Joint Statement of Janet L. Yellen, Secretary of the Treasury, and Shalanda D. Young, Director of the Office of Management and Budget, on Budget Results for Fiscal Year 2024

October 18, 2024

WASHINGTON – U.S. Secretary of the Treasury Janet L. Yellen and Office of Management and Budget (OMB) Director Shalanda D. Young today released the final budget results for fiscal year (FY) 2024.

Under the leadership of President Biden and Vice President Harris, our economy has created over 16 million jobs, unemployment remains the lowest on average of any Administration in 50 years, and workers’ income have increased by nearly $4,000, after adjusting for inflation. As a result of this leadership, we’ve achieved a recovery few thought possible with inflation back down close to pre-pandemic levels and the economy remaining strong. But there’s more to do to lower costs and create opportunities for hardworking Americans. The President and Vice President are fighting to grow the middle class, including by lowering housing, energy, child care, health care, and prescription drug costs; lowering taxes for the middle class and working people while making billionaires and big corporations pay their fair share; and investing in small businesses.

The Biden-Harris Administration has delivered this progress with a commitment to fiscal responsibility—including by lowering the deficit $1.3 trillion since taking office. In addition, the President has also signed into law another roughly $1 trillion in deficit reduction over the next decade through the Fiscal Responsibility Act of 2023, and through Inflation Reduction Act provisions that empower Medicare to negotiate lower prescription drug prices and make our tax system fairer by making billion-dollar corporations pay a minimum tax and enabling the Internal Revenue Service to crack down on wealthy tax cheats.

“The U.S. economy continued to demonstrate its strength and resilience in 2024, with inflation having fallen more than two thirds from its peak while the labor market remains strong. Anchored by strong household consumption and strong business investment, GDP growth has remained healthy even as inflation normalizes,” said **Secretary of the Treasury**

Janet L. Yellen. "The Biden-Harris Administration remains focused on our economy's long-term growth, which includes sustaining historic investments in infrastructure, advanced manufacturing, and clean energy while also addressing our long-term fiscal outlook. The Budget put forward by President Biden reduces the deficit by $3 trillion by asking corporations and the wealthiest Americans to pay their fair share, while preserving our important investments in our country's future."

"Over the past three and a half years, the Biden-Harris Administration has overseen a strong economic recovery, amassed one of the most successful legislative records in generations, grown the economy from the middle out and bottom up, lowered the deficit, and delivered important progress to lower costs for the American people on behalf of the American people," said **Shalanda Young, Director of the Office of Management and Budget.** "This Administration has done this while maintaining a commitment to fiscal responsibility by ensuring the wealthiest among us and large corporations pay their fair share and cutting wasteful spending on special interests. We will build on this progress to make sure the middle class has a fair shot and we leave no one behind."

SUMMARY OF FISCAL YEAR 2024 BUDGET RESULTS

Year-end data from the September 2024 Monthly Treasury Statement of Receipts and Outlays of the United States Government show that the deficit for FY 2024 was $1.8 trillion; $138 billion higher than the prior year's deficit. As a percentage of GDP, the deficit was 6.4 percent, an increase from 6.2 percent in FY 2023. The 2024 deficit is $196 billion lower than in 2023, excluding the effect of the Supreme Court's 2023 decision *Biden v. Nebraska* regarding certain student loan programs.

The FY 2024 deficit was $76 billion lower than the baseline estimate of $1.91 trillion in the 2024 Budget published in March, and $144 billion lower than the baseline estimate of $1.98 trillion in the Mid-Session Review (MSR), a supplemental update to the Budget published in July. Differences were smaller when compared to estimates incorporating enactment of the President's proposed policies: $27 billion and $41 billion lower than estimates, respectively.

Table 1. Total Receipts, Outlays, and Deficit (in trillions of dollars)

	Receipts	Outlays	Deficit

	Receipts	Outlays	Deficit
FY 2023 Actual	4.439	6.135	1.695
Percentage of GDP	16.2%	22.5%	6.2%
Actuals adjusted to exclude student loan modification	*4.439*	*6.468*	*2.029*
Percentage of GDP	*16.2%*	*23.7%*	*7.4%*
FY 2024 Actual	4.919	6.752	1.833
Percentage of GDP	17.1%	23.4%	6.4%
FY 2024 Estimates:			
2025 Budget			
Baseline	4.964	6.873	1.909
Policy	5.082	6.941	1.859
2025 Mid-Session Review			
Baseline	4.885	6.861	1.977
Policy	5.001	6.875	1.874

Note: Detail may not add to totals due to rounding.

Governmental receipts totaled $4.9 trillion in FY 2024 (17.1 percent of GDP), slightly lower than Budget baseline estimates but higher than MSR baseline estimates. Relative to FY 2023, receipts increased by $479 billion, an increase of 10.8 percent. The increase in receipts for FY 2024 compared to FY 2023 is primarily attributable to increases in individual income taxes of $250 billion (11 percent), corporation income taxes of $110 billion (26 percent), and social insurance and retirement receipts of $95 billion (6 percent). While receipts rose compared to FY 2023, they remain below historical averages as a share of GDP.

Outlays were $6.8 trillion in FY 2024, $121 billion less than projected in the Budget baseline and $109 billion less than projected in the MSR. Compared with FY 2023, outlays increased $617 billion, or 10.1 percent. As a share of GDP, outlays rose from 22.5 percent to 23.4 percent. This increase from FY 2023 in part reflects the effects of the Supreme Court's 2023 decision in *Biden v. Nebraska* regarding certain student loan programs. Removing the effects of student debt forgiveness in 2023, large changes included a $254 billion (29%) increase in spending on Interest on the Public Debt, largely due to higher interest rates. Other increases included $103 billion (7%) in Social Security spending, a $50 billion (6%) increase in Defense spending, and a $28 billion (3%) increase in Medicare gross outlays. These increases were partially offset by spending decreases in the Federal Deposit Insurance Corporation (FDIC) of $55 billion (a 60% decrease), the Pension Benefit Guaranty Fund of $28 billion (a 70% decrease), and the Supplemental Nutrition Assistance Program (SNAP) of $28 billion (a 21% decrease).

Total Federal borrowing from the public increased by $2.0 trillion during FY 2024 to $28.2 trillion. The increase in borrowing included $1.8 trillion in borrowing to finance the deficit as well as $0.1 trillion 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 96 percent of GDP at the end of FY 2023 to 98 percent of GDP at the end of FY 2024.

To coincide with the release of the Federal Government's year-end financial data, Treasury's Bureau of the Fiscal Service (Fiscal Service) is continuing to publish Your Guide to America's Finances (Your Guide). The Fiscal Service created Your Guide in 2019 to make Federal financial information transparent and accessible to all Americans. The latest version offers easy-to-understand explainer pages and makes content more accessible on mobile devices. The data in Your Guide is automatically updated throughout the year as new data becomes available, ensuring that the public has access to the latest financial information as quickly as possible.

Below are explanations of the differences between FY 2024 estimates and the year-end actual amounts for receipts by source and outlays by agency.

FISCAL YEAR 2024 RECEIPTS

Total receipts for FY 2024 were $4,918.7 billion, $82.4 billion lower than the MSR estimate of $5,001.1 billion. This net decrease in receipts was the net effect of lower-than-estimated collections of corporation income taxes, social insurance and retirement receipts, and estate and gift taxes. Table 2 displays actual receipts and estimates from the MSR by source.

- Individual income taxes were $2,426.1 billion, $8.7 billion higher than the MSR estimate. The MSR estimates included a net $6.0 billion decrease in receipts from legislative proposals to increase the top marginal income tax rate for high-income earners, close Medicare tax loopholes and increase the Medicare tax for people making over $400,000, improve Medicare solvency, and expand the child credit and make it permanently advanceable and refundable, all of which remain unenacted as of the publication of this document. Excluding the effects of legislative proposals, individual income taxes were $2.7 billion higher than the MSR estimate. This difference was the net effect of higher withheld payments of individual income tax liability of $5.7 billion, higher non-withheld payments of $5.6 billion, and higher-than-estimated refunds of $8.6 billion. Relative to 2023, individual income tax receipts rose by $249.6 billion, partially resulting from the shifts in payment deadlines for some taxpayers, including those impacted by natural disasters.
- Corporation income taxes were $529.9 billion, $79.6 billion below the MSR estimate. The MSR estimates included $94.9 billion in receipts from legislative proposals to raise the corporate income tax rate to 28 percent, and revise the global minimum tax regime, limit inversions, and make related reforms, which remain unenacted as of the publication of this document. Excluding the effects of legislative proposals, corporation income taxes were $15.2 billion above the MSR estimate. This difference was largely due to lower-than-estimated refunds of $4.1 billion. Relative to 2023, corporation income tax receipts rose by $110.3 billion, the net effect of lower refunds and higher gross receipts, partially resulting from the shifts in payment deadlines for some corporate taxpayers, including those impacted by natural disasters.
- Social insurance and retirement receipts were $1,709.6 billion, $27.1 billion lower than the MSR estimate. The MSR estimates included $27.7 billion in receipts from legislative proposals to increase the net investment income tax rate and additional Medicare tax rate for high-income taxpayers, which remain unenacted as of the publication of this document. Excluding the effects of legislative proposals, social insurance and retirement receipts were $0.6 billion below the MSR estimate. Relative to 2023, social insurance and retirement receipts increased by $95.1 billion.
- Excise taxes were $101.4 billion, $12.2 billion above the MSR estimate. Relative to 2023, excise tax collections increased by $25.6 billion.
- Estate and gift taxes were $31.6 billion, $0.9 billion below the MSR estimate. Relative to 2023, estate and gift taxes decreased by $2.1 billion.

- Customs duties were $77.0 billion, $0.2 billion above the MSR estimate. Relative to 2023, customs duties decreased by $3.3 billion.
- Miscellaneous receipts were $43.2 billion, $4.1 billion above the MSR estimate. This included a $2.8 billion increase in collections of various fees, penalties, forfeitures, and fines, and a $1.4 billion increase in deposits of earnings by the Federal Reserve System. Relative to 2023, deposits of earnings by the Federal Reserve rose by $2.6 billion. Other miscellaneous receipts increased by $1.6 billion.

FISCAL YEAR 2024 OUTLAYS

Total outlays were $6,751.6 billion for FY 2024, $123.1 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 $203.4 billion, $33.7 billion lower than the MSR estimate. SNAP outlays in FY 2024 were $13.9 billion below MSR estimates. This is due to lower-than-projected outlays for SNAP benefits and prior year outlays for Pandemic EBT (P-EBT) benefits. Outlays in the Child Nutrition Programs were $32.7 billion, $4.9 billion lower than MSR estimates. This stems from lower participation rates across three programs: National School Lunch Program, National School Breakfast Program, and Child and Adult Care Food Programs and expectations that a portion of outlays from the new Summer EBT program will outlay in FY 2025. Outlays for the Commodity Credit Corporation (CCC) were $5.4 billion lower than MSR estimates. This is in part due to $2.1 billion in borrowing authority for administrative activities being executed in FY 2025 (October 2024), rather than FY 2024. Additionally, actual market conditions led to lower outlays for Marketing Assistance Loans, Dairy Margin Coverage, and CCC-funded disaster programs. In addition, outlays for the Crop Insurance Program were $4.9 billion lower than MSR estimates primarily due to the majority of 2024 spring crop producer premiums being received when due at the end of fiscal year 2024, instead of the first quarter of fiscal year 2025 because Risk Management Agency did not offer a late premium payment penalty waiver.

Department of Commerce — Outlays for the Department of Commerce were $14.8 billion, $5.3 billion lower than the MSR estimate. The National Institute of Standards and Technology (NIST) outlays were $1.8 billion less than MSR. Of this total, $0.9 billion is attributable to lower-than-expected outlays for the Creating Helpful Incentives to Produce Semiconductors (CHIPS) program, and $0.8 billion is due to lower than expected outlays in NIST's R&D,

manufacturing, and construction programs. The National Telecommunications and Information Administration outlays were $2.3 billion lower than MSR due to slower-than-expected finalization of awards and projects in the Broadband Equity, Access, and Deployment Program ($1.5 billion) and Middle Mile Deployment program ($0.4 billion). Outlays for the National Oceanic and Atmospheric Administration and the Bureau of the Census were also $0.6 billion and $0.4 billion less than MSR, respectively.

Department of Defense — Outlays for the Department of Defense were $826.3 billion, $8.5 billion higher than the MSR estimate. This difference is mostly due to higher-than-expected outlays for activities such as operation and maintenance contracts ($1.8 billion), as well as Air Force procurement ($3.9 billion) and Air Force research, development, test and evaluation activities ($4.0 billion).

Other Defense Civil Programs — Outlays for the Other Defense Civil Programs were $66.2 billion, $3.0 billion lower than the MSR estimate. This difference is primarily due to $4.3 billion lower-than-expected outlays in the Military Retirement Fund (MRF). Lower MRF outlays were partially offset by lower-than-expected earnings in the Medicare Eligible Retiree Health Care Fund ($1.2 billion).

Department of Education — Outlays for the Department of Education were $268.4 billion, $10.7 billion higher than the MSR estimate. Outlays in the Federal Direct Student Loan Program Account were $2.6 billion higher than the MSR estimate because of higher than projected consolidation loan volume and a modification concerning collections on defaulted loans. Outlays in the Federal Family Education Loan Program were $1.3 billion higher than the MSR estimate due to a modification concerning collections on defaulted loans and Voluntary Flexible Agreements. Outlays in the Student Financial Assistance Account were $2.5 billion higher than MSR due to actual disbursements in the Pell Grant program being higher than predicted. Outlays in the Education Stabilization Fund account were $1.6 billion higher than the MSR estimate primarily from higher-than-anticipated spending in the American Rescue Plan Act of 2021 (ARP) programs related to the closing of the period of funding availability.

Corps of Engineers — Outlays for the Corps of Engineers were $11.3 billion, $3.4 billion higher than the MSR estimate. The difference is predominantly due to higher-than-anticipated construction contract awards and higher than anticipated outlays from the Harbor Maintenance Trust Fund.

Federal Deposit Insurance Corporation — Net outlays for the Federal Deposit Insurance Corporation were $37.1 billion, $8.6 billion lower than the MSR estimate. This was primarily due to higher-than-anticipated recoveries from failed banks, along with $0.7 billion lower outlays than projected at MSR for the Orderly Liquidation Fund as its underlying authority was unused.

Department of Health and Human Services — Outlays for the Department of Health and Human Services were $1,721 billion, $6.8 billion lower than the MSR estimate. Gross outlays for Medicare's Hospital Insurance (HI) trust fund were $3.8 billion higher than projected due to slight variations in inpatient hospital and Medicare Advantage (MA) spending that totaled less than one percent of Medicare HI spending. Gross outlays for Medicare's Supplementary Medical Insurance (SMI) trust fund were $8 billion higher than projected due to increased MA, skin substitute, and COVID-19 vaccine spending. Prior to the end of the COVID-19 Public Health Emergency (PHE), traditional Medicare only covered COVID-19 vaccine administration, as government stock of vaccines was used. After the PHE, traditional Medicare coverage includes both the vaccine and administration. Part B aged premiums collections were $2.7 billion less than estimated due to any combination of variation in enrollment, late enrollment penalties collected, and income-based additional premiums collected. Outlays to the Payments to the Health Care Trust Funds (PTF) were $2.2 billion higher than estimated due to indefinite authority being invoked after MSR for making SMI matching payments and Part D benefit payments. Actual outlays for cost-sharing reductions were $13.4 billion lower than projected in MSR due to the absence of an appropriations for Cost-Sharing Reductions. Actual outlays for the Public Health and Social Services Emergency Fund were $4.1 billion lower than projected in MSR due to lower-than-anticipated outlays of large contracts and grants funded with COVID-19 supplemental resources, in part due to extended periods of performance in the contracts.

Department of Homeland Security — Outlays for the Department of Homeland Security were $89.3 billion, $32.7 billion lower than the MSR estimate. The difference is attributable to the Federal Emergency Management Agency (FEMA). First, Disaster Relief Fund outlays were $29.4 billion lower than MSR estimates because FEMA entered into Immediate Needs Funding, halting obligations for COVID-19 projects that otherwise would have outlaid quickly, and because FEMA did not properly account for the time required to liquidate obligations for long-term recovery projects. Additionally, FEMA did not revise down estimates for flood insurance claims during MSR, which resulted in approximately $2.9 billion of the difference, citing the historic hurricane season predicted by the National Hurricane Center that could have resulted in higher flood insurance claims impacting the National Flood Insurance Fund and the National Flood Insurance Reserve Fund.

International Assistance Programs — Outlays for International Assistance Programs were $35.8 billion, $6.4 billion lower than the Budget estimate. This difference is largely due to $5.1 billion in lower than estimated outlays for Department of State and U.S. Agency for International Development economic and development assistance accounts, in part to account for the time required to meet congressional pre-obligation requirements. Outlay estimates for supplemental funds also differed, including disbursements of Direct Budget Support payments after the Government of Ukraine met the conditionality framework. In addition, Foreign Military Sales outlays were $2.9 billion lower than expected due to higher-than-anticipated receipts received from foreign governments for weapons purchases as well as higher-than-expected outlays from sales.

Office of Personnel Management — Outlays for the Office of Personnel Management were $126.2 billion, $2.6 billion lower than the MSR estimate. The difference is primarily due to lower-than-projected outlays for the Civil Service Retirement and Disability Fund.

United States Postal Service — Outlays for the United States Postal Service were $4.0 billion, $2.7 billion higher than estimated at MSR primarily due to lower than estimated revenue and higher than expected costs, including for salaries and capital expenditures.

Railroad Retirement Board — Outlays for the Railroad Retirement Board were $5.4 billion, $2.6 billion lower than the MSR estimate. The difference was primarily attributable to higher-than-expected stock market gains on non-federal securities in the National Railroad Retirement Investment Trust (about $1 billion).

Department of the Treasury — Outlays for the Department of the Treasury were $1,316.9 billion, $30.5 billion lower than the MSR estimate. Interest on the public debt, which is paid to the public and to trust funds and other Government accounts, was $24.7 billion lower than the MSR estimate. The difference was due primarily to lower-than-projected interest paid on inflation-protected Treasury securities held by the public and lower-than-projected interest paid to the debt held by Government accounts, particularly the Pension Benefit Guaranty Corporation. Intragovernmental interest paid to Government accounts has no net impact on total Federal Government outlays. Net outlays for intragovernmental interest transactions with non-budgetary credit financing accounts were $4.6 billion higher than projected, including $7.9 billion in lower-than-projected receipts of interest from credit financing accounts, partly offset by $3.3 billion lower-than-anticipated interest paid to credit financing accounts. (Interest received from credit financing accounts is reported in Treasury’s aggregate offsetting receipts.)

Outlays for the Elective Payment for Energy Property and Electricity Produced were $8.8 billion lower than the MSR estimate, which had assumed that more eligible companies would file tax returns early enough to receive payments this year. Outlays for Coronavirus Tax Credits, which include Employee Retention Credits (ERC), were $3.8 billion lower than estimated at MSR because the Internal Revenue Service's (IRS) temporary pause in ERC processing lasted longer than anticipated. These decreases were partly offset by outlays for the refundable premium tax credits that were $5.1 billion higher than projected due to typical variances resulting from the timing of individual income tax filings and other factors. Non-IRS pandemic response programs enacted in the Consolidated Appropriations Act, 2021, and the ARP, including the Emergency Rental Assistance program and the State and Local Fiscal Recovery Fund, accounted for $1.2 billion in lower-than-projected outlays due in large part to the return of unused program funds coming back to Treasury in the last quarter of the fiscal year.

Undistributed Offsetting Receipts — Undistributed Offsetting Receipts were -$330.6 billion, $2.8 billion lower net collections than the MSR estimate. For interest received by trust funds, net collections were $3.7 billion lower than the MSR estimate. Of the $3.7 billion difference, $2.6 billion is due to lower-than-projected interest paid to the Military Retirement Fund and $0.6 billion is due to lower-than-projected interest paid to the Social Security Federal Old-Age and Survivors Insurance Trust Fund. 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.

Department of Veterans Affairs — Outlays for the Department of Veterans Affairs (VA) were $325.0 billion, $16.1 billion lower than the MSR estimates. VA's lower outlays were driven mostly by differences in Benefits Programs, which were $7.0 billion lower than the MSR estimate; Departmental Administration programs, which were $1.8 billion lower than the MSR estimate; Negative Housing Subsidies, which were $5 billion lower than the MSR estimate; and Veterans Health Administration (VHA), which was $2.8 billion lower than the MSR estimate.

Within Benefits Programs, Compensation & Pension (C&P) benefits were $5.4 billion lower than expected and Readjustment Benefits were $670 million lower than expected in part due to an overestimation of benefits payments at the time of MSR. Departmental Administration programs were lower than expected due to six accounts being $140 to $800 million lower than the MSR estimate, primarily driven by lower outlays for Information Technology Systems and the Toxic Exposures Fund. FY 2024 is only the second full fiscal year VA has utilized TEF funding, and VA continues to refine its estimates as additional execution data become available. Negative Housing Subsidies were lower than expected in part due to the launch of a new foreclosure mitigation program, which to date has experienced less demand than initially anticipated. For VHA, Community Care was $1.7 billion lower than expected due in part to the Change Healthcare cybersecurity attack that impacted obligation and outlay estimate.

Table 2- Receipts by Source

Table 3- Outlays by Agency

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