

From: Tracy Mehan [Ex. 6](#)
Sent: 2/13/2018 1:07:33 PM
To: Tracy Mehan [tmehan@awwa.org]
Subject: from the Wall Street Journal

The Deficit Problem in a Chart

'Payments for individuals' gobble up 69% of federal outlays.



New copies of President Donald Trump's Budget for the U.S. Government for the Fiscal Year 2019 lay on a display table at the U.S. Government Publishing Office in Washington, Feb. 12. PHOTO: LEAH MILLIS/REUTERS

By

The Editorial Board

Feb. 12, 2018 7:17 p.m. ET

82 COMMENTS

The White House released the President's \$4.4 trillion budget request for fiscal 2019 on Monday, and talk about an afterthought. Congress just passed a two-year budget outline that supersedes nearly everything Mr. Trump is proposing.

Congress still must work out the details in spending bills, and perhaps appropriators will grab a Trump request or two, which include everything from a border wall to cuts to food stamps to a plan for spinning off air-traffic control. The President also wants \$200 billion in infrastructure spending (see nearby) over 10 years, though this seems politically unlikely now that the GOP has shoveled \$20 billion on public works for two years and annual deficits may exceed \$1 trillion.

Entitlements vs. Defense Payments for defense and to individuals as a percentage of federal outlays, 1989-2023 Source: Office of Management and Budget Note: 2018-2023 estimates

%National defense Payments for individuals 1990 2000 '10' 2002 04 06 08 0

The most important thing to understand about the U.S. budget, Donald Trump or no, is illustrated by the nearby chart. Even with Mr. Trump's modest increases, defense barely rises as a share of federal outlays. In 1989 when the Berlin Wall fell, defense was 26.5% of outlays. In 2019 it will be 15.6%.

Meantime, look at “payments for individuals,” which encompass such income transfers as Medicare, Medicaid, Social Security and food stamps, among other things. This category was 47.7% of outlays in 1989 and has steadily climbed to reach an estimated 69.2% in 2019.

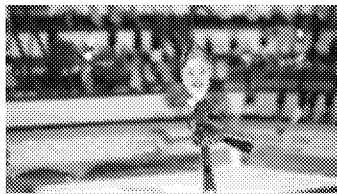
Net interest on the federal debt soaks up another 7.4% of outlays for 2018, and that will rise with interest rates. But as long as Donald Trump and Democrats refuse to reform entitlements, whining about debt and deficits is phony. Defense hawks like John McCain have a compelling case that troops have been denied adequate resources to defend the country, and the giant sucking sound in the federal fisc isn’t defense. It’s the relentless rise of income transfers.

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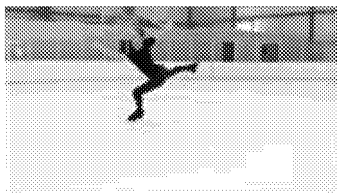
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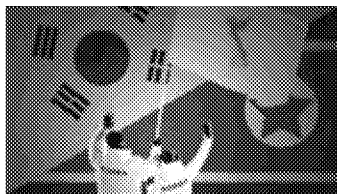
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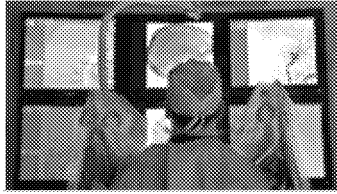
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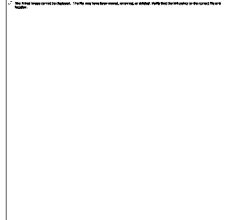
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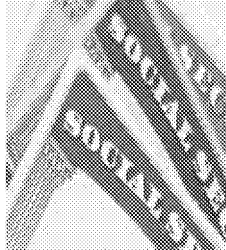
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