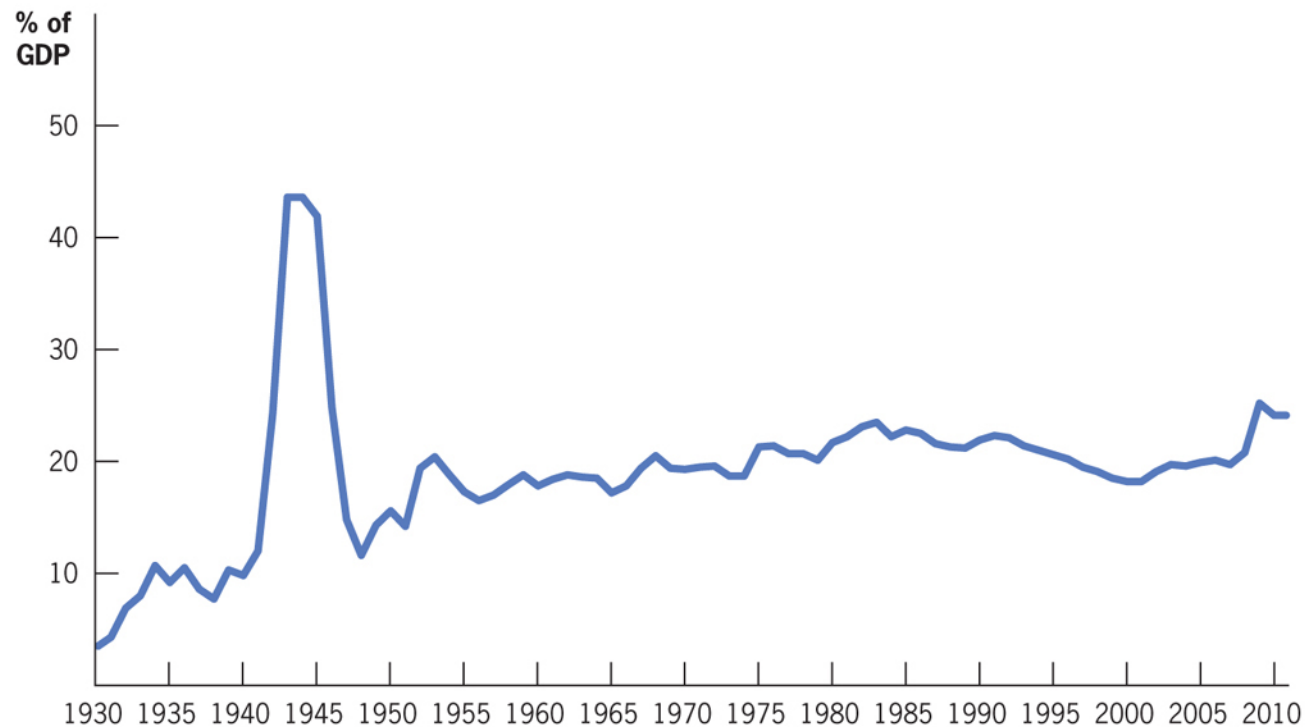


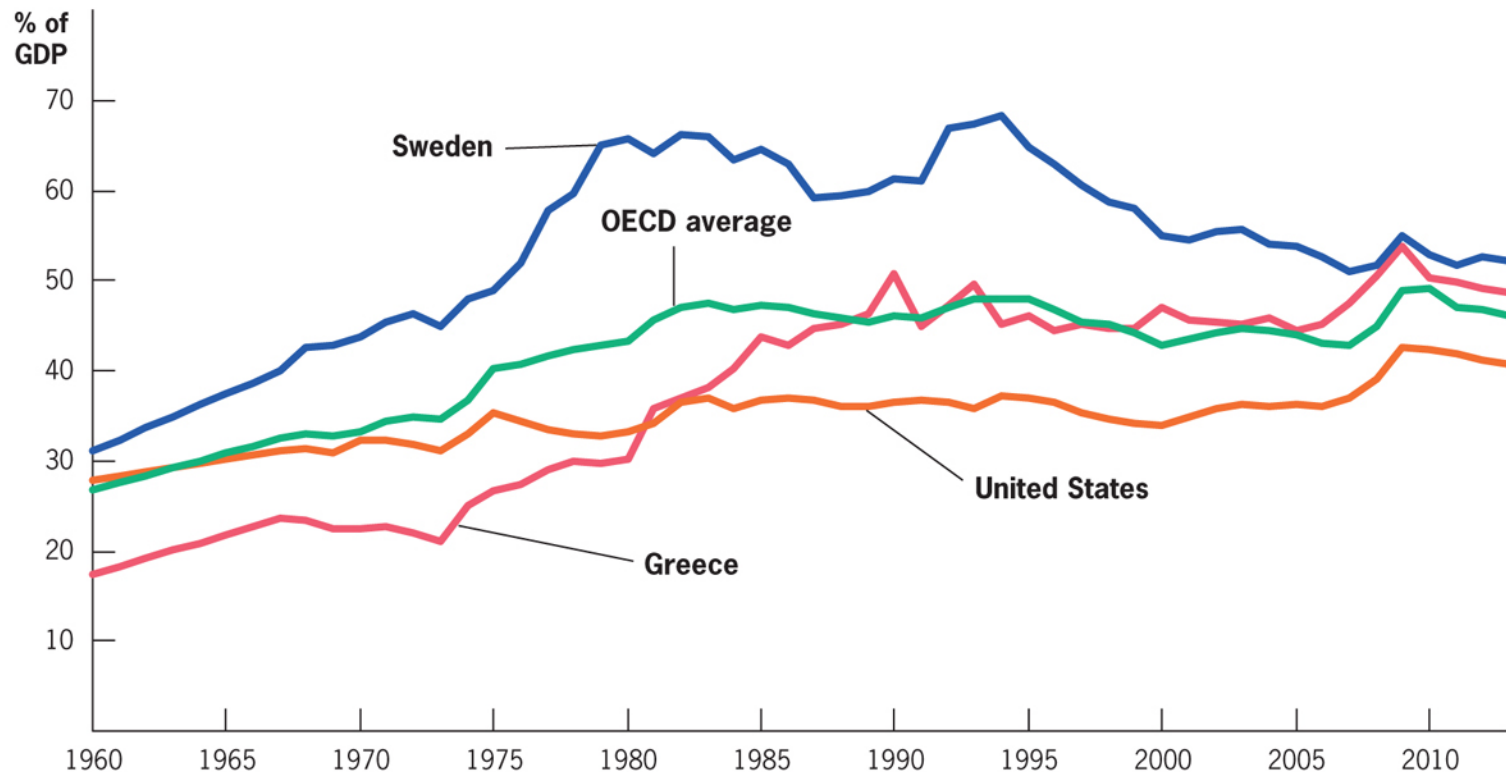
■ **FIGURE 1-1**



Federal Government Spending as a Percent of GDP, 1930–2011 • From 1930 to 2011, federal government spending as a share of GDP has grown from less than 3% to 24%. The huge spike in spending over the 1941–1945 period was due to the massive increase in defense expenditures during World War II.

Source: Office of Management and Budget (2011a), Table 1.2.

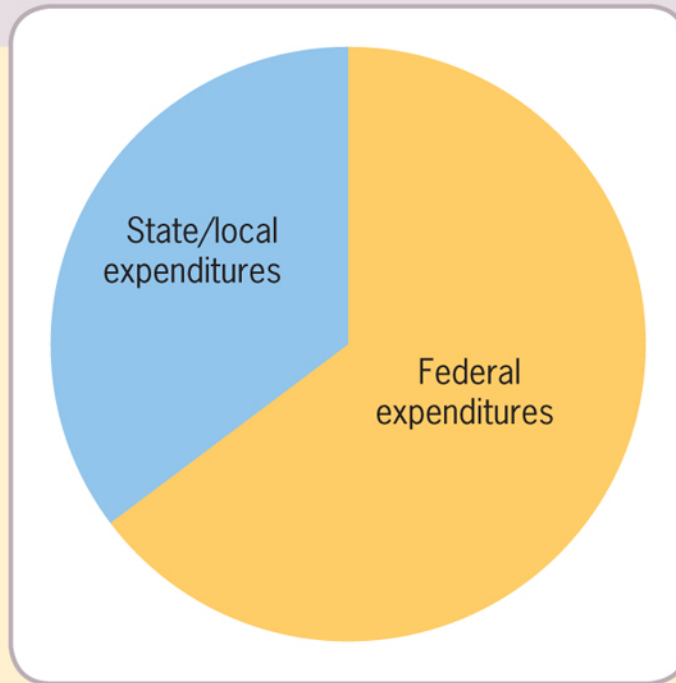
■ **FIGURE 1-2**



Total Government Spending Across Developed Nations, 1960–2013 • Government spending as a share of GDP has grown throughout the developed world, but the pace of growth has varied. The United States has seen a modest growth in its government share over this period, while government spending in Greece has more than tripled as a share of the economy.

Sources: OECD, 1982 (Table 6.4); OECD, 1986 (Table 6.5); OECD, 1992 (Table 6.5); OECD, 1995 (Table 6.5); OECD, 2002 (Table 6.5); OECD, 2003; OECD, 2011 (Annex Table 25).

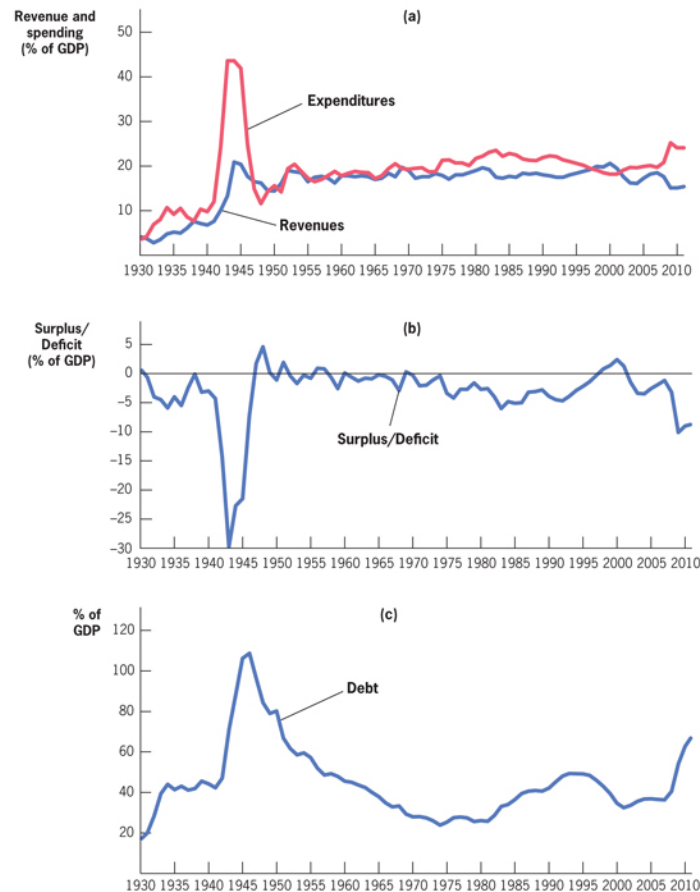
■ FIGURE 1-3



Federal vs. State/Local Government Spending, 2011 • State and local spending today amounts to roughly one-third of total government spending in the United States, at over 11% of GDP.

Source: Office of Management and Budget (2011b), Table 15.2.

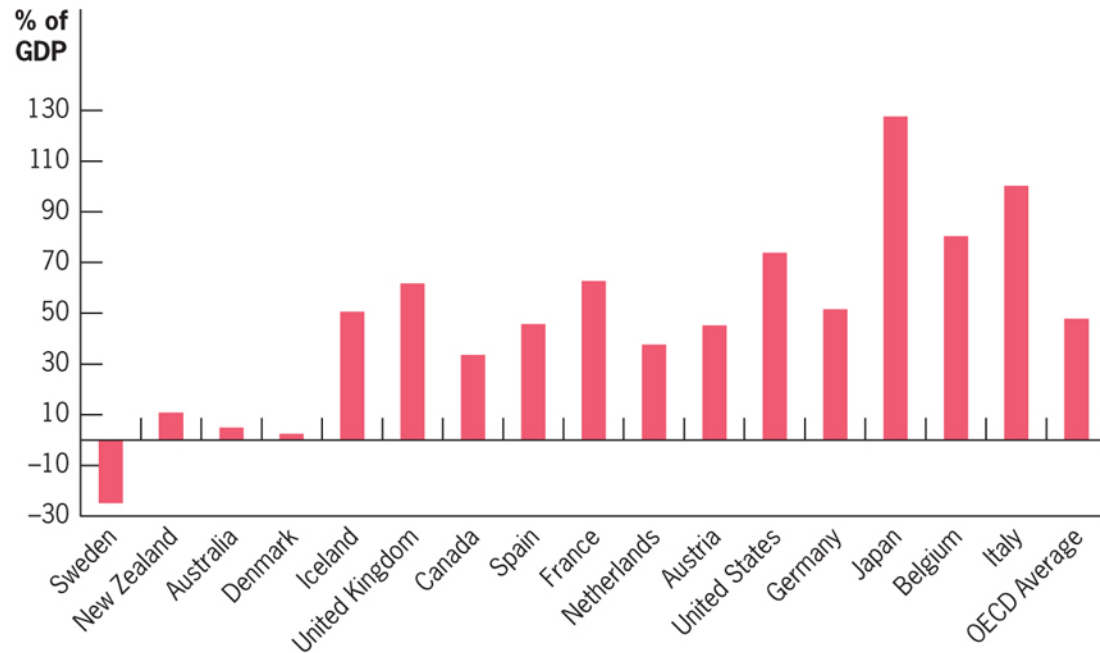
■ **FIGURE 1-4**



Federal Revenues and Expenditures, Surplus or Deficit, and Debt, 1930–2011 • For most of the twentieth century, except for the World War II period, federal government tax receipts have kept pace with expenditures. But expenditures have exceeded receipts by several percentage points of GDP on average since the 1970s. The resulting federal government debt is now at over 60% of GDP.

Source: Office of Management and Budget (2011a), Tables 1.2 and 7.1. (Debt figures for 1930–1939 come from the U.S. Department of the Treasury's Bureau of the Public Debt.)

■ **FIGURE 1-5**

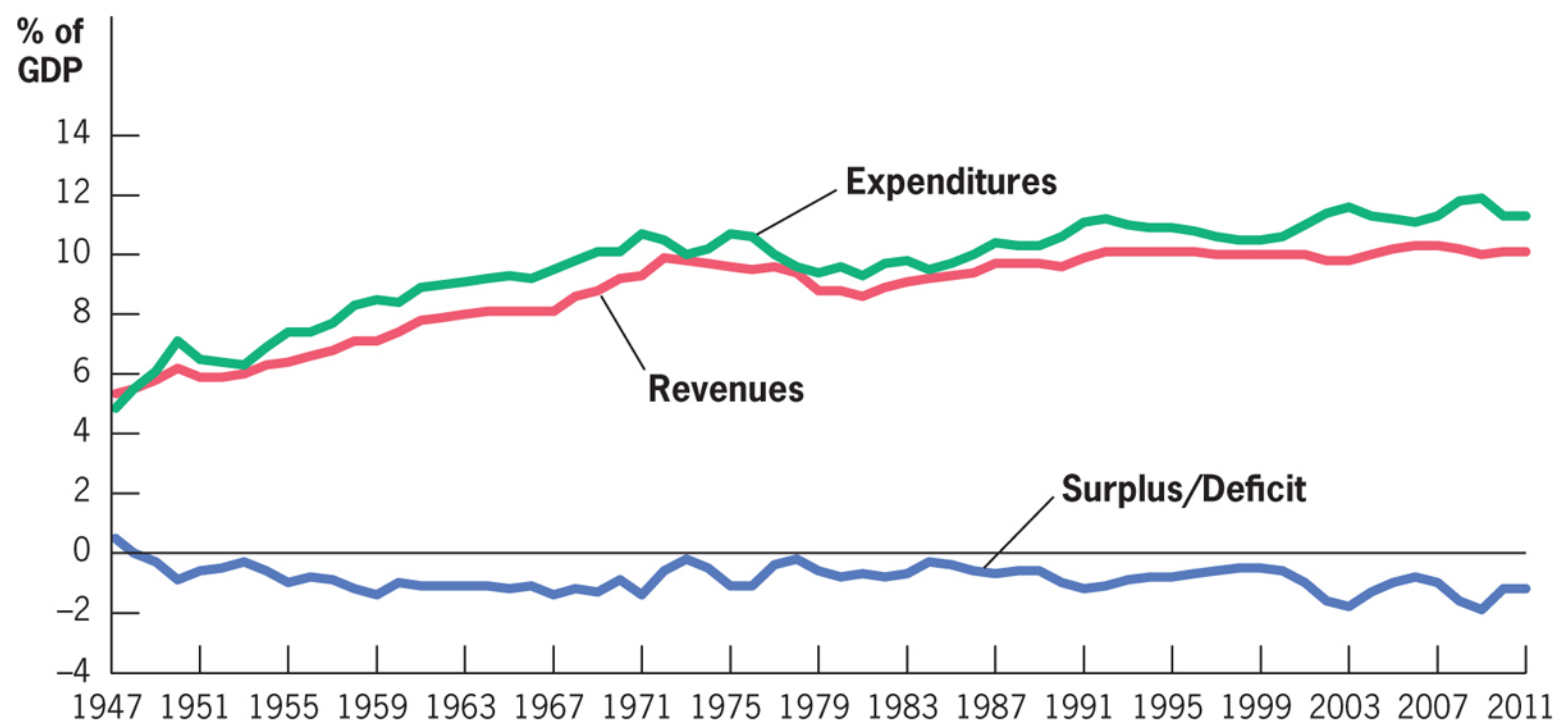


Debt Levels of OECD Nations

in 2011 • The United States has a debt level that is typical of developed nations, although there is wide variation.

Source: Organization for Economic Cooperation and Development (2011), Annex Table 33.

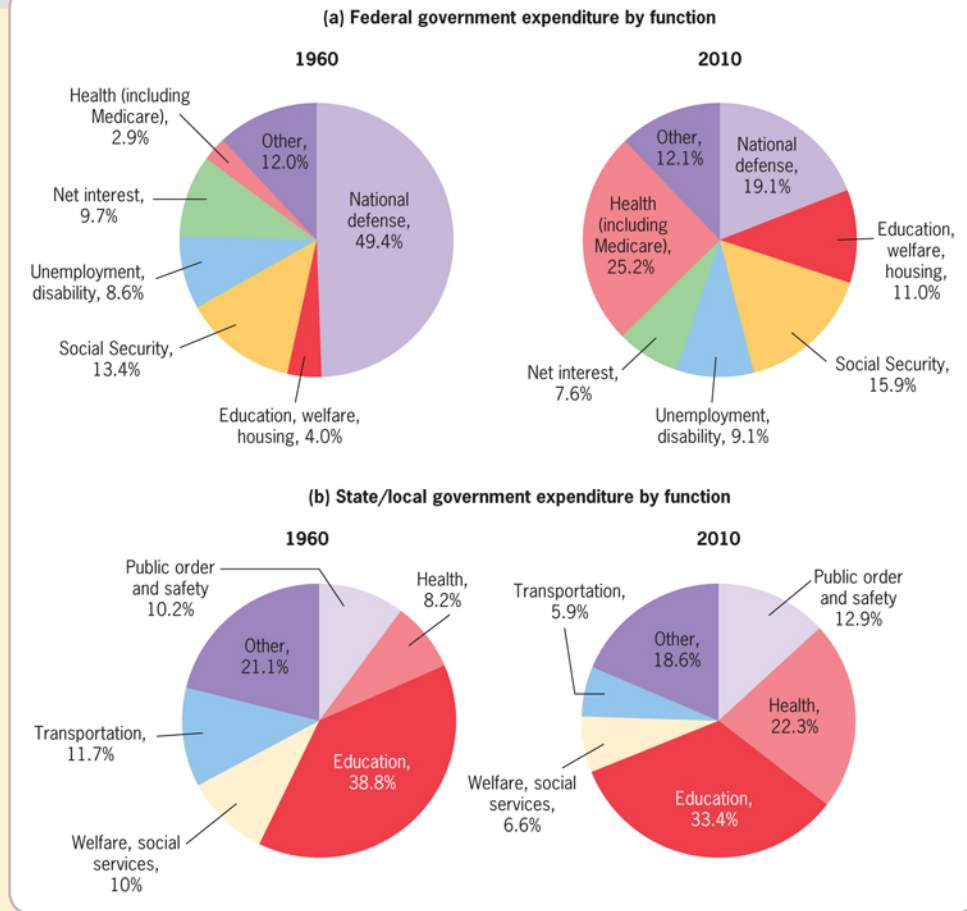
■ **FIGURE 1-6**



State and Local Government Receipts, Expenditures, and Surplus, 1947–2011 • State and local revenues almost always exceed expenditures, although surpluses have been close to zero in recent years.

Source: Office of Management and Budget (2011b). Tables 15.1 and 15.3.

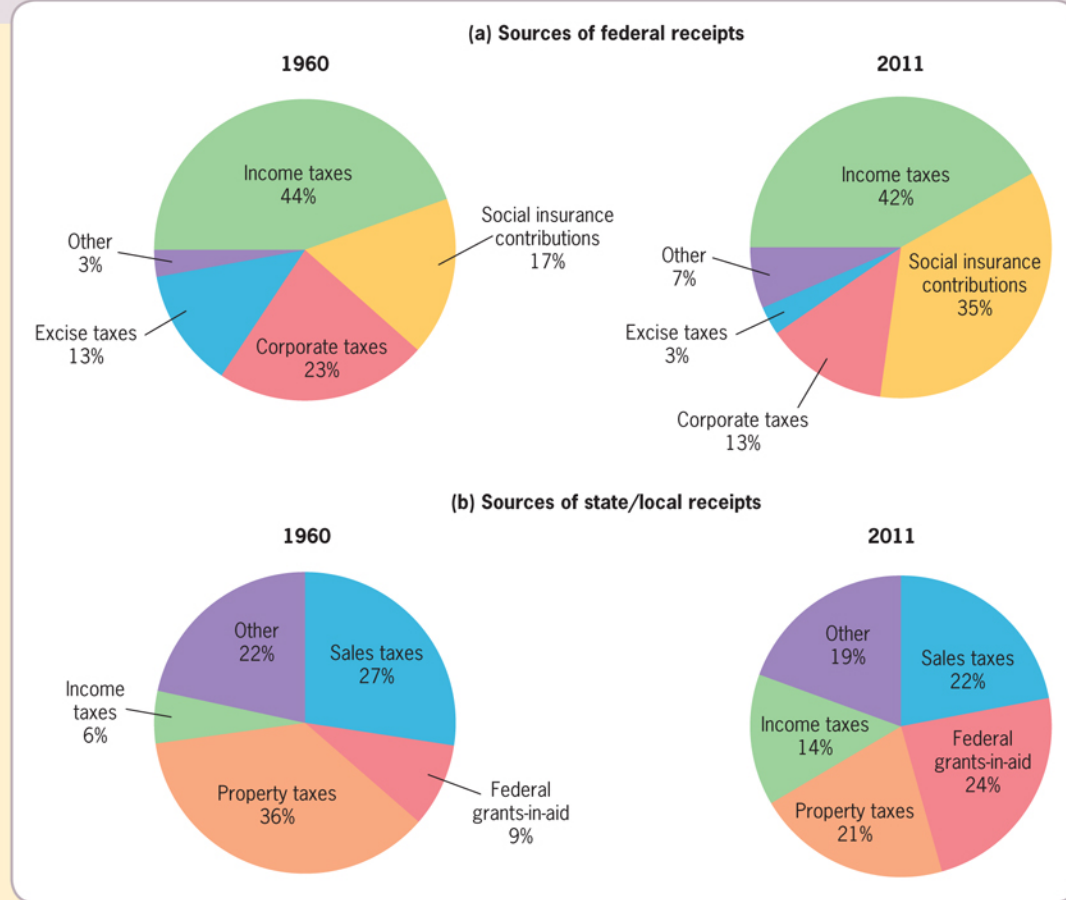
■ **FIGURE 1-7**



The Distribution of Federal and State Expenditures, 1960 and 2010 • This figure shows the changing composition of federal and state spending over time, as a share of total spending. (a) For the federal government, defense spending has fallen and Social Security and health spending have risen. (b) For the states, the distribution has been more constant, with a small decline in education and welfare spending and a rise in health spending.

Source: Bureau of Economic Analysis, NIPA Table 3.16.

■ **FIGURE 1-8**



The Distribution of Federal and State Revenues, 1960 and 2011 • This figure shows the changing composition of federal and state revenue sources over time, as a share of total revenues. (a) At the federal level, there has been a large reduction in corporate and excise tax revenues and a rise in payroll tax revenues. (b) For the states, there has been a decline in property taxes and a rise in income taxes and federal grants.

Source: Bureau of Economic Analysis, NIPA Tables 3.2 and 3.3.