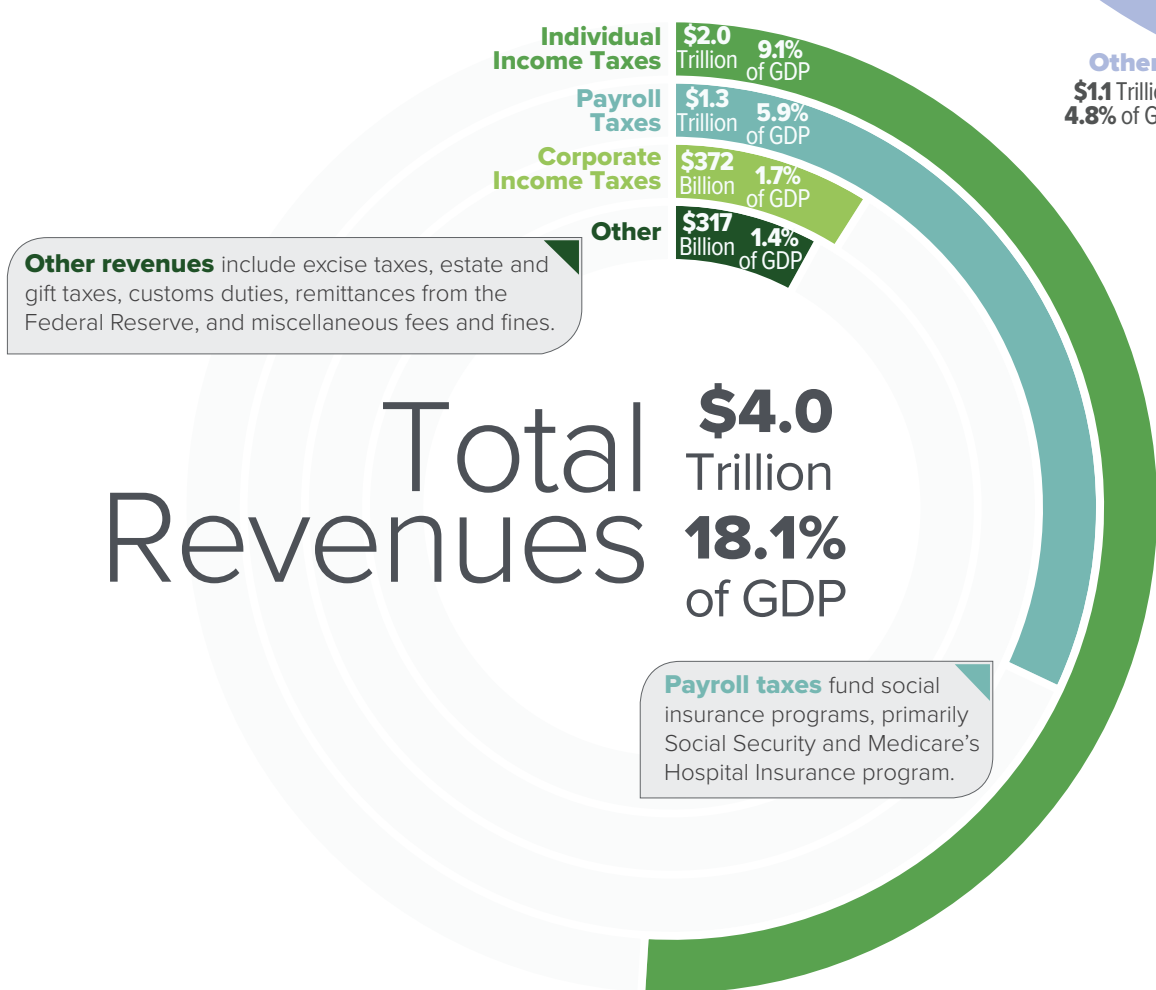
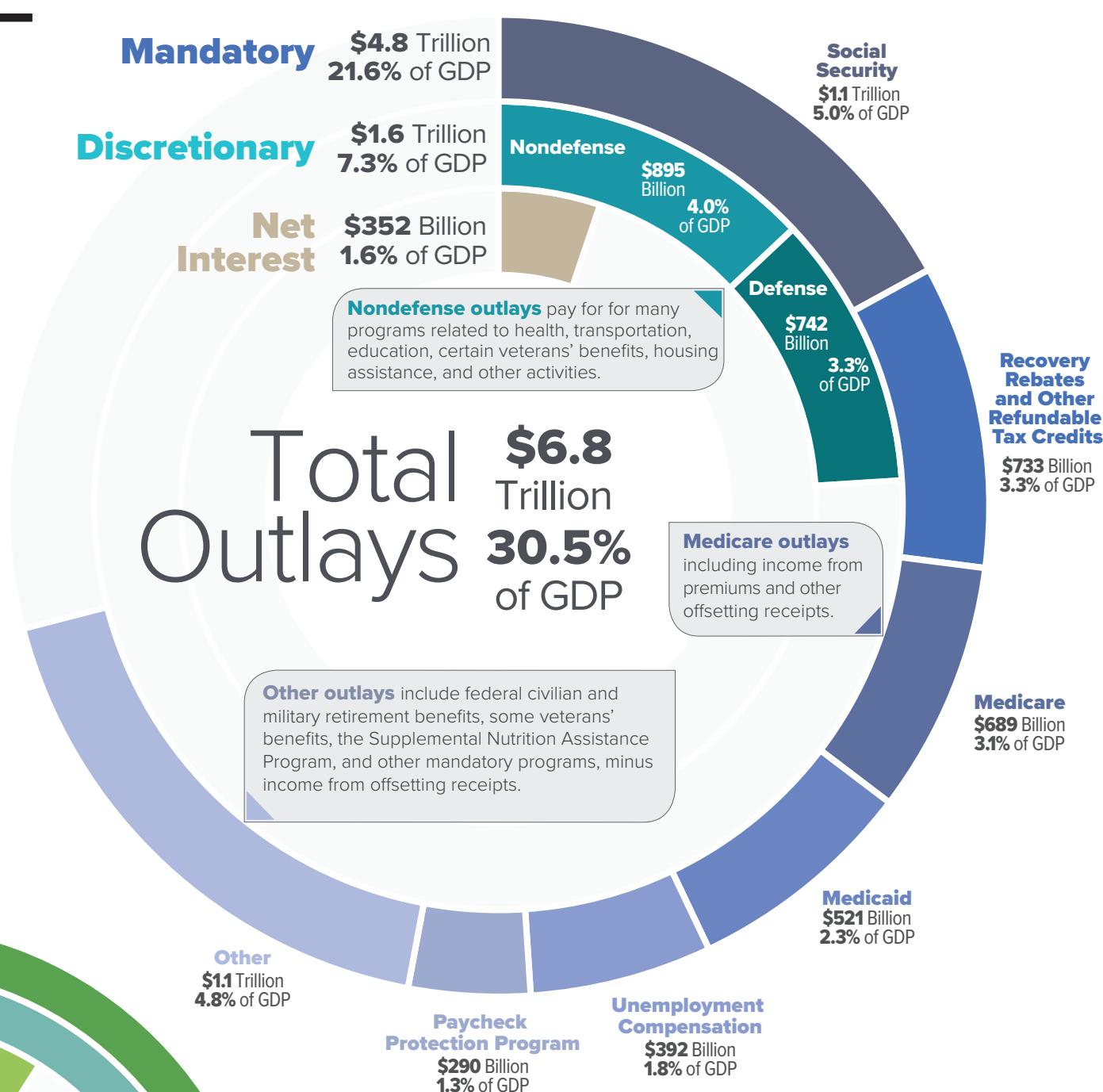


THE FEDERAL BUDGET IN FISCAL YEAR 2021



Categories of the Budget

Mandatory Spending

Primarily payments for benefit programs whose eligibility rules and benefit formulas are set by law

Discretionary Spending

Spending that lawmakers control through annual appropriation acts

Net Interest

The government's interest payments on debt held by the public, offset by interest income the government receives

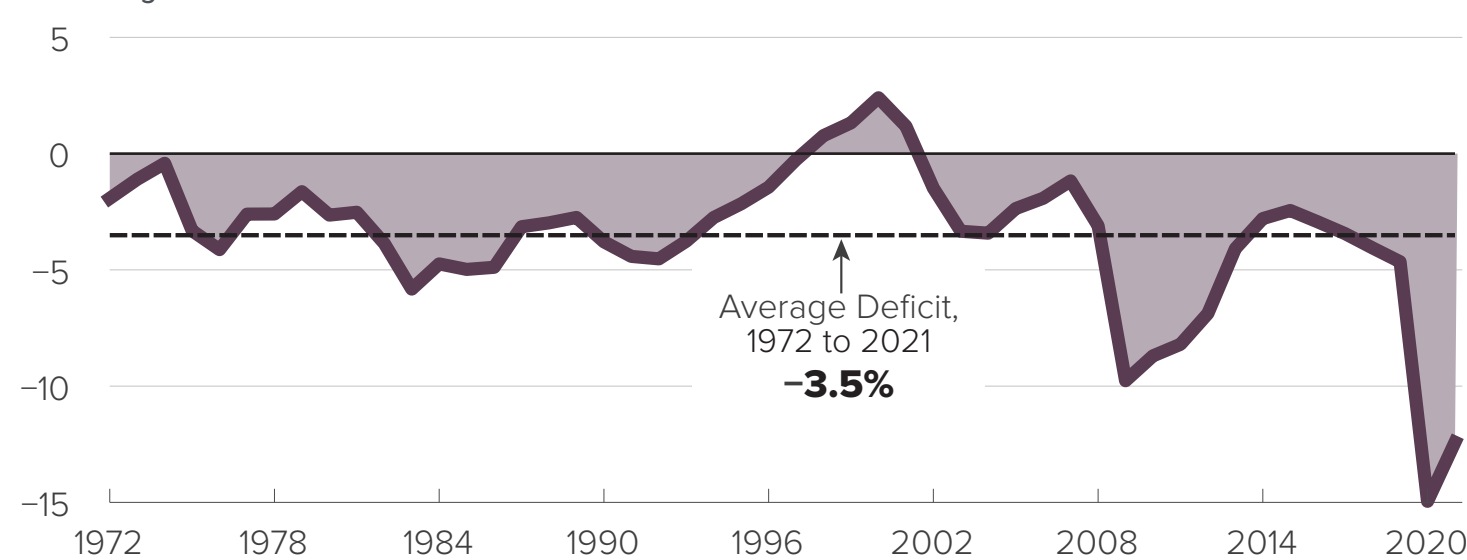
Revenues

Funds collected from the public that arise from the government's exercise of its sovereign powers

Deficits and Debt

Federal Deficits or Surpluses, 1972 to 2021

Percentage of GDP



Annual Deficit or Surplus = Revenues - Outlays

To fund government spending in years of deficits, the Treasury borrows from individuals, businesses, the Federal Reserve, and other countries.

12.4%
of GDP

Deficit in 2021

3.5%
of GDP

Deficit, on average, over the past 50 years

\$2.8 Trillion

Deficit in 2021

100%
of GDP

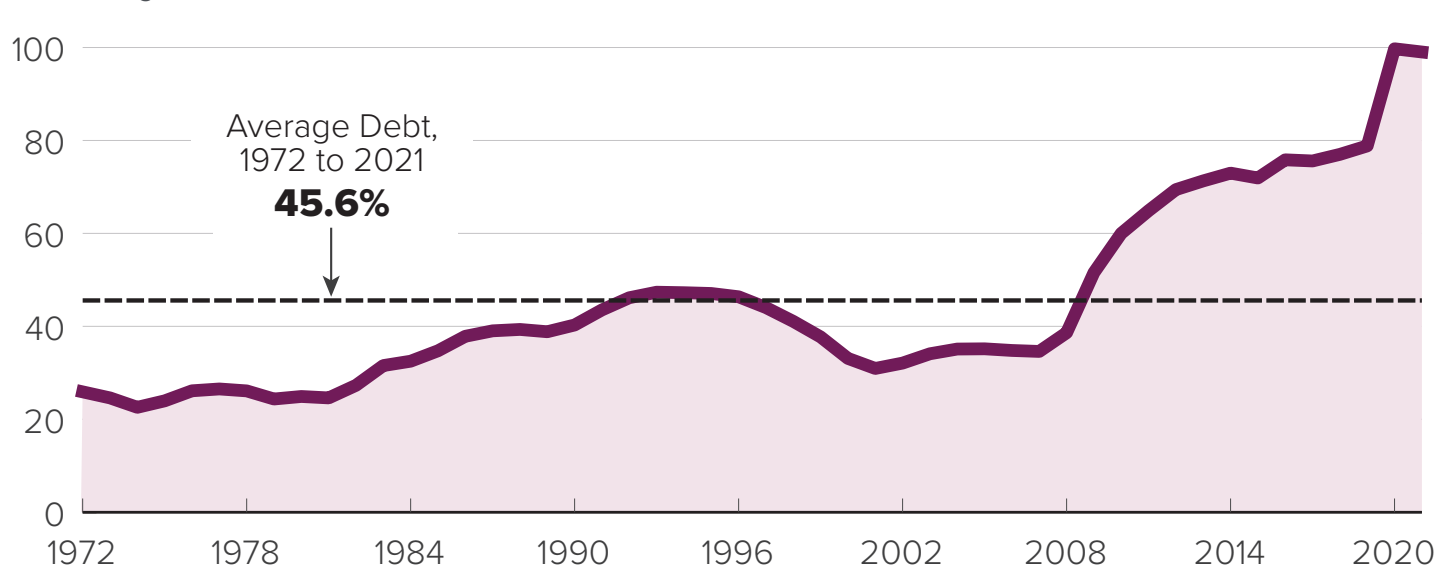
Debt held by the public at the end of 2021

46%
of GDP

Debt held by the public, on average, over the past 50 years

Federal Debt Held by the Public, 1972 to 2021

Percentage of GDP



Debt

Debt held by the public is roughly equal to the sum of annual deficits and surpluses from prior years plus the Treasury's cash balances and outstanding federal loans.