

# U.S. Fiscal Situation

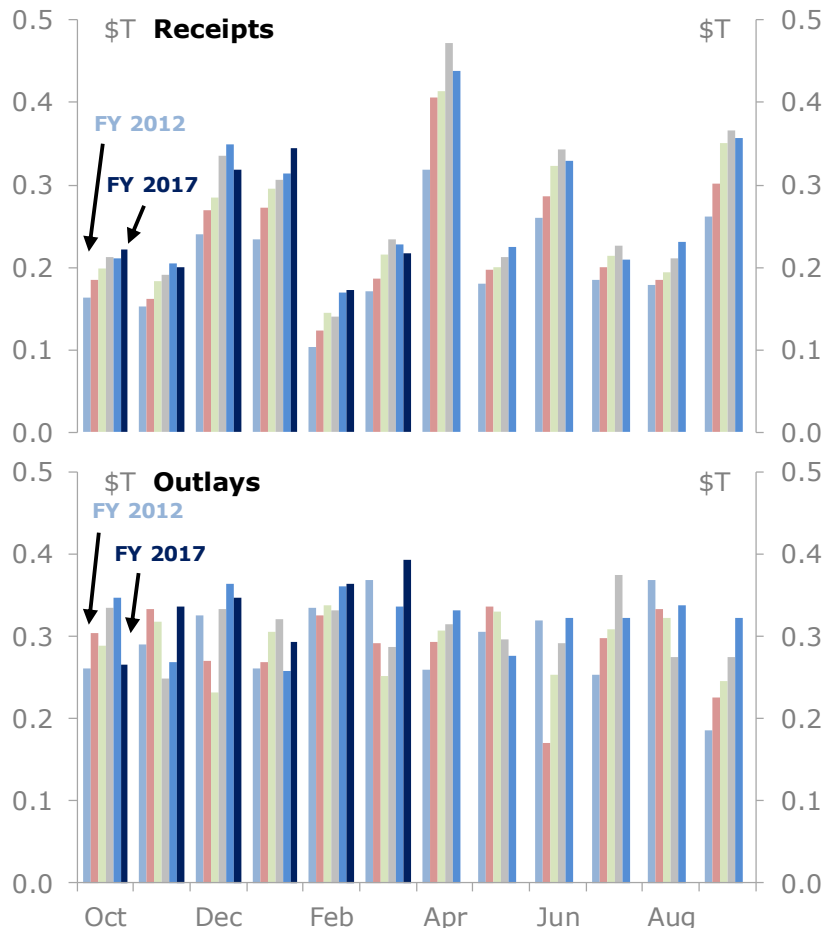
April 12, 2017

**FLOATINGPATH**

# Annual Budget Deficit Path

**Treasury Receipts Totaled \$217B In March, While Outlays Totaled \$393B...**

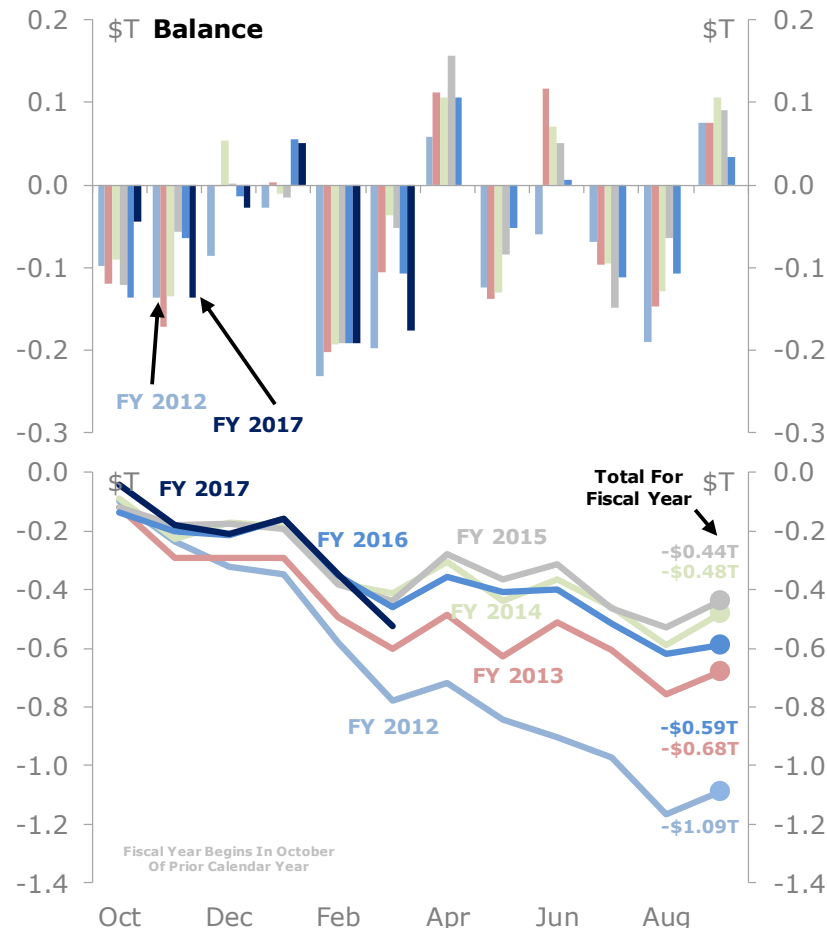
U.S. Federal Receipts And Outlays Monthly



Source: Floating Path, U.S. Treasury

**...Leaving A Monthly Budget Deficit Of \$176B, Sizable Higher Than March Of Last Year**

U.S. Federal Budget Balance, Monthly And Cumulative Fiscal Year

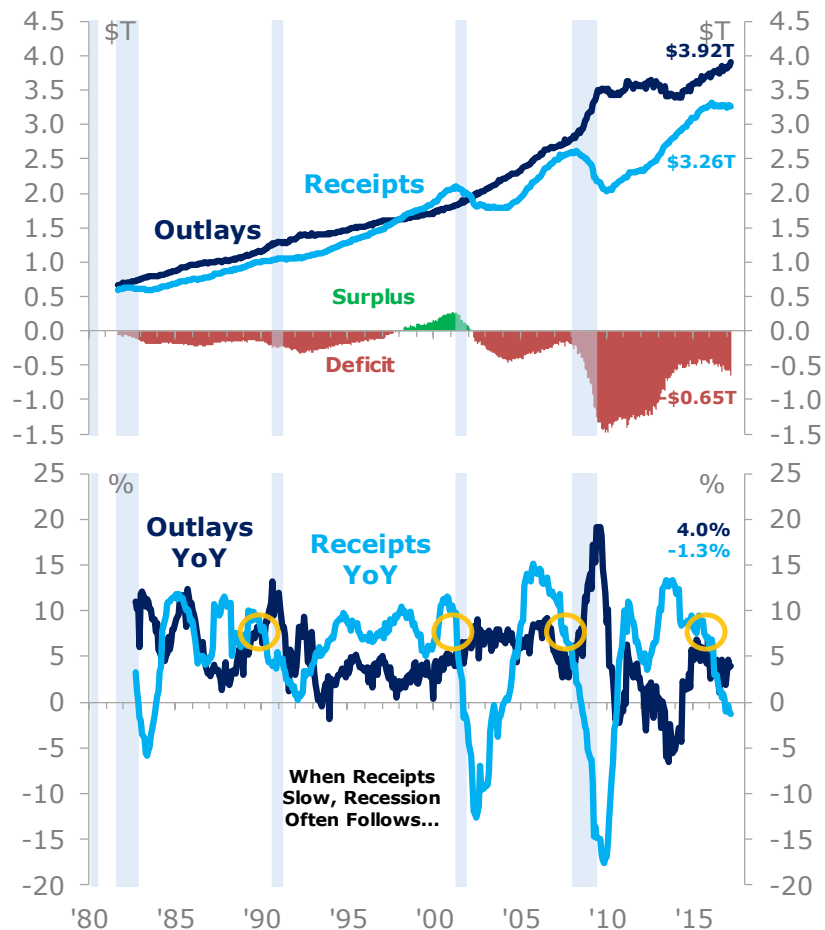


Source: Floating Path, U.S. Treasury

# Treasury Receipts Growth Slowing

## Annual Federal Government Receipts Have Decreased 1.3% Year Over Year...

U.S. Federal Budget Balance, Rolling 12-Months



Source: Floating Path, U.S. Treasury

## ...Driven By Declining Corporate Income Taxes And Other Receipts

U.S. Federal Budget Balance, Rolling 12-Months

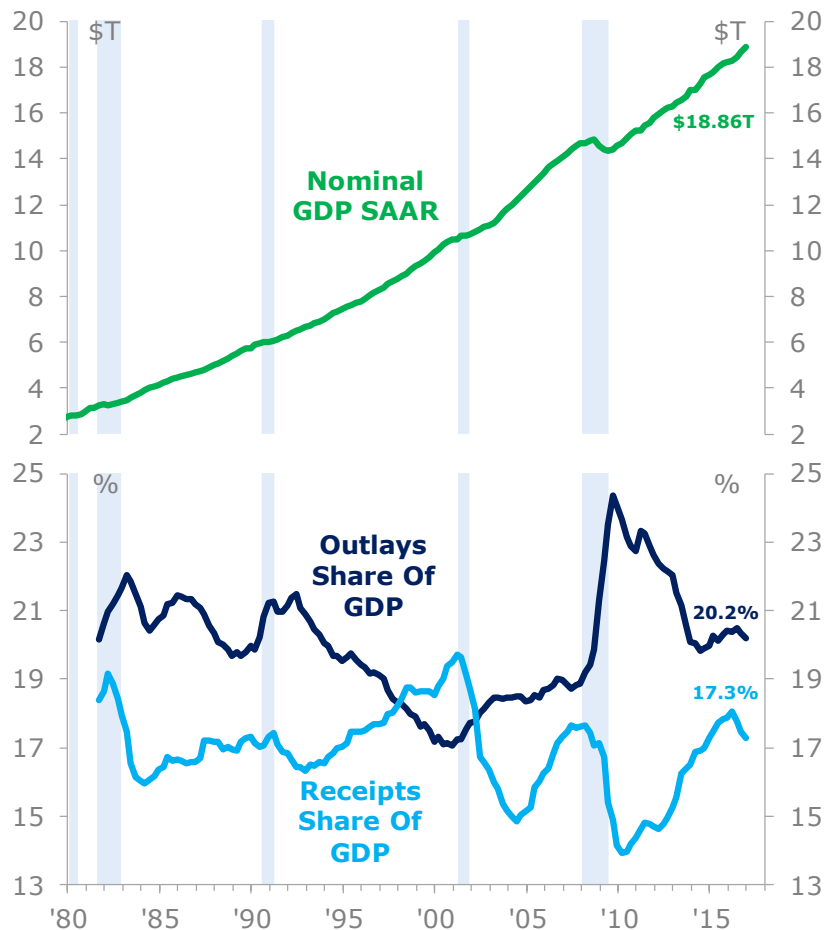
Source / Function	Share	\$Billions	Δ YoY (%)
<b>Total Receipts</b>	<b>100.0</b>	<b>3,264</b>	<b>-1.3</b>
Individual Income Tax	48.0	1,567	-0.5
Corporate Income Tax	8.5	278	-16.7
Employment Tax	34.8	1,136	6.2
Other Receipts	8.7	283	-12.0
<b>Total Outlays</b>	<b>100.0</b>	<b>3,915</b>	<b>4.0</b>
National Defense	15.3	597	0.9
Health	13.5	527	5.3
Medicare	15.5	608	9.0
Income Security	13.1	513	0.9
Social Security	23.7	930	2.9
Interest on Debt (Net)	6.6	260	7.1
Other Outlays	12.3	481	5.0
<b>Balance</b>		<b>-652</b>	<b>41.5</b>

Source: Floating Path, U.S. Treasury

# Federal Activities Share Of GDP

## Total Outlays Make Up 20.2% Of Nominal Gross Domestic Product...

U.S. Federal Budget Balance, Rolling 12-Months



Source: Floating Path, U.S. Treasury, Bureau Of Economic Analysis

## ...Outlays Have Grown 4.0% From A Year Ago While GDP Has Increased Only 3.5%

U.S. Federal Budget Balance, Rolling 12-Months

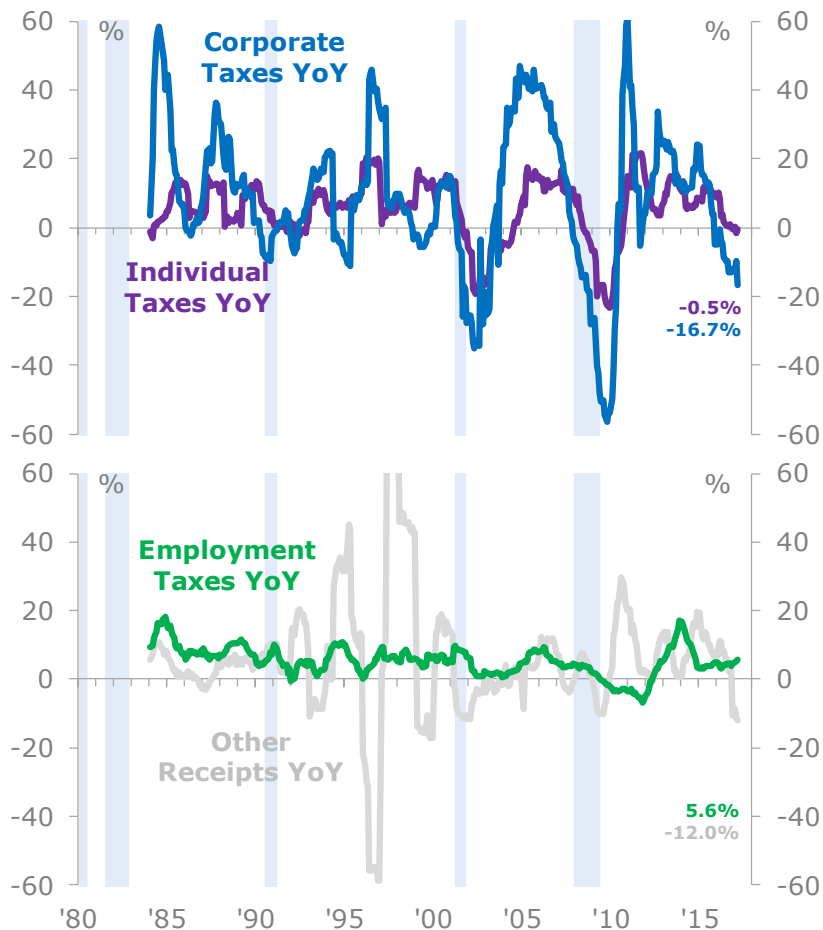
Source / Function	\$B	Share Of GDP (%)	Δ YoY (%)	
<b>Total Receipts</b>	<b>3,264</b>	<b>17.3</b>		
Individual Income Tax	1,567	8.3		-1.3
Corporate Income Tax	278	1.5		-0.5
Employment Tax	1,136	6.0		-16.7
Other Receipts	283	1.5		6.2
<b>Total Outlays</b>	<b>3,915</b>	<b>20.8</b>		
National Defense	597	3.2		4.0
Health	527	2.8		0.9
Medicare	608	3.2		5.3
Income Security	513	2.7		9.0
Social Security	930	4.9		0.9
Interest on Debt (Net)	260	1.4		2.9
Other Outlays	481	2.5		7.1
<b>Balance</b>	<b>-652</b>	<b>-3.5</b>		
<b>Gross Domestic Product</b>	<b>18,861</b>	<b>100.0</b>		<b>3.5</b>

Source: Floating Path, U.S. Treasury, Bureau Of Economic Analysis

# Where The Money Comes

## Declines In Individual And Corporate Taxes Typically Lead The Economic Cycle...

U.S. Treasury Receipts, Rolling 12-Months



Source: Floating Path, U.S. Treasury

## ...Trends In Employment And Other Taxes However Are Less Indicative

U.S. Treasury Receipts, Rolling 12-Months

Source	Share	\$Billions	Δ YoY (%)
<b>Total Receipts</b>	<b>100.0</b>	<b>3,264</b>	<b>-1.3</b>
Individual Income Tax	48.0	1,567	-0.5
Corporate Income Tax	8.5	278	-16.7
Employment Tax	34.8	1,136	5.6
Payroll Tax / Contributions	33.4	1,089	6.2
Unemployment Insurance	1.4	47	-6.9
Other Receipts	8.7	283	-12.0
Retirement Contributions	0.1	4	6.9
Excise Tax	2.9	93	-4.9
Estate Tax	0.7	21	4.3
Customs Duties	1.0	34	-3.3
Miscellaneous	4.0	130	-20.5

Source: Floating Path, U.S. Treasury

# Where The Money Goes

## The Department Of Health & Human Services Receives The Most Federal Funding...

U.S. Treasury Receipts By Department, Rolling 12-Months

Department	Share	\$Billions	Δ YoY (%)
<b>Total Outlays</b>	<b>100.0</b>	<b>3,915</b>	<b>4.0</b>
Legislative Branch	0.1	4	2.8
Judicial Branch	0.2	8	3.1
Dept. of Agriculture	3.5	138	-1.4
Dept. of Commerce	0.3	10	13.8
Dept. of Defense	14.5	567	0.8
Dept. of Education	1.9	74	-19.3
Dept. of Energy	0.7	26	4.0
Dept. of Health & HS	28.8	1,127	6.8
Dept. of Homeland Sec.	1.2	48	13.7
Dept. of Housing & UD	0.6	25	-33.6
Dept. of Interior	0.3	12	-0.8
Dept. of Justice	0.8	31	10.2
Dept. of Labor	1.1	42	-0.2
Dept. of State	0.8	30	19.1
Dept. of Transportation	2.0	79	3.7
Dept. of Treasury	14.1	550	4.6
Interest on Debt (Gross)	11.8	464	7.7
Other	2.2	87	-9.3
Dept. of Veterans Affairs	4.5	177	7.9
International Assistance	0.4	17	-0.2
NASA	0.5	19	2.4
Office of Personnel Mgmt.	2.4	94	2.3
Social Security Admin.	25.3	990	3.1
Offsetting Receipts	-6.4	-249	-6.7
All Other	2.4	93	-1.3

Source: Floating Path, U.S. Treasury

## ...The Bulk Of Outlays Are For Health-Related Functions

U.S. Treasury Outlays By Function, Rolling 12-Months

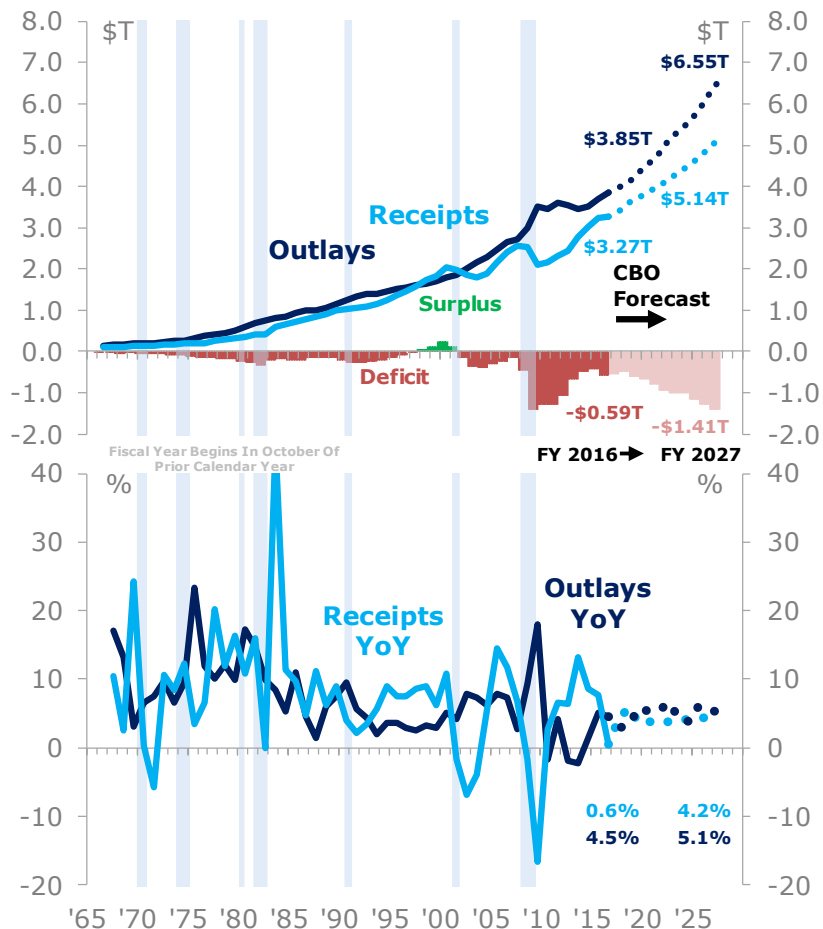
Function	Share	\$Billions	Δ YoY (%)
<b>Total Outlays</b>	<b>100.0</b>	<b>3,915</b>	<b>4.0</b>
National Defense	15.3	597	0.9
Health	13.5	527	5.3
Medicare	15.5	608	9.0
Income Security	13.1	513	0.9
Social Security	23.7	930	2.9
Interest on Debt (Net)	6.6	260	7.1
Other Outlays	12.3	481	5.0
International Affairs	1.2	49	15.4
General Science	0.8	31	1.8
Energy	0.1	5	-7.3
Natural Resources / Env.	1.0	38	4.1
Agriculture	0.5	22	-2.5
Commerce / Housing	-1.1	-45	33.7
Transportation	2.4	94	2.6
Community Development	0.6	24	22.2
Educational Training	2.7	105	-14.1
Veterans Benefits	4.5	177	7.7
Admin. Of Justice	1.5	59	6.8
General Government	0.5	20	3.2
Offsetting Receipts	-2.5	-96	-17.1

Source: Floating Path, U.S. Treasury

# CBO Sees Deficits Over Next Decade

## The CBO Expects The Annual Federal Deficit To Grow To \$1.41 Trillion By FY 2027...

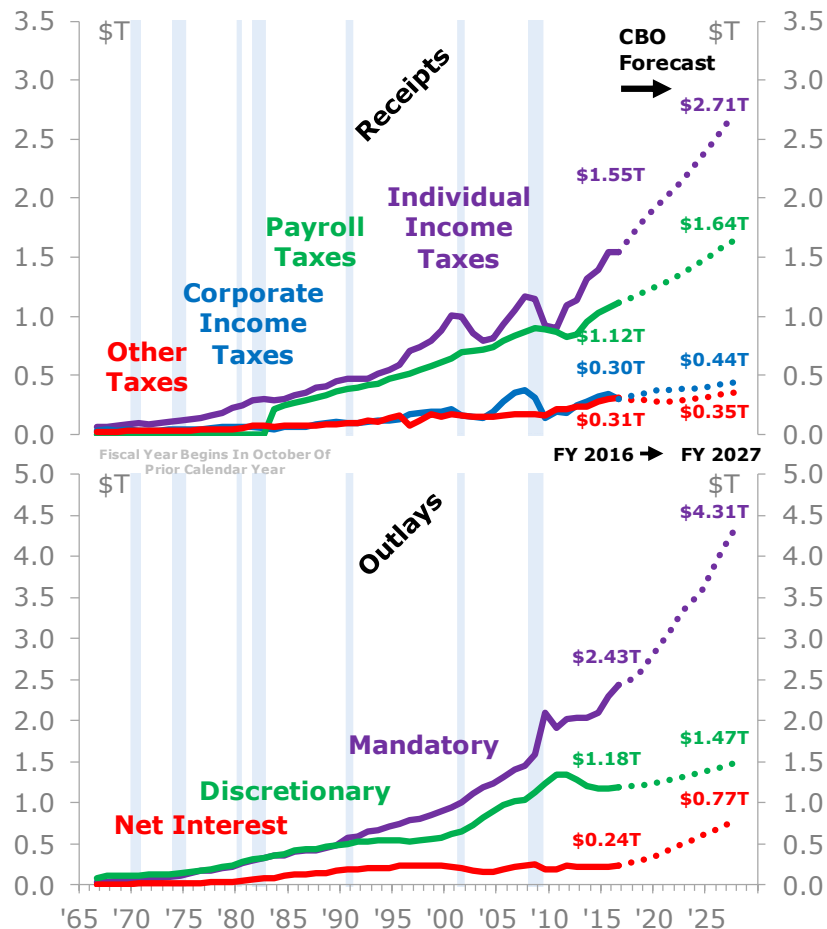
U.S. Treasury Receipts And Outlays By Fiscal Year



Source: Floating Path, U.S. Treasury

## ...Most Of The Scheduled Spending Is Towards Mandatory Programs

U.S. Treasury Receipts And Outlays By Fiscal Year



Source: Floating Path, U.S. Treasury