



USA FACTS

AMERICA IN FACTS 2024

# Government finances

# Government finances facts

## Government revenue

- Federal, state, and local governments combined collected \$8.6 trillion in FY 2021, a nearly threefold increase since FY 1980, adjusted for inflation. The largest revenue source was individual income taxes.
- Federal revenue reached nearly \$4.5 trillion in FY 2023, with 49% from individual income taxes and 37% from payroll taxes.
- Federal revenue decreased by 15% in FY 2023 but was still 8% higher than in FY 2019.
- More than one-quarter of state and local governments' revenue came from investment earnings in FY 2021, the most recent year for which there is data.

## Government employment

- In 2022, the government employed over 20.9 million people, with 79% in state or local positions.
- Fifty-five percent of state and local employees worked in education, while half of federal employees were in national defense and international affairs.

## Government spending

- In FY 2021, combined government spending in the US was \$10.4 trillion, more than three times the amount in FY 1980, adjusted for inflation. The federal government spent 61% of this total directly on operations, people, and programs and it transferred another 14% to states and local governments.
- The federal government spent nearly \$6.2 trillion in FY 2023, including money transferred to states and local governments.
- Federal spending decreased by 8% in FY 2023 but was 16% above FY 2019 levels.

## Fiscal trends and deficit

- The federal government spent 38% more than it collected in FY 2023, resulting in a \$1.7 trillion deficit. The deficit was higher than in FY 2022 but lower than the peaks of FY 2020 and FY 2021.
- Federal debt reached \$33.2 trillion in FY 2023. More than \$26 trillion of this debt was held by the public, equivalent to 95.4% of GDP, or \$79,000 per person.

## About the data

### What are the primary sources of data on this topic?

- Office of Management and Budget
- Census Bureau
- Bureau of Economic Analysis
- Department of the Treasury

### What adjustments did USAFacts make to this data?

- USAFacts categorizes government finances according to the four missions outlined in the US Constitution. This approach is modeled after what businesses do for management accountability and shareholder reporting.

- Finance data is adjusted for inflation so comparisons can be made over time.
- USAFacts recategorizes federal employee data from the Office of Management and Budget to capture the types of jobs these employees hold and to make it comparable with state and local employee data from the Census Bureau.
- To learn more about the financial analysis methodology, visit [usafacts.org/methodology](https://usafacts.org/methodology).

### Other things to know about the data

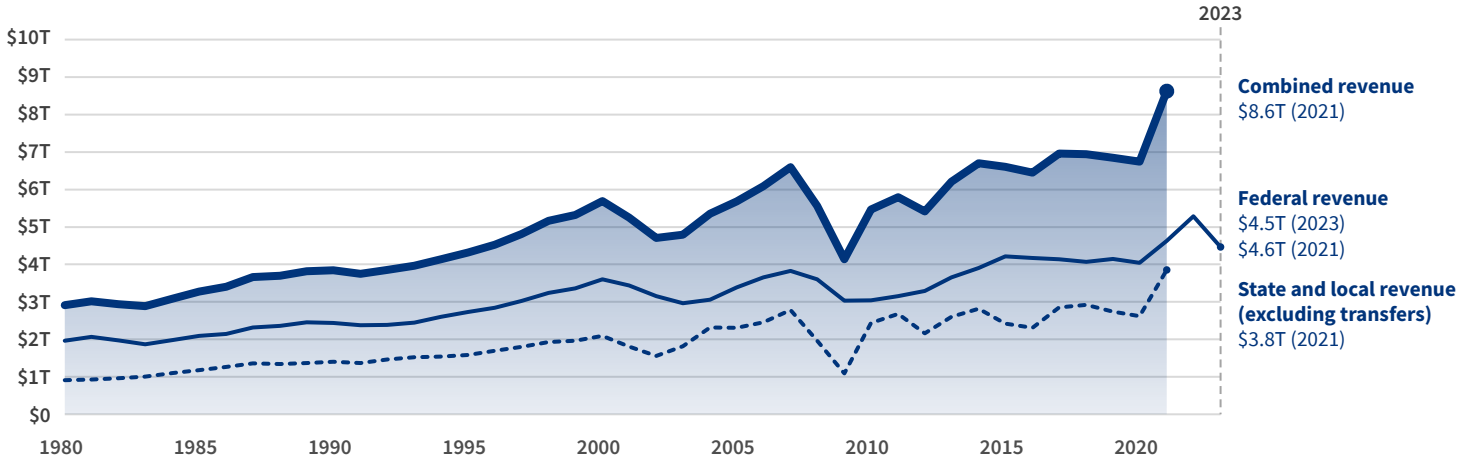
- Due to collection time differences, state and local government data is not as current as federal data. The most recent state and local government data available ends in 2021.
- The data in this section is in fiscal years. The federal fiscal year is October through September, while state and local fiscal years are generally July through June. For example, the 2023 fiscal year covers the period of October 2022 through September 2023.



## How much revenue do federal, state, and local governments collect in the United States?

Combined, US governments collected \$8.6 trillion in FY 2021, three times what they collected in FY 1980 (adjusted for inflation). Individual income taxes were the largest source of revenue.

### COMBINED GOVERNMENT REVENUE FEDERAL, STATE, AND LOCAL

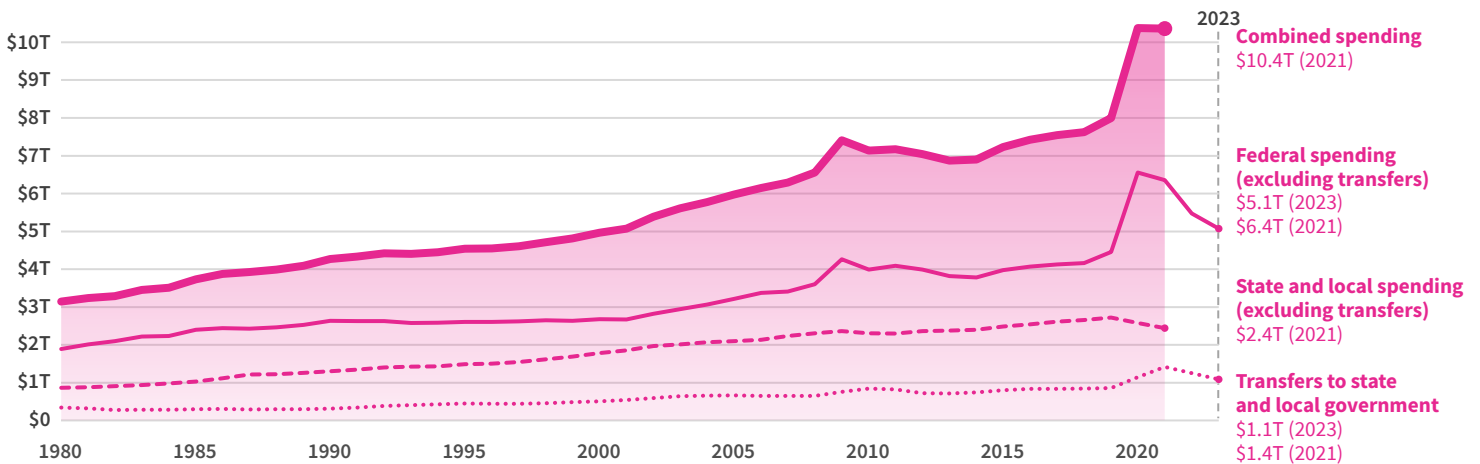


Source: USAFacts aggregation of data from Office of Management and Budget (OMB), Census Bureau, and Bureau of Economic Analysis (BEA)  
Adjusted for inflation (FY 2023 dollars)  
Note: Numbers may not add up due to the discrepancy between grants from the federal government to state and local governments as reported by the federal government versus as reported by state and local governments.

## How much money do federal, state, and local governments spend?

Combined, US governments spent \$10.4 trillion in FY 2021, 3.3 times more than in FY 1980 (adjusted for inflation). Spending peaked in FY 2020 due to COVID-19 relief efforts, and although it decreased slightly in FY 2021, it remained higher than in any fiscal year before 2020. Direct federal spending accounted for 61% of this spending. The federal government transferred another 14% for state and local governments to spend.

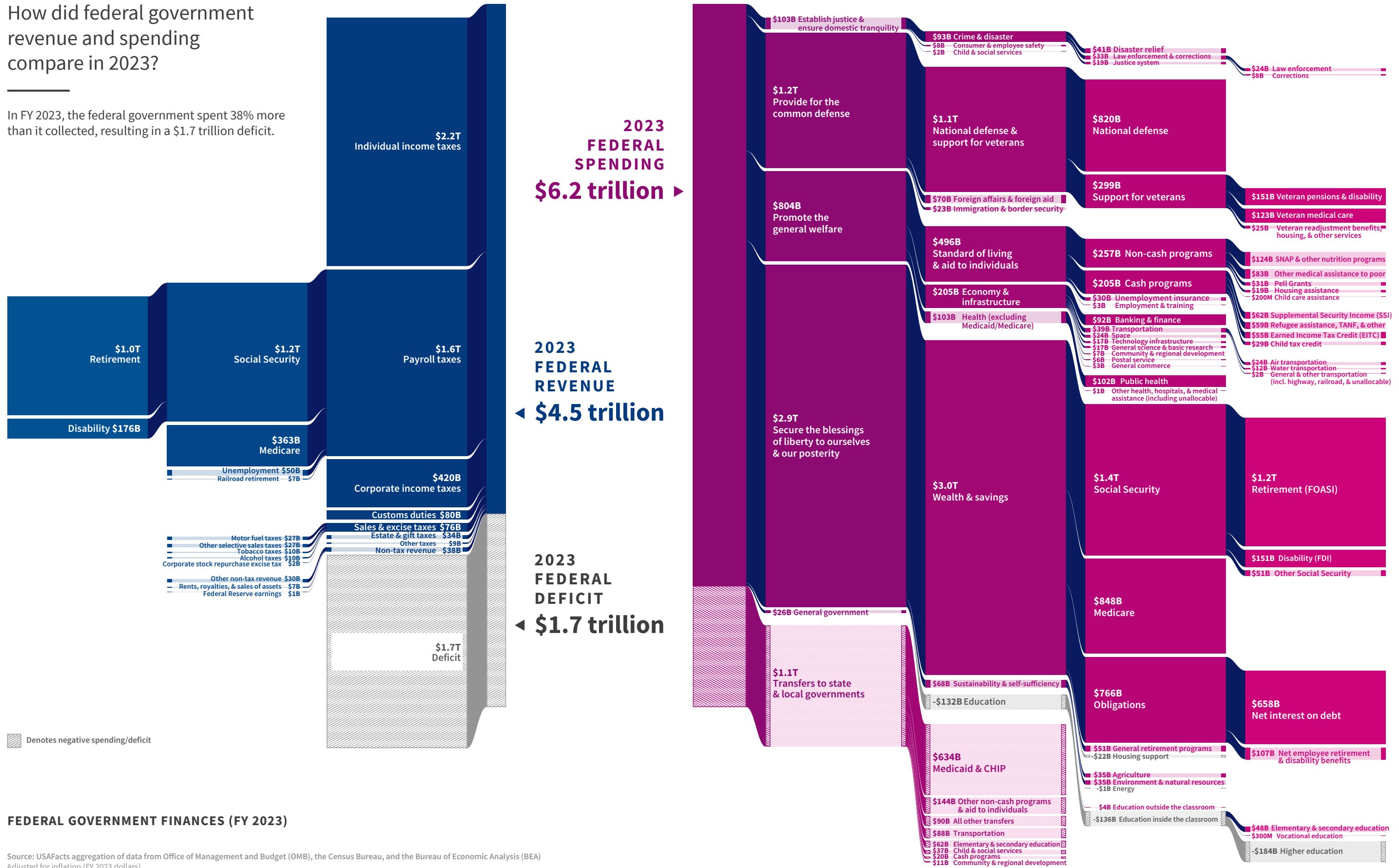
### COMBINED GOVERNMENT SPENDING FEDERAL, STATE, AND LOCAL



Source: USAFacts aggregation of data from Office of Management and Budget (OMB), Census Bureau, and Bureau of Economic Analysis (BEA)  
Adjusted for inflation (FY 2023 dollars)  
Note: Numbers may not add up due to the discrepancy between grants from the federal government to state and local governments as reported by the federal government versus as reported by state and local governments.

# How did federal government revenue and spending compare in 2023?

In FY 2023, the federal government spent 38% more than it collected, resulting in a \$1.7 trillion deficit.



## FEDERAL GOVERNMENT FINANCES (FY 2023)

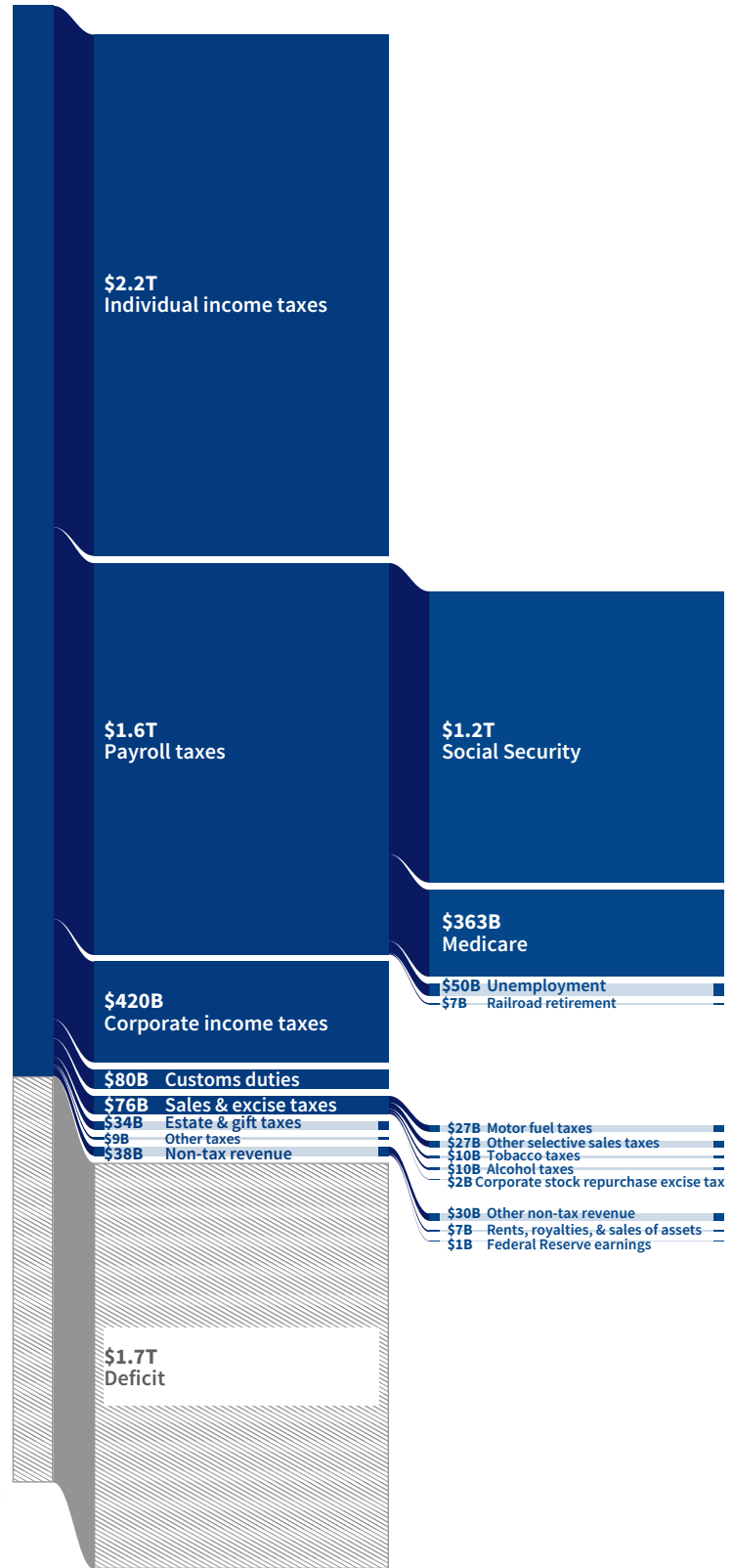
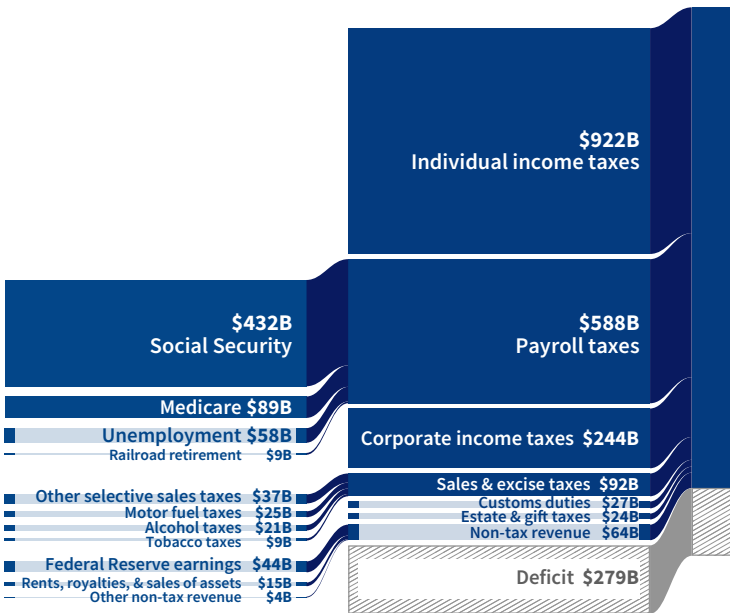
Source: USAFacts aggregation of data from Office of Management and Budget (OMB), the Census Bureau, and the Bureau of Economic Analysis (BEA). Adjusted for inflation (FY 2023 dollars). Note: Charts are shown to scale for comparison. Numbers may not add due to rounding. The cost of President Biden's original student loan forgiveness executive order appeared as spending in the FY 2022 budget, but that anticipated spending was reversed in the FY 2023 budget after the Supreme Court's ruling that it was unconstitutional. As a result, total federal education spending in the FY 2023 budget was negative.

# How has federal government revenue changed over time?

Federal government revenue increased 2.3 times between FY 1980 and FY 2023, while the population increased 1.5 times.

**2023  
FEDERAL  
REVENUE**  
▶  
**\$4.5 trillion**

**1980 FEDERAL REVENUE**  
▼  
**\$2.0 trillion**



▨ Denotes negative spending/deficit

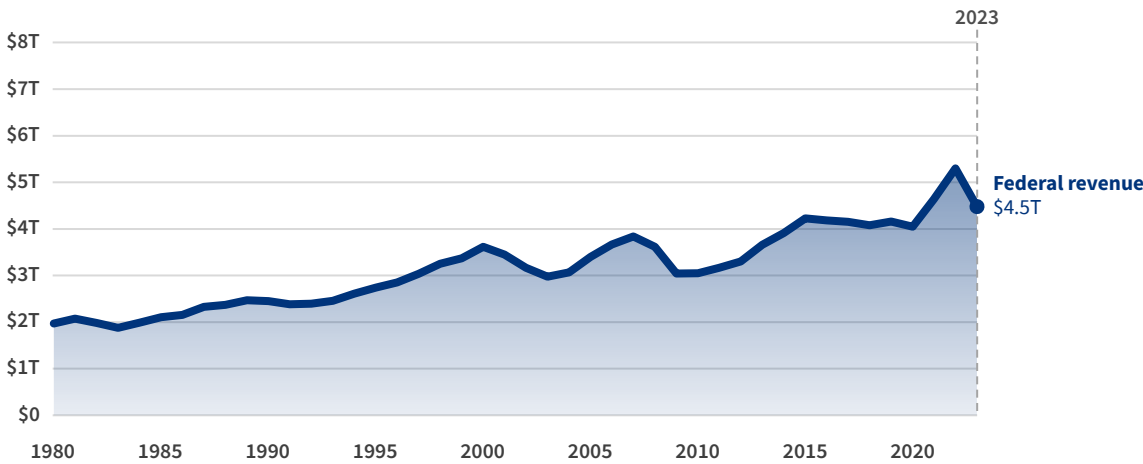
## FEDERAL GOVERNMENT REVENUE (FY 1980 VS. FY 2023)

Source: USAFacts aggregation of data from Office of Management and Budget (OMB), the Census Bureau, and the Bureau of Economic Analysis (BEA)  
Adjusted for inflation (FY 2023 dollars)  
Note: Charts are shown to scale for comparison. Numbers may not add due to rounding.

## What are the federal government's primary revenue sources?

The federal government collected nearly \$4.5 trillion in revenue in FY 2023. Nearly half (49%) was collected through individual income taxes, while 37% was through payroll taxes. Other revenue sources included corporate income taxes, customs duties, and sales taxes. Federal revenue decreased 15% in FY 2023 but remained 8% higher than in FY 2019. The drop was due to lower revenue from individual income taxes (partly due to lower capital gains income) and non-tax sources. Non-tax sources include Federal Reserve earnings and proceeds from selling government resources.

### FEDERAL GOVERNMENT REVENUE

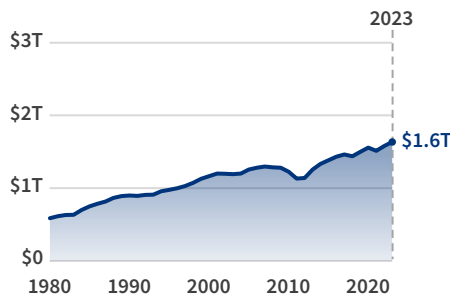


### MOST FEDERAL GOVERNMENT REVENUE IN FY 2023 CAME FROM SIX AREAS

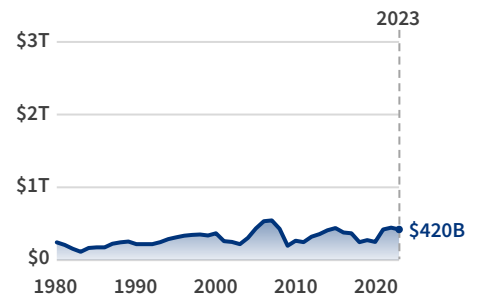
#### 49% Individual income taxes



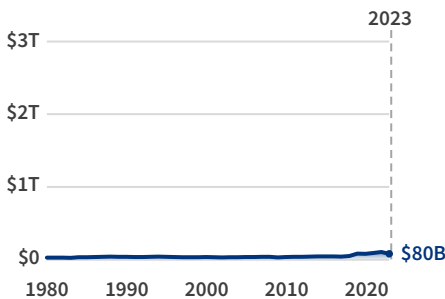
#### 37% Payroll taxes



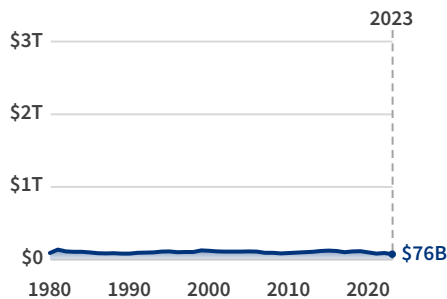
#### 9% Corporate income taxes



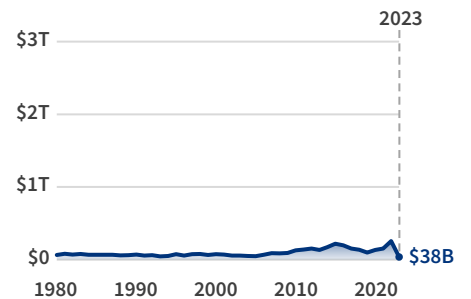
#### 2% Customs duties



#### 2% Sales and excise taxes



#### 1% Non-tax revenue



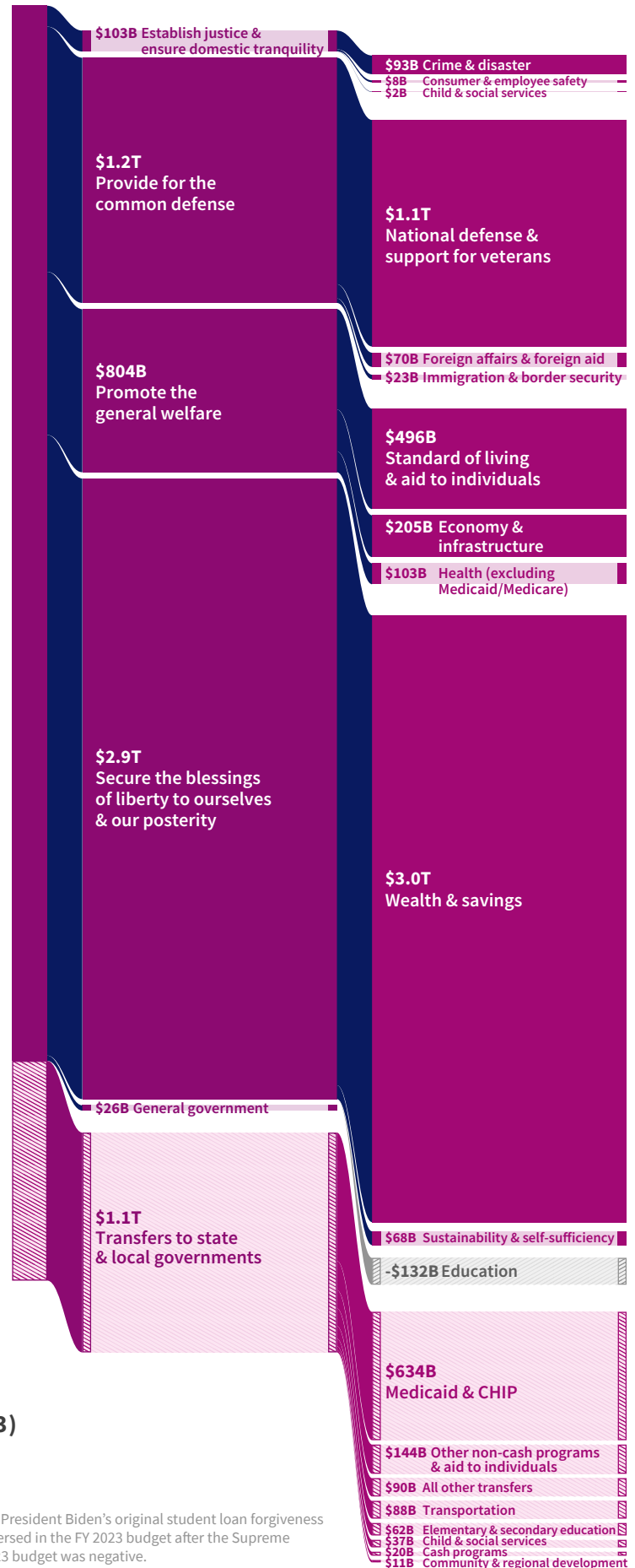
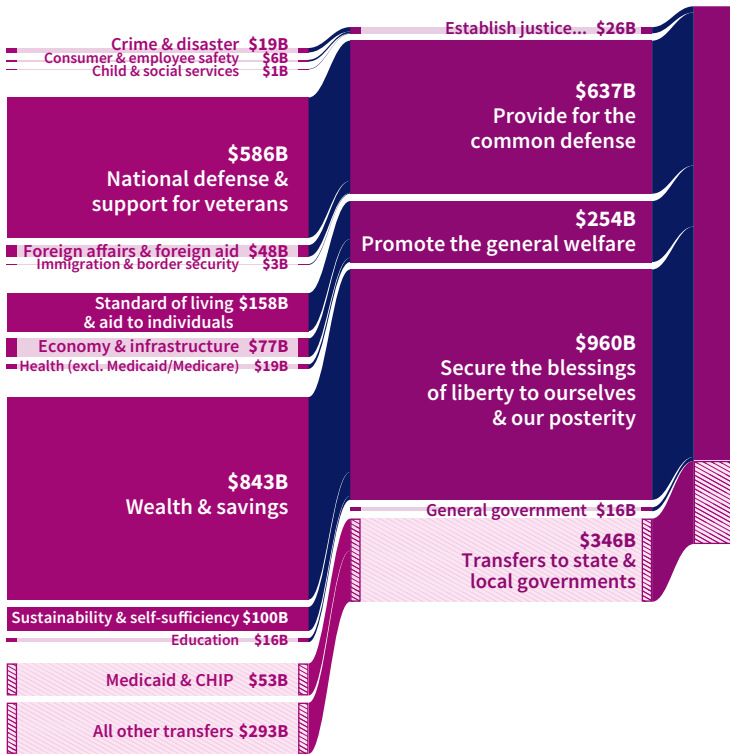
Source: USAFacts aggregation of data from Office of Management and Budget (OMB), Census Bureau, and Bureau of Economic Analysis (BEA). Adjusted for inflation (FY 2023). Numbers have been rounded.

# How has federal government spending changed over time?

Federal government spending increased 2.8 times between FY 1980 and FY 2023, when adjusted for inflation, while the population increased 1.5 times.

**2023 FEDERAL SPENDING**  
**\$6.2 trillion**

**1980 FEDERAL SPENDING**  
**\$2.2 trillion**



Denotes negative spending/deficit

## FEDERAL GOVERNMENT SPENDING (FY 1980 VS. FY 2023)

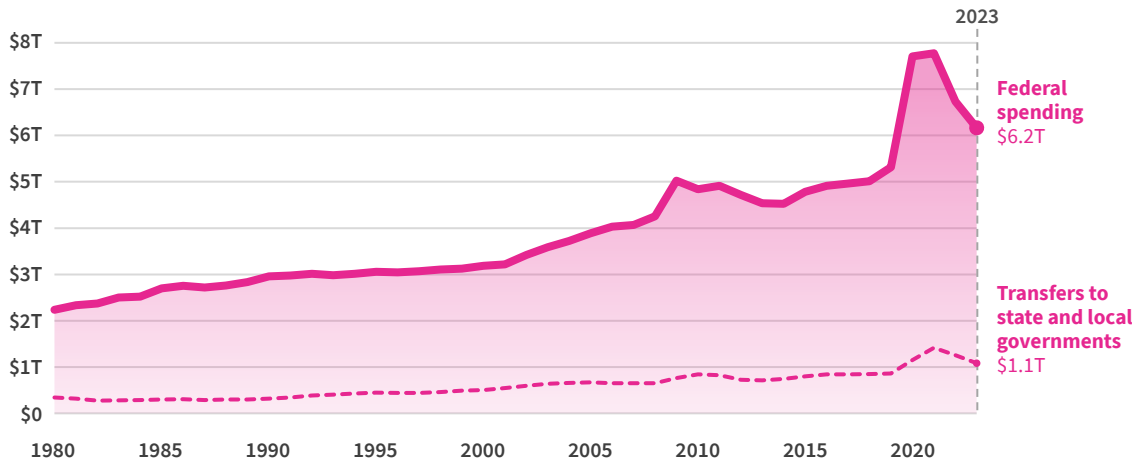
Source: USAFacts aggregation of data from Office of Management and Budget (OMB), the Census Bureau, and the Bureau of Economic Analysis (BEA) Adjusted for inflation (FY 2023 dollars)

Note: Charts are shown to scale for comparison. Numbers may not add due to rounding. The cost of President Biden's original student loan forgiveness executive order appeared as spending in the FY 2022 budget, but that anticipated spending was reversed in the FY 2023 budget after the Supreme Court's ruling that it was unconstitutional. As a result, total federal education spending in the FY 2023 budget was negative.

# On what does the federal government spend the most money?

The federal government spent almost \$6.2 trillion in FY 2023, including transfers to states. Social Security (22%), transfers to states and local governments (18%), and defense and veterans (18%) accounted for more than half of spending. Federal spending decreased by 8% in FY 2023, the second year of decreased spending since a record high in FY 2021. Federal spending remained 16% above that of FY 2019.

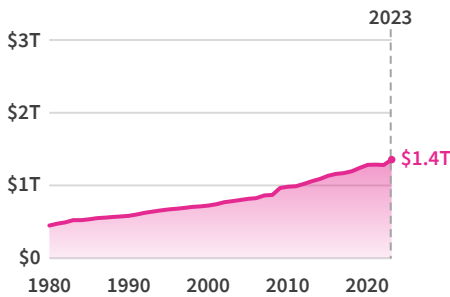
## FEDERAL GOVERNMENT SPENDING



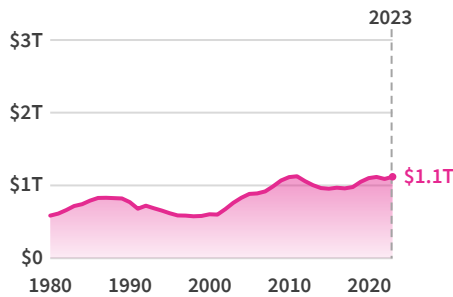
Most federal spending happens in two ways: direct spending on federal programs (such as for the military) and indirect spending through transfers to state and local governments in the form of grants (such as for infrastructure) that those governments then spend.

## 92% OF ALL FEDERAL GOVERNMENT SPENDING IN FY 2023 WENT TO SIX AREAS

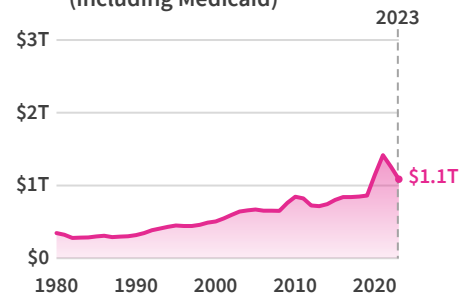
### 22% Social Security



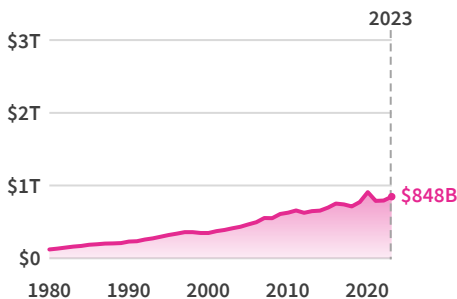
### 18% National defense & veterans



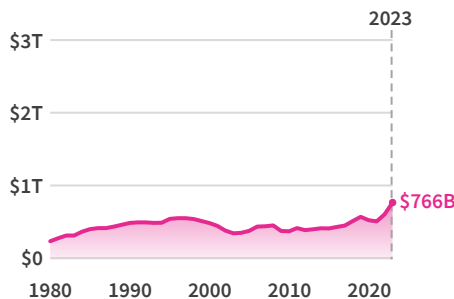
### 18% Transfers to state & local governments (including Medicaid)



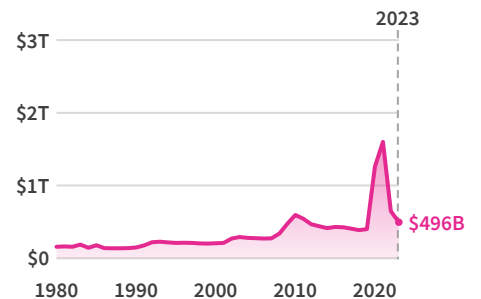
### 14% Medicare



### 12% Obligations (including debt interest)



### 8% Standard of living & aid to individuals



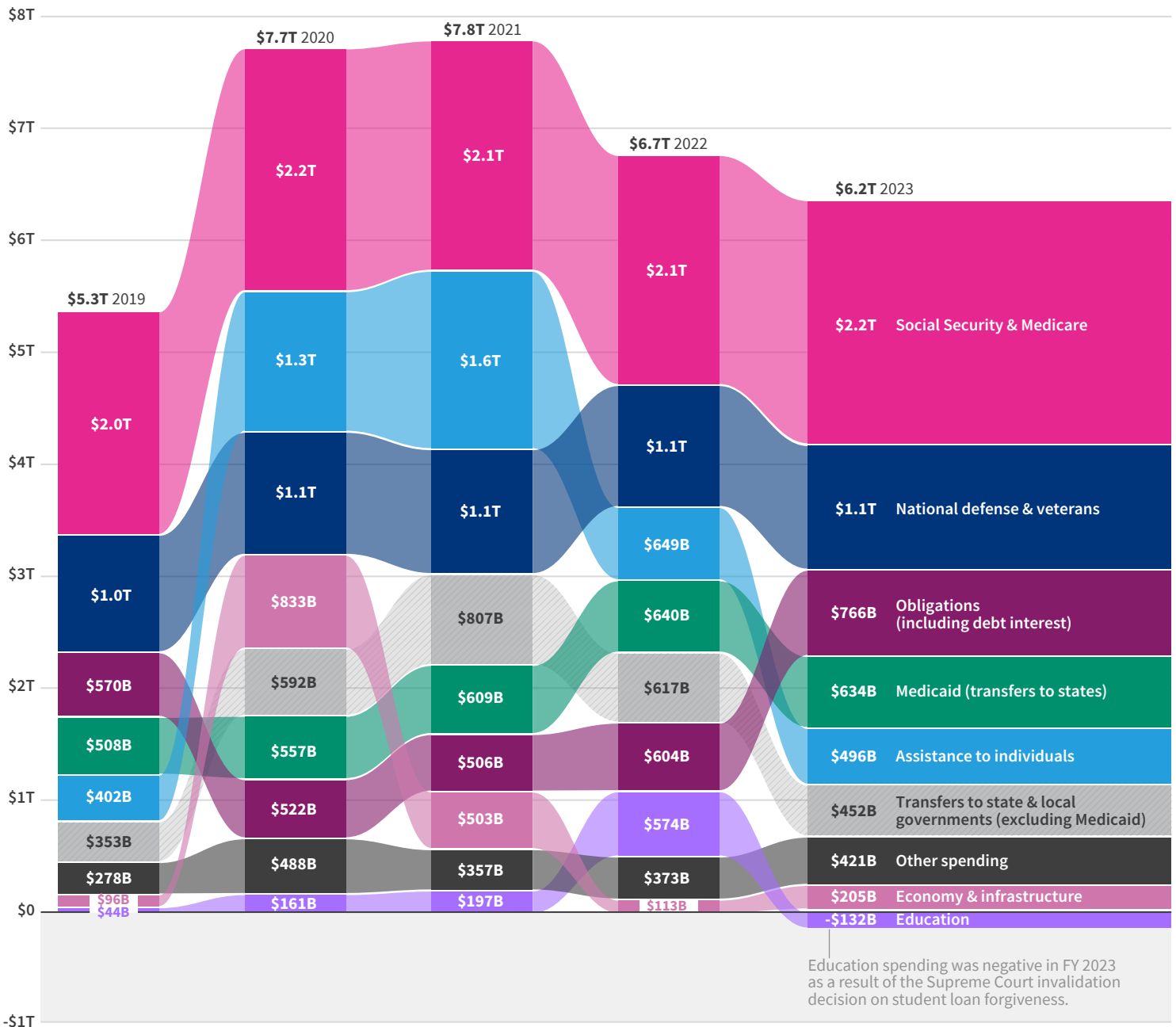
Source: USAFacts aggregation of data from Office of Management and Budget (OMB), Census Bureau, and Bureau of Economic Analysis (BEA) Adjusted for inflation (FY 2023). Numbers have been rounded.



# How has federal government spending changed since the onset of the COVID-19 pandemic?

FY 2023 federal government spending was down from a peak of \$7.8 trillion in FY 2021, but still \$847.1 billion higher than pre-pandemic levels (adjusted for inflation). Economy and infrastructure spending was twice as high in FY 2023 as it was in FY 2019. Obligations were also 34% higher, mostly driven by increased net interest on the national debt. President Biden’s original student loan forgiveness executive order affected FY 2022 and FY 2023 education spending. Loan forgiveness costs appeared as spending in the FY 2022 budget. The Supreme Court reversed this anticipated spending for the FY 2023 budget by ruling the program unconstitutional in Biden vs. Nebraska. As a result, total federal education spending in the FY 2023 budget was negative.

## FEDERAL GOVERNMENT SPENDING (FY 2019 TO FY 2023)

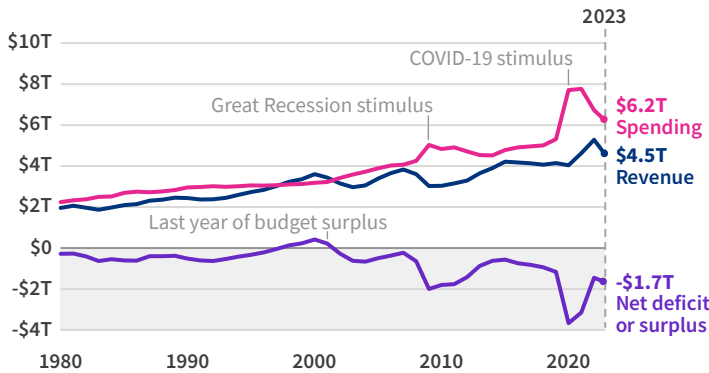


Source: USAFacts aggregation of data from Office of Management and Budget (OMB), Census Bureau, and Bureau of Economic Analysis (BEA)  
 Adjusted for inflation (FY 2023 dollars)  
 Note: Numbers may not add due to rounding.

## How has federal government revenue and spending changed over time?

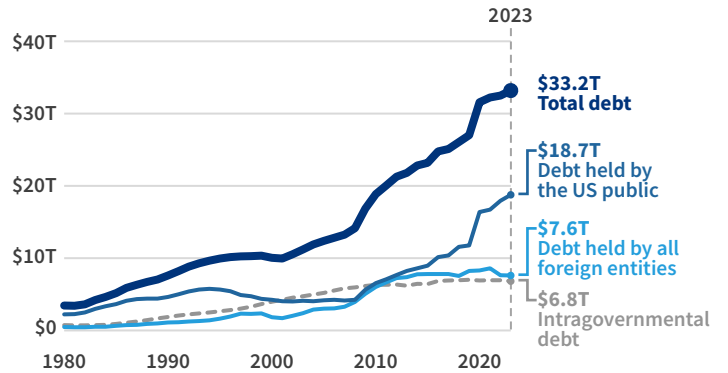
Although spending in FY 2023 dropped by \$571.0 billion (adjusted for inflation) compared to FY 2022, revenue also decreased by \$819.2 billion. As a result, the budget deficit increased to \$1.7 trillion from \$1.4 trillion in FY 2022. However, it did not reach FY 2020 and FY 2021 highs (both exceeding \$3.0 trillion).

### FEDERAL GOVERNMENT FINANCES



Source: USAFacts aggregation of data from Office of Management and Budget, the Census Bureau, and the Bureau of Economic Analysis  
Adjusted for inflation (FY 2023 dollars)

### FEDERAL GOVERNMENT DEBT

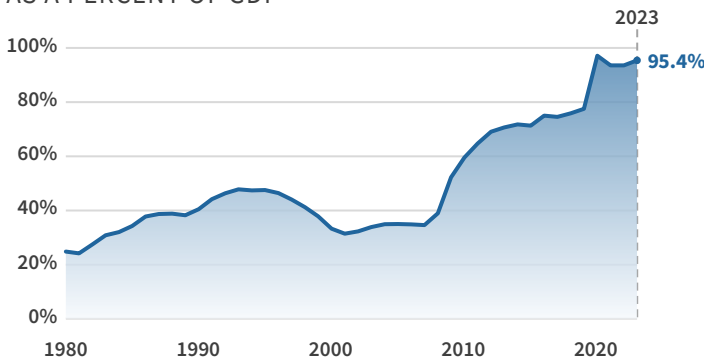


Source: Department of the Treasury  
Adjusted for inflation (FY 2023 dollars)

## How much debt does the federal government have?

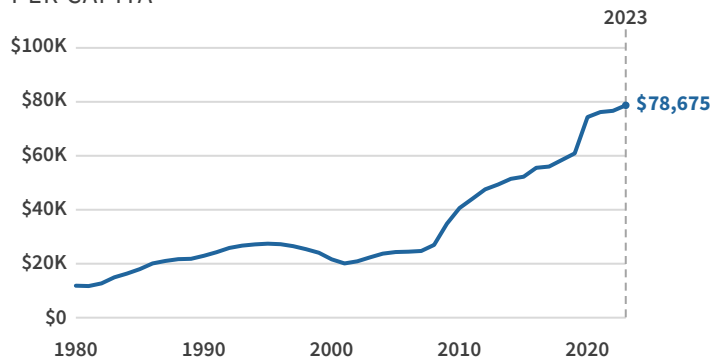
The total debt owed by the federal government reached \$33.2 trillion in FY 2023. The \$26.3 trillion in federal debt held by the public, including foreign entities, totaled 95.4% of GDP, or \$79,000 per person in the US. Debt as a percentage of GDP reached a peak in FY 2020, when debt held by the public was 97.2% of GDP. Debt held by the public per person was \$57,000 higher in FY 2023 than in FY 2000, and nearly \$18,000 more than in FY 2019.

### FEDERAL GOVERNMENT DEBT HELD BY THE PUBLIC AS A PERCENT OF GDP



Source: Department of the Treasury  
Adjusted for inflation (FY 2023 dollars)

### FEDERAL GOVERNMENT DEBT HELD BY THE PUBLIC PER CAPITA



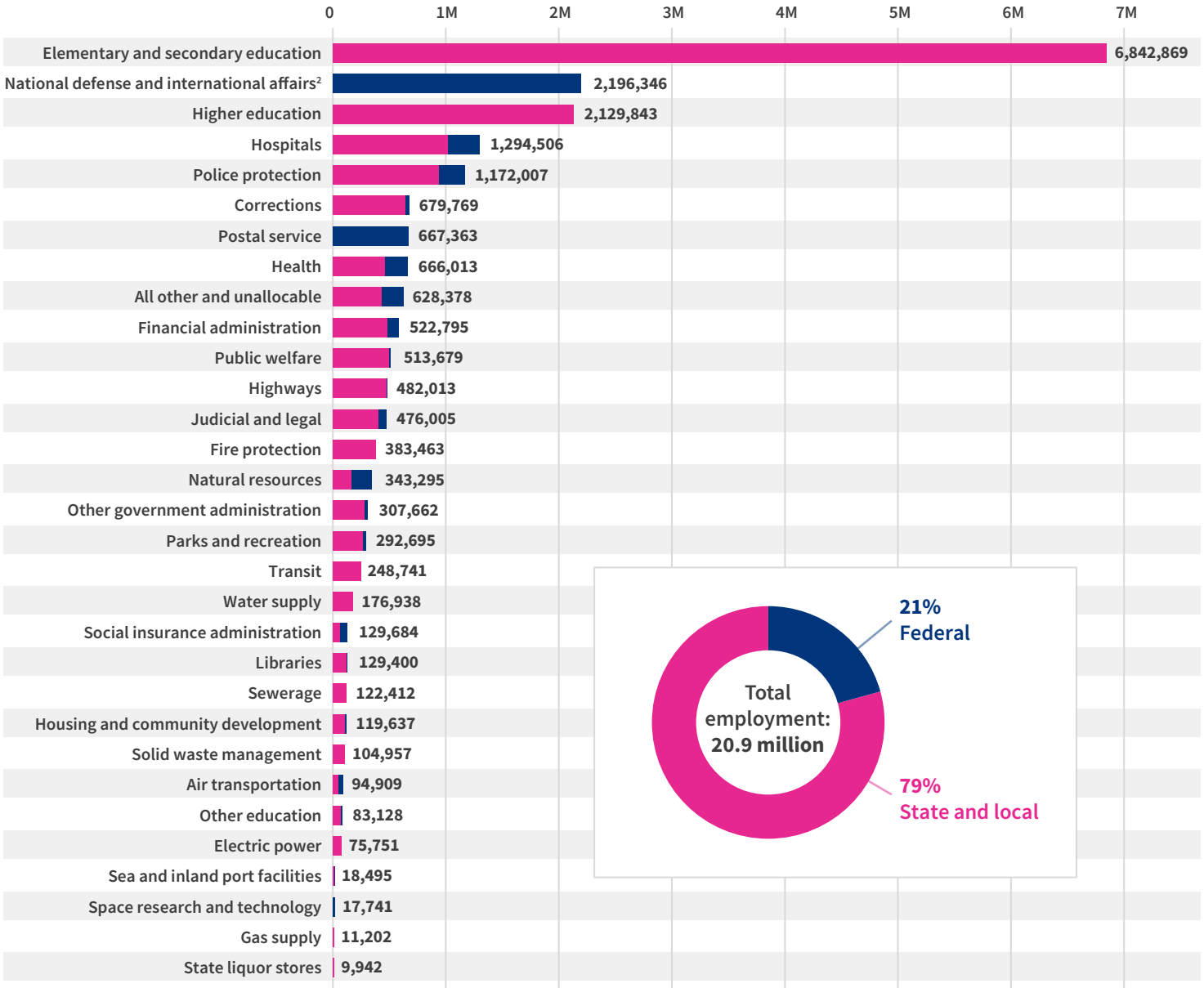
Source: Department of the Treasury  
Adjusted for inflation (FY 2023 dollars)

# How many people work for government?

In 2022, the government employed over 20.9 million people, 79% of whom were employed by state or local governments. Fifty-five percent of state and local employees worked in education. Half of federal employees worked in national defense and international affairs.

## GOVERNMENT EMPLOYMENT (2022)<sup>1</sup>

- Federal employees
- State and local employees



Source: USAFacts calculations using data from the Census Bureau and Office of Management and Budget

Notes:

- 1) Employment numbers here are full-time equivalent. Includes civilian and non-civilian employees.
- 2) Civilian military employees are included in "National defense and international affairs."

# Chart sources and notes

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For each **chapter**, all chart names are listed and additional information is provided for each.

1. Chart sources and notes are structured as follows:

**Chart title:** Source(s)

Note(s):

2. For all population-adjusted data where adjustments are not provided by the source data, we use intercensal/postcensal estimates from the US Census Bureau, unless otherwise noted.
3. USAFacts compiles data for government revenue, spending, and debt, as well as on family and individual income and taxes from various government sources, which primarily include the Office of Management and Budget (OMB), the Census Bureau, the Bureau of Economic Analysis (BEA), and the Federal Reserve. The full citations for this data are not included below; to see detailed descriptions and notes about our methodology for compiling this data, please visit: <https://usafacts.org/methodology/>.

## Government finances

**Combined government revenue:** USAFacts aggregation of data from Office of Management and Budget (OMB), US Census Bureau, and Bureau of Economic Analysis (BEA).

**Combined government spending:** Ibid.

**Federal government finances (FY 2023):** Ibid.

**Federal government revenue (FY 1980 vs. FY 2023):** Ibid.

**Federal government revenue:** Ibid.

**Federal government spending (FY 1980 vs. FY 2023):** Ibid.

**Federal government spending:** Ibid.

**Federal government spending (FY 2019–FY 2023):** Ibid.

**Federal government finances:** Ibid.

**Federal government debt:** US Department of the Treasury (Multiple issues). *Treasury Bulletin* (Ownership of Federal Securities; TABLE OFS-1—Distribution of Federal Securities by Class of Investors and Type of Issues, TABLE OFS-2—Estimated Ownership of U.S. Treasury Securities). <https://fiscal.treasury.gov/reports-statements/treasury-bulletin/current.html>.

Note(s): Debt owed to the public is debt sold in credit markets in forms including bills, notes, and treasury bonds. Private US citizens, citizens of other nations, and foreign governments can all hold this debt.

**Federal government debt held by the public as a percent of GDP:** Ibid.

**Federal government debt held by the public per capita:** Ibid.

**Government employment (2022):** (1) For historical data before 1992: US Census Bureau (2021). *Annual Survey of Public Employment & Payroll (ASPEP) Data: Historical Data* (Public\_Emp). [https://www.census.gov/programs-surveys/apes/data/historical\\_data.html](https://www.census.gov/programs-surveys/apes/data/historical_data.html); (2) For data from 1992 on: US Census Bureau (Multiple Years). *ASPEP Datasets and Tables* (“State and Local Government Employment Data”, “Federal Government Civilian Employment and Payroll Data”). [https://www.census.gov/programs-surveys/apes/data/datasetstables.2022.List\\_1058616524.html#list-tab-List\\_1058616524](https://www.census.gov/programs-surveys/apes/data/datasetstables.2022.List_1058616524.html#list-tab-List_1058616524); (3) For active duty military: Defense Manpower Data Center (DMDC) (Multiple Years). *Military and Civilian Personnel by Service/Agency by State/Country (Updated Quarterly)* (Reports from September of each year). Office of the Secretary of Defense. <https://dwp.dmdc.osd.mil/dwp/app/dod-data-reports/workforce-reports>.



Note(s): (1) Federal employment data reported is from 2014; this data stopped being collected by ASPEP after that year. In 2014, federal employees made up about 17% of total government employment. (2) Civilian employment is all employees (full and part time) as of March of each year. (3) Active duty military are as of September of each year, reserves are not included (4) Civilian military employees are included in “national defense and international relations” (5) Beginning in 2017, the Census Bureau stopped reporting employment in “Water transport and terminals” for state and local governments and began reporting instead employment for a new “Sea and Inland Port Facilities” category. The employment number reported as “Water and transport terminals” takes the sum of federal employment in this category and state and local employment in the new “Sea and Inland Port Facilities” category. (6) Percent change for “Social insurance administration (Federal)” and “Judicial and legal” employment is calculated from 1982 due to lack of data availability in 1980.

## Photo credits

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**Page 01:** Photo by [Molly Hutson](#) on Unsplash