

The Financial State of the United States



While the reported national debt usually falls around \$18 trillion, the true federal debt number is actually a little over \$80 trillion. This massive difference is a result of the government using a method of accounting that does not require all debts to be reported on its balance sheet.

Because of this, the federal government does not give its citizens an accurate picture of the Nation's financial condition. This practice allows elected officials to hide a massive amount of debt from the federal balance sheet.

While seniors are counting on the Social Security and Medicare benefits they have been promised, the federal government doesn't count these liabilities in the reported debt amount. Instead Congress and the President charge these promises to the "U.S. Taxpayer Credit Card".

To demonstrate what this credit card might look like, we researched the government's financials and created a mock credit card statement, which includes all liabilities and retirement debt.



U.S. Taxpayers' Credit Card Statement

Account Name : Federal Government of the United States

Balance Summary **September 30, 2014**

\$80.9 trillion	TBD by Congress	\$18.1 trillion
Current Balance *	Available Credit	Credit Limit

*Includes Social Security and retirement benefits promised to seniors and veterans.

Accumulated Balance Summary

Unfunded Social Security Promises	\$27.9 trillion
Unfunded Medicare Promises	\$35.2 trillion
Pension and Federal Retirees' Benefits	\$6.7 trillion
Public Debt	\$12.8 trillion
Other Liabilities	\$1.4 trillion
Assets	-\$3.1 trillion
Current Balance	\$80.9 trillion

View: All Transactions

Statement: 9/30/2014

USA Taxpayers
1 Main Street
America Town, USA



Please mail payment to:

US Treasury Department
1500 Pennsylvania Ave, NW
Washington, D.C. 20220



3 Facts About the U.S. Federal Debt

What the U.S. Government Has	\$3.1 Trillion
What the U.S. Government Owes	\$84.0 trillion
New Balance	\$80.9 trillion

1. The U.S. government reports over \$3 trillion in assets.

This may seem like a lot of money, but this figure is swamped by the government's reported liabilities – which are swamped in turn by the obligations the federal government does *NOT* include on its balance sheet.

2. The federal balance sheet reports over \$20 trillion in liabilities, but the true debt is far higher.

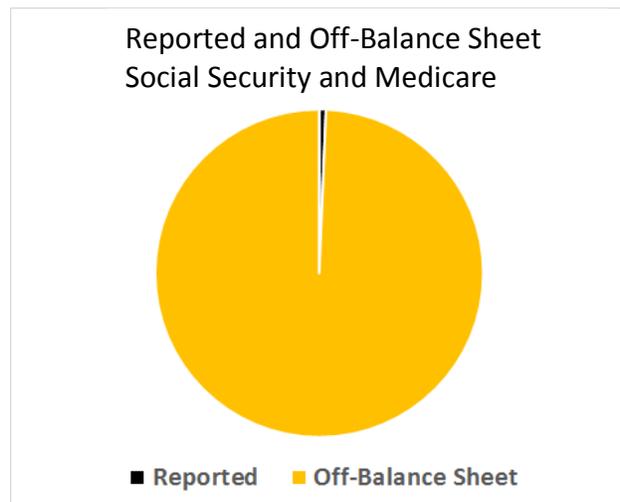
The real debt number is significantly higher because the federal government has undertaken massive obligations under programs like Social Security and Medicare. If these obligations were reflected on the balance sheet, they would total over *three times* as much as the reported debt.

3. The federal government reports less than one-half of one percent of that \$60 trillion of a liability.

How can the government do this? The government can because it says it can change the law at any time. The federal government's balance sheet includes a relatively small liability for Social Security and Medicare in an account called "Benefits due and payable." In 2014, it came to "only" \$192 billion.

The chart to the right represents the portion of Social Security and Medicare obligations the government has decided to include as a liability.

However, this dollar amount only includes current payments due, and is a tiny amount compared to the total unfunded future obligations (over \$60 trillion).



Until all debts are included transparently and accurately on the federal government's balance sheet, citizens will not know their government's true financial condition. Without this information, citizens do not have all that they need to make informed decisions about their government.