GRAPHS AND CHARTS

A BRIGHTER
AMERICAN FUTURE

A Balanced Budget for FY 2019
THE BUDGET CHALLENGE
GOVERNMENT SPENDING AS A % SHARE OF ECONOMY

Revenues
Net Interest
Other Mandatory Spending
Health Care Programs
Social Security Spending
PROJECTED REAL GDP GROWTH
FROM FOURTH QUARTER TO FOURTH QUARTER

2018
Before Tax Reform
2

2019
After Tax Reform
1.5

Source: CBO
GROWING NATIONAL DEBT

GROSS FEDERAL DEBT IN $ TRILLIONS

SOURCE: CBO
THE NATIONAL DEBT KEEPS GROWING

DEBT HELD BY THE PUBLIC AS % OF GDP

Source: CBO 2017 Long-Term Budget Outlook
DEFICIT PROJECTIONS IF CONGRESS DOES NOT ACT

IN $ BILLIONS

SOURCE: CBO
INTEREST VS. OTHER SPENDING
OUTLAYS, IN 2028 UNDER CBO BASELINE, IN BILLIONS

- **NET INTEREST**: $915
- **DEFENSE**: $769
- **MEDICAID**: $655
- **VETERANS' BENEFITS**: $278
- **TRANSPORTATION**: $127
- **SCIENCE, SPACE, TECH**: $42

Note: Spending for Social Security or Medicare exceeds net interest.

SOURCE: CBO
MANDATORY SPENDING GROWTH OVER TIME

1965
- MANDATORY: 34%
- ALL OTHER SPENDING: 66%

2018
- MANDATORY: 69%
- ALL OTHER SPENDING: 31%

2028
- MANDATORY: 77%
- ALL OTHER SPENDING: 23%

SOURCE: CBO
### MAJOR CHANGES IN PROJECTED OUTLAYS FROM 2018 TO 2028

**PERCENTAGE OF GROSS DOMESTIC PRODUCT**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2028</th>
<th>Change (Percentage points)</th>
<th>Major Reasons for Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security</td>
<td>4.9</td>
<td>6.0</td>
<td>1.1</td>
<td>• Aging of the population</td>
</tr>
<tr>
<td>Major Health Care Programs</td>
<td>5.3</td>
<td>6.6</td>
<td>1.3</td>
<td>• Aging of the population; rising costs of health care</td>
</tr>
<tr>
<td>Other Mandatory Spending</td>
<td>2.7</td>
<td>2.4</td>
<td>-0.3</td>
<td>• Many factors</td>
</tr>
<tr>
<td>Discretionary Spending</td>
<td>6.4</td>
<td>5.4</td>
<td>-1.0</td>
<td>• Caps on funding; inflation less than GDP growth</td>
</tr>
<tr>
<td>Net Interest</td>
<td>1.6</td>
<td>3.1</td>
<td>1.5</td>
<td>• Accumulating debt; rising interest rates</td>
</tr>
</tbody>
</table>

Source: Congressional Budget Office

GDP = gross domestic product

Outlays as a percentage of GDP have been adjusted to exclude the effects of timing shifts.

a. Consists of spending for Medicare (net of premiums and other offsetting receipts), Medicaid, and the Children’s Health Insurance Program as well as outlays to subsidize health insurance purchased through the marketplaces established under the Affordable Care Act and related spending.
THE MANDATORY SPENDING CHALLENGE

FY 2017 TOTAL SPENDING = $4.0 Trillion

- Social Security: $939
- Medicare: $591
- Non-Defense Discretionary: $600
- Defense: $590
- Other Mandatory: $614
- Interest: $263
- Medicaid: $375

Total Mandatory Spending: $2,800
Total Discretionary Spending: $1,200

SOURCE: CBO

Discretionary Spending
Mandatory Spending
BASE DISCRETIONARY BUDGET AUTHORITY

TEN YEAR SAVINGS = $1,193B
AVG. ANNUAL REAL GDP GROWTH
BY ANNUAL % CHANGE

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>3.0</td>
</tr>
<tr>
<td>2013</td>
<td>2.9</td>
</tr>
<tr>
<td>2014</td>
<td>2.5</td>
</tr>
<tr>
<td>2015</td>
<td>2.3</td>
</tr>
<tr>
<td>2016</td>
<td>2.1</td>
</tr>
<tr>
<td>2017</td>
<td>1.9</td>
</tr>
<tr>
<td>2018</td>
<td>1.8</td>
</tr>
</tbody>
</table>

SOURCE: CBO
THE LABOR FORCE PARTICIPATION RATE IS HISTORICALLY LOW

SOURCE: CBO

May, 2018

62.7%
RISE IN IMPROPER PAYMENTS

BY FISCAL YEAR, IN $ BILLIONS

2012: $107
2013: $106
2014: $125
2015: $137
2016: $144
2017: $141

SOURCE: GAO
IMPROPER PAYMENTS BY GOVERNMENT PROGRAM IN FY 2016

IN $ BILLIONS

- Medicare $59.7
- Medicaid $36.3
- Earned Income Tax Credit $16.8
- Other Programs $31.7

SOURCE: GAO
FY 2017 TOTAL REVENUE

*IN $ BILLIONS*

- SOCIAL INSURANCE, $1,162
- INDIVIDUAL INCOME TAXES, $1,587
- CORP. INCOME TAX, $297
- OTHER, $270

SOURCE: CBO
FEDERAL MEDICARE SPENDING

NET OUTLAYS IN $ BILLIONS


SOURCE: CBO

*2017 is actual, all other numbers based on projections
FEDERAL MEDICAID SPENDING
IN $ BILLIONS

SOURCE: CBO

*Numbers based on projections
<table>
<thead>
<tr>
<th># of CRs passed by Congress since 2010</th>
<th>37</th>
</tr>
</thead>
<tbody>
<tr>
<td># of fiscal years since 1955 in which not one CR was enacted</td>
<td>3</td>
</tr>
<tr>
<td># of CRs enacted for FY 2001 alone</td>
<td>21</td>
</tr>
</tbody>
</table>

Source: CRS
On our current fiscal path, we’ll spend more on interest than defense as soon as 2023.

Interest: $702 billion
Defense: $679 billion

Source: CBO
<table>
<thead>
<tr>
<th>Committee</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>$1 billion</td>
</tr>
<tr>
<td>Armed Services</td>
<td>$1 billion</td>
</tr>
<tr>
<td>Education &amp; Workforce</td>
<td>$20 billion</td>
</tr>
<tr>
<td>Energy &amp; Commerce</td>
<td>$20 billion</td>
</tr>
<tr>
<td>Financial Services</td>
<td>$24 billion</td>
</tr>
<tr>
<td>Homeland Security</td>
<td>$3 billion</td>
</tr>
<tr>
<td>Natural Resources</td>
<td>$5 billion</td>
</tr>
<tr>
<td>Judiciary Committee</td>
<td>$45 billion</td>
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<tr>
<td>Oversight &amp; Gov. Reform</td>
<td>$32 billion</td>
</tr>
<tr>
<td>Veterans Affairs</td>
<td>$1 billion</td>
</tr>
<tr>
<td>Ways &amp; Means</td>
<td>$150 billion</td>
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</tbody>
</table>