

# Nation's Red Ink Sword in 2007

## 2008 FINANCIAL OUTLOOK

The Federal Government's long term financial obligations grew by \$2.5 Trillion last year, a reflection of the mushrooming cost of Medicare and Social Security benefits, as much more baby boomers reach retirement.

That amounts to double the red ink of a year, earlier.

Tax payers are on a hook for a record \$57.3 Trillion in federal liabilities, ordinarily \$500KK per household, according to a USA report.

When obligations of state and local governments are added, the total rises to \$61.7 Trillion, or \$531,472.00 per household. That is more than 4 times what Americans owe in personal debt, such as mortgages.

The \$2.5 Trillion in federal liability dwarfs the \$162 Billion the government announced as last year's deficit.

The reality is, we're running deficits in the trillions of dollars, not the hundreds of billions of dollars. And we are told that the economy is doing well?

Apparently, Medicare has an unfunded liability of \$30.4 Trillion. That means that the government needs to set \$30.4 Trillion aside in an interest earning account to pay the medical benefits promised to existing tax payers and beneficiaries. That amount is certain to rise when the oldest of 79 million baby boomers, who are 62 this year, reach 65 and become eligible for Medicare coverage.

(Excerpts from the Arizona Republic.)

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