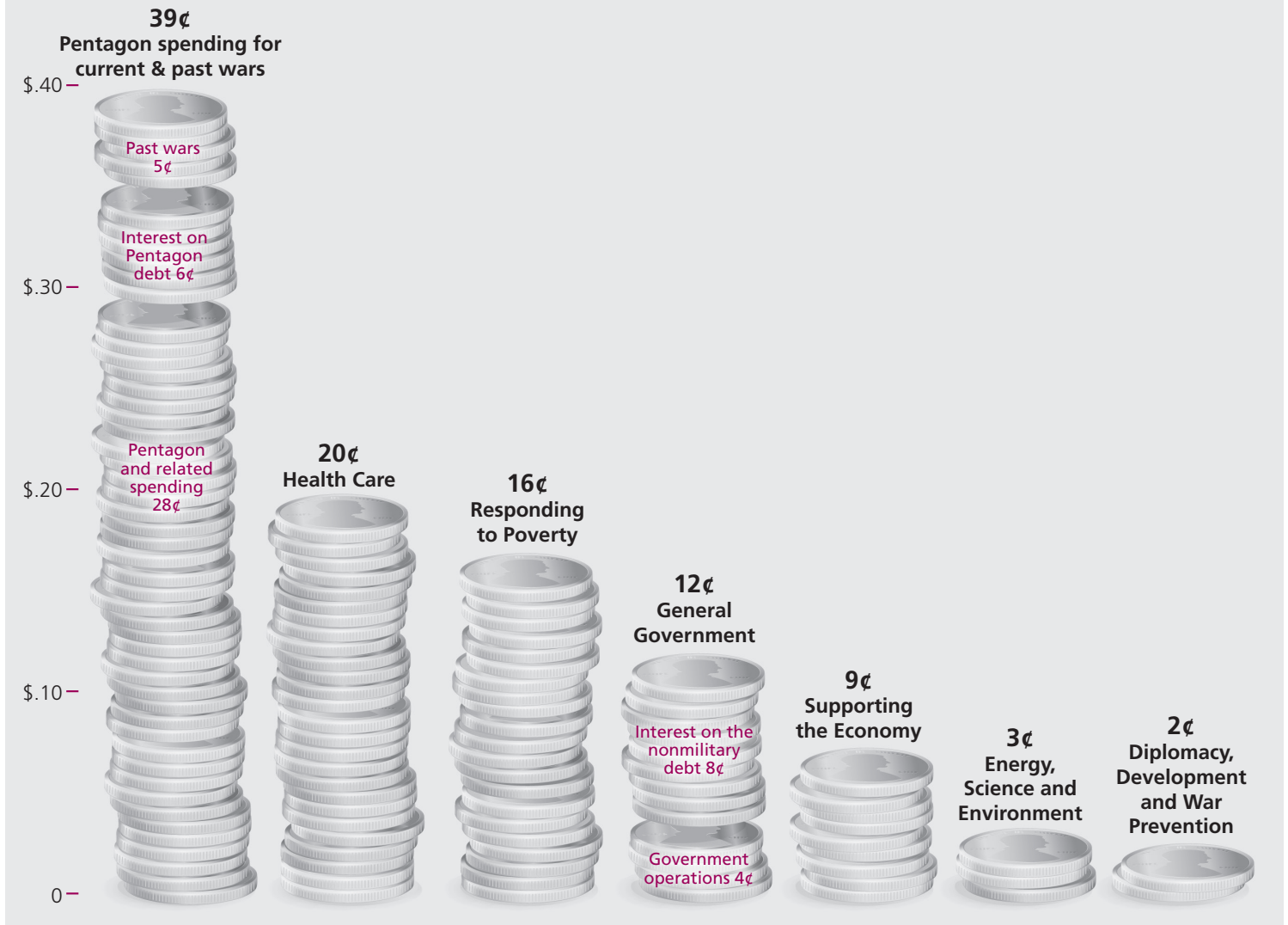


Where Do Our Income Tax Dollars Go?

For each dollar of federal income tax we pay in 2011, the government spends about:



For where your treasure is, there will your heart be also ~Matthew 6:21

These coins show how the federal government now spends our income tax dollars.

This imbalanced spending has consequences: an unsupportable budget deficit, growing poverty, and a weakening economy, as well as missed opportunities to prevent war and address greenhouse gas pollution. The military budget could easily be trimmed by \$1 trillion over the next ten years. Please tell your members of Congress to spend that money differently. Use FCNL's website, www.fcnl.org, to send your message.

War Is Not the Answer!

More details at www.fcnl.org/11taxchart



How Is the Federal Government Spending Our Income Tax Dollars in 2011? (dollars in millions)

TOTAL PENTAGON SPENDING FOR CURRENT & PAST WARS 39% (\$1,165,907)

Pentagon and related spending 28% (\$848,720)
The Pentagon budget and related programs that have a military function, such as nuclear weapons production in the Department of Energy, and foreign military assistance

Interest on Pentagon debt 6% (\$177,331)
Interest on the federal debt accumulated from past Pentagon spending

Other Costs from Past Wars 5% (\$140,256)
Other costs and obligations from past wars, such as care and benefits for veterans

HEALTH CARE and HEALTH RESEARCH 20% (\$593,857)

Medicaid, public health programs, Indian Health, the National Institutes of Health and the Centers for Disease Control. (Most of the money for Medicare comes from a dedicated payroll tax, not From income taxes, so the Medicare Trust Fund, with its separate income, is not considered part of the "federal funds budget" and is not included here.)

RESPONDING TO POVERTY 16% (\$480,359)

Some of the anti-poverty programs, such as unemployment insurance and food stamps, are structured to increase spending as the need for them goes up. So, given the weakness of the economy, several of these programs saw an increase. But others were cut rather deeply; as a result the overall category is down by 1% compared to 2010. This category includes programs that are available to people who meet certain income guidelines, such as housing, income, education, energy and food assistance.

GENERAL GOVERNMENT 12% (\$368,235)

Federal government operations 4% (115,157)
Congress, judiciary, Department of Justice, most of the Department of Homeland Security, IRS, Treasury, etc.

Interest on the public debt 8% (\$253,083)
Interest due on the portion of the federal debt that is not attributable to past military spending

SUPPORTS FOR THE ECONOMY 9% (\$261,537)

Includes supports for trade and commerce, stimulus payments (such as the payroll tax holiday), agriculture support programs, all employment and education programs, plus child care assistance and community programs

ENERGY, SCIENCE AND ENVIRONMENT 3% (\$93,233)

Environmental Protection Agency, National Science Foundation, National Aeronautic and Space Administration, National Oceanic and Atmospheric Administration, Department of the Interior (most), Forest Service, Natural Resource Conservation Service

PREVENTING WAR 2% (\$62,409)

The entire State Department, including the diplomatic corps and the Agency for International Development, support for the United Nations and other international institutions, and non-military aid to other countries.

Please note: Federal income tax dollars spent on current and past wars went up in absolute dollar amounts in 2011. Percentages are rounded so total adds up to 101%.

Source: FCNL calculations are based on estimated expenditures reported by the White House Office of Management and Budget. This analysis covers the \$3,025,942 million "federal funds" budget, which is the spending supported by income taxes, estate taxes, and other general revenues. Not included are trust funds, such as Social Security and Medicare, which are supported by dedicated revenues. Various colleague organizations use the same income-tax based calculation that FCNL uses, or use the amounts that congressional committees appropriate each year, showing military spending as more than half of all "discretionary" (or appropriated) spending. For more information on how these figures were calculated please go to www.fcnl.org/11taxchart.

