**THE FEDERAL BUDGET & NATIONAL DEBT**

**Budget deficit: situation when the amount of government spending exceeds its receipts in a fiscal year.**

**Budget surplus: situation when the amount of government receipts is larger than its expenditures during the fiscal year.**

**National Debt: the total amount of outstanding debt for the federal government.**

**Public goods: goods or services that government supplies to its citizens; can be used by many individuals at the same time without reducing the benefit each person receives.**

**Transfer payments: income from taxpayers to recipients who do not provide any goods or services in return for these payments. Ex.) Social security and Medicaid.**

**Social Security: federal program that provides monthly payments to people who are retired or unable to work.**

**Medicaid: public-assistance program that helps pay health care costs for low-income and disabled people.**

**Medicare: government program that provides health care for the aged.**