

Where the Money Goes

It's tax time again, and as you look over your tax payments for calendar 2016, you're undoubtedly wondering where those dollars are being spent.

The Wall Street Journal recently published a chart which breaks down spending for every \$100 of tax receipts—and concludes that the U.S. government is actually a very large insurance company that also happens to have an army.

For every \$100 you pay in taxes, \$23.61 goes to Social Security payments and administration—basically old age insurance for retirees. Another \$15.26 goes to Medicare, the government health insurance program. Medicaid, the health insurance program for the poor, accounts for another \$9.55 of that \$100 tax bill—bringing the total costs for various civilian insurance programs to 48% of the total budget. And that army? It costs \$15.24 of every \$100 the government collects in taxes, not counting veterans benefits.

In all, the 2016 federal budget fell \$15.24 out of every \$100 short of revenues equalling expenses. Where would you cut?

Things like federal expenditures and grants for education (\$2.08), food stamps (\$1.89), affordable housing (\$1.27) and foreign aid (\$1.14) actually make up a very small part of the budget, smaller than interest payments on the national debt (\$6.25).

There has been talk about helping reduce the budget by lowering expenditures on the National Endowments for the Arts and Humanities, which together represent eight tenths of one cent of that \$100 tax bill. This would be comparable to someone trying to pay off his mortgage by looking for coins under the sofa cushions.

Source:

<https://www.wsj.com/articles/how-100-of-your-taxes-are-spent-8-cents-on-national-parks-and-15-on-medicare-1492175921>