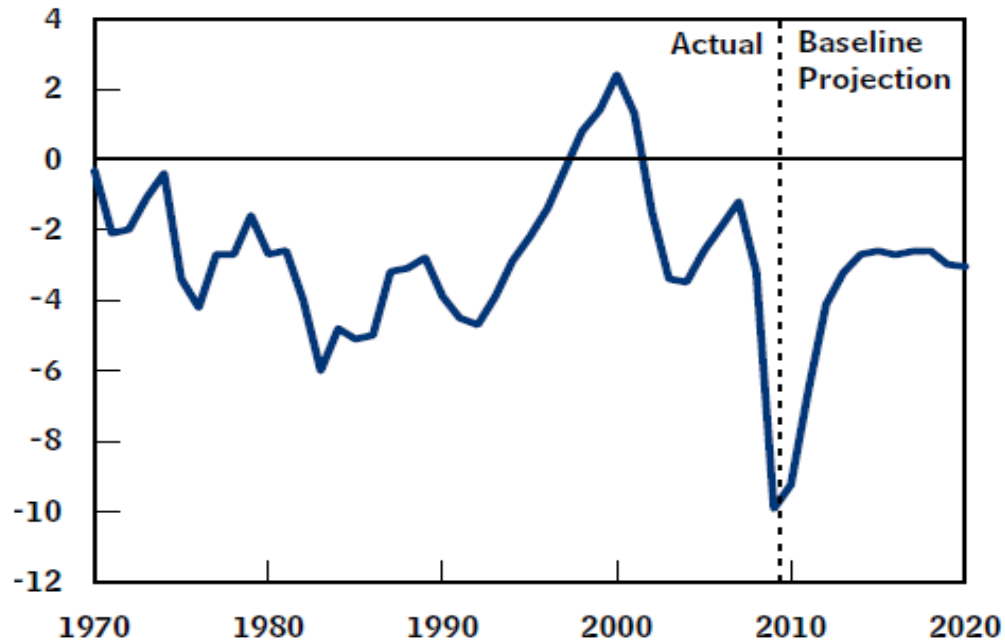


# Deficits continue indefinitely

**Figure 1-1.**

## **The Total Deficit or Surplus, 1970 to 2020**

(Percentage of gross domestic product)



Source: Congressional Budget Office.

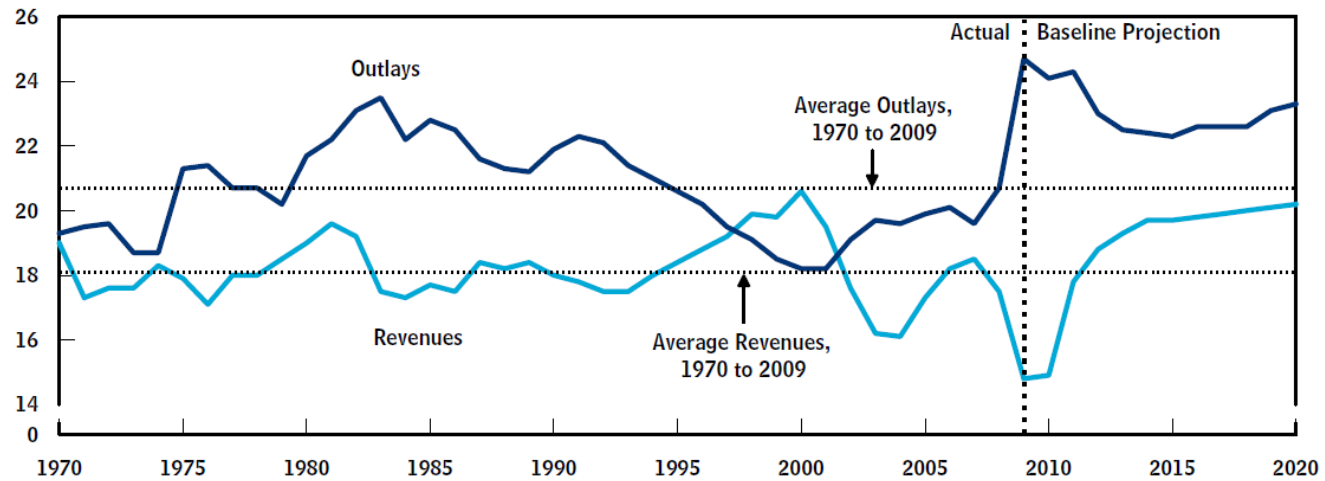


# Even if the Bush tax cuts expire

**Summary Figure 2.**

## Total Revenues and Outlays

(Percentage of gross domestic product)



Source: Congressional Budget Office.

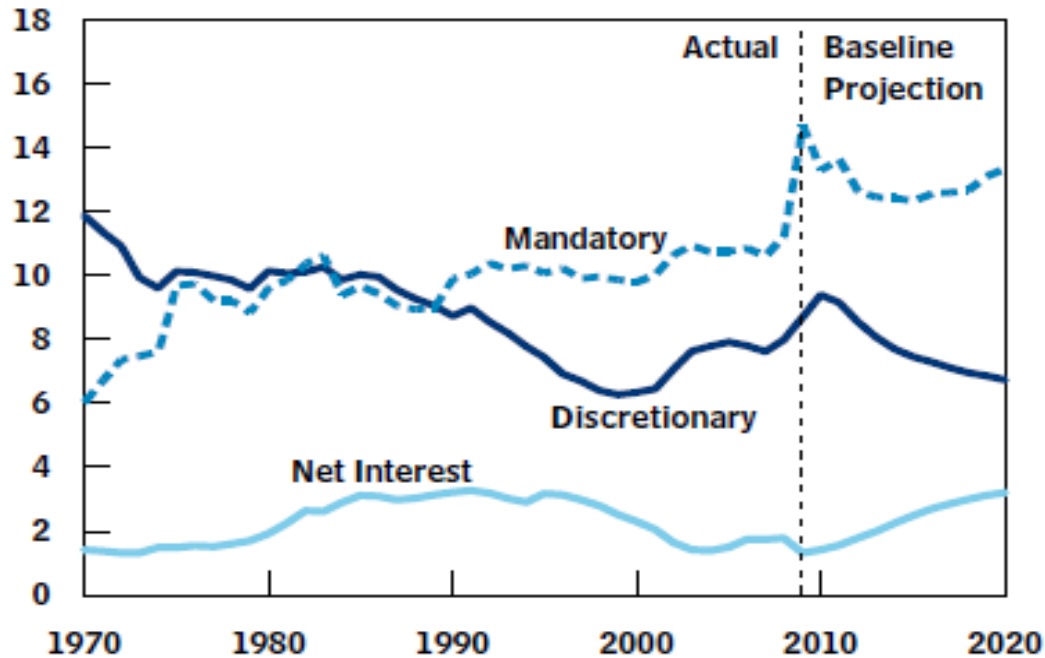


# Spending continues to rise

**Figure 3-1.**

## **Outlays, by Category, 1970 to 2020**

(Percentage of gross domestic product)



Sources: Congressional Budget Office; Office of Management and Budget.

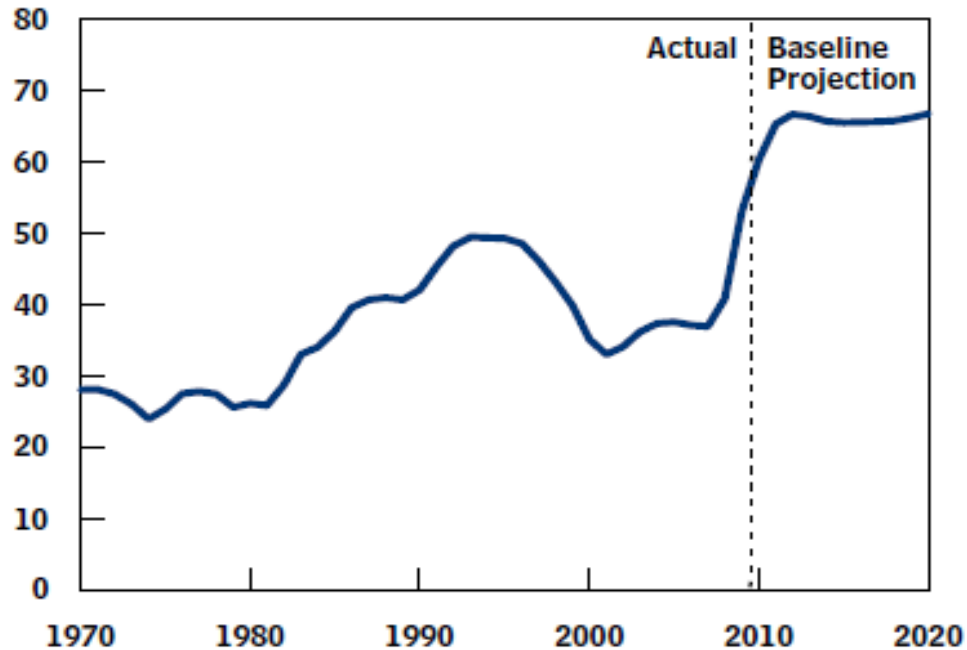


# Debt is exploding

**Figure 1-2.**

## **Federal Debt Held by the Public, 1970 to 2020**

(Percentage of gross domestic product)



Source: Congressional Budget Office.

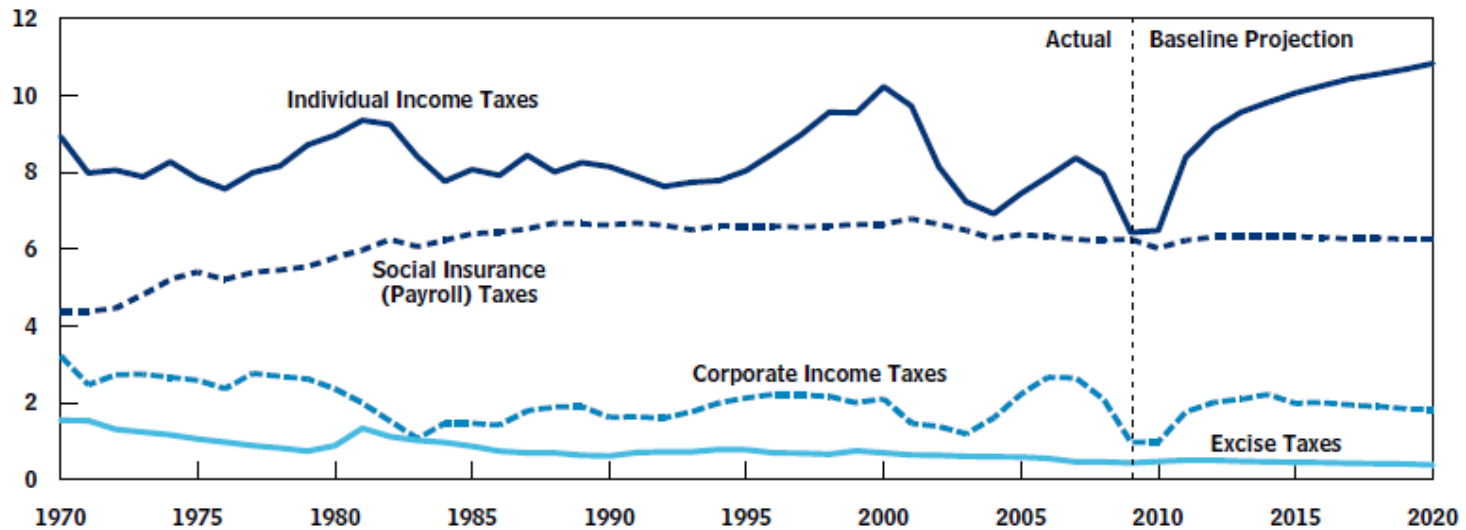


# Income taxes will skyrocket

**Figure 4-3.**

## Revenues, by Source, 1970 to 2020

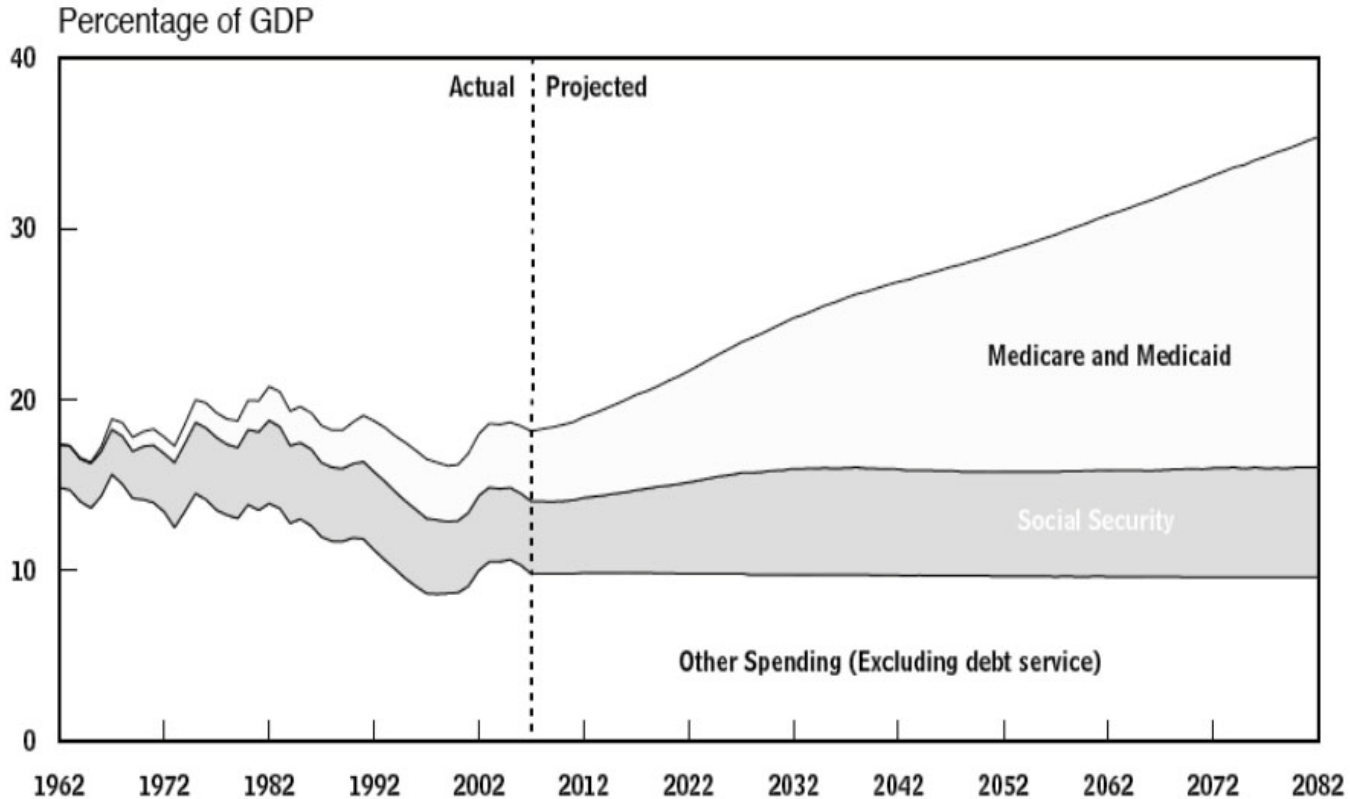
(Percentage of gross domestic product)



Source: Congressional Budget Office.



# The long-run fiscal challenge





# Unemployment Figures

	February 2010
Total Jobs Lost	36,000
Unemployment Rate	9.7%
Number of Unemployed	14.9 million
Jobs lost since recession started	8.4 million
Jobs lost since 2009 stimulus was signed	3.3 million
Unemployment rate in construction workers	27%
Unemployment rate in government workers	4%
Number of long-term unemployed (27 weeks)	6.1 million
Underemployment rate (employed part time involuntarily)	16.8%
Discouraged workers (those who gave up looking for jobs because they thought there were none)	1.2 million



# Effects of the stimulus

(billions of dollars)

	<b>Actual 2009</b>	<b>2010</b>	<b>2009-2019</b>
Medicaid	32	42	93
Unemployment	27	31	60
Transportation	4	15	47
Education	21	50	98
Energy	1	5	42
Tax Credits	2	33	71
Reduction in Revenues	-88	-180	-236
Total Effect on the Deficit	-200	-404	-862



## Challenges Affecting the Federal Budget in the Near Term

2008	Oldest members of the baby-boom generation became eligible for early Social Security retirement benefits
2008	Medicare Hospital Insurance (HI) outlays exceeded cash income
2010	Social Security runs first cash deficit since 1984
2011	Oldest members of the baby-boom generation become eligible for Medicare
2014	45 percent of Medicare outlays funded by general revenue
2016	Social Security begins running consistent annual cash deficits and redeeming trust fund assets (i.e., nonmarketable Treasury securities) in order to pay beneficiaries
2017	Medicare HI trust fund exhausted. Income sufficient to pay about 81 percent of benefits
2020	Debt held by the public under GAO's Alternative simulation exceeds the historical high reached in the aftermath of World War II

Source: GAO