2024 Financial State of the Union

Truth in Accounting

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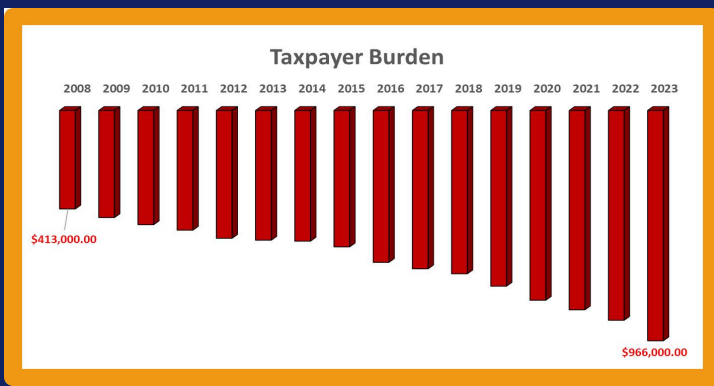
The Truth

Money Needed to Pay Bills **$153.9 Trillion**	Taxpayer Burden™ **$966,000**	Financial Grade **F**

Federal Government's Financial Condition Worsened by $7.9 Trillion

Truth in Accounting's review of the latest available audited Financial Report of the U.S. Government found its overall financial condition worsened by $7.9 trillion in 2023. Elected officials continue to make financial decisions that have left the federal government with a debt burden of $153.9 trillion, which equates to a $966,000 burden for every federal taxpayer and earns the federal government an "F" grade.

The Treasury Department only included a fraction, $247 billion, of the Social Security and Medicare liabilities on the federal balance sheet because, unknown to most people, according to government documents, recipients do not have the right to any benefits beyond the benefits to be paid next month, and laws to reduce or stop future benefits can be passed at any time.

Accurate accounting dictates that liabilities should be recorded when it is likely that future payments will be made and when those amounts can be reasonably estimated. Truth in Accounting believes the government will likely fulfill its commitments to provide Social Security and Medicare benefits, and the programs' trustees provide an estimated amount of these benefits. Therefore, in addition to federal assets and liabilities reported by the Treasury on the federal balance sheet, Truth in Accounting's assessment of the government's financial condition includes liabilities for promised but not funded Medicare and Social Security benefits totaling $66.2 trillion and $50.3 trillion, respectively.

The U.S. Government's debt and deficits have become astronomical and seemingly impossible to control. Nontransparent flawed budgeting and accounting techniques currently produce inaccurate dollar amounts, making the federal government's finances difficult, if not impossible, to manage. The first step in managing the nation's finances should be presenting accurate and transparent figures through full accrual budgeting and accounting that includes the costs and growth in the liabilities related to the two programs our seniors rely on the most, Social Security and Medicare. Then Congress, the President and the American people would have the financial information they need to make knowledgeable tax and spending decisions.

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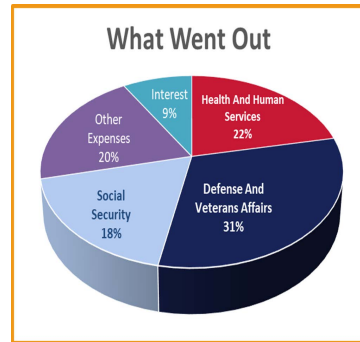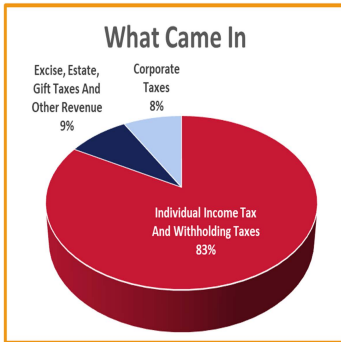UNIVERSITY OF DENVER
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United States Government Financial Breakdown

Fast Facts

- The Federal Government had $5.4 trillion of assets available to pay $159.3 trillion of liabilities, including promised but unfunded Social Security and Medicare benefits.
- The outcome was a $153.9 trillion shortfall and a burden of $966,000 per taxpayer.
- Despite reporting a budget deficit of $1.7 trillion, the government's financial condition worsened by $7.9 trillion.

What the Federal Government Has	
Assets	**$5.4 trillion**
What the Federal Government Owes	
Medicare Benefits	**$66.2 trillion**
Social Security Promises	**$50.3 trillion**
Publicly Held Debt	**$26.3 trillion**
Military & Civilian Retirement Benefits	**$14.3 trillion**
Other Liabilities	**$2.2 trillion**
Total Debt	**$159.3 trillion**
Where the Federal Government Stands	
Net Position	**-$153.9 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

Excise, Estate, Gift Taxes And Other Revenue 9%
Corporate Taxes 8%
Individual Income Tax And Withholding Taxes 83%

What Went Out

Interest 9%
Health And Human Services 22%
Other Expenses 20%
Defense And Veterans Affairs 31%
Social Security 18%

The Outcome	
Total Revenue	**$4.5 trillion**
Total Expenses	**$7.9 trillion**
Reported Net Operating Cost (revenue minus Expense)	**-$3.4 trillion**
Other changes in Net Position, including increases in Social Security and Medicare Liabilities	**-$4.5 trillion**
Decline in Net Position	**$7.9 trillion**

Data included in this report is derived from the Financial Report of the U.S. Government for the fiscal year ending September 30, 2023.

Donor Appreciation

Thank you to the supporters of the Truth in Accounting mission. Like you, they believe in the American dream. They believe the government can and should be a force for good. We are grateful for their help ensuring our voice and solutions are part of the political conversations.

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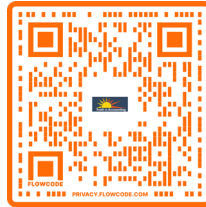
Truth in Accounting

Truth in Accounting believes truthful accounting is the key for citizens, legislators, and the press to clearly understand the truth about government finances. To be knowledgeable participants in their governments' financial decisions, citizens need accurate and complete financial information. Our work has focused on encouraging public entities to produce financial reports that are comprehensive, clear, and transparent; and informing the public of the importance of truthful accounting.

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DU's School of Accountancy partnered with Truth in Accounting in 2022. The University is known for academic rigor and a long commitment to teaching ethical leadership. This program will open up scholarship and research opportunities to the Daniels College of Business faculty and students. As trained accountants and researchers, they will learn in-depth about the accounting and budget practices of city, state, and federal government entities. Researchers in the School of Accountancy will apply their knowledge of governmental accounting to finding and analyzing data from government financial reports to help create the annual flagship reports of Truth in Accounting.

Truth in Accounting is a 501(c)(3) nonprofit committed to educating and empowering citizens with understandable, reliable and transparent government financial information. To be knowledgeable participants in their government and its budget process, citizens need truthful and transparent financial information.