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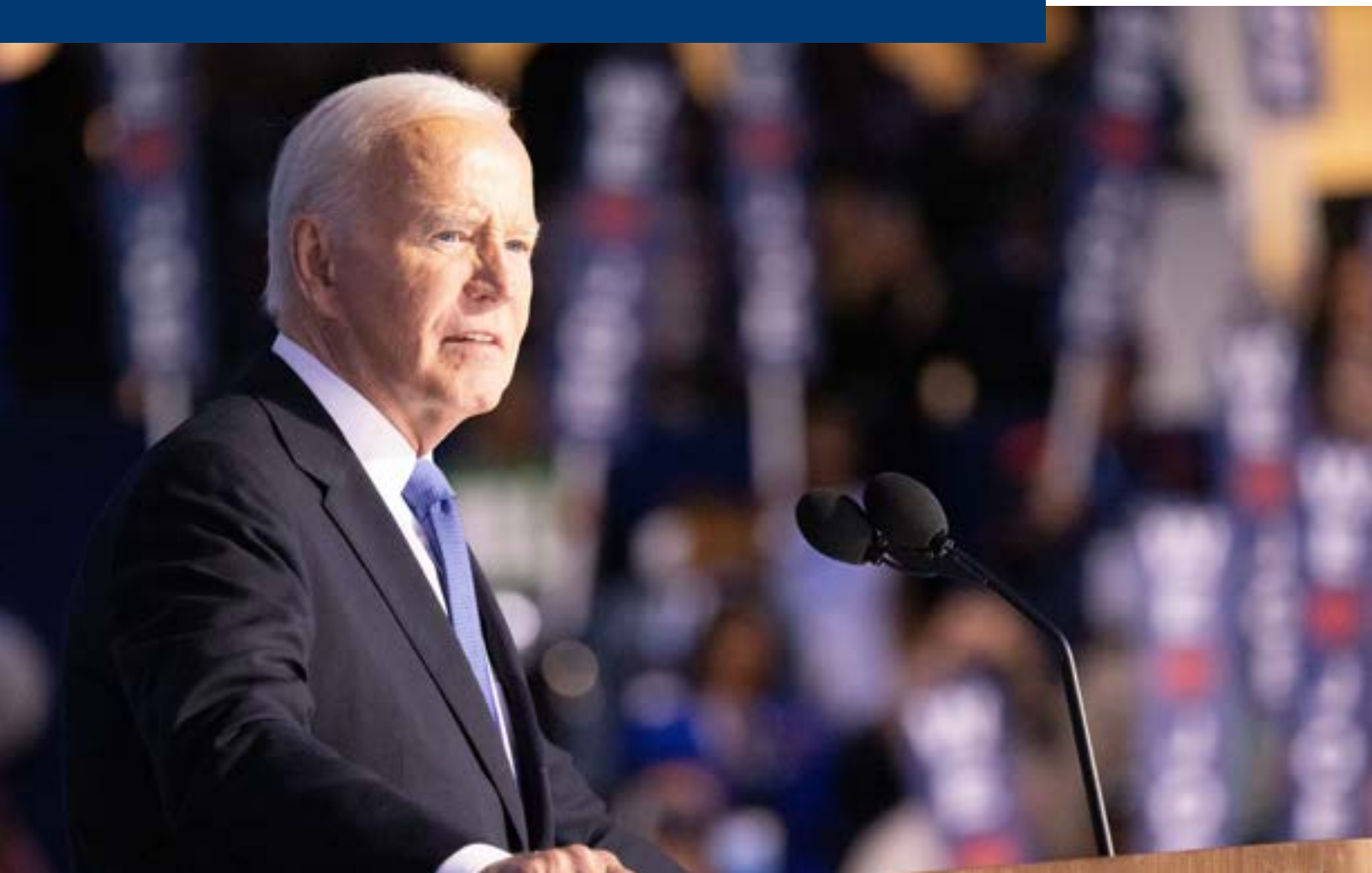
BIDEN'S FISCAL LEGACY

A COMPREHENSIVE OVERVIEW OF SPENDING, TAXES, AND DEFICITS

Jessica Riedl



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Executive summary

President Biden's tax, spending, and deficit legacy continues to spark debates. Supporters assert that Biden inherited a pandemic crisis and enacted vital stimulus spending to resuscitate the economy, undertook key investments in long-neglected areas, defended Social Security and Medicare against cuts, and still left with a smaller budget deficit than the one he inherited. Biden defenders add that even more could have been accomplished had he maintained a Democratic Congress for the last half of his presidency.

Critics believe that the economy that was already re-opening from the pandemic when Biden took office and that his programs only served to raise inflation. They contend that the new policies reflected special interest giveaways to partisan allies. Finally, critics note that Biden added trillions to budget deficits and argue that keeping deficits below their pandemic-peak levels is a weak criterion.

The end of Biden's presidency allows for a final assessment of his tax, spending, and deficit record. As the methodology section explains, this analysis begins with the 10-year budget baseline that President Biden inherited in February 2021 and measures all subsequent tax and spending changes through the February 2025 baseline that was released as the president left office. The analysis is based on more than a half-dozen Congressional Budget Office (CBO) baseline updates over these four years, supplemented with the line-item scores of all notable bills and executive orders signed into law by Biden.[1]

Here are the key findings:

- The cumulative 2021-2031 budget deficits were projected by CBO at $14.5 trillion when President Biden entered the Oval Office. Four years later, he left office with the same period facing a total deficit of $21.2 trillion. The president signed or enacted $6.6 trillion in new initiatives and oversaw economic and technical budget revisions that were nearly budget-neutral over the 2021-2031 period.
- Economic and technical factors added $0.1 trillion in actual and projected deficits over this period. Higher-than-projected inflation and a slight bump in economic growth expanded projected 2021-2031 revenues by $6.9 trillion, and mandatory and net interest costs increased by a combined $6.7 trillion. Technical revisions added roughly $1.4 trillion in revenues, but they also pushed up mandatory and net interest costs by a slightly higher amount. The fiscal effects of these factors largely offset each other, leading to a net addition of just $0.1 trillion to 2021-2031 actual and projected deficits.
- President Biden signed legislation and approved executive actions cumulatively costing $6.6 trillion over the decade—compared to $7.8 trillion for President Trump, $5.0 trillion for President Obama, and $6.9 trillion for President Bush. And like President Trump, Biden enacted these costs in just a single four-year presidential term, compared to Obama's and Bush's eight years in the Oval Office. The largest drivers were pandemic response and stimulus legislation ($2.1 trillion), expansions to discretionary spending excluding defense and veterans' benefits ($1.7 trillion), veterans' benefit expansions ($837 billion), student loan executive orders ($755 billion), and defense spending hikes ($596 billion).
- President Biden's four annual budget proposals averaged 10-year tax increases of $3.9 trillion and spending expansions of $2.5 trillion. The proposed tax hikes—overwhelmingly consisting of drastic tax increases on businesses—were largely ignored by Congress. However, spending proposals such as pandemic relief, infrastructure, and family benefits found a receptive legislature.
- Biden left the White House with structural budget deficits of nearly $2 trillion, interest costs surging, and spending at its highest share of the economy in American history outside of world wars and deep recessions. The ongoing failure to address unsustainable Social Security and Medicare costs leaves a projected 30-year baseline deficit of $110 trillion.
- As the methodology section explains, most changes in this report are scored over the full 2021 through 2031 period because most policy, economic, and technical changes have at least 10-year budget effects, and they can also be measured against the original February 2021 CBO baseline that covered the 2021-2031 period.

$6.6 trillion in additional deficits

President Joe Biden inherited a fiscal disaster. The COVID-19 pandemic had tripled budget deficits to $3 trillion.[2] Much of the economy was finally regaining some of the 20 million jobs lost during the pandemic.[3] And yet, the economic outlook was generally positive. Economically, the pandemic appeared to be less like a banking crisis—which can bring longer-lasting economic dislocations and sluggishness—and more like a one-time economic shock or "on/off switch" whereby jobs and spending quickly return to their prior locations and levels. Thus, the CBO projected that—even without any additional fiscal stimulus—by the fall of 2022 the recession's output gap would be 90% closed and the unemployment rate back below 5%.[4] Accordingly, CBO projected in early 2021 that budget deficits would fall back to $1.1 trillion by 2022 and dip below $1 trillion the following year.[5]

Instead, an aggressive legislative agenda immediately pushed budget deficits $500 billion over the inherited baseline, and by 2024, budget deficits remained at $1.8 trillion—far above pre-pandemic levels—despite a return to relative peace and prosperity. The White House often reminded voters that budget deficits remained below the $3 trillion level that prevailed in 2020[6].Such a comparison is akin to favorably comparing current peacetime defense spending levels to those during the height of wartime. Post-pandemic budget deficits had been projected to return to pre-pandemic levels (approximately $1 trillion).Instead, much of the savings from the expiration of temporary pandemic spending were reprogrammed into new, permanent initiatives that expanded long-term deficit projections. Biden left his successors with annual budget deficits of nearly $1.9 trillion that were projected to approach $4 trillion within a decade under current policies (the CBO-projected deficits were reduced by the required assumptions that the 2017 tax cuts would expire on schedule and discretionary spending would fall as a share of the economy). These current-policy deficits are headed towards 8% of GDP within a decade, and 14% of the GDP within three decades, driven heavily by rising entitlement and interest costs.

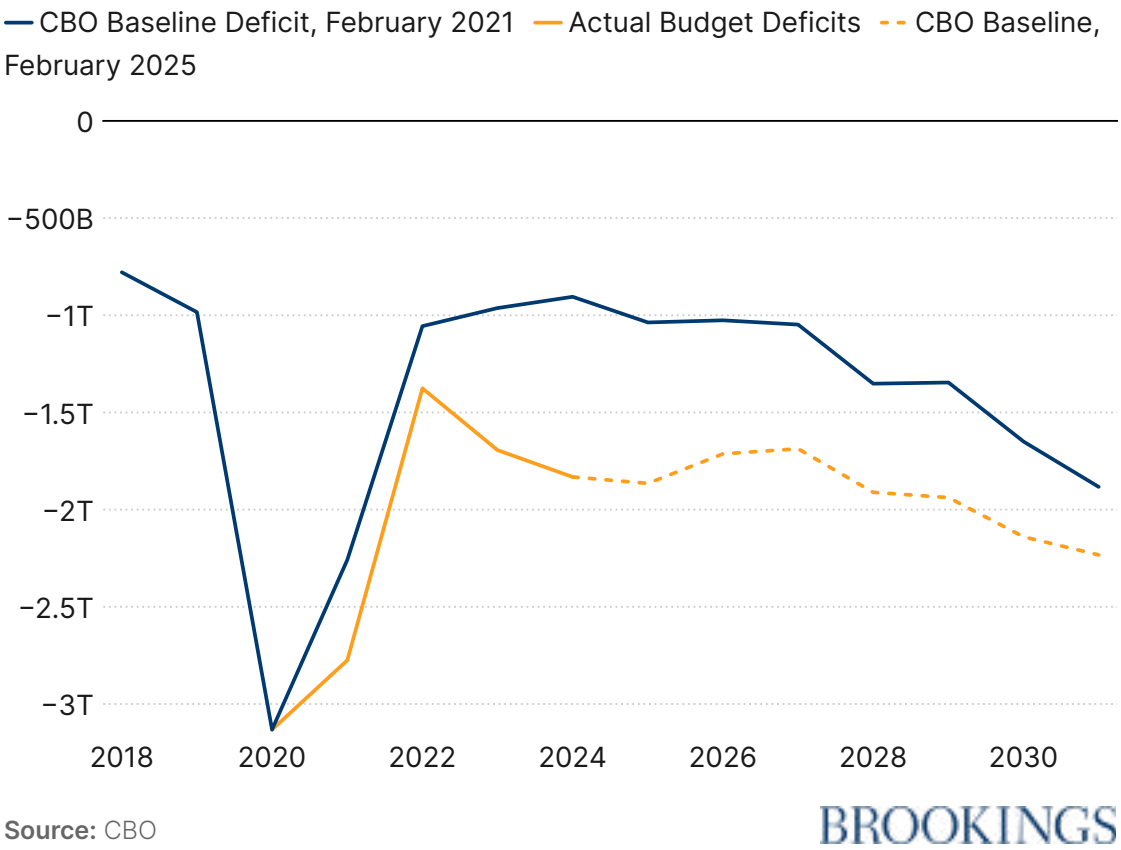
To be sure, President Biden did not promise aggressive deficit reduction during his 2020 presidential campaign. In fact, his campaign promises brought a total price tag of $11 trillion in new 10-year spending increases and $2 trillion in new taxes.[7] Such an expensive agenda far exceeded the campaign promises of his recent presidential predecessors and appeared moderate only in comparison to the platforms of Sens. Bernie Sanders and Elizabeth Warren that approximated $40 trillion in new 10-year spending. Biden took office during an era in which many Democratic leaders rejected any plausible constraints on government spending, due in part to low interest rates on the federal debt.[8] Moreover, the pandemic recession brought expensive fiscal stimulus demands (larger than the stimulus enacted during the Great Recession), and Democrats did not express a desire to unilaterally disarm on deficit-spending following the expensive Trump presidency.

Figures 1 and 2 show that, overall, Biden inherited a 2021-2031 CBO baseline forecast of $14.5 trillion in total budget deficits. He left office with an updated CBO deficit estimate of $21.2 trillion over the same period. Nearly all of this $6.6 trillion in additional deficits resulted from new legislation and executive orders rather than economic and technical adjustments. Driven heavily by surging inflation, the 2021-2031 revenue estimate jumped by $8.3 trillion, while the spending estimate surged by $14.9 trillion. Ultimately, baseline deficits escalated steeply during this time in which rising interest rates nearly tripled annual interest costs. Future taxpayers and analysts may look back on the Biden presidency as yet another disastrous missed opportunity to address unsustainable federal debt growth.

FIGURE 1

President Biden oversaw budget deficits $6.6 trillion above the inherited baseline

Federal deficit in billions of dollars by fiscal year, 2018 to 2031



Source: CBO

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FIGURE 2

The February 2021-2031 budget baseline and the actual budget performance

Numbers are in billions of dollars

Feb. 2021 CBO Baseline	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2021-2031
Revenues	**3,506**	**3,995**	**4,202**	**4,352**	**4,507**	**4,817**	**5,097**	**5,243**	**5,408**	**5,577**	**5,771**	**52,474**
Outlays	**5,764**	**5,050**	**5,165**	**5,258**	**5,544**	**5,843**	**6,145**	**6,595**	**6,754**	**7,227**	**7,654**	**66,999**
Discretionary Spending	1,668	1,615	1,593	1,585	1,620	1,654	1,694	1,740	1,772	1,822	1,867	**18,629**
Mandatory Spending	3,793	3,153	3,293	3,389	3,618	3,828	4,016	4,340	4,384	4,711	4,988	**43,513**
Net Interest	303	282	278	284	306	361	435	516	597	695	799	**4,856**
Deficit (-) or Surplus	**-2,258**	**-1,056**	**-963**	**-905**	**-1,037**	**-1,026**	**-1,048**	**-1,352**	**-1,346**	**-1,650**	**-1,883**	**-14,524**
Debt Held by the Public	22,461	23,541	24,547	25,488	26,559	27,596	28,702	30,162	31,593	33,331	35,304	
Gross Domestic Product	21,951	23,082	24,066	25,127	26,249	27,359	28,425	29,506	30,623	31,751	32,933	**301,072**
Actual and Feb. 2025 CBO Baseline	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2021-2031**
Revenues	**4,047**	**4,897**	**4,441**	**4,918**	**5,163**	**5,580**	**5,935**	**6,108**	**6,290**	**6,549**	**6,834**	**60,764**
Outlays	**6,822**	**6,273**	**6,135**	**6,750**	**7,028**	**7,294**	**7,622**	**8,019**	**8,228**	**8,689**	**9,067**	**81,928**
Discretionary Spending	1,636	1,664	1,719	1,810	1,848	1,897	1,951	2,002	2,033	2,086	2,130	**20,776**
Mandatory Spending	4,834	4,133	3,758	4,060	4,228	4,386	4,596	4,852	4,948	5,276	5,520	**50,590**
Net Interest	352	476	658	881	952	1,010	1,075	1,164	1,247	1,328	1,417	**10,562**
Deficit (-) or Surplus	**-2,775**	**-1,376**	**-1,694**	**-1,832**	**-1,865**	**-1,713**	**-1,687**	**-1,911**	**-1,938**	**-2,140**	**-2,233**	**-21,164**
Debt Held by the Public	22,284	24,252	26,236	28,199	30,103	31,883	33,636	35,601	37,581	39,748	41,992	
Gross Domestic Product	23,004	25,518	27,330	28,828	30,136	31,341	32,538	33,765	35,047	36,394	37,792	**341,693**
Difference	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2021-2031**
Revenues	**541**	**903**	**239**	**566**	**656**	**763**	**838**	**866**	**882**	**972**	**1,063**	**8,289**
Outlays	**1,058**	**1,223**	**970**	**1,493**	**1,484**	**1,451**	**1,477**	**1,424**	**1,474**	**1,462**	**1,413**	**14,929**
Discretionary Spending	-32	49	125	225	228	243	257	263	260	264	263	**2,147**
Mandatory Spending	1,040	980	465	671	610	559	579	513	564	565	532	**7,077**
Net Interest	49	194	380	597	646	649	640	649	650	633	618	**5,705**
Deficit (-) or Surplus	**-517**	**-320**	**-731**	**-927**	**-828**	**-688**	**-639**	**-559**	**-592**	**-489**	**-350**	**-6,640**
Debt Held by the Public	-177	711	1,689	2,711	3,544	4,287	4,934	5,439	5,987	6,417	6,689	**6,689**
Gross Domestic Product	1,053	2,435	3,264	3,701	3,887	3,983	4,113	4,259	4,424	4,643	4,859	**40,621**

SOURCES: CBO budget baselines published in February 2021 and February 2025.
NOTE: Figures for 2025 through 2031 reflect the CBO baseline projection as of February 2025.

Major economic and technical re-estimates largely offset each other

CBO classifies three factors that drive all movements in budget deficits: new legislation, changes in economic factors (such as economic growth, inflation, and interest rates), and technical changes brought on by non-economic factors (such as new technologies altering health care costs). During the Biden presidency, economic and technical factors added $75 billion to the projected 2021-2031 budget deficits relative to the initial CBO projections. This modest 10-year sum obscured large annual swings that ranged from a $704 billion reduction in the 2022 budget deficit (driven chiefly by inflation-raised revenues and a one-time capital gains revenue surge) to a $475 billion addition to the 2024 deficit (driven mostly by surging interest costs).

Unlike legislative-driven changes, presidents have little control over deficit swings caused by economic and technical re-estimates. This is especially the case when measuring a president's budget deficits against an inherited CBO budget baseline that was ultimately flawed due to notably incorrect economic or technical assumptions. For example, President George W. Bush inherited a 10-year CBO budget baseline that vastly overestimated the economy's standard growth rate, and the actual economic performance (along with technical adjustments) added $3.3 trillion to those 10-year deficits on top of his $6.9 trillion in legislative costs. On the flip side, President Trump inherited a 10-year CBO budget baseline that overestimated health care costs as well as interest rates on the federal debt—leading to $3.9 trillion in downward 10-year deficit revisions that partially offset his $7.8 trillion in legislative costs. For these reasons, judging a president's fiscal record on total deficit trends fails to delineate between those deficit variables that a president can control (legislation and executive orders) versus less controllable variables (economic and technical re-estimates).

The $75 billion in net economic and technical budget costs break down as follows:

Economic factors ($228 billion saved): The Biden presidency saw the total projected 2021-2031 GDP leap from $301.1 trillion to $341.7 trillion. Unfortunately, this $40.6 trillion GDP jump consisted of just $5.5 trillion in real economic growth, versus $35.1 trillion in rising inflation. Specifically, the 10-year projection of average annual real economic growth nudged up from 2.1% to 2.4%, while the 10-year average annual inflation rates rose from 2.0% to 2.9%. Unlike real economic growth, inflation does not notably reduce budget deficits because it similarly hikes revenues and spending. Thus, this extra GDP translates into estimated 10-year revenues rising by $6.9 trillion, but mandatory spending also rising by $2.4 trillion and net interest costs (with higher interest rates) jumping by $4.3 trillion. The net fiscal effect was $228 billion in 10-year savings.

Technical re-estimates of revenues ($1.4 trillion saved): An unexpected surge in income and capital gains tax revenues in 2021 and 2022 well exceeded CBO's projection even after adjusting for economic growth and inflation trends. Some of these revenue gains were later offset by factors such as lower-than-expected corporate tax revenues resulting from softening corporate profits and higher utilization of tax preferences for investment and research. Federal Reserve profits remitted to the Treasury declined as well.

Technical re-estimates of mandatory spending ($1.0 trillion cost): This aggregate figure covers updated spending estimates for hundreds of distinct mandatory programs. However, much of the net $1 trillion cost was due to Medicaid's higher-than-expected enrollment, utilization, and costs, possibly resulting from the pandemic. Increased utilization of Affordable Care Act premium tax credits (likely influenced by the 2021 credit expansion) also increased costs. Clean energy expenses from the Inflation Reduction Act (IRA) also well exceeded initial expectations. On the flip side, projected Medicare costs were pared back by better modeling of the number of seniors who are ineligible

due to their non-citizenship. While CBO includes the cost of presidential executive orders in this category, this report classifies those policies with new legislation because they are driven by policy changes.

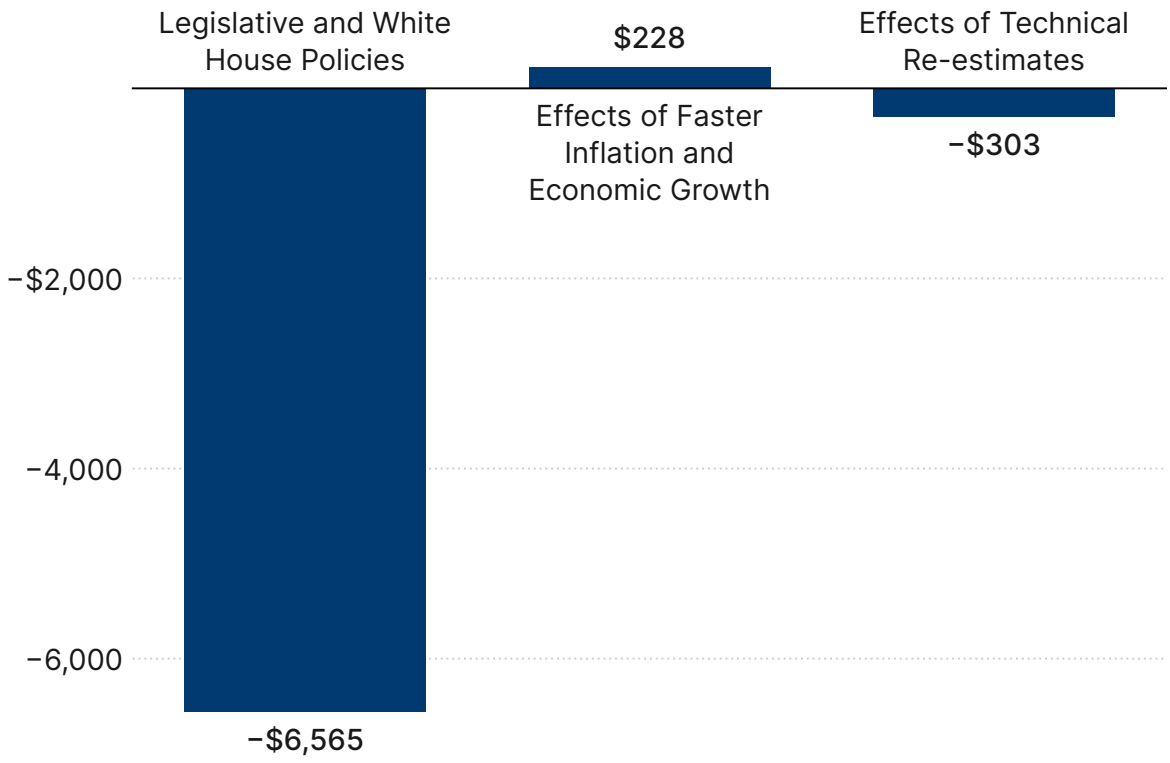
Technical re-estimate of net interest costs ($641 billion cost): These higher interest outlays—which are in addition to the aforementioned interest expenses driven by economic factors—resulted from aspects such as deficit spending within the technical category, alterations to the type and maturity of government bonds, and reforms to other interest-paying and interest-receiving federal assets.

A key question regarding Biden's economic and fiscal legacy is how much credit the president deserves for the post-pandemic economic recovery. An easy narrative asserts that President Biden inherited a deep recession, enacted a $1.8 trillion stimulus bill, and saw the economy recover into a healthy expansion. However, presidents do not inherit an economic snapshot as much as a trendline of where the economy is headed on its own. And virtually all economic forecasters—including the Congressional Budget Office—projected in early 2021 that the end of the pandemic would induce businesses to re-staff their lost jobs, consumers to continue spending, and the economy to revert closer to

FIGURE 3

The cost of new initiatives dwarfed the small net fiscal effects of economic and technical factors

Deficit impact over 2021-2031 by source, in nominal billions of dollars



Source: Author's calculations based on CBO data.

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Note: The cumulative 2021-2031 actual and projected budget deficits increased by $6,640 billion during the Biden presidency.

the pre-pandemic performance even if President Biden and Congress enacted no notable policy changes. This does not suggest that public policy does not matter. The projections incorporated all economic policies and developments up until that point and determined that the economy was now on a path to recovery even with no additional policy changes. It is from that inherited path that President Biden's economic performance is properly measured.

Compared to the CBO-projected path, real GDP growth came in higher by 1.1% (2021), 0.4% (2022), 0.2% (2023) and 0.7% (2024), yet was projected to revert to the earlier growth path from 2025 through 2031. As stated above, this increased the 2021-2031 average real growth figure from 2.1% to 2.4%. This comes to $5.5 trillion in extra real GDP over the decade, or 1.8% more than the $301.1 trillion that had originally been projected. Overall, President Biden's policies were not responsible for ending the recession (it ended before he took office), yet he did oversee a modestly higher economic growth rate than the trendline he inherited in early 2021. Economists and voters can debate how much credit President Biden's economic policies deserve for the faster growth—and whether the American Rescue Plan was worth the resulting inflation and government debt that are discussed below.

$6.6 trillion in new legislation and executive orders

President Biden signed legislation and executive orders adding $6,565 billion to 10-year deficits. He raised taxes by $58 billion, hiked spending by $5,883 billion, and added $742 billion in net interest costs. The largest such policies are listed in Figure 4 and detailed below.

Pandemic response and stimulus ($2,051 billion): Most—but not all—of these provisions were enacted as part of the $1.8 trillion American Rescue Plan in March of 2021.[9] The $2,051 billion 10-year cost consists of $1,796 billion for the policies, $32 billion in offsetting savings from costs shifted from other programs, and $287 billion in resulting net interest costs. More than half of this tab—$1,177 billion— consisted of family assistance spending. This included $411 billion in recovery rebates, $204 billion in unemployment benefit enhancements, $112 billion in health assistance such as enhanced Medicaid, COBRA, and Affordable Care Act (ACA) exchange benefits, and $110 billion in Child Tax Credit expansions—plus $162 billion in interest outlays from these and other family assistance policies.

More controversial were $362 billion in state government bailouts to close state budget shortfalls that largely did not exist,[10] as well as $123 billion in K-12 school grants that were targeted mostly to longer-term school needs rather than any pandemic-related expenses. Other spending included $29 billion in business-related pandemic assistance, $47 billion in broader disaster aid, $53 billion for transportation enhancements, and $17 billion in veterans' assistance. Notably, just $88 billion of this pandemic-themed legislation went to public health agencies.[11]

Many economists blame the American Rescue Plan for worsening an inflation rate that was already set to rise as the economy re-opened. President Trump and Congress had already enacted nearly $4 trillion in pandemic relief in 2020, including nearly $900 billion just weeks before Biden was inaugurated.[12] With the improving economy operating just $420 billion below capacity,[13] responding with a $1.8 trillion spending bill was deemed far excessive by even prominent liberal economists.[14] This proved especially true as supply constraints—such as reduced employment and supply chain disruptions—left nowhere for much of this aid to go except higher prices. Some degree of post-pandemic inflation was inevitable due to earlier pandemic aid, a stimulus-focused Federal Reserve, and supply constraints. However, fiscal policy likely pushed the

peak inflation rate up from 6% to 9% according to the Federal Reserve.[15]

Discretionary spending expansions (excluding defense and veterans) ($1,653 billion): The 2011 Budget Control Act had been designed to tightly cap discretionary appropriations through 2021. However, Congress and Presidents Obama and Trump began disregarding those caps almost immediately, pushing up discretionary spending until the law was essentially repealed in 2019. These appropriations expansions continued under President Biden, with 2021-2031 total and projected discretionary spending (excluding separately analyzed veterans and defense spending) jumping by $1,509 billion plus $144 billion in resulting interest costs. A healthy portion of these expansions were in response to higher-than-projected inflation, as discretionary outlays did not significantly exceed projected levels when measured as a share of the economy.

Within this category, $388 billion of the increase came from transportation appropriations, including the 2021 Infrastructure Investment and Jobs Act. Other drivers included community and regional development (which includes disaster aid) at $298 billion, natural resources and environment ($244 billion), agriculture ($224 billion) and income security ($188 billion).

Because the CBO baseline assumes that discretionary appropriations will grow annually at the inflation rate (usually 2.0 to 2.5%), Congress and the White House will likely continue exceeding that baseline. History suggests appropriations growth more closely matching the rate of nominal economic growth (roughly 4.0% annually). This would leave discretionary spending near the current 6.1% of GDP.

Veterans benefit expansions ($837 billion): The post-9/11 wars and military activities resulted in 5.3 million additional veterans. In addition to expanding the rolls for veterans' benefits, these military operations also prompted the 2022 PACT Act to respond to exposures to burn pits and other specific health challenges related to these wars. While the PACT Act drove most of this new spending, veterans' income benefit spending rose as well with the added caseloads. Total veterans spending has nearly doubled since 2012 to $326 billion (adjusted for inflation) and is likely to continue surging as the newer generation of veterans grows older and as veterans' spending continues to enjoy aggressive bipartisan support.

Student loan executive orders ($755 billion): President Biden aggressively stretched the uses of presidential power to provide expensive student loan relief without Congressional approval. What began as an extension of President Trump's temporary (recession-based) student loan payments pause and interest rate reductions was expanded into bold loan forgiveness programs that cost $641 billion plus another $114 billion in resulting interest outlays over the 2021-2031 period. This sum would have been even higher had the Supreme Court not invalidated the president's November 2022 announcement of $450 billion in additional student loan cancellations for 43 million borrowers. Still, these outlay totals are remarkable for expenditures that circumvented Congress.[16]

Defense discretionary hikes ($596 billion): Much like other discretionary appropriations, defense spending jumped under President Biden. The $596 billion increase in projected spending for 2021-2031 was driven mostly by inflation, as its share of GDP has remained around 3.0%. Another contributor was $111 billion in Ukraine-related appropriations within Pentagon accounts between 2022 and 2024. Instead of sending this money to Ukraine, much of these appropriations were spent replenishing American military supplies after older armaments had been donated to the Ukrainian military. Like other appropriations, defense spending will likely continue to rise faster than the CBO's inflation-based baseline.

Executive orders (excluding student loans) ($536 billion):[17] President Biden's aggressive use of executive orders to expand federal spending well exceeded his predecessors. In addition to the student loan orders described above, Biden signed an executive order expanding Supplemental Nutrition Assistance Program (SNAP) benefits (and resulting interest costs) by $201 billion over the decade. Rules tightening vehicle emission standards were expected to add $129 billion to 2021-2031 deficits by encouraging the utilization of

clean-vehicle tax credits and reducing gas tax revenues. An assortment of executive orders altering Medicaid and Medicare payments had a net 10-year cost of $177 billion, while new administration rules added $29 billion to Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) outlays.

Other spending and tax legislation ($136 billion): Additional legislation included (but was not limited to):

- **Energy ($275 billion):** This category consists mostly of clean energy spending and tax credits from the 2022 Inflation Reduction Act.
- **Social Security ($151 billion):** The Social Security Fairness Act of 2023 provided bonus Social Security benefits to certain classes of workers.
- **Science ($91 billion):** Most of these costs came from the 2022 CHIPS and Science Act, which encouraged domestic semiconductor production.
- **Affordable Care Act ($74 billion):** The 2022 Inflation Reduction Act extended the 2021 American Rescue Plan's enhanced premium tax credits through 2025.
- **Union pension bailouts ($61 billion):** The 2021 American Rescue Plan included the largest private pension bailout in American history, primarily for insolvent union pensions.
- **Other tax policies ($236 billion saved):** The 2022 Inflation Reduction Act created a new corporate minimum tax and imposed a 1% excise tax on corporate stock buybacks. This category also includes the cost of hiring additional IRS agents, but per CBO scoring conventions, does not fully score the corresponding increase in revenues from tax enforcement.
- **Medicare ($330 billion saved):** Most of these savings resulted from federal interventions to force down the price of prescription drugs for both seniors and the federal government.

FIGURE 4

Bridge from CBO projections to final values

Numbers are in billions of dollars

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2021-2031
CBO January 2017 Baseline Budget Deficit	**-2,258**	**-1,056**	**-963**	**-905**	**-1,037**	**-1,026**	**-1,048**	**-1,352**	**-1,346**	**-1,650**	**-1,883**	**-14,524**
Legislative and White House Policies												
Pandemic Response & Stimulus	-1,103	-398	-157	-80	-62	-32	-32	-47	-47	-51	-44	**-2,051**
Discretionary Spending (non-Defense/ veterans)	41	-47	-58	-126	-155	-184	-205	-217	-222	-235	-245	**-1,653**
Veterans Benefit Expansions	-1	1	-47	-59	-60	-76	-90	-104	-118	-134	-148	**-837**
Student Loan Executive Orders	-53	-466	18	-66	-26	-26	-26	-27	-27	-28	-28	**-755**
Defense Discretionary Hikes	-8	-3	-49	-85	-73	-63	-61	-63	-64	-64	-63	**-596**
Executive Orders (Non-Education)	0	-18	-21	-23	-35	-46	-54	-65	-78	-92	-104	**-536**
All Other Spending and Tax Legislation	-12	-93	57	-14	-36	-47	-25	10	0	-8	32	**-136**
Economic and Technical Re-estimates												
Revenues From Economic & Inflation Updates	173	423	278	470	689	726	732	754	787	912	966	**6,910**
Revenues from Technical Re-estimates	449	524	-69	72	-39	25	75	88	91	65	101	**1,381**
Spending From Economic & Inflation Updates	16	-27	-157	-217	-255	-276	-288	-295	-288	-289	-287	**-2,361**
Spending From Technical Re-estimates	27	-33	-163	-235	-176	-102	-102	-38	-90	-66	-64	**-1,042**
Net Interest Costs from Econ/Technical Updates	-46	-184	-363	-566	-600	-587	-563	-554	-537	-500	-465	**-4,963**
Actual Values and CBO February 2021 Baseline Deficit	**-2,775**	**-1,376**	**-1,694**	**-1,832**	**-1,865**	**-1,713**	**-1,687**	**-1,911**	**-1,938**	**-2,140**	**-2,233**	**-21,164**
Memorandum												
Total Legislative and White House Policies	-1,136	-1,025	-256	-452	-447	-473	-493	-514	-557	-611	-601	**-6,565**
Total Economic and Technical Re-estimates	619	704	-474	-475	-382	-214	-146	-45	-35	122	251	**-75**
Total Deficit Changes	**-517**	**-321**	**-730**	**-928**	**-828**	**-688**	**-639**	**-559**	**-592**	**-489**	**-350**	**-6,640**

SOURCE: Author calculations based on CBO data. Figures for 2025-2031 reflect CBO baseline as of February 2025.
NOTE: Positive numbers reflect deficit reductions, negative numbers reflect deficit increases. Legislative estimates incorporate interest costs/savings resulting from bills.

Are these purely "Democratic deficits"?

Partisans often rate each party's commitment to fiscal responsibility by the budget surplus and deficit changes during their respective presidencies. This approach is flawed for several reasons. First, each president inherits a vastly different federal budget baseline, consisting of budget surpluses or deficits that are rising or falling almost entirely on autopilot.[18] Second, beginning from that baseline starting point—as this report shows—much of the surplus and deficit movements are driven by economic and technical factors that occur mostly outside of White House control. Consequently, assessing a president's deficit performance should be based largely on the legislation enacted, rather than the inherited budget baseline or the subsequent economic and technical movements of that baseline.

Yet even within legislation, presidents are limited to signing what Congress will pass and which party controls Congress. Broadening the analysis to include Congress (and executive orders) allows for an assessment of which parties enacted the most deficit-expanding policies during the Biden presidency.

Following this convention, Democrats completely own the half of the $6.6 trillion deficit expansions that consists of executive orders and bills with zero Republican votes. Another 30% consists of Democratic legislation with just enough Republican legislative support to pass the Senate without a filibuster. And the final 20% of the deficit costs can be classified as fully bipartisan, with the majority support of lawmakers in both parties.

The first category of enacted costs consists of those owned entirely by Democrats because they were enacted without Republican votes. Because President Biden never had the 60 Democratic senators necessary to break a filibuster, his party could fully bypass Congressional Republicans only on presidential executive orders as well as annual reconciliation bills during the 2021 and 2022 period when they controlled Congress. And Democrats took full advantage of these opportunities, with Biden signing almost $1.3 trillion in executive orders, and Congressional Democrats using reconciliation to pass the 2021 American Rescue Plan ($1.8 trillion) and 2022 Inflation Reduction Act ($238 billion saved[19]) without a single Republican vote. Add in approximately $400 billion in resulting interest costs, and Democrats fully own $3.3 trillion in new deficit expansions that, despite unanimous opposition, Congressional Republicans were powerless to stop.

A second category of major fiscal bills were enacted by Democratic majorities but with enough Senate Republican support to avoid a filibuster. The Infrastructure Investment and Jobs Act ($256 billion) and CHIPS Act ($79 billion) each received unanimous Democratic lawmaker support, along with Senate Republican votes totaling 19 and 16, respectively. Most major appropriations bills that cumulatively added over $2 trillion to 10-year deficits, and some which also funded Ukraine, also passed with often-unanimous Democratic support and enough Republican senators to avoid a filibuster. Such legislation typically made modest concessions to those Senate Republicans to win a small share of their votes but can overall be considered Democratic bills.

A final category of bills includes true bipartisan legislation that achieved the majority support of both parties in Congress. The PACT Act—which was scored as adding nearly $800 billion in mandatory spending over the next decade—passed with an overwhelming bipartisan majority, as did the 2023 Social Security Fairness Act with an almost $200 billion price tag. Several bills that slashed IRS tax enforcement spending (and thus reduced tax revenues), aided Ukraine's defense against Russia, and extended the Paycheck Protection Act all passed with the majority support of both parties. In 2023, the new GOP House majority attached the Fiscal Responsibility Act to must-pass debt limit legislation. That law, which ultimately secured most Democratic votes and a presidential signature in order to avoid a debt default, paired modest mandatory savings with (largely unenforced) two-year discretionary spending caps. In total, approximately $1.3 trillion in enacted policies and interest costs received majority support from both Congressional Republicans and Democrats.

Single-party control of government typically brings the most deficit-expanding legislation, and these four years were no exception. The vast majority of President Biden's $6.6 trillion fiscal cost was enacted in the 117th Congress (2021-2022) when his Democratic party controlled both the House and Senate. After Republicans took the House in 2023, the only major fiscal bills enacted were the Social Security Fairness Act, Fiscal Responsibility Act (which modestly reduced deficits), and a couple of major appropriations bills that also contained funding for Ukraine and some emergency and disaster assistance.

The Biden budget proposals

The previous section explains how presidents lack the authority to unilaterally determine spending, taxes, and deficits. They cannot control the inherited budget baseline, have little control over economic and technical movements, and must persuade Congress to pass any major legislative reforms. However, presidents are free to lay out their fiscal vision in their annual budget request.

President Biden's budget requests reflected a Democratic party that had adopted the thesis that massive federal spending was necessary to unlock prosperity. Biden's first budget proposal,[20] unveiled in spring 2021, proposed $7 trillion in new spending over the decade when including the recently enacted American Rescue Plan (ARP). This budget included a $2 trillion "American Jobs Plan" that pursued infrastructure initiatives in areas such as transportation, energy, manufacturing, research and development, and school and housing construction. Additionally, the budget's "American Families Plan" proposed safety net expansions such as universally free pre-kindergarten and community college tuition as well as substantial subsidies for childcare, family and medical leave, long-term health care, Pell Grants, refundable child credits, and refundable ACA premium credits.

On the tax side, Biden's budget proposed $3.6 trillion in 10-year tax increases on top of the expiration of the 2017 Tax Cuts and Jobs Act.[21] The president's pledge to never raise taxes on families earning under $400,000 (except for the expiring TCJA) forced him to meet his ambitious revenue targets by proposing to raise corporate tax revenues by 56%, or $2.3 trillion over the decade This included raising the corporate tax rate from 21 to 28%, seeking roughly a trillion dollars in new taxes on multinational companies intended to align America's multinational taxes with international frameworks.[22] Beyond these corporate taxes, the budget targeted investors, high earners, and small businesses for $640 billion in new income and investment taxes as well as $680 billion in new Medicare payroll taxes. Even by the president's own budget estimates, the spending expansions would exceed the new taxes and increase 10-year budget deficits by more than $3 trillion.[23]

Biden's subsequent budget proposals did not deviate substantially from this framework. Overall, his four annual budget proposals called for an average of $2.5 trillion in new spending, $3.9 trillion in new taxes, and $1.4 trillion in net deficit reduction over 10 years (see figure 5). Nearly all tax hikes targeted corporations, small businesses, and the wealthy, while nearly all spending hikes would expand mandatory spending (i.e., entitlement benefits).

It is well known that the vast majority of these proposals were ultimately rejected even by a Democratic Congress. Lawmakers substantially scaled down the president's infrastructure and clean energy agenda as part of the Inflation Reduction Act and Infrastructure Investment and Jobs Act. And major enacted initiatives like the PACT Act and Social Security Fairness Act were driven by Congress. Biden was most successful with executive orders and the 2021 American Rescue Plan.

Like President Obama before, Biden discovered that the main barrier to enacting his Democratic fiscal agenda was Congress' resistance to dramatically raising taxes. While Republican tax cutters talk vaguely

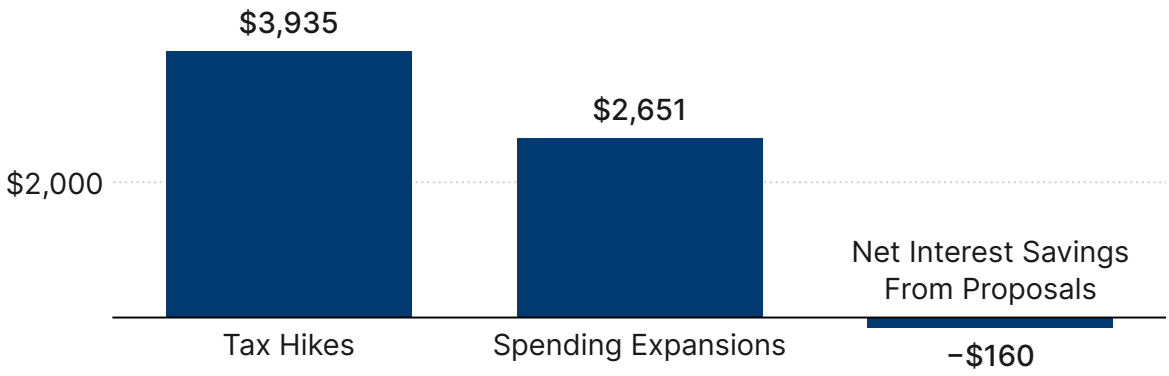
about deep, corresponding spending cuts that never come close to enactment, Democratic Congresses rarely turn their "tax the rich" rhetoric into specific, passable legislation. Even with a Democratic president proposing as much as $5 trillion in specific tax increases, the unified Democratic Congress limited itself to enacting a loophole-ridden corporate minimum tax and a 1% excise tax on corporate repurchases. Moreover, most of these new tax revenues merely financed Democratic tax relief such as expanded child credits, health care premium tax credits, and clean energy credits. Overall, the Biden presidency produced a 2021-2031 net tax increase of just $58 billion—or enough to finance less than 1% of the $5,883 billion in new net spending increases covering the same period.

Congressional Democrats' refusal to significantly raise taxes sacrificed much of Biden's aggressive spending agenda. While both Obama and Biden entered office persuading Democratic Congressional majorities to enact expensive "stimulus" bills that understandably were not offset, even their Democratic Congresses lacked the necessary appetite to pass trillion-dollar deficit expansions after the economy recovered. Outside of the aforementioned American Rescue Plan stimulus and bipartisan PACT Act, both parties in Congress essentially kept the 10-year deficit impact of major bills to less than $260 billion. Because Congressional Democrats were unwilling to pass bills with budget-busting deficit impacts (outside of "stimulus" bills), their refusal to dramatically raise taxes essentially capped each bill's amount of new spending. While many Democrats would have been comfortable with more taxes or deficit spending, the opposition of Senators such as Joe Manchin (D-WV) and Kyrsten Sinema (D-AZ) often left Senate Democrats short of the 50 votes needed for those provisions' inclusion in reconciliation bills.

FIGURE 5

Biden's four budgets proposed large spending expansions and even larger tax increases

Numbers are in nominal billions of dollars



Source: Average of the OMB scores of President Biden's four yearly budget proposals.

BROOKINGS

Note: Numbers are the average of the 10-year scores in each budget request.

Comparing Biden to Trump, Obama, and Bush

President Biden's fiscal record compares poorly to his predecessors.[24] For this comparative analysis, we will disregard deficit swings caused by technical and economic events, which range from costing President Bush $3.3 trillion to benefitting Trump by $3.9 trillion and do not notably alter Biden's deficit figures. Instead, presidential fiscal records are measured solely by legislation and executive orders, where presidents have much more direct control.

Figures 6 shows that the $6.6 trillion net 10-year cost of Biden's legislation and executive orders trails Trump ($7.8 trillion), exceeds Obama ($5.0 trillion), and trails Bush ($6.9 trillion). Adjusting for inflation across eras would surely push up the predecessors' net costs, although Biden still compares unfavorably due to adding this $6.6 trillion in a single presidential term, compared to Obama and Bush needing two terms to reach their amounts.

Biden also had an easier path to deficit savings than some of his predecessors. President Bush faced the costs of responding to the 9/11 attacks, as well as substantial tax revenues lost to a stock market bubble burst and later housing market collapse that were both outside of his control. President Obama inherited a deep recession and was also saddled with a $4 trillion "cost" simply for renewing the tax policies he inherited. Trump was forced to respond to a once-a-century pandemic that essentially shut down the economy.

Yet Biden took office with the pandemic economy beginning to re-open and fiscal policy already stuffed with his predecessor's recent stimulus. He also faced no major foreign attacks or monumental disasters for which presidents have little control. Moreover, taking office following the federal government's first $3 trillion budget deficit—driven by one-time costs—opened a clear runway to significantly reduce deficits towards pre-pandemic levels around $1 trillion.

Instead, Biden dramatically expanded federal spending, reprogrammed the savings from much of the expiring pandemic costs into new permanent programs, and added $6.6 trillion to the 10-year deficits. Rather than return to pre-pandemic $1 trillion levels, annual deficits never dropped below $1.376 trillion and were above $1.8 trillion (and rising) when he left office. And these figures would surely have been higher had the president persuaded Congress to pass his additional expensive spending proposals or not suffered the midterm election loss of a Democratic Congress that had aggressively supported new spending.

FIGURE 6

Comparing the recent presidential fiscal records

Numbers are in billions of dollars

President Bush Fiscal Record		President Obama Fiscal Record		President Trump Fiscal Record		President Biden Fiscal Record	
2001-11		2009-19		2017-27		2021-31	
CBO Jan. 2001 Baseline Ten-Year Surplus	**5,891**	**CBO Jan. 2009 Baseline Ten-Year Deficit**	**-4,321**	**CBO Jan. 2017 Baseline Budget Deficit**	**-9,984**	**CBO Feb. 2021 Baseline Budget Deficit**	**-14,524**
Legislative Changes	**-6,947**	**Legislative Changes**	**-4,988**	**Legislative and White House Policies**	**-7,787**	**Legislative and White House Policies**	-6,565
2001/2003 Tax Cuts	-2,330	Renew AMT patch and tax extenders	-2,108	Pandemic Response	-3,940	Pandemic Response & Stimulus	-2,051
Defense Spending	-2,171	Renew 2001/2003 tax cuts	-2,028	2017 Tax Cuts	-1,969	Discretionary Spending (non-Defense/veterans)	-1,653
Non-Defense Discretionary Spending	-802	2009 ARRA Stimulus	-1,010	Higher Discretionary Caps - Defense	-824	Veterans Benefit Expansions	-837
Other Tax Policies	-489	Subsequent Stimulus and Recession Relief	-948	Higher Discretionary Caps - Non-Defense	-744	Student Loan Executive Orders	-755
Medicare Prescription Drug Program	-321	Renewing Pre-2009 Health Laws	-154	Disaster Aid & Uncapped Disc. Spending Hikes	-493	Defense Discretionary Hikes	-596
TARP	-221	Other Mandatory Spending Legislation	-69	Repeal ACA Taxes	-299	Executive Orders (Non-Education)	-536
Economic Stimulus Act of 2008	-181	Hurricane Sandy Relief	-64	Other Mandatory and Tax Legislation	-201	All Other Spending and Tax Legislation	-136
Other Entitlement Reforms	-432	BCA Mandatory Sequesters	117	Repeal ACA Individual Mandate Penalty	317		
		Affordable Care Act	275	Presidential Tariffs and Subsidies	367		
		Other Revenue Legislation	282				
		Discretionary Spending and OCO Reforms	718				
Economic & Technical Re-estimates	**-3,337**	**Economic and Technical Re-estimates**	**378**	**Economic and Technical Re-estimates**	**3,918**	**Economic and Technical Re-estimates**	**-75**
Total Deficit Changes	**-10,283**	**Total Deficit Changes**	**-4,610**	**Total Deficit Changes**	**-3,869**	**Total Deficit Changes**	**-6,640**
Actual Values and Jan. 2009 Baseline Deficit	**-4,394**	**Actual Values and Jan. 2017 Baseline Deficit**	**-8,931**	**Actual Values and CBO Feb. 2021 Baseline Deficit**	**-13,853**	**Actual Values and CBO Feb. 2025 Baseline Deficit**	**-21,164**

SOURCES: Author calculations based on CBO data (see methodology section).
NOTE: Figures reflect budget scores and estimates through the tenth year after each president takes office. After a president leaves office, subsequent deficit movements within that ten-year period are applied to the next president's ledger. Positive numbers budget savings, while negative numbers add to deficits. Legislative changes include associated interest costs/savings.

Implications of soaring deficits

President Biden's fiscal record reflects another acceleration of Washington's 25-year deficit binge that has driven the debt held by the public from 32% to nearly 100% of GDP. The president left federal spending at the highest share of the economy in American history outside of world wars and deep recessions. Trillion-dollar annual deficits—once unheard of—have become the norm even during peace and prosperity. Neither Republicans nor Democrats pay any real political price for rising debt, so both parties binge on spending expansions and tax cuts. In his 2023 State of the Union address, President Biden received some of his loudest, bipartisan ovations when he took off the table any tax hikes on 95% of families and any reforms to escalating Social Security and Medicare deficits.[25]

The continued, bipartisan refusal to address Social Security and Medicare shortfalls threatens to bring a debt crisis. Policymakers could have gradually phased-in manageable Social Security and Medicare reforms decades ago when the 74 million baby boomers were still young enough to adjust for any modest future benefit changes. Instead, Congress and several presidents dithered as two-thirds of baby boomers retired into Social Security and Medicare, with the remaining ones reaching age 66 by 2030.

The delay in reform has already closed several options. Most proposals to raise the eligibility age or adjust benefits require many years or even decades to gradually phase in before they can deliver significant savings. More aggressive short-term reforms to eligibility ages or benefit levels cannot be absorbed by many seniors who have already retired or will soon. That leaves the options of either significant tax increases (which do not require a long phase-in) or grandfathering out of reform the 74 million baby boomers whose promised benefits will exceed what the economy and tax code can reasonably finance.

Despite the myth that Social Security and Medicare cannot run annual deficits, these two programs face a 2025 cash shortfall of $0.7 trillion that will rise to $2.2 trillion within a decade.[26] These shortfalls are the lead drivers of overall budget deficits heading towards $4 trillion within a decade. And over the next three decades, Social Security and Medicare face a total cash shortfall of $122 trillion—or 10% of GDP annually by 2055.[27] There is no plausible package of other tax increases or spending savings that can offset two programs running a shortfall this large.

And yet, rather than work with Congress to begin building reform options, President Biden—like President Trump before him—instead threatened to block any attempt to bring these programs (and the federal budget as a whole) into sustainable solvency. Of course, both parties in Congress have been all too willing to continue kicking the can as well. The politics of Social Security and Medicare reform are obviously perilous, yet sleepwalking into a predictable debt crisis is a potentially catastrophic failure of economic stewardship.

Perhaps no figures better encapsulate the government's perilous new fiscal reality than annual net interest costs leaping from $352 billion in 2021 to $881 billion in 2024—with a projection to approach $2 trillion annually within a decade.[28] The toxic combination of swelling debt and rising interest rates has pushed annual interest costs past Medicaid, defense, and Medicare to become the second-largest federal budget item after Social Security. Within a decade, as much as 30% of annual federal taxes will go towards paying interest on the debt under a current-policy baseline. That is a lot of federal taxes that could have otherwise funded Medicare, defense, veterans' benefits, education, infrastructure, or school lunches. Paying these exorbitant interest costs will inevitably mean some combination of higher taxes and fewer government benefits.

Few candidates seek the presidency out of a desire to impose painful fiscal consolidations. However, the 1983 Social Security reforms and 1990s deficit deals that culminated in a balanced budget show that deficit reduction need not be politically suicidal when approached in a bipartisan fashion. Instead, under President Biden (like his predecessors), policymakers' bipartisan consensus was to dump an even more perilous fiscal situation on their successors. And the bill is already coming due.

Conclusion: The Biden budget legacy

President Biden inherited a challenging fiscal situation with projected budget deficits of $14.5 trillion over the 2021-2031 period. Yet rather than take advantage of the improving economy brought on by the end of the pandemic, Biden worked with a Democratic Congress (and occasionally with Republicans) to enact a wish list of new spending initiatives. The result was $6.6 trillion in new legislation and executive orders that pushed the cumulative 2021-2031 projected budget deficit to $21.2 trillion. Rather than return to $1 trillion deficits after the pandemic spending phased out, Biden left his successor with annual budget deficits of $1.8 trillion.

Surging inflation wreaked havoc on the economy and played the lead role in economic factors pushing up 2021-2031 revenues by $6.9 trillion and mandatory and net interest costs by a combined $6.7 trillion. President Biden's $6.6 trillion in enacted policies were led by pandemic responses, significant discretionary spending expansions, veterans' benefit enhancements, and $1.3 trillion in executive orders, most notably through student loan payment pauses and forgiveness.

While most of this spending reflects Democratic initiatives, only the executive orders and two reconciliation bills (The American Rescue Plan and Inflation Reduction Act) could be enacted without Republican assistance. Indeed, all other initiatives—from discretionary spending expansions to major bills dealing with veterans' benefits, infrastructure, and semiconductors—could not have passed the Senate without Republican votes to overcome a filibuster. President Biden achieved significant (and expensive) legislative output, albeit less than his even more expensive budget proposals, and surely less than he would have spent had Democrats kept control of Congress after 2022.

Annual interest costs jumped from $352 billion to $881 billion under Biden, and surpassed Medicaid, defense, and Medicare to become the second-largest federal budget item after Social Security. Moreover, Biden's (and both Congressional parties') refusal to address steeply worsening Social Security and Medicare shortfalls left annual budget deficits on a path to approach $4 trillion in the next decade.

Overall, President Biden signed expensive legislation and executive orders and handed his successor significantly expanded budget deficits, rising interest costs, and even less time to bring Social Security and Medicare into long-term fiscal sustainability.

APPROPRIATIONS RELATED TO UKRAINE

Appropriations responding to Russia's war on Ukraine remain both controversial and largely misunderstood. Over a three-year period following Russia's February 2022 invasion, Congress and President Biden appropriated $176 billion in funding to support Ukraine's defense.[29] Across the five enacted bills, $111 billion was allocated to the Department of Defense, $58 billion was allocated to State Department and foreign assistance programs, and $6 billion was allocated to other federal agencies. Rather than provide all this funding directly to Ukraine, much of the defense spending replenished America's own stockpiles to replace the older weapons that had been sent to Ukraine. In that sense, some of this spending merely accelerated American military upgrades and replacements that had been planned to occur over the next several years as supplies dipped or became obsolete.

Between 2022 and 2024, Ukraine spending contributed an average of just under $60 billion to budget deficits that averaged $1,634 billion. The two standalone supplemental funding bills passed Congress with overwhelming bipartisan support.[30] The other three Ukraine funding measures were passed as smaller sections of much larger omnibus appropriations bills and continuing resolutions.[31] Those bills passed with strong Democratic support, while Republican votes were largely determined by opinions on the non-Ukraine bill sections.

PRESIDENT TRUMP'S FISCAL RECORD: A LOOK BACK

In January 2017, President Trump inherited a projected $10.0 trillion budget deficit over the 2017-2027 period. Four years later, he left office with the same period facing a total deficit of $13.9 trillion.[32] His $3.9 trillion fiscal decline resulted from the president enacting $7.8 trillion in new initiatives yet also benefitting from $3.9 trillion in automatic budget savings from economic growth revenues and technical re-estimates of taxes and spending levels.

During Trump's presidency, total and projected 2017-2027 revenues declined by $2.5 trillion, while spending rose by $1.4 trillion.

- Pandemic-relief legislation ($3,940 billion): One of the largest federal mobilizations in American history was led by $1 trillion in Paycheck Protection Program loans for multiple rounds of small relief payments for families ($457 billion), enhanced unemployment benefits ($392 billion), direct health and vaccine spending ($390 billion), other general business aid ($313 billion), expansion of traditional safety net programs ($143 billion), and paid leave programs ($105 billion). These deficit-financed costs added $412 billion in projected interest costs.
- Economic and technical changes ($3,918 billion saved): These non-legislative savings were dominated by lower-than-projected interest rates (saving an estimated $2.7 trillion in net interest costs over the decade) and faster economic growth projections (adding $1.3 trillion to projected 10-year tax revenues).
- The 2017 Tax Cuts and Jobs Act ($1,969 billion): Initial calls for revenue-neutral tax reform gave way to large tax cuts for families as well as corporate tax relief.
- Higher discretionary spending caps ($1,568 billion): The long-weakened spending caps from the 2011 Budget Control Act were finally obliterated.
- Disaster aid and additional discretionary spending ($493 billion): This includes additional funding for operations in Afghanistan and Iraq, as well as domestic disaster relief.

- Presidential imposition of tariffs ($367 billion in savings): President Trump's executive orders on tariffs were set to raise $400 billion over the next decade, minus $33 billion redirected to farmers as compensation for lost exports, leading to net savings of $367 billion.
- Repeal of Affordable Care Act Individual Mandate and IPAB ($317 billion in savings): Republicans produced fiscal savings by reducing the Affordable Care Act individual mandate to zero, and they slightly raised projected health care spending by eliminating Medicare's Independent Payment Advisory Board.
- Repeal of Affordable Care Act Taxes ($299 billion): Congress repealed several unpopular taxes that had been enacted to pay for the ACA.
- All else ($201 billion): The remaining $201 billion costs consists of hundreds of smaller policies enacted into law.

President Trump's $7.8 trillion in new legislation and executive orders exceeded the expansions signed by Presidents Obama and Bush even despite serving only one term compared to their two consecutive terms. While the pandemic costs were largely unavoidable (and bipartisan), Trump enacted an additional $3.9 trillion in tax cuts and spending expansions that pushed annual deficits towards $1 trillion even before the pandemic. Ultimately, the federal debt held by the public reached 100% of the economy for the first time since World War II.

PRESIDENT OBAMA'S FISCAL RECORD: A LOOK BACK

Note: This lookback of earlier presidencies is largely re-printed from my previous report entitled "Trump's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits" (2022).

In January 2009, President Obama inherited a projected $4.3 trillion budget deficit over the 2009-2019 period (a projection which incorporated the effects of the year-old Great Recession). Instead, he oversaw $8.9 trillion in 10-year deficits. This represents a fiscal decline of $4.6 trillion.[33] Much of this debt consisted of extending the policies inherited from President Bush.

Overall, the $4,610 billion fiscal decline under President Obama consisted of $6,273 billion in lower-than-projected revenues and $1,663 billion in lower-than-projected spending. Legislation cumulatively cost $4,988 billion, while economic and technical changes saved $378 billion:[34]

- Renewing the Alternative Minimum Tax (AMT) patch and tax extenders ($2,108 billion cost): President Obama inherited a large number of tax policies that were set to expire. Renewing the small policies as well as keeping the AMT from significantly raising taxes on millions of households cost $2 trillion.
- Renewing the 2001 and 2003 tax cuts ($2,028 billion cost): President Obama and GOP lawmakers eventually made the "Bush tax cuts" permanent for all except the highest-earning 2% of earners.
- American Recovery and Reinvestment Act (ARRA) ($1,010 billion cost): The February 2009 ARRA included $748 billion in new "stimulus" provisions plus $262 billion in net interest costs over the decade.
- Subsequent stimulus and recession relief ($948 billion cost): Lawmakers followed up ARRA with multiple smaller stimulus laws over several years, including payroll tax holidays and unemployment insurance extensions.
- Discretionary spending and Overseas Contingency Operations (OCO) reforms ($718 billion saved): The 2011 Budget Control Act and other discretionary savings provided the largest deficit reductions.

- Other revenue legislation ($282 billion saved): Dozens of smaller tax reforms.
- The Affordable Care Act ($275 billion saved): This law balanced benefit extensions with Medicare savings and new taxes.
- Renewing pre-2009 health laws ($154 billion cost): Dozens of small health policies regularly expire unless extended by Congress.
- Budget Control Act (BCA) mandatory sequesters ($117 billion saved): The Budget Control Act also required modest automatic savings from some mandatory programs.
- Other mandatory spending legislation ($69 billion cost): This consisted of countless small reforms.
- Hurricane Sandy relief ($64 billion cost): A major hurricane hit the East Coast in 2012.
- Economic and technical changes ($378 billion saved): The sluggish economic recovery cost trillions in forgone tax revenues, yet this was balanced out by lower-than-expected interest rates saving $2.3 trillion over the decade.

Early in 2009, President Obama pledged to "cut the deficit we inherited by half by the end of my first term in office."[35] He missed those targets and generally ran deficits well above the inherited CBO baseline. However, much of the new legislation was simply extending existing policies. The weaker-than-expected economic recovery surprisingly did not directly worsen deficits, as lower tax revenues were offset by the net interest savings from lower interest rates. Like under Presidents Bush and Trump, the Obama presidency represented a lost opportunity to avert escalating long-term baseline budget deficits driven by retiring baby boomers and the resulting Social Security and Medicare shortfalls. The national debt held by the public increased from $5.8 trillion to 14.2 trillion (or from 39% to 76% of GDP) through 2016.

PRESIDENT BUSH'S FISCAL RECORD: A LOOK BACK

Note: This lookback of earlier presidencies is largely re-printed from my previous report entitled "Trump's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits" (2022).

In January 2001, President Bush inherited a projected $5.9 trillion budget surplus over the 2001-2011 period. Instead, he oversaw a $4.4 trillion budget deficit. This $10.3 trillion fiscal decline far exceeds the $4.6 trillion decline under President Obama, $3.9 trillion decline under President Trump, and $6.6 trillion under President Biden. Additionally, President Bush's legislative debt overwhelmingly consisted of new initiatives (some of which were thrust upon him, like 9/11), while much of President Obama's debt resulted from extending tax policies inherited from President Bush.

Overall, the $10,286 billion fiscal decline under President Bush consisted of $5,148 billion in lower-than-projected revenues, and $5,138 billion in higher-than-projected spending. Legislation cost $6,908 billion, while economic and technical changes cost the remaining $3,377 billion:[36]

- Economic and technical changes ($3,377 billion cost): CBO's early 2001 projections were developed near the end of a historic stock market and economic bubble that had created surging and ultimately unsustainable tax revenues. CBO had projected a continuation of these economic trends. Instead, the bubble burst and created a brief 2001 recession, which was followed by a modest recovery before the Great Recession collapsed tax revenues.

- The 2001 and 2003 tax cuts ($2,330 billion cost): Back when the most pressing budget concern was that massive budget surpluses would pay off the entire national debt too quickly, President Bush signed large tax cuts into law. Setting aside the $503 billion in net interest costs, approximately 75% of the tax cuts went to families earning under $250,000 annually. Preventing their full expiration became a major bipartisan focus during the Obama administration.
- Defense spending increases ($2,171 billion cost): The 9/11 attacks and subsequent wars in Afghanistan and Iraq reversed the steep defense cuts of the 1990s. Nearly $400 billion of this cost is interest.
- Non-defense discretionary spending increases ($802 billion cost): "Compassionate conservatism" had a hefty price tag. The largest budget hikes between 2001 and 2008 were granted to veterans' health benefits (95%), international aid (79%), education (42%), and health research and regulation (37%).
- Other tax changes ($489 billion cost): The annual Alternative Minimum Tax patch and other current-policy tax extenders dominated this category.
- Other mandatory spending changes ($432 billion cost): This consists of dozens of smaller mandatory program expansions in areas such as farm subsidies and Hurricane Katrina flood relief.
- Medicare prescription drugs ($321 billion cost): The 2003 Medicare law has cost less than anticipated and played a lead role in the subsequent slowdown of Medicare cost growth. Still, it is contributing to Medicare's long-term unsustainability.
- The Troubled Asset Relief Program (TARP) ($221 billion cost): Most of the 2008 Troubled Asset Relief Program costs were later recovered during the Obama administration.
- Economic Stimulus Act of 2008 ($181 billion cost): President Bush's anti-recession bill relied chiefly on tax rebates for families. The economy did not respond.

Despite these costs, President Bush oversaw much lower budget deficits than Presidents Obama and Trump because he had inherited a budget surplus. During the Bush presidency, federal spending rose from 17.7% to 20.2% of GDP, while revenues fell from 20.0% to 17.1% (although this compares the earlier revenue bubble with a later deep recession). The national debt held by the public increased from $3.4 trillion to $5.8 trillion (or from 34% to 39% of GDP) through 2008. And like other recent presidents, President Bush (despite prioritizing Social Security reform) was not able to put entitlements on a sustainable long-term path.

APPENDIX - FIGURE 7

Legislation signed by President Biden with fiscal impacts exceeding $10 billion over the following decade

Legislation is in chronological order, and figure numbers are in millions of dollars

Public Law	Bill	Date	Title	Main Budgetary Provisions	Total	Revenues	Mandatory Outlays	Additional Discretionary BA	*Memorandum* Discretionary Targets
Congress: 117th - 1st (2021)									
PL 117-2	H.R. 1319	3/11/21	American Rescue Plan Act of 2021	Stimulus & Pandemic Relief	-1,844,112	-46,194	-1,797,918	--	--
PL 117-6	H.R. 1799	3/30/21	PPP Extension Act of 2021	Pandemic Aid Extension	-15,000	--	-15,000	--	--
PL 117-43	H.R. 5305	9/30/21	Extending Government Funding and Delivering Emergency Assistance Act	Disaster Relief & Afghanistan	-35,297	--	--	-35,297	--
PL 117-58	H.R. 3684	11/15/21	Infrastructure Investment and Jobs Act	Infrastructure	-256,148	49,681	109,619	-415,448	--
Congress: 117th - 2nd (2022)									
PL 117-103	H.R. 2471	3/15/22	Consolidated Appropriations Act, 2022	Ukraine Aid	-13,749	456	-604	-13,601	--
PL 117-128	H.R.7691	5/21/22	Additional Ukraine Supplemental Appropriations Act, 2022	Ukraine Aid	-40,149	--	--	-40,149	--
PL 117-167	H.R. 4346	8/9/22	CHIPS Act of 2022	Semiconductor Production	-79,325	-24,251	-55,074	--	--
PL 117-168	S. 3373	8/10/22	Promise to Address Comprehensive Toxics (PACT) Act of 2022	Veterans' Health	-796,821	--	-796,821	--	-396,600
PL 117-169	H.R. 5376	8/16/22	Inflation Reduction Act	Mostly Clean Energy	238,464	289,046	-50,582	--	--
PL 117-180	H.R. 6833	9/30/22	The Ukraine Supplemental Appropriations Act, 2023	Ukraine Aid	-12,422	--	-77	-12,345	--
PL 117-328	H.R. 2617	12/29/22	Consolidated Appropriations Act, 2023	Ukraine Aid & Disaster Relief	-85,374	--	--	-85,374	--
Congress: 118th - 1st (2023)									
PL 118-5	H.R. 3746	6/3/23	Fiscal Responsibility Act of 2023	Spending Caps	-13,979	-2,318	10,339	-22,000	1,331,800
Congress: 118th - 2nd (2024)									
PL 118-47	H.R. 2882	3/23/24	Further Consolidated Appropriations Act, 2024	Cut IRS Tax Enforcement	-40,765	-37,972	23	-2,816	--
PL 118-50	H.R. 815	4/24/24	Making Emergency Supplemental Appropriations for the Fiscal Year Ending September 30, 2024, and for Other Purposes.	Ukraine, Israel, & Pacific Aid	-95,329	--	--	-95,329	--
PL 118-273	H.R. 82	1/5/25	Social Security Fairness Act of 2023	WEP-GPO	-195,650	--	-195,650	--	--

SOURCE: Author calculations based on CBO and JCT data.
NOTE: Budget scores reflect CBO rolling ten-year cost estimates. Positive figures represent budget savings, negative figures reflect deficit increases. "Additional Discretionary BA" reflects emergency and supplemental appropriations. "Discretionary Targets" reflect savings or spending targets subject to future appropriations.

Appendix - Methodology

Note: This methodology section is largely re-printed from my previous reports examining the fiscal records of Presidents Trump (2022) and Obama (2017), which used the same analytical methods.

This analysis of President Biden's fiscal record begins with the February 2021 Congressional Budget Office (CBO) budget baseline that the president inherited. This provides the 10-year (2021-2031) default projection of spending and revenues against which to measure the president's record. From there, CBO typically updated these baseline projections two-to-three times per year and classified all baseline movements into three causal groups: 1) legislative changes; 2) economic re-estimates that affected spending and revenues; and 3) technical re-estimates of revenues or spending, such as updated projection models (which are often secondary effects of economic changes). CBO further breaks down these three effects by the specific spending or tax category affected (such as the technical changes affecting Medicare). This report aggregates all of these baseline updates across the Biden presidency to provide a total breakdown of all changes to the 2021 through 2031 budget figures and projections.

Digging deeper into the legislative changes required building a database of all spending bills signed into law over these past four years—down to the line-item level of detail—and then classifying each line-item into categories such as education or housing. This involved using CBO's year-end reports detailing the mandatory spending and revenue legislation enacted during each Congress and then using the original bill scores to fill in additional details. One complication is that the mandatory spending and revenue changes in CBO's year-end report did not always match the sum totals included in the CBO baseline updates. Additionally, the CBO baseline updates understandably did not always match the actual year-end spending, revenue, and deficit figures. However, approximately 99% of the costs are precisely accounted for in this report, and the remaining 1% is narrowed into its year and broad category (such as 2023 mandatory spending) and then estimated at the line-item level.

Net interest expenses are incorporated into the cost of individual bills and line-items. Two complications were that: 1) CBO's baseline updates list only the total interest cost of all recently enacted legislation, rather than a specific breakdown by bill; and 2) these 10-year interest projections were highly dependent on whatever future interest rates CBO assumed at the time of enactment. I addressed both problems by redistributing each year's total legislative net interest expense based on each tax and spending sub-category's prorated contribution to the added legislative-driven debt for that year (for example, if 2023 legislation cumulatively added $100 billion to the projected deficit in 2029, which in turn added $10 billion to CBO's projected interest costs for that year, then a single $10 billion expenditure would be assigned a $1 billion interest cost for that particular year). This method ensured that every bill (and line-item) could have an interest cost assigned to it and that each year would have its own uniform interest rate.

Finally, President Biden's budget record is measured over a 10-year period (despite a four-year presidency) because the original February 2021 CBO baseline covered 10 years and therefore allows us to analyze the effects of the president's policies over this longer period. Still, the analysis ends with the February 2025 CBO baseline estimating the 2025-2031 budget picture, and any subsequent changes to the 2025-2031 budget will be credited to President Trump's new term. Similarly, the fiscal records of Presidents Bush, Obama, and Trump (first term) are also analyzed over 10-year periods, which incorporates their presidencies plus the updated CBO baseline for the latter years at the time they left office. Any changes that occur in those latter years are then credited to the next president who is in office at that time. Thus, all analyzed presidents are measured under the same 10-year methodology.

Endnotes

1 See the Appendix for the sources and methodology. Fiscal analyses of Presidents Obama and Bush appear at Jessica Riedl, "Obama's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," Manhattan Institute, October 4, 2017, at https://www.manhattan-institute.org/html/obamas-fiscal-legacy-comprehensive-overview-spending-taxes-and-deficits-10669.html. President Trump's fiscal analysis appears at Jessica Riedl, "Trump's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," May 12, 2022 at https://manhattan.institute/article/trumps-fiscal-legacy-a-comprehensive-overview-of-spending-taxes-and-deficits."

2 See Office of Management and Budget, Historical Table 1.1, at https://www.whitehouse.gov/omb/information-resources/budget/historical-tables/.

3 By the time Biden took office, the economy had already recovered 12 million of the 20 million pandemic job losses, and CBO was forecasting continued strong growth. See Congressional Budget Office, "Economic Projections," February 2021, at https://www.cbo.gov/system/files/2021-02/51135-2021-02-economicprojections.xlsx.

4 See Congressional Budget Office, "The Budget and Economic Outlook: 2021 to 2031, February 11, 2021, at https://www.cbo.gov/publication/56970.

5 See Congressional Budget Office, "Economic Projections," February 2021, at https://www.cbo.gov/system/files/2021-02/51135-2021-02-economicprojections.xlsx. The output gap is the amount of which the actual GDP falls short of the potential GDP.

6 For example, see Daniel Dale, "Fact check: Deconstructing Biden's claim that 'I reduced the federal deficit'," CNN.com, May 9, 2022, at https://www.cnn.com/2022/05/09/politics/fact-check-biden-deficit-reduction.

7 Jessica Riedl, "Joe Biden Has an $11 Trillion Spending Plan. Can He Enact It?," The Dispatch, September 3, 2020, at https://thedispatch.com/article/joe-biden-has-an-11-trillion-spending/.

8 Jessica Riedl, "Money to Burn," Washington Examiner, September 20, 2019, at https://www.washingtonexaminer.com/opinion/649133/money-to-burn/.

9 President Biden's policies are classified by theme rather than by bill. Thus, while much of the pandemic category's costs were enacted as part of the American Rescue Plan, certain unrelated ARP policies (such as union pension bailouts) were classified elsewhere. This also means that pandemic-related policies from other bills (such as later extensions of support measures) were included in this category.

10 For example, see Kevin Yamamura "California has a staggering $75.7B budget surplus," Politico, May 10, 2021, at https://www.politico.com/states/california/story/2021/05/10/california-has-a-staggering-757b-budget-surplus-1381195. See also "States faced financial ruin. Now they're swimming in cash," Politico, July 7, 2021, at https://www.politico.com/news/2021/07/07/states-financial-status-pandemic-498403.

11 These specific items do not include the resulting interest costs.

12 See Congressional Budget Office, "Estimate for Division N—Additional Coronavirus Response and Relief, H.R. 133, Consolidated Appropriations Act, 2021, Public Law 116-260, Enacted on December 27, 2020," January 14, 2021, at https://www.cbo.gov/system/files/2021-01/PL_116-260_div_N.pdf.

13 See Congressional Budget Office, "Economic Projections," February 2021, at https://www.cbo.gov/system/files/2021-02/51135-2021-02-economicprojections.xlsx. The output gap is the amount of which the actual GDP falls short of the potential GDP.

14 For example, see Jordan Williams, "Larry Summers blasts $1.9 T stimulus as 'least responsible' economic policy in 40 years," The Hill, March 20, 2021, at https://thehill.com/policy/finance/544188-larry-summers-blasts-least-responsible-economic-policy-in-40-years/. See also David Boaz, "Do Economists Support the Biden Plan?,' Cato Institute, May 25, 2021, at https://www.cato.org/blog/do-economists-support-biden-plan.

15 Òscar Jordà, Celeste Liu, Fernanda Nechio, Fabian Rivera-Reyes, "Why Is U.S. Inflation Higher than in Other Countries?" Federal Reserve Bank of San Francisco, FRBSF Economic Letter 2022-07, March 28, 2022, at https://www.frbsf.org/research-and-insights/publications/economic-letter/2022/03/why-is-us-inflation-higher-than-in-other-countries/.

16 For more on the student loan bailouts, see Congressional Research Service, "The Biden Administration's Student Loan Debt Relief Rulemaking," Report #R48156, August 15, 2024, at https://sgp.fas.org/crs/misc/R48156.pdf, and Congressional Research Service, "Student Loans: A Timeline of Actions Taken in Light of the COVID-19 Pandemic," In Focus #IF12136, August 25, 2022, at https://sgp.fas.org/crs/misc/IF12136.pdf.

17 Estimates of the cost of presidential executive orders and executive actions are provided by the Committee for a Responsible Budget.

18 For example, these inherited 10-year baseline projections have ranged from a $6 trillion surplus for President George W. Bush to an incoming $10 trillion deficit for President Trump. President Trump's fiscal analysis appears at Jessica Riedl, "Trump's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," May 12, 2022 at https://manhattan.institute/article/trumps-fiscal-legacy-a-comprehensive-overview-of-spending-taxes-and-deficits."

19 This score includes $180 billion in additional projected IRS tax collections over the decade due to hiring more IRS employees. The CBO acknowledged this fiscal effect yet did not always include it in the official bill scores. See page 3 of the CBO score at https://www.cbo.gov/publication/58455.

20 President Biden's first budget proposal is available at "Budget of the U.S. Government," May 28, 2021, at https://www.govinfo.gov/app/collection/budget/2022/BUDGET-2022-BUD/.

21 While the president's budgets included text supporting an extension of portions of the 2017 tax cuts, the budget and deficit tables claimed all the new tax revenues from letting them expire. This report does not give credit for policy proposals whose considerable costs are excluded.

22 For a breakdown, see "President Biden's FY2022 Budget Proposal: Budgetary and Economic Effects," Penn Wharton Budget Model, July 6, 2021, at https://budgetmodel.wharton.upenn.edu/p/2021-07-06-president-bidens-fy2022-budget-proposal/.

23 This deficit figure includes the already-enacted American Rescue Plan.

24 See note 1 for citations of earlier presidential fiscal analyses.

25 See Jessica Riedl, "Biden's Promises on Social Security and Medicare Have No Basis in Reality," New York Times, February 21, 2023, at https://www.nytimes.com/2023/02/21/opinion/biden-social-security-medicare.html.

26 Calculated from the Congressional Budget Office, "The Long-Term Budget Outlook: 2025 to 2055," March 27, 2025, at https://www.cbo.gov/publication/61187.

27 Ibid.

28 The $2 trillion projection of annual interest spending by 2035 is calculated using a current-policy baseline.

29 Congressional Research Service, "U.S. Direct Financial Support for Ukraine," In Focus #IF12305, January 13, 2025, at https://www.congress.gov/crs-product/IF12305. The report lists the total appropriations at $174 billion, yet the individual bill scores add up to $176 billion.

30 The two supplemental bills were: 1) Additional Ukraine Supplemental Appropriations Act, 2022 (P.L. 177-128); and 2) The Ukraine Security Supplemental Appropriations Act, 2024 (P.L. 118-50).

31 These three bills that were part of larger government funding bills were: 1) The Ukraine Supplemental Appropriations Act, 2022 (P.L. 117-103); 2) The Ukraine Supplemental Appropriations Act, 2023 (P.L. 117-180); and 3) The Additional Ukraine Supplemental Appropriations Act, 2023 (P.L. 117-328).

32 See Jessica Riedl, "Trump's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," May 12, 2022, at https://manhattan.institute/article/trumps-fiscal-legacy-a-comprehensive-overview-of-spending-taxes-and-deficits."

33 As the methodology section explains, all presidential records are examined over a 10-year period (despite

four- and eight-year presidencies) because the initial 10-year budget baseline allows for a longer analysis of the effect of their policies. And just as President Obama's 2009-2019 analysis ends in January 2017 when he left office (adding in the 2017-2019 budget projections at the time), President Bush's 2001-2011 analysis ends with the budget picture when he left office in January 2009 (whereby 2009-2011 figures represent projections at that time). For Presidents Biden and Trump, the analysis ends when they left office after four years, incorporating the updated budget projections for the next six years.

34 See Jessica Riedl, "Obama's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," Manhattan Institute, October 4, 2017, at https://www.manhattan-institute.org/html/obamas-fiscal-legacy-comprehensive-overview-spending-taxes-and-deficits-10669.html.

35 President Barack Obama, "Remarks at the Opening of the Fiscal Responsibility Summit," Washington D.C., February 23, 2009.

36 See Jessica Riedl, "Obama's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," Manhattan Institute, October 4, 2017, at https://www.manhattan-institute.org/html/obamas-fiscal-legacy-comprehensive-overview-spending-taxes-and-deficits-10669.html.

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