



Congressional Budget Office

Mandatory Spending

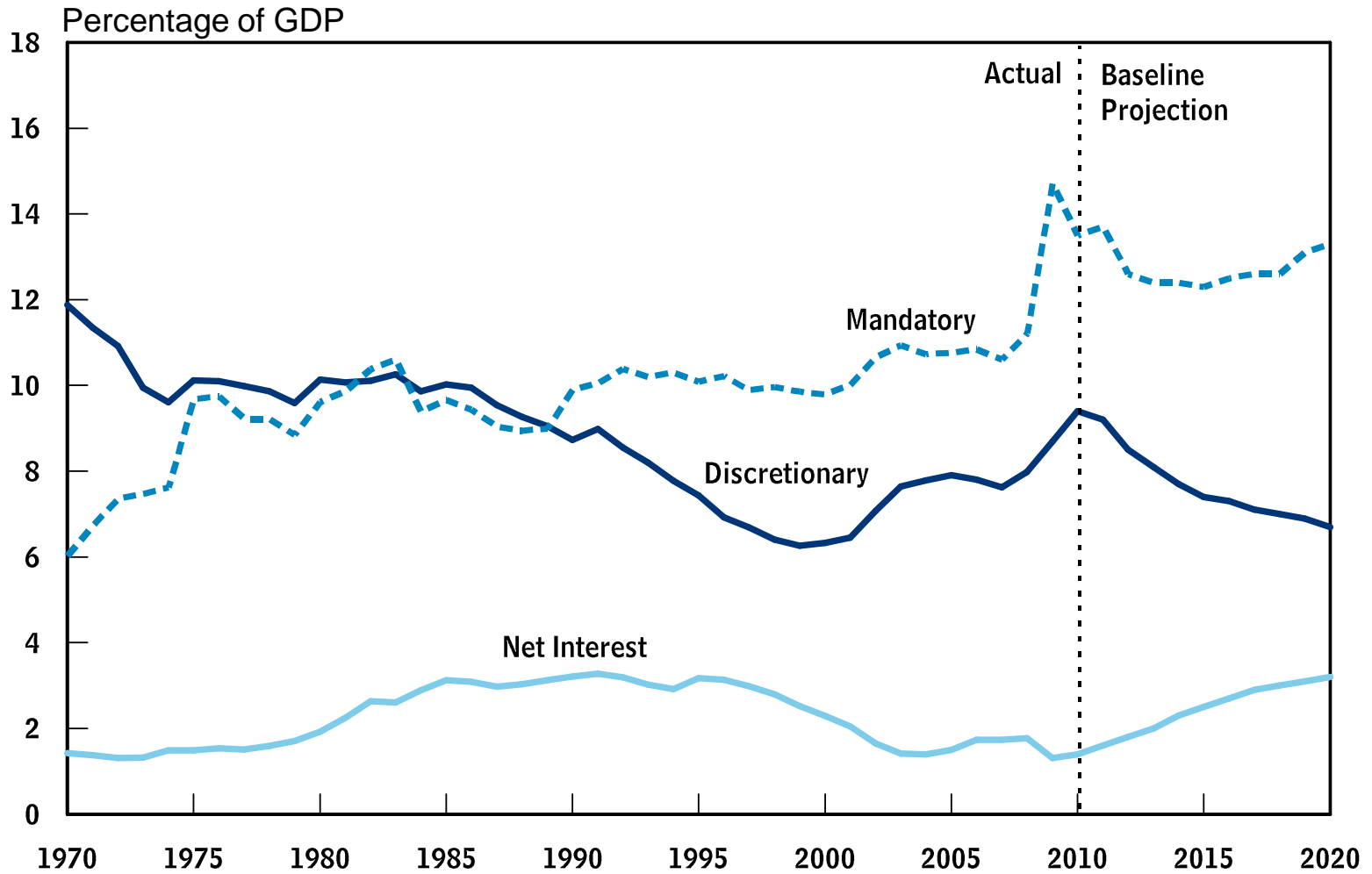
May 12, 2010

Robert A. Sunshine

Deputy Director



Outlays by Category, 1970 to 2020





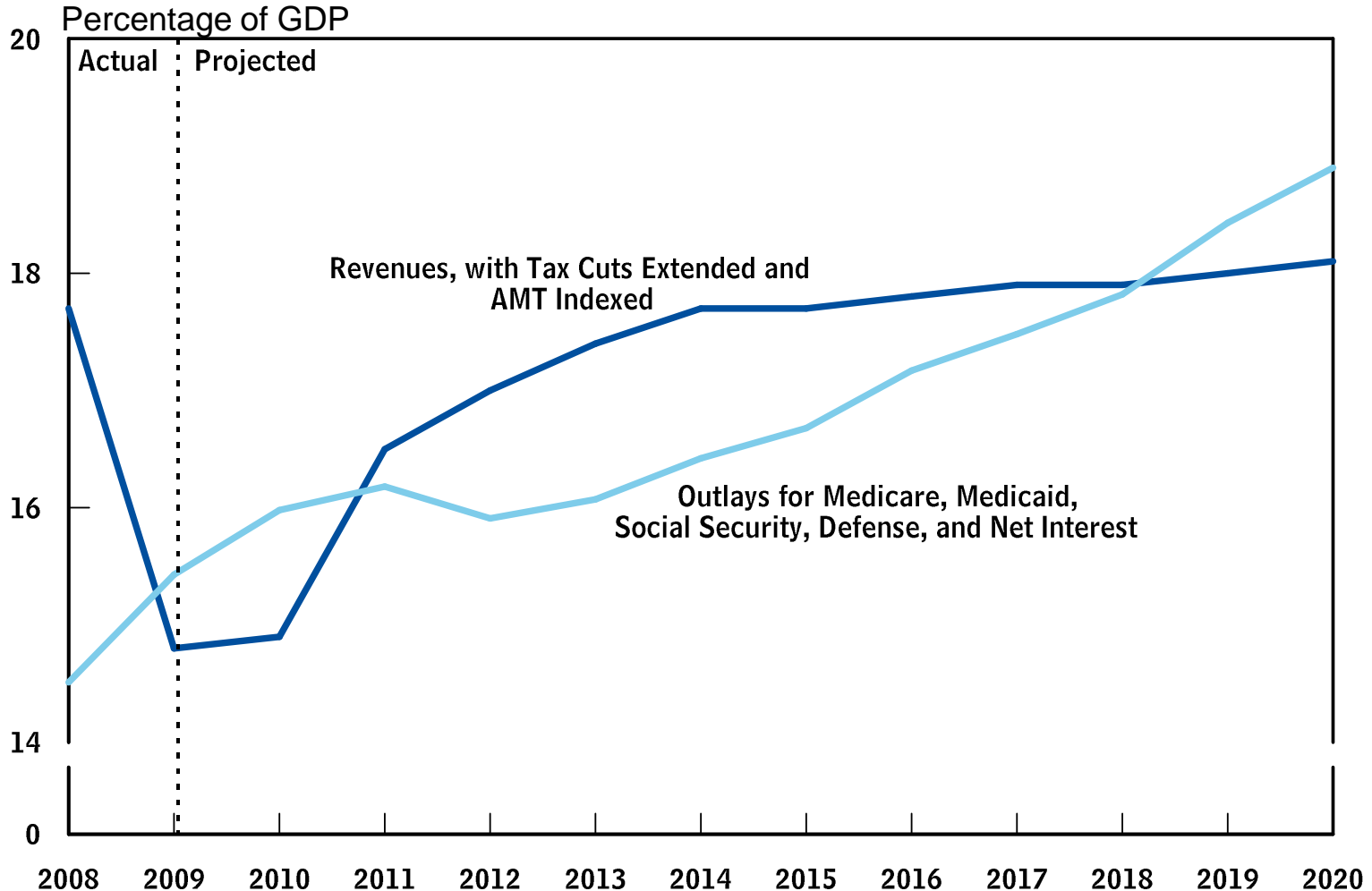
Components of the Federal Budget

	1970	2007	2020 March Baseline
	Percentage of GDP		
Revenues	19.0	18.5	20.3
Outlays	19.3	19.6	23.3
<i>Social Security, Medicare, and Medicaid</i>	3.8	8.2	11.1
<i>Other mandatory spending</i>	2.3	2.2	2.2
<i>Defense</i>	8.1	3.9	3.6
<i>Nondefense discretionary spending</i>	3.8	3.5	3.1
<i>Net interest</i>	1.4	1.7	3.2
Deficit	0.3	1.2	3.0

Note: Figures are shown net of offsetting receipts where relevant. Does not include effects of the Patient Protection and Affordable Care Act.



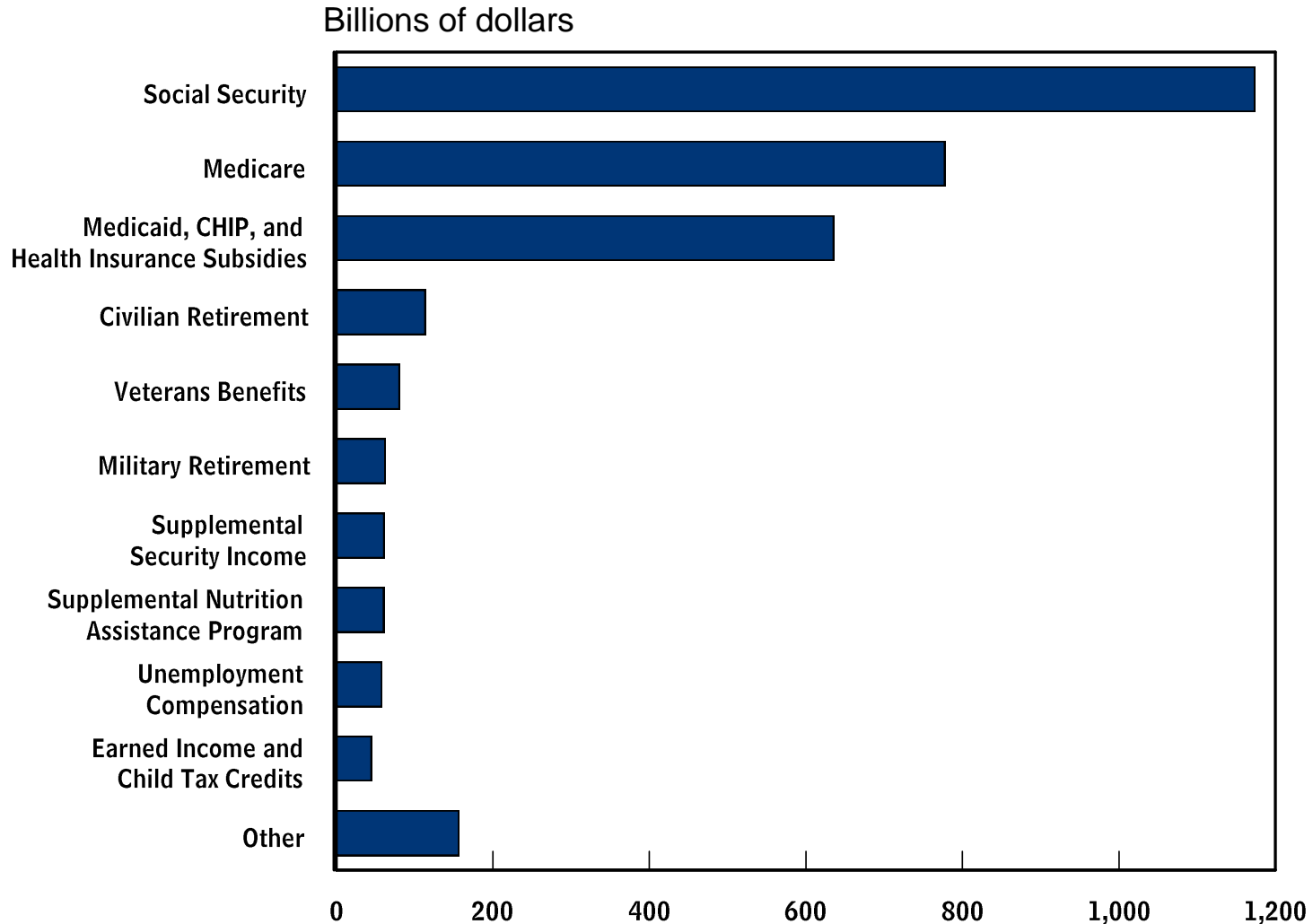
Outlays for Some Key Federal Programs Will Exceed Total Federal Revenues Under “Current Policy”



Note: Extending certain tax provisions enacted in 2001 and 2003 would also increase outlays for refundable tax credits. However, the outlay effect is shown here in the revenue line. Figures exclude the effects of the Patient Protection and Affordable Care Act.



Mandatory Outlays in 2020 Under Current Law



Notes: CHIP = Children's Health Insurance Program

Figures are shown net of offsetting receipts where relevant and include the effects of the Patient Protection and Affordable Care Act.



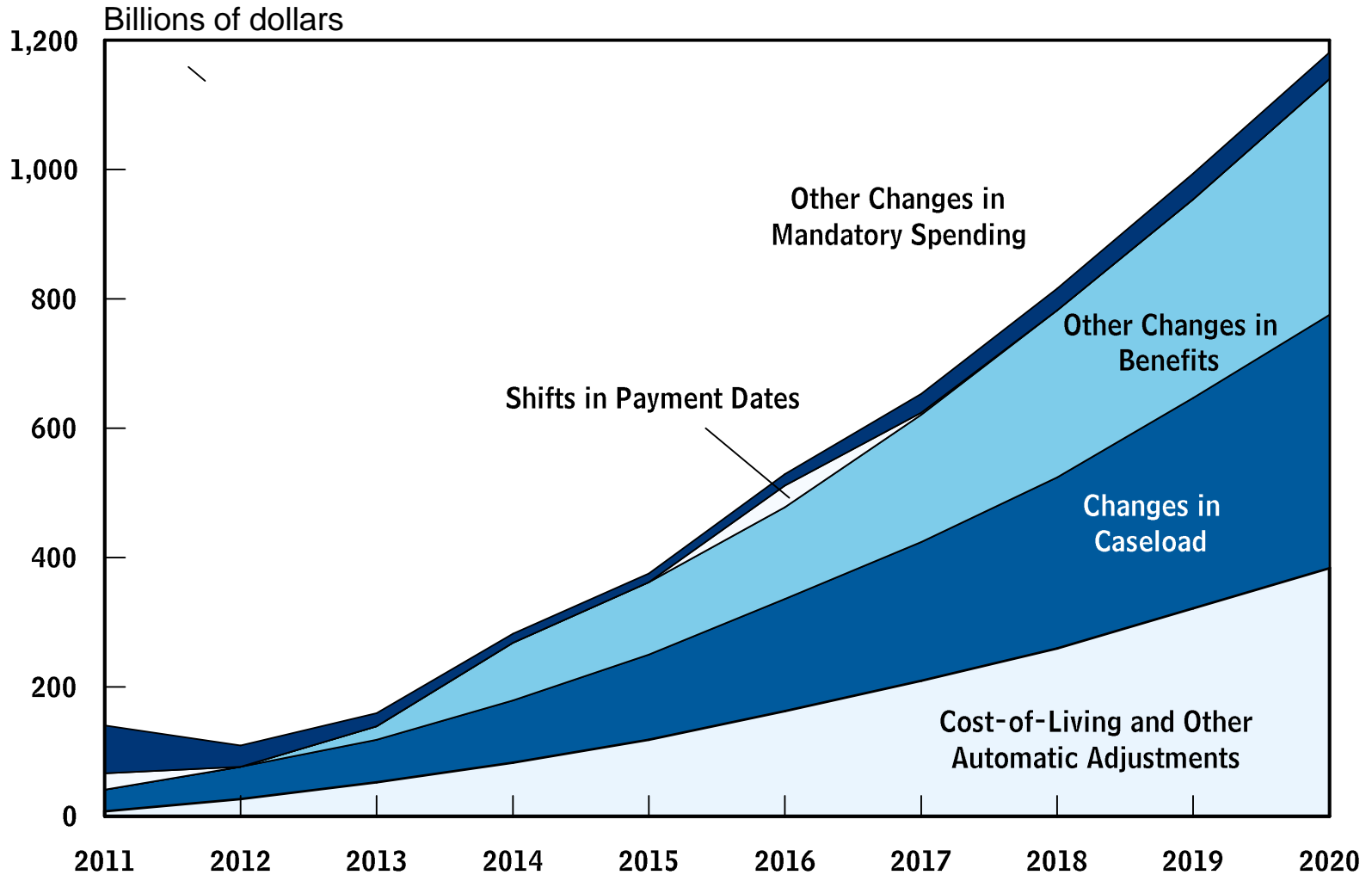
Average Annual Rates of Growth in Mandatory Spending Under CBO's Baseline Projections – March 2010

	1998–2008	Projected 2012–2020
All Mandatory	6.4	5.2
<i>Social Security</i>	5.0	5.6
<i>Medicare</i>	7.3	7.7
<i>Medicaid</i>	7.1	6.7
<i>Income Security Programs</i>	9.8	0.2
<i>Civilian and Military Retirement</i>	4.7	3.2
<i>Veterans' Benefits</i>	6.5	3.5
<i>Other</i>	6.2	-0.1
Nominal GDP	5.2	4.6
PCE Price Index	2.4	1.6

Note: Growth rates are shown net of offsetting receipts where relevant. PCE=personal consumption expenditures. Does not include effects of the Patient Protection and Affordable Care Act.



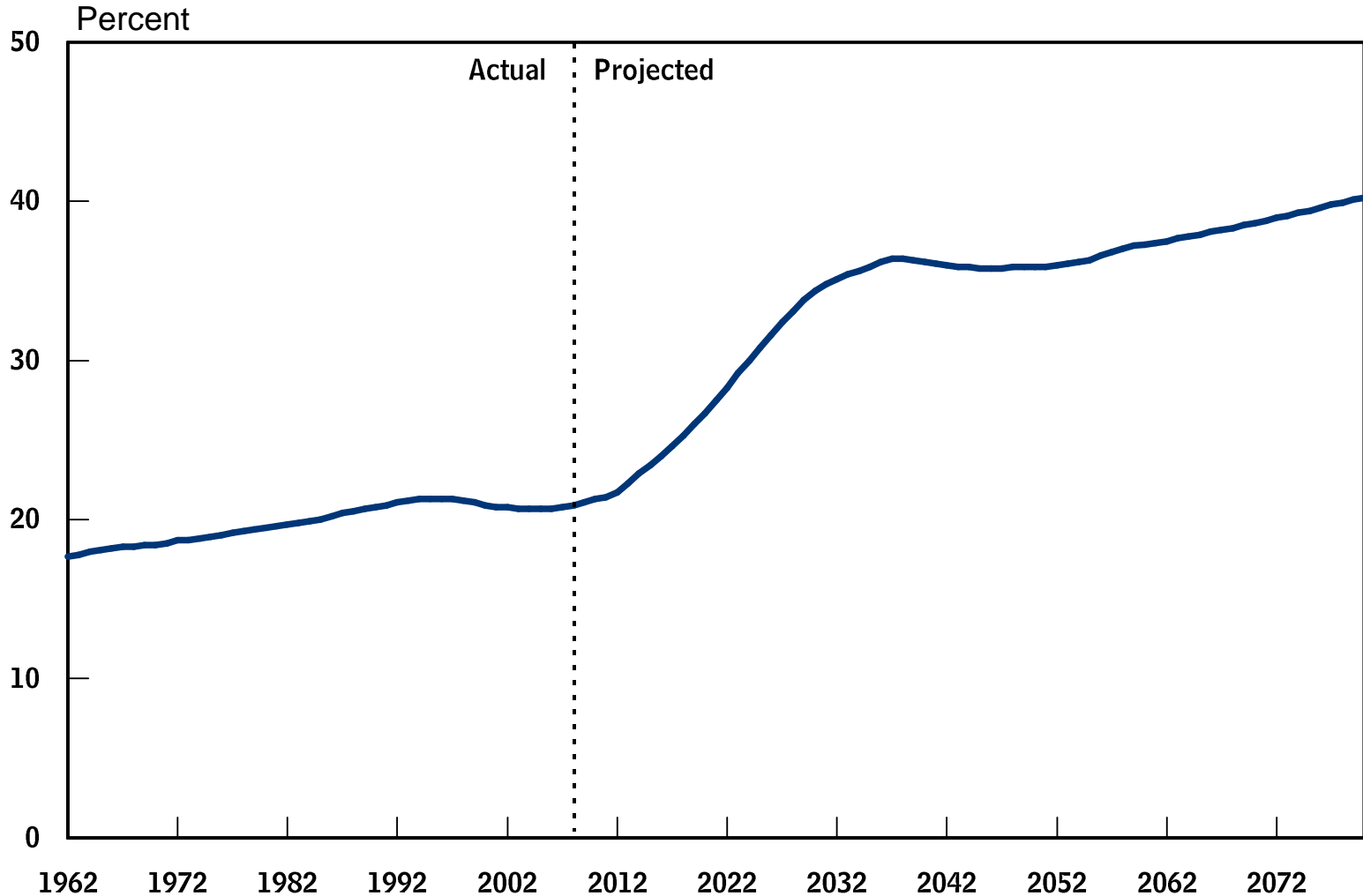
Sources of Growth in Mandatory Spending



Note: Excludes the effects of the Patient Protection and Affordable Care Act.

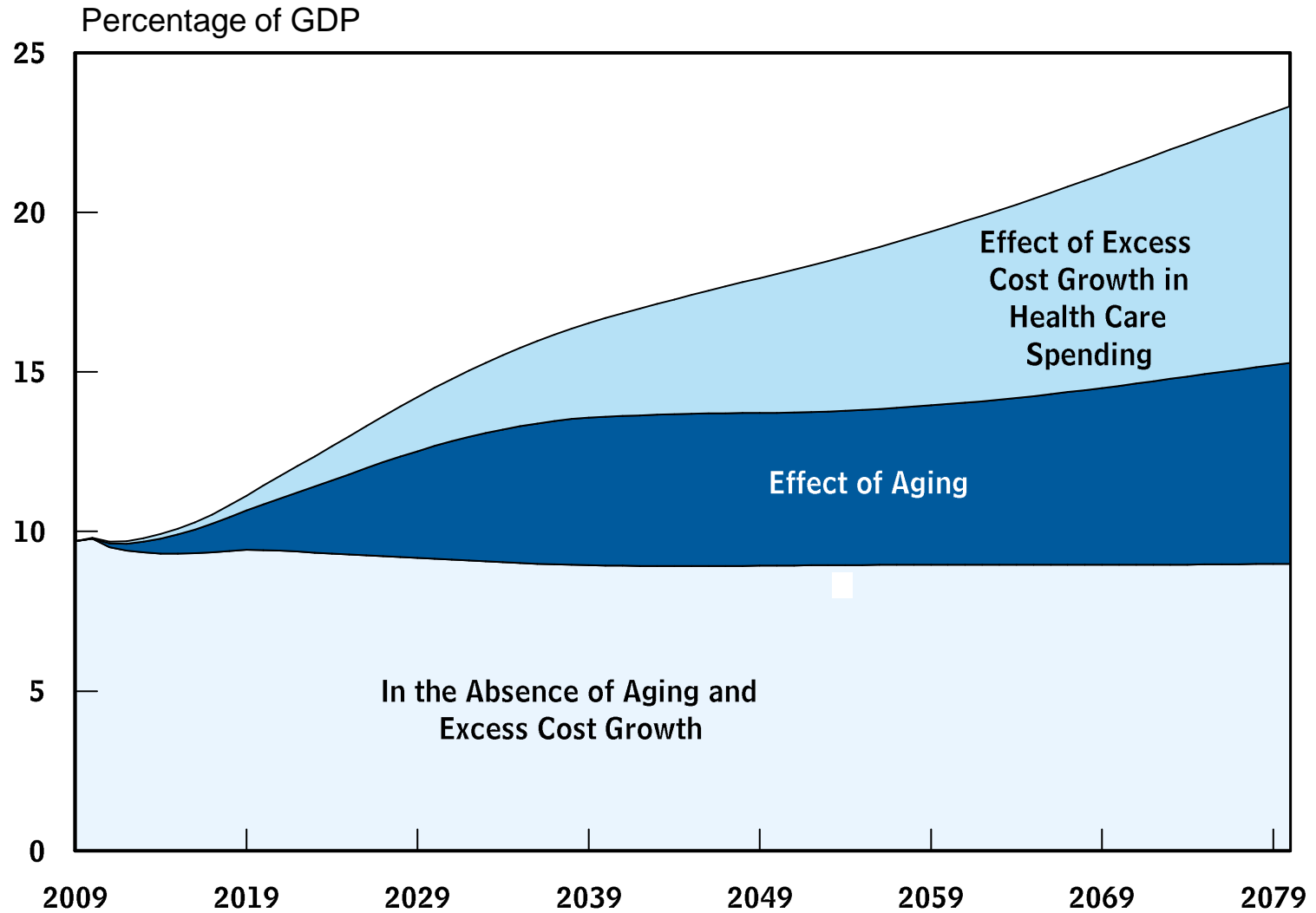


Aging Population: Population 65+ as a Share of the Population Ages 20 to 64



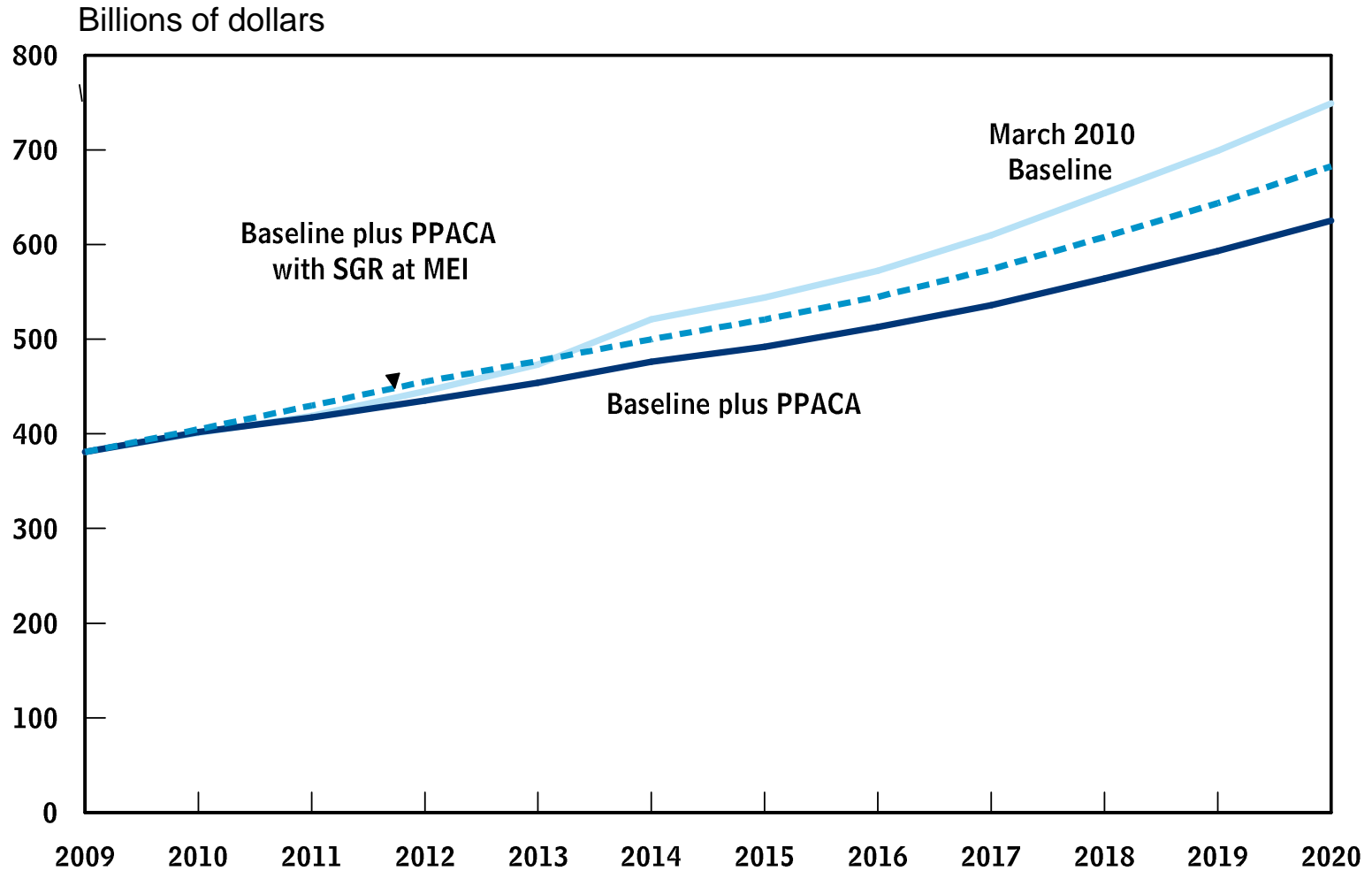


Factors Explaining Future Federal Spending on Medicare, Medicaid, and Social Security





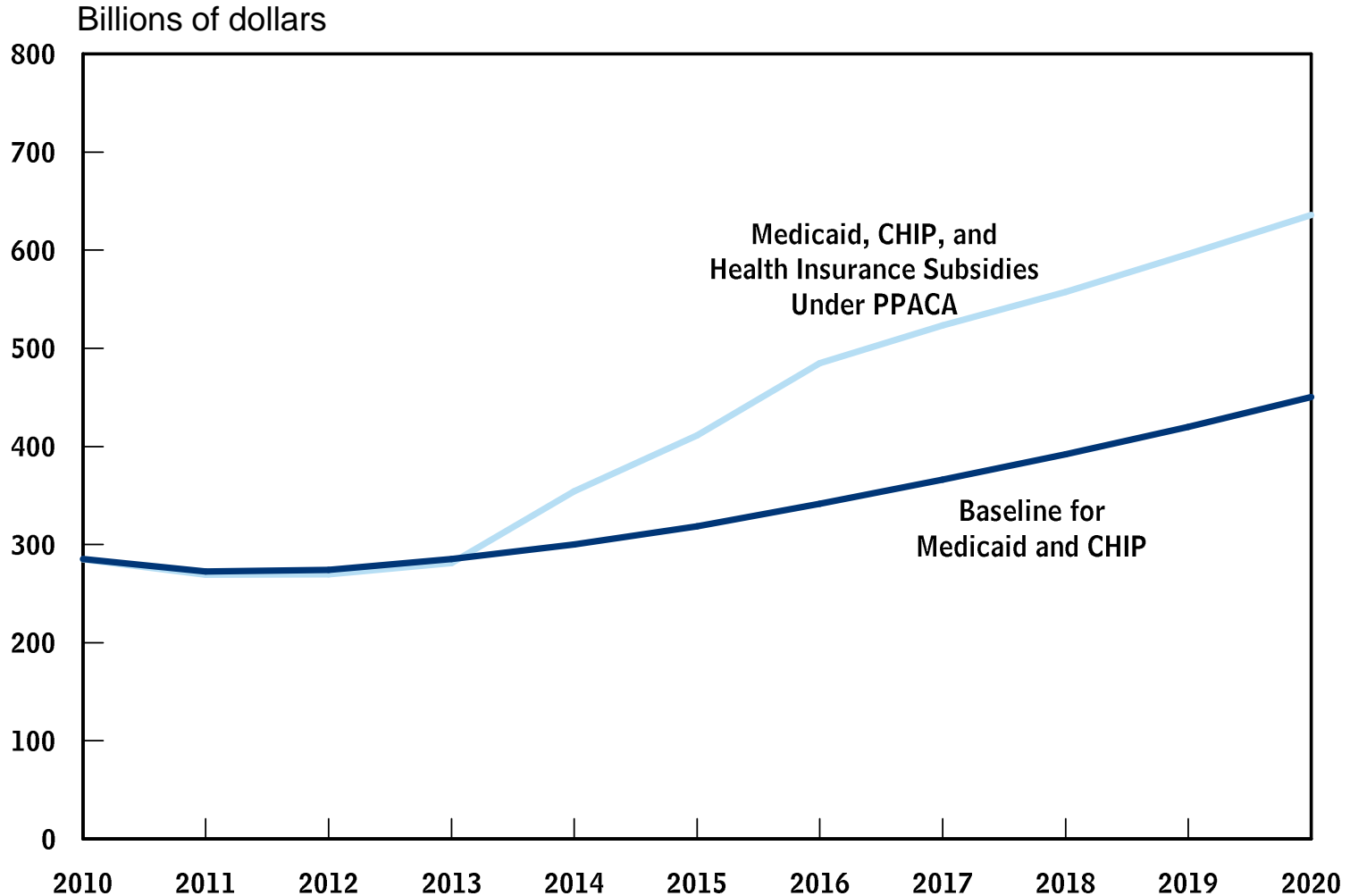
Projected Spending for Medicare, Parts A and B



Note: PPACA = Patient Protection and Affordable Care Act; SGR = Sustainable Growth Rate; MEI = Medicare Economic Index



Projected Spending for Medicaid, CHIP, and New Health Insurance Subsidies



Note: CHIP = Children's Health Insurance Program; PPACA = Patient Protection and Affordable Care Act