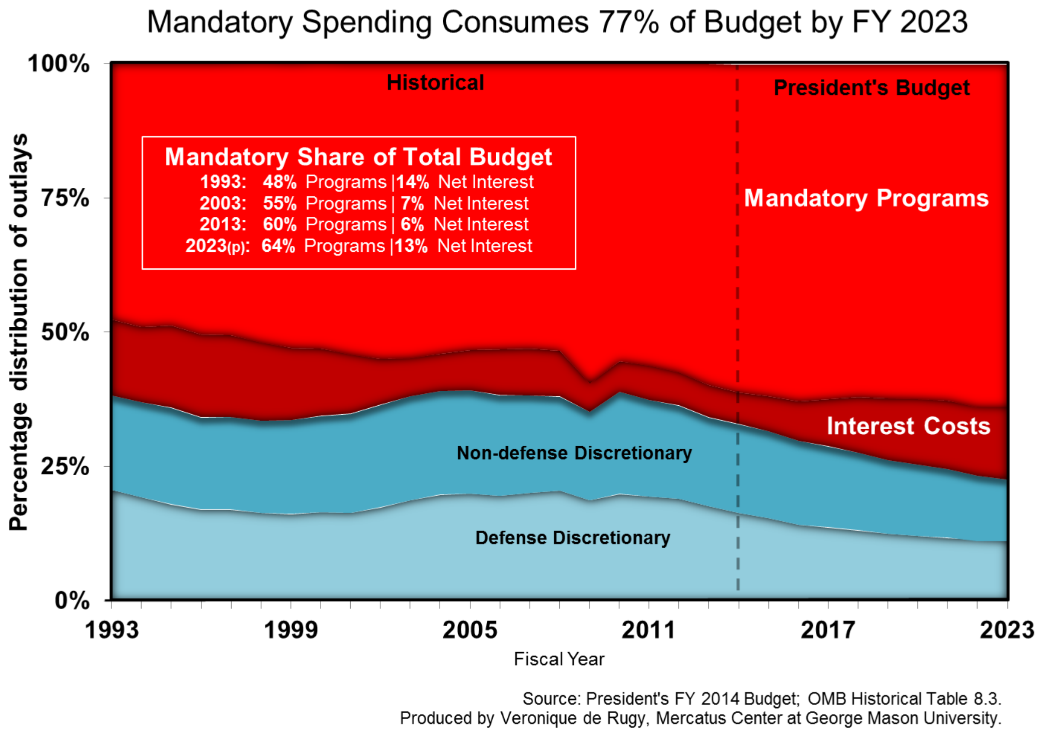

This chart highlights the increasing share of the budget consumed by mandatory spending using projected spending estimates from the president's FY 2014 budget and historical data from the Office of Management and Budget. The mandatory share (red portions) of the budget--entitlement programs and interest costs--expands at the expense of the discretionary portion of the budget (which is for spending on things like defense and infrastructure).

Mandatory spending takes place without a congressional vote. Entitlement spending is a subset of mandatory spending, and interest payments on the federal debt are also considered mandatory spending. Therefore, legislators do not have to vote for these programs in order for such spending to take place.

The data show that that in FY 2014 mandatory spending (the entire red portion), including interest payments, will consume 67 percent of the budget, leaving discretionary spending (the blue portions) with 33 percent of the budget, three percent lower than the FY 2012 level of 36 percent. By FY 2023, mandatory and interest spending will expand to 77 percent of the total budget, leaving a mere 23 percent of the budget to discretionary spending. It is important to note that, while the discretionary *share* of the budget is projected to shrink, total discretionary *spending* still increases. Moving to a chained CPI affects the budget by less than one half of one percent in any given year.

The federal government is projected to pay an astounding $763 billion on interest by FY 2023, up from the $220 billion paid in FY 2012 and the $223 billion that is scheduled to be paid in FY 2013 and FY 2014. At 13.5 percent of the budget, interest payments alone are a lot of money.

We won't have to wait 20 or 40 years for the consequences of lawmakers' unwillingness to tackle entitlement reforms to appear. Unless we reform Medicare, Social Security, and Medicaid, these consequences will be here to stay far too soon.

Key findings on mandatory spending:

- Spending for mandatory programs such as Social Security, Medicare, and Medicaid will grow from 57% of budget in FY 2012 to 64% of budget in FY 2023.
- Mandatory spending will increase from $2 trillion in 2012 to $2.3 trillion in 2014, and it will reach $3.6 trillion by 2023.
- Major entitlements alone (Social Security, Medicare, and Medicaid) will comprise half of the entire budget by 2023.
- Medicaid will grow the fastest by 96 percent, followed by Social Security (75 percent) and Medicare (72 percent).

Veronique de Rugy elaborates on the discretionary spending squeeze at NRO's The Corner.

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