



April 15, 2021
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Financial State of the Union 2021





Money Needed to Pay Bills

-\$123 trillion

Taxpayer Burden™

-\$796,000

Financial Grade

F

Federal Government's Financial Condition Worsened by Nearly \$10 Trillion in 2020



April 2021

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Financial State of Union

A new analysis of the latest available audited financial reports found the U.S. Government's overall financial condition worsened by \$9.84 trillion in 2020. The coronavirus pandemic and related stimulus packages caused some of the deterioration because the government had to borrow money to weather the pandemic. If the federal government was properly prepared for a crisis with a true rainy day fund, it would not have had to borrow money.

Our measure of the government's financial condition includes reported federal assets and liabilities, as well as promised, but not funded, Social Security and Medicare benefits. Elected and non-elected officials have made repeated financial decisions that have left the federal government with a debt burden of \$123.11 trillion, including unfunded Social Security and Medicare promises. That equates to a \$796,000 burden for every federal taxpayer. Because the federal government would need such a vast amount of money from taxpayers to cover this debt, it received an "F" grade for its financial condition.

The Treasury Department only includes \$175.30 billion of Social Security and Medicare liabilities on the federal balance sheet; according to government documents, recipients do not have the right to benefits beyond the benefits currently being paid and laws to reduce or stop future benefits can be passed at any time. Our analysis includes \$55.12 trillion in unfunded Medicare benefits and \$41.20 trillion in unfunded Social Security benefits.

Fast Facts

- The federal government has \$5.95 trillion in assets compared to \$129.06 trillion worth of bills.
- The outcome is a \$123.11 trillion shortfall, which breaks down to a burden of \$796,000 per federal taxpayer.
- This means that each taxpayer would have to pay \$796,000 to get the United States government out of debt.

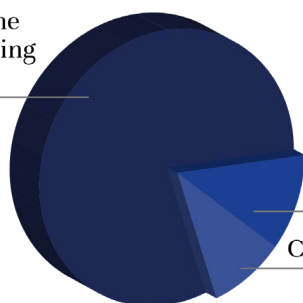
United States Government Financial Breakdown

What the Federal Government Has*	
Assets	\$5.95 trillion
What the Federal Government Owes	
Medicare benefits	\$55.12 trillion
Social Security promises	\$41.20 trillion
Publicly held debt	\$21.08 trillion
Military & civilian retirement benefits	\$9.41 trillion
Other liabilities	\$2.25 trillion
Total debt	-\$129.06 trillion
Where the Federal Government Stands	
Net Position	-\$123.11 trillion

*This includes assets reported by the government in the *Financial Report of the U.S. Government* but not all land and other assets.

What Came In?

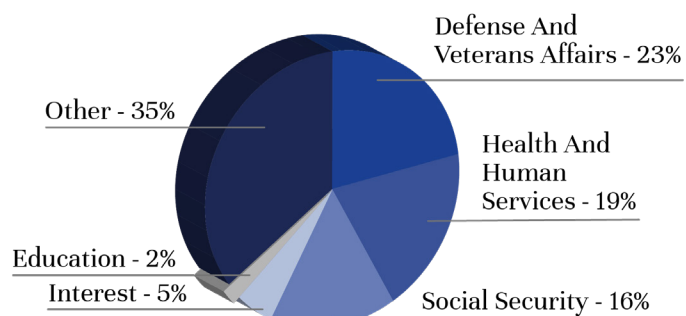
Individual Income
Tax and Withholding
Taxes - 80%



Excise, Estate,
Gift Taxes,
and Other
Revenue - 11%

Corporate Taxes - 9%

What Went Out?



The Outcome	
Total revenue	\$3.57 trillion
Total expenses	\$7.40 trillion
Reported net operating cost (revenue less expense)	-\$3.83 trillion
Other changes in Net Position, including increases in Social Security and Medicare liabilities	-\$6.01 trillion
Decline in Net Position	-\$9.84 trillion

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