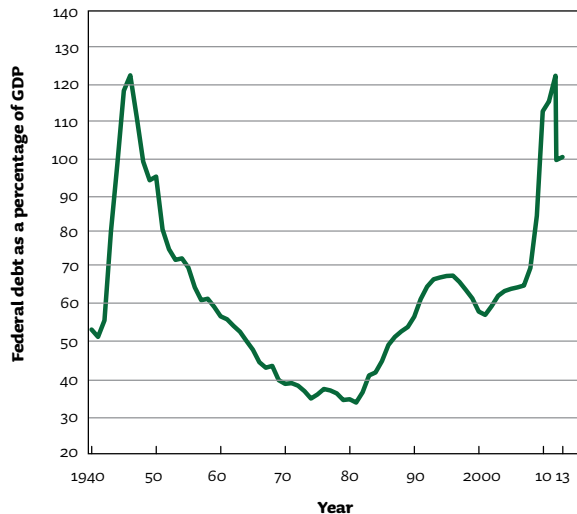
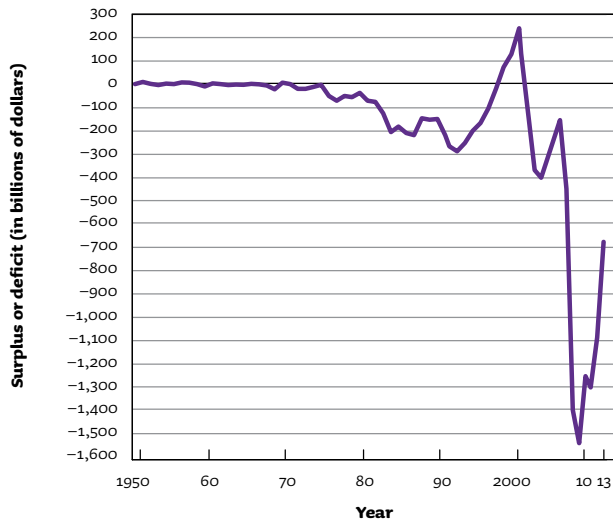


FIGURE 14.3 U.S. FEDERAL BUDGET DEFICIT/SURPLUS AND DEBT



The annual budget deficit is the amount by which government spending exceeds tax revenues. If tax revenue is greater than government spending, a budget surplus results. In the 1970s and 1980s the United States ran larger budget deficits (in the billions), only to have the trend reversed in the mid-1990s. The surplus did not survive long, however, as the nation slid back into deficit territory in 2002. Stimulus spending in 2009–2010 added to the deficit, but budget estimates show it recovering in the future.

Source: Office of Management and Budget, Historical Tables, “Table 1.1: Summary of Receipts, Outlays, and Surpluses or Deficits” and “Table 7.1: Federal Debt at the End of Year: 1940–2015.”