Federal Budget 101

Go to: <https://www.nationalpriorities.org/budget-basics/federal-budget-101/> Read and answer the following questions on your own sheet of paper:

1. How much was the Federal Budget for 2015?

Click on Federal Budget Process after reading the intro.

1. Describe what the Constitution says about the power of the purse.
2. Describe the Appropriations process
3. Describe each of the 5 steps to creating the budget
4. What happens if the Budget process is not complete by October 1st?

Click on Where does the money come from

1. What is the governments single largest revenue source?
2. Explain how payroll taxes are different than income taxes

Click on where does money go

1. Describe what types of things are categorized as discretionary spending
2. Explain what is meant by Mandatory spending.
3. Explain how tax breaks like capital gains taxes actually function as a type of government spending

Click on Borrowing and Federal Debt

1. What is the difference between a deficit and debt?
2. Explain the borrowing process taken on by the U.S. Government
3. What three countries hold the most of our debt internationally?
4. Explain what the debt ceiling is and WHY you think it was created in the first place. (HINT: look at the year it was created, what WORLD event was going on during that time.)

Go to <https://fiscalship.org/> to play the budget game. Click on New Game and choose to sign in or skip. Read the direction and select the goals to guide you carefully (you will have to spend money on those things as well as cut money from other areas in order to win the game.)

Read through the pros and cons of each policy and select carefully. You will earn stars for the three goals you selected. Once you have earned all three stars for the three goals you selected and you have lowered the debt submit your plan.

1. Click on “View Your Plan.” Was your plan approved of or declined? Why? (the three bullet points!)
2. What were your biggest revenue raisers?
3. What were your largest spending cuts?
4. Click on “View your results on other goals.” Which goals did you receive red stars on?