



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

January 12, 2017

A Message from the Secretary

The annual Financial Report of the U.S. Government provides to the public a comprehensive overview of the Government's current financial position, as well as critical insight into our long term fiscal outlook. The Fiscal Year 2016 Financial Report, the final U.S. Financial Report of the Obama Administration, reflects an economy that has come a long way since 2008, with sustained private sector job growth and increasing vitality.

Under President Obama's leadership, there has been substantial economic and fiscal progress, showing what is possible when strategic investment is paired with smart reform. Labor market conditions continue to improve, we have added millions of jobs to the economy and GDP has grown steadily. Globally, the United States remains a driver of steady economic growth.

In Fiscal Year 2016, the Nation's economic gains contributed to increased revenues and sustainable deficit financing for the next decade. The Government's estimated long-term fiscal gap continues to be reduced by the provisions of the Affordable Care Act of 2010, Budget Control Act of 2011, and the American Taxpayer Relief Act of 2013. These and other measures support our economy, allow our government to operate more efficiently, and support long term fiscal health.

This Administration's policies have created the space to address the country's long term fiscal challenges; however, near term policies that reduce revenues or increase spending, such as through changes to our tax code or the Affordable Care Act, could increase the size of the fiscal gap and force more dramatic adjustments in later years. We must ensure that our prosperity is shared by all Americans, not just those at the top. I am proud of the work we have done as a country over the past eight years to address our economic challenges and am pleased to share this strong report.

Jacob J. Lew