Cost and Benefits: Visualizations Analysis Answer Key

Chart 1:

Using data from the 2014 U.S. Census, this chart was created by the Center on Budget and Policy Priorities, a policy organization that works on fiscal policy and public programs that affect low- and moderate-income families and individuals. This graph compares the percentage of seniors who would be in poverty without the income from Social Security to those who are in poverty with Social Security, all else being equal.

Chart 2:

This chart shows the cash flow, or revenues minus costs, of Social Security and Medicare (a healthcare program for the elderly and disabled that has some similarities to Social Security). Positive cash flow (revenues exceed costs) is called a surplus. The surpluses for Social Security are invested in U.S. Treasury bonds to pay for future benefits. When costs exceed revenues, that is known as a deficit.

Chart 3:

Using 2015 data from the Congressional Budget Office, this chart was created by the Center on Budget and Policy Priorities, a policy organization that works on fiscal policy and public programs that affect low- and moderate-income families and individuals. This chart shows that most of the budget goes to defense (16%), a discretionary line in the budget, and the mandated programs of Social Security (24%) and Medicare, Medicaid, and CHIP (25%). Discretionary spending is determined by Congress on an annual basis. Mandatory spending is authorized by law and is not subject to annual review by Congress.

Chart 4:

This chart depicts the current trends of net interest, Social Security, Medicare, Medicaid, and other programs as a percentage of GDP from 1970 to 2080. (It is easiest to read in color. If viewed in black and white, be aware that the chart can still be interpreted because the "color" key listing on the right shows the colors in the order of their appearance in the chart.)

Chart 5:

This graphic illustrates the changing ratio of workers, those actively contributing to Social Security, backing up the retirees (wearing dollar signs) who are withdrawing benefits. In 1960, the baby boom generation (the population bubble caused by the increase in the number of babies born in the years following World War II) was just entering the workforce, and in 2009 it was filling out the ranks of active workers. By 2030, they will almost all be retired. In 1956 and 1960, Congress added disabled workers and their dependents to those eligible for Social Security benefits. This contributes to the shifting ratio.