NATION BY THE NUMBERS

A Snapshot of The Government's Financial Position & Condition

	2024	2023*
Financial Measures (Dollars in Billions):		
Net Cost:		
Gross Costs	$ (7,772.2)	$ (7,661.7)
Less: Earned Revenue	$ 652.9	$ 539.5
Gain/(Loss) from Changes in Assumptions	$ (283.6)	$ (760.6)
Total Net Cost	**$ (7,402.9)**	**$ (7,882.8)**
Less: Total Tax and Other Unearned Revenues	**$ 4,977.9**	**$ 4,465.6**
Net Operating Cost	**$ (2,425.0)**	**$ (3,417.2)**
Budget Deficit	**$ (1,832.8)**	**$ (1,695.2)**
Assets, comprised of:		
Cash and Other Monetary Assets	$ 1,177.7	$ 922.2
Inventory and Related Property, Net	$ 447.3	$ 423.0
Loans Receivable, Net	$ 1,751.0	$ 1,695.1
Property, Plant, and Equipment, Net	$ 1,313.0	$ 1,235.0
Other	$ 973.1	$ 1,143.8
Total Assets	**$ 5,662.1**	**$ 5,419.1**
Less: Liabilities, comprised of:		
Federal Debt and Interest Payable	$ (28,338.9)	$ (26,347.7)
Federal Employee and Veteran Benefits Payable	$ (15,033.4)	$ (14,347.6)
Other	$ (2,173.6)	$ (2,203.0)
Total Liabilities	**$ (45,545.9)**	**$ (42,898.3)**
Net Position[1]	**$ (39,883.8)**	**$ (37,479.2)**
Sustainability Measures (Dollars in Trillions):		
Social Insurance Net Expenditures	$ (78.3)	$ (78.4)
Total Federal Non-Interest Net Expenditures	$ (72.7)	$ (73.2)
Sustainability Measures as Percent GDP:		
Social Insurance Net Expenditures[2]	(4.2%)	(4.4%)
Total Federal Non-Interest Net Expenditures	(3.6%)	(3.8%)
Fiscal Gap[3]	(4.3%)	(4.5%)

[1] The government's net position is calculated in accordance with federal accounting standards. Per these standards, net position does not include the financial value of the government's sovereign power to tax, regulate commerce, or set monetary policy, or the value of nonoperational resources, such as national and natural resources, for which the government is a steward.

[2] Pursuant to federal accounting standards, for SOSI reporting, the federal government's social insurance programs include Social Security; Medicare Parts A, B, and D; DOL's Black Lung program; and the RRB.

[3] To prevent the debt-to-GDP ratio from rising over the next 75 years, a combination of non-interest spending reductions and receipts increases that amount to 4.3 percent of GDP on average is needed (4.5 percent of GDP on average in FY 2023). See Financial Statement Note 24.

* Change in presentation (see Financial Statement Note 1.W).

Executive Summary to the FY 2024 Financial Report of the United States Government

The FY 2024 *Financial Report* presents the U.S. government's current financial position and condition, and discusses key financial topics and trends. The *Financial Report* is produced by Treasury in coordination with OMB, which is part of the Executive Office of the President. The table on the preceding page presents several key indicators of the government's financial position and condition, which are discussed in this Executive Summary and, in greater detail, in the *Financial Report*. The Secretary of the Treasury, the Director of OMB, and the Comptroller General of the U.S. at the GAO believe that the information discussed in the *Financial Report* is important to all Americans.

The *Financial Report* addresses the government's financial activity and results as of and for the fiscal years ended September 30, 2024, and 2023. Note 29—Subsequent Events discusses events that occurred after the end of the fiscal year that may affect the government's financial position and condition.

Results in Brief

The "Nation by the Numbers" table on the preceding page and the following summarize key metrics about the federal government's financial position for and during FY 2024:

- The budget deficit increased by $137.6 billion (8.1 percent) to $1.8 trillion and net operating cost decreased by $992.2 billion (29.0 percent) to $2.4 trillion. The primary contributor to the difference between the deficit and net operating cost is an increase in the liability for federal employee and veteran benefits payable that affects the government's current year costs but does not affect the current year budget deficit.
- The government's gross costs of $7.8 trillion, less $652.9 billion in revenues earned for goods and services provided to the public, plus $283.6 billion in net losses from changes in assumptions yields the government's net cost of $7.4 trillion, a decrease of $479.9 billion (6.1 percent) from FY 2023.
- Net cost decreased but is subject to both cost increases and decreases across the government. For example, the largest decrease was due to significant decreases in losses stemming from changes in assumptions affecting cost and liability estimates for the government's employee and veteran benefits. The largest increase was to interest on the federal debt.
- Tax and other revenues increased by $512.3 billion to $5.0 trillion. Deducting these revenues from net cost yields the federal government's "bottom line" net operating cost of $2.4 trillion referenced above.
- Comparing total government assets of $5.7 trillion (including $1.8 trillion of loans receivable, net and $1.3 trillion of Property, Plant, and Equipment (PP&E)) to total liabilities of $45.5 trillion (including $28.3 trillion in federal debt and interest payable, and $15.0 trillion of federal employee and veteran benefits payable) yields a negative net position of $39.9 trillion.
- The Statement of Long-Term Fiscal Projections (SLTFP) shows that the present value (PV) of total non-interest spending, over the next 75 years, under current policy, is projected to exceed the PV of total receipts by $72.7 trillion (total federal non-interest net expenditures from the table on the previous page).
- The debt-to-GDP ratio was approximately 98 percent at the end of FY 2024. Under current policy and based on this report's assumptions, it is projected to reach 535 percent by 2099. The projected continuous rise of the debt-to-GDP ratio indicates that current policy is unsustainable.
- The Statement of Social Insurance (SOSI) shows that the PV of the government's expenditures for Social Security and Medicare Parts A, B and D, and other social insurance programs over 75 years is projected to exceed social insurance revenues by about $78.3 trillion, remaining largely unchanged, decreasing by approximately $100.0 billion compared to 2023 social insurance projections.

Where We Are Now

The government's financial position and condition have traditionally been expressed through the *Budget*, focusing on surpluses, deficits, and debt. However, this primarily cash-based discussion of the government's net outlays (deficit) or net receipts (surplus) tells only part of the story. The government's accrual-based net position, (the difference between its assets and liabilities), and its "bottom line" net operating cost (the difference between its revenues and costs) are also key financial indicators. Please refer to the financial statements, disclosures, and other information in this *Financial Report*, as well as in the individual entities' Agency Financial Reports for more information.

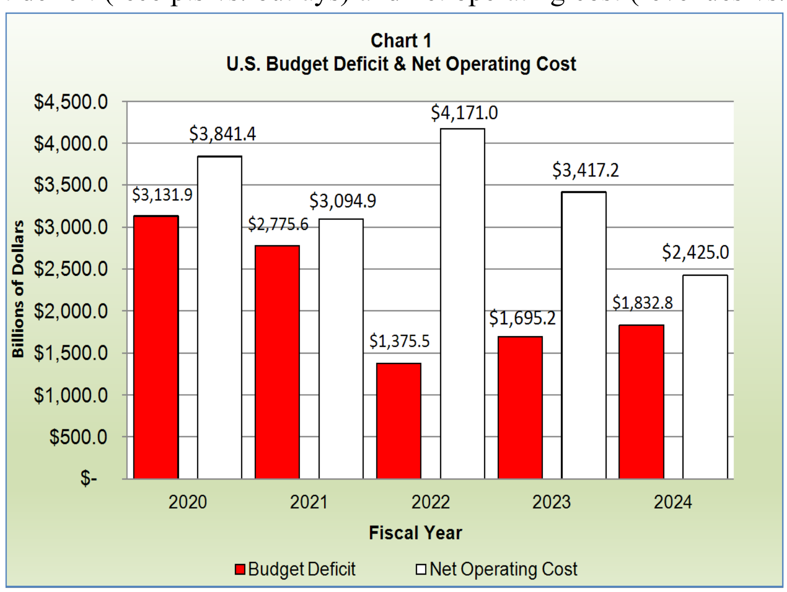
Comparing the Budget and the Financial Report

The *Budget* and the *Financial Report* present complementary perspectives on the government's financial position and condition.

- The *Budget* is the government's primary financial planning and control tool. It accounts for past government receipts and spending and includes the President's proposed receipts and spending plan. Receipts are cash received by the U.S. government and spending is measured as outlays, or payments made by the federal government to the public or entities outside the government. When total receipts exceed outlays, there is a budget surplus; conversely, if total outlays exceed total receipts, there is a budget deficit.
- The *Financial Report* includes the government's costs and revenues, assets and liabilities, and other important financial information. It compares the government's revenues (amounts earned, but not necessarily collected), with costs (amounts incurred, but not necessarily paid) to derive net operating cost.

Chart 1 compares the government's budget deficit (receipts vs. outlays) and net operating cost (revenues vs. costs) for FYs 2020 - 2024. During FY 2024:

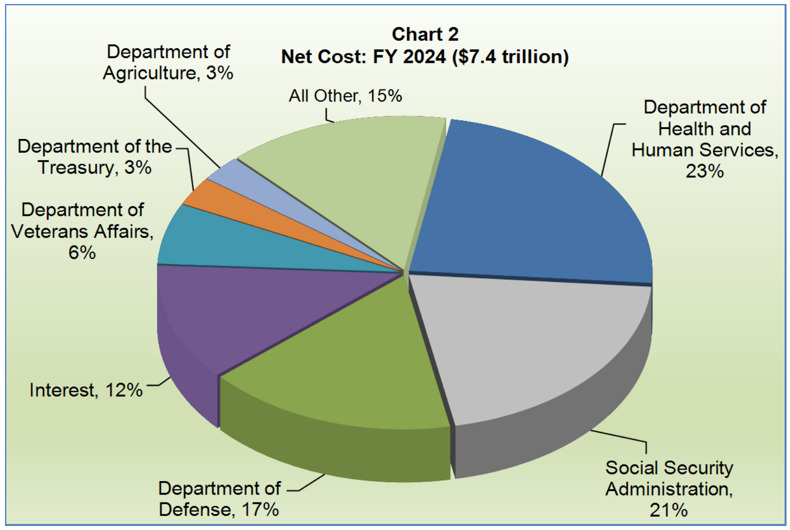
- A $479.4 billion increase in receipts was more than offset by a $617.0 billion increase in outlays resulting in a $137.6 billion (8.1 percent) increase in the budget deficit from $1.7 trillion to $1.8 trillion.
- Net operating cost decreased $992.2 billion or 29.0 percent from $3.4 trillion to $2.4 trillion, due mostly to a $479.9 billion or 6.1 percent decrease in net cost combined with a $512.3 billion or 11.5 percent increase in tax and other revenues.



The $592.2 billion difference between the budget deficit and net operating cost for FY 2024 is primarily due to accrued costs (incurred but not necessarily paid) that are included in net operating cost, but not the budget deficit. These are primarily actuarial costs related to federal employee and veteran benefits programs, particularly at VA, DOD, and OPM. Other sources of differences include but are not limited to decreases in taxes receivable, increases in advances and prepayment made by the federal government, non-cash earned revenue related to investments in Government-Sponsored Enterprises, and a timing difference when credit reform costs are recorded in the budget versus net operating cost.

Costs and Revenues

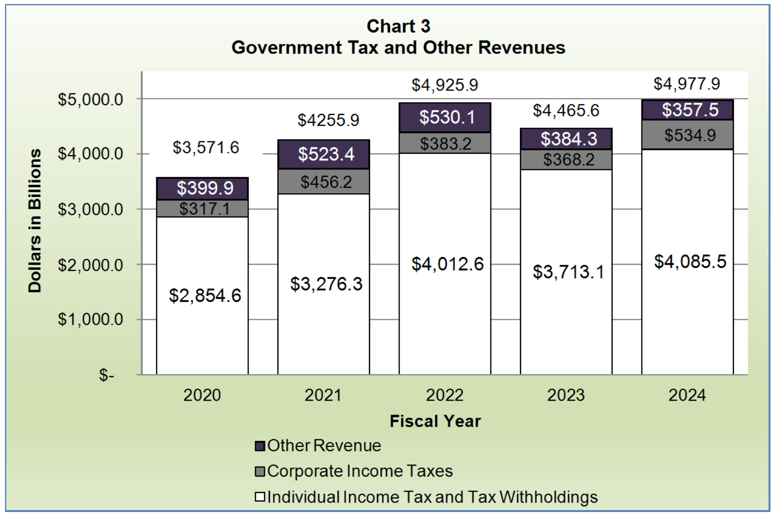
The government's "bottom line" net operating cost decreased $992.2 billion (29.0 percent) during FY 2024 to $2.4 trillion. It is calculated as follows:



- Starting with total gross costs of $7.8 trillion, the government subtracts earned program revenues (e.g., Medicare premiums, national park entry fees, and postal service fees) and adjusts for gains or losses from changes in actuarial assumptions used to estimate future federal employee and veteran benefits payments to derive its net cost before taxes and other revenues of $7.4 trillion (see Chart 2), a decrease of $479.9 billion (6.1 percent) from FY 2023. This net decrease is the combined effect of many offsetting increases and decreases across the government. For example:
  - Entities administering federal employee and veteran benefits programs, including the VA, DOD, and OPM employ a complex series of assumptions to make actuarial projections of their long-term benefits liabilities. These assumptions include but are not limited to interest rates, beneficiary eligibility, life expectancy, and medical cost levels. Changes in these assumptions can result in either losses (net cost increases) or gains (net cost decreases). Across the government, these net losses from changes in assumptions amounted to $283.6 billion in FY 2024, a loss decrease (and a corresponding net cost decrease) of $477.0 billion compared to FY 2023. For example:
    - In particular, VA net costs decreased $983.3 billion due largely to a combined cost decrease of $596.5 billion related to changes in assumptions as referenced above. VA net costs also decreased because the actuarial present value cost of the Sergeant First Class Heath Robinson Honoring our *Promise to Address Comprehensive Toxins* (PACT) *Act*, which expanded and extended eligibility for veterans' benefits, was recognized as an expense for 2023 and there was no similar expense in 2024.
    - DOD net costs increased $229.0 billion due primarily to a $147.4 billion loss increase from changes in assumptions as referenced above. However, most of DOD's net costs included those related to military operations, readiness and support, procurement, personnel, and R&D.
  - An $81.4 billion decrease in Treasury net costs was largely due to a decrease in costs associated with Treasury's pandemic relief programs, and a $48.7 billion increase in earned revenue associated with the GSE (Fannie Mae and Freddie Mac) investments.
  - Education net costs increased $173.2 billion due largely to a significant increase in subsidy expenses for Education's student loan programs, because of the reduction in FY 2023 subsidy expense resulting from the reversal of the proposed student loan debt relief as a result of the Supreme Court's ruling in *Biden v Nebraska*.
  - A $24.1 billion net cost increase at HHS primarily due to a $21.4 billion increase across the Medicare and Medicaid benefits programs largely associated with increasing benefits payments.
  - SSA net costs increased $97.4 billion due largely to a 2.9 percent increase in the number of OASI beneficiaries, combined with a 3.2 percent COLA provided to beneficiaries in 2024.

- Interest costs related to federal debt securities held by the public provided the largest increase of $231.1 billion due largely to an increase in the outstanding debt held by the public and an increase in the average interest rates.

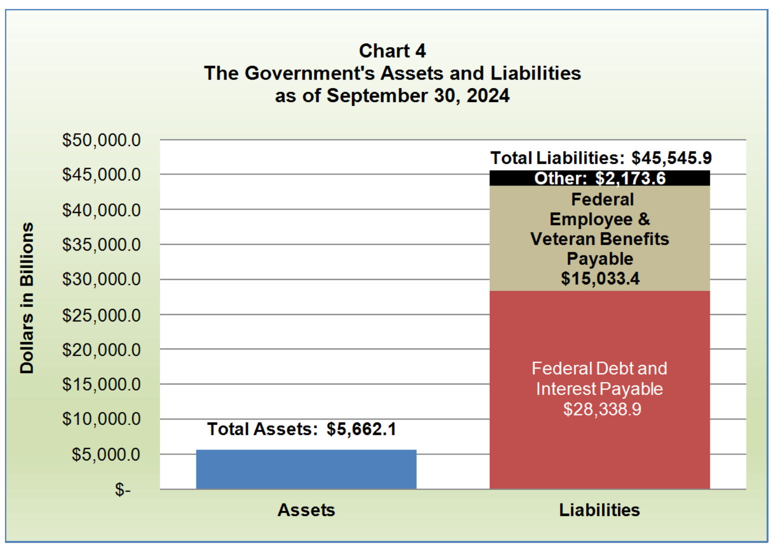
- The government deducts tax and other revenues from net cost (with some adjustments) to derive its FY 2024 "bottom line" net operating cost of $2.4 trillion.
  - From Chart 3, total government tax and other revenues increased by $512.3 billion (11.5 percent) to about $5.0 trillion for FY 2024 due primarily to an overall growth in income tax collections, primarily from individuals and corporations.
  - Together, individual income tax and tax withholdings, and corporate income taxes accounted for about 92.8 percent of total tax and other revenues in FY 2024. Other revenues include Federal Reserve earnings, excise taxes, and customs duties.



Assets and Liabilities

Chart 4 summarizes the assets and liabilities that the government reports on its Balance Sheet. As of September 30, 2024:

- 82.8 percent of the federal government's total assets ($5.7 trillion) consist of: 1) $1.2 trillion in cash and monetary assets; 2) $447.3 billion in inventory and related property; 3) $1.8 trillion in loans receivable, net (primarily student loans); and 4) $1.3 trillion in net PP&E.
  - Cash and monetary assets ($1.2 trillion) is comprised largely of the operating cash of the U.S. government. Operating cash held by Treasury increased $231.9 billion (36.3 percent) to $870.8 billion during FY 2024.



  - Inventory and related property ($447.3 billion) includes: 1) inventory, which is tangible personal property that is either held for sale, in the process of production for sale, or to be consumed in the production of goods for sale or in the provision of services for a fee; 2) OM&S, or tangible personal property to be consumed in normal operations (e.g., spare and repair parts, ammunition, and tactical missiles); and 3) stockpiles, or strategic and critical materials held due to statutory requirements for use in national defense, conservation, or local/national emergencies.
  - Loans receivable, net ($1.8 trillion) is comprised of loans provided by multiple agencies, including Education and SBA, to promote the nation's welfare by making financing available to segments of the

population not served adequately by non-federal institutions or otherwise providing for certain activities or investments. Loans Receivable also includes Treasury's $94.5 billion in notes issued by trusts created by FDIC in its receivership capacity and backed by a guarantee from the FDIC in its corporate capacity.

- Federal government PP&E includes many of the physical resources that are vital to the federal government's ongoing operations, including buildings, structures, facilities, equipment, internal use software, and general-purpose land. DOD comprises approximately 64.7 percent of the government's reported PP&E of $1.3 trillion as of September 30, 2024.

- Other significant government resources not reported on the Balance Sheet include the government's power to tax and set monetary policy, natural resources, and stewardship assets. Stewardship assets, including heritage assets and stewardship land, benefit the nation (e.g., national monuments, national parks) and are intended to be held indefinitely.

- Total liabilities ($45.5 trillion) consist mostly of: 1) $28.3 trillion in federal debt and interest payable; and 2) $15.0 trillion in federal employee and veteran benefits payable.

  - Federal debt held by the public is debt held outside of the government by individuals, corporations, state and local governments, the Federal Reserve (FR) System, foreign governments, and other non-federal entities.

  - The government borrows from the public (increases federal debt levels) to finance deficits. During FY 2024, federal debt held by the public increased $2.0 trillion (7.6 percent) to $28.3 trillion.

  - The government also reports about $7.1 trillion of intra-governmental debt outstanding, which arises when one part of the government borrows from another. For example, government funds (e.g., Social Security and Medicare Trust Funds) typically must invest excess receipts, including interest earnings, in Treasury-issued federal debt securities. Although not reflected in Chart 4, these securities are included in the calculation of federal debt subject to the debt limit.

  - Federal debt held by the public plus intra-governmental debt equals gross federal debt, which with some adjustments, is subject to a statutory debt ceiling ("debt limit"). In FY 2023, a delay in raising the statutory debt limit occurred that required Treasury to depart from its normal debt management procedures and invoke legal authorities to avoid exceeding the statutory debt limit. During this period, extraordinary measures taken by Treasury resulted in federal debt securities not being issued to certain federal government accounts with the securities being restored, including lost interest, to the affected government accounts subsequent to the end of the delay period. Due to the delay in raising the statutory debt limit, Treasury took extraordinary measures from January 19, 2023, through June 2, 2023. On June 3, 2023, P.L. 118-5 was enacted suspending the debt limit through January 1, 2025. At the end of FY 2024, debt subject to the statutory limit was $35.4 trillion. Increasing or suspending the debt limit does not increase spending or authorize new spending; rather, it permits the government to continue to honor pre-existing commitments (see Note 12—Federal Debt and Interest Payable).

  - Federal employee and veteran benefits payable ($15.0 trillion) represents the amounts of benefits payable by agencies that administer the government's pension and other benefit plans for its military and civilian employees.

See Note 29—Subsequent Events for information about events that occurred after the end of the fiscal year that may affect the government's financial position and condition.

Key Economic Trends

An analysis of U.S. economic performance provides useful background when evaluating the government's financial statements. Over the course of FY 2024, the economy maintained a solid, if somewhat slower, pace of growth. Labor markets further rebalanced toward pre-pandemic norms, and inflation continued to ease, nearing the Federal Reserve's 2-percent target. These and other economic and financial developments are discussed in greater detail in the *Financial Report*.

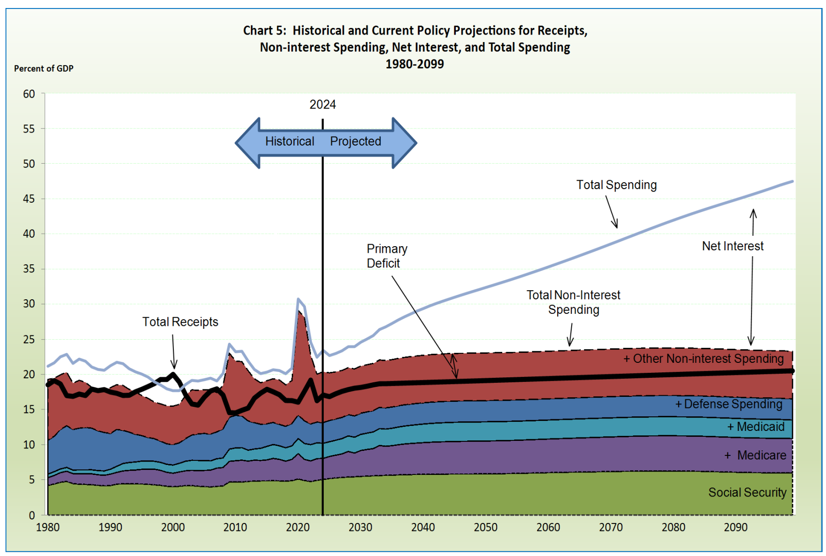
An Unsustainable Fiscal Path

An important purpose of this *Financial Report* is to help citizens understand current fiscal policy and the importance and magnitude of policy reforms necessary to make it sustainable. A sustainable fiscal policy is defined in this report as one where the ratio of debt held by the public to GDP (the debt-to-GDP ratio) is stable or declining over the long term. GDP measures the size of the nation's economy in terms of the total value of all final goods and services that are produced in a year. Considering financial results relative to GDP is a useful indicator of the economy's capacity to sustain the government's many programs. This *Financial Report* presents data, including debt, as a percent of GDP to help readers assess whether current fiscal policy is sustainable. The debt-to-GDP ratio was approximately 98 percent at the end of FY 2024, up slightly from approximately 97 percent at the end of FY 2023. The long-term fiscal projections in this *Financial Report* are based on the same economic and demographic assumptions that underlie the SOSI.

The current fiscal path is unsustainable. To determine if current fiscal policy is sustainable, the projections based on the assumptions discussed in the *Financial Report* assume current policy will continue indefinitely.[1] The projections are therefore neither forecasts nor predictions. Nevertheless, the projections demonstrate that policy changes need to be enacted to achieve a sustainable fiscal policy.

Receipts, Spending, and the Debt

Chart 5 shows historical and current policy projections for receipts, non-interest spending by major category, net interest, and total spending expressed as a percent of GDP.



- The primary deficit is the difference between non-interest spending and receipts. The ratio of the primary deficit to GDP is useful for gauging long-term fiscal sustainability.
- The primary deficit-to-GDP ratio spiked during 2009 through 2012 due to the 2008-09 financial crisis and the ensuing severe recession, and rose again in 2020 due to the COVID-19 pandemic and ensuing economic downturn. Increased spending and temporary tax reductions enacted to stimulate the economy and support recovery contributed to elevated primary deficits over both periods, resulting in sharp increases in the ratio of debt to GDP. The primary deficit-to-GDP ratio in 2024 was 3.3 percent, a decrease of 0.5 percentage points from the primary deficit-to-GDP ratio in last year's *Financial Report* partially due to higher receipts.
- The primary deficit-to-GDP ratio is projected to average 3.1 percent over the next 10 years, based on the technical assumptions in this *Financial Report*, and projected changes in receipts and outlays. After 2034, increased spending for Social Security and health programs due to the aging of the population, is projected to result in increasing primary deficit ratios that peak at 4.0 percent of GDP in 2045. Primary deficits as a share of GDP gradually decrease beyond that point and reach 2.8 percent of GDP in 2099, the last year of the projection period.

[1] Current policy in the projections is based on current law, but includes extension of certain policies that expire under current law but are routinely extended or otherwise expected to continue. The assumptions that underlie this analysis are discussed in the Management's Discussion and Analysis and Note 24—Long-Term Fiscal Projections sections of this *Financial Report*. Please see the "Departures of Current Policy from Current Law" in Note 24.

- The persistent long-term gap between projected receipts and total spending shown in Chart 5 occurs despite the projected effects of the PPACA[2] on long-term deficits.
  - Enactment of the PPACA in 2010 and the MACRA (P.L. 114-10) in 2015 established cost controls for Medicare hospital and physician payments whose long-term effectiveness is still to be demonstrated fully.
  - There is uncertainty about the extent to which these projections can be achieved and whether the PPACA's provisions intended to reduce Medicare cost growth will be overridden by new legislation.

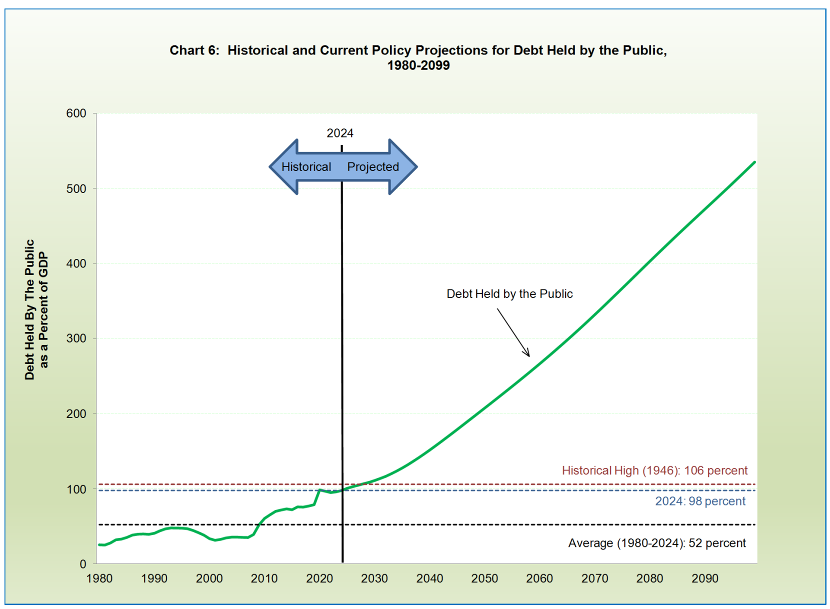
Table 1 summarizes the status and projected trends of the government's Social Security and Medicare Trust Funds.

Table 1: Trust Fund Status

Fund	Projected Depletion	Projected Post-Depletion Trend
Medicare Hospital Insurance *	2036	In 2036, trust fund income is projected to cover 89 percent of scheduled benefits, decreasing to 87 percent in 2048, then returning to 100 percent by 2098.
Combined Old-Age Survivors and Disability Insurance **	2035	In 2035, trust fund income is projected to cover 83 percent of scheduled benefits, decreasing to 73 percent by 2098.

* Source: 2024 Medicare Trustees Report ** Source: 2024 OASDI Trustees Report
This Report's projections assume full Social Security and Medicare benefits are paid after fund depletion contrary to current law.

The primary deficit projections in Chart 5, along with those for interest rates and GDP, determine the debt-to-GDP ratio projections in Chart 6.



- The debt-to-GDP ratio was approximately 98 percent at the end of FY 2024, and under current policy and based on this report's assumptions is projected to reach 535 percent in 2099.
- The debt-to-GDP ratio rises continuously in great part because primary deficits lead to higher levels of debt. The continuous rise of the debt-to-GDP ratio indicates that current fiscal policy is unsustainable.
- These debt-to-GDP projections are lower than the corresponding projections in both the FY 2023 and 2022 *Financial Reports*.

[2] The PPACA refers to P.L. 111-148, as amended by P.L. 111-152. The PPACA expands health insurance coverage, provides health insurance subsidies for low-income individuals and families, includes many measures designed to reduce health care cost growth, and significantly reduces Medicare payment rate updates relative to the rates that would have occurred in the absence of the PPACA. (See Note 25 and the RSI section of the *Financial Report*, and the 2024 Medicare Trustees Report for additional information).

The Fiscal Gap and the Cost of Delaying Fiscal Policy Reform

- The 75-year fiscal gap is a measure of how much primary deficits must be reduced over the next 75 years in order to make fiscal policy sustainable. That estimated fiscal gap for 2024 is 4.3 percent of GDP (slightly lower than 2023).
- This estimate implies that making fiscal policy sustainable over the next 75 years would require some combination of spending reductions and receipt increases that equals 4.3 percent of GDP on average over the next 75 years. The fiscal gap represents 22.5 percent of 75-year PV receipts and 19.0 percent of 75-year PV non-interest spending.
- The timing of policy changes to make fiscal policy sustainable has important implications for the well-being of future generations as is shown in Table 2.

Table 2	
Cost of Delaying Fiscal Reform	
Period of Delay	**Change in Average Primary Surplus**
Reform in 2025 (No Delay)	4.3 percent of GDP between 2025 and 2099
Reform in 2035 (Ten-Year Delay)	5.1 percent of GDP between 2035 and 2099
Reform in 2045 (Twenty-Year Delay)	6.3 percent of GDP between 2045 and 2099

  - Table 2 shows that, if reform begins in 2035 or 2045, the estimated magnitude of primary surplus increases necessary to close the 75-year fiscal gap is 5.1 percent and 6.3 percent of GDP, respectively. The difference between the primary surplus increase necessary if reform begins in 2035 or 2045 and the increase necessary if reform begins in 2025, an additional 0.8 and 2.0 percentage points, respectively, is a measure of the additional burden policy delay would impose on future generations.
  - The longer policy action to close the fiscal gap is delayed, the larger the post-reform primary surpluses must be to achieve the target debt-to-GDP ratio at the end of the 75-year period. Future generations are harmed by a policy delay because the higher the primary surpluses are during their lifetimes, the greater is the difference between the taxes they pay and the programmatic spending from which they benefit.

Conclusion

- Projections in the *Financial Report* indicate that the government's debt-to-GDP ratio is projected to rise over the 75-year projection period and beyond if current policy is kept in place. The projections in this *Financial Report* show that current policy is not sustainable.
- If changes in fiscal policy are not so abrupt as to slow economic growth and those policy changes are adopted earlier, then the required changes to revenue and/or spending will be smaller to return the government to a sustainable fiscal path.

Reporting on Climate Change

Since day one of the Biden-Harris Administration, addressing climate change has been of paramount importance. In response, the administration has driven investment and ignited a clean manufacturing boom, stimulating over $450 billion in announced private investment in clean energy manufacturing and deployment, and creating over 330,000 clean energy jobs in just over two years, with the intent to minimize waste and have a focus on sustainability in production and manufacturing processes. As summarized in the MD&A section of the *Financial Report*, many of the 24 CFO Act agencies have included information in their FY 2024 financial reports discussing a wide range of topics concerning how their agencies are responding to the climate crisis, including providing links to agency Climate Adaptation and Resilience Plans to articulate mitigation strategies that deliver emission reductions and more sustainable agency operations.

Find Out More

The FY 2024 *Financial Report* and other information about the nation's finances are available at:

- Treasury, https://www.fiscal.treasury.gov/fsreports/rpt/finrep/fr/fr_index.htm and https://fiscaldata.treasury.gov/americas-finance-guide/;
- OMB's Office of Federal Financial Management, https://www.whitehouse.gov/omb/management/office-federal-financial-management/; and
- GAO, https://www.gao.gov/federal-financial-accountability.

The GAO audit report on the U.S. government's consolidated financial statements can be found beginning on page 208 of the full *Financial Report*. GAO was unable to express an opinion (disclaimed) on these consolidated financial statements for the reasons discussed in the audit report.