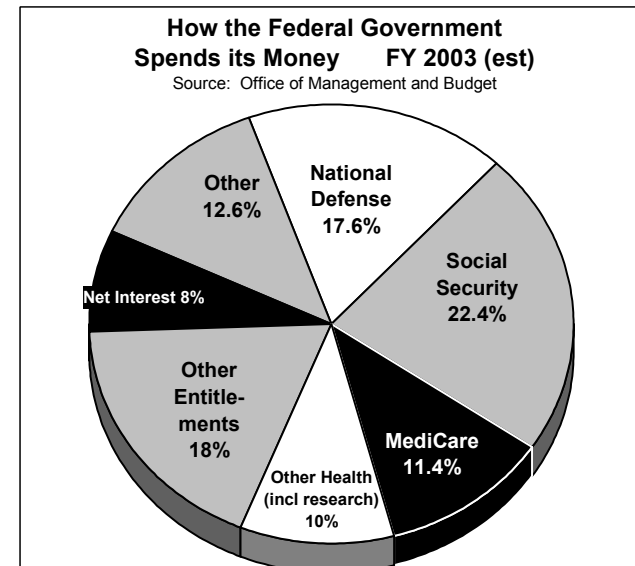
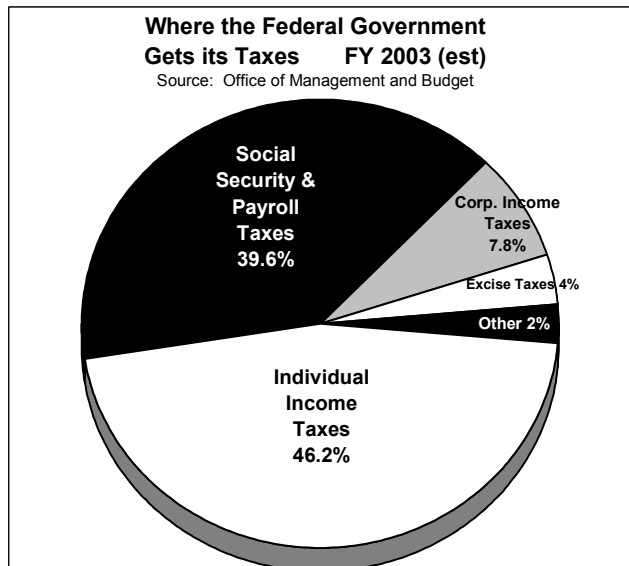
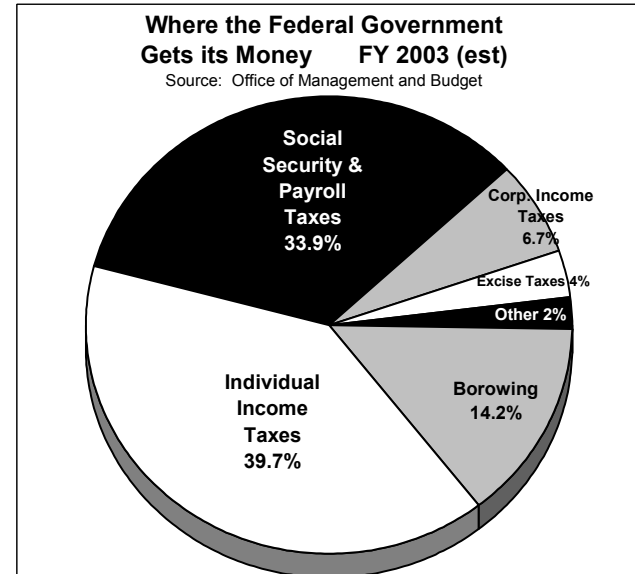


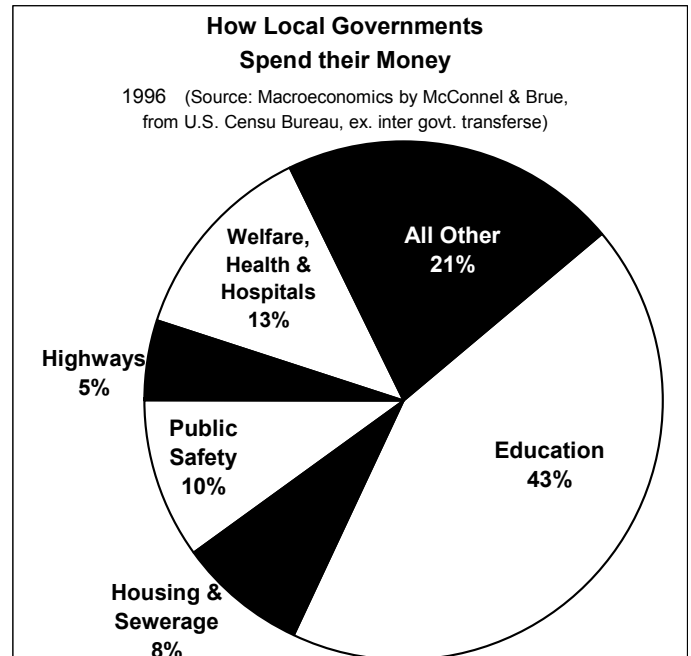
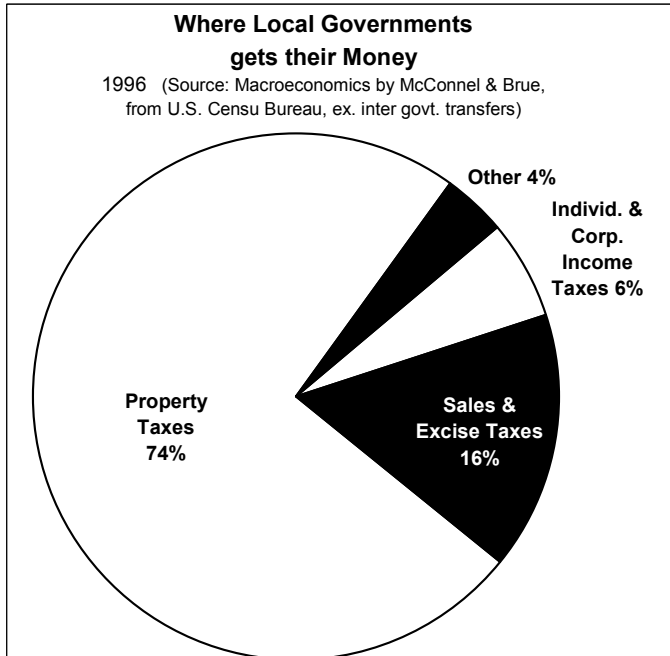
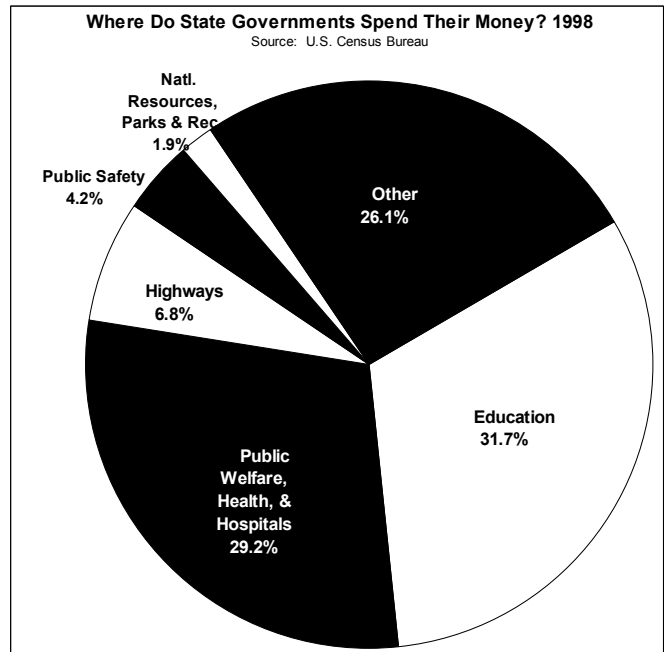
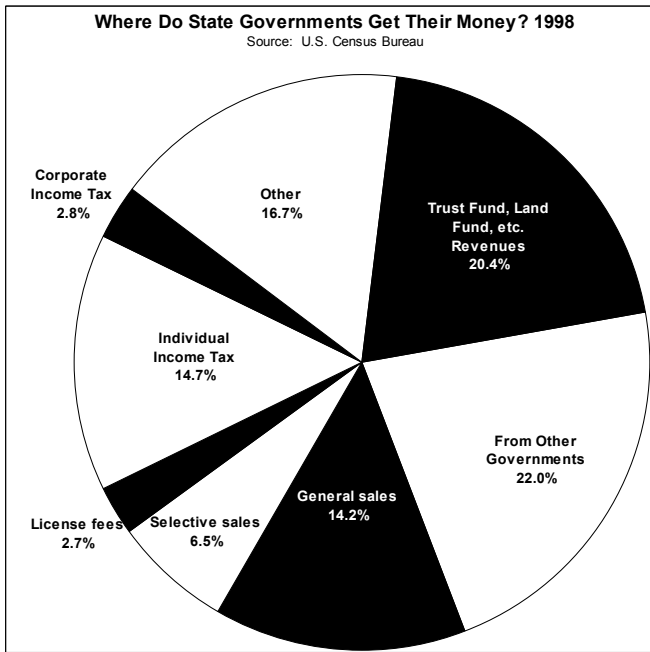
Getting to Know Government

I. Where does it get its money? What does government do?

| Item | Millions | % of Income | % of Taxes |
|---------------------------------|------------------|-------------|------------------|
| Individual Income Taxes | 849,053 | 39.7% | 46.2% |
| Social Security & Payroll Taxes | 726,593 | 33.9% | 39.6% |
| Corporate Income Taxes | 143,186 | 6.7% | 7.8% |
| Excise Taxes | 68,416 | 3.2% | 3.7% |
| Other | 48,970 | 2.3% | 2.7% |
| Borrowing | 304,159 | 14.2% | |
| Total | 2,140,377 | | 1,836,218 |

| Item | Millions | % of Spending |
|------------------------------|------------------|---------------|
| National Defense | 376,286 | 17.6% |
| Social Security | 478,471 | 22.4% |
| MediCare | 244,667 | 11.4% |
| Other Health (incl research) | 223,068 | 10.4% |
| Other Entitlements | 387,190 | 18.1% |
| Net Interest | 161,441 | 7.5% |
| Other | 269,254 | 12.6% |
| Total | 2,140,377 | 100% |





Note: This isn't the best data compilation in the world. However, it does show the major trends.

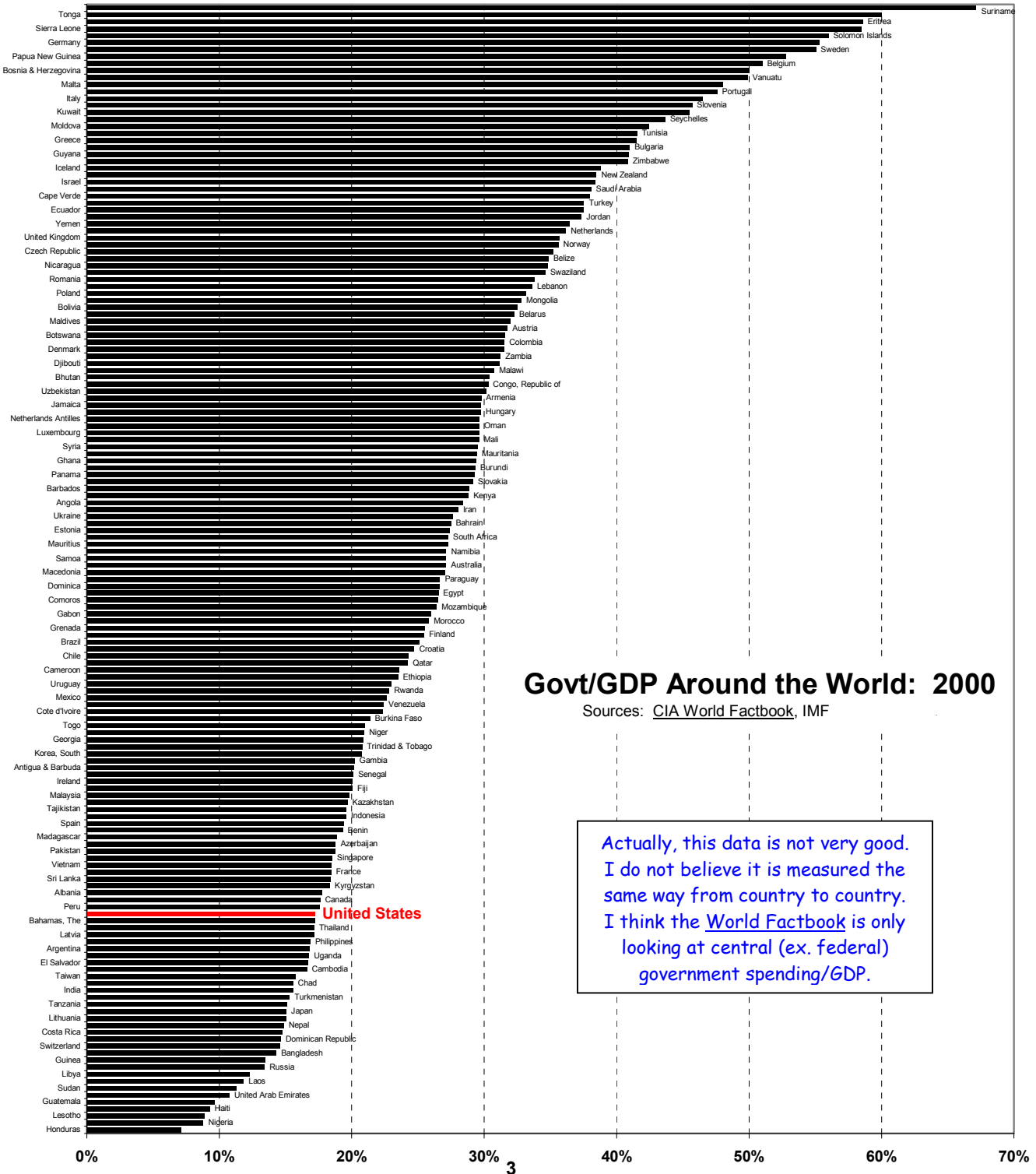
?? Are there any ways, other than taxes, to finance government?

II. How Big is Government in the U.S.?

A. (govt receipts)/GDP = 27.4% (2003 est)

B. (govt expend)/GDP = 29.8% (2003 est)

C. (govt goods & services)/GDP = 18.9% (2003 est)



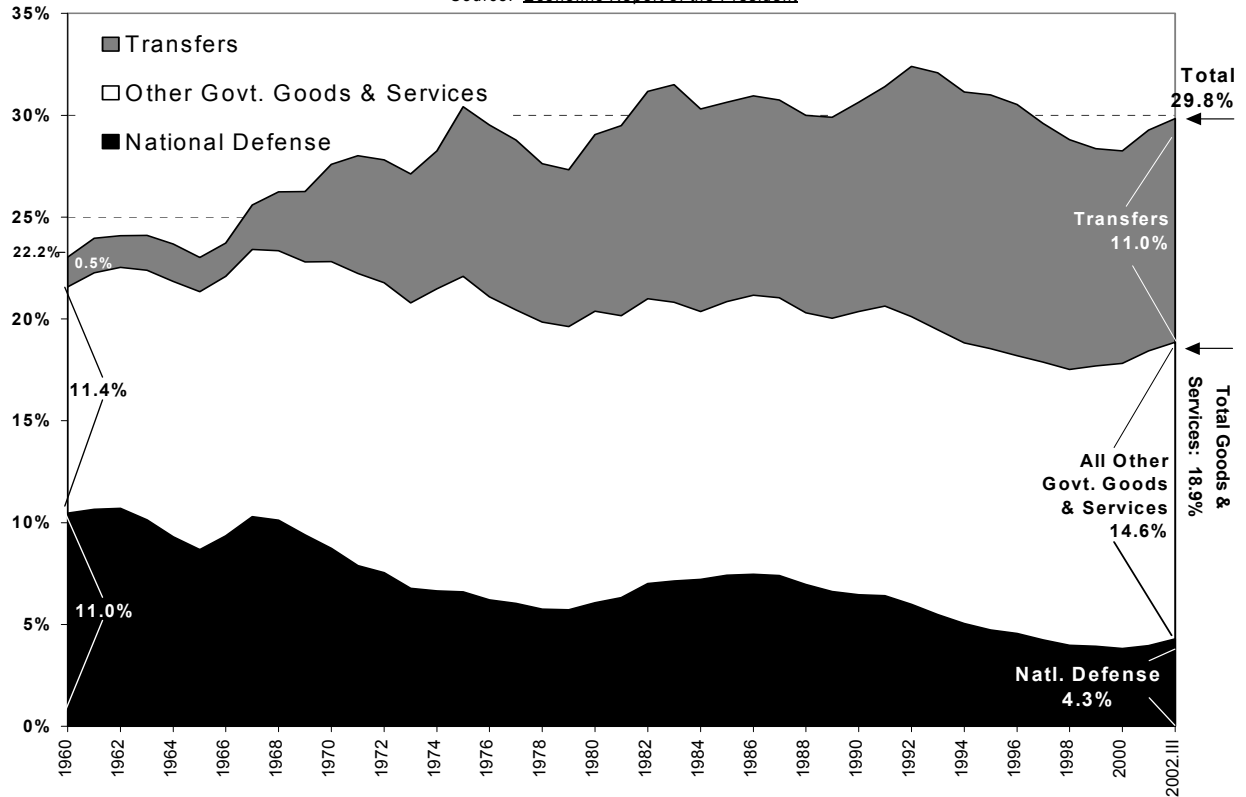
Actually, this data is not very good. I do not believe it is measured the same way from country to country. I think the [World Factbook](#) is only looking at central (ex. federal) government spending/GDP.

III. Leviathan? Has Government in the U.S. Increased in Size?

The Changing Composition of U.S. Government: 1960 - 2002.III(est)

(includes federal, state, and local)

Source: [Economic Report of the President](#)



The Changing Composition of U.S. Government Spending: 1960 - 2002.III(est)

Source: [Economic Report of the President](#), calculations by John Lovett

