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# Assessing the sustainability of the cost of government and health care in the United States

## Abstract

This thesis is an assessment of the sustainability of the current cost of government and health care in the United States. The assessment includes a comparison of America's current financial condition to that of the (bankrupt) City of Detroit, reviews four models that outline the consequences of attempting to sustain the current trends, and compares the American healthcare system to fifteen healthcare systems from the top developed countries in world. The resulting predictions regarding America's ability to sustain the current implementation of government and health care in a fiscally-responsible manner are conclusive, but far from optimistic.

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America, Detroit, bankruptcy, sustainability, health care

# ASSESSING THE SUSTAINABILITY OF THE COST OF GOVERNMENT AND HEALTH CARE IN THE UNITED STATES

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*Social Security is [still] sliding into the abyss*

—Martin Rigalia, Chief Economist, U.S. Chamber of Commerce, 1999

This thesis is an assessment of the sustainability of the current cost of government and health care in the United States. The assessment includes a comparison of America's current financial condition to that of the (bankrupt) City of Detroit, reviews four models that outline the consequences of attempting to sustain the current trends, and compares the American healthcare system to fifteen healthcare systems from the top developed countries in world. The resulting predictions regarding America's ability to sustain the current implementation of government and health care in a fiscally-responsible manner are conclusive, but far from optimistic.

KEYWORDS: America, Detroit, bankruptcy, sustainability, health care.

## I. INTRODUCTION

The accumulation of government debt in the United States (U.S.) has reached unprecedented levels, yet, there is little action being taken to prevent the future accumulation of debt. Aside from the \$17.4 trillion national debt, there are also enormous unfunded liabilities<sup>1</sup> from multiple government agencies that will make their way onto the balance sheet within the next 75 years. According to the agencies' respective reports from 2013, there are unfunded liabilities of Medicare (\$38.6 trillion), Social Security (\$9.6 trillion), benefits for federal government employees/veterans (\$6.3 trillion), and, on the 25

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<sup>1</sup> An unfunded liability is an obligation that is currently owed, but for which no funds (present or future) are allocated to pay the debt. Mathematically, an unfunded liability is the difference between (i) the present value today of benefits that must be paid and (ii) the amount of funds currently set aside to honor those debts plus the present value of required payments from the participants in the plan.

year horizon, benefits for state and local government employees (\$7.1 trillion)—which leaves the U.S. with a \$79 trillion debt.

Within this assessment, we compare the financial condition of the U.S. to that of a troubled municipality, show the consequences of any attempt to pay the current debt, and conclude that if there is no immediate attempt by the country to reduce the future cost of the debt, the U.S. may soon witness the worst financial crisis in the country's history. Multiple methodologies were employed in this report in order to ensure integrity amongst the conclusions. Moreover, every model suggests a conclusion regarding the sustainability of the cost of government and health care in the U.S. that is far from optimistic.

## II. A MUNICIPALITY IN A SIMILAR SITUATION—THE CITY OF DETROIT

In order to construct the basic concept of bankruptcy and use it to determine the financial situation of the U.S., we reference a municipality in a similar situation. In July 2013, the City of Detroit became the largest municipality in U.S. history to seek bankruptcy protection. Detroit filed for bankruptcy because, absent a bankruptcy filing, the city could not honor its fiscal obligations. Detroit is indeed bankrupt—Michigan's budget office shows that its \$18 billion debt is 9.5 times its annual revenue of \$1.9 billion—and there is no possibility that this debt will ever be paid.

To strengthen this notion, consider a situation where Detroit were to attempt to amortize its debts over 30 years at a rate of 6.0%. The debt payment alone would consume 69% of the city's revenue and only leave 31% for the various costs the city must assume throughout a given year. Seeing as the city must currently borrow money beyond its current revenue to meet its annual fiscal obligations, there is no realistic way of employing this

strategy in any sustainable fashion.

In comparison, consider the U.S. Federal Government's debt of \$71.9 trillion (local and state government debts were subtracted). This figure is almost 29 times the federal government's annual revenue of \$2.5 trillion. If we were to observe a possible (more conservative) attempt by the federal government to amortize its debts over 75 years at a rate of 5.0%, it would require 148% of the country's current revenue. Synonymously, the U.S. currently cannot produce enough revenue to meet these demands. We then consider the question: If the City of Detroit is bankrupt and the U.S. Federal Government is in a worse position than that of its own city, what is the current financial situation of the U.S.?

In light of the substantial debt that will soon make its way onto the balance sheet, no legislation has been proposed that would have any significant effect on these financial responsibilities. This includes the efforts of the bipartisan 2010 National Commission on Fiscal Responsibility and Reform, also referred to as the "Debt Commission," who suggested an effort to create \$4 trillion in tax increases and cost reductions over the next ten years. This request was quickly denied, however, even if the annual cash flow improvement of \$400 billion was approved, it would not materially alter America's "slide into the abyss."

## II. HOW MUCH IS A TRILLION DOLLARS?

In order to comprehend the scope of the problem, it may be instructive to visualize a trillion one-dollar bills. Specifically, how does the weight of one trillion one-dollar bills compare to the weight of a Nimitz-Class Aircraft Carrier? Consider the ship's dimensions: it weighs 110,000 tons; is 1,100 feet long, 252 feet wide, and 24 stories tall; carries 90 aircraft; is

staffed by 5,700 sailors, pilots, and marines; and has its own zip code. Inquiring as to how many trillions of one-dollar bills it would take to equal the weight of one these vessels is an irrelevant question. The real question—how many Nimitz-Class Aircraft Carriers would it take to equal the weight of one trillion one-dollar bills?

Noting that 440 one-dollar bills weighs a pound, simple arithmetic yields that a trillion one-dollar bills weighs more than ten Nimitz-Class Aircraft Carriers. For the visual, consider if America's debt, including the unfunded liabilities of the federal, state, and local governments (\$79 trillion), were converted to one-dollar bills. If the 79 trillion one-dollar bills were placed on one end of a very large balance scale and 790 Nimitz-Class Aircraft Carriers were placed on the other end of the scale, the 790 aircraft carriers would be up in the air. Clearly, it is an understatement to say that America's debt is a boatload of money.

### III. THE ANALYSES

In this section, we will evaluate the economic sustainability of the U.S. by reviewing the country's cost of government *plus* health care. This method is employed because the federal government presently pays approximately 37% of the health care costs in America and, as a result, the two are inextricably intertwined. It will also be assumed that the Patient Protection and Affordable Care Act of 2010 will not materially reduce the trajectory of the *total* health care cost in America, since the legislation focuses on the redistribution of individual costs and no definitive study substantiates any reduction in the total cost. To reference the build-up of the cost of government plus health care in the U.S., refer to Table 1 in the appendix.

In 1960, the cost of government (federal, state, and local) plus health care in

America was about 32.5% of Gross Domestic Product (GDP). In 2012, the cost of government plus health care in America was about 50.4% of GDP. Assuming exports and imports are equal, this leaves less than 50% of GDP for personal consumption (excluding health care) and non-government investment. We will now examine the cost of government plus health care using four different models to determine if the current trends are sustainable.

### *III.A. Financial-Statement Analysis*

In the first model, we consider what would happen if the federal government operated like a typical family or business and was required to amortize its \$71.9 trillion in debt. It would then be necessary to revise the federal government's outlays and receipts to include the payment necessary to amortize its \$71.9 trillion of debt. Figure I includes the (i) Statement of Outlays, Receipts, and Deficit of the U.S. Government for Fiscal Year 2012 and (ii) the "Revised" Statement of Outlays, Receipts, and Deficit of the U.S. Government for Fiscal Year 2012, referenced from the 2014 Budget of the U.S. Government.

After referencing the chart, there are a few key items to point out. First, if we consider the interest payments on America's debt a mandatory outlay, then the adjusted annual mandatory outlays amount to \$2,252 billion, which leaves \$198 billion to pay for the current discretionary programs, including the costs for defense and running the federal government. This resulting payment would only cover 15% of the costs for the country's discretionary programs and, consequently, result in a \$1,087 billion deficit.

In the second column, if we amortize the federal government's debt of \$71.9 trillion at 5.0% over 75 years, we get an annual payment of \$3,690 billion. We then replace the

	FY 2012 (\$ Bils.)	Including Debt Amort. (\$ Bils.)
<b>Outlays</b>		
Discretionary Programs		
Defense	\$ 671	\$ 671
Non-Defense	614	614
Subtotal, Discretionary Programs	\$ 1,285	\$ 1,285
Mandatory Programs		
Social Security	\$ 768	\$ 768
Medicare	466	466
Medicaid	251	251
Other Mandatory Programs (Incl. state & local transfers)	547	547
Subtotal, Mandatory Programs	\$ 2,032	\$ 2,032
Debt Amortization		3,690
Net Interest	220	-
Total Outlays	\$ 3,537	\$ 7,007
<b>Receipts</b>		
Individual Income Taxes	\$ 1,132	\$ 1,132
Corporate Income Taxes	242	242
Social Insurance and Retirement Receipts		
Social Security Payroll Tax	570	570
Medicare Payroll Tax	201	201
Unemployment Insurance	67	67
Other Retirement	8	8
Excise Taxes	79	79
Other Receipts	151	151
Total Receipts	\$ 2,450	\$ 2,450
Deficit	\$ (1,087)	\$ (4,557)
<b>Memo:</b>		
Total Receipts	\$ 2,450	\$ 2,450
Mandatory Outlays (Mandatory Programs + Debt Payments)	2,252	5,722
Total Receipts Minus Mandatory Outlays	\$ 198	\$ (3,272)
% of Discretionary Outlays That Can Be Covered by Receipts After Payment of Mandatory Outlays	15%	0%

FIGURE I  
Statement of Outlays, Receipts, and Deficit of the U.S. Government for Fiscal Year 2012

interest payment of \$220 billion (interest for the debt “on the books”) with a debt payment of \$3,690 billion, and the 2012-Fiscal-Year deficit increases from \$1,087 billion to \$4,557 billion. Consequently, the cost to run the federal government increases from \$3,537 billion (22.6% of GDP) to \$7,007 billion (45% of GDP).

This model’s resulting annual deficit of almost \$4.6 trillion is more than four times the 2012 deficit. Consequently, the deficit would not be fundable without wreaking havoc on the American economy, America’s stature in the world, and America’s ability to “hold” the world’s currency. According to this model, with its current debt load and resulting mandatory costs, the federal government cannot function in a fiscally-responsible manner that would be expected of an American family or business.

### *III.B. Percent-of-GDP Model*

In the second model, we again examine the cost of government plus health care, when the unfunded liabilities are amortized. Like the previous model, the \$71.9 trillion of unfunded liabilities for the federal government are amortized at 5.0% over 75 years. Similarly, \$4.7 trillion of the \$7.1 trillion in unfunded liabilities for the state and local governments (excludes an estimated \$2.4 trillion of unfunded liabilities being amortized in current budgets) are amortized at 6.5% over 25 years. Shown in Figure II is the build-up of the cost of government in America for the 2012 Fiscal Year.

If we again decide to treat the government as a family or business, the annual cost to amortize the debt of the federal government would be \$3,690 billion and the annual cost to amortize the debt of state and local governments would be \$385.3 billion. Consequently, the cost of government in America increases to \$10.2 trillion, which amounts to 65.2% of

GDP. These cost encompassing almost two thirds of GDP would undisputedly be problematic for the U.S. Unfortunately, this does not include the health care cost currently covered by government coffers, which is 11.3% of GDP and results in a total cost of government plus health care that is 76.5% of GDP.

An America that spends over three quarters of its GDP on government plus health care would not resemble the America of today. With little money available for investment and personal consumption, America's ability to compete and standard of living would plummet. With an American quality of life that is so different from what is currently known in the country today, there would be a much better chance of a second American revolution than a livelihood adjustment that would promote paying off the total debt. The bottom line is that a debt of \$79 trillion cannot be paid—therefore, the debt must be reduced.

### *III.C. Linear Model*

If one analyzes the cost of government plus health care in America from 1960 to 2012, that person would notice that the trend is approximately linear. Noting a correlation coefficient of 0.92 between the cost of government plus health care and time, it would not be unreasonable to suggest that the consistent rate of growth from the last fifty years may continue. In Figure III are the actual and predicted percentages of GDP that the total cost of government and health care will consume, if the current trends continue. As indicated in the graph, starting with a current ratio (year 2012) of slightly over 50%, the linear regression model predicts a ratio of over 67% by the year 2062.

Of the four models, this model is by far the most optimistic. However, the sustainability of these costs comprising of two-thirds of GDP in 2062 is very doubtful.

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**Cost of Government Plus Health Care - 2012 Fiscal Year**


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(\$ Billions)

	<u>2012 FY</u>
<b>Federal Government Spending</b>	\$ 3,537.0
<b>Less: Transfers</b>	<u>(542.7)</u>
<b>Net Federal Spending</b>	\$ 2,994.3
 <b>State and Local Spending</b>	 <u>3,154.3</u>
 <b>Total Government Spending Before Amortizing Liabilities ("Cash" Cost)</b>	 <u><u>\$ 6,148.6</u></u>
 <b>Cost of Amortizing Liabilities</b>	 <u>\$ 4,075.3</u>
 <b>Total Cost of Government ("True" Cost)</b>	 <u><u>\$ 10,223.9</u></u>
 <b>Gross Domestic Product ("GDP")</b>	 \$ 15,685.0
 <b>Cost of Govt. as a % of GDP</b>	
w/o Amortizing Unfunded Liab.	39.2%
w Amortizing Unfunded Liab.	65.2%
 <b>Memo: Health Care as a % of GDP</b>	 17.9%
Pvt Health Care as a % of GDP	11.3%
 <b>"True" Total Cost of Government Plus Health Care as a % of GDP</b>	 <b>76.5%</b>

FIGURE II  
Cost of Government Plus Health Care in America for Fiscal Year 2012

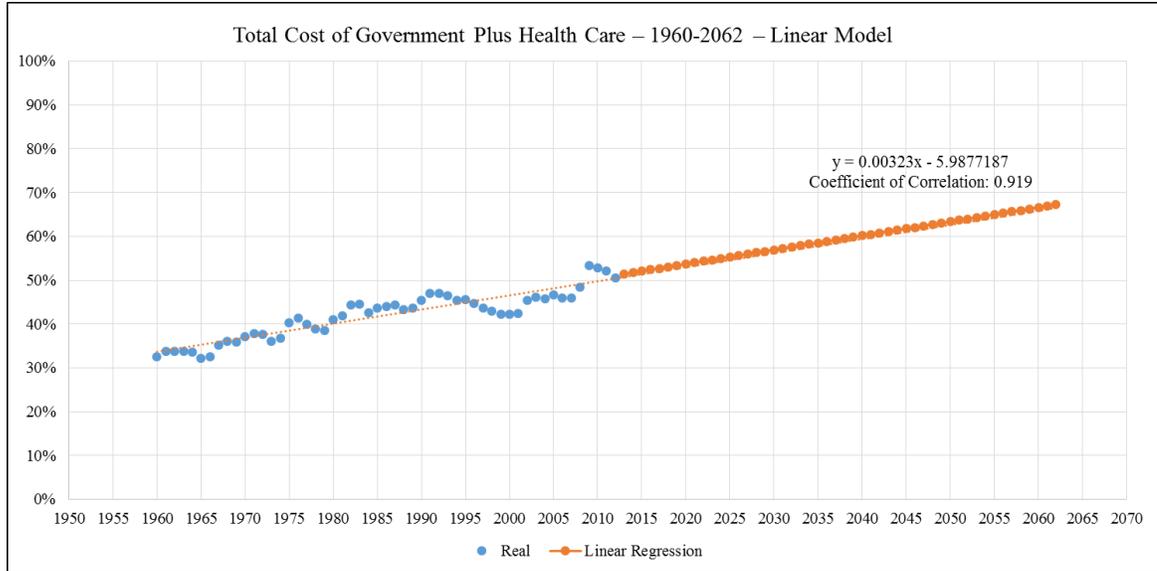


FIGURE III  
Total Cost of Government Plus Health Care as a Percent of GDP—Linear Model

With only 33% of its GDP available for private investment and personal consumption, the U.S. would struggle to compete and provide a prosperous, secure, and happy life for its citizens.

#### *III.D. Exponential Model*

In the previous model, we noted how similar the trends of the last 50 years resemble a linear line. However, despite a high coefficient of correlation, further examination yields that the trend is a magnified function that exhibits exponential growth. If we account for this slight variation, we can determine the average annual growth rates for (i) GDP and (ii) the cost of government and health care from 1960 to 2012, and use an exponential regression model to extrapolate (i) GDP and (ii) the cost of government and health care for the years 2013 to 2062. In Figure IV are the actual and the estimated costs of government plus health care divided by the actual and estimated GDP.

Although the exponential model looks very similar to the previous linear model,

the slight variation has tremendous consequences—which predicts the cost of government plus health care will be 77.1% by the year 2062. Interestingly, this prediction is within one percentage point of the 76.5% cost estimated by the Percent-of-GDP Model. As with the prior three models, this model predicts a cost of government plus health care that is not sustainable.

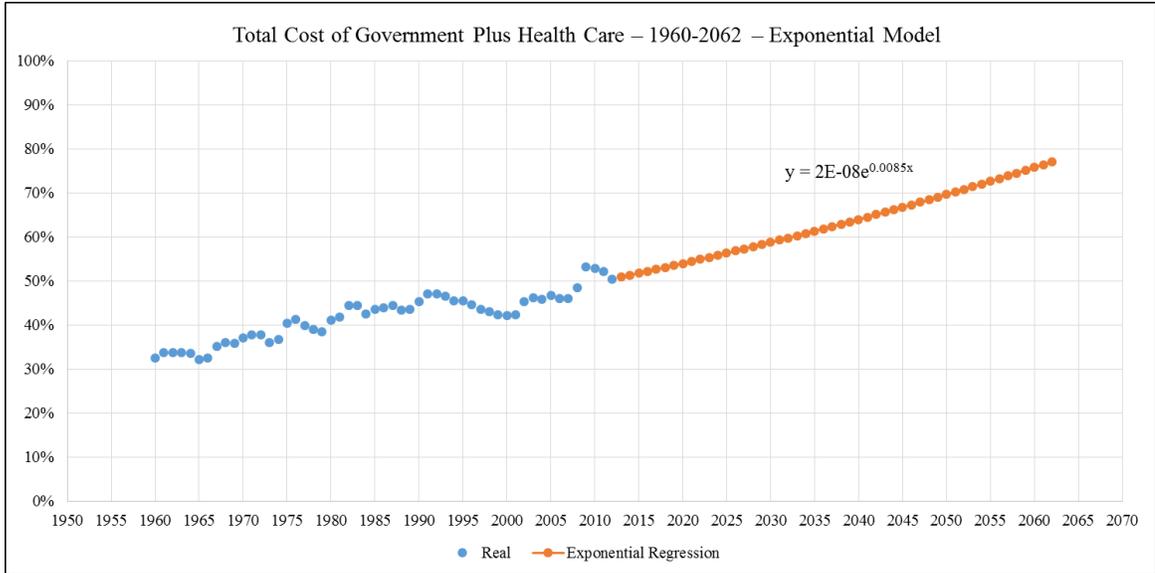


FIGURE IV  
Total Cost of Government Plus Health Care as a Percent of GDP—Exponential Model

*III.E. Summary*

Each model yields an America that is already effectively bankrupt. As of the date of this paper, the U.S. has a \$17.4 trillion negative net worth and is forecasting the accumulation of additional debt for as far as the eye can see. To support this assessment, consider the 2015 Budget of the U.S. Government, which forecasts the following deficits for 2014 through 2024, shown in Figure V.

According to the 2015 Budget of the U.S. Government, the federal government will see a short-term decrease in the deficit; however, the beginning of the major increases can

be observed at the years following 2018. These increases in the deficit will only grow and are in agreement with the previous four models, which suggest that America is on an

<u>Year</u>	<u>Deficit</u> (Billions)	<u>Year</u>	<u>Deficit</u> (Billions)
2014	\$ 629	2020	\$ 707
2015	\$ 562	2021	\$ 741
2016	\$ 569	2022	\$ 887
2017	\$ 561	2023	\$ 914
2018	\$ 559	2024	\$ 942
2019	\$ 658		

FIGURE V  
U.S. Federal Government Deficit Forecasts—2014 to 2024

unsustainable course. Just like Detroit, America must declare a crisis and develop a plan to stanch the increases of future costs for government and health care. Moreover, we suggest that America's citizens request specific actions from their leaders; this may involve a minimum 20-year strategic plan that shows exactly how the combined cost of government and health care will not drive the country further into bankruptcy, including pro forma cash-flow statements and balance sheets for each of the next 20 years.

#### IV. THE SIGNIFICANCE OF HEALTH CARE

Throughout the report, we have compiled computations that have included the cost of government *and* health care. This is due to the fact that the allocation of funds going to health care is a direct deduction from personal consumption and investment that is not involved in health care. It is also instructive to note that the \$38.6 trillion unfunded liability

of Medicare is a fluctuating defined-benefit program<sup>2</sup> that is dependent on the current cost of health care. In other words, if we reduce the future cost of health care, we also reduce the future cost of Medicare. For insight on how to accomplish this task, we compare the U.S. healthcare system to the other healthcare systems in the world.

According to the 2000 publication by the World Health Organization (WHO), the U.S. ranked 37<sup>th</sup> out of all the healthcare systems in the world. This was very disconcerting, not only because the U.S. is described as a premier developed country, but because the U.S. also (by far) spends the most money on health care. Due to outside pressures stemming from the report, the WHO decided not to include a similar ranking in its 2010 publication. However, the indicators provided by the 2013 publication by the Organization for Economic Cooperation and Development (OECD) suggest that not much has changed, shown in Figure VI.

Benchmarking the U.S. to the other fifteen developed countries tracked by the OECD yields a few interesting results. Although the U.S.'s health care cost-per-capita (\$8,233) is significantly more than *double* the average cost-per-capita of the rest of the developed world (\$3,872), the U.S. still has both the lowest life expectancy and the highest infant mortality rate of any of the developed countries. This incongruity lies in the fact that the U.S. dedicates 17.6% of its GDP to health care, while the rest of the world on average dedicates 10% of its GDP to health care.

With this in mind, it would seem obvious that the U.S. should conduct a benchmark study whose goal is to determine why these healthcare systems are so efficient. In other

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<sup>2</sup> A *defined-benefit* retiree-healthcare plan provides for defined medical benefits, irrespective of costs. Actuaries use complex formulas with many esoteric assumptions to estimate the value of defined-benefit plans. This differs from a *defined-contribution* plan, which results in lump-sum distributions after retirement and is only worth the amount in the employees account at the commencement of retirement.

words, why are other countries getting better health care, for a better price? If future legislation can bring the U.S.'s provision of GDP to health care closer to 10%, this effort will result in a 44% reduction in health care cost—saving \$440 billion per year for the government—and \$1.2 trillion per year for the country.

	OECD Countries	Cost of Health Care		Life Expectancy**	Infant Mortality (Per 1,000 Live Births)*
		Percent of GDP*	Cost Per Capita (\$ U.S.)*		
1	United States	17.6%	\$ 8,233	78.2	6.1
	Major Industrialized Countries				
2	Australia	9.1%	\$ 3,670	81.2	4.1
3	Austria	11.0%	4,395	79.8	3.9
4	Belgium	10.5%	3,969	79.4	3.5
5	Canada	11.2%	4,445	80.7	5.1
6	Denmark	11.1%	4,464	78.3	3.4
7	Finland	8.8%	3,251	79.3	2.3
8	France	11.6% (#2/3)	3,974	80.7	3.6
9	Germany	11.6% (#2/3)	4,338	79.4	3.4
10	Italy	9.1%	2,964	82.0	3.4
11	Japan	9.5%	3,035	82.7	2.3
12	Korea (South)	7.2%	2,035	78.6	3.2
13	Norway	9.2%	5,388 (#2)	80.2	2.8
14	Sweden	9.6%	3,758	80.9	2.5
15	Switzerland	11.5%	5,270 (#3)	82.6	3.8
16	United Kingdom	9.6%	3,129	80.1	4.2
	Average	10.0%	\$ 3,872	80.4	3.4

FIGURE VI  
OECD 2011 Health Care Statistics

## V. ELIGIBILITY AGES AND CONCLUSION

The last note of suggestions regard the eligibility ages of Social Security and Medicare. If Social Security is to remain a defined-benefit program, it will be necessary to raise the

Social Security retirement age. For those born after 1959, consider the impact of raising the retirement age from 67 to 71. Implementing a unisex mortality table and assuming a discount rate of 3.0% over the inflation rate for Social Security payments, this would reduce the present value of the cost for new beneficiaries by about 14%. This adjustment would save taxpayers trillions of dollars, which are dependent on the volatile fluctuations of Social Security costs.

While this recommendation may seem extreme, it is instructive to note that in the year 1935, when the Social Security Act was passed, life expectancy was 62 and the eligibility age for unreduced Social Security was 65. With current life expectancy being 78 and the eligibility age for unreduced Social Security being 66, the current implementation of Social Security is no longer applicable to the current world—adjustments will need to be made if this program is to be funded in a fiscally-responsible manner. Using this methodology, it is then also justifiable for the U.S. to similarly raise the Medicare eligibility age by six years (from 65 to 71). Again, using a unisex mortality table and assuming a discount rate of 2.0% over the health care inflation rate, this would reduce the present value of the cost of new beneficiaries by about 21%<sup>6</sup> and also save trillions of dollars for future taxpayers.

Although this report shows no optimism for the U.S. to sustain its current trends or honor a debt of \$79 trillion, there are feasible adjustments that the country can make in order to vastly improve the fiscal security of its future. We urge that new legislation considers the looming financial crisis and attempts to lower the future costs of the country's unfunded liabilities. Otherwise, within the next 50 years, the U.S. will in all likelihood experience the worst financial crisis in the history of the country.

## VI. ACKNOWLEDGEMENTS

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*Faculty Sponsor: John L. Boyle, Department of Mathematics, Eastern Michigan University*

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## APPENDIX

TABLE 1  
Government (federal, state, and local) Plus Health Care Spending in the U.S. —1960 to 2012

	U.S. Populatio n (Million)	GDP-US Nominal (\$ Billion)	Government Spending				Health Care		Total Government Plus Health Care	
			State		Total Government		Est. % Paid			
			Federal *	and Local *	Amount	% of GDP	Amount	By Govt.	Amount	% of GDP
			(\$ Billion)	(\$ Billion)	(\$ Billion)		(\$ Billion)		(\$ Billion)	
1960	179.3	\$ 526.4	\$ 85.19	\$ 61.01	\$ 146.20	27.77%	\$ 27.36	9.00%	\$ 171.10	32.50%
1962	183.9	\$ 585.7	\$ 98.98	\$ 70.52	\$ 169.50	28.94%	\$ 31.91	10.08%	\$ 198.20	33.84%
1964	188.6	\$ 663.6	\$ 108.50	\$ 80.56	\$ 189.06	28.49%	\$ 38.54	11.15%	\$ 223.30	33.65%
1966	193.3	\$ 787.7	\$ 121.31	\$ 94.92	\$ 216.22	27.45%	\$ 46.25	12.23%	\$ 256.82	32.60%
1968	198.3	\$ 909.8	\$ 160.94	\$ 116.27	\$ 277.22	30.47%	\$ 58.76	13.31%	\$ 328.16	36.07%
1970	203.3	\$ 1,038.3	\$ 173.71	\$ 148.06	\$ 321.77	30.99%	\$ 74.85	14.38%	\$ 385.85	37.16%
1972	207.8	\$ 1,237.9	\$ 199.43	\$ 188.90	\$ 388.33	31.37%	\$ 93.14	15.46%	\$ 467.07	37.73%
1974	212.3	\$ 1,499.5	\$ 227.47	\$ 225.67	\$ 453.15	30.22%	\$ 117.16	16.54%	\$ 550.93	36.74%
1976	216.9	\$ 1,824.6	\$ 316.20	\$ 303.98	\$ 620.18	33.99%	\$ 163.01	17.62%	\$ 754.48	41.35%
1978	221.7	\$ 2,293.8	\$ 389.26	\$ 345.22	\$ 734.47	32.02%	\$ 195.53	18.69%	\$ 893.46	38.95%
1980	226.5	\$ 2,788.1	\$ 507.99	\$ 432.43	\$ 940.43	33.73%	\$ 255.78	19.77%	\$ 1,145.64	41.09%
1982	230.8	\$ 3,253.2	\$ 658.45	\$ 520.84	\$ 1,179.29	36.25%	\$ 334.70	20.85%	\$ 1,444.21	44.39%
1984	235.2	\$ 3,930.9	\$ 754.73	\$ 599.07	\$ 1,353.80	34.44%	\$ 406.51	21.92%	\$ 1,671.19	42.51%
1986	239.6	\$ 4,460.1	\$ 877.30	\$ 715.40	\$ 1,592.70	35.71%	\$ 476.89	23.00%	\$ 1,959.91	43.94%
1988	244.1	\$ 5,100.4	\$ 946.63	\$ 824.73	\$ 1,771.37	34.73%	\$ 581.70	24.08%	\$ 2,213.01	43.39%
1990	248.7	\$ 5,800.5	\$ 1,116.02	\$ 972.74	\$ 2,088.76	36.01%	\$ 724.28	25.15%	\$ 2,630.86	45.36%
1992	254.9	\$ 6,342.3	\$ 1,203.77	\$ 1,146.69	\$ 2,350.46	37.06%	\$ 857.91	26.23%	\$ 2,983.33	47.04%
1994	261.3	\$ 7,085.2	\$ 1,251.25	\$ 1,261.17	\$ 2,512.41	35.46%	\$ 972.69	27.31%	\$ 3,219.48	45.44%
1996	267.9	\$ 7,838.5	\$ 1,333.33	\$ 1,393.69	\$ 2,727.01	34.79%	\$ 1,081.85	28.38%	\$ 3,501.79	44.67%
1998	274.6	\$ 8,793.5	\$ 1,406.08	\$ 1,525.67	\$ 2,931.75	33.34%	\$ 1,208.93	29.46%	\$ 3,784.51	43.04%
2000	282.2	\$ 9,951.5	\$ 1,504.67	\$ 1,743.50	\$ 3,248.17	32.64%	\$ 1,377.18	30.54%	\$ 4,204.78	42.25%
2002	287.6	\$10,642.3	\$ 1,660.20	\$ 2,047.58	\$ 3,707.78	34.84%	\$ 1,637.96	31.62%	\$ 4,827.89	45.37%
2004	292.8	\$11,853.3	\$ 1,885.86	\$ 2,261.61	\$ 4,147.47	34.99%	\$ 1,901.60	32.69%	\$ 5,427.39	45.79%
2006	298.4	\$13,377.2	\$ 2,223.29	\$ 2,496.19	\$ 4,719.48	35.28%	\$ 2,163.29	33.77%	\$ 6,152.24	45.99%
2008	304.1	\$14,291.5	\$ 2,523.88	\$ 2,834.00	\$ 5,357.88	37.49%	\$ 2,406.64	34.85%	\$ 6,925.90	48.46%
2010	309.4	\$14,257.0	\$ 2,802.93	\$ 3,060.98	\$ 5,863.90	41.13%	\$ 2,599.95	35.92%	\$ 7,529.87	52.82%
2012	315.1	\$15,685.0	\$ 2,994.27	\$ 3,154.25	\$ 6,148.52	39.20%	\$ 2,809.10	37.00%	\$ 7,918.25	50.48%

\* Note: Federal Government Spending is net of transfers to State and Local Governments.  
State and Local Government Spending includes transfers from the Federal Government.

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