Chapter 14 Section 3: Federal Spending

* Most of the $2 trillion + money the government receives each year is already accounted for.
* After they fulfill their legal obligations, only about 40% of the money is left.
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
	+ **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ –** is money that lawmakers are required by existing laws to spend on certain programs or to use for interest payments.
	+ **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**– is spending about which the government planners can make choices.
	+ Money that is for mandatory spending has grown over the years.
	+ The percentage of discretionary spending has decreased over that same period of time.
* Entitlement Programs:
	+ **\_\_\_\_\_\_\_\_\_\_\_\_\_** – social welfare programs that people are “entitled to” if they meet certain eligibility requirements. i.e. age or income
	+ Mandatory spending increases as more and more people qualify for the money.
	+ Some of the entitlement programs are “\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_”, that means people with higher incomes may receive lower benefits or no benefit at all.
	+ Entitlements are a largely unchanging part of government spending.
	+ Once Congress has set the requirements, it cannot control how many people become eligible for each king of benefit.
	+ Congress can change the eligibility requirements or reduce the amount of the benefits.
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
	+ This is the largest category of federal spending.
	+ More than 50 million retired or disabled people and their families and survivors receive monthly payments.
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
	+ Medicare serves about 40 million people, most of them over the age of 65.
	+ This program pays for hospital care and for the costs of the physicians and medical services.
	+ Also pays for disabled people and those suffering from certain diseases.
	+ It is funded by taxes withheld from your paycheck
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
	+ It benefits low-income families, some people with disabilities, and elderly people in nursing homes.
	+ It is the largest source of funds for medical and health-related services for America’s poorest people.
* Other Mandatory Spending Programs
	+ These include
		- \_\_\_\_\_\_\_\_\_\_\_
		- \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
		- \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
		- \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
	+ Spending for both Social Security and Medicare have increased enormously.
	+ It is expected to increase even more in the future as the “baby-boomers” began to collect.
* Discretionary Spending
	+ Spending on \_\_\_\_\_\_\_\_\_\_\_\_\_ is almost ½ of the budget’s discretionary spending.
	+ In 2006 the Defense’s budget was 499.6 Billion.
	+ Total Budget was $ 934.7 Billion
	+ Other federal spending categories include
		- \* Education \* Training
		- \* Scientific Research \* Student Loans
		- \* Technology \* Law Enforcement
	+ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
		- \* Environmental Clean-up \* Housing
		- \*Land Management \* Transportation
		- \* Disaster Aid \* Foreign Aid
	+ Farm Subsidies
	+ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
		- This figure is around $ 300 Billion + per year.
		- Federal Money goes to States for Education, Unemployment, Aid to Children and Families, Highways, Mass-Transit, Low-income Housing, and etc.