

BANKRUPTING AMERICA

A PROJECT OF PUBLIC NOTICE

MAKING SPENDING PERSONAL: Congress and the American Family

Washington has a bad reputation for its spending addiction. During tight economic times, the average American family has learned to make tough decisions and tighten its belt. Washington, however, has done quite the opposite. What would happen if the average American family spent like Washington?

In 2000, the federal government took in about \$2.6 trillion and only spent approximately \$2.3 trillion. This means that in 2000, they only spent \$0.88 for every \$1 they earned. In 2010, the federal government earned about \$2.2 trillion and spent about \$3.5 trillion. This means for every dollar they earned, they spent \$1.60.

What would it look like if the average family spent like Washington? In 2010, the median household income was \$49,445 per year. If Americans families spent \$1.60 for every dollar they earned, they would have spent \$79,017 in the same year.

Families would never get away with this recklessness, and neither should Washington.

REVENUE AND SPENDING IN DOLLARS

| Year | The Federal Government | | | American Household | |
|------|------------------------|-----------|----------------------|--------------------|--------------------------|
| | Revenue | Spending | \$ Earned / \$ Spent | Median Income | Spending like Washington |
| 2000 | 2,563,533 | 2,264,494 | \$0.88 | 53,152 | 46,952 |
| 2001 | 2,452,071 | 2,294,145 | \$0.94 | 52,005 | 48,656 |
| 2002 | 2,246,225 | 2,437,447 | \$1.09 | 51,405 | 55,781 |
| 2003 | 2,111,746 | 2,559,122 | \$1.21 | 51,325 | 62,198 |
| 2004 | 2,171,032 | 2,647,622 | \$1.22 | 51,194 | 62,432 |
| 2005 | 2,403,584 | 2,758,881 | \$1.15 | 51,703 | 59,346 |
| 2006 | 2,602,021 | 2,870,324 | \$1.10 | 52,109 | 57,482 |
| 2007 | 2,700,300 | 2,869,281 | \$1.06 | 52,821 | 56,127 |
| 2008 | 2,557,235 | 3,021,828 | \$1.18 | 50,966 | 60,225 |
| 2009 | 2,139,216 | 3,574,875 | \$1.67 | 50,586 | 84,536 |
| 2010 | 2,162,724 | 3,456,213 | \$1.60 | 49,445 | 79,017 |

All numbers adjusted for inflation.

SOURCES:

FEDERAL OUTLAYS AND REVENUE: OMB: President's FY2012 Budget. Historical Table 1.1.
<http://www.whitehouse.gov/omb/budget/Historicals>

MEDIAN HOUSEHOLD INCOME: Census Historical Tables. Table H-8.
<http://www.census.gov/hhes/www/income/data/historical/household/index.html>

INFLATION ADJUSTMENTS: Oregon State University 2011 Conversion Factor. <http://oregonstate.edu/cla/polisci/faculty-research/sahr/sahr.htm>