

# The answer is C - \$55,000

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national debt >

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» This research contains detailed facts about the national debt. For basic facts, [click here](#). For a video, [click here](#).

» Click on the footnote numbers for meticulous documentation of each fact.

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**Introductory Notes**

In keeping with Just Facts' Standards of Credibility, all graphs show the full range of available data, and all facts are cited based upon availability and relevance, not to slant results by singling out specific years that are different from others.

In keeping with the practice of the Congressional Budget Office and other federal agencies that deal with budget policy, many of the federal debt, spending, and revenue figures in this research are expressed as a percentage of gross domestic product (GDP). This is because debates about the size of government and the effects of its debt are frequently centered upon how much of a nation's economy is consumed by government. This measure also accounts for population growth, some of the effects of inflation, and the relative capacity of government to service its debt.

However, the federal government does not have the entire U.S. economy at its disposal to service federal debt. The private sector, which produces the goods and services that comprise most of the

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economy, utilizes some of these resources, and local and state governments also consume some of the nation's GDP. Hence, this research sometimes expresses federal debt as a percentage of annual federal revenues. This is a more direct measure of the federal government's capacity to service its debt.

#### Quantifying the National Debt

\* As of August 1, 2014, the official debt of the United States government is \$17.6 trillion (\$17,631,209,292,846).[1] This amounts to:

- \$55,419 for every person living in the U.S.[2]
- \$143,976 for every household in the U.S.[3]
- 102% of the U.S. gross domestic product.[4]
- 540% of annual federal revenues.[5]

\* Publicly traded companies are legally required to account for "explicit" and "implicit" future obligations such as employee pensions and retirement benefits.[6] [7] [8] The federal budget, which is the "federal government's primary financial planning and control tool," is not bound by this rule.[9] [10]

\* At the close of the federal government's 2013 fiscal year (September 30, 2013), the federal government had roughly:

- \$7.8 trillion (\$7,849,000,000,000) in liabilities that are not accounted for in the national debt, such as federal employee retirement benefits, accounts payable, and environmental/disposal liabilities.[11]
- \$23.8 trillion (\$23,768,000,000,000) in obligations for current Social Security participants above and beyond projected revenues from their payroll and benefit taxes, certain transfers from the general fund of the U.S. Treasury, and assets of the Social Security trust fund.[12]
- \$27.3 trillion (\$27,300,000,000,000) in obligations for current Medicare participants above and beyond projected revenues from their payroll taxes, benefit taxes, premium payments, and assets of the Medicare trust fund.[13]

\* The figures above are determined in a manner that approximates how publicly traded companies are required to calculate their liabilities and obligations.[14] [15] [16] The obligations for Social Security and Medicare represent how much money must be immediately placed in interest-bearing investments to cover the projected shortfalls between dedicated revenues and expenditures for all current participants in these programs (both taxpayers and beneficiaries).[17] [18] [19]

\* Combining the figures above with the national debt and subtracting the value of federal assets, the federal government had about \$71.0 trillion (\$70,997,000,000,000) in debts, liabilities, and unfinanced obligations at the close of its 2013 fiscal year.[20]

\* This \$71.0 trillion shortfall is 92% of the combined net worth of all U.S. households and nonprofit organizations, including all assets in savings, real estate, corporate stocks, private businesses, and consumer durable goods such as automobiles.[21] [22]

\* This shortfall equates to:

- \$224,110 for every person living in the U.S.[23]
- \$579,761 for every household in the U.S.[24]
- 420% of the U.S. gross domestic product.[25]
- 2,370% of annual federal revenues.[26]

\* These figures do not account for the future costs implied by any current policies except those of the Social Security and Medicare programs.[27]

\* These figures are contingent upon the continuance of current federal law and "a wide range of complex assumptions" made by federal agencies.[28] Regarding this:

- Social Security's 2013 annual report states that "significant uncertainty" surrounds the "best estimates" of future circumstances.[29]
- Medicare's 2013 annual report states that the program's financial projections "do not represent a reasonable expectation for actual program operations in either the short range ... or the long range" because:
  - "Current law would require a physician fee reduction of an estimated 24.7 percent on January 1, 2014—an implausible expectation."
  - The Affordable Care Act [Obamacare] eventually reduces "Medicare prices for hospital, skilled nursing facility, home health, hospice, ambulatory surgical center, diagnostic laboratory, and many other services" to "less than half of their level [under the prior law]. .... Well before that point, Congress would have to intervene to prevent the withdrawal of providers from the Medicare market and the severe

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