



BIPARTISAN POLICY CENTER

# The Economic Impact of Inequality on Public Budgeting

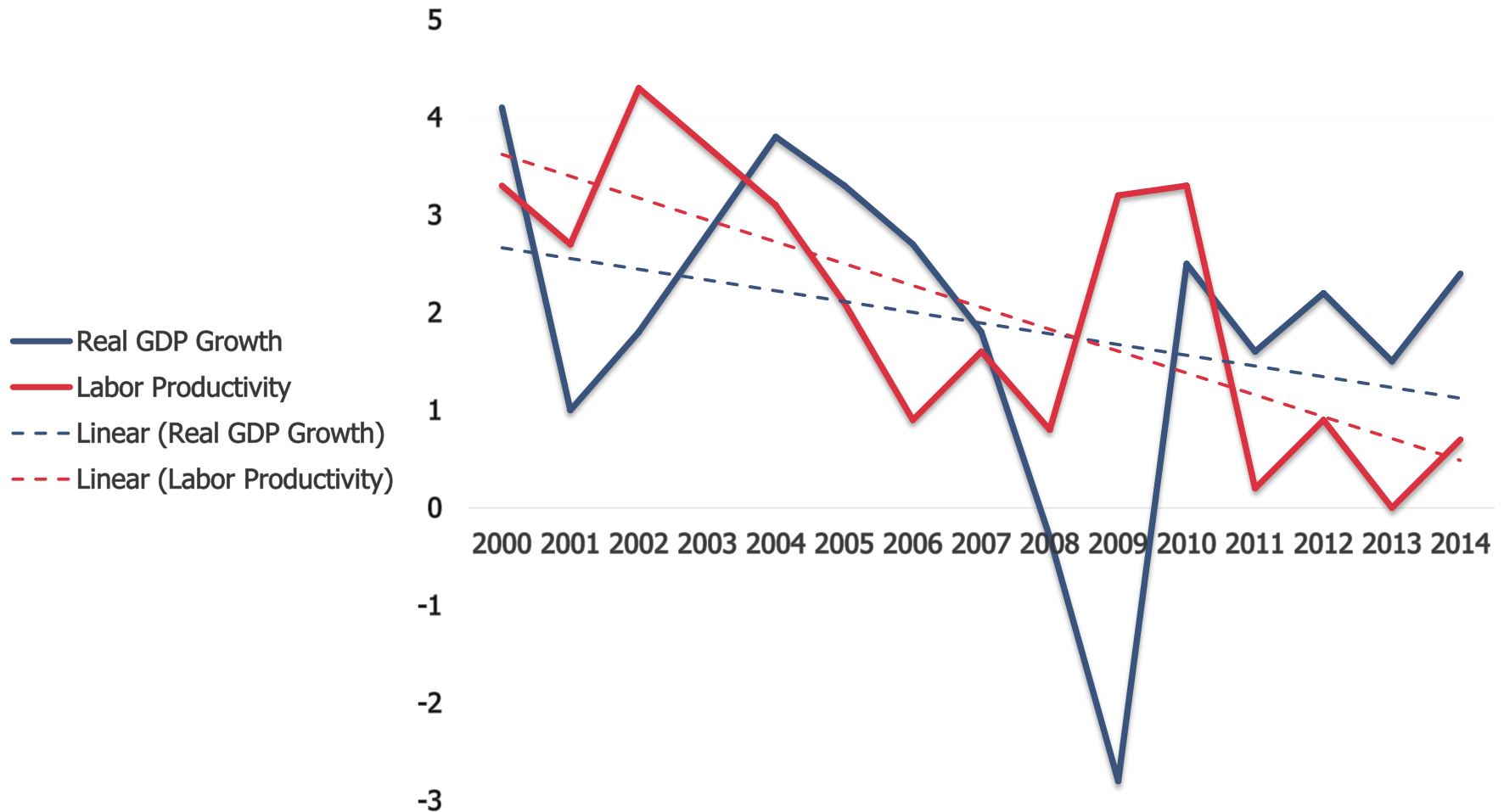
NATIONAL ACADEMY OF SOCIAL INSURANCE  
JANUARY 28, 2016

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[bipartisanpolicy.org](http://bipartisanpolicy.org)

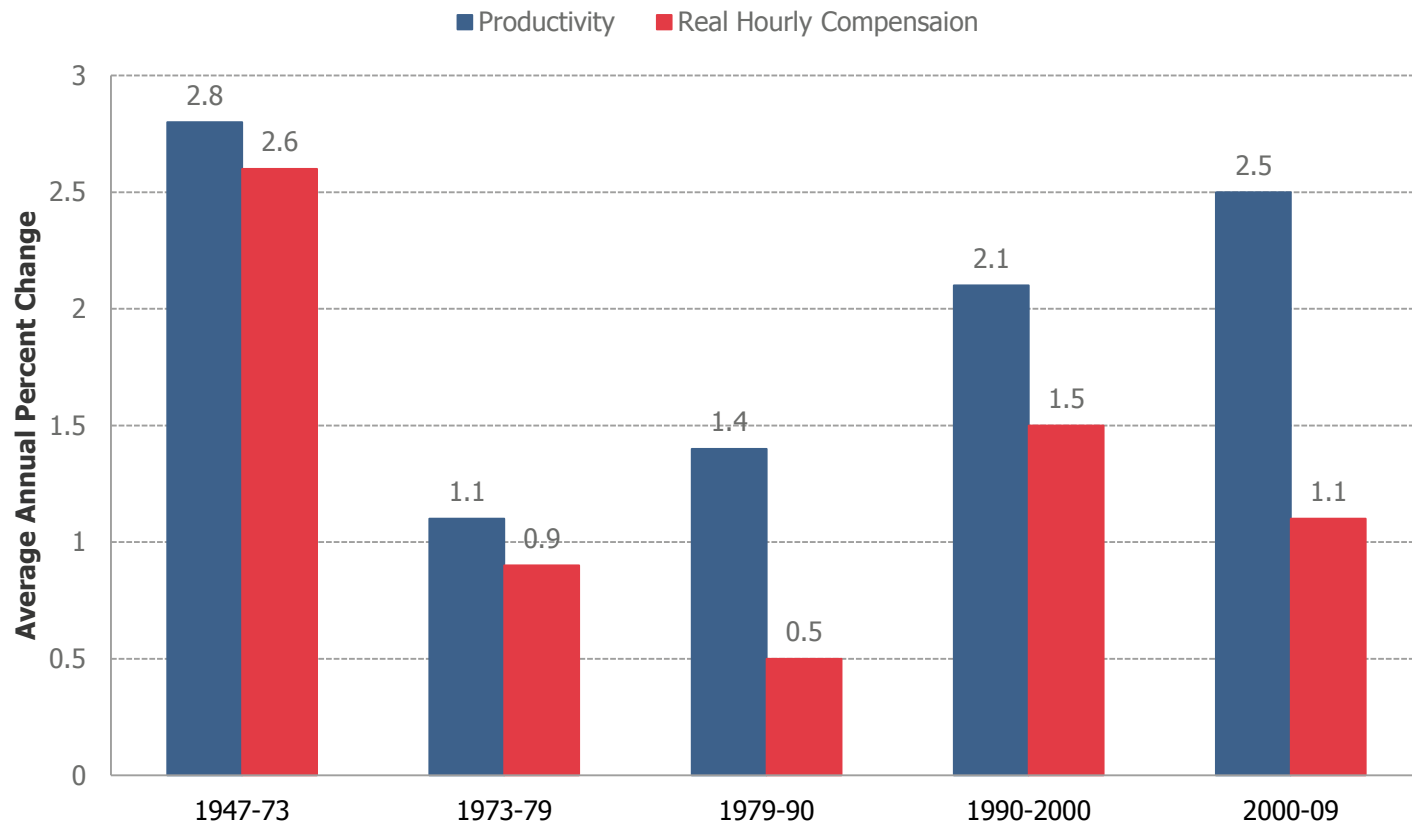


## Historic Shift: Labor Productivity Less Than Real GDP Growth Annual % Change 2000-2014





## Productivity Growth and Real Hourly Compensation Growth, Nonfarm Business Sector, Selected Periods, 1947-2009



Source: U.S. Bureau of Labor Statistics

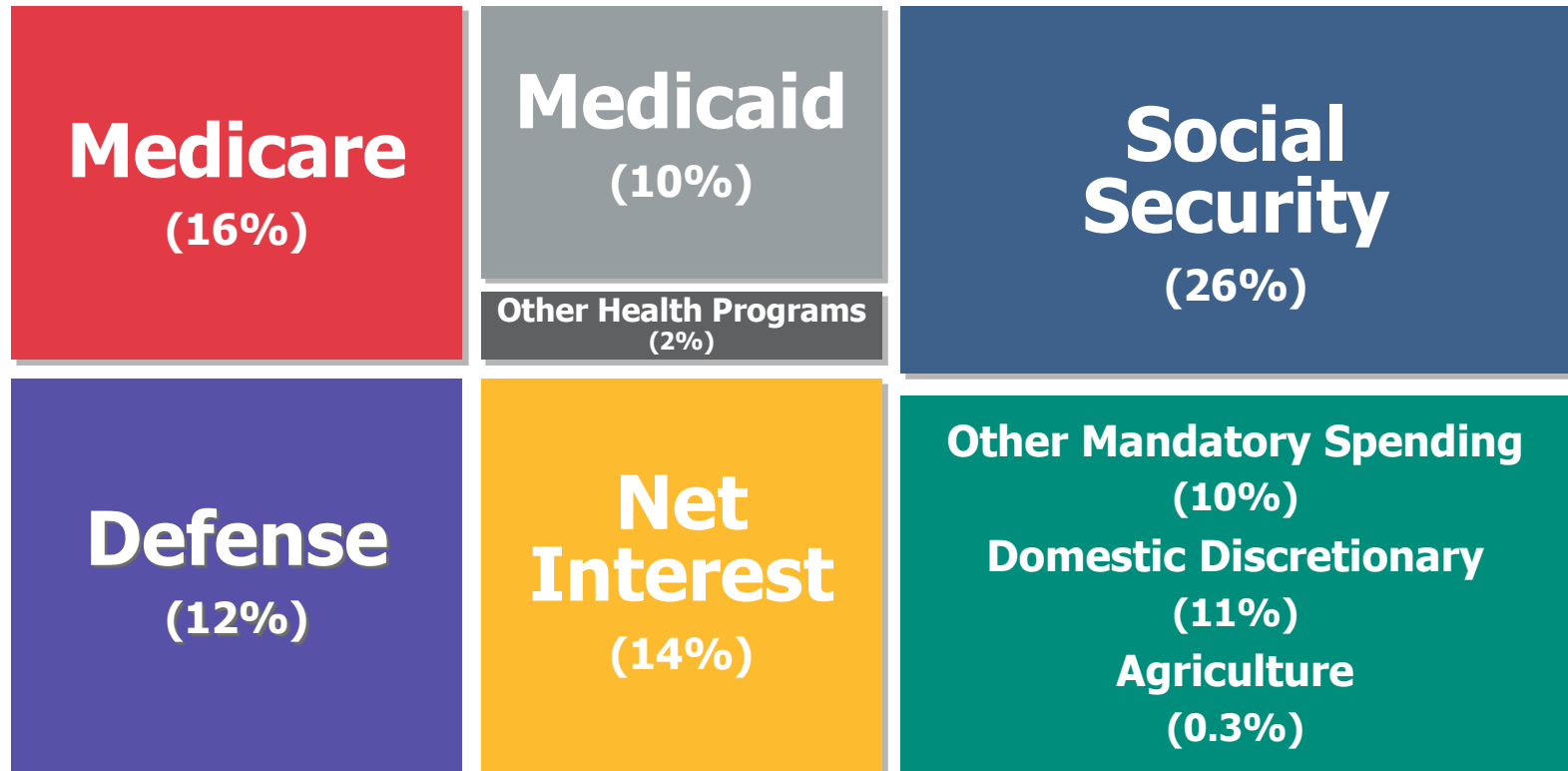


## Mandatory Expenditures (Outlays by FY, Billions of Dollars)

		<i>2005</i>	<i>2015</i>	<i>2025</i>	<i>Avg. Annual Growth 2015-25</i>
<b>Means Tested:</b>					
	Health Care	187	397	760	6.7%
	Income Security	163	268	295	1.0%
<b>Subtotal</b>		354	683	1,072	4.6%
<b>Non-Means Tested:</b>					
		1,094	1,847	3,165	5.5%
<b>Total Mandatory</b>		1,448	2,530	4,237	5.3%
Tested	% Means	24%	27%	25%	---
	% Non-Means Tested	76%	73%	75%	---

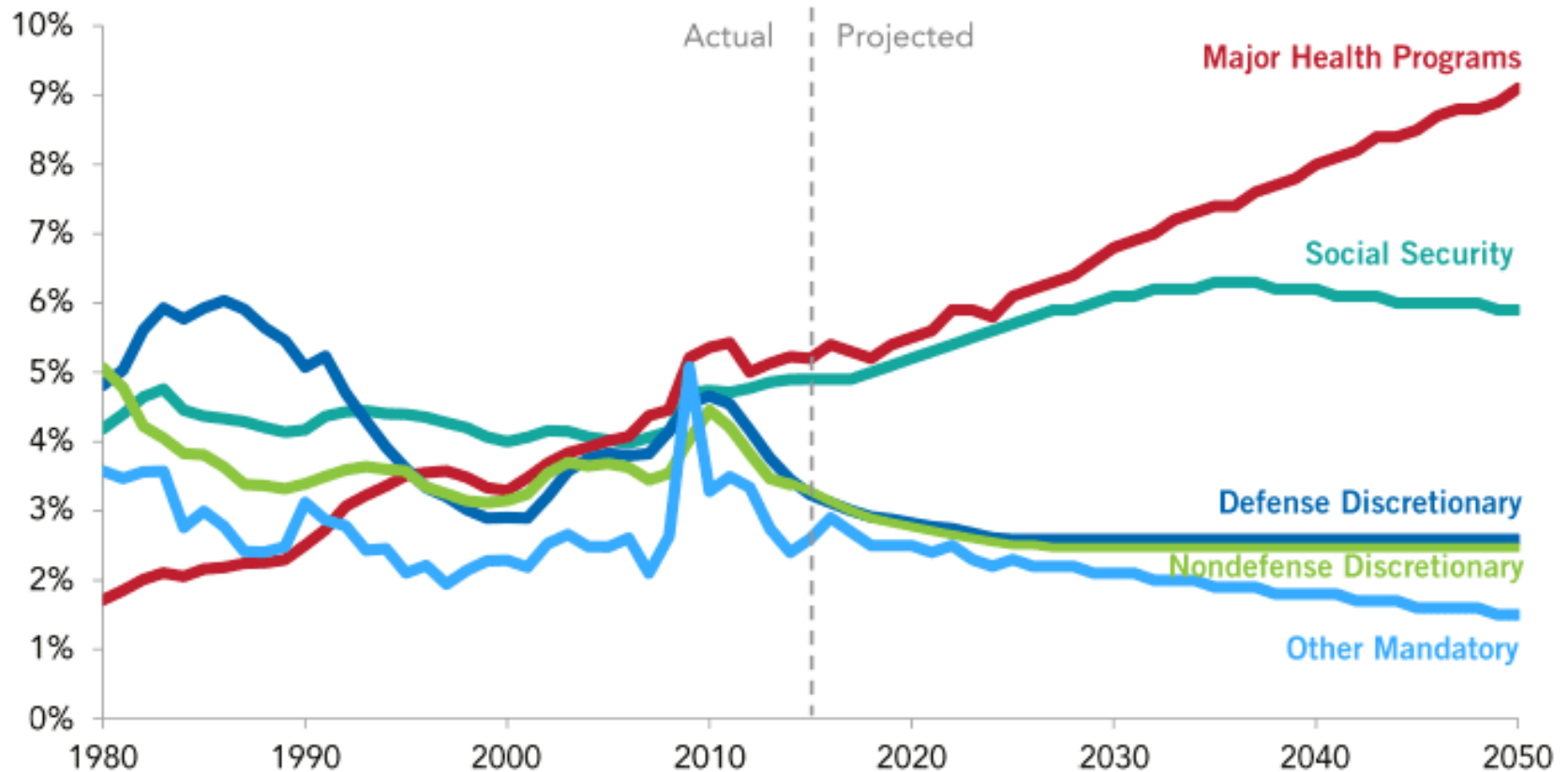


## Federal Spending Projected for 2025





## Federal Spending as a Share of the Economy 1980 – 2050

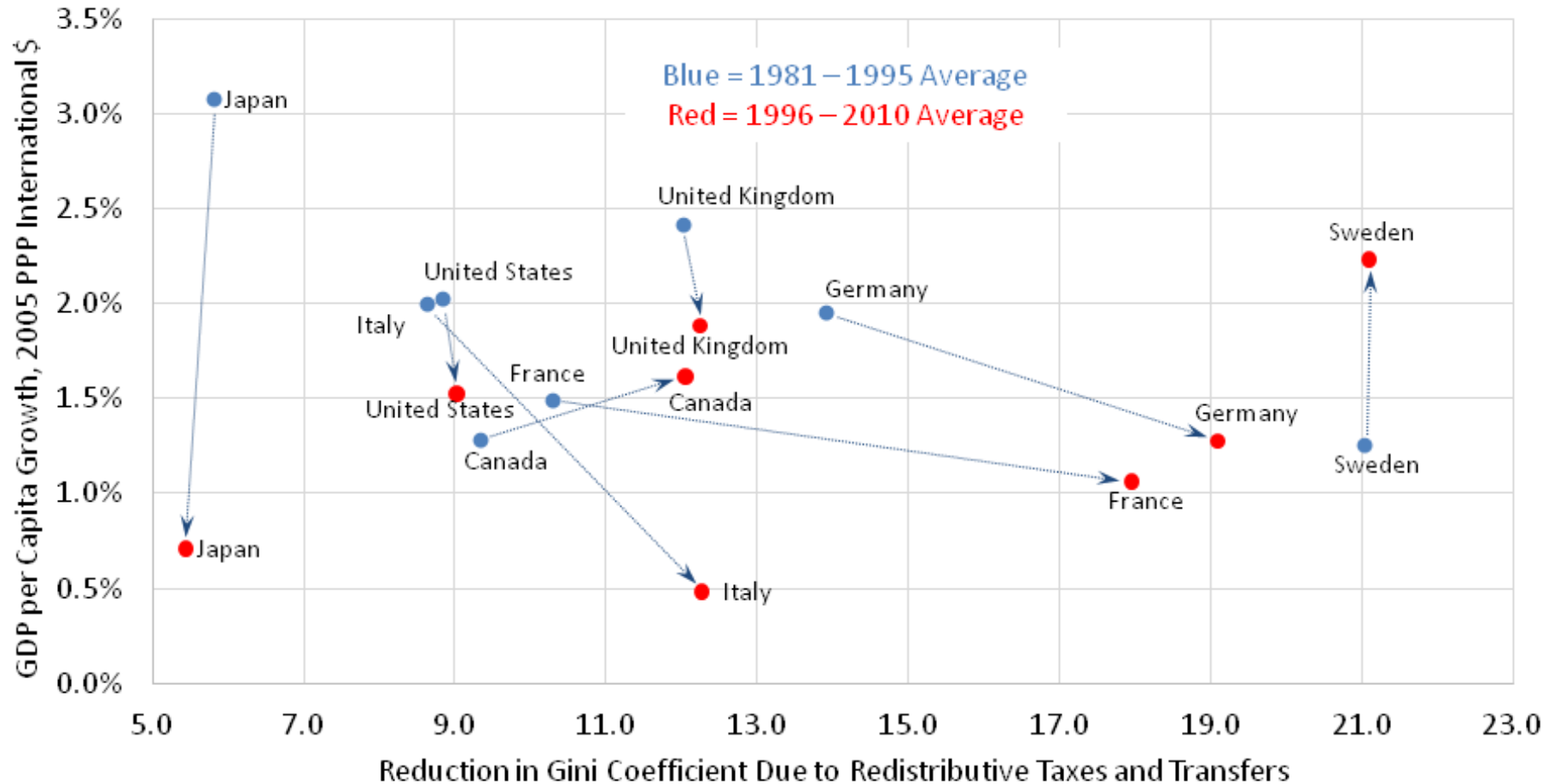


SOURCE: Congressional Budget Office, *Historical Budget Data* January 2015, and *The 2015 Long-Term Budget Outlook*, June 2015; and PGPF projections based on CBO data. Calculated by PGPF.

NOTE: Projections are from the extended baseline scenario. Major health programs include Medicare, Medicaid, Children's Health Insurance Program (CHIP), and the health exchanges.



## Redistribution and Growth, Developed Countries, 1981 - 2010





“We must make our choice. We may have democracy, or we may have wealth concentrated in the hands of a few, but we cannot have both.”

*Justice Louis D. Brandeis 1856-1941*