Public Spending

Economics

Where government money goes, and the categories that matter.

Categories and dynamics.

Main categories

Social protection and pensions	Health
Education	Defence and security
Debt interest	Infrastructure investment

Dynamics

Demographics drive pension and health growth	Interest costs rise with rates and debt
Capital spending is easiest to cut politically	Cutting investment raises long-run costs

Capital budgets are cut first in a squeeze because the cost appears later. That deferred cost is usually larger.