



The Financial Report of the U.S. Government: What Does It Show and How Does It Compare Internationally

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Management Conference
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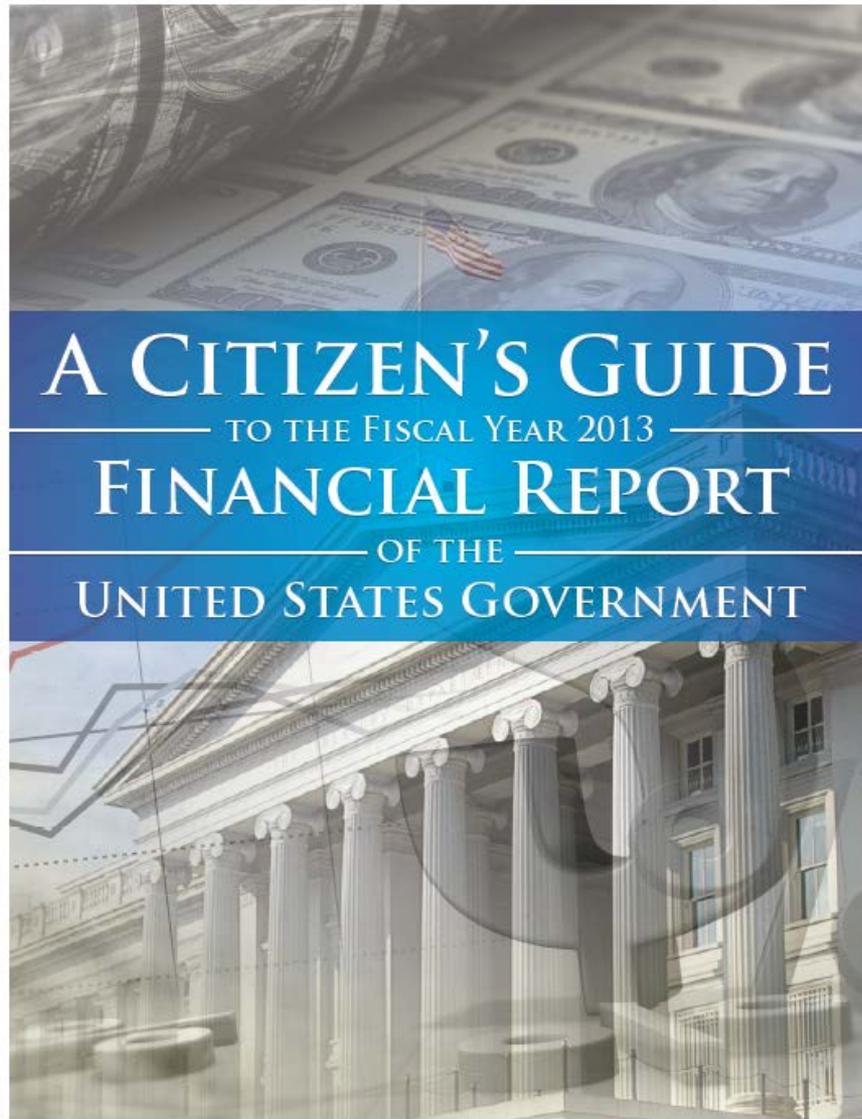


"We might hope to see the finances of the Union as clear and intelligible as a merchant's books, so that every member of Congress and every man of any mind in the Union should be able to comprehend them, to investigate abuses, and consequently to control them."

President Thomas Jefferson to Treasury Secretary Albert Gallatin, 1802



Citizen's Guide

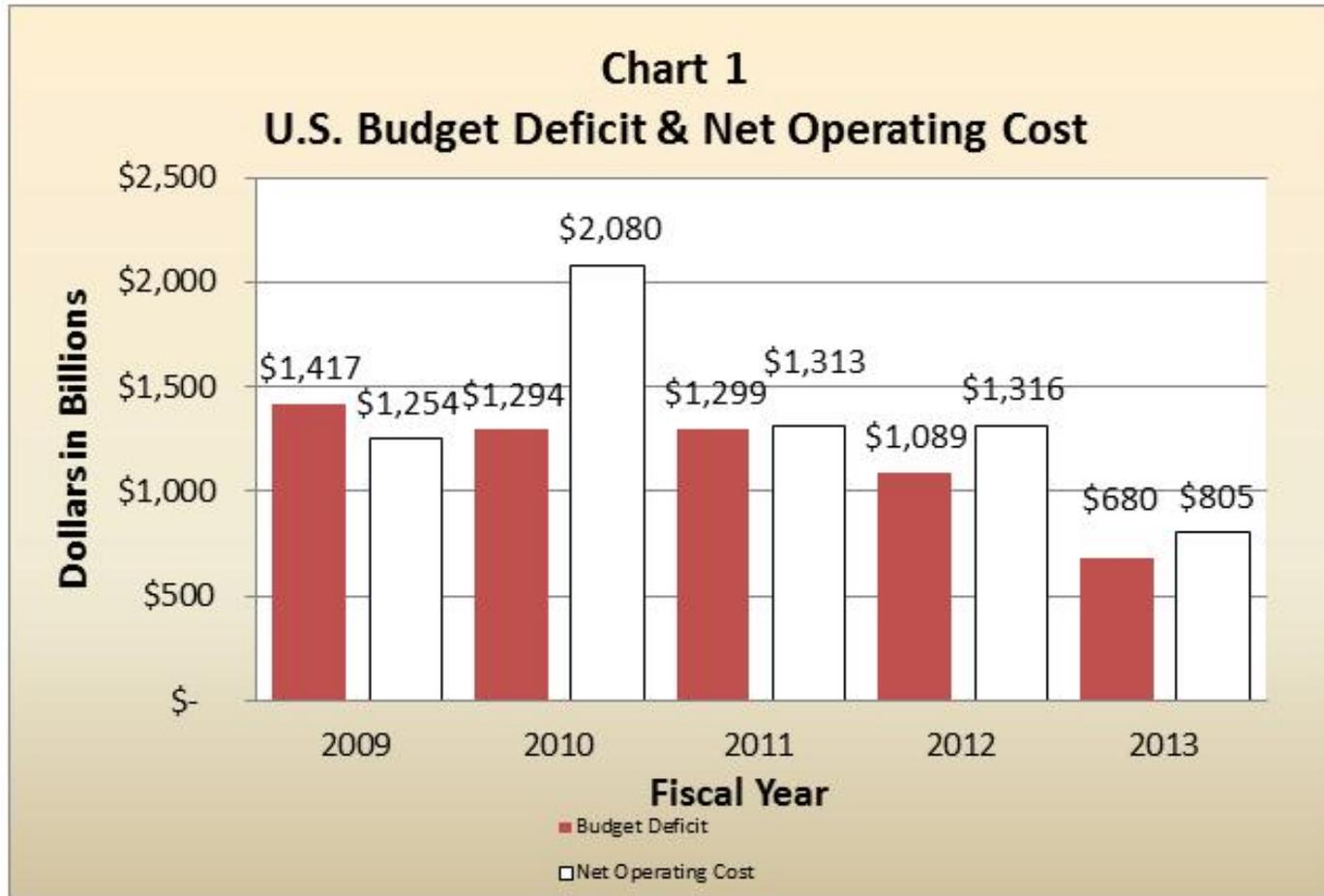


Key Issues

- Current Financial Position and Condition (“Traditional”)
- Social Insurance & Sustainability (“Non-Traditional”)



Traditional: Comparing Cost and Deficit





Traditional

Gross Cost: \$3.9t

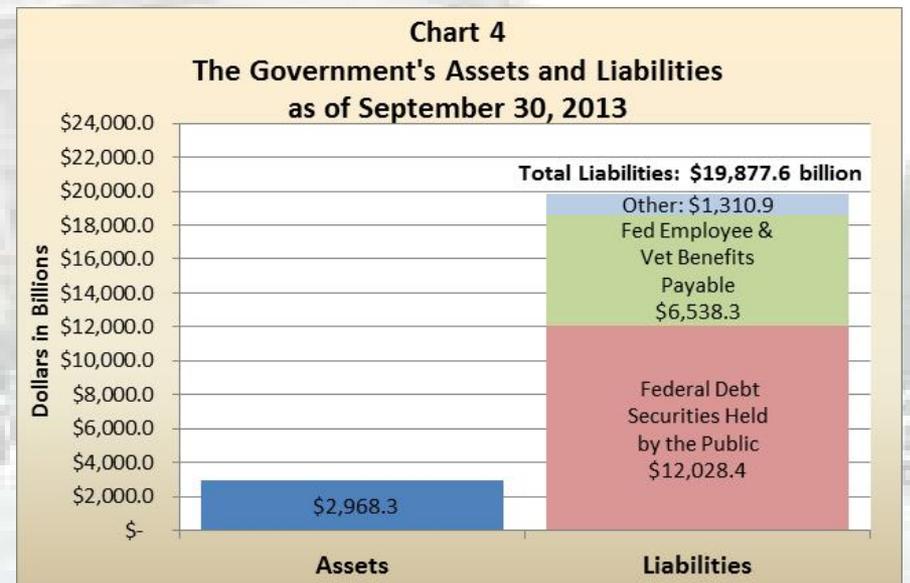
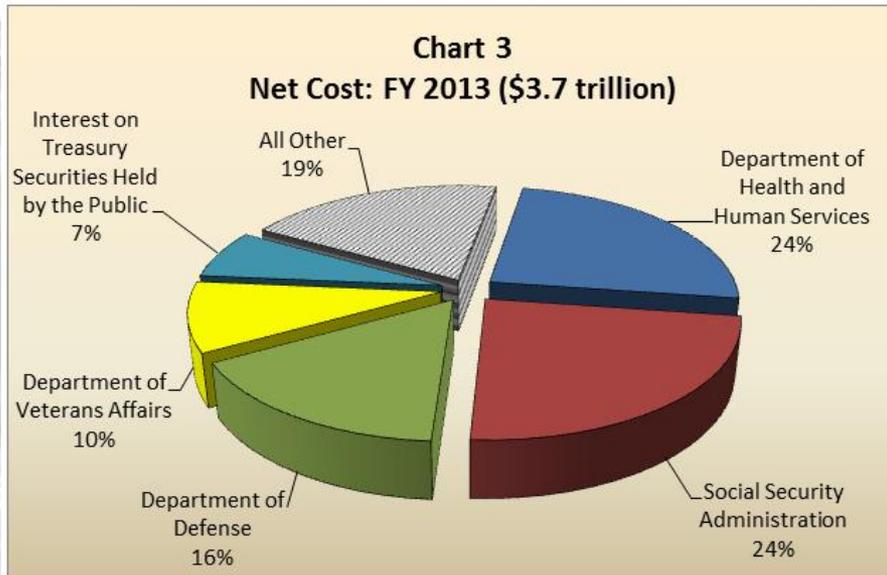
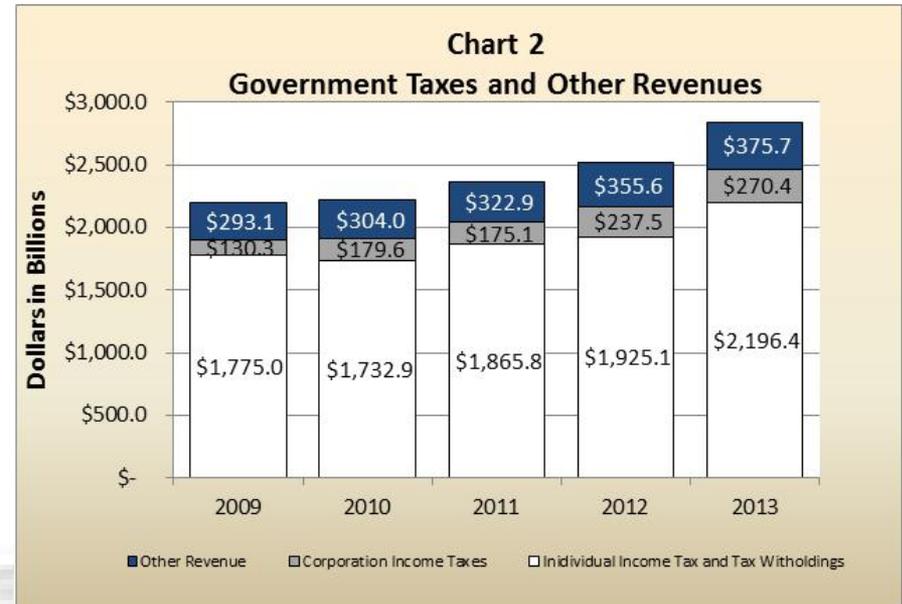
- Earned Revenue \$415.5b

+/- Assumption Loss/Gain \$131.2b

Net Cost: \$3.7t

- Taxes / Other Revenue \$2.8t

Net Operating Cost: \$805b





Non-Traditional – Statement of Social Insurance

Social Insurance Future Expenditures in Excess of Future Revenues				
Dollars in Billions	2013	2012	Increase / (Decrease)	
			\$	%
Open Group (Net):				
Social Security (OASDI)	\$ (12,294)	\$ (11,278)	\$ 1,016	9.0%
Medicare (Parts A, B, & D)	\$ (27,302)	\$ (27,174)	\$ 128	0.5%
Other	\$ (102)	\$ (102)	\$ (1)	-0.5%
Total Social Insurance Expenditures, Net (Open Group)	\$ (39,698)	\$ (38,554)	\$ 1,144	3.0%

- Net present value: projected expenditures and receipts
- Based on Trustees Reports assumptions
- Statement of Changes in Social Insurance



Non-Traditional - Fiscal Sustainability

Long-Term Fiscal Projections

Chart 5: Historical and Current Policy Projections for Receipts, Non-interest Spending, Net Interest, and Total Spending 1980-2088

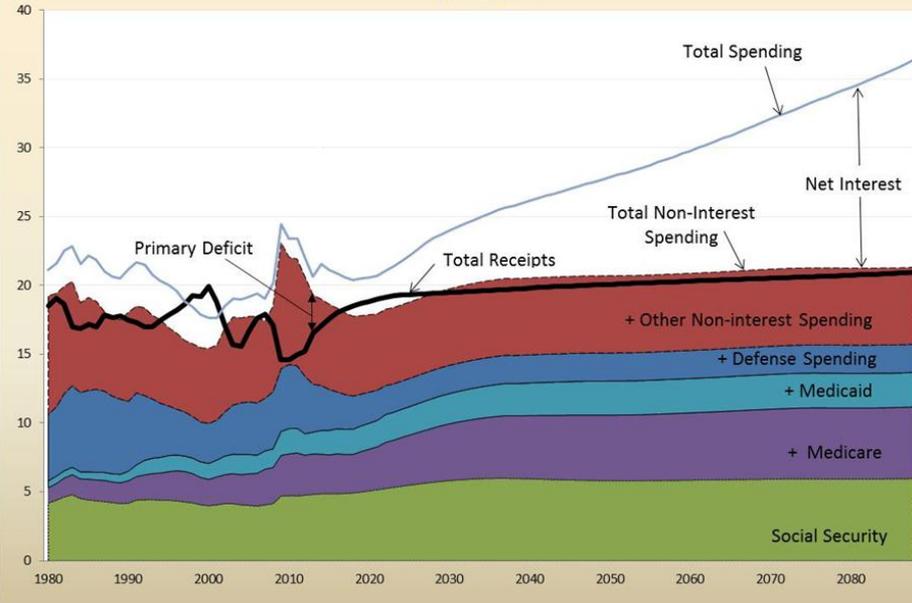
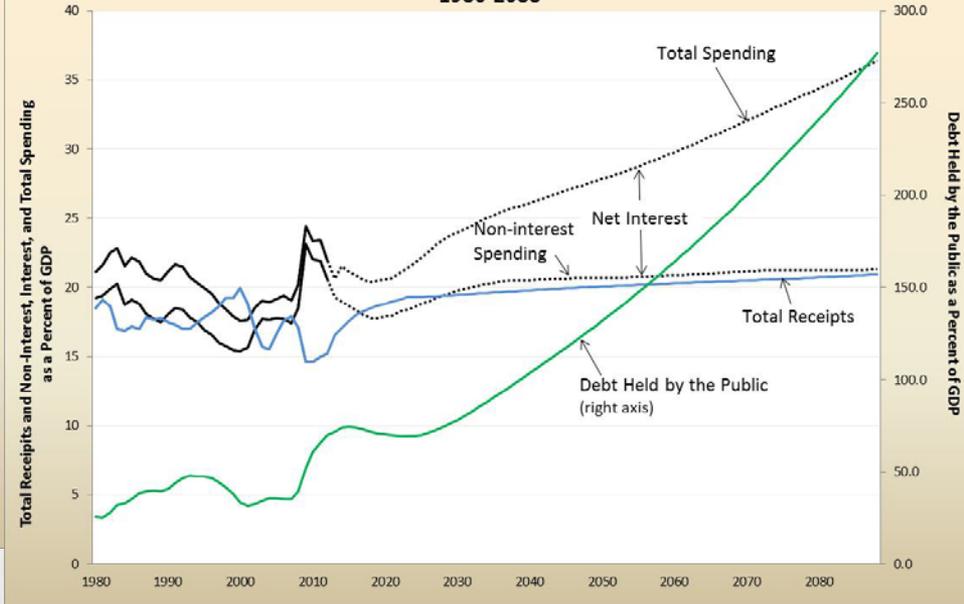


Chart 6: History and Current Policy Projections for Total Receipts; and Non-interest, Net Interest, and Total Spending; and Debt Held by the Public, 1980-2088



Costs of Delaying Fiscal Reform

Fiscal Gap

Period of Delay	Change in Average Primary Surplus
No Delay: Reform in 2014.....	1.7 percent of GDP between 2014 and 2088
Ten Years: Reform in 2024.....	2.1 percent of GDP between 2024 and 2088
Twenty Years: Reform in 2034..	2.6 percent of GDP between 2034 and 2088

Note: Reforms taking place in 2013, 2023, and 2033 from the 2012 Financial Report were 2.7, 3.2, and 4.1 percent of GDP.



“To state the facts frankly is not to despair the future nor indict the past. The prudent heir takes careful inventory of his legacies and gives a faithful accounting to those whom he owes an obligation of trust.”

- John F. Kennedy



Getting the Word Out

Conferences

- AGA
 - Chapter
 - Region
 - National
- NASACT
- AICPA
- OECD*

Colleges & Universities

- George Washington U.
- George Mason U.
- American
- William & Mary
- Indiana University



OECD Accruals Conference

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- U.S.A
- European Central Bank
- IASB
- IMF
- IPSASB
- UN
- World Bank



Visiting Delegations



Canada



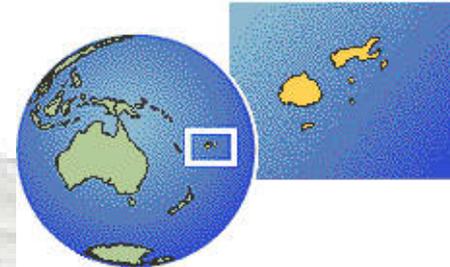
United Kingdom



India



S. Korea



Pacific Islands



China



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www.fms.treas.gov/fr/index

<http://www.whitehouse.gov/omb/financial/index.html>

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