

U.S. faces \$1.2 trillion spending cuts

The failure of the congressional Super Committee to agree on how to tackle America's ballooning federal deficit will trigger automatic spending cuts that were previously deemed too difficult to swallow

BUDGET CUTS 2013-21

Reductions on projected expenditure

Defence
10% cut in 2013
8.5% cut by 2021

*\$1.09 trillion total
excludes \$113bn
in savings due
to take effect
after 2021*

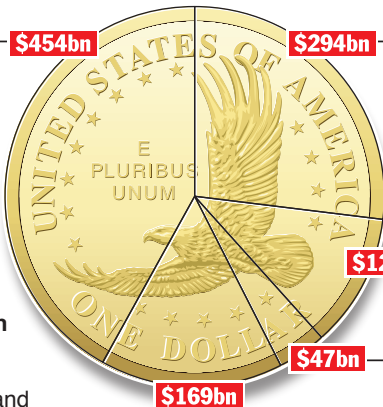
Expiration of Bush tax cuts in 2012

Saving: **\$866bn**
Closing loopholes and
limiting exclusions: **\$710bn**

EXEMPTIONS

Annual cost (\$bn)

■ Social Security	700
■ Medicaid	273
■ Veterans' pensions, benefits	180
■ Wars in Iraq, Afghanistan	160
■ Federal retirement, benefits	88



**Discretionary
non-defence
programmes**
7.8% cut in 2013
5.5% by 2021

Medicare
Annual 2% cut
in payments
to providers

**Other mandatory
programmes**
e.g. farm subsidies

**Reduced interest
payments on national debt**

■ Food stamps	60
■ Earned Income Tax Credit	50
■ Supplemental Security Income	45
■ Pell educational grants	34
■ Children's health and nutrition	—