

Why Should We Care About the Federal Budget?

No matter what your personal or political beliefs are, the Federal Budget affects your life and your community.

Every year, the President proposes an annual budget—a blueprint for spending federal dollars on everything from health care to education to food stamps to international affairs. Since we live in a representative democracy, those spending decisions are actually made in our name. If we disagree with those decisions, or want to shift federal spending priorities from one area to another, we have a right and responsibility to speak up.

People across the United States file annual taxes paid on wages earned through working. These taxes, along with corporate and estate taxes, various excise and other taxes, and borrowing when necessary, make up the pot of money referred to as Federal Funds, on which the budget is partially based.

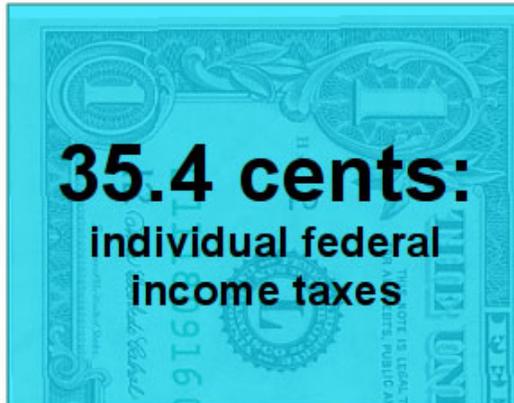
Pictured at right is an example of one 2010 Federal Fund dollar. Note that borrowing is not static from year to year and is dependent on circumstances.

Federal Spending Impacts Local Living

Many programs funded by the federal budget directly affect the communities we live in. A number of education, social service, infrastructure, housing, health, and unemployment programs run by individual states receive Federal Funds which are critical to the programs' operation.

Yet between 2001 and 2011, federal assistance for state and local governments increased by only 14

2010 Federal Fund Outlay Sources



percent, lagging far behind the 28 percent overall growth in the federal budget.

Our nation is at a crossroads. The current economic crisis brings into stark relief the grim realities facing communities as they deal with the increasing cuts to services at the state and local level. Meanwhile, the need for assistance programs, like unemployment, for example, is on the rise.

Overstretched and Underfunded

In 2011, the majority of states face significant budget deficits, which are projected to trigger deep cuts in social programs.

The crisis at the state and local level is often solely attributed to declining state tax revenue. Don't forget, though, that the assistance states get from the federal government has declined too.

Declining and/or slowing revenue to the states is a longstanding trend, not an anomaly.

The federal government guarantees that our food is safe, our water is clean, bridges don't collapse, highways are paved, and more. When the federal budget gets bigger, but the slices of the pie that go to states get smaller, those guarantees, along with many others vital community programs, are at risk.

For more about the federal budget's impact on your community, see reverse.

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Federal spending has a profound local impact

Where Federal Funds Land in our Communities

Schools	—————>	Head Start, Title I
City Hall	—————>	Community Development Block Grants (water, transit, roads, bridges)
Housing Authority	—————>	Housing Assistance
Community/Anti-Poverty	—————>	Early childhood, economic development, social services, block grants, weatherization, fuel assistance, youth programs, Low Income Home Energy Assistance Programs
State Agencies	—————>	Medicare, Medicaid, TANF, SNAP (food stamps), job programs
Employment agencies	—————>	Unemployment benefits, job training, jobs
Colleges and universities	—————>	Pell Grants, student loans, grants to schools

Additional Resources

The Federal Budget

The federal budget, in its entirety.

<http://www.whitehouse.gov/omb/budget>

Tax Day 2011

Track how the federal government spent your 2010 federal income-tax dollar.

<http://www.nationalpriorities.org/publications/2011/taxday-2011>

NPP Database

This one-of-a-kind database contains state and local level data on federal spending correlated with ten broad issue areas. Utilize it to see how the federal government allocated expenditures in your state, county, or school district.

<http://nationalpriorities.org/en/tools/database/>

The President's Budget: Fiscal Year 2012

A review of Presidential budget requests for fiscal years 2008-2012, including spending from the final Bush budget to the Obama administration's projected 2012 budget.

<http://nationalpriorities.org/en/publications/2011/presidents-budget-fy2012/>

Federal Budget 101

A host of budget charts and graphs offer a solid look at both expenditures and revenue generation over time. Information on the federal budget timeline, the difference between Discretionary and Mandatory Spending, the difference between deficits and debt, and between federal funds and trust funds.

<http://nationalpriorities.org/en/resources/federal-budget-101/>



National Priorities Project makes federal budget information transparent and accessible so people can prioritize and influence how their tax dollars are spent. NPP holds the vision of an informed and engaged democracy where all people affected by federal spending priorities have the ability and opportunity to shape our nation's budget.