

## Report: Federal unfunded liabilities total \$84 trillion

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The federal government faces unfunded liabilities totalling \$84 trillion, with more than \$30.3 trillion owed to public debt holders, federal employees and current retirees in the form of Social Security and Medicaid benefits, according to a recent [report](#) by the nonpartisan [National Center for Policy Analysis](#).

“Overall, the fiscal imbalance is equal to 5.7 percent of the present value of all future GDP, which translates into about 31 percent of the long run federal revenue estimate,” the report states. “Thus federal revenues would have to rise immediately and permanently to 24.1 percent of GDP to cover the fiscal imbalance.”

In 2011, the federal government reported owing “\$10.2 trillion in public debt, accrued federal employee pension and other retirement benefits of \$5.8 trillion, and other federal liabilities of \$1.5 trillion,” the report states, totalling \$17.5 trillion in liabilities — or more than 117 percent of GDP.

When Social Security and Medicare payments owed to current retirees are counted, \$12.8 trillion is added to federal liabilities, bringing the total to \$30.3 trillion — or a whopping 200 percent of GDP.

Add in the remaining expected obligations to non-retirees for Social Security and Medicare, along with other federal obligations, and the tally rises to nearly \$84 trillion.

If policy changes aren’t made to meet these obligations in the long run, the report warns, the government would have to raise taxes by 30 percent, from its historic 50-year average of 18 percent of GDP to 24 percent of GDP.

“The growth of the economy will slow as a result, making it more difficult to meet the federal government’s unfunded obligations,” the report states.

A [report](#) by the Senate Budget Committee minority points to the Affordable Care Act (ACA), which will increase unfunded liabilities for the Medicare and Medicaid programs from \$17 trillion to \$82 trillion, as one culprit.