

FEDERAL SPENDING— A SUMMARY

NO LABELS

One of the biggest failures of American media is their failure to put into context how current spending proposals in Washington connect to previous ones. So as Washington gears up to begin debating another raft of new spending legislation post Labor Day, I wanted to share this summary chart of exactly how much money Congress has spent on COVID relief since March of last year, how much they are considering spending on other programs this fall, and what it might mean for our fiscal picture.

TOTAL COVID RELIEF SPENDING

CARES ACT MARCH 2020	\$2.2 TRILLION
CONSOLIDATED APPROPRIATIONS ACT DECEMBER 2020	\$900 BILLION
OTHER RELATED 2020 SPENDING	\$400 BILLION
AMERICAN RESCUE PLAN MARCH 2021	\$1.9 TRILLION
TOTAL	\$5.4 TRILLION*

* GAO reported in July 2021 that more than \$1 trillion remains unspent.

NEW FALL 2021 FUNDING PROPOSALS

SENATE CONCURRENT BUDGET RESOLUTION ON SOCIAL SPENDING/CLIMATE	\$3.5 TRILLION OVER 10 YEARS
INFRASTRUCTURE INVESTMENT AND JOBS ACT	\$1.2 TRILLION OVER 8 YEARS
TOTAL	\$4.7 TRILLION*

*Equates to an indefinite increase in \$400-500 billion per year in annual spending, which is equivalent to 2% of GDP, or more than 10% of the federal government's current spending baseline.

DEBT GROWTH DURING PANDEMIC

MARCH 2020 NATIONAL DEBT	\$23.7 TRILLION
JULY 2021 NATIONAL DEBT	\$28.4 TRILLION
DEBT INCREASE SINCE MARCH 2021	\$4.7 TRILLION
PROJECTED 2031 NATIONAL DEBT IF FUNDING PROPOSALS PASS	\$44.2 TRILLION (129% of expected U.S. GDP)

The “official” national debt reached \$28.4 trillion this summer – twice what it was a decade ago, and five times what it was in 2000. But even that large number is just a fraction of the real debt. The commitments the federal government has made for future Medicare and Social Security benefits, as well as pensions and healthcare for retired federal employees, are off budget – not included in budgetary accounting. While the use of off-budget accounting was originally intended to protect these expenditures from cuts, it also provides an easy way to make it look like real overall spending is lower than it is.

UNFUNDED MEDICARE BENEFITS	\$55.1 TRILLION
UNFUNDED SOCIAL SECURITY BENEFITS	\$41.2 TRILLION
JULY 2021 NATIONAL DEBT	\$28.4 TRILLION
UNFUNDED PENSIONS AND RETIREE HEALTHCARE	\$9.4 TRILLION
TOTAL	\$134.1 TRILLION