

# Counting Pennies

*Helping people understand how tax dollars are allocated and spent*

## Materials

- Tax Day Chart (See reverse. For a full Tax Day analysis, visit <http://www.nationalpriorities.org/publications/2011/tax-day-2011>)
- Index cards with the names of individual spending categories (see reverse)
- 100 pennies for each group member or small group, plus two additional rolls of pennies.



8. After participants have displayed their spending plans, show them the Tax Day Chart.
9. Guide participants in a discussion about how they made their spending decisions and how they are different from or similar to the Tax Day Chart. Ask them to arrange the rolls of pennies on the appropriate cards to reflect the percentages allotted in the Tax Day Chart.

## Activity time

30-40 minutes

## Directions

1. Start the activity by reviewing budget definitions and spending categories. Ask participants for their definitions and then fill in where necessary.
2. Lay out index cards labeled with spending categories.
3. Give 100 pennies to each participant or small group.
4. Explain that each penny stands for 1% of the whole budget. (Review that 100% = 1 whole if necessary).
5. Ask participants to consider each of the spending categories. If additional review is necessary, refer to the definitions provided, making sure participants understand what each category includes.
6. Ask participants to consider how they would like their tax dollars spent.
7. Ask members to place the number of pennies representing their allotment for each spending category on the appropriate index card. (For example, if a participant thinks the Education category deserves 30% of the budget, 30 pennies should be placed on the card Education.)

**Variations:** Instead of piling pennies on Spending Category cards, participants can also use poker chips, candy, sticker dots or anything else to represent a percentage of how tax dollars are spent.

## Guiding Questions for Facilitators

- Which spending category did you give the most pennies to? Why?
- Which spending category did you give the least pennies to? Why?
- Did your priorities match our government's current spending priorities?
- What do you think of / how do you feel about the current priorities?
- Was it difficult to decide how to spend your pennies? Why or why not?
- How difficult would it be if I asked you all to agree exactly on how the pennies are spent? Why?
- Do you think Congress has a difficult time agreeing on how to spend the billions of dollars these pennies represent? Why or why not?



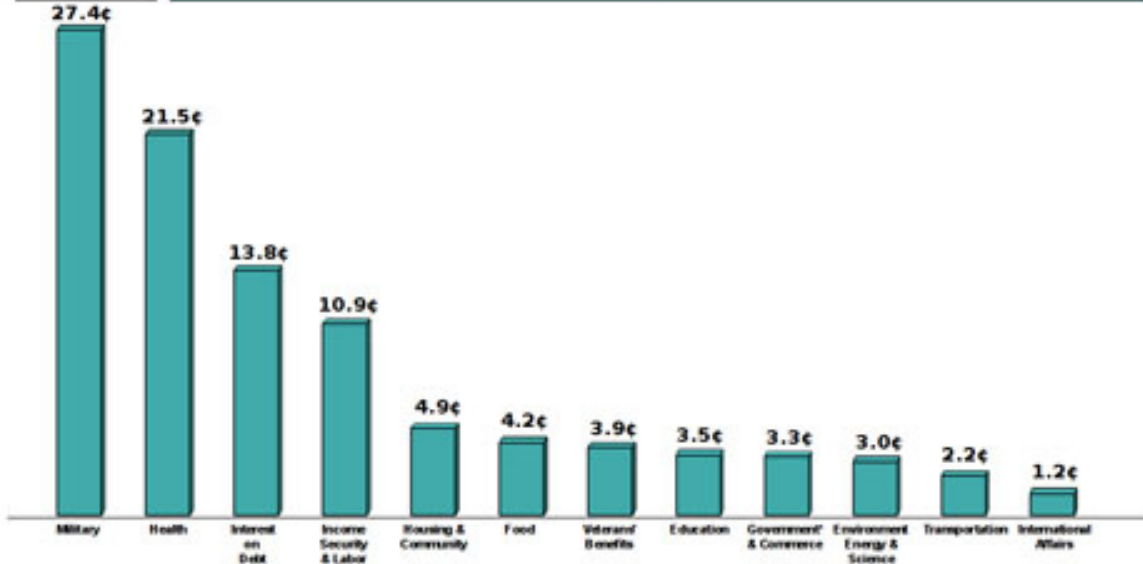
**National Priorities Project** makes federal budget information transparent and accessible so people can prioritize and influence how their tax dollars are spent. NPP holds the vision of an informed and engaged democracy where all people affected by federal spending priorities have the ability and opportunity to shape our nation's budget.

# Counting Pennies: Resources



## Where did your federal income tax dollars go?

April 2011



Federal Budget: The breakdown of the federal income tax dollar is based on an analysis of each agency's federal fiscal outlays according to function and subfunction for FY10. Military includes Military Defense, Atomic Energy Defense Activities, U.S. war spending, and International Security Assistance. Health includes Health and Medicare. Income Security & Labor includes job training, disability, retirement, unemployment insurance, and social security. Housing & Community includes housing assistance and on-site, community development, and services supporting social needs. Food includes agriculture and nutritional assistance. Government & Commerce includes law enforcement, medical costs of the federal government, and voluntary federal efforts to fight crime. (Note: Not spending in the Government category shown is a negative number due to \$117 billion in funds repaid to the U.S. Treasury under the TARP program. These payments are not reflected in this table as they might imply that there was cost to the taxpayer for the workings of government in 2010.) International Affairs includes diplomatic, development, and humanitarian activities abroad. Please see <http://www.nationalpriorities.org/publications/0311/04apr11>.

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## Tax Day Chart

### Budget Definitions and National Priorities Project Spending Categories

**Discretionary Spending:** The portion of the federal budget the President must request and Congress must approve each year. One-third of total federal spending.

**Mandatory Spending:** Automatically budgeted without Presidential or Congressional action, based on existing law. Includes Social Security and Medicaid.

**Income Security & Labor:** Job training, disability, retirement, unemployment insurance, Social Security.

**Health:** Medicare, Medicaid, Children's Health Insurance Program, other health-related expenses.

**Military:** National defense and security, nuclear weapons activities, international security assistance.

**Food:** Agriculture and nutritional assistance.

**Veterans' Benefits:** Healthcare, housing, and income benefits for veterans.

**Transportation:** Development and support of air, water, ground, and other transportation.

**Education:** Elementary, secondary, higher, vocational education.

**Environment, Energy & Science:** Natural resources and environment, supply and use of energy, science and research activities.

**Housing & Community:** Housing assistance, credits, community development, disaster assistance, services supporting social needs.

**International Affairs:** Diplomatic, development, humanitarian activities abroad.

**Government:** Commerce, law enforcement, overhead costs of federal government.

**Interest on Debt:** The cost of borrowing money in previous years.