

July 29, 2013

August Recess Legislator Meeting Fact Sheet: Federal Spending and the Budget Process

Key Facts

- **Federal Spending Affects You:** The federal budget is made of your tax dollars and it reaches your neighborhood with **paved highways, clean drinking water, public transportation, and law enforcement**, among many other things.
- **Big Ticket Items:** This year the federal government will spend around \$3.8 trillion – nearly a quarter of the U.S. economy. **Social Security, health care programs, the military, and interest on federal debt together account for nearly 70 percent** of all federal spending. Domestic programs in the discretionary budget – like transportation, education, and welfare – account for around 13 percent of all federal spending.
- **Investment Needed:** **Crumbling roads and bridges and other infrastructure in the U.S. require an investment of \$3.6 trillion**, according to the American Society of Civil Engineers. Meanwhile **student loans for higher education now exceed \$1 trillion** even as college tuition keeps rising, and natural disasters like Hurricane Sandy are striking more often – and most communities are woefully unprepared.
- **Cuts In Progress:** The across-the-board cuts of sequestration are currently reducing funding for nearly every domestic program – things like environmental protection, grants to states for infrastructure improvements and disaster preparedness, and funding for underserved school districts – as well funding for the Department of Defense. These cuts are the result of Washington’s focus on deficit reduction.
- **What’s Happening Now:** Congress has been using temporary spending bills known as *continuing resolutions* to fund the federal government – instead of fulfilling its responsibility to write a budget each year. That means money is wasted on ineffective or obsolete programs that could have been canceled,

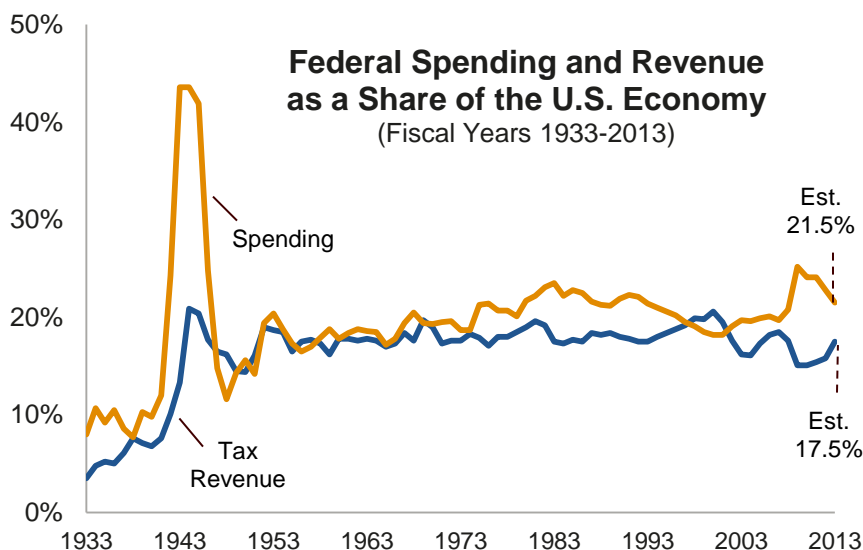
while programs that are effective and efficient cannot expand. Congress is supposed to complete work on a new budget by Sept. 30, but it looks like lawmakers will – once again – fail.

What to Ask Your Legislator:

How are you balancing policies to invest in our country’s future with Washington’s current emphasis on deficit reduction? What are opportunities for bipartisan cooperation to get the budget process back on track?

For More Information:

bit.ly/competingvisions2014



This chart shows how federal spending and taxes have changed over time relative to the size of the U.S. economy.

Source: OMB | National Priorities Project