

IF YOUR BUDGET RESEMBLED THE US GOVERNMENT'S

Figures adjusted to various income levels

The United States is outspending revenues, creating a rising deficit and higher debt levels. The numbers are so large that it is difficult to comprehend their size.

The chart below scales the federal numbers down to a more manageable size. It shows what would happen if US households were to run their finances the same way the government runs its own. Here is what their balance sheet would look like.

Federal budget challenge					
	US government	Real median household	Hypothetical household A	Hypothetical household B	Hypothetical household C
Tax revenue/Income	\$2,449,000,000,000.00 ¹	\$50,054.00 ³	\$100,000.00	\$250,000.00	\$500,000.00
Current spending	\$3,538,000,000,000.00 ¹	\$72,311.58	\$144,467.13	\$361,167.82	\$722,335.65
Annual deficit	\$1,089,000,000,000.00 ¹	\$22,257.58	\$44,467.13	\$111,167.82	\$222,335.65
Accumulated debt	\$16,432,730,050,569.12 ²	\$335,861.11	\$670,997.55	\$1,677,493.88	\$3,354,987.76

Methodology

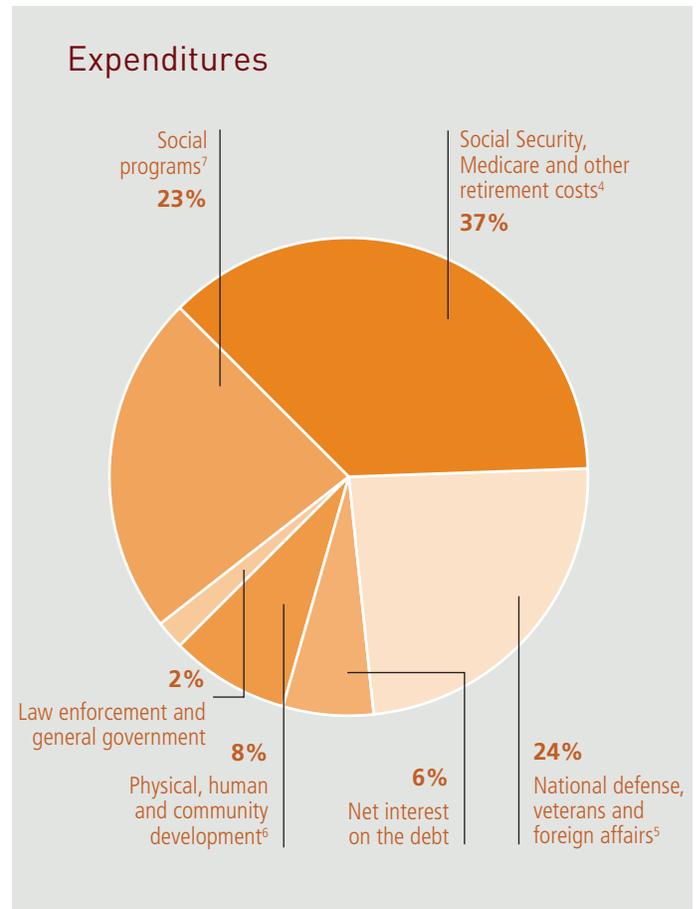
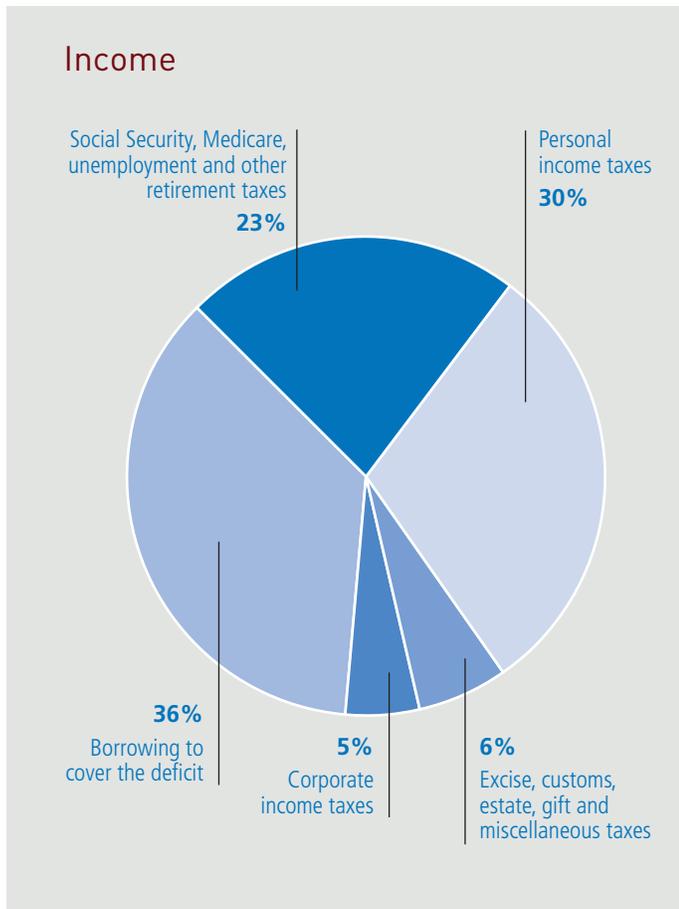
Due to the sheer size of the numbers, the US federal budget was scaled down by dividing the US median household income level for 2011 (the most recent figure available) by the actual 2012 federal tax revenue, computing a rate of 0.000002044%. This factor was then applied to the actual current federal spending, deficit and accumulated debt for 2012. The same concept was applied to the three alternative hypothetical household income levels.

¹ US government numbers taken from the Congressional Budget Office, *The Budget and Economic Outlook: Fiscal Years 2013 to 2023* Summary Table 1, page 3.

² Accumulated debt taken from TreasuryDirect.gov for December 31, 2012.

³ United States median household income level taken from US Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2011*.

Major categories of federal income and expenditures for fiscal year 2011



⁴ Social Security, Medicare and other retirement: These programs provide income support for the retired and disabled and medical care for the elderly.

⁵ National defense, veterans and foreign affairs: About 20% of expenditures were to equip, modernize and pay our armed forces and to fund national defense activities; about 3% were for veterans benefits and services; and about 1% were for international activities, including military and economic assistance to foreign countries and the maintenance of US embassies abroad.

⁶ Physical, human and community development: These expenditures were for agriculture; natural resources; the environment; transportation; aid for elementary and secondary education and direct assistance to college students; job training; deposit insurance; commerce and housing credit and community development; and space, energy and general science programs.

⁷ Social programs: About 15% of total expenditures were for Medicaid, food stamps, temporary assistance for needy families, supplemental security income and related programs; the remaining expenditures were for health research and public health programs, unemployment compensation, assisted housing and social services.

Note: The percentages shown here exclude undistributed offsetting receipts, which were \$86 billion in fiscal year 2011. In the budget, these receipts are offset against spending in the expenditure totals shown above. These receipts are for the US government's share of its employee retirement programs, rents and royalties on the Outer Continental Shelf and proceeds from the sale of assets.

Chart and data source: US Internal Revenue Service