

Threat of Automatic Cuts

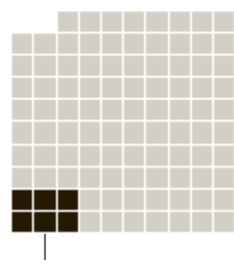
The bipartisan committee charged with cutting the deficit must present at least \$1.2 trillion in reductions by Nov. 23. If a plan fails to get approved by Congress by Jan. 15, \$984 billion in automatic spending cuts will be triggered. This is how the automatic cuts would affect different spending categories from 2013 to 2021.



Defense Discretionary

\$492 billion in cuts; 9% of \$5.3 trillion spending cap

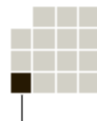
Half the cuts are required to come from national security operations and military costs.



Nondefense Discretionary

\$322 billion in cuts; 7% of \$4.9 trillion spending cap

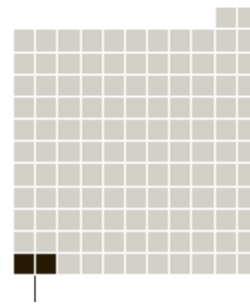
Includes health, education, drug enforcement, national parks and other agencies and programs.



Nonexempt Mandatory

\$47 billion; 4% of \$726 billion estimated spending

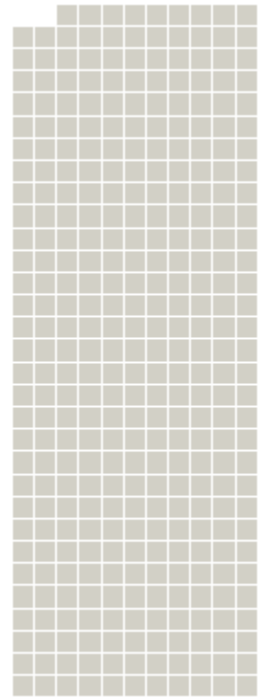
Mostly agriculture programs.



Medicare

\$123 billion; 2% of \$6.1 trillion estimated spending

Includes payments to Medicare providers and plans, limited to a 2 percent cut.



Exempt Entitlements

No cuts

\$17 trillion estimated spending. Includes Social Security, Medicaid, veterans' benefits, federal retirement benefits, nutrition and other low-income programs.

New York Times, November 21, 2011

"For Deficit Panel – Failure Cut Two Ways"

By Binyamin Appelbaum and Annie Lowrey

<http://www.nytimes.com/2011/11/22/us/politics/behind-deficit-panels-failure-a-surprise.html>