

Revised Chapter 4 Data Table
from *Red Ink - The Budget, Deficit, and Debt of the U.S. Government*

These revised data tables for the Unified Budget include new values for Fiscal Year 1996. The included tables, numbered as they are in *Red Ink*, are

Table 4.2a Unified Budget of the United States Government, Net Outlays (Expenditures) by Function, \$ billions, FY 1988 to 1996.

Table 4.2b Disaggregation of Two Major Outlay Functions Shown on Table 4.2a - Income Security and Commerce and Housing Credit.

Table 4.2c Unified Budget of the United States Government, Outlays, Revenues, and Deficit as a Percent of Total Outlays, FY 1988 to 1996.

Table 4.4 Unified Budget of the United States Government - Tax and Revenue Sources and Related Data, \$ billion, FY 1991 to 1996.

Table 4.6 Unified Budget of the United States Government - Percentage Annual Growth Rates of Tax and Revenue Categories, FY 1992 to 1996.

Table 4.7 Outlays by Department/Agency, FY 1992 to 1996, \$ billions,

Although FY 1996 was the **first** budget exercised by the contentious 104th Congress, not much is different in that budget. As discussed in *Red Ink*, so far the only two major programs to be impacted by that Congress were agriculture (described in chapter 5 of *Red Ink*) and welfare reform (described in chapter 6 of *Red Ink*) and in both cases the budgetary savings were fairly small. Consequently on the outlay side, as represented in **Table 4.2a** and **Table 4.2c**, spending categories simply continue to follow their trends. Discretionary categories like Defense remain roughly fixed or decline, whereas the growth of mandatory entitlements categories is dictated by demographics and program needs,

The most interesting changes are seen on the revenue side, as represented in **Table 4.4** and **Table 4.6**. First, consider the strange anomaly in OASI and Disability Social Security receipts in FY 1994 through 1996. These collections are **funded** via the FICA and SECA payroll taxes, as shown in **Table 7.7** of *Red Ink*. The sudden drop in OASI receipts, entirely offset by the sharp rise in DI receipts, is due to the unethical "fix" of the impending bankruptcy of the disability trust fund, described in chapter 7 in *Red Ink* under the title **The 1994 Solution to the Crisis in the Disability Trust Fund**.

Table 4.6 shows that personal income tax collections surged in 1996, growing by nearly 13%. Although it is not shown here, this trend has continued into FY 1997 and is largely responsible for a continuing reduction of the FY 1997 deficit, projected by the U.S. Treasury to be at a very tolerable \$75 billion. The rise in personal income taxes was not matched by Social Insurance Taxes, most of which comes from the FICA payroll tax, as normally it would. The sudden surge in personal income tax receipts seems to have come from a remarkable rise in tax receipts from profits made in the stock market, especially from equity mutual funds. This phenomenon has continued into FY 1997 and is even more robust. A secondary source comes from stock options being exercised by employees, which maybe generating as much as \$25 billion in additional revenue in FY 1997. This, however, is offset by corporations recording such stock-option payouts as expenses (even though no cash is involved), which is helping push corporate income taxes down to lower levels despite record profits.

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Table 4.2a
Unified Budget of the United States Government
Net Outlays (Expenditures) by Function, \$ billions
FY 1988 to 1996

Outlays by Function	Number	Year										
		1988	1989	1990	1991	1992	1993	1994	1995	1996		
Social Security	650	219.3	232.5	248.6	269.0	287.6	304.6	319.6	335.8	349.7		
National defense	050	290.4	303.6	299.3	273.3	298.4	291.1	281.6	272.1	265.7		
Net interest (2)	900	151.8	169.3	184.2	194.5	199.4	198.8	203.0	232.2	241.1		
Income security (1)	600	129.3	136.0	147.0	170.3	196.9	207.3	214.0	220.4	226.0		
Medicare	570	78.9	85.0	98.1	104.5	119.0	130.6	144.7	159.9	174.2		
Health (4)	550	44.5	48.4	57.7	71.2	89.5	99.4	107.1	115.4	119.4		
Educ, trng, employment, soc ser	500	31.9	36.7	38.8	43.4	45.2	50.0	46.3	54.3	52.0		
Veterans benefits	700	29.4	30.1	29.1	31.3	34.1	35.7	37.6	37.9	37.0		
Transportation	400	27.3	27.6	29.5	31.1	33.3	35.0	38.1	39.4	39.6		
International affairs	150	10.5	9.6	13.8	15.9	16.1	17.2	17.1	16.4	13.5		
Agriculture	350	17.2	16.9	12.0	15.2	15.2	20.5	15.1	9.8	9.2		
Natural resources & environment	300	14.6	16.2	17.1	18.6	20.0	20.2	21.1	22.1	21.6		
Energy	270	2.3	2.7	3.3	2.4	4.5	4.3	5.2	4.9	2.8		
Gen science, space, technology	250	10.8	12.8	14.4	16.1	16.4	17.0	16.2	16.7	16.7		
Comm and regn development	450	5.3	5.4	8.5	6.8	6.8	9.1	10.5	10.6	10.7		
Commerce and housing credit (1)	370	18.8	29.2	67.1	75.3	10.1	-22.7	-5.1	-14.4	-10.6		
Justice	750	9.2	9.5	10.0	12.3	14.4	15.0	15.3	16.2	17.5		
General government	800	9.5	9.0	10.7	11.7	13.0	13.0	11.3	13.8	11.9		
Undistributed offsetting receipts (3)	950	-37.0	-37.2	-36.6	-39.4	-39.3	-37.4	-37.8	-44.5	-37.6		
Total Outlays		1,064.1	1,143.2	1,252.7	1,323.4	1,380.9	1,408.7	1,460.9	1,519.1	1,560.3		
Total Revenues		909.0	990.7	1,031.3	1,054.3	1,090.5	1,153.5	1,257.7	1,355.2	1,453.1		
Budget Deficit		155.1	152.5	221.4	269.2	290.4	255.1	203.2	163.9	107.3		

Note: (1): See Table 4.2b for disaggregation.

(2): Does

and trust funds.

(3): Mostly federal employer contributions to pension funds. See Glossary and explanation in chapters 2 and 7.

(4): Includes Medicaid.

Source: Budget of the United States Government, Historical Tables, various years & various tables.

Table 4.2b
Disaggregation of Two Major Outlay Functions Shown on Table 4.2a
Income Security and Commerce and Housing Credit

Income Security Expenditures	1988	1989	1990	1991	1992	1993	1994	1995	1996
Federal employee retirement (1)	46.9	49.2	52.0	56.1	57.6	60.0	62.5	65.8	68.1
Housing assistance	13.9	14.7	15.9	17.2	18.9	21.5	23.9	27.5	26.8
Unemployment	15.3	15.6	18.9	27.1	39.5	37.8	28.7	23.6	24.9
Food & nutrition assistance	20.1	21.2	24.0	28.5	32.6	35.1	36.8	37.6	37.9
General income security(2)	27.9	29.7	31.4	37.0	42.9	48.4	56.4	60.8	63.1
Special retirement	5.3	5.7	5.1	4.9	5.5	4.3	5.7	5.1	5.2
Other (3)	-0.1	-0.1	-0.3	-0.5	0.0	0.1	0.0	0.0	0.0
Total:	129.3	136.0	147.0	170.3	197.0	207.2	214.0	220.4	226.0

(1) Includes federal employee disability

(2) Prior to 1987, this category was Supplemental Security Income (SSI) only. Now includes SSI (aid for aged, blind, disabled) family support payments, and earned income tax credit.

Commerce and Housing Credit	1988	1989	1990	1991	1992	1993	1994	1995	1996
Mortgage credit	5.0	5.0	3.8	5.4	4.3	1.6	-0.5	-1.0	-4.8
U.S. Postal Service (1)	2.2	0.1	2.1	1.8	1.2	1.6	1.2	-1.8	-0.5
Deposit insurance (2)	10.0	22.0	58.0	66.4	2.5	-28.0	-7.6	-17.8	-8.4
Commerce (3)	1.5	2.1	3.1	2.1	2.1	2.0	2.6	2.9	3.0
	18.8	29.2	67.1	75.3	10.1	-22.7	-5.1	-14.4	-10.6

(1) Subsidy (+ value) to or surplus (- value) from the U.S. Postal Service only. Postal Service budget (revenues about \$55 billion in FY95) is independent of federal budget, except for small subsidy or surplus.

(2) Includes savings and loan bailout of the 1980s and reflects deposit insurance rates in the 1990s.

(3) 1995 and after includes FCC Universal Service Fund, funded in part by telecommunications fees assessed on carriers and auctions.

Table 4.2c
Unified Budget of the United States Government
Outlays, Revenues, and Deficit as a Percent of Total Outlays
FY 1988 to 1996

Outlays by Function	1988	1989	1990	1991	1992	1993	1994	1995	1996
Social Security	20.6	20.3	19.8	20.3	20.8	21.6	21.9	22.1	22.4
National defense	27.3	26.6	23.9	20.7	21.6	20.7	19.3	17.9	17.0
Net interest	14.3	14.8	14.7	14.7	14.4	14.1	13.9	15.3	15.5
Income security	12.2	11.9	11.7	12.9	14.3	14.7	14.6	14.5	14.5
Medicare	7.4	7.4	7.8	7.9	8.6	9.3	9.9	10.5	11.2
Health	4.2	4.2	4.6	5.4	6.5	7.1	7.3	7.6	7.7
Educ, trng, employment, soc ser	3.0	3.2	3.1	3.3	3.3	3.5	3.2	3.6	3.3
Veterans benefits	2.8	2.6	2.3	2.4	2.5	2.5	2.6	2.5	2.4
Transportation	2.6	2.4	2.4	2.4	2.4	2.5	2.6	2.6	2.5
International affairs	1.0	0.8	1.1	1.2	1.2	1.2	1.2	1.1	0.9
Agriculture	1.6	1.5	1.0	1.1	1.1	1.5	1.0	0.6	0.6
Natural resources & environment	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Energy	0.2	0.2	0.3	0.2	0.3	0.3	0.4	0.3	0.2
Gen science, space, technology	1.0	1.1	1.1	1.2	1.2	1.2	1.1	1.1	1.1
Comm and regn development	0.5	0.5	0.7	0.5	0.5	0.6	0.7	0.7	0.7
Commerce and housing credit	1.8	2.6	5.4	5.7	0.7	-1.6	-0.3	-0.9	-0.7
Justice	0.9	0.8	0.8	0.9	1.0	1.1	1.0	1.1	1.1
General government	0.9	0.8	0.9	0.9	0.9	0.9	0.8	0.9	0.8
Undistributed offsetting receipts	-3.5	-3.3	-2.9	-3.0	-2.8	-2.7	-2.6	-2.9	-2.4
Total Outlays	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total Revenues	85.4	86.7	82.3	79.7	79.0	81.9	86.1	89.2	93.1
Budget Deficit	14.6	13.3	17.7	20.3	21.0	18.1	13.9	10.8	6.9

Source: Calculated from values in Table 4.2a.

Table 4.4
Unified Budget of the United States Government
Tax and Revenue Sources and Related Data, \$ billions
FY 1991 to 1996

Revenue Sources	1996						% Tot
	1991	1992	1993	1994	1995	1996	
Personal income taxes	467.8	476.0	509.7	543.1	590.2	666.4	45.9
Social insurance taxes (total)	396.0	413.7	428.3	461.5	484.5	509.4	35.1
OASI (Social Security)	265.5	273.1	281.7	302.6	284.1	311.9	21.5
Disability (Social Security)	28.4	29.3	30.2	32.4	67.0	55.6	3.8
Hospital	72.8	79.1	81.2	90.1	96.0	102.0	7.0
Unemployment	20.9	23.4	26.6	28.0	28.9	29.6	2.0
Other social insurance	8.4	8.8	8.6	8.4	8.5	10.3	0.7
Corporate income taxes	98.1	100.3	117.5	140.4	157.0	171.2	11.8
Excise taxes	42.4	45.6	48.1	55.2	57.5	54.0	3.7
Estate and gift taxes	11.1	11.1	12.6	15.2	14.8	17.2	1.2
Federal Reserve interest (1)	19.2	22.9	14.9	18.0	23.4	20.5	1.4
Customs fees	15.9	17.4	18.8	20.1	19.3	18.7	1.3
Other	3.7	3.5	3.6	4.3	8.5	-4.3	-0.3
TOTAL	<u>1,054.2</u>	<u>1,090.5</u>	<u>1,153.5</u>	<u>1,257.7</u>	<u>1,355.2</u>	<u>1,453.1</u>	100.00
Gross Domestic Product (2)	5,861.5	6,143.9	6,476.6	6,837.1	7,186.9	7,484.7	
Effective tax rate (as % GDP)	17.99	17.75	17.81	18.40	18.86	19.41	
Personal income	4,694.0	4,877.8	5,132.9	5,417.8	5,743.4	6,066.1	
Personal income ETR (as % PI)	9.97	9.76	9.93	10.02	10.28	10.99	
Social insurance ETR (as % PI)	8.44	8.48	8.34	8.52	8.44	8.40	
Social Security ETR (as % PI)	6.26	6.20	6.08	6.18	6.11	6.06	
Corporate profits before taxes	379.0	389.4	443.1	515.0	576.4	643.5	
Corp Profit ETR (as % CPBT)	25.88	25.76	26.52	27.26	27.24	26.60	

Note: (1) The Federal Reserve System owns a large portfolio of U.S. Treasury securities. They return interest beyond their operating costs.

(2) All data, including personal income and corp. profits are for Fiscal Year (Oct 1 - Sep 30).

This table is slightly different from Table 4.4 in Red Ink. All data here are in fiscal years, and data has been revised.

Source: *Budget of the United States Government, Historical Tables, and Economic Report of the President, 1994, 1995, 1996 and 1997.*

Table 4.6
Unified Budget of the United States Government
Percentage Annual Growth Rates of Tax and Revenue Categories
FY 1992 through 1996

Revenue Sources	1992	1993	1994	1995	1996	Avg
Personal income taxes	1.8	7.1	6.6	8.7	12.9	7.4
Social insurance taxes (total)	4.5	3.5	7.8	5.0	5.1	5.2
OASI (Social Security)	2.9	3.1	7.4	-6.1	9.8	3.4
Disability (Social Security)	3.2	3.1	7.3	106.8	-17.0	20.7
Hospital	8.7	2.7	11.0	6.5	6.3	7.0
Unemployment	12.0	13.7	5.3	3.2	2.4	7.3
Other social insurance	4.8	-2.3	-2.3	1.2	21.2	4.5
Corporate income taxes	2.2	17.1	19.5	11.8	9.0	11.9
Excise taxes	7.5	5.5	14.8	4.2	-6.1	5.2
Estate and gift taxes	0.0	13.5	20.6	-2.6	16.2	9.5
Federal Reserve interest	19.3	-34.9	20.8	30.0	-12.4	4.5
Customs fees	9.4	8.0	6.9	-4.0	-3.1	3.5
Other	-5.4	2.9	19.4	97.7	-150.6	-7.2
Total	3.4	5.8	9.0	7.8	7.2	6.6

Source: Calculated from Table 4.4a.

Table 4.7
Outlays by Department/Agency
FY 1992 to 1996, \$ billions

Department or Agency	1992	1993	1994	1995	1996	1996%
Social Security Administration	307.19	327.39	345.82	362.12	375.23	24.05
Department of the Treasury	292.99	298.80	307.58	348.58	364.63	23.37
Department of Health and Human Services	231.56	253.84	278.90	303.08	319.80	20.50
Department of Defense	314.90	307.84	299.05	291.23	288.79	18.51
Department of Agriculture	56.44	63.14	60.75	56.67	54.34	3.48
Office of Personnel Management	35.60	36.80	38.60	41.28	42.87	2.75
Department of Transportation	32.49	34.46	37.23	38.78	38.78	2.49
Department of Veterans Affairs	33.90	35.49	37.40	37.77	36.92	2.37
Department of Labor	47.08	44.65	37.05	32.09	32.49	2.08
Department of Education	26.05	30.29	24.70	31.30	29.73	1.91
Department of Housing and Urban Development	24.47	25.18	25.85	29.04	25.51	1.63
Department of Energy	15.52	16.94	17.84	17.62	16.20	1.04
NASA	13.96	14.30	13.70	13.38	13.88	0.89
Funds appropriated to the President	11.11	11.53	10.51	11.16	9.71	0.62
Department of Justice	9.80	10.17	10.01	10.79	11.95	0.77
Department of the Interior	6.55	6.78	6.90	7.41	6.73	0.43
Environmental Protection Agency	5.95	5.93	5.86	6.35	6.05	0.39
Department of State	5.01	5.38	5.72	5.34	4.95	0.32
Department of Commerce	2.57	2.80	2.92	3.40	3.70	0.24
Judiciary branch	2.31	2.63	2.68	2.91	3.06	0.20
Legislative branch	2.68	2.41	2.56	2.63	2.27	0.15
General Services Administration	0.47	0.74	0.33	0.71	0.73	0.05
Small Business Administration	0.55	0.79	0.78	0.67	0.87	0.06
Executive branch	0.19	0.19	0.23	0.21	0.22	0.01
Undistributed offsetting receipts	-117.11	-119.71	-123.47	-137.63	-135.00	-8.65
Other	18.63	-10.08	11.41	2.21	5.92	0.38
Total	1,380.86	1,408.68	1,460.91	1,519.10	1,560.33	100.00

Source: Budget of the United States Government, Historical Tables, various years.