

Total federal spending in real US dollars (2009=100) increased at an annual rate of 2.93%, from USD 740.6 billion in 1962 to USD 3,234 billion in 2013, reaching its highest value of USD 3,517.7 billion in 2009, year when special programs were launched following the 2008 financial meltdown.

<u>Mandatory</u> spending, consisting basically of social security and of entitlement programs, excluding <u>offsetting</u> receipts, climbed steeply at an annual rate of 5.03% throughout the period, and is expected to grow further up to USD 2,471.2 billion in 2019.

Mandatory <u>programs</u> spending (e.g. Social Security, Medicare, and Medicaid programs) is becoming quite a hard nut to crack, building 60.99% of all federal spending in 2013, and being projected to ascend to 65.14% by 2019. Spending related to the US on-going war enterprise carries a heavy weight: 4% of the total outlays. Total spending with veteran benefits and services (e.g. retirement, rehabilitation, hospital, health care) was up to current USD 139 billion in 2013, and is estimated to reach current USD 190.2 by 2019, growing at the average annual rate of 6.4%.

The fiscal scenario is likely to get even darker than the government estimates, given the sobering economic and demographic outlook. A slumbering economy poses a threat to tax collection, and does not offer a breath of relief to the social assistance effort. With an aging and longer-living population, the number of beneficiaries of retirement plans and health care programs is bound to swell, and the share of the <u>contributing labor force</u> will shrink, rendering the balance of receipts and outlays a much harder exercise to perform.

<u>Discretionary</u> spending grew at an annual rate of 1.45% from USD 547.9 billion in 1962, to USD 1,141.5 billion in 2013. Defense spending used to be the main driver of discretionary outlays, and still represents 53% of discretionary spending in 2013. Although government projects to diminish its share to 50% by 2019, the real defense and security burden will remain far too high. An amount of USD 103 billion has been allocated to reinforce the National Defense budget as from Fiscal Year 2016 (see table footnote 3). Non-defense outlays for law enforcement, administration of justice, and international security assistance reached current USD 75.4 billion in 2013, and are estimated to grow to current USD 82 billion in 2019 — an average annual growth of 6%.

Net interest spending grew from billion USD 38.6 billion in 1962, to USD 208 billion in 2013 (6.4% of total outlays), and should reach USD 464.6 billion in 2019 (11.8% of total outlays), growing at an annual rate of 4.46%. With a piling government debt of USD 16 trillion constant dollars in 2013, which the government estimates to go up to USD 21.7 trillion by 2019, the slightest interest rate increase may deeply damage an already imbalanced budget and topple the fragile budget construction.

US Budget Outlays by Category, 1962-2019 (billions of constant USD, 2009=100)											
Fiscal Year	Total Outlays ¹	Discretionary		Mandatory and Net Interest							

h/5/2021		Total ²	National Defense ³	Total	nding by majo	Net Interest			
					Total ⁴	Programmatic			
						Total ⁵	Social Security	Means Tested Entitlements	
1962	740.6	547.9	400.5	192.8	154.2	199.5	78.5	24.3	38.6
1963	741.0	546.7	392.4	194.4	151.5	199.7	85.4	26.0	42.9
1964	776.0	562.2	396.5	214.1	169.2	215.2	88.5	27.2	44.9
1965	762.6	545.2	368.1	217.3	171.0	216.1	91.7	28.1	46.2
1966	844.3	610.1	406.6	234.5	185.1	233.3	106.9	30.6	49.4
1967	966.9	703.6	480.6	262.7	210.3	262.7	109.4	31.9	52.5
1968	1,054.5	751.7	523.9	303.1	248.3	304.2	116.1	37.5	54.8
1969	1,022.8	704.8	499.2	318.0	258.0	309.8	127.7	41.3	60.0
1970	1,031.1	686.1	470.2	345.5	281.0	332.8	135.3	46.0	64.5
1971	1,036.0	652.7	426.4	383.0	319.7	374.7	153.5	58.4	63.3
1972	1,066.1	632.4	390.6	433.5	370.5	418.9	165.6	71.2	63.0
1973	1,084.8	604.7	354.3	479.9	412.1	476.2	195.4	67.9	67.7
1974	1,098.2	599.8	347.2	498.2	420.0	495.4	206.4	75.7	78.2
1975	1,233.5	631.0	345.9	602.7	525.9	582.9	216.2	87.3	76.8
1976	1,288.3	659.3	333.4	628.8	546.3	601.8	232.1	97.4	82.6
1977	1,321.7	689.2	335.6	632.5	546.3	599.6	248.6	99.0	86.2
1978	1,393.8	720.8	337.4	673.2	577.5	630.5	257.2	98.1	95.7
1979	1,410.6	729.6	348.1	680.8	574.3	629.7	263.5	98.6	106.6
1980	1,496.3	762.4	363.0	734.1	613.3	671.7	272.0	104.8	120.8
1981	1,545.9	763.5	382.2	782.7	638.7	713.4	292.1	110.9	144.0
1982	1,580.9	747.1	414.0	833.9	667.3	733.7	307.2	104.5	166.6
1983	1,633.5	771.5	444.6	861.6	693.0	776.4	321.5	109.6	168.6
1984	1,649.2	791.7	461.3	857.5	656.1	732.7	323.4	108.0	201.4
1985	1,774.1	836.5	493.6	937.6	710.4	785.7	330.8	112.0	227.2
1986	1,808.3	861.0	522.4	947.3	713.9	788.8	339.8	115.8	233.3
1987	1,783.0	853.2	530.5	929.8	697.2	791.6	345.8	119.4	232.6
1988	1,828.9	867.0	533.3	961.9	715.1	811.3	352.2	126.9	246.8
1989	1,892.6	883.9	538.3	1,008.7	744.5	838.1	358.7	133.1	264.2
1990	2,012.5	879.7	513.6	1,133.0	854.9	931.4	368.8	143.4	278.1
1991	2,032.5	889.9	519.1	1,142.7	859.4	936.2	384.2	169.2	283.3
1992	2,044.2	867.0	485.6	1,177.5	893.9	968.7	400.3	202.0	283.5
1993	2,025.6	851.1	464.0	1,174.5	898.4	965.7	413.2	218.2	276.1
1994	2,062.6	840.3	443.4	1,222.2	946.3	1,011.2	424.6	233.1	275.9
1995	2,078.0	818.9	421.0	1,259.2	950.2	1,024.3	437.1	243.4	309.1
1996	2,094.1	780.6	400.5	1,313.6	998.5	1,058.4	446.2	246.7	315.1
1997	2,106.2	788.7	403.1	1,317.6	1,004.2	1,081.9	456.7	250.7	313.4
1998	2,154.5	787.8	393.6	1,366.5	1,060.6	1,132.3	469.9	256.7	305.9
1999	2,190.8	799.0	392.7	1,391.8	1,103.9	1,163.6	478.0	268.8	287.8
2000	2,246.9	831.3	407.7	1,415.5	1,141.9	1,201.9	489.9	281.6	273.7
2001	2,278.7	849.4	408.4	1,429.3	1,182.2	1,246.5	506.8	293.8	247.1
2002	2,419.0	932.3	449.6	1,486.8	1,285.2	1,346.7	527.3	328.5	201.6

2003	2,528.0	1,002.1	491.5	1,526.0	1,348.9	1,416.4	538.0	351.6	177.2
2004	2,613.2	1,048.9	530.9	1,564.3	1,383.3	1,452.5	550.2	368.7	181.0
2005	2,722.5	1,085.9	550.7	1,636.7	1,435.2	1,508.8	564.9	382.8	201.5
2006	2,826.3	1,094.5	556.1	1,731.8	1,491.5	1,565.5	574.9	375.1	240.3
2007	2,829.7	1,084.2	567.9	1,745.5	1,500.7	1,586.7	602.0	379.8	244.8
2008	2,988.5	1,139.0	611.3	1,849.3	1,593.6	1,680.9	612.1	426.6	255.7
2009	3,517.7	1,237.5	656.7	2,280.1	2,093.2	2,185.9	677.7	490.6	186.9
2010	3,416.8	1,340.1	686.7	2,076.6	1,882.1	1,963.4	689.5	553.7	194.5
2011	3,492.4	1,317.6	686.6	2,174.7	1,951.1	2,037.8	698.9	562.9	223.6
2012	3,365.1	1,239.5	651.9	2,125.6	1,914.9	2,014.7	725.0	504.3	210.6
2013	3,234.0	1,141.5	599.3	2,092.4	1,884.4	1,972.5	750.9	523.9	208.0
2014 6	3,367.3	1,098.3	578.2	2,267.4	2,060.2	2,145.1	781.2	584.3	207.3
2015 6	3,532.6	1,089.4	578.2	2,437.9	2,208.2	2,296.2	806.5	623.5	229.7
2016 ⁶	3,635.2	1,038.5	532.3	2,589.8	2,305.4	2,399.6	834.7	661.2	284.3
2017 6	3,705.1	1,010.9	509.2	2,686.7	2,342.9	2,434.9	864.8	668.4	343.9
2018 6	3,772.1	992.9	499.6	2,771.6	2,363.9	2,453.9	895.5	668.3	407.7
2019 6	3,926.6	983.1	495.7	2,935.8	2,471.2	2,557.6	927.6	685.6	464.6
Average annual change rate (1962- 2013)	2.93%	1.45%	0.79%	4.79%	5.03%	4.60%	4.53%	6.21%	3.36%
Average annual change rate (1962- 2019)	2.97%	1.03%	0.37%	4.89%	4.99%	4.58%	4.43%	6.03%	4.46%

¹ Total Outlays include an Allowance for Future Disaster Costs that is not displayed in the table by category.

FY2016: 17.8 FY2017: 26.8 FY2018: 28.8 FY2019: 29.4

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Sources: US Government Printing Office, US Congressional Budget Office, Bureau of Economic Analysis.

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² Total Discretionary includes Nondefense outlays, which is equal to Total less National Defense.

³ Discretionary outlays include a placeholder for outyear Overseas Contingency Operations that includes funding to be categorized as national defense once the placeholder is allocated in the FY 2016 and subsequent Budgets. The amounts in the placeholder are in billion USD:

⁴ Total Mandatory includes Undistributed Offsetting Receipts, further to Programmatic items.

⁵ Total Programmatic includes Deposit Insurance and Other outlays, further to Social Security and Means Tested Entitlements.

⁶ Government estimates.