Truth in Accounting

Financial State of the Union

2026
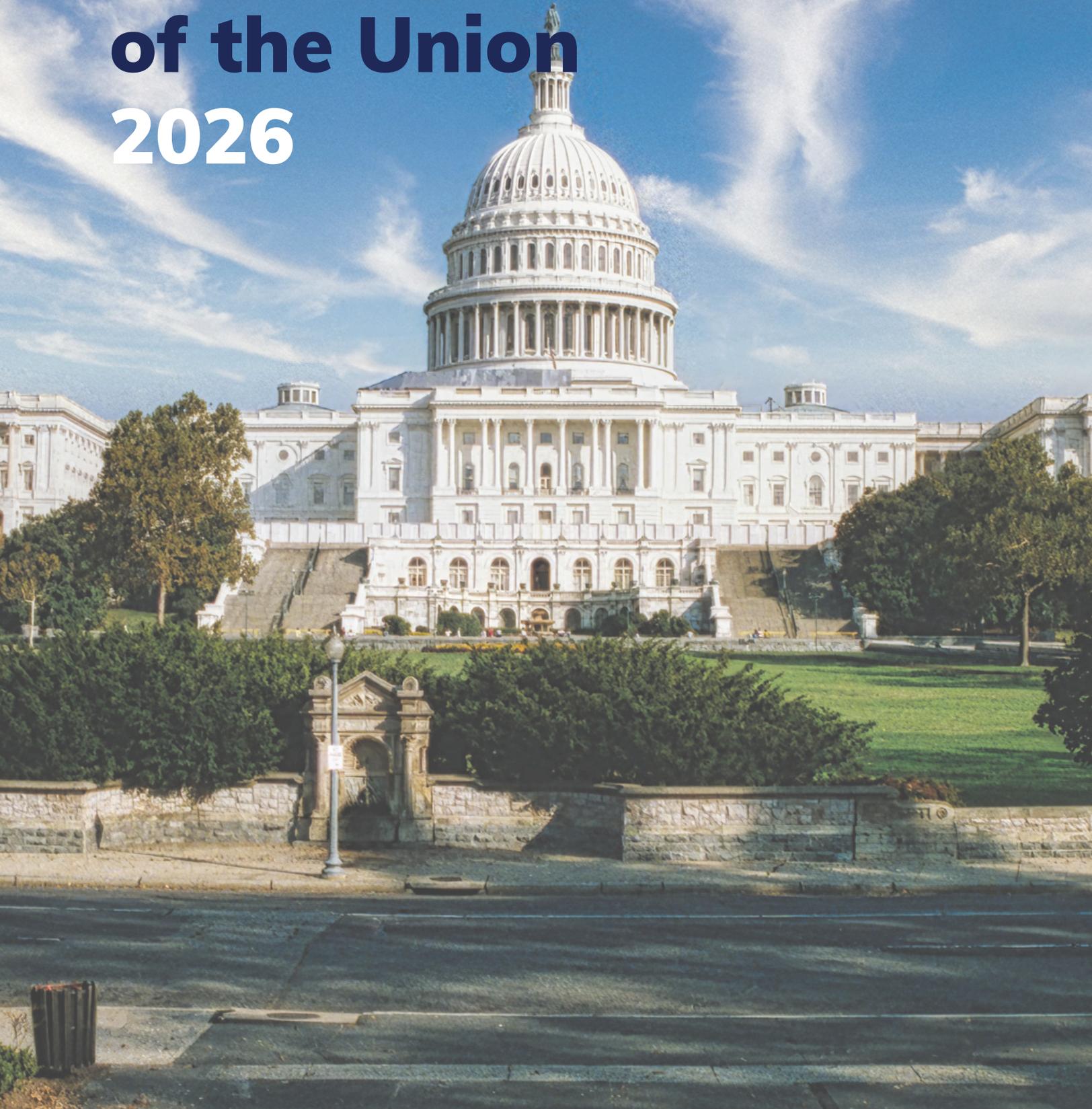
# Federal Debt Hits $1.1 Million Per Taxpayer

Money Needed to Pay Bills	**$170.3 trillion**	
Taxpayer Burden™	**$1.1 million**	
Grade	**F**	

Truth in Accounting's analysis of the most recent audited Financial Report of the U.S. Government found its overall financial condition worsened by $11.6 trillion in 2025. The mounting debt burden of $170.3 trillion represents the total benefits promised to citizens, yet the federal government has no clear idea where the money will come from to pay for them. This staggering debt translates to a $1.1 million liability for every federal taxpayer, resulting in the federal government receiving a failing grade for its fiscal health.

The Treasury Department only included a fraction—$269 billion—of Social Security and Medicare liabilities on the federal balance sheet because, according to government documents, recipients do not have the right to any benefits beyond those to be paid in the near term, 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. In the case of Social Security and Medicare, the government has made explicit commitments to provide these benefits, and the programs' trustees provide estimated amounts of these obligations. Therefore, in addition to federal assets and liabilities reported by the Treasury, Truth in Accounting includes liabilities for promised but not funded benefits totaling $54 trillion for Social Security and $74.5 trillion for Medicare when assessing the government's financial condition.

Decisions by our elected officials have resulted in astronomical deficits and debt that now seem nearly impossible to control. Nontransparent, flawed budgeting and accounting techniques currently produce incomplete figures, making the federal government's finances difficult, if not impossible, to manage effectively. The first step toward restoring fiscal stability is presenting accurate and transparent numbers through full accrual budgeting and accounting—one that includes the true costs and growth of liabilities related to Social Security and Medicare. This would enable Congress, the President, and the American people to make better-informed tax and spending decisions.

Taxpayer Surplus (Burden)™

-$1,100,000

Legend: Taxpayer Surplus (Burden)™
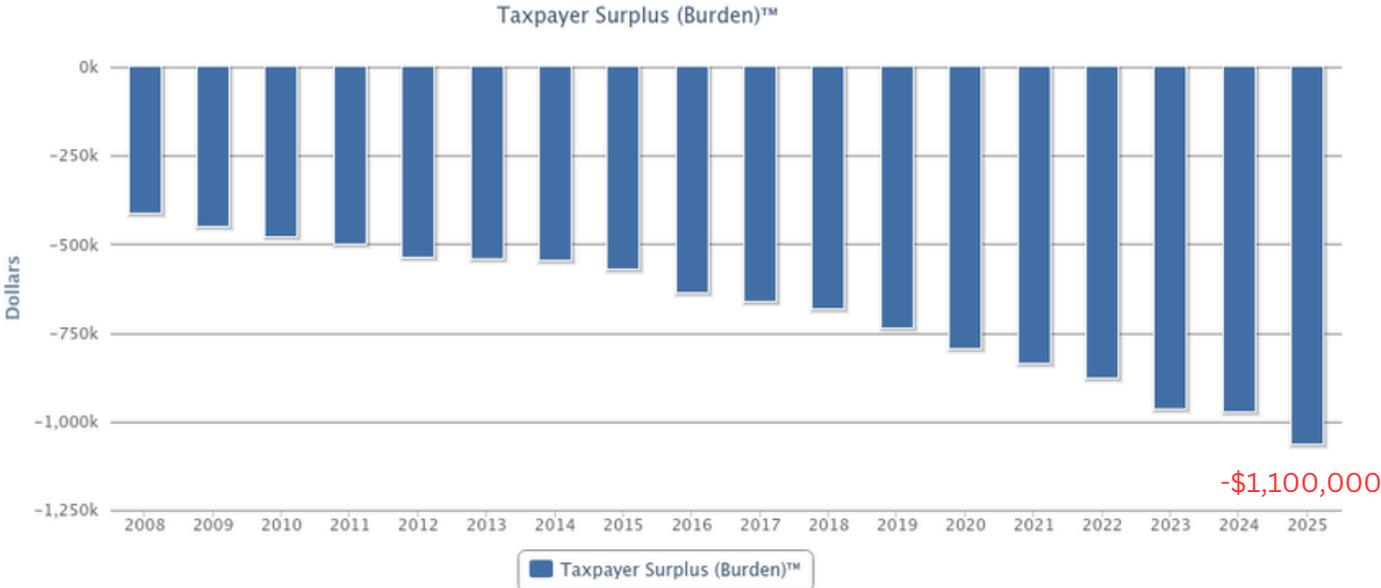
U.S. Government Financial Breakdown

● **FACT #1:**
The federal government had $6.1 trillion available to pay $176.3 trillion worth of liabilities, including promised but unfunded Social Security and Medicare benefits.

● **FACT #2:**
The outcome was a $170.3 trillion shortfall and a burden of $1.1 million per taxpayer.

● **FACT #3:**
Despite reporting a budget deficit of $1.8 trillion, the government's financial condition worsened by $11.6 trillion.

What the Federal Government Has	
Assets	**$6.1 trillion**

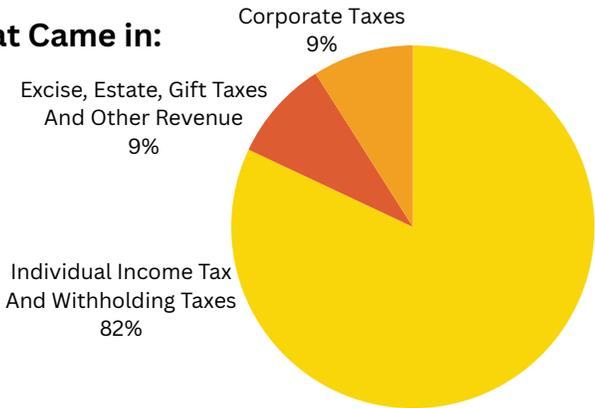| What the Federal Government Owes	
Medicare promises	$74.5 trillion
Social Security promises	$54.0 trillion
Publicly held debt	$30.3 trillion
Military & civilian retirement benefits	$15.5 trillion
Other liabilities	$2.0 trillion
Total debt	**$176.3 trillion**

Where the Federal Government Stands	
Net position*	**-$170.3 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:

- Corporate Taxes 9%
- Excise, Estate, Gift Taxes And Other Revenue 9%
- Individual Income Tax And Withholding Taxes 82%

What Went Out:

- Interest 13%
- Health & Human Services 26%
- Defense & Veterans Affairs 24%
- Social Security 23%
- Other Expenses 15%
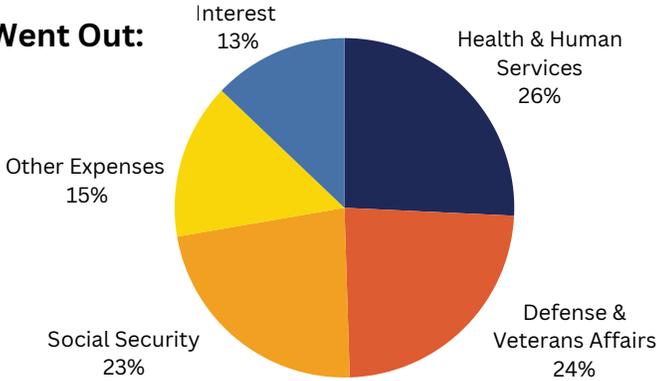
The Outcome	
Total revenue	$5.2 trillion
Total expenses	$7.3 trillion
Reported net operating cost (revenue less expenses)	**-$2.1 trillion**
Other changes in Net Position (including increases in Social Security & Medicare liabilities)	-$9.5 trillion
Decline in net position	**-$11.6 trillion**