A CITIZEN‘S GUIDE TO THE FEDERAL BUDGET

BUDGET OF THE UNITED STATES GOVERNMENT

Fiscal Year 1996

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A Citizen's Guide to the Federal Budget

In a typical American household, a father and mother might sit around the kitchen table to review the family budget. They might discuss how much they earn each year and, in turn, how much they can spend on food, shelter, clothing, and perhaps a vacation.

If they do not have enough money to make ends meet, they might discuss whether to try to earn more. If each already works full-time, for instance, the father or mother could take a second job. They might discuss whether to spend less, such as by cutting back on restaurants, movies, or other entertainment. Or they might borrow.

In a sense, the Federal Government plans its budget much the same way. It determines how much money it will receive in the next year, where it will get it from, and how to spend it. In another sense, though, the Government's budget and the process of putting it together are far more complicated. The budget is not only very large—$1.5 trillion of spending this year—it also provides funds for a broad array of programs for almost every conceivable purpose: from Social Security and Medicare, to education and job training, to science, space, and technology, to transportation and law enforcement, to national defense and foreign aid.

How much do you know about the Federal budget? If your answer is "not much," you're not alone. Hardly anybody knows *everything* that's in the thousands of pages that comprise the budget each year.

But we know that you care a lot about how the Government spends your money. That's why we created this *Citizen's Guide to the Federal Budget.*

In these pages, we will give you an overview of the budget, discuss in more detail how the Government raises revenues and spends money, highlight such concepts as the deficit and debt, review the President's proposals for 1996, and explain how he is trying to make Government work for all Americans.

As you read this *Guide*, you should keep several points in mind.

FACTS ABOUT THE BUDGET:

- The Government spends most of your money on a few major programs. In the current year, 1995, defense accounts for 18 percent, Social Security for 22 percent, Medicare for 10 percent, Medicaid for six percent, and interest payments on the national debt for 15 percent. Together, these five programs account for over 70 percent of all Federal spending.
- Other programs that get lots of attention—controversial programs like welfare (Aid to Families with Dependent Children) and foreign aid—actually account for tiny portions of spending. Together, welfare and foreign aid account for less than three percent of all Federal spending.
- The Government collects most of its revenues from a few main sources. Individual income taxes account for 44 percent, social insurance receipts (largely, Social Security payroll taxes) for 36 percent, and corporate income taxes for 11 percent. Together, they come to over 90 percent of revenues.
- Because all of the revenues do not cover the costs of all spending, the Government borrows money to finance this deficit. The total it has borrowed over the years, but not repaid, is the national debt.

BUDGET HISTORY:

- In its first 150 years, the Government sometimes generated budget deficits—for instance, to finance a war—but later ran surpluses and repaid much of the debt that had accumulated.
- But budget deficits have grown more frequent in the last half-century—the last surplus was in 1969—and they soared in the 1980s. The Government cut income tax rates, greatly increased defense spending, and did not cut domestic spending enough to make up the difference. Also, the deep recession of the early 1980s sharply reduced revenues, raising the deficit and forcing the Government to spend much more on servicing the national debt at a time when interest rates were high. As a result, the national debt quintupled in size after 1980—from $709 billion to $3.6 trillion.
- Federal spending has grown over the years, especially starting in the 1930s—in actual dollars and in proportion to the economy (Gross Domestic Product, or GDP).

THE PRESIDENT'S BUDGET:

- The President's budget, which he sends Congress in early February, is his plan for the next fiscal year, beginning October 1. But it's just a proposal. Only after Congress passes, and the President signs, spending bills—and legislation creating new taxes and entitlements, if any—has the Government created its actual plan for the year.
- President Clinton worked hard with the last Congress to reduce the deficit. As a result, the deficit fell from $290 billion in 1992 to $203 billion in 1994, and to an estimated $193 billion this year.
- While keeping the deficit under control, the President now proposes to raise the living standards of average Americans by cutting their taxes and investing in programs that will help build a strong economy.
- The President also proposes to build upon his initial success in "reinventing Government" by looking across the Government for agencies and programs to eliminate or restructure, and activities to shift to the States, localities, or private sector.

Origins of Today's Budget

The Federal budget was not always so large. Indeed, for most of the Nation's history, it was quite small. In its first three years, the Government spent a total of only about $4 million. By 1800, total annual spending still amounted to less than $11 million. A century later, the total had climbed only to $521 million.

But beginning with the "New Deal" in the 1930s, the Federal Government came to play a much larger role in American life. As President Franklin D. Roosevelt sought to use the full powers of his office to end the Great Depression, he and Congress greatly expanded Federal programs. Federal spending, which totalled less than $4 billion in 1931, climbed to nearly $7 billion in 1934 and to over $8 billion in 1936. Then, U.S. entry into World War II sent annual Federal spending soaring to over $91 billion by 1944.

To measure the roles that Federal tax and spending policies play in American life, one should compare the budget to the size of the economy—also known as GDP, the total value of U.S. goods and services. Just before the New Deal, Federal spending measured less than five percent of GDP. During the New Deal, it quickly doubled to 10 percent. And it continued growing to 20-25 percent of GDP, where it has hovered since the mid-1970s. (See the Historical Budget Summary table at the end of this *Guide.)*

More and more, Americans looked to Washington to solve national problems. In the 1930s, it was to rescue the economy and build a social safety net through such programs as Social Security. In the 1940s, it was to win World War II. In the 1950s, it was to build the interstate highway system and educate young Americans who returned from war through the G.I. Bill. In the 1960s, it was to fight poverty and provide health insurance for the elderly and poor. In the 1970s, it was to promote worker safety and protect the environment.

Nevertheless, as we have learned all too well, the Federal Government cannot solve all of the Nation's problems. Clearly, it must provide for the Nation's defense, conduct international affairs, and take the lead on issues that cross State boundaries, such as environmental protection and air traffic control.

In many areas, however, solutions are more likely to come from the States or more local units of government, such as counties, municipalities, and school districts. Some solutions, meanwhile, are better left to businesses, churches, community groups, and families.

Varieties of Spending

Generally speaking, spending comes in two varieties—discretionary and mandatory:

Discretionary spending, which now accounts for 36 percent of all Federal spending, is the money the President and Congress must decide to spend each year. It includes money for such programs as the FBI and the Coast Guard, for housing and education, for space exploration and highway construction, and for defense and foreign aid.

Mandatory spending, which accounts for 64 percent of all spending, is the money that the Federal Government spends automatically—unless the President and Congress change the laws that govern it. It includes entitlements—such as Social Security, Medicare, and Food Stamps—through which individuals receive benefits because they meet some criteria of eligibility (e.g., age, income). It also includes interest on the national debt, which the Government pays to individuals and institutions that buy savings bonds and other U.S. securities. Despite its name, however, mandatory spending is not fixed in stone. The President and Congress can change the laws that govern entitlements or taxes, but they must take explicit action to do so.

After receiving the President's budget, Congress examines it in detail. Scores of committees and subcommittees hold hearings on proposals under their jurisdiction. The House and Senate Armed Services Committees, for instance, would hold hearings on the President's defense plan. If the President had proposals that affected Federal revenues, the House Ways and Means and Senate Finance Committees would hold hearings. The President, the Budget Director, the Cabinet, and others work with Congress as it accepts some proposals, rejects others, and changes still others.

Each year, Congress must pass, and the President must sign, 13 appropriations bills that include all of the discretionary spending. The President and Congress do not have to enact new laws governing entitlements or taxes. If they don't, the Government will pay the benefits for Social Security and other programs and collect the taxes required by the laws in place.

If you read through the President's proposed budget or the spending bills that Congress drafts, you will notice that the Government tends to measure spending in two ways—in "budget authority" and in "outlays." Let's take a closer look at those terms.

Budget authority (or BA, for short) means the amount of money that the President and Congress have agreed to spend for a certain function. Outlays, however, refer to the amount that the Government actually spends in any one year. To understand the difference, consider what happens when the Government decides to build a highway.

The President and Congress may agree to spend $1 billion for the highway and allocate $1 billion in BA. But the highway may take 10 years to build. As a result, the Government might spend just $100 million in outlays in the first year to begin construction.

In this *Guide,* we discuss spending in terms of outlays—what the Government actually spends in any one year.

Where the Money Comes From—and Where it Goes

Revenues: The sources of Federal revenues have changed quite a bit over the years. Before Congress established the *individual* and *corporate* income taxes early in this century, the Government received most of its revenues from *excise taxes, customs duties,* and *sales of land.* Gradually, income taxes accounted for a larger share of receipts.

But the histories of *individual* and *corporate* income taxes have varied greatly. Since World War II, individual income taxes have provided a relatively constant share of all Federal receipts—about 45 percent. The share of corporate income taxes, however, fell from 40 percent in 1943 to just six percent in 1983; it has since risen to 11 percent.

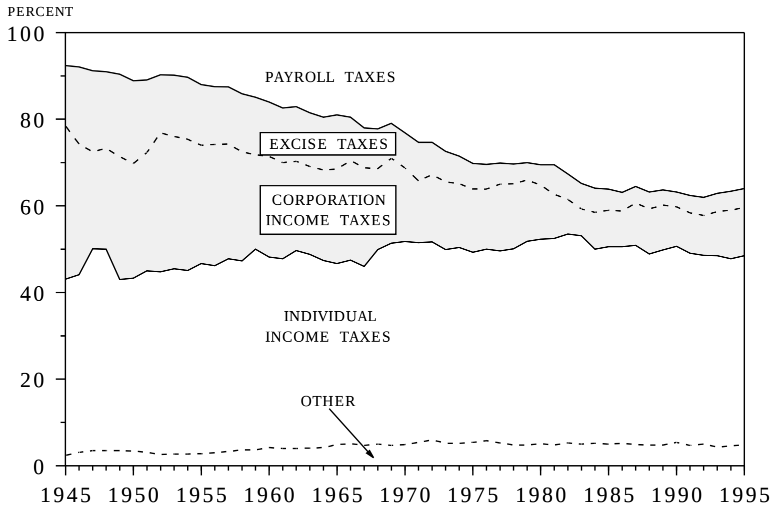
At the same time, the share of Federal receipts from payroll taxes—mostly, for Social Security and Medicare—has sky-rocketed from less than eight percent in 1945 to 36 percent today; not only are more and more workers paying taxes into the Social Security and Medicare trust funds, but the Government has increased payroll tax rates in order to finance Social Security and Medicare benefits. At the same time, the share of excise taxes has plummeted, while shares of other taxes have fluctuated at lower levels. (See Chart 1.)

Spending: The distribution of Federal spending has changed even more dramatically. At the Nation's founding, the Federal Government spent only on war-related costs, certain pensions, and a few other items. Gradually, however, it came to accept more and more responsibility for the health, welfare, and safety of the growing American populace, and its spending in those categories rose accordingly.

Consider how various types of spending have ebbed and flowed in the last half-century.

Let's begin with discretionary spending, which includes defense, domestic discretionary, and international aid. In 1962—the first year for which we have reliable break-

Chart 1. SOURCES OF FEDERAL RECEIPTS



downs—this category accounted for 70 percent of all Federal spending. Since then, it has gradually fallen to today's level of 36 percent. Over the years, spending also has shifted dramatically among defense, domestic discretionary, and international aid.

Defense accounted for almost one out of every two dollars of total Federal spending in 1962. After the Vietnam War, however, its share of spending fell to less than 25 percent. Since then, defense's share rose a bit in the early 1980s, then began to fall again later that decade. Today, with the Cold War over, it accounts for 18 percent of spending.

Domestic discretionary spending comprised 16 percent of all spending in 1962. It hovered between 20 and 23 percent of spending in the 1960s and 1970s, but has returned to about the share it occupied three decades ago.

Despite widespread perceptions to the contrary, spending on international affairs—principally, foreign aid—has comprised a very small share of spending for each of the last 30 years. Its share fell from five percent in 1962 to only 1.4 percent today.

As a share of the budget, mandatory spending has soared in recent decades. But, here again, one must look beneath the totals to understand the forces behind this trend. First, we must look at the main entitlement programs—Social Security, Medicare, Medicaid, and Aid to Families with Dependent Children—and then at net interest on the national debt.

1. Perhaps the most popular Federal program ever, **Social Security** provides monthly benefits to over 43 million retired and disabled workers, their dependents, and survivors. The program has expanded steadily since its creation in the 1930s. Today, it accounts for 22 percent of all Federal spending.

2. **Medicare**, which provides health care coverage for over 37 million elderly Americans, includes Part A, hospital insurance, and Part B, insurance for physicians' and other services. Since its birth in 1965, it has accounted for a larger and larger share of spending. Today, it measures 10 percent.

3. **Medicaid**, the health care program for the poor, also was established in 1965. Unlike for Medicare, however, the Federal Government shares costs with the States, paying from 50 to 83 percent of them. Both Federal and State costs are growing rapidly. Medicaid, which provides services to over 36 million Americans, accounts for six percent of the Federal budget.

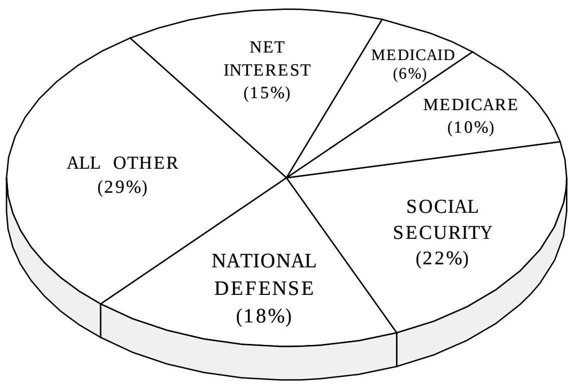
4. The costs of **Aid to Families with Dependent Children (AFDC**), the main Federal welfare program, also are shared with the States; the Federal Government pays from 50 to 79 percent of them. AFDC, established as Aid to Dependent Children in 1935, provides cash and services to needy children and their families. This program accounts for one percent of Federal spending.

5. **Net Interest payments**, the result of previous budget deficits, consumed only about seven percent of Federal spending for most of the 1960s and 1970s. But with the huge deficits in recent years, that share quickly doubled to 15 percent, where it stands today.

These figures illustrate an important fact about the budget: A handful of programs account for the vast bulk of it. Social Security occupies 22 percent of spending, defense accounts for 18 percent, net interest accounts for 15, Medicare for 10, and Medicaid for six percent. Together, these programs account for over 70 percent of spending.

What the figures also show is that, despite popular views to the contrary, you can't balance the budget simply by eliminating foreign aid and welfare. You can't even reduce the deficit very much that way. (See Chart 2.)

Chart 2. MOST FEDERAL SPENDING IS ON A FEW MAJOR PROGRAMS



Deficits and the Debt

You've heard a lot about the Federal budget deficit and Federal debt in recent years. No wonder! Both exploded in size in the 1980s. Before we explain what happened and what we're trying to do about it, let's take a moment to define the terms.

A deficit occurs when the Government spends more money in a year than it receives in revenues. The Government then borrows money by selling securities—bonds, notes, or bills—to investors who earn interest.

The debt is the total amount of money that the Government owes to these investors—that is, the total amount of annual deficits that the Government has not repaid. When, for instance, the Government generated a deficit of $203 billion last year, it added that much to the Federal debt, which now totals about $3.6 trillion.

The budget deficit is not a new phenomenon. The Government generated its first deficit way back in 1792, and has generated over 100 since then. But for most of the Nation's history, the deficit was caused by one of two temporary factors: a war or a recession. Wars necessitated major increases in military spending, while recessions reduced Federal tax receipts from both businesses and individuals.

The Government, for instance, generated deficits during the War of 1812, the recession of 1837, the Civil War, the depression of the 1890s, and World War I. Once the war ended or the economy began to grow, however, the Government followed its deficits with budget surpluses, with which the President and Congress paid off some or all of the debt.

But budget deficits have grown much more frequent since the 1930s. President Roosevelt relied on deficits to help finance his New Deal. Then World War II forced the Nation to spend unprecedented amounts on defense. Since then—under Democratic and Republican Presidents, Democratic and Republican Congresses—the Government has balanced its books only eight times, most recently in 1969.

Nevertheless, the deficits before 1981 paled in comparison to what followed. That year, the Government cut income tax rates and greatly increased defense spending, but it did not enact the requisite amount of cuts in domestic programs to make up the difference. In addition, the recession of the early 1980s reduced Federal revenues and forced the Government to service more national debt at a time when interest rates were high. As a result, the deficit soared.

Why the Deficit is a Problem

If budget deficits occur so frequently, should we worry much about them?

The deficit forces the Federal Government to borrow money on the capital markets. That Government borrowing competes with businesses borrowing to buy factories and machines that make workers more productive and raise incomes; and with families borrowing to buy new homes, cars, and other goods that provide valuable services for years.

The competition for funds tends to produce higher interest rates. (As you may recall, President Clinton's deficit-reduction plan helped to cut interest rates, helping Americans buy cars and refinance mortgages more easily and helping businesses increase their investment.)

Also, deficits increase the national debt and, through it, the Government's obligation to pay interest. The more it must pay to service its debt, the less it has available to spend on education, law enforcement, and other important services, or the more it must collect in taxes forever after. Today, the Government must spend 40 percent of every personal income tax dollar to pay interest on the national debt.

But the deficit has another side. If the Government borrows money to finance investments that truly will pay for themselves in the future, then future generations who inherit the debt also reap the benefits of the investments. If, for instance, the Government borrows money to build new roads and bridges needed to make the economy more productive, then living standards will rise and future generations will have the higher incomes they need to pay off the debt and still live better than they would have otherwise.

Too often, however, recent deficits have not financed investments. Instead, they have merely helped the Government to pay its day-to-day bills. Under those circumstances, future generations will inherit a debt for which they receive no real benefit.

In the end, the deficit is a decision about today and tomorrow. We can provide a solid foundation for future generations, just as parents try to do within a family; or we can generate large budget deficits and debt as our legacy to those who come after us.

Deficit Reduction Efforts

Ever since the deficit soared in the early 1980s, successive Presidents and Congresses have tried various ways to cut it down to size. Until recently, such efforts have met with only limited success.

During the 1980s, President Reagan and Congress clashed over budget priorities; the President wanted to cut domestic spending more than Congress, while Congress sought fewer defense funds than the President wanted. Consequently, the two sides could not find a way to solve the problem; they only kept it from getting worse.

By 1985, both sides were ready for drastic measures. That year, they enacted the Balanced Budget and Emergency Deficit Control Act, better known as Gramm-Rudman-Hollings. The measure set annual deficit targets and required, if necessary, across-the-board cuts in many programs to reach them. But, faced with the prospect of huge cuts, the President and Congress amended the law two years later.

Then, President Bush and Congress overhauled Gramm-Rudman-Hollings by enacting the Budget Enforcement Act. Rather than focus on annual deficit targets, this law was designed instead to limit spending.

First, it set separate yearly limits on defense, international affairs, and domestic discretionary spending. Second, it created "pay-as-you-go" rules for entitlements and taxes; those who proposed new spending on entitlements or lower taxes would have to offset the costs by cutting other entitlements or raising other taxes.

For what it was designed to do, the law worked. It did, in fact, limit discretionary spending and force the proponents of new entitlements and tax cuts to find ways to finance them. But the deficit, which Government experts said would fall, actually rose. Why? Because the recession of the early 1990s reduced individual and corporate tax receipts while it increased spending on unemployment and other programs, and because Federal health care spending grew rapidly.

So in 1993, President Clinton and Congress took another crack at deficit reduction. They enacted a package of spending cuts and higher revenues—almost entirely from higher income taxes on the top 1.2 percent of wealthy Americans. The new law imposed its own limits on discretionary spending and extended the pay-as-you-go rules.

The law was designed to reduce the annual deficit for each year between 1994 and 1998—by $47 billion in 1994, $83 billion in 1995, $101 billion in 1996, $129 billion in 1997, and $146 billion in 1998. Added together, the five annual reductions would total about $505 billion. But, because the economy began to grow more strongly than expected—bringing in more revenues and reducing payments for unemployment and other social programs—we now expect the total deficits from 1994 to 1998 to be $616 billion lower than they would have been without the change in policy.

Clearly, the President's deficit-cutting efforts have paid off. The deficit has fallen from $290 billion in 1992 to $203 billion in 1994. We expect it to continue falling to $193 billion this year.

Then, however, we expect it to remain at about that level for the foreseeable future. The main reason: the soaring costs of Medicare and Medicaid. We project that each will grow more than nine percent a year for the next five years—far faster than Federal revenues. Rising costs in those two programs reflect the rising costs of health care in general. That's a large reason why President Clinton pushed so hard for health reform and why he continues to support the concept.

The President's Budget Priorities

With help from President Clinton's 1993 budget plan, the economy has performed remarkably well in the past two years. It has created 5.6 million new jobs, while keeping inflation under control. But not everyone has shared in the recovery. Many middle-income Americans are working harder and harder, but their incomes are stagnant or even falling. In his 1996 budget, which he sent to Congress February 6, the President proposes to focus on those Americans.

The President proposes a Middle Class Bill of Rights to raise the living standards of middle-income Americans in the short and long terms. Its four elements are:

- a $500 per child tax credit for families with children under 13;
- expanded eligibility for tax-free contributions to Individual Retirement Accounts (IRAs), and penalty-free withdrawals from IRAs for educational, housing, and medical needs;

- a tax deduction for college, university, or vocational education costs; and
- a G.I. Bill for America's Workers, including "Skill grants" to help jobless or low-income workers get the job training they need.

With this Middle Class Bill of Rights, average Americans will be better able to pay their bills today. They also will be able to invest in their futures—saving through an IRA account, financing their children's education, or obtaining their own job training.

At the same time, the President proposes to keep the budget deficit under control by providing $144 billion in new budget savings over the next five years. He wants to end 130 programs altogether and cut many others, but he is not proposing any new taxes. The budget savings not only will more than offset the costs of his $63 billion Middle Class Bill of Rights, they also will help reduce the deficit as a percentage of GDP to its lowest level since 1979.

The President wants to continue making the kinds of Federal investments that will help strengthen the economy, and raise living standards, for the future. His budget, for instance, proposes more for science and technology, including programs at the National Science Foundation and the National Institutes of Health.

As a former governor, the President understands that many problems are better addressed by States, localities, and the private sector. As a result, his budget in many cases proposes to give these more-local levels of government the money and tools to help them help themselves.

He proposes, for instance, to provide more funds for his national service program, which encourages Americans of all ages to volunteer their services in local communities across the country. He also proposes to give States and localities the funds to hire more police, build more prison space, and offer more drug treatment.

More Value for the Dollar

To reinvent Government—that is, to improve the benefits and services that Americans were getting from the Government—the President established the National Performance

Review in early 1993 and put Vice President Gore in charge. Though it obviously faced a big challenge, the National Performance Review has ignited a series of important improvements. Departments and agencies have begun to provide better service and cut their mountains of regulations and red tape.

At the same time, the President and Congress enacted a bill in 1994 that will reduce the size of the Federal bureaucracy by 272,900 positions by 1999, cutting the workforce to its smallest size since John Kennedy was President. In fact, the workforce is already smaller by 102,000 positions since President Clinton took office.

Now, the President and Vice President are redoubling their efforts. In what they call Phase II of reinventing Government, they are looking across Government for agencies and programs to eliminate or restructure, and activities to shift to States, localities, or the private sector.

As part of his 1996 budget, the President announced his plans to restructure the Departments of Housing and Urban Development, Energy, and Transportation, the General Services Administration, and the Office of Personnel Management—saving $23 billion over five years and improving services for Americans. The President plans to announce other restructuring proposals later this year.

Conclusion

Each year, the budget includes thousands of pages of writing about the Government's broad array of programs and activities. It is not an easy document to understand, even for those who work in Government.

We hope that, with this *Guide,* we have given you a basic sense of what the budget is, how the Government raises and spends money, why it has generated budget deficits over the years, and why you should care about the deficit. We also hope that we have explained the President's budget policies to date, and what he plans for the future.

HISTORICAL BUDGET SUMMARY

Year	In Billions of Dollars				As Percentages of GDP			
	Receipts	Outlays	Surplus or Deficit (–)	Debt Held By the Public [1]	Receipts	Outlays	Surplus or Deficit (–)	Debt Held By the Public [1]
1930	4.1	3.3	0.7	15.4	4.2	3.4	0.8	15.9
1931	3.1	3.6	–0.5	16.5	3.7	4.3	–0.6	19.9
1932	1.9	4.7	–2.7	19.2	2.9	7.0	–4.1	28.7
1933	2.0	4.6	–2.6	22.2	3.5	8.1	–4.6	39.1
1934	3.0	6.5	–3.6	26.7	4.9	10.8	–5.9	44.1
1935	3.6	6.4	–2.8	28.1	5.3	9.3	–4.1	40.9
1936	3.9	8.2	–4.3	33.2	5.1	10.6	–5.6	42.8
1937	5.4	7.6	–2.2	34.9	6.2	8.7	–2.5	40.2
1938	6.8	6.8	–0.1	34.5	7.7	7.8	–0.1	39.3
1939	6.3	9.1	–2.8	41.4	7.2	10.4	–3.2	47.2
1940	6.5	9.5	–2.9	42.8	6.9	9.9	–3.1	44.8
1941	8.7	13.7	–4.9	48.2	7.7	12.1	–4.4	42.9
1942	14.6	35.1	–20.5	67.8	10.3	24.8	–14.5	47.8
1943	24.0	78.6	–54.6	127.8	13.7	44.8	–31.1	72.8
1944	43.7	91.3	–47.6	184.8	21.7	45.3	–23.6	91.6
1945	45.2	92.7	–47.6	235.2	21.3	43.7	–22.4	110.9
1946	39.3	55.2	–15.9	241.9	18.5	26.0	–7.5	113.8
1947	38.5	34.5	4.0	224.3	17.3	15.5	1.8	100.6
1948	41.6	29.8	11.8	216.3	16.8	12.1	4.8	87.7
1949	39.4	38.8	0.6	214.3	15.0	14.8	0.2	81.6
1950	39.4	42.6	–3.1	219.0	14.8	16.0	–1.2	82.4
1951	51.6	45.5	6.1	214.3	16.5	14.5	1.9	68.4
1952	66.2	67.7	–1.5	214.8	19.4	19.9	–0.4	63.1
1953	69.6	76.1	–6.5	218.4	19.1	20.9	–1.8	60.0
1954	69.7	70.9	–1.2	224.5	18.9	19.3	–0.3	61.0
1955	65.5	68.4	–3.0	226.6	17.0	17.8	–0.8	58.9
1956	74.6	70.6	3.9	222.2	17.9	17.0	0.9	53.4
1957	80.0	76.6	3.4	219.3	18.3	17.5	0.8	50.0
1958	79.6	82.4	–2.8	226.3	17.8	18.4	–0.6	50.5
1959	79.2	92.1	–12.8	234.7	16.5	19.2	–2.7	48.9
1960	92.5	92.2	0.3	236.8	18.3	18.3	0.1	46.9
1961	94.4	97.7	–3.3	238.4	18.3	18.9	–0.6	46.1
1962	99.7	106.8	–7.1	248.0	18.0	19.2	–1.3	44.7
1963	106.6	111.3	–4.8	254.0	18.2	19.0	–0.8	43.5
1964	112.6	118.5	–5.9	256.8	18.0	19.0	–0.9	41.1
1965	116.8	118.2	–1.4	260.8	17.4	17.6	–0.2	38.9
1966	130.8	134.5	–3.7	263.7	17.8	18.3	–0.5	35.9
1967	148.8	157.5	–8.6	266.6	18.8	19.8	–1.1	33.6
1968	153.0	178.1	–25.2	289.5	18.1	21.0	–3.0	34.2
1969	186.9	183.6	3.2	278.1	20.2	19.8	0.4	30.0
1970	192.8	195.6	–2.8	283.2	19.6	19.9	–0.3	28.7
1971	187.1	210.2	–23.0	303.0	17.8	20.0	–2.2	28.8
1972	207.3	230.7	–23.4	322.4	18.1	20.1	–2.0	28.1
1973	230.8	245.7	–14.9	340.9	18.1	19.3	–1.2	26.8
1974	263.2	269.4	–6.1	343.7	18.8	19.2	–0.4	24.5

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Year	In Billions of Dollars				As Percentages of GDP			
	Receipts	Outlays	Surplus or Deficit (–)	Debt Held By the Public [1]	Receipts	Outlays	Surplus or Deficit (–)	Debt Held By the Public [1]
1975	279.1	332.3	–53.2	394.7	18.5	22.0	–3.5	26.1
1976	298.1	371.8	–73.7	477.4	17.7	22.1	–4.4	28.3
TQ	81.2	96.0	–14.7	495.5	18.3	21.6	–3.3	27.8
1977	355.6	409.2	–53.7	549.1	18.5	21.3	–2.8	28.6
1978	399.6	458.7	–59.2	607.1	18.5	21.3	–2.7	28.2
1979	463.3	504.0	–40.7	640.3	19.1	20.7	–1.7	26.4
1980	517.1	590.9	–73.8	709.8	19.6	22.3	–2.8	26.8
1981	599.3	678.2	–79.0	785.3	20.2	22.9	–2.7	26.5
1982	617.8	745.8	–128.0	919.8	19.8	23.9	–4.1	29.5
1983	600.6	808.4	–207.8	1,131.6	18.1	24.4	–6.3	34.1
1984	666.5	851.8	–185.4	1,300.5	18.0	23.1	–5.0	35.2
1985	734.1	946.4	–212.3	1,499.9	18.5	23.9	–5.4	37.8
1986	769.1	990.3	–221.2	1,736.7	18.2	23.5	–5.2	41.2
1987	854.1	1,003.9	–149.8	1,888.7	19.2	22.5	–3.4	42.4
1988	909.0	1,064.1	–155.2	2.050.8	18.9	22.1	–3.2	42.7
1989	990.7	1,143.2	–152.5	2,189.9	19.2	22.1	–2.9	42.3
1990	1,031.3	1,252.7	–221.4	2,410.7	18.8	22.9	–4.0	44.0
1991	1,054.3	1,323.4	–269.2	2,688.1	18.6	23.3	–4.7	47.4
1992	1,090.5	1,380.9	–290.4	2,998.8	18.4	23.3	–4.9	50.6
1993	1,153.5	1,408.7	–255.1	3,247.5	18.4	22.5	–4.1	51.9
1994	1,257.7	1,460.9	–203.2	3,432.2	19.0	22.0	–3.1	51.7
1995 estimate	1,346.4	1,538.9	–192.5	3,640.1	19.2	21.9	–2.7	51.8
1996 estimate	1,415.5	1,612.1	–196.7	3,857.3	19.1	21.8	–2.7	52.1
1997 estimate	1,471.6	1,684.7	–213.1	4,101.2	18.8	21.6	–2.7	52.5
1998 estimate	1,548.8	1,745.2	–196.4	4,334.9	18.8	21.2	–2.4	52.6
1999 estimate	1,624.7	1,822.2	–197.4	4,571.2	18.7	20.9	–2.3	52.5
2000 estimate	1,710.9	1,905.3	–194.4	4,805.4	18.6	20.7	–2.1	52.3

[1] The figures shown under Debt Held By the Public for 1930-1938 are not comparable to those shown for 1939 forward. For the earlier period, the debt figures have only been partially adjusted to exclude debt held by Government accounts and have not been adjusted to reflect current definitions of Federal debt outstanding. All debt figures are for debt outstanding at the end of the fiscal year.