



FINANCIAL STATE OF THE UNION 2025



Daniels College of Business
UNIVERSITY OF DENVER

FEDERAL GOVERNMENT'S FINANCIAL CONDITION WORSENERD BY \$4.7 TRILLION



\$158.6 trillion
MONEY NEEDED
TO PAY BILLS



\$974,000
TAXPAYER BURDEN



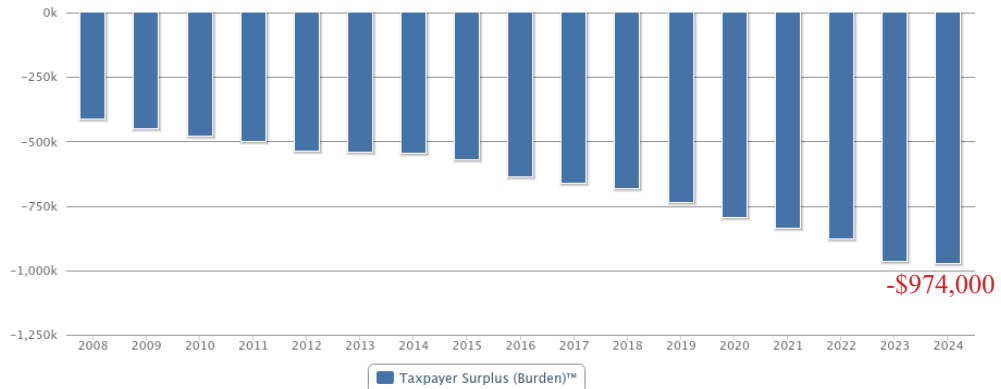
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FINANCIAL GRADE

Truth in Accounting's review of the latest available audited Financial Report of the U.S. Government found its overall financial condition worsened by \$4.7 trillion in 2024. Despite this alarming trend, elected officials continue to make financial decisions that have contributed to a mounting debt burden of \$158.6 trillion. This staggering debt translates to a \$974,000 liability for every federal taxpayer, resulting in the federal government receiving a failing grade for its fiscal responsibility.

The Treasury Department only included a fraction, \$241 billion, of the Social Security and Medicare liabilities on the federal balance sheet because unknown to most people, according to government documents, recipients do not have the right to any benefits beyond the benefits to be paid next month, and laws to reduce or stop future benefits can be passed at any time.

Accurate accounting dictates that liabilities should be recorded when it is likely that future payments will be made and when those amounts can be reasonably estimated. In the case of Social Security and Medicare, the government has made explicit commitments to provide these benefits, and the programs' trustees provide an estimated amount of these benefits. Therefore, in addition to federal assets and liabilities reported by the Treasury on the federal balance sheet, Truth in Accounting includes liabilities for promised but not funded Medicare and Social Security benefits totaling \$67.1 trillion and \$51.6 trillion, respectively—when assessing the government's financial condition.

The U.S. Government's debt and deficits have become astronomical and seemingly impossible to control. Nontransparent, flawed budgeting and accounting techniques currently produce inaccurate amounts, making the federal government's finances difficult, if not impossible, to manage. The first step in managing the nation's finances should be presenting accurate and transparent figures through full accrual budgeting and accounting that includes the costs and growth in the liabilities related to the two programs our seniors rely on the most, Social Security and Medicare. This would enable Congress, the President, and the American people to make better-informed tax and spending decisions.



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U.S. GOVERNMENT FINANCIAL BREAKDOWN

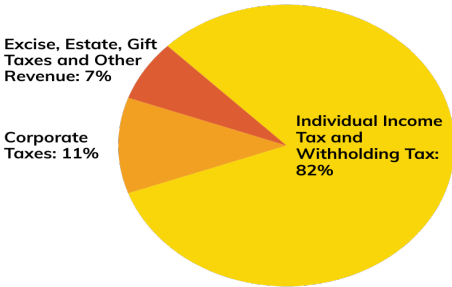
Fast Facts

- The federal government had \$5.7 trillion of assets available to pay \$164.3 trillion of liabilities, including promised but unfunded Social Security and Medicare benefits.
- The outcome was a \$158.6 trillion shortfall and a burden of \$974,000 per taxpayer.
- Despite reporting a budget deficit of \$1.8 trillion, the report shows that the government's financial condition worsened by \$4.7 trillion.

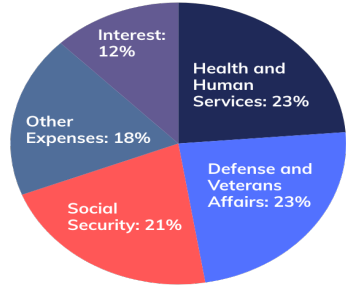
What the Federal Government Has	
Assets	\$5.7 trillion
What the Federal Government Owes	
Medicare promises	\$67.1 trillion
Social Security promises	\$51.6 trillion
Publicly held debt	\$28.3 trillion
Military & civilian retirement benefits	\$15 trillion
Other liabilities	\$2.2 trillion
Total debt	\$164.3 trillion
Where the Federal Government Stands	
Net Position	\$158.6 trillion

*This includes assets reported by the government in the Financial Report of the U.S. Government but not all land and other assets.

What Came In



What Went Out



The Outcome	
Total revenue	\$5 trillion
Total expenses	\$7.4 trillion
Reported net operating cost (revenue less expense)	-\$2.4 trillion
Other changes in Net Position, including increases in Social Security and Medicare liabilities	-\$2.2 trillion
Decline in Net Position	\$4.7 trillion



Truth in Accounting believes truthful accounting is the key for citizens, legislators, and the press to clearly understand the truth about government finances. To be knowledgeable participants in their governments' financial decisions, citizens need accurate and complete financial information. Our work has focused on encouraging public entities to produce financial reports that are comprehensive, clear, and transparent; and informing the public of the importance of truthful accounting.



DU's School of Accountancy partnered with Truth in Accounting in 2022. The University is known for academic rigor and a long commitment to teaching ethical leadership. This program will open up scholarship and research opportunities to the Daniels College of Business faculty and students. As trained accountants and researchers, they will learn in-depth about the accounting and budget practices of city, state, and federal government entities. Researchers in the School of Accountancy will apply their knowledge of governmental accounting to finding and analyzing data from government financial reports to help create the annual flagship reports of Truth in Accounting.



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Thank you to the supporters of the Truth in Accounting mission. Like you, they believe in the American dream. They believe the government can and should be a force for good. Donate today to help so we may continue our research and mission to educate citizens, elected officials, journalists, and policymakers.

