WASHINGTON — U.S. Treasury Secretary Steven T. Mnuchin and Office of Management and Budget (OMB) Acting Director Russell Vought today released the final budget results for FY 2019. The deficit in FY 2019 was $984 billion, $205 billion more than in the prior fiscal year but $16 billion less than forecast in the FY 2020 Mid-Session Review (MSR). As a percentage of GDP, the deficit was 4.6 percent, 0.8 percentage point higher than the previous year.

“President Trump’s economic agenda is working: the Nation is experiencing the lowest unemployment rate in nearly 50 years, there are more jobs to fill than there are job seekers, and Americans are experiencing sustained year-over-year wage increases,” said U.S. Treasury Secretary Steven T. Mnuchin. “In order to truly put America on a sustainable financial path, we must enact proposals—like the President’s 2020 budget plan—to cut wasteful and irresponsible spending.”

“Americans from all walks of life are flourishing again thanks to pro-growth policies enacted by this Administration,” said Acting OMB Director Russ Vought. “By providing a responsible fiscal path forward and pursuing pro-growth reforms, President Trump's agenda will make America’s economic expansion enduring. That’s why the President’s Budget included more deficit reduction than any administration in history—saving $2.8 trillion over 10 years.”

**SUMMARY OF FISCAL YEAR 2019 BUDGET RESULTS**

Year-end data from the September 2019 Monthly Treasury Statement of Receipts and Outlays of the United States Government show that the deficit for FY 2019 was $984 billion, $205 billion higher than the prior year’s deficit. As a percentage of GDP, the deficit was 4.6 percent, an increase from 3.8 percent in FY 2018.

The FY 2019 deficit was $107 billion less than the estimate of $1,092 billion in the FY 2020 Budget (Budget), and $16 billion less than the estimate of $1,001 billion in the MSR, a supplemental update to the Budget published in July.
Table 1. Total Receipts, Outlays, and Deficit (in billions of dollars)

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<thead>
<tr>
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<th>Receipts</th>
<th>Outlays</th>
<th>Deficit</th>
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<tbody>
<tr>
<td>FY 2018 Actual</td>
<td>3,329</td>
<td>4,108</td>
<td>-779</td>
</tr>
<tr>
<td>Percentage of GDP</td>
<td>16.4%</td>
<td>20.2%</td>
<td>-3.8%</td>
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<tr>
<td>FY 2019 Estimates:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020 Budget</td>
<td>3,438</td>
<td>4,529</td>
<td>-1,092</td>
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<tr>
<td>2020 Mid-Session Review</td>
<td>3,472</td>
<td>4,473</td>
<td>-1,001</td>
</tr>
<tr>
<td>FY 2019 Actual</td>
<td>3,462</td>
<td>4,447</td>
<td>-984</td>
</tr>
<tr>
<td>Percentage of GDP</td>
<td>16.3%</td>
<td>20.9%</td>
<td>-4.6%</td>
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Note: Detail may not add to totals due to rounding.

Governmental receipts totaled $3,462 billion in FY 2019. This was $133 billion higher than in FY 2018, an increase of 4.0 percent, above expectations from the Budget, but $10 billion below the MSR estimate. As a percentage of GDP, receipts equaled 16.3 percent, 0.1 percentage point lower than in FY 2018 and 1.1 percentage points below the average over the last 40 years. The nominal increase in receipts for FY 2019 can be attributed primarily to higher social insurance and retirement receipts, net individual income tax receipts, customs duties, net corporation income tax receipts, and excise taxes, partially offset by lower deposits of earnings by the Federal Reserve, and other miscellaneous receipts.

Outlays grew in FY 2019, but by less than expected in the Budget and the MSR. Outlays were $4,447 billion, $339 billion above those in FY 2018, an 8.2 percent increase. As a percentage of GDP, outlays were 20.9 percent, 0.7 percentage point higher than in the prior year, and 0.3 percentage point higher than the 40-year average of 20.6 percent. Contributing to the dollar increase over FY 2018 were higher outlays for Medicare, Social Security, Defense, and interest on the public debt.

Total Federal borrowing from the public increased by $1,052 billion during FY 2019 to $16,803 billion. The increase in borrowing included $984 billion in borrowing to finance the deficit, as
well as $67 billion in net borrowing related to other transactions such as changes in cash balances and net disbursements for Federal credit programs. As a percentage of GDP, borrowing from the public grew from 77.5 percent of GDP at the end of FY 2018 to 79.1 percent of GDP at the end of FY 2019.

To coincide with the release of the Federal Government’s year-end financial data, the Treasury’s Bureau of the Fiscal Service has updated *Your Guide to America’s Finances* (Your Guide) with this new data. Your Guide was launched in 2019 to make federal financial information transparent and accessible to all Americans. It presents a snapshot of the trillions of dollars collected and spent by the Federal Government each year and provides useful context for those numbers. *Your Guide* also clarifies common questions such as the difference between the deficit and the debt through user-friendly explanations, charts, and visualizations.

Below are explanations of the differences between estimates in the MSR and the year-end actual amounts for receipts and agency outlays.

**FISCAL YEAR 2019 RECEIPTS**

Total receipts for FY 2019 were $3,462.2 billion, $10.1 billion lower than the MSR estimate of $3,472.3 billion. This net decrease in receipts was the net effect of lower-than-estimated collections of customs duties, social insurance and retirement receipts, individual income taxes, estate and gift taxes, and other miscellaneous receipts, partially offset by higher-than-estimated collections of corporation income tax receipts, deposits of earnings by the Federal Reserve, and excise taxes. Table 2 displays actual receipts and estimates from the Budget and the MSR by source.

- Individual income taxes were $1,717.9 billion, $1.2 billion lower than the MSR estimate. This decrease was the net effect of lower withheld payments of individual income tax liability of $4.4 billion, lower nonwithheld payments of $0.4 billion, and lower-than-estimated refunds of $2.4 billion.
- Corporation income taxes were $230.2 billion, $9.0 billion above the MSR estimate. This difference was the net effect of higher-than-expected payments of 2019 corporation income tax liability of $10.8 billion and higher-than-estimated refunds of $1.9 billion.
- Social insurance and retirement receipts were $1,243.1 billion, $2.7 billion lower than the MSR estimate.
- Excise taxes were $98.9 billion, $0.9 billion above the MSR estimate.
- Estate and gift taxes were $16.7 billion, $0.7 billion below the MSR estimate.
- Customs duties were $70.8 billion, $10.9 billion below the MSR estimate.
- Miscellaneous receipts were $84.6 billion, $4.6 billion below the MSR estimate. This was the net effect of lower-than-expected collections of various fees, penalties, forfeitures, and fines of $8.6 billion, in large part due to a reduced number of customs, commerce, and antitrust settlement agreements; partially offset by higher-than-expected deposits of earnings by the Federal Reserve System of $4.0 billion.

**FISCAL YEAR 2019 OUTLAYS**

Total outlays were $4,446.6 billion for FY 2018, $26.4 billion below the MSR estimate. Table 3 displays actual outlays by agency and major program as well as estimates from the Budget and the MSR. The largest changes in outlays from the MSR were in the following areas:

**Department of Agriculture** — Outlays for the Department of Agriculture were $150.1 billion, nearly $5.1 billion lower than the MSR estimate.

Outlays for the Farm Service Agency were $4.2 billion lower than estimated in the MSR, primarily due to slower-than-expected outlays from the Market Facilitation Program. Outlays for the Office of the Secretary were about $1 billion below the MSR estimate, due to slower than anticipated enrollment in the Wildfire and Hurricane Indemnity Program Plus disaster program. Outlays in the Supplemental Nutrition Assistance Program (SNAP) were $1.9 billion lower than estimated in MSR due to declining participation. In July 2019, SNAP served 36.3 million people, nearly two million fewer than July 2018, and 4.5 million fewer than projected. Outlays for the Risk Management Agency were $4.2 billion higher than anticipated in the MSR primarily because USDA is allowing producers to defer premium payments until after harvest. Forest Service outlays were about $1.3 billion below the MSR estimate, primarily because the 2019 fire season was less severe than anticipated.

**Department of Commerce** — Outlays for the Department of Commerce were $11.3 billion, $2.1 billion lower than the MSR estimate.

This difference is primarily due to lower-than-expected outlays for the 2020 Decennial Census due to lower operational expenses and slower-than-expected hiring. Lower-than-expected outlays in the National Oceanic and Atmospheric Administration due to delays in certain weather satellites also contributed to the lower outlay rate.
Department of Defense — Outlays for the Department of Defense were $654.0 billion, $3.9 billion lower than the MSR estimate.

This difference is mostly due to lower-than-expected outlays for activities such as operation and maintenance contracts ($3.8 billion), Air Force research, development, test and evaluation contracts ($3.4 billion), and Military Construction projects ($0.7 billion); as well as higher-than-anticipated burden-sharing contributions from partner countries ($0.4 billion). These differences were partially offset by higher-than-expected outlays from accounts including Air Force miscellaneous procurement programs ($1.8 billion), Navy and Air Force Working Capital activities (1.2 billion), Army National Guard personnel ($0.7 billion), and Navy personnel ($0.5 billion).

Department of Education — Outlays for the Department of Education were $104.4 billion, $1.9 billion lower than the MSR estimate.

Outlays for the Hurricane Education Recovery account were $1.5 billion lower than anticipated for three reasons. Puerto Rico, the largest grantee, drew down their funds more slowly than anticipated due to contracting and capacity issues. Slower than usual Restart spending slowed down the anticipated phase 2 process of the Restart program. Similarly, Emergency Assistance to Institutions of Higher Education grantees were unable to spend all of their requested funds by the statutory deadline due to the nature of their projects which involve mostly construction or repairs.

In the Pell Grant program, outlays were $1.2 billion higher than projected in the MSR, due to faster-than-expected disbursement patterns.

For the Federal Direct Student Loan program, because of changes in the mix of activity in direct student loans, $2.7 billion less in positive subsidy outlays for the 2017 loan cohort were recorded in 2019 than estimated in the MSR, primarily due to reduced Consolidation loan volume compared to original estimates.

Department of Health and Human Services — Outlays for the Department of Health and Human Services (HHS) were $1,213.8 billion, $2.2 billion lower than the MSR estimate.

Outlays for Medicaid were $3.6 billion above the MSR estimate. The difference was primarily the result of higher-than-anticipated benefits spending during the second half of the year.

Outlays for Medicare Part A were $1.5 billion lower than the MSR estimate due in part to lower utilization of inpatient hospital services and lower than estimated skilled nursing facility utilization among Medicare beneficiaries. Outlays for Medicare Part B were $3.1 billion higher.
than the MSR estimate which is likely due to higher utilization of outpatient services. Federal contributions to Medicare Part B were $1 billion higher than the MSR estimate which is also likely due to higher than anticipated utilization of outpatient services.

The actual outlays for other health programs was $3.2 billion lower than what was projected in MSR. This is primarily due to the absence of an appropriation for Cost-Sharing Reductions (-$2 billion).

Actual outlays for Temporary Assistance for Needy Families (TANF) were $1.2 billion lower than what was projected in MSR. TANF was initially extended on short-term bases in appropriations bills, and in January 2019, its authorization was extended through June 2019. Legislation extending the program through the end of 2019 was not signed until July 5, 2019, causing a delay in the availability of funding. At the time that the MSR estimate was developed, HHS believed the states would compensate for this delay so that total outlays at the end of the fiscal year would be consistent with prior years. However, states did not spend the funding as anticipated.

**Department of Homeland Security** — Outlays for the Department of Homeland Security were $56.3 billion, $2.4 billion lower than the MSR estimate.

Approximately $1.7 billion of the difference is driven by the Federal Emergency Management Agency (FEMA). FEMA’s Disaster Relief Fund MSR outlay estimate differential accounts for $570 million of the overestimate, which can be attributed to the difficulty in determining when a grantee may draw down disaster funds. FEMA overestimated Urban Area Security Initiative outlays for the same reason. Finally, the government shutdown impacted outlays for facility maintenance, IT systems, and security contracts. Approximately $635 million of the difference is due to U.S. Coast Guard (USCG), driven by a combination of a late year appropriation, which delayed the timeline for normal issuance of contracts. Additionally, USCG’s large unobligated carryover related to emergency funding remaining from 2018 and new emergency funding in 2019 has been spent down slower than a usual project, which was not adequately captured in the MSR estimate.

**Department of Justice** — Outlays for the Department of Justice were $35.1 billion, $4.8 billion lower than the MSR estimate. The Department’s difference is predominately due to large differences in both the Crime Victims Fund (CVF) and the Asset Forfeiture Program (AFP). Outlays for the CVF were $1.4 billion lower than estimated in MSR due to a slower-than-anticipated draw down of funds made available in prior fiscal years. Outlays by the AFP were $1.2 billion lower than anticipated in MSR due to an unanticipated lag in victim payments.
Additionally, outlays were lower across many accounts due to delayed enactment of 2019 appropriations.

**Department of the Treasury** — Net outlays for the Department of the Treasury were $689.5 billion, $8.4 billion higher than the MSR estimate.

The increase was attributable primarily to dividend payments from Fannie Mae and Freddie Mac (the GSEs) on their Senior Preferred Stock that were $5.0 billion less than projected, increasing net outlays relative to MSR due to a reduction in offsetting receipts. This change is the result of an agreement, announced after the MSR was released, that increases the level of capital the GSEs are permitted to retain.

In addition, payment where certain tax credits exceed liability for corporate tax was $4.3 billion higher than projected in MSR. This change is a result of larger refund payments in May and June than were anticipated in MSR.

Net outlays for intragovernmental interest transactions with non-budgetary credit financing accounts were $2.1 billion higher than projected, including $4.4 billion in lower-than-projected interest paid to credit financing accounts and $6.5 billion in lower-than-anticipated receipts of interest from credit financing accounts. (Interest received from credit financing accounts is reported in Treasury’s aggregate offsetting receipts.)

These amounts were partially offset by lower outlays for interest on the public debt, which is paid to the public and to trust funds and other government accounts. Interest on the public debt was $4.2 billion lower than the MSR estimate, due primarily to lower-than-projected interest paid to the public, particularly on inflation-protected and shorter-maturity securities.

**Department of Veterans Affairs** — Outlays for the Department of Veterans Affairs (VA) were $199.6 billion, $4.6 billion lower than the MSR estimate.

Veterans Health Administration outlays were $2.7 billion less than projected in MSR. The primary driver was an inadvertent adjustment in MSR estimates of medical services outlays by $2.1 billion due to the timing of obligations. The next largest contributor was a $0.5 billion decrease in the Veterans Choice Program, driven by the accelerated transition from the Veterans Choice Program to the VA Medical Community Care program.

Outlays for Departmental Administration were $1.7 billion less than projected in MSR. The primary driver is approximately $0.8 billion less in the supply fund due to an error in calculating MSR outlay projections. The VA Electronic Health Record contributed to the difference due to
later than anticipated contract awards reducing the portion of outlays from 2019 and increasing outlays into 2020.

The decrease in benefits programs is due to reduced claim payments based on the number of claimants.

**International Assistance Programs** — Outlays for International Assistance Programs were $23.6 billion, $1.4 billion higher than the MSR estimate.

This difference is largely due to net outlays for Foreign Military Sales that were $3.1 billion higher than the MSR estimate due to lower-than-anticipated receipts received from foreign governments for weapons purchases. This difference can be attributed to variables associated with the contracting and sale of defense articles and services. The higher Foreign Military Sales outlays were partially offset by lower-than-estimated outlays from Foreign Military Financing grants.

**National Aeronautics and Space Administration** — Outlays for the National Aeronautics and Space Administration were $20.2 billion, $1.1 billion lower than the MSR estimate. The NASA mission areas with the largest variances are Science, Deep Space Exploration, and LEO and Spaceflight Operations. Outlays were lower than anticipated due to delays due to the government shut down and Congressional reporting requirements; program schedule delays; and new contracts that outlay at slower rates than has been typical.

**Federal Deposit Insurance Corporation** — Net outlays for the Federal Deposit Insurance Corporation were -$7.5 billion, $1.7 billion lower than the MSR estimate. The difference was almost entirely due to lower-than-estimated outlays from the Orderly Liquidation Fund.

**United States Postal Service** — Net outlays for the United States Postal Service were -$1.0 billion, $1.0 billion lower than the MSR estimate, due mostly to non-personnel operating, capital, and transportation expenses that were lower than anticipated in MSR.

**Undistributed Offsetting Receipts** — Undistributed Offsetting Receipts were -$247.8 billion, $1.5 billion lower than the MSR estimate (higher collections).

Interest received by trust funds was $1.2 billion lower than the MSR estimate. The difference was due largely to Medicare interest earnings, which were $1.8 billion higher than the MSR estimate. This intragovernmental interest is paid out of the Department of the Treasury account for interest on the public debt and has no net impact on total Federal Government outlays.
[1] Figures may not add up to totals due to rounding.

[2] The estimates of GDP used in the calculations of the deficit and borrowing relative to GDP reflect the revisions to historical data released by the Bureau of Economic Analysis (BEA) in July 2019. GDP for FY 2019 is based on the economic forecast for the President’s 2020 Budget, adjusted for the BEA revisions.

[3] The FY 2018 and year-over-year change in budget results were impacted by calendar differences. FY 2018 outlays were reduced by $48 billion because October 1, 2017, fell on a weekend causing certain mandatory benefit payments to be accelerated into FY 2017. After adjusting for this difference, the growth in outlays would have been $291 billion or 7%. Additionally, there was one additional business day in FY 2019 compared to FY 2018, which was worth an estimated $15 billion in additional receipts. After adjusting for this difference, receipts would have grown by $118 billion, still a 4% increase. After accounting for both of these differences, the adjusted deficit would have grown by $173 billion or 21%.

[4] Figures may not add up to totals due to rounding.