

Vocabulary – Chapter 14

balanced budget	A spending plan in which the revenues coming into an organization equal its expenditures.
budget surplus	The amount by which an organization's revenues exceed its expenditures.
federal deficit	The amount by which the national government's annual expenditures exceed its revenues. To make up the difference, the government must borrow money.
national debt	The amount of money a country owes to lenders. The national debt is the total of all yearly deficits funded by borrowing plus the interest owed on those loans.
progressive tax	Any tax in which the burden falls more heavily on the rich than the poor. State and federal income taxes are both progressive taxes.
regressive tax	Any tax in which the burden falls more heavily on the poor than the rich, at least as a percentage of their incomes. Sales tax is one regressive tax.
entitlement	Benefits that must be provided to all eligible people who seek them. The most important entitlements for most Americans are Social Security, Medicare, and Medicaid payments. earmarks Specific spending proposals that members of Congress attach to legislation, usually to benefit their home districts or states. Most lawmakers view earmarks as a way to "bring home the bacon."