

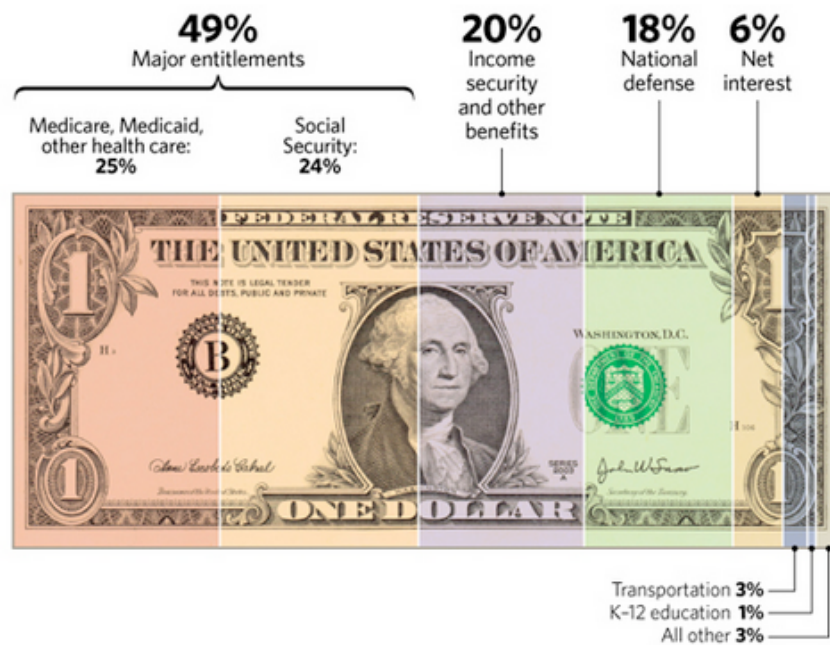


## WIPP WORKS IN WASHINGTON – APRIL 2014

### Where Does Your Money Go? By Ann Sullivan

Now that the April 15 deadline for filing taxes is in the rearview mirror, you might find yourself wondering, where exactly did your money go? We all know that our taxes go to the government to pay for all sorts of things: social security, our military, roads, schools and national parks. What you may not know is how much of your tax dollars go to what programs.

In FY2013 the government spent approximately \$3.5 trillion. That's pretty much in line with spending the previous year. So where did it all go? If we broke up each of those trillions of dollars by the programs they funded, they would look like this:



As you can see, the big spenders are Social security and Healthcare (mainly Medicare and Medicaid) making up half (49%) of all government spending. More is spent on paying interest on the debt (6%) than on “big issues” like transportation (3%) or education (1%). Many of the programs WIPP supports aren’t even listed because they are so small—mere budget dust.

[Fix the Debt](#), a bipartisan coalition to which WIPP belongs, put together a table (right) that shows more details on how revenue is divided up. The table shows how each \$100 in tax revenues was divided up in 2013.

One takeaway, some of our spending seems smaller than politicians make it sound. For example, I noticed that food stamps, debated fiercely in the media and on Capitol Hill, accounted for about \$2 for every \$100 spent. The same is true for unemployment insurance. Foreign aid, a hotly contested part of the budget was less than 1% of spending. Contentious but small.

More interesting was a footnote to the chart: *every American would have to pay 25% more on their 2013 taxes to balance the budget.* That's right, to match our spending in 2013, each of us needed to send Uncle Sam another quarter for every dollar we paid.

That's because, although the government spent more than \$3 trillion, the government collected far less – yielding a deficit last year of about \$680 billion. Thankfully, unlike a small business, the government's line of credit is pretty large (you may recall a certain “debt ceiling” debate).

The White House also has a calculator that allows you to enter your income, and see just how much you gave to each program with their [Taxpayer Receipt](#). You can use that function to find out how much you paid for each of the government programs of interest to you.

Just as CEOs of businesses pay attention to their financials, you as a taxpayer should be paying attention to the government's financials. After all, you help pay for it. Unhappy with what you learn? Get in touch with those who represent you in Congress. The Congress is just starting to put together its spending program for FY15. Be a part of it—your opinion matters.

P.S. Favorite Tax Fact: The Gettysburg address is 269 words, the Declaration of Independence is 1,337 words, and the Bible is only 773,000 words. However, the tax code has grown from 11,400 words in 1913 to over 3 million words today.

Where Your Tax Dollar Goes	
How revenue was divided up among federal programs in 2013.	
Share of Every \$100 in Taxes Paid	
Defense and Military Benefits	\$23.68
Social Security	23.39
Health Care:	22.23
Medicare	14.24
Medicaid	7.68
Other Health	0.30
Interest	6.41
Veterans Benefits	4.02
Transportation	2.65
Civilian Federal Retirement	2.65
Refundable Tax Credits	2.43
Food Stamps	2.39
Unemployment Insurance	2.00
Supplemental Security Income	1.53
Housing Assistance	1.35
Education	1.32
Foreign Aid	0.97
Agriculture	0.85
Congressional Salaries	0.004
Other	2.13

Note: In order to pay for all federal spending in 2013, taxpayers would have needed to pay an additional \$24.50 for every \$100 they paid.  
Source: Committee for a Responsible Federal Budget