

Statement of Revenues and Expenses

Revenues

	<i>Fiscal Year</i> ¹		<i>Change from 2001</i>
	<i>2001</i>	<i>2002</i>	
Individual income taxes	\$ 994,339,000,000	858,344,000,000	-14%
Social insurance taxes ²	693,967,000,000	700,762,000,000	1%
User fees, earmarked taxes and receipts ³	415,036,000,000	430,247,000,000	4%
Corporation taxes	151,075,000,000	148,042,000,000	-2%
Excise taxes and customs duties	85,600,000,000	85,591,000,000	0%
Miscellaneous receipts	37,664,000,000	34,040,000,000	-10%
Death taxes ⁴	28,400,000,000	26,507,000,000	-7%
Total Revenues	\$2,406,081,000,000	2,283,533,000,000	-5%

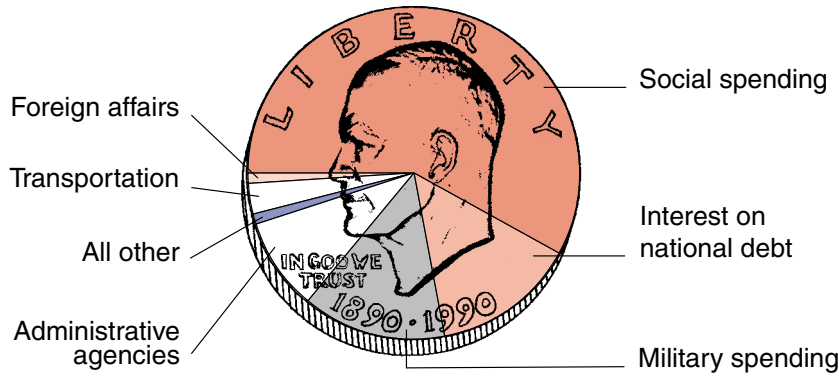
Expenses

Social spending ⁵	\$ 1,287,666,000,000	1,398,221,000,000	9%
Interest on national debt	359,508,000,000	332,537,000,000	-8%
Military spending	287,998,000,000	309,527,000,000	7%
Administrative agencies ⁶	199,762,000,000	205,057,000,000	3%
Transportation	57,177,000,000	61,780,000,000	8%
Post-9/11 emergency funding ⁷	2,475,000,000	44,212,000,000	-
State and foreign affairs ⁸	31,794,000,000	34,767,000,000	9%
Environment, fish, wildlife, parks and interior ⁹	30,287,000,000	32,100,000,000	6%
NASA	14,094,000,000	14,321,000,000	2%
Judiciary	4,795,000,000	5,281,000,000	10%
Congress	2,024,000,000	2,054,000,000	1%
The President	1,224,000,000	1,326,000,000	8%
Total Expenses	\$2,278,804,000,000	2,441,183,000,000	7%
Surplus/(Deficit)¹⁰	\$ 127,277,000,000	(157,650,000,000)	

Notes

1. The U.S. Government fiscal year begins on October 1 and ends on September 30.
2. Includes direct taxes and payroll taxes from individuals and employers for disability insurance, Social Security and other federal retirement programs, hospital insurance taxes, and unemployment insurance taxes.
3. Represents receipts of federal departments and agencies netted from gross outlays in Treasury reports, such as proprietary receipts from the public, receipts from off-budget federal entities, and total undistributed offsetting receipts.
4. Repealed effective January 1, 2010, by Public Law 107-16 signed by President Bush on June 7, 2001.
5. Includes arts, education, labor, health and human services, low income and public housing, WIC, welfare block grants, food stamps and other agricultural programs, and federal retirement programs (including Social Security).
6. Includes SBA, GSA, DOE, GAO, Commerce, CPB, District of Columbia, EEOC, Export-Import Bank, FCC, FDIC, FEMA, FTC, Government Printing Office, Justice, Library of Congress, National Archives and independent agencies.
7. Reflects outlays for anti-terrorism initiatives, disaster relief, bioterror response, border security, intergovernmental joint investigation and prosecution, and air transportation security.
8. Includes outlays for Department of State, Peace Corps, OPIC, AID, foreign military sales, and other international assistance programs.
9. Includes EPA, National Park Service, Fish and Wildlife Service, Bureau of Land Management, Forest Service, National Oceanic and Atmospheric Administration, and major environmental programs of federal agencies.
10. The excess of Social Security taxes over outlays for Social Security was \$163 billion in 2001 and \$159 billion in 2002. Exclusion of Social Security taxes and benefit payments from revenues and expenses would result in a deficit of \$33 billion in 2001 and a deficit of \$316 billion in 2002.

Composition of Federal Spending, 2002



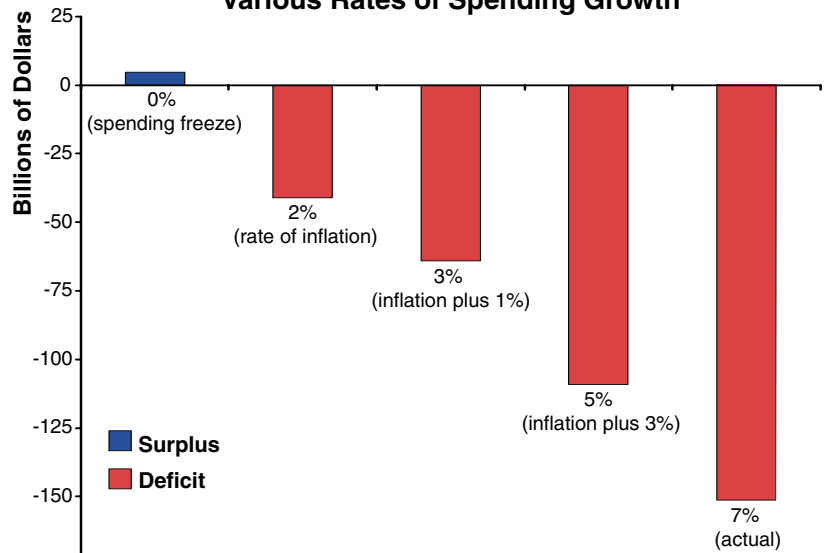
Major Factors Contributing to 2002 Deficit

The federal government's 2002 deficit of \$158 billion was primarily attributable to a \$162 billion increase in spending over 2001. Without the spending increase, the federal government would have had a surplus of \$4 billion for 2002.

Nearly as significant was a 5% reduction in revenues compared to 2001, including substantially lower capital gains tax collections due to the stock market decline. Whereas in recent years spending increases have been offset by increases in revenue attributable to economic growth, that did not occur in 2002.

The spending increases and revenue losses were only partially offset by savings of \$27 billion in interest on the national debt resulting from lower interest rates.

2002 Surplus/Deficit Assuming Various Rates of Spending Growth



Major Spending Changes by Category, 2002

