



## Economics Group

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# Monthly Treasury Statement: December Deficit a Record

***In a month which normally sees a surplus thanks to tax payments and withholdings, the Treasury reported a deficit of \$91.9 B. Last December saw a deficit of \$51.8 B, but some of the change merely reflects timing.***

### Deficit Continues to Expand

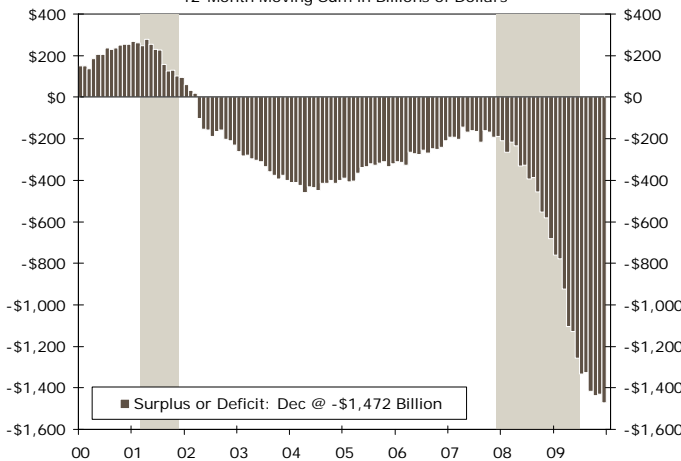
- The nation continues to add to its deficit, a sign that growth in interest payments to the nation's lenders will likely increase in the future. The Treasury cited the accelerated timing of certain benefit payments as one reason for December's larger deficit.
- Outlay growth has decelerated from the highs set in the immediate aftermath of the recession, but remains well above its longer-term trend, a concern for future growth and stability.

### Income and Spending Moving in Opposite Directions

- Income security payments continue to set records as jobless claims increase—the length of time an individual can qualify for benefits has also been increased several times by lawmakers.
- The coffers have not gotten much help from receipts, which have fallen off for corporations and individuals alike in line with a weak economy. Economic growth in 2010 will bring relief not only to individuals but also to the budget receipts.

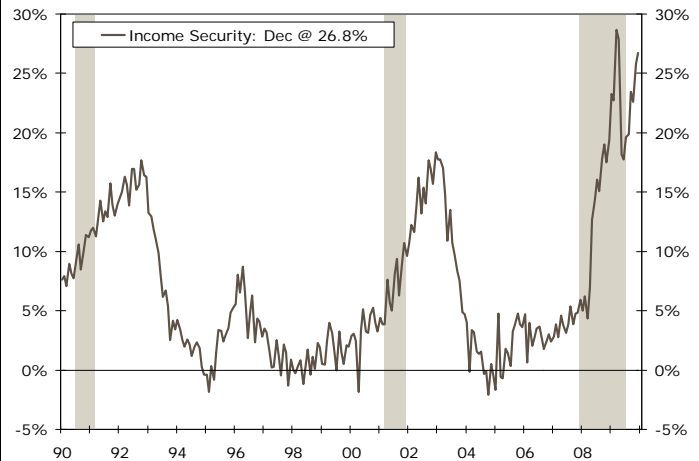
Federal Budget Surplus or Deficit

12-Month Moving Sum in Billions of Dollars



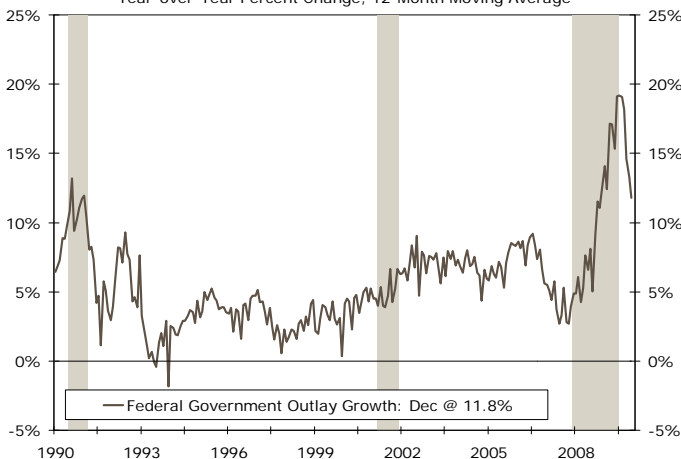
Federal Government Spending: Income Security

Year-over-Year Percent Change, 12-Month Moving Average



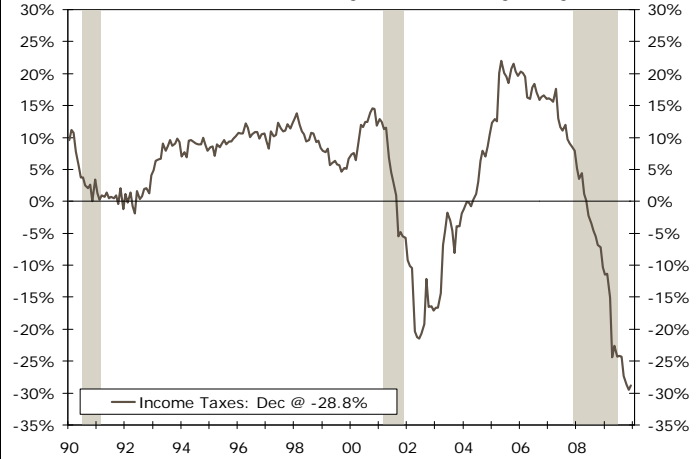
Federal Government Outlay Growth

Year-over-Year Percent Change, 12-Month Moving Average



Income Tax Receipt Growth

Year-over-Year Percent Change, 12-Month Moving Average



Source: U.S. Department of the Treasury and Wells Fargo Securities, LLC

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