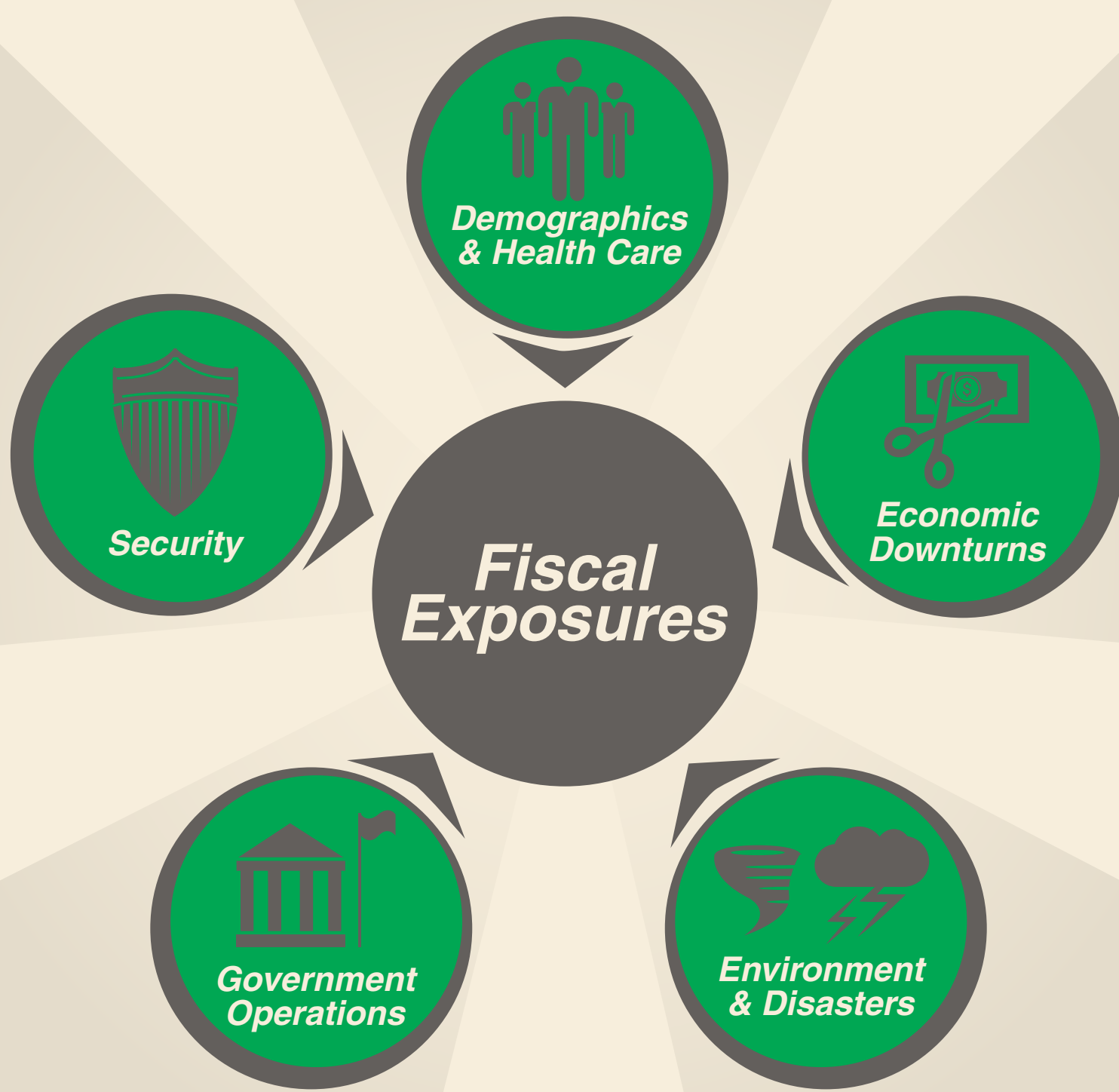


# Federal Fiscal Risks

*Fiscal exposures are programs and activities that may expose the government to future spending.*

## AN OVERVIEW

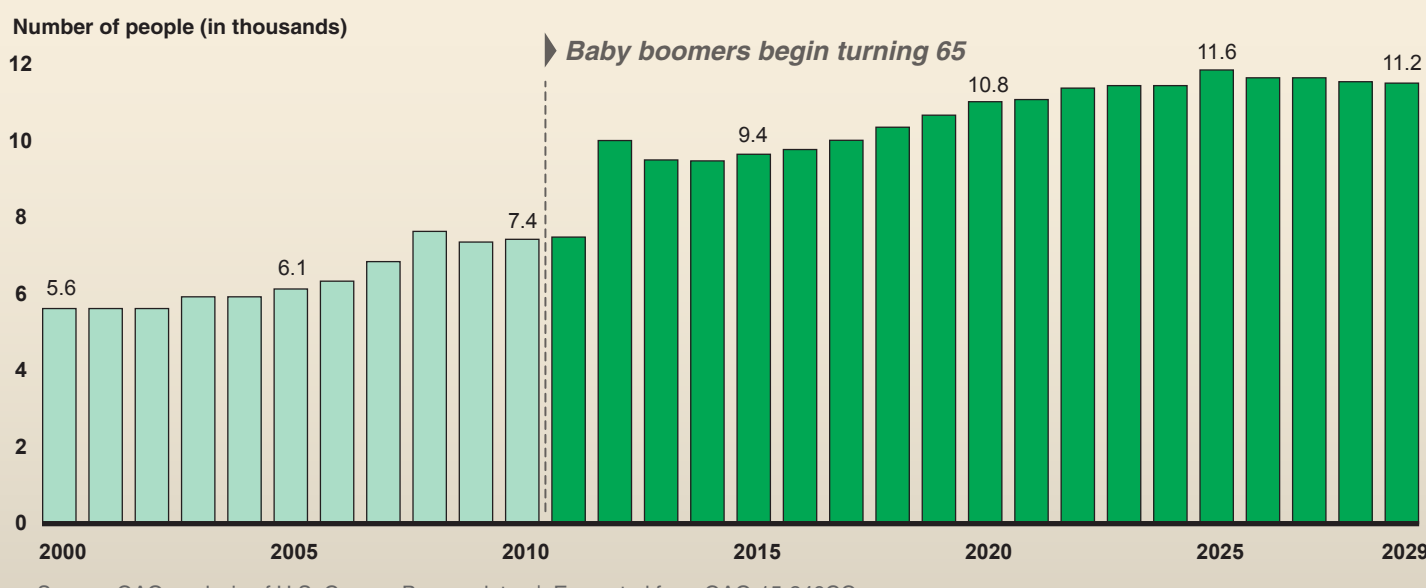
Many fiscal exposures come from these five sources of risk:



### DEMOGRAPHICS & HEALTH CARE

Trends such as the aging population and rising health care costs drive spending for major health and retirement programs.

**Daily Average Number of People Turning 65 Each Year**



Source: GAO analysis of U.S. Census Bureau data. | Excerpted from GAO-15-246CG.

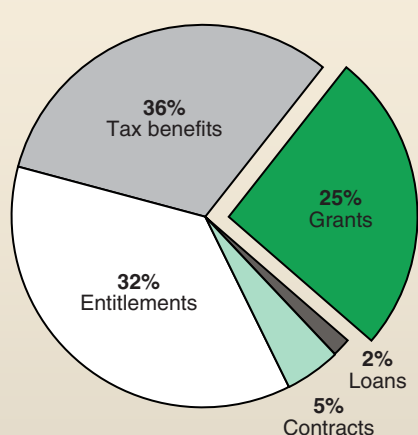


### ECONOMIC DOWNTURNS

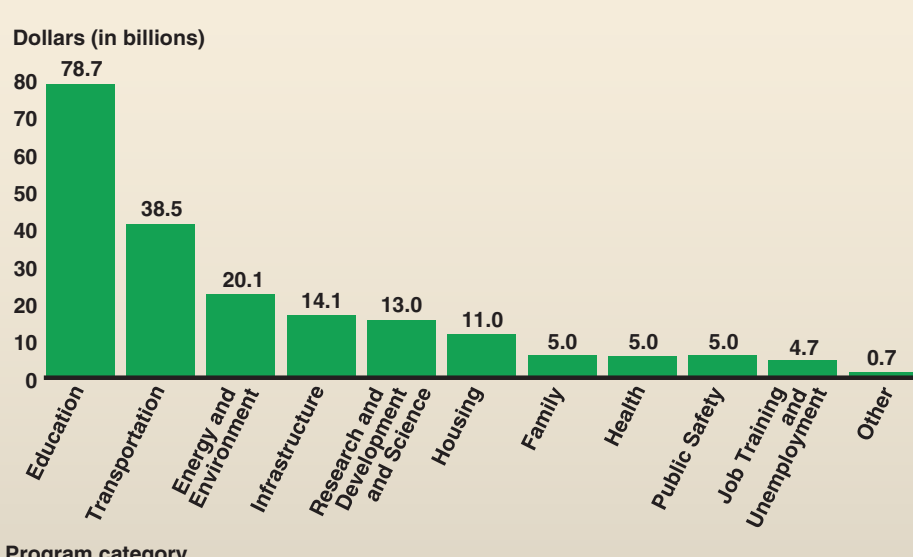
The federal government's response to the financial crisis that began in 2008 demonstrated the role of federal assistance in supporting the U.S. economy in a downturn.

**Overview of Recovery Act Spending by Program and Category**

All Recovery Act Funding



Grant programs by category



Source: GAO analysis of Recovery.gov, U.S. Treasury Federal Agency Financial and Activity Reports, and Recovery Act recipient reporting data. | Excerpted from GAO-14-219.

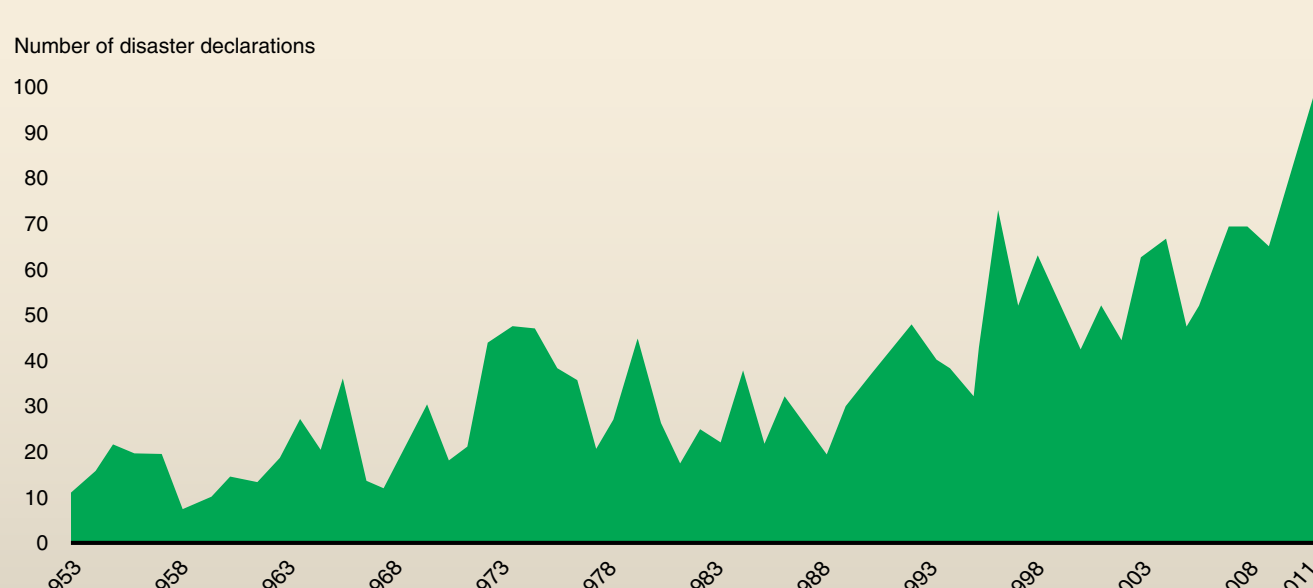
Note: Data presented as of October 31, 2013. Medicaid is included in the entitlement category of the pie chart and not reflected in the bar chart.



### ENVIRONMENT & DISASTERS

Extreme weather events and other disasters have cost hundreds of billions of dollars over the past decade.

**Number of Disaster Declarations**



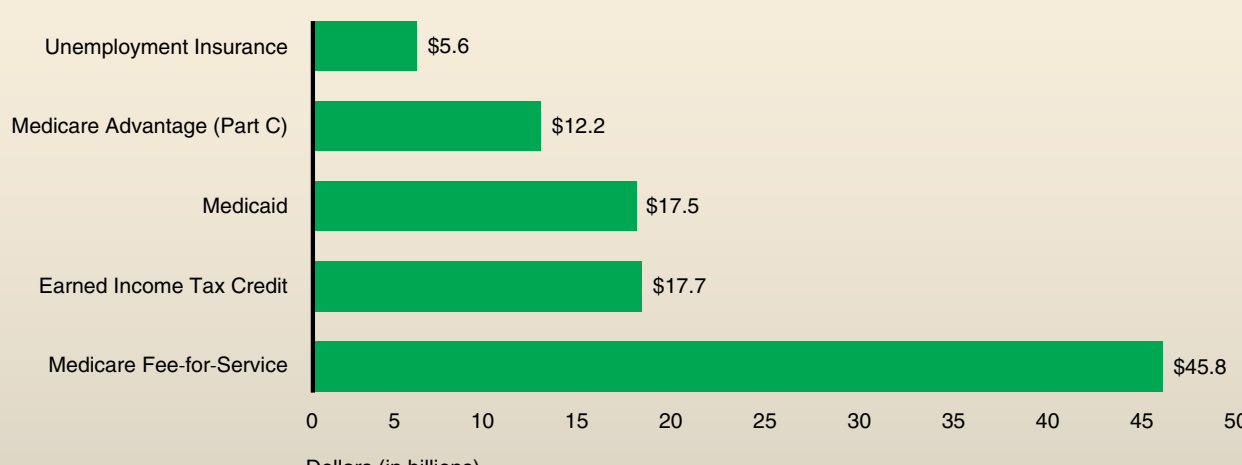
Source: GAO analysis of Federal Emergency Management Agency data as issued in GAO-12-838.



### GOVERNMENT OPERATIONS

Implementation risks in federal operations may lead to inefficient or improper spending or foregone revenues.

**Programs with the Highest Reported Amounts of Improper Payments in Fiscal Year 2014**



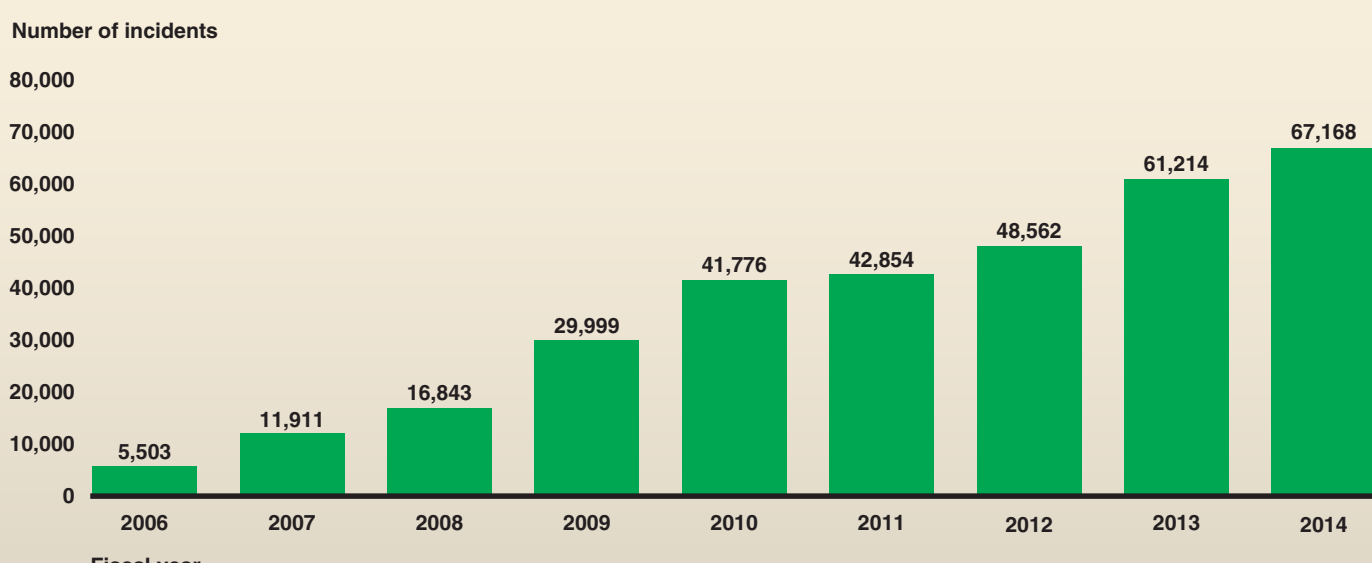
Source: GAO summary of agency data.



### SECURITY

A complex, uncertain national security environment can increase the costs of addressing challenges such as regional instability, weapons proliferation, and cyber attacks.

**Number of Cyber Incidents Reported**



Source: GAO analysis of U.S. Computer Emergency Readiness Team data for fiscal years 2006-2014. | Excerpted from GAO-15-290.

Note: Data presented are the number of incidents reported to the US-CERT during this period.

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