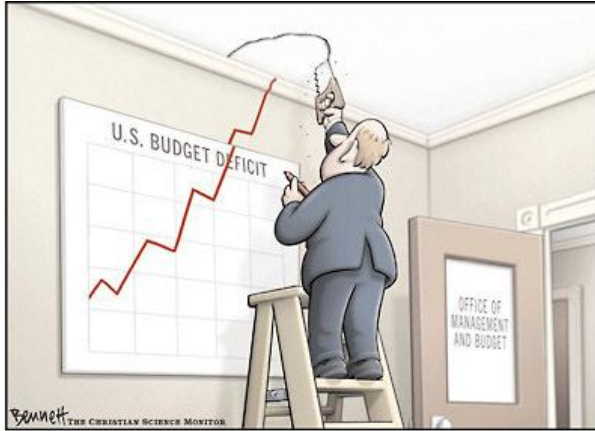


## Deficit



Deficit - The difference that results when the government spends more than the revenue it takes in during one year.

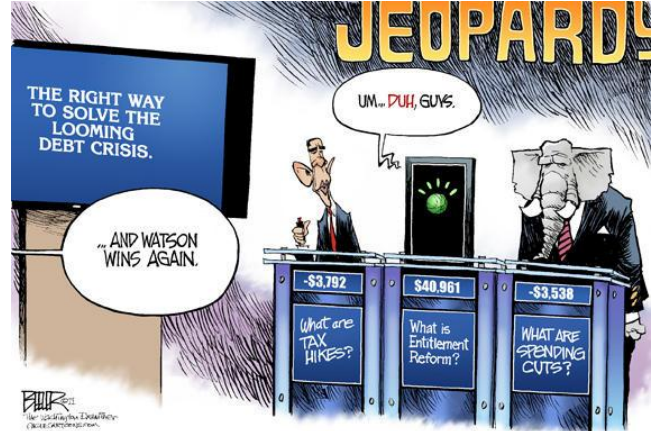
The annual budget deficit for 2012 was over \$1,000,000,000,000.

Deficit to GDP ratio is 9%

If revenue exceeds spending for the year, then there is a *surplus*.

**INTERESTING NOTES:** The last time we had a yearly budget surplus was under the last two years of President Clinton's administration (Congress was controlled by Republicans). This was the country's first budget surplus after 30 years of budget deficits dating back to 1968. When he left office, Clinton left Bush with a \$125 billion dollar surplus, and at the end of Bush's second term, he left Obama with a \$500 billion dollar deficit.

## National Debt



National Debt - All the outstanding yearly deficits that have not yet been paid.

The current national debt is over \$16,000,000,000,000.

Debt to GDP ratio is about 70%

The United States had a national debt that equaled 0 for only one year it's in history. This was in 1836 under President Andrew Jackson.