

BROOKINGS

Spending, Taxes, and Deficits: A Book of Charts

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Highlights

- ✓ Annual Budget Deficits are Projected to Approach \$4.4 Trillion Within a Decade (p. 7)
- ✓ Interest to Consume 31% of Revenues Within a Decade, More Than Half By 2056 (9, 79)
- ✓ The U.S. Now Has the OECD's Largest Budget Deficit and 4th Largest Debt (21-22)
- ✓ How Did Washington Go from Budget Surpluses to Escalating Deficits? (28, 49)
- ✓ Rising Social Security & Medicare Shortfalls Drive 2023–36 Deficit Rise (45-47)
- ✓ Debt in 30 Years Reaches Between 175%–379% of GDP, Depending on Baseline (59)
- ✓ What is Driving CBO's Projected \$138 Trillion Deficit over 30 Years? (61–67)
- ✓ How Much Does Social Security Add to Annual Deficits and the Debt Per Year? (71-72)
- ✓ Each 1% Interest-Rate Rise Adds \$57 Trillion (or 60% of GDP) to 30-Year Debt (75-78)
- ✓ A Menu of Tax Increase Options With 10-Year and Long-Term Estimates (81)
- ✓ Taxing the Rich Could Raise at Most 1% or 2% of GDP (84)
- ✓ Does the U.S. Have the OECD's Most Progressive Tax Code? (92-93, 102)
- ✓ What Really Caused the 1990s Budget Surpluses? (110)
- ✓ The Comprehensive Budget Record of Presidents Bush (112-113), Obama (114–121), Trump (122–126), and Biden (127-132)

Methodology



Nearly all charts were built with publicly available government data from the Office of Management and Budget (OMB), Congressional Budget Office (CBO), U.S. Treasury, Bureau of Labor Statistics (BLS), Bureau of Economic Analysis (BEA), and Census Bureau.

Typically, budget figures in short time periods are expressed in nominal dollars, medium time periods are expressed in inflation-adjusted dollars, and long time periods are expressed as percentage of the economy.

Charts with current-policy baselines alter the CBO baseline by more realistically assuming:

- 1) Extensions of expiring tax cuts.
- 2) Discretionary spending never falls below 6.0% of GDP.
- 3) No reductions in post-2036 “other mandatory” spending as a %GDP.

They also assume President Trump’s tariffs are not continued by his successors—which is highly likely but not literally “current policy.” That makes these baselines current policy with an asterisk.

Charts are Organized into 13 Chapters

1. Rising Budget Deficits and National Debt
2. What is Driving the Debt? Soaring Federal Spending
3. Discretionary Spending is Not Driving the Long-Term Debt
4. Mandatory Spending and Entitlement Costs are Rising Rapidly
5. 30-Year Debt Estimates are Driven by Social Security & Medicare Shortfalls
6. What Happens to the Debt if Interest Rates Rise?
7. Can't We Just Raise Taxes and Cut Defense, Instead?
8. Tax Revenues are Projected to Remain Around Typical Levels
9. The Tax Code Has Become Increasingly Progressive
10. Countering Tax, Spending, & Deficit Myths of the 1980s Through 2008
11. A Comprehensive Accounting of the Obama Fiscal Record
12. A Comprehensive Accounting of the Trump First Term Fiscal Record
13. A Comprehensive Accounting of the Biden Fiscal Record

A blue-tinted photograph of the Brookings Institution building, a large, classical-style stone structure with a prominent arched entrance and several windows. The building is surrounded by trees and a courtyard area.

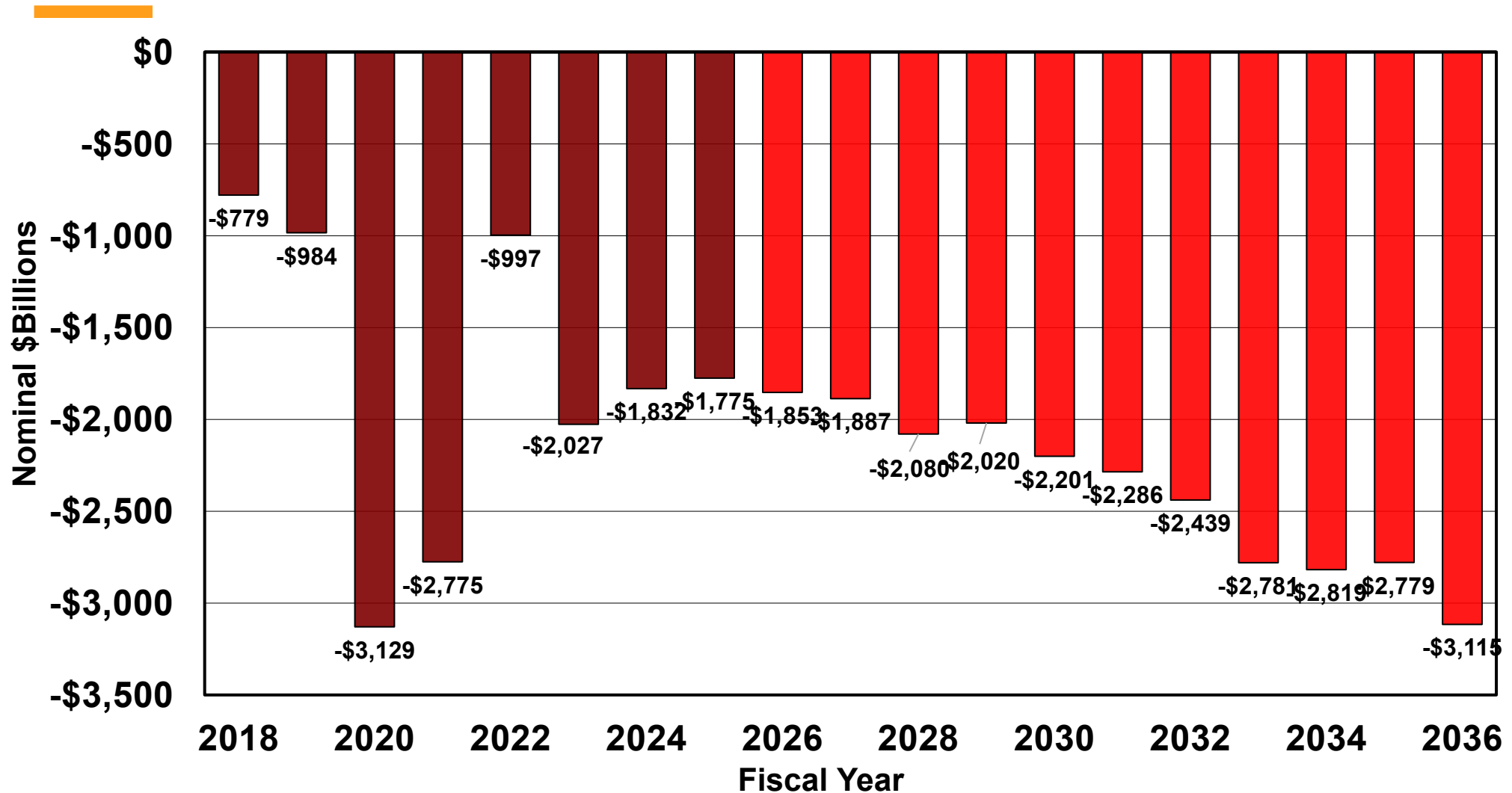
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Rising Budget Deficits and National Debt

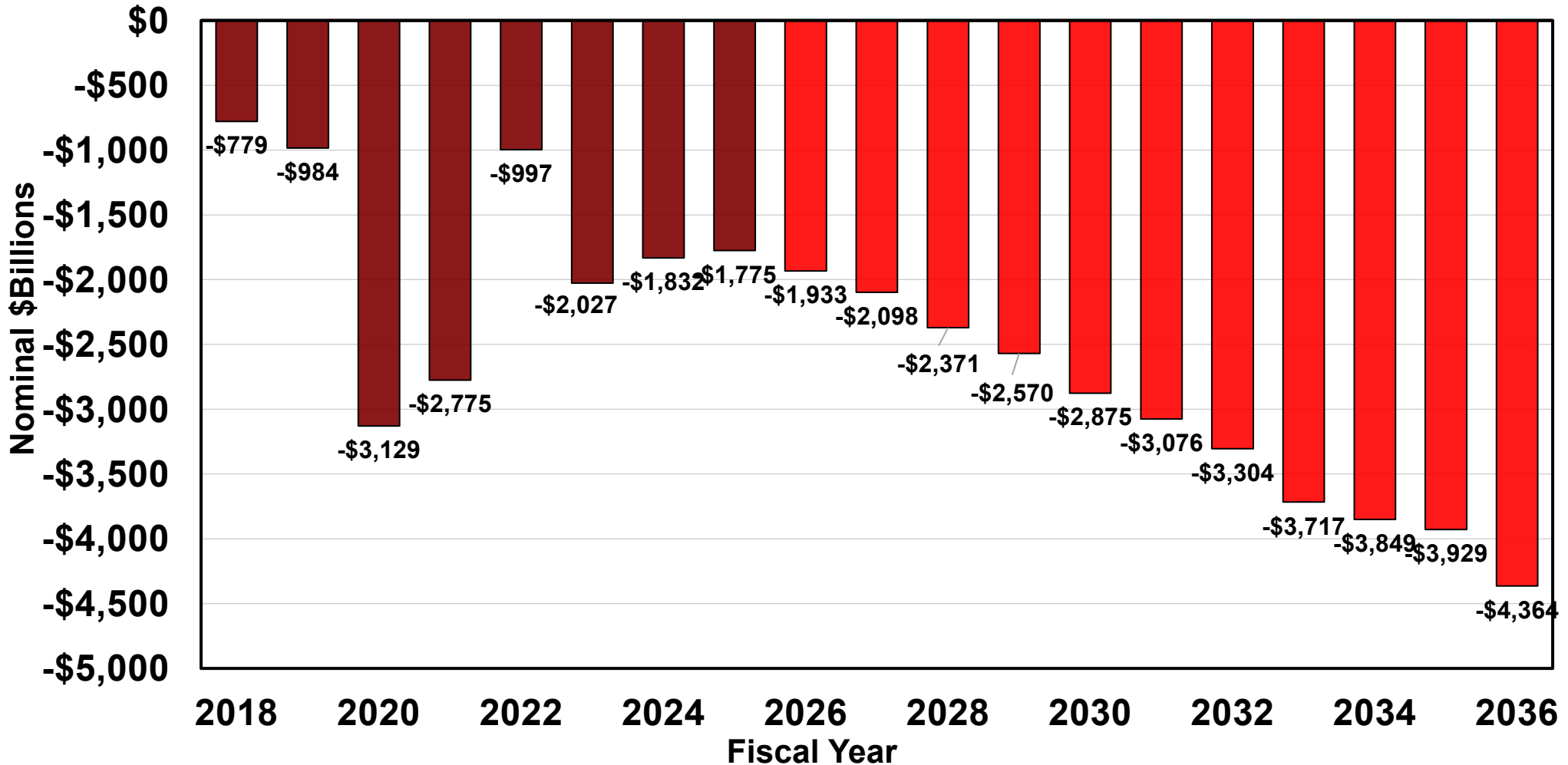
Chapter 1

CBO Current-Law Baseline Shows Rising Deficits



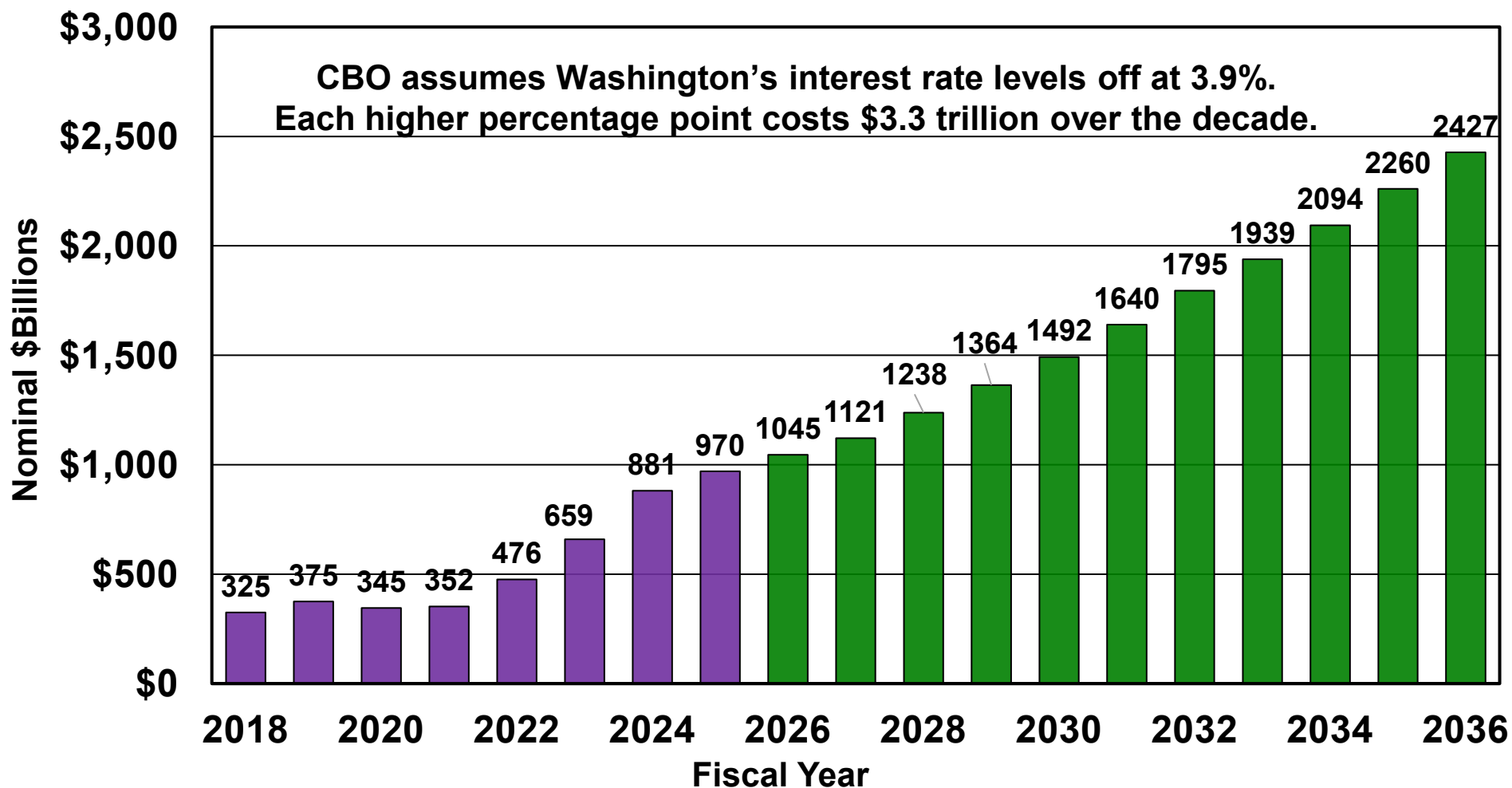
Source: February 2026 CBO baseline. Final 2022 and 2023 figures also adjusted for the cancelled student loan bailout.

Budget Deficits Under Current Policies* are Set to Approach \$4.4 Trillion Within a Decade



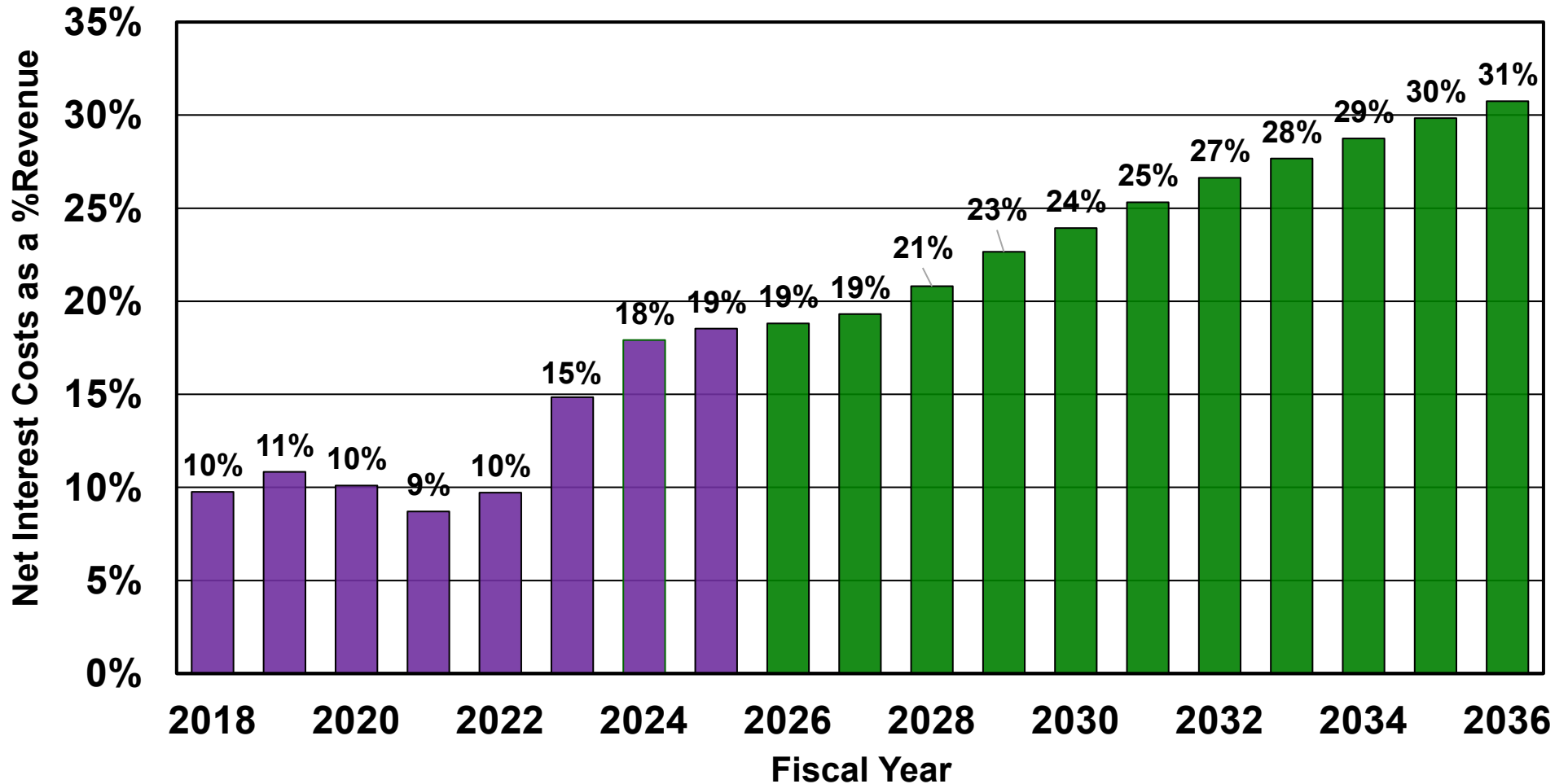
Source: February 2026 CBO baseline adjusted for current-policy extensions of tax cuts and spending. Final 2022 and 2023 figures also adjusted for the cancelled student loan bailout. *Also assumes Trump tariffs end after 2028.

Interest Costs are Projected to Approach \$2.5 Trillion Within a Decade



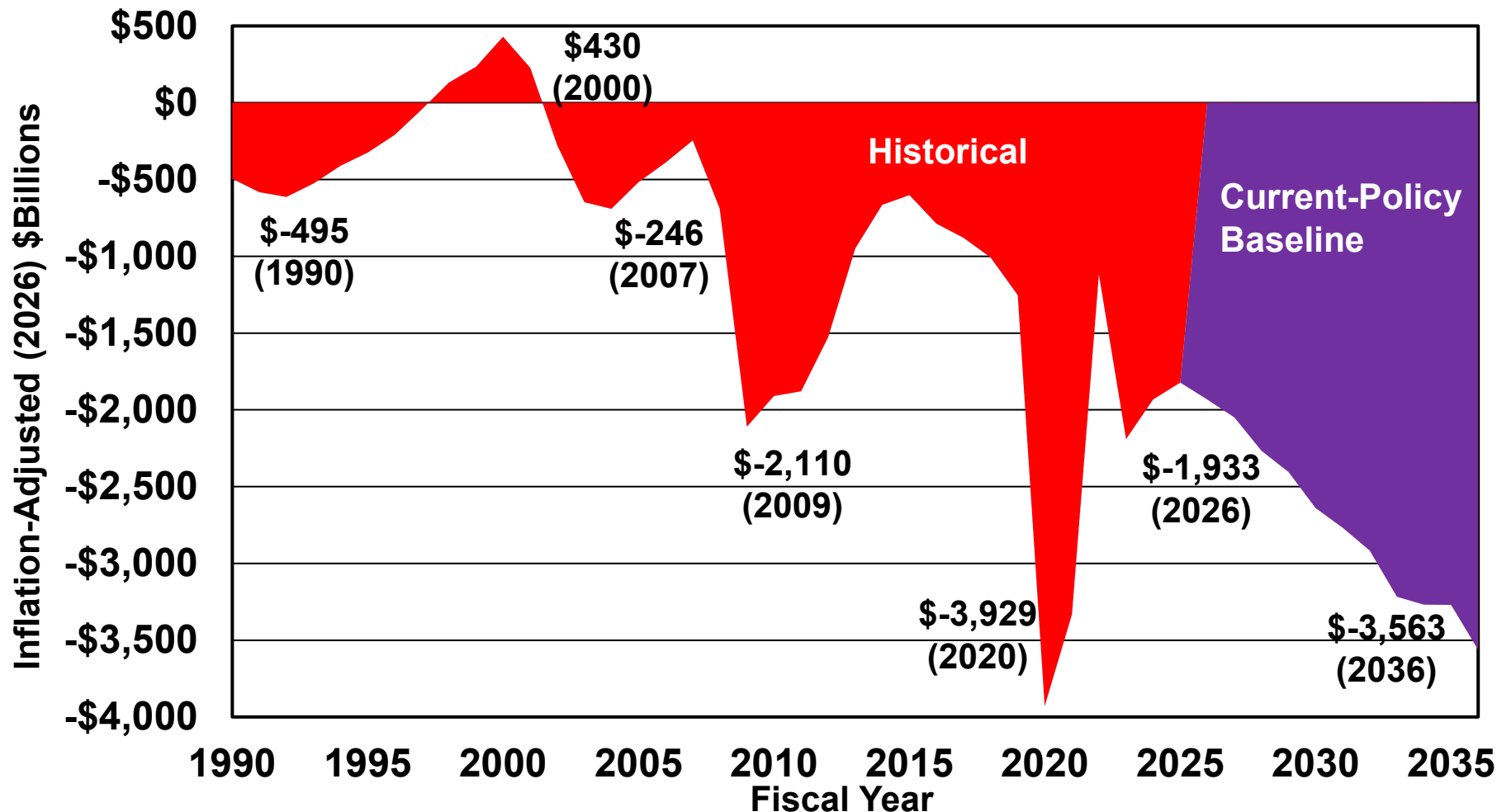
Source: February 2026 CBO baseline adjusted for current-policy extensions of tax cuts and spending, and that the Trump tariffs end after 2028.

Within a Decade, More Than 30% of Federal Revenues Will Go Towards Interest on the Debt



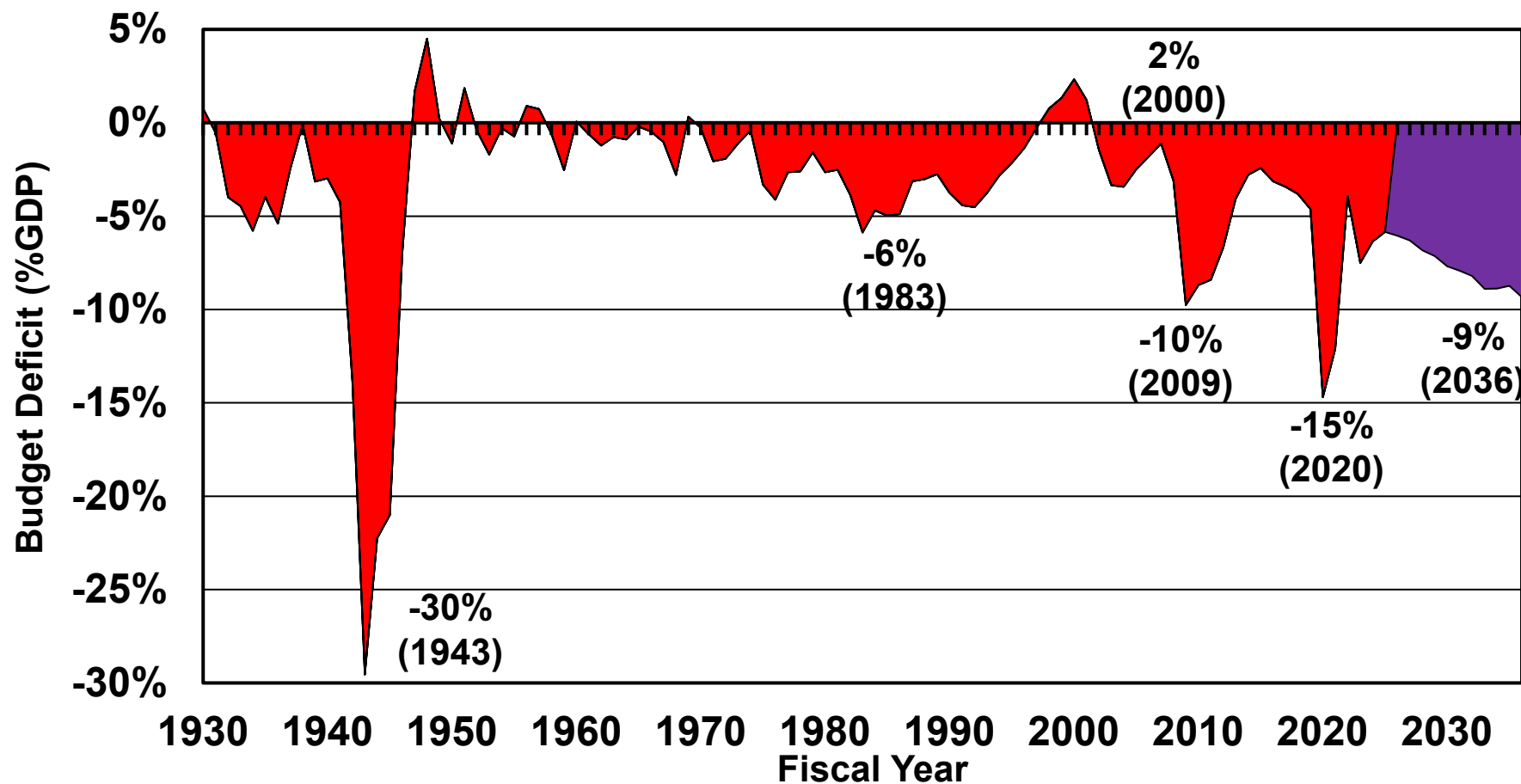
Source: February 2026 CBO baseline adjusted for current-policy extensions of tax cuts and spending, and that the Trump tariffs end after 2028.

Budget Deficits are Set to Rise Steeply (Adjusted for Inflation)



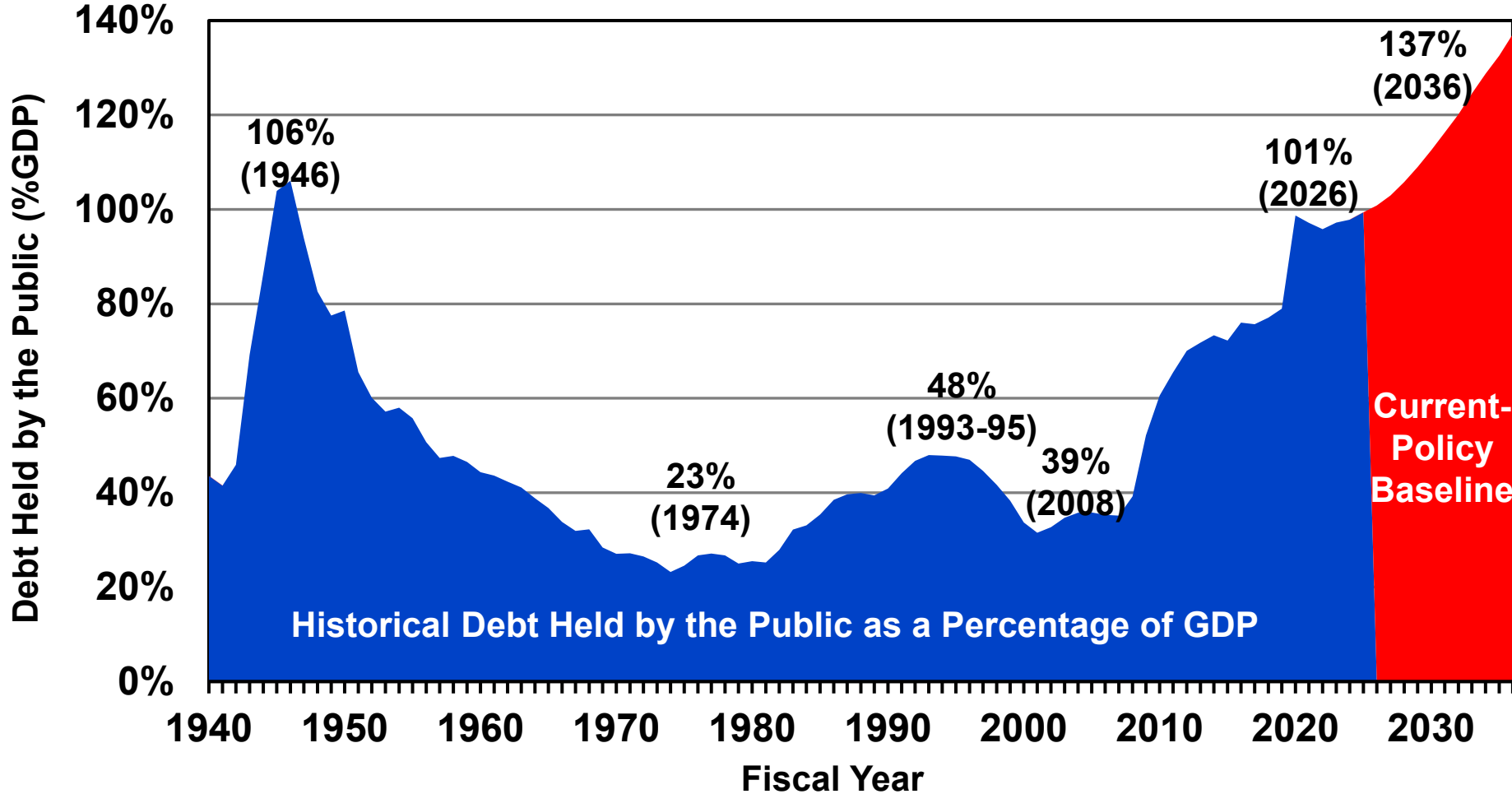
Source: February 2026 CBO baseline adjusted for current-policy extensions of tax cuts and spending as well as the Trump tariffs ending after 2028. Final 2022 and 2023 figures also adjusted for the cancelled student loan bailout.

Deficits are Headed to Levels Seen Only During Wars, Deep Recessions, and Pandemics



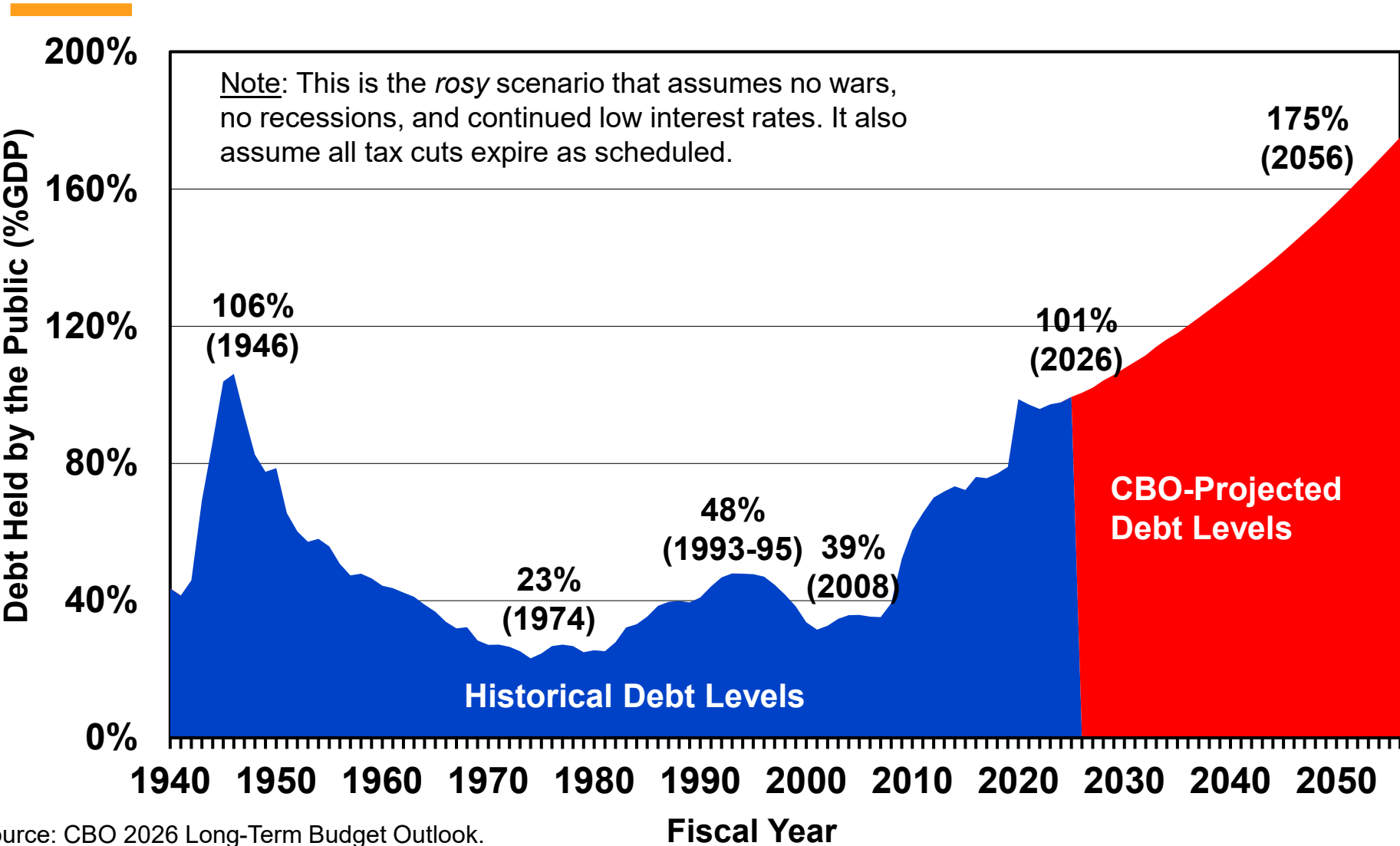
Source: OMB Historical Tables and February 2026 CBO baseline adjusted for current-policy extensions of tax cuts and spending as well as the Trump tariffs ending after 2028

The National Debt is Set to Surpass the World War II Peak Within a Decade



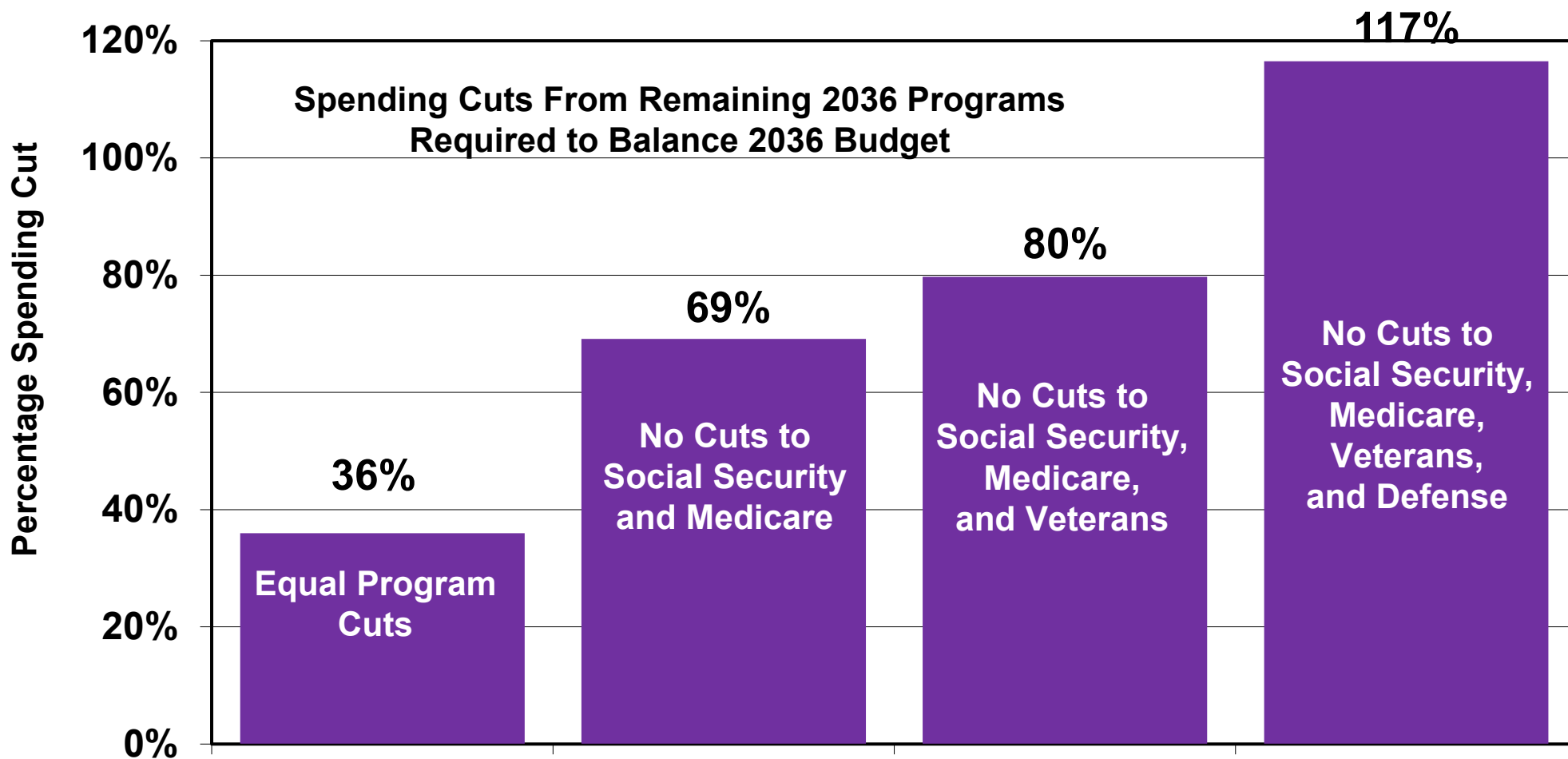
Source: OMB Historical Tables and February 2026 CBO baseline adjusted for current-policy extensions of tax cuts and spending as well as the Trump tariffs ending after 2028.

CBO Long-Term Baseline Shows Unsustainable Debt



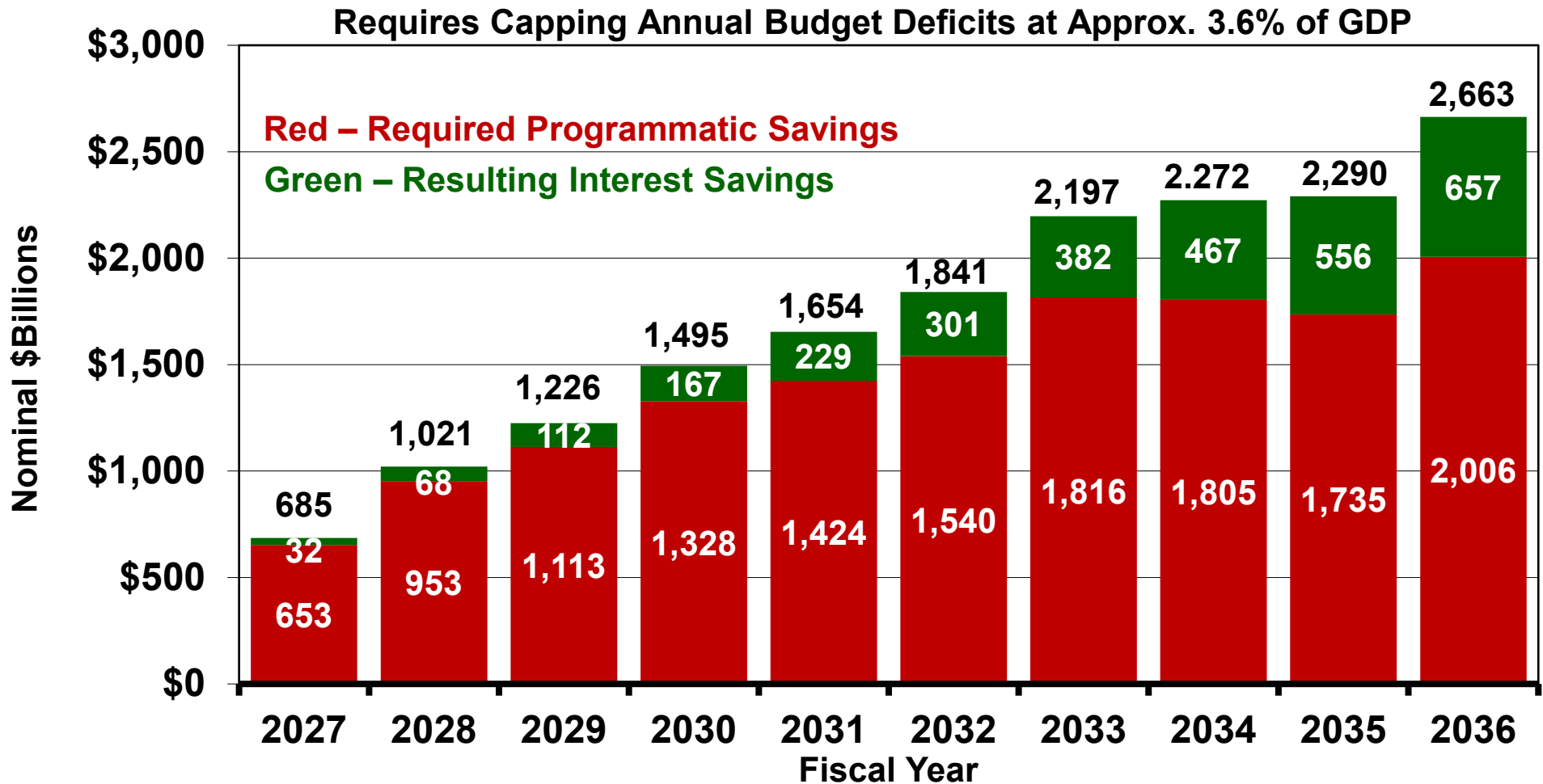
Source: CBO 2026 Long-Term Budget Outlook.

Balancing the Budget in 10 Years on Lower-Priority Spending Cuts Alone is Virtually Impossible



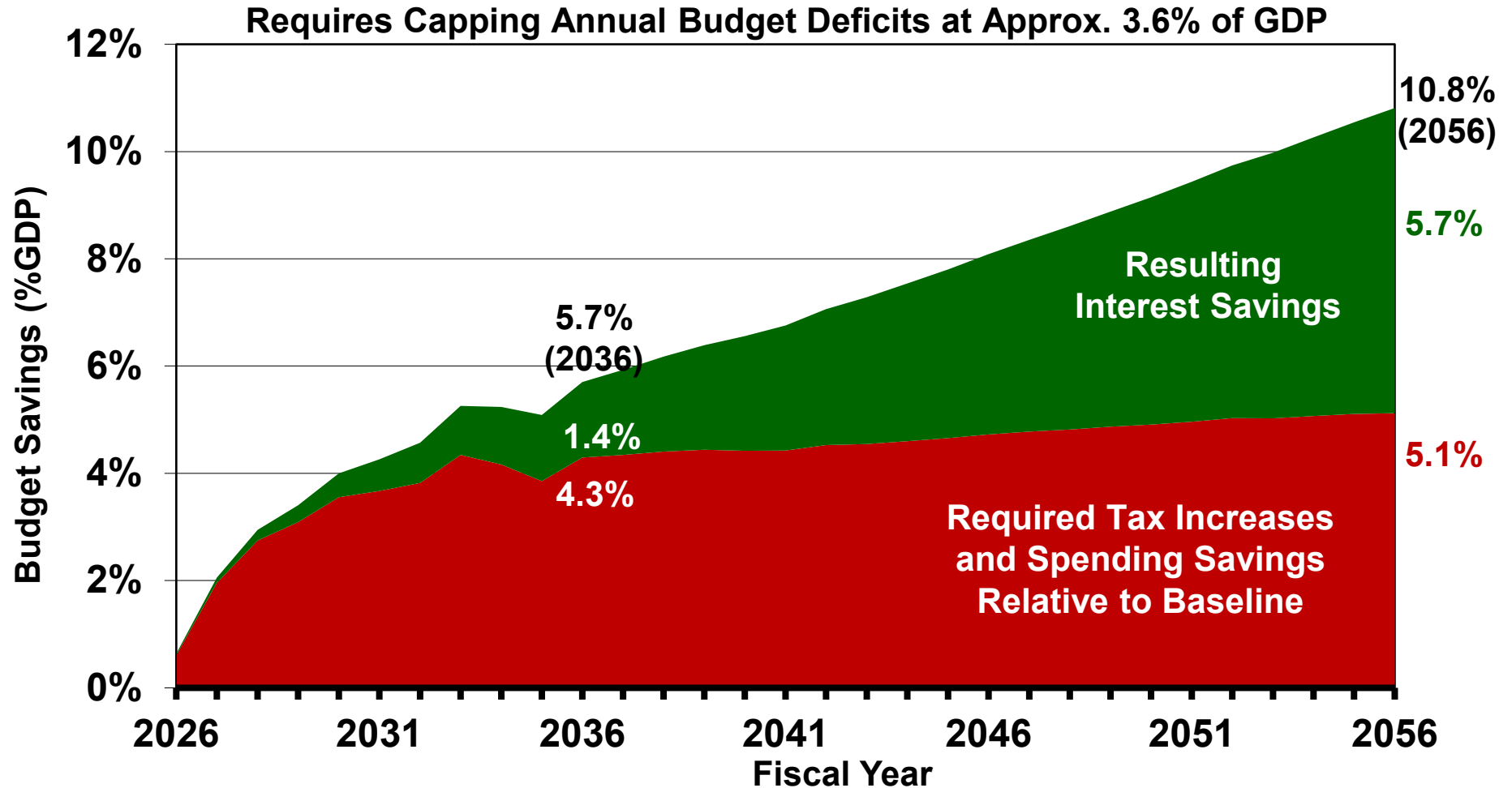
Source: Calculations using CBO 10- and 30-year baselines, adjusted for current-policy tax cut and spending extension as well as the Trump tariffs ending after 2028.

Required Annual Savings from Current-Policy Baseline to Cap Federal Debt at 100% of GDP



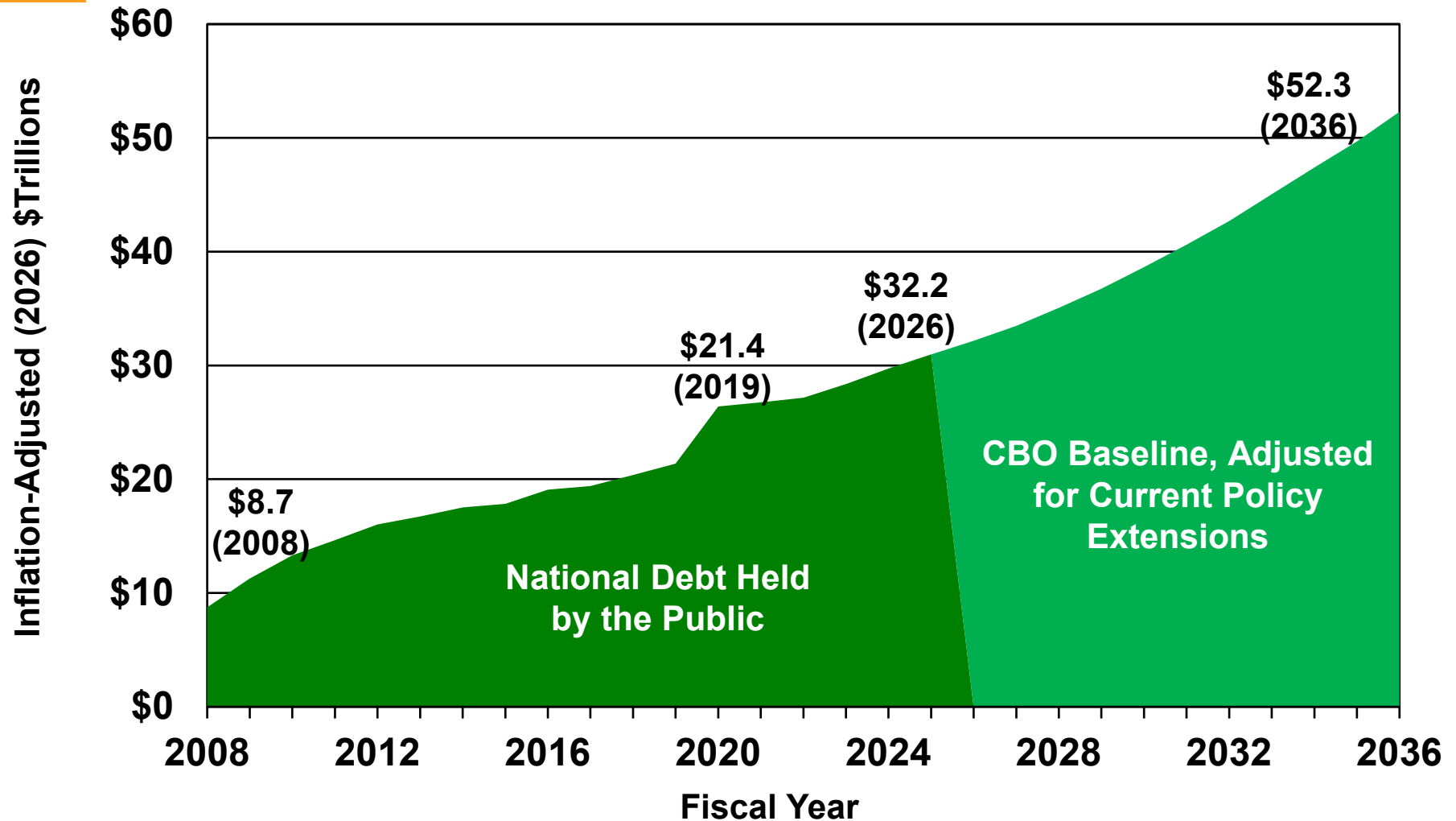
Source: Calculations based on the February 2026 baseline adjusted to include likely extensions of current tax cuts, and current discretionary and “other mandatory” spending shares of GDP. Baseline also assumes President Trump’s tariffs phase down after his presidency.

Required Annual Savings From Current-Policy Baseline to Cap Federal Debt at 100% Of GDP



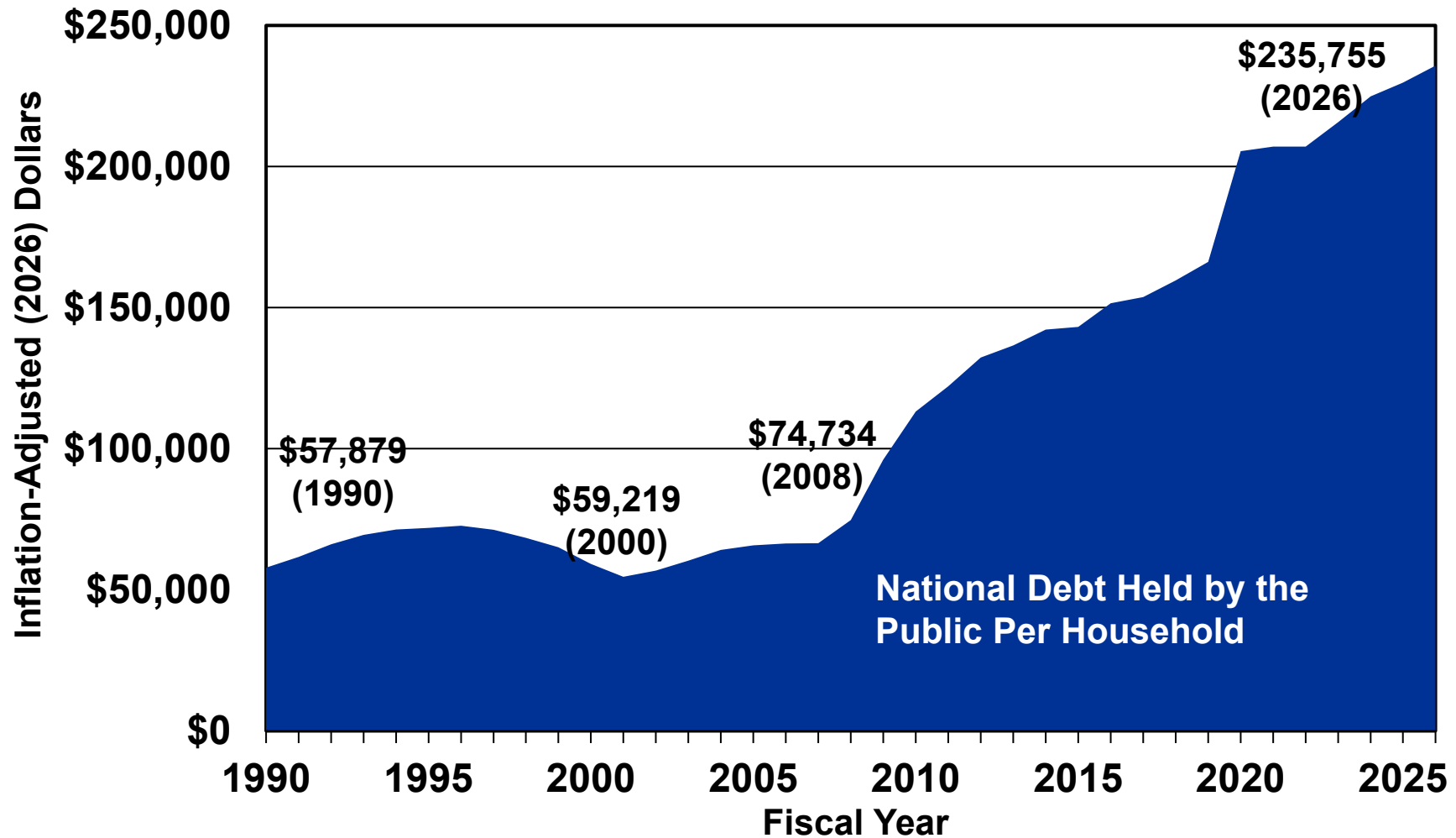
Source: Calculations based on the CBO 2026 Long-Term Budget Outlook adjusted to include likely extensions of current tax cuts, and current discretionary and “other mandatory” spending shares of GDP. Baseline also assumes President Trump’s tariffs phase down after his presidency.

The National Debt is Surging



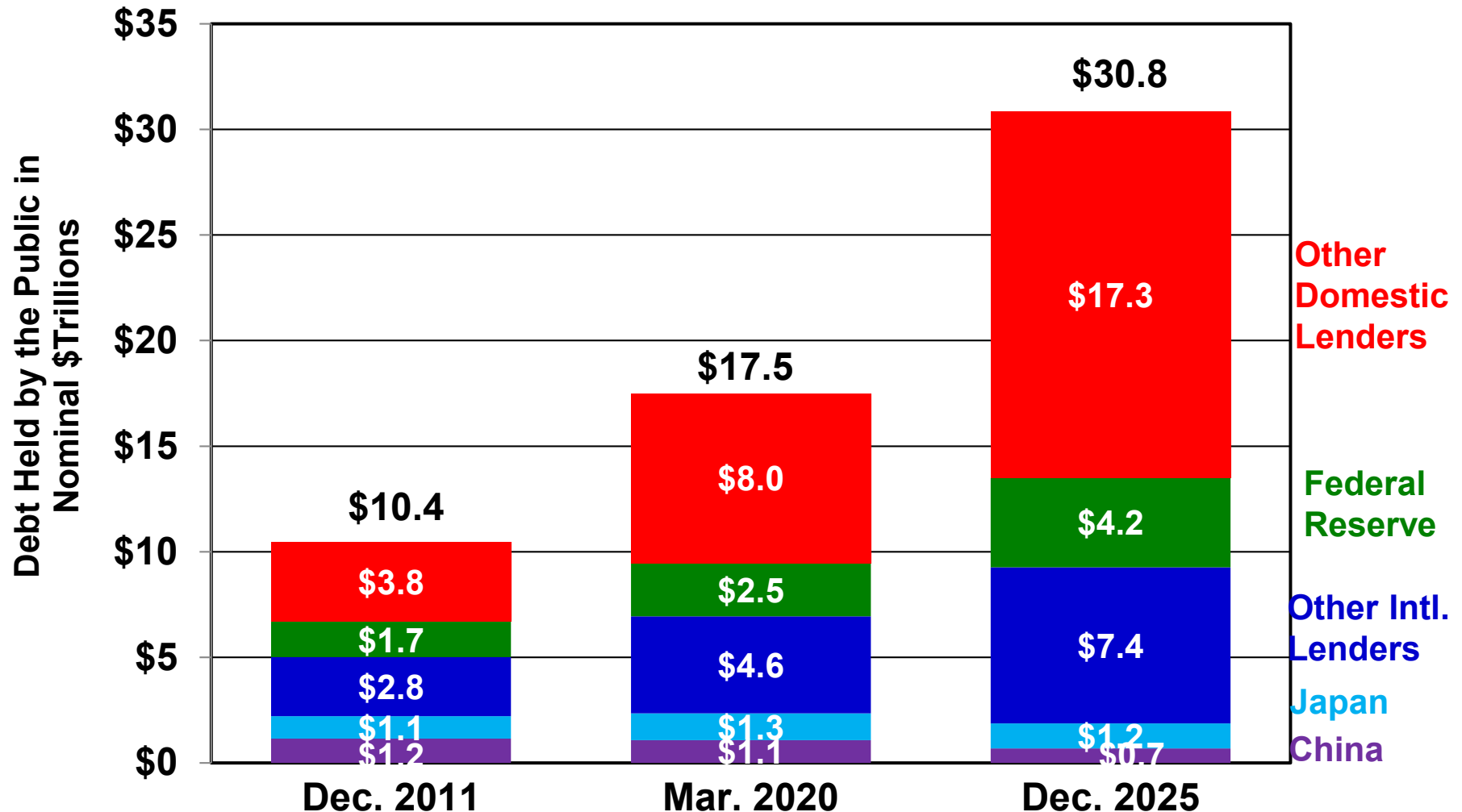
Source: OMB Historical Tables and February 2026 CBO baseline adjusted for current-policy extensions of tax cuts and spending as well as the Trump tariffs ending after 2028

The National Debt Now Exceeds \$235,000 Per Household



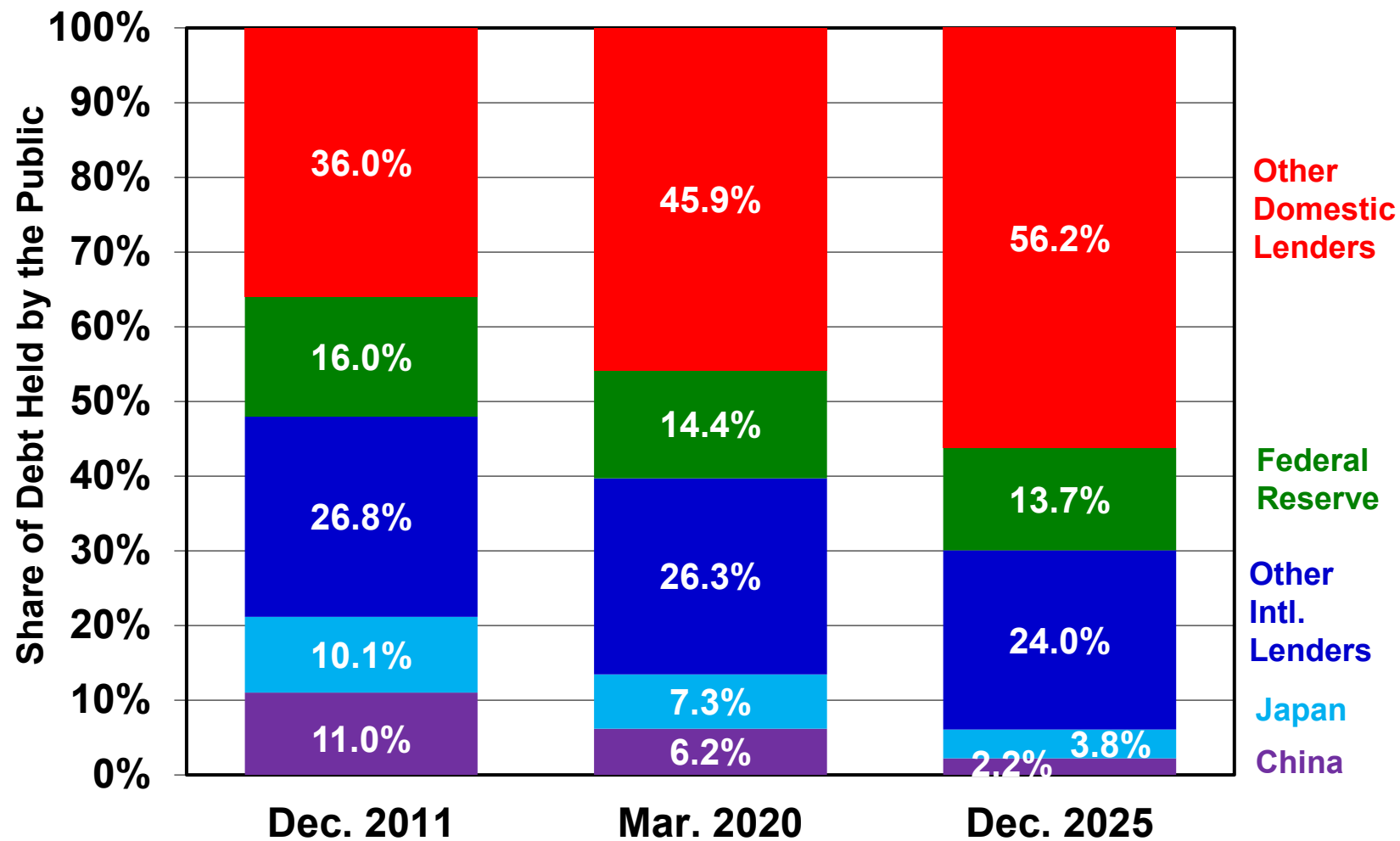
Source: OMB Historical Table 7.1, and Census Bureau data.

Washington Increasingly Depends on the Federal Reserve and Domestic Lenders to Buy its Debt



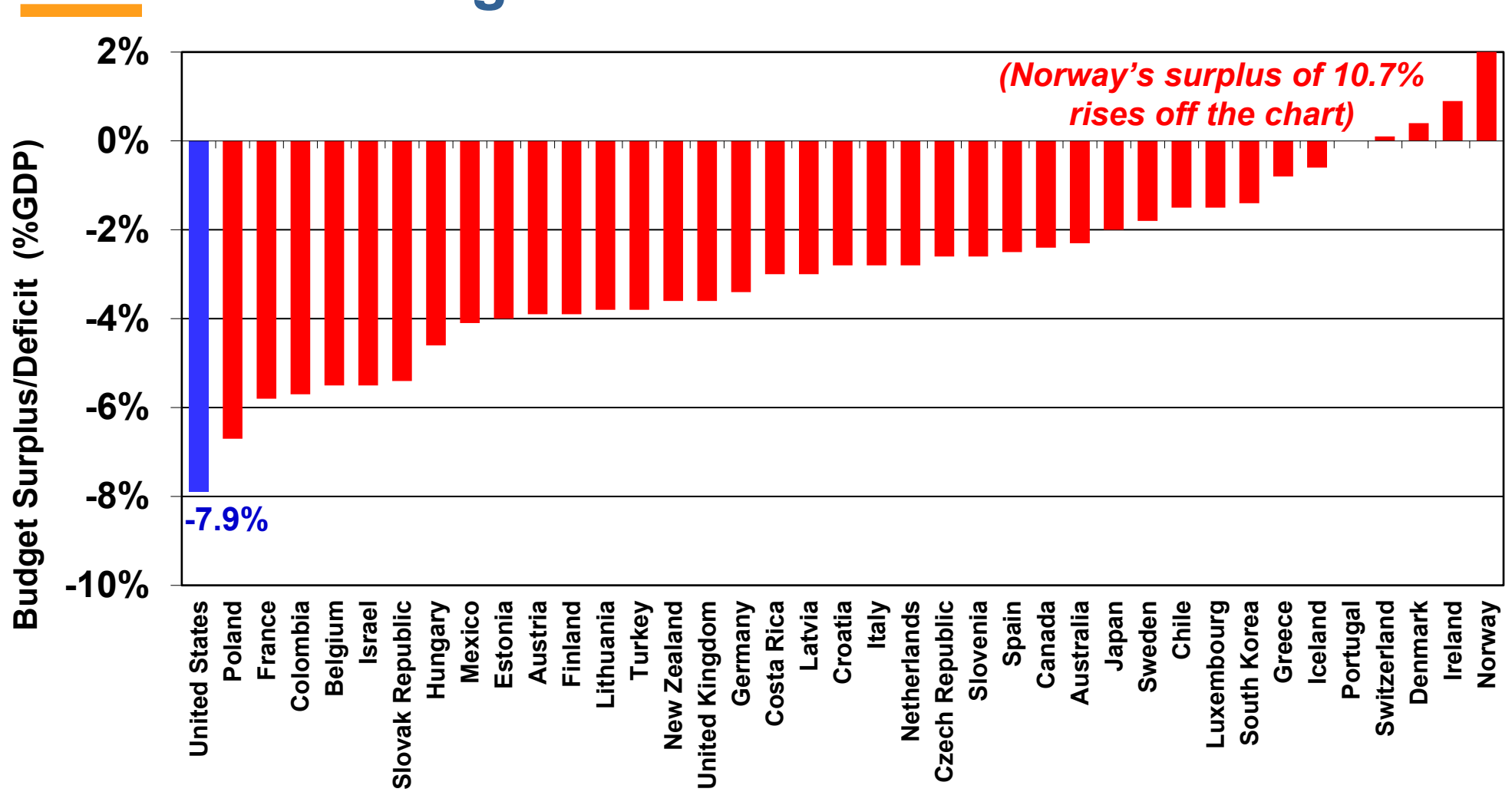
Source: U.S. Treasury, Federal Reserve. The Federal Reserve has expressed intentions to reduce its Treasury holdings.

A Rising Share of U.S. Government Debt is Financed by Domestic Lenders



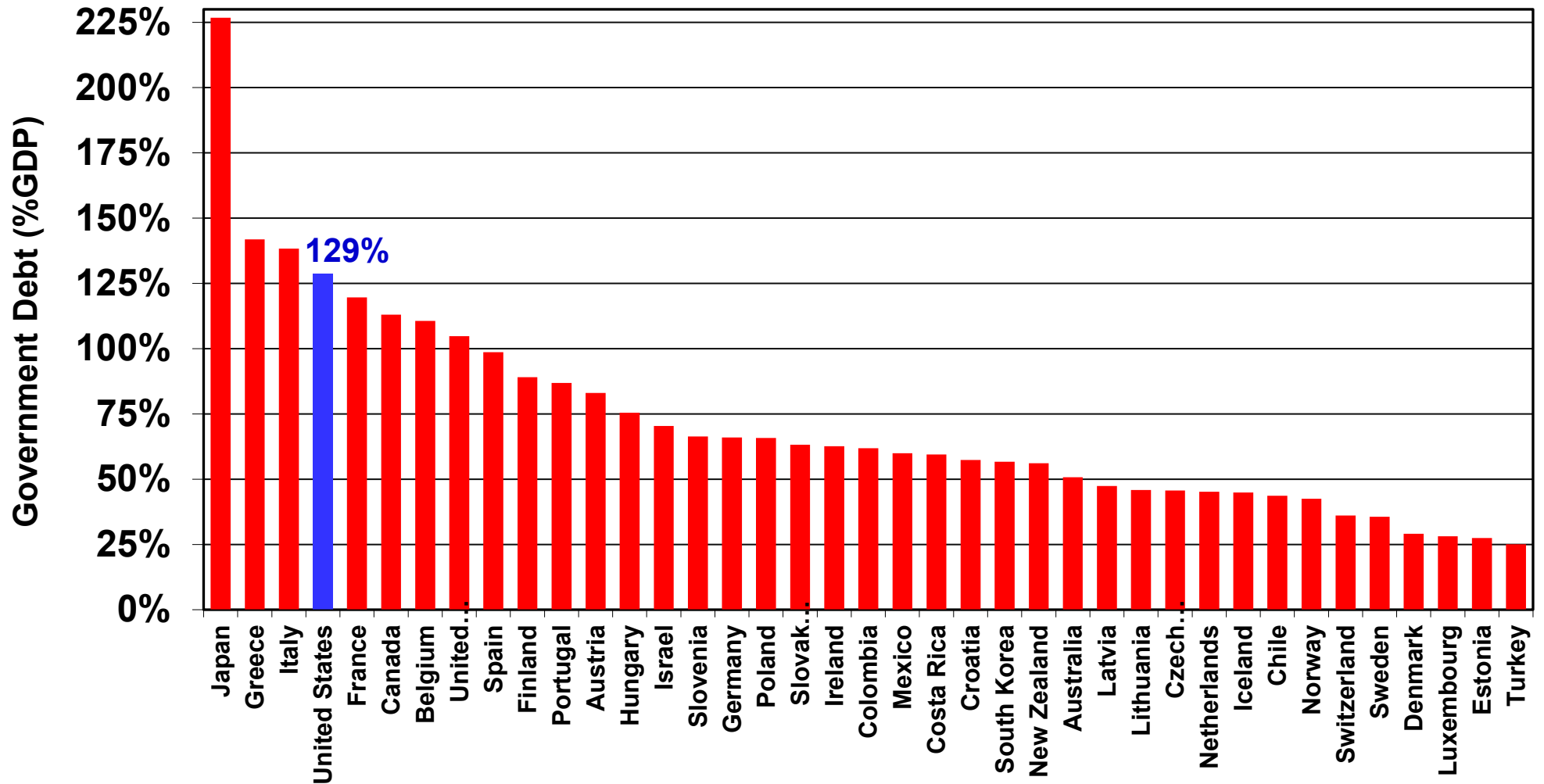
Source: U.S. Treasury, Federal Reserve The Federal Reserve has expressed intentions to reduce its Treasury holdings.

The U.S. is Running the Largest Budget Deficits in the OECD



Source: IMF (2026). Includes subnational government debt, which pushes up the U.S. figure above the commonly-reported federal figure.

U.S. Government Debt Now Ranks 4th in OECD – Heading Towards #2 By 2029



Source: IMF (2026). Includes subnational government debt, which pushes up the U.S. figure above the commonly-reported federal figure.

A blue-tinted photograph of the Brookings Institution building, a large, classical-style stone structure with a prominent arched entrance and multiple windows. The building is surrounded by trees and a courtyard area.

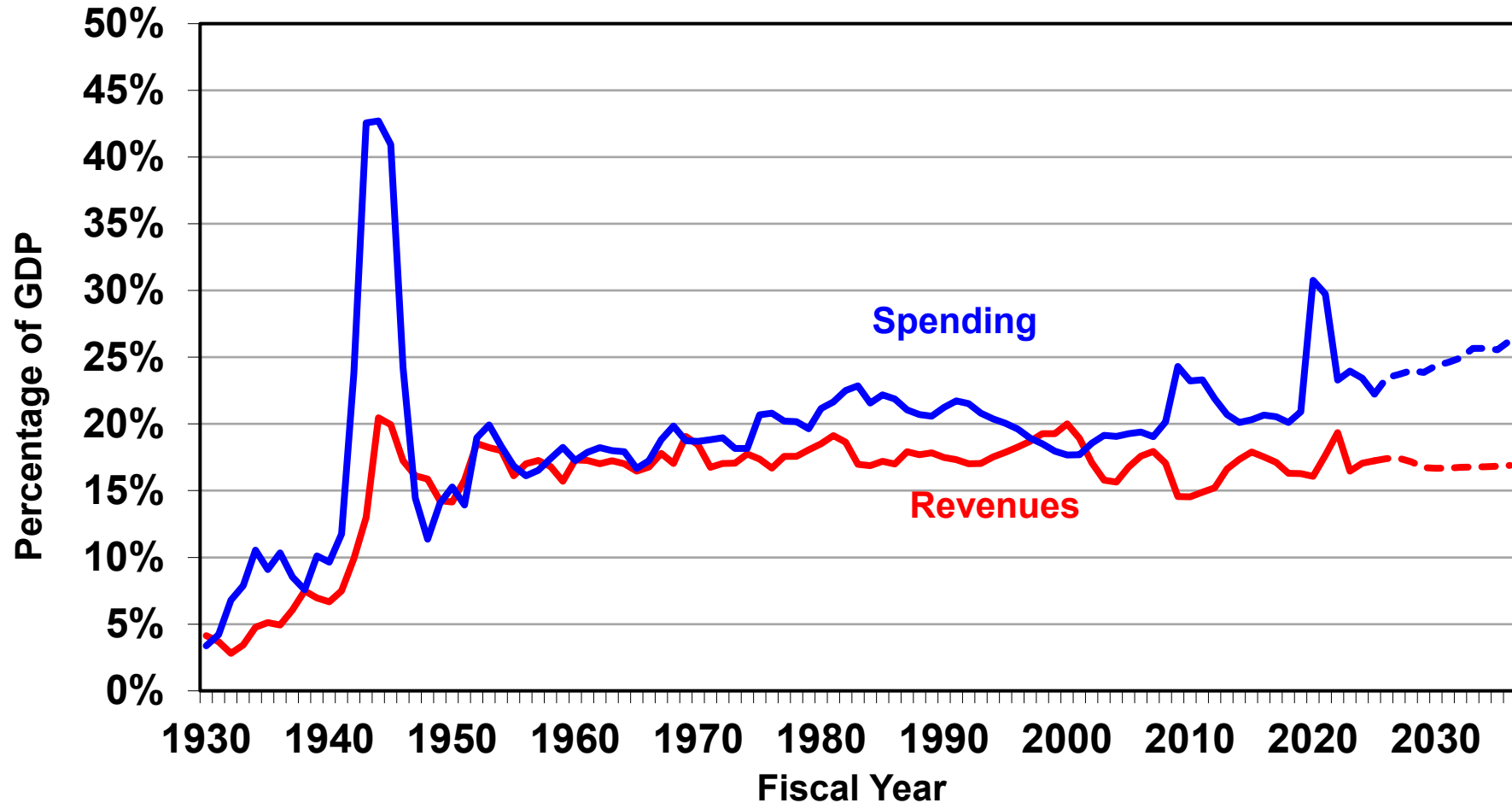
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What Is Driving the Debt? Soaring Federal Spending

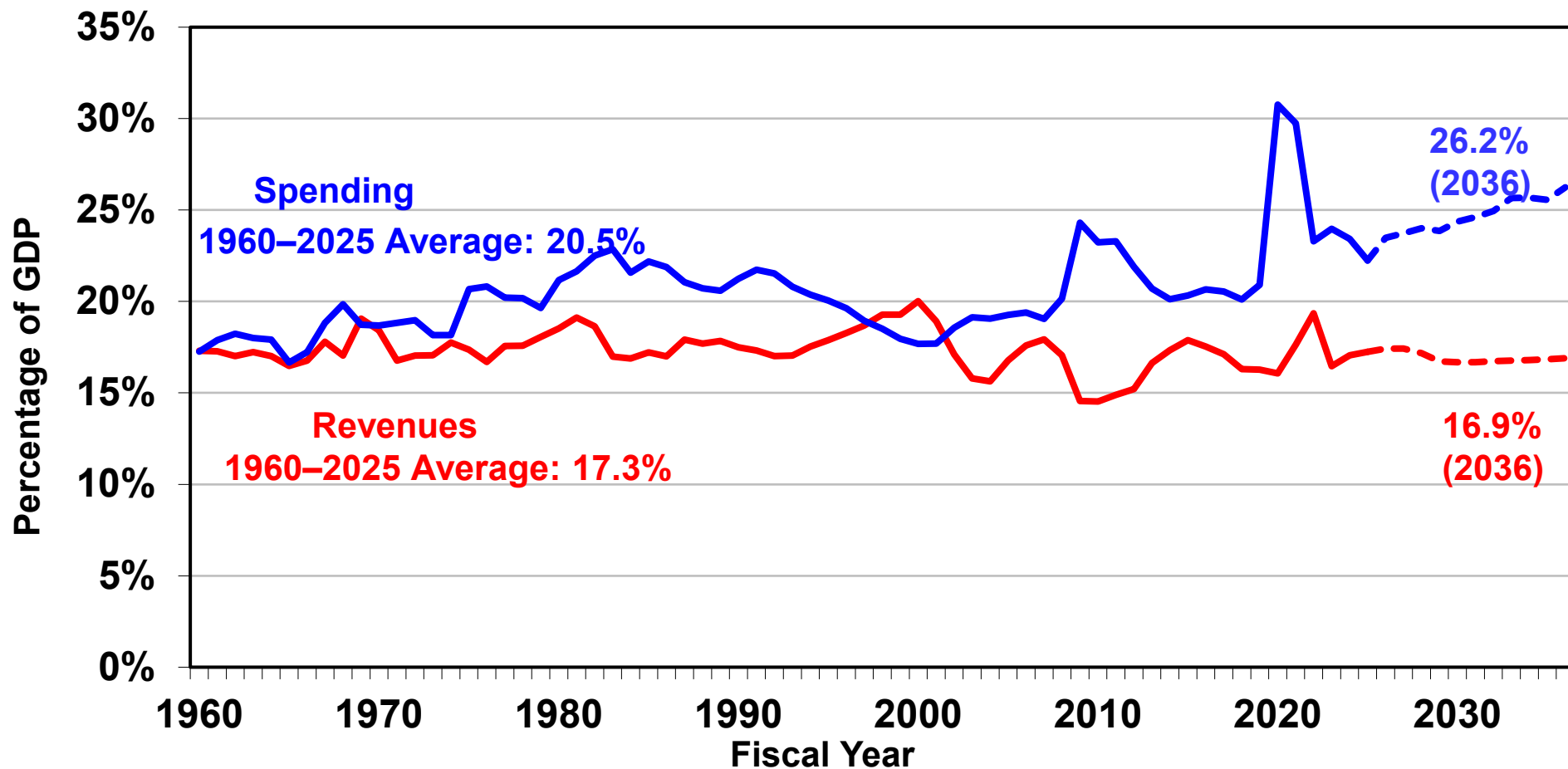
Chapter 2

Federal Spending & Taxes: 1930–2036



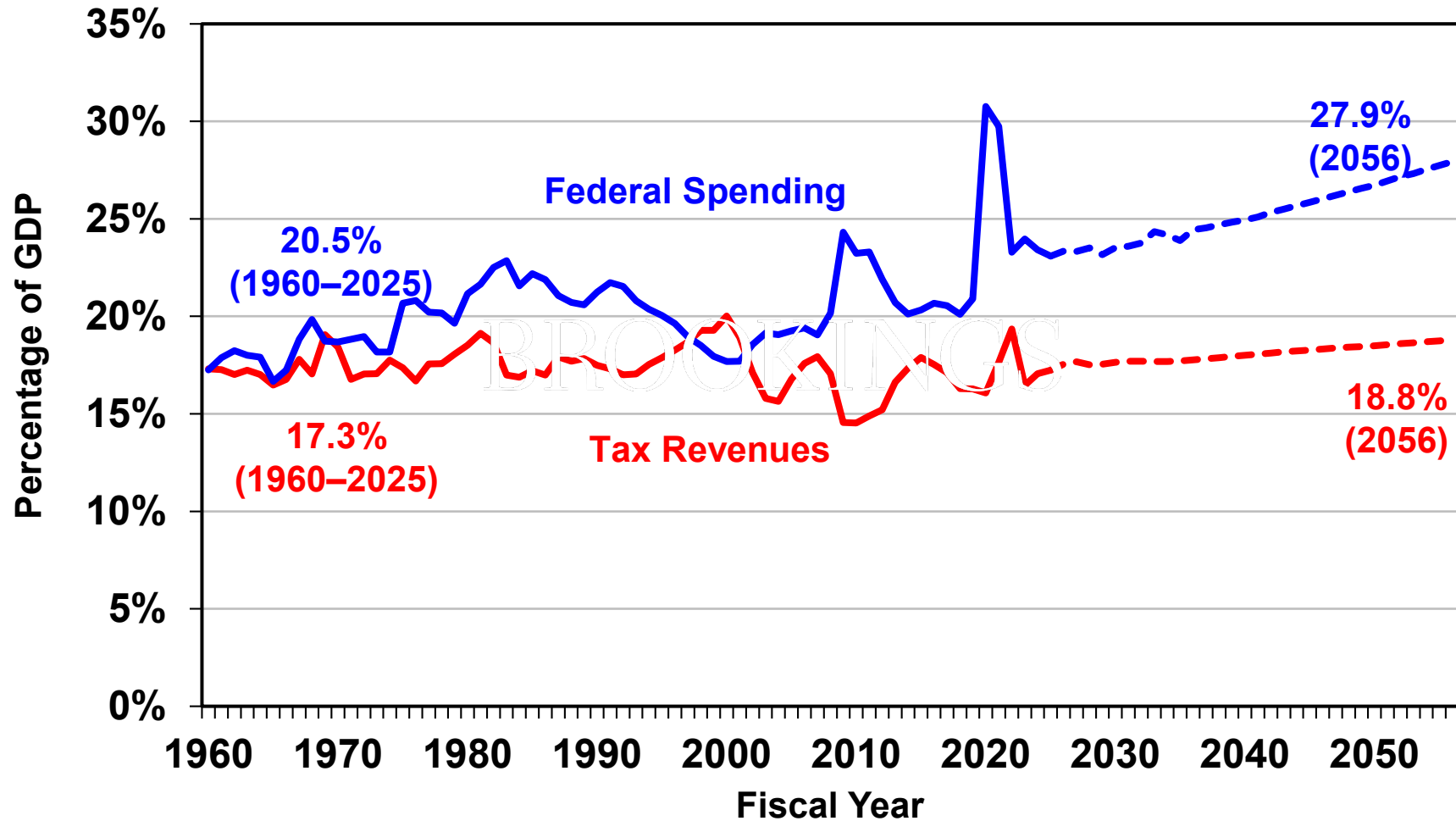
Source: OMB Historical Table 1.2 and February 2026 CBO baseline, adjusted to include current-policy tax and spending extensions as well as the Trump tariffs ending after 2028.

Budget Deficits are Headed to 9.3% of GDP in a Decade, Even with Peace and Prosperity



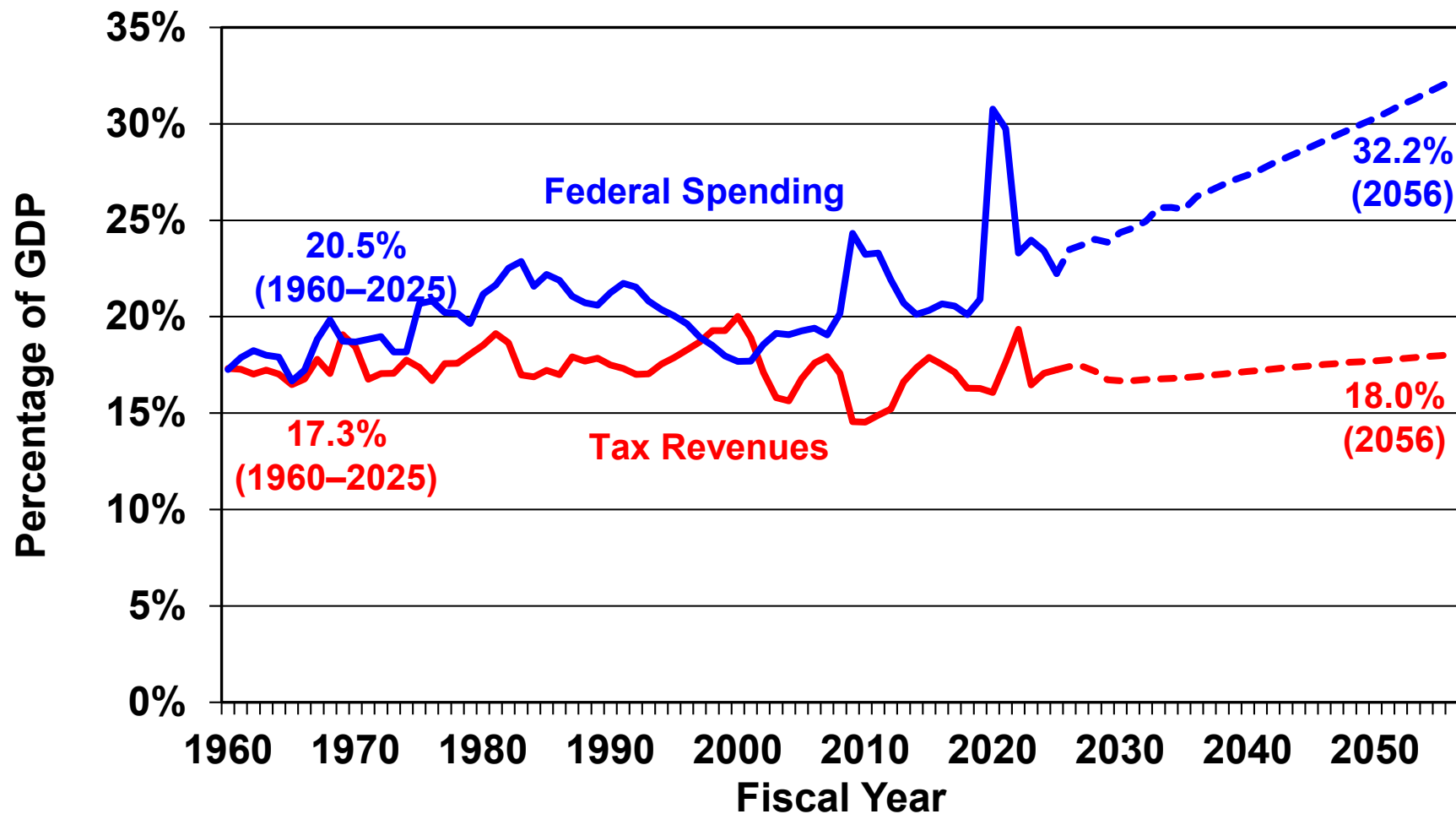
Source: OMB Historical Table 1.2 and February 2026 CBO baseline, adjusted to include current-policy extensions as well as the Trump tariffs ending after 2028.

Rising Spending—Not Falling Revenues— Drives CBO's Long-Term Deficit Estimates



Source: CBO February 2026 baseline.

The Current-Policy* Baseline Shows Deficits Exceeding 14% of GDP in 30 Years

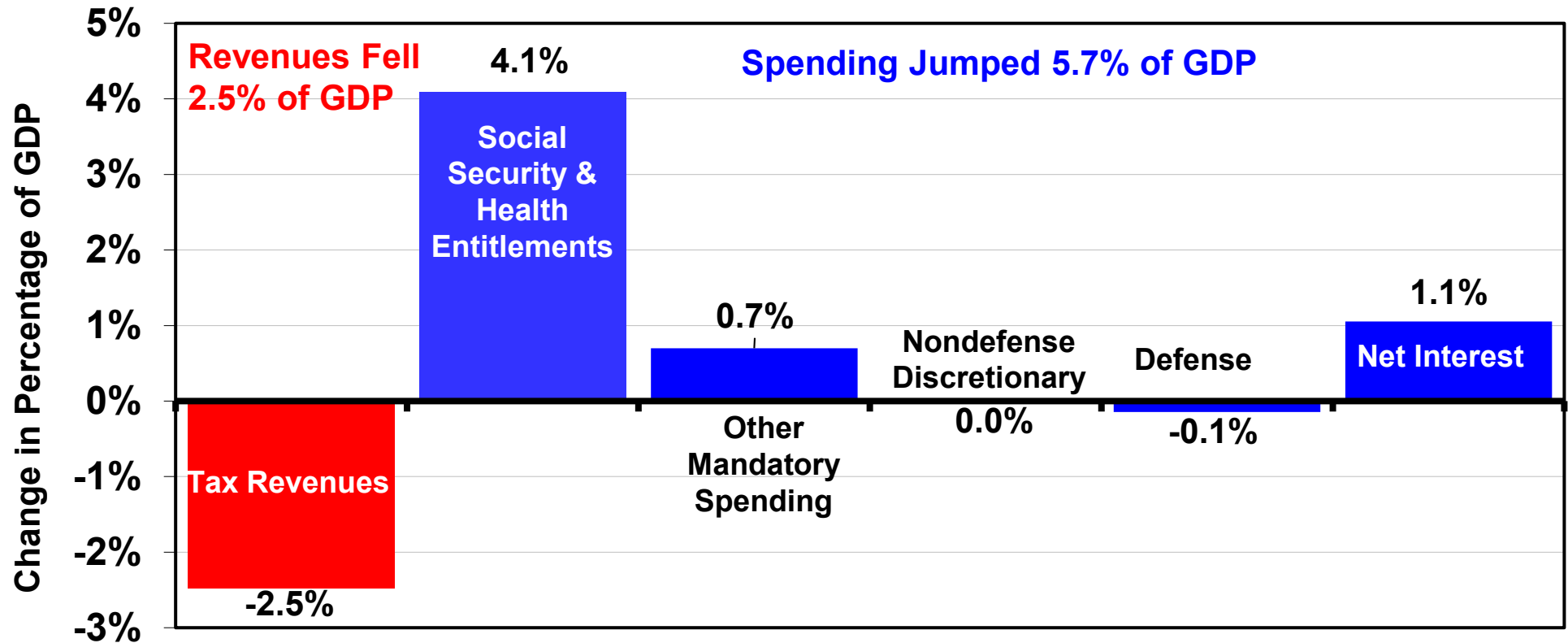


Source: CBO 2026 Long-Term Budget Outlook adjusted to include likely extensions of current tax cuts, and current discretionary and “other mandatory” spending shares of GDP. *Also assumes President Trump’s tariffs phase down after his presidency.

What Happened to Those Budget Surpluses?

2000: Budget Surplus of 2.3% of GDP

2026: Budget Deficit of 5.8% of GDP

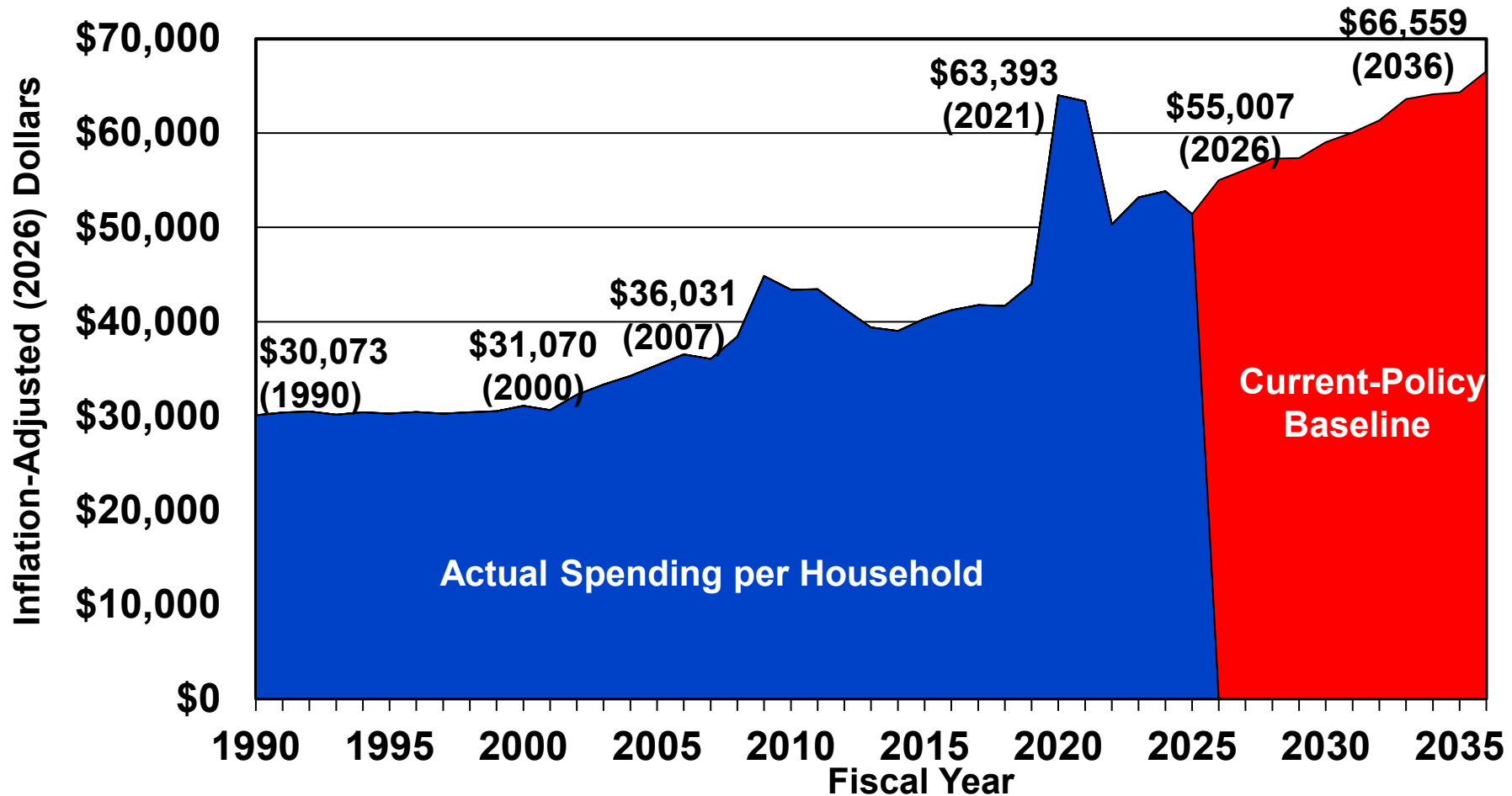


Change Between 2000 Peak Surplus of 2.3% GDP,
and 2026 Deficit of 5.8% of GDP

2000 revenues were an outlier, and on average, post-2000 revenues have been 1% of GDP below the previous two decades.

Source: OMB Historical Tables and Treasury data.

Pandemic Legislation Pushed 2020 and 2021 Federal Spending Past \$60,000 per Household



Source: Census Bureau, OMB Historical Table 1.1, and February 2026 CBO baseline adjusted to include current-policy extensions

A blue-tinted photograph of the Brookings Institution building, a large, classical-style stone structure with a prominent arched entrance and multiple windows. The building is partially obscured by trees and bushes in the foreground.

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Discretionary Spending is Not Driving the Long-Term Debt

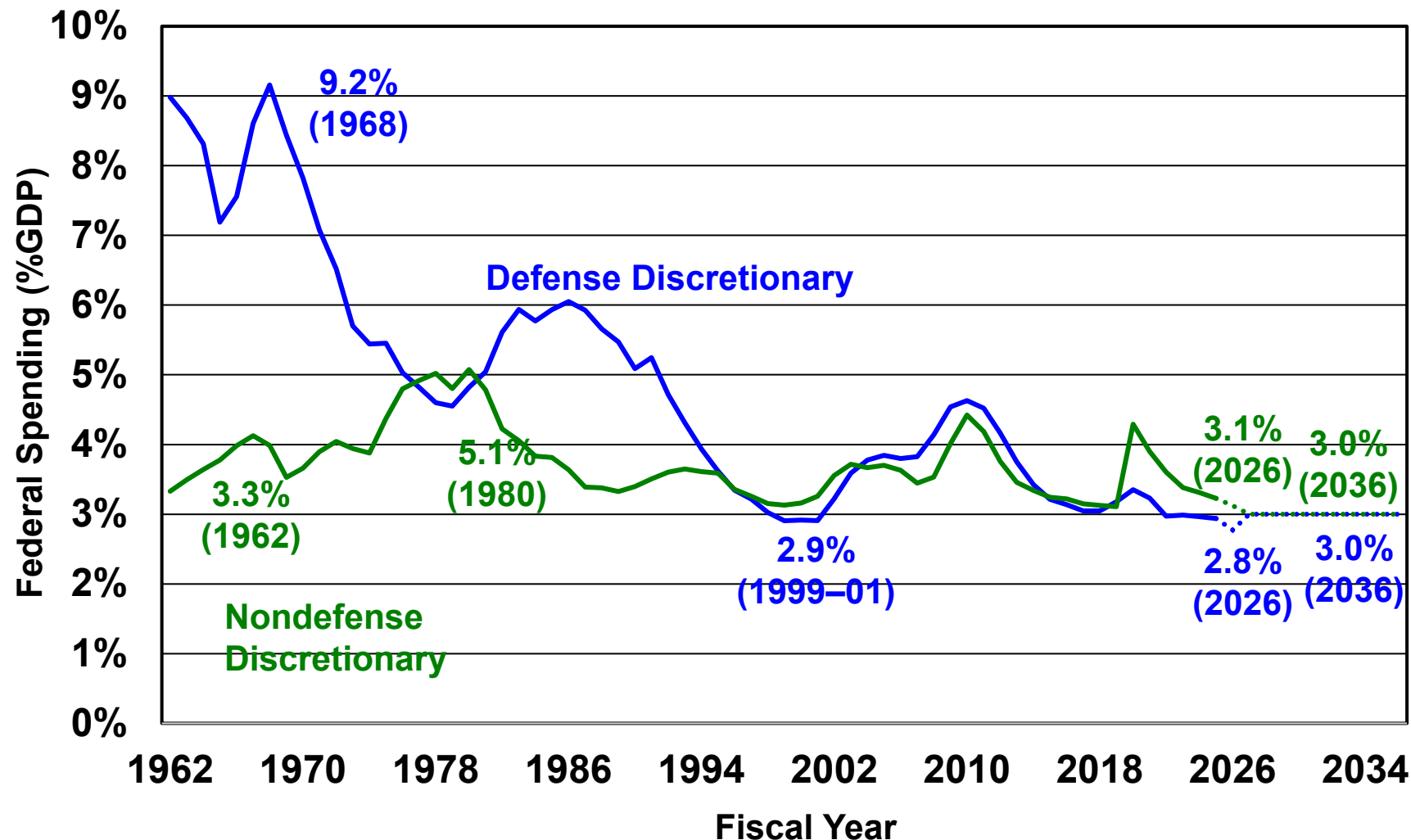
Chapter 3

Breakdown of Discretionary Appropriations, 2026

Spending Category	\$Billions	Share of Total	Annual Growth, 2018–2026
National Defense	\$903	51.14%	3.21%
Veterans Health and Related Benefits	\$134	7.58%	6.31%
Health Research and Regulation	\$89	5.05%	3.21%
Education	\$83	4.69%	0.91%
Justice Administration	\$79	4.50%	3.34%
Housing Assistance	\$78	4.40%	5.73%
Natural Resources and Environment	\$64	3.60%	0.93%
International Affairs and U.S. Embassies	\$51	2.89%	-1.17%
Community & Regional Development	\$42	2.40%	-9.53%
Science, Space, and Technology	\$41	2.30%	2.14%
Highways and Transit	\$36	2.05%	13.57%
Income Security (non-housing)	\$36	2.02%	4.81%
Air Transportation (FAA)	\$32	1.82%	5.99%
Training, Employment, and Social Services	\$28	1.61%	1.58%
General Government Operations	\$20	1.14%	1.62%
Energy	\$16	0.89%	11.42%
Water and Other Transportation	\$14	0.77%	1.78%
Other	\$20	1.16%	0.12%
Total Budget Authority	\$1,765	100.00%	2.73%

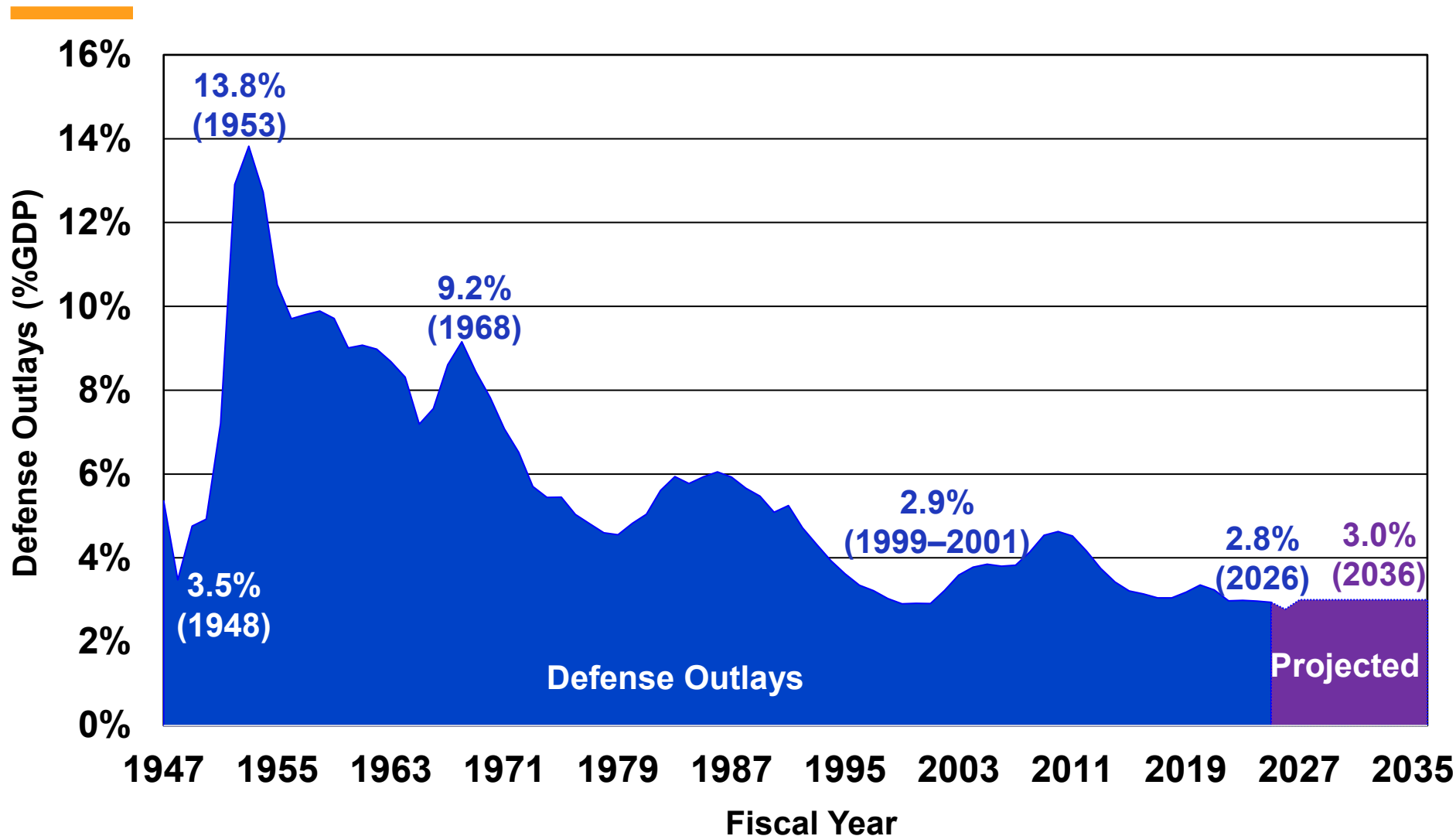
Source: OMB Historical Table 5.6. Figures include emergency appropriations.

Discretionary Spending Has Fallen as a Share of the Economy



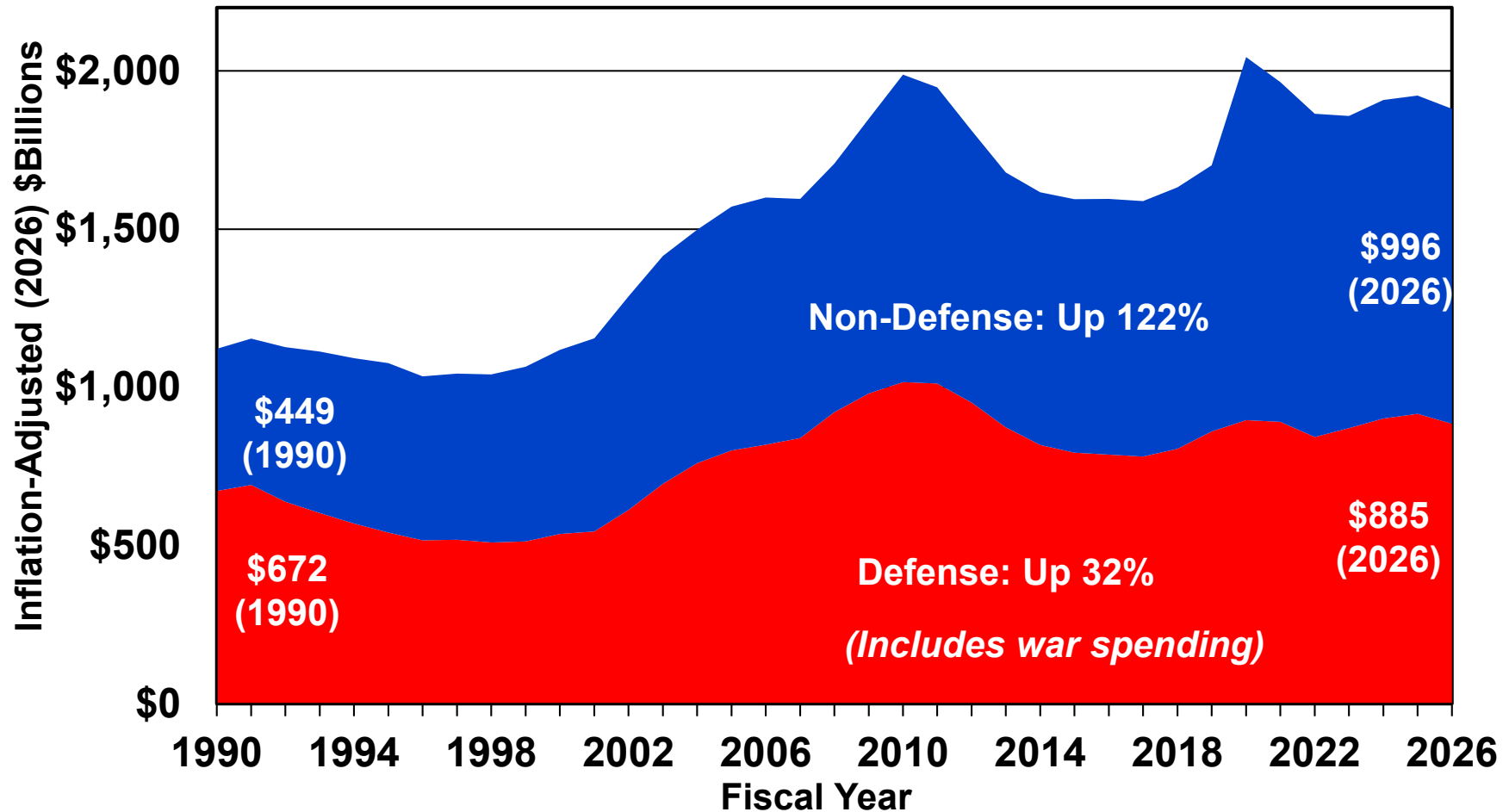
Source: OMB Historical Table 8.4, and February 2026 CBO baseline adjusted for the continuation of current policies.

Defense Discretionary Spending is Near its Lowest Share of GDP Since World War II



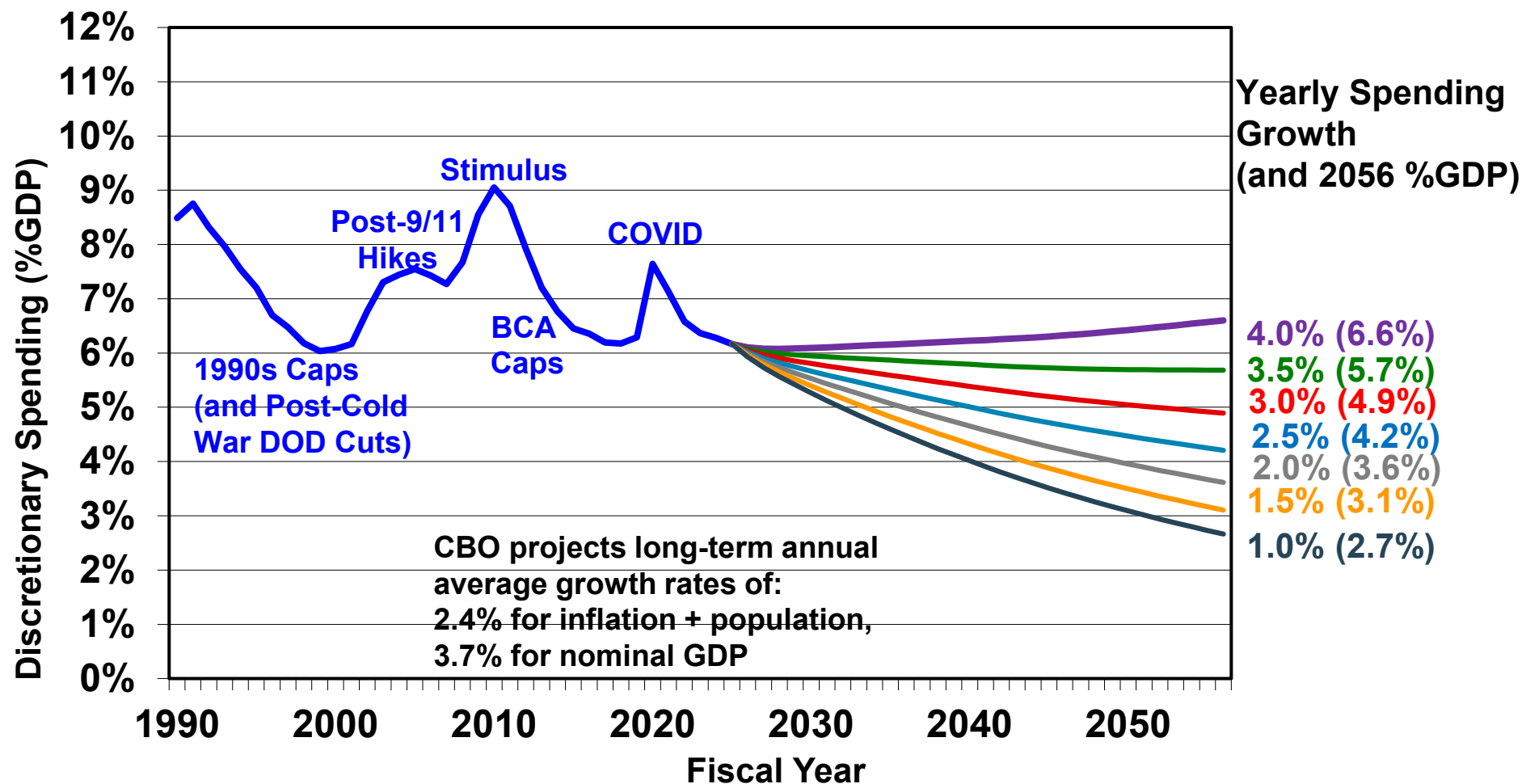
Source: OMB Historical Tables 3.1 and 8.4, and February 2026 CBO baseline adjusted for the continuation of current policies.

Since 1990, Non-Defense Discretionary Spending Has Grown Nearly 4 Times as Fast as Defense



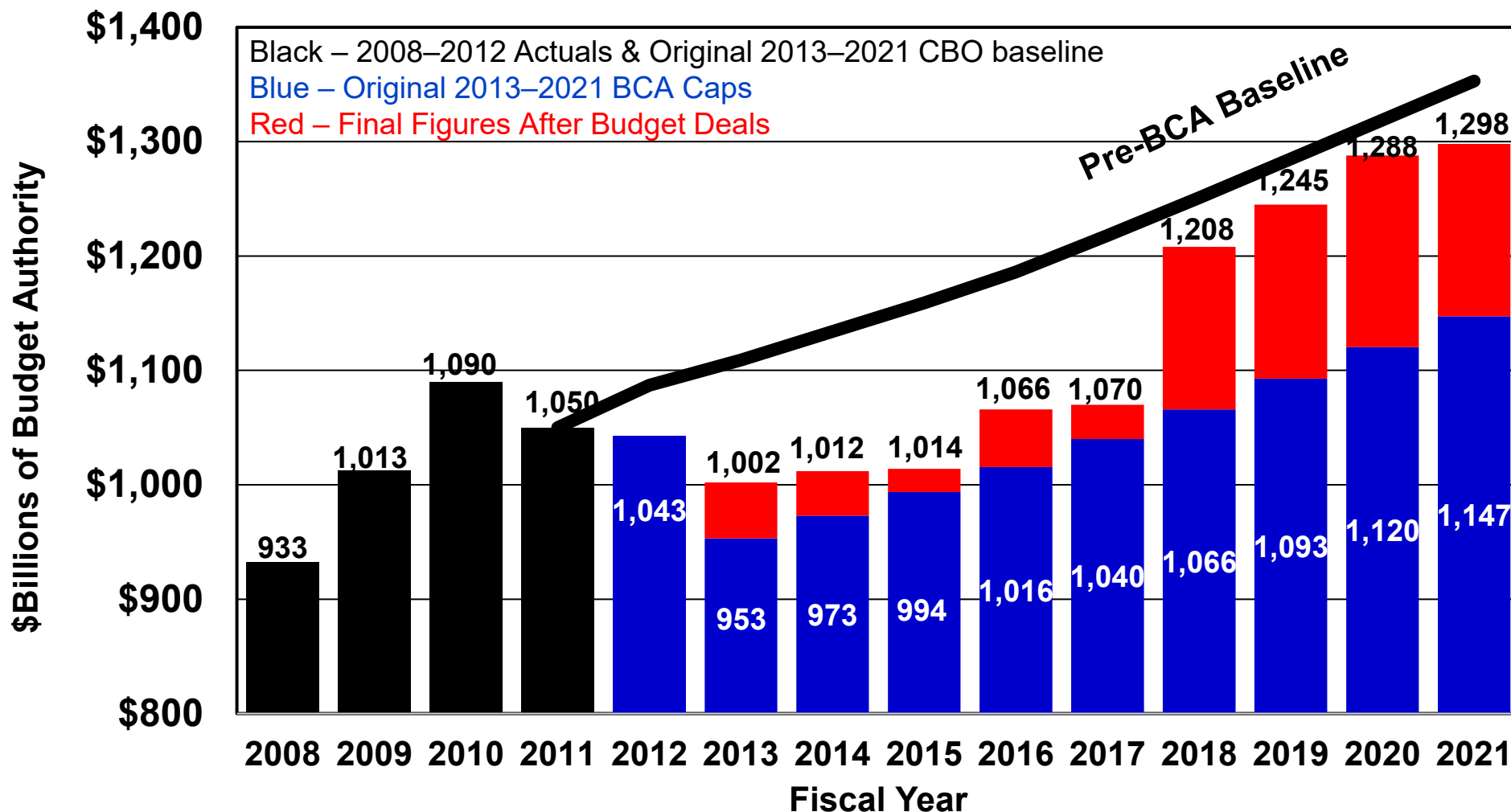
Source: OMB Historical Table 8.1 and final 2026 estimates, converted into 2026 dollars.

Long-Term Discretionary Spending Levels Under Various Spending Growth Rates



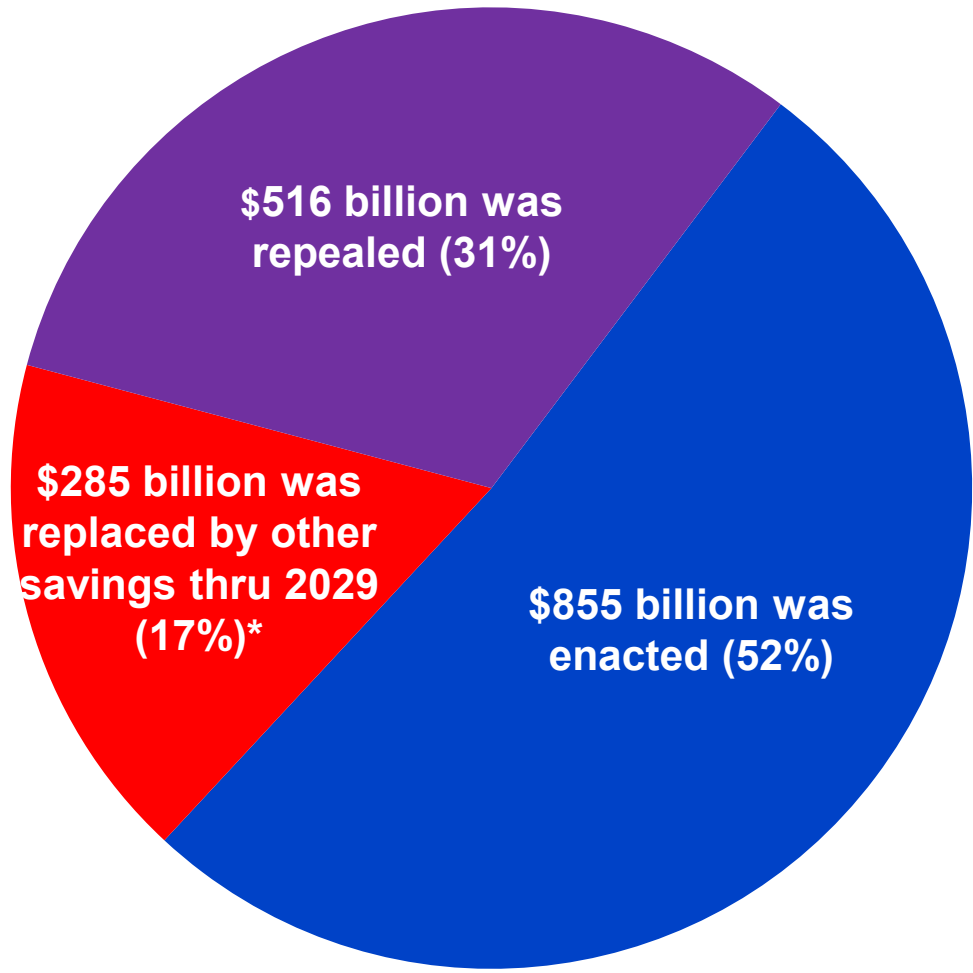
Source: Calculated using CBO spending data and economic forecasts.

Budget Deals Weakened the Budget Control Act (BCA) Discretionary Spending Caps



Source: Congressional Budget Office. Excludes OCO and emergency appropriations.

What Became of the \$1,656 Billion in Promised 2012–2021 Discretionary Savings Under The Budget Control Act?

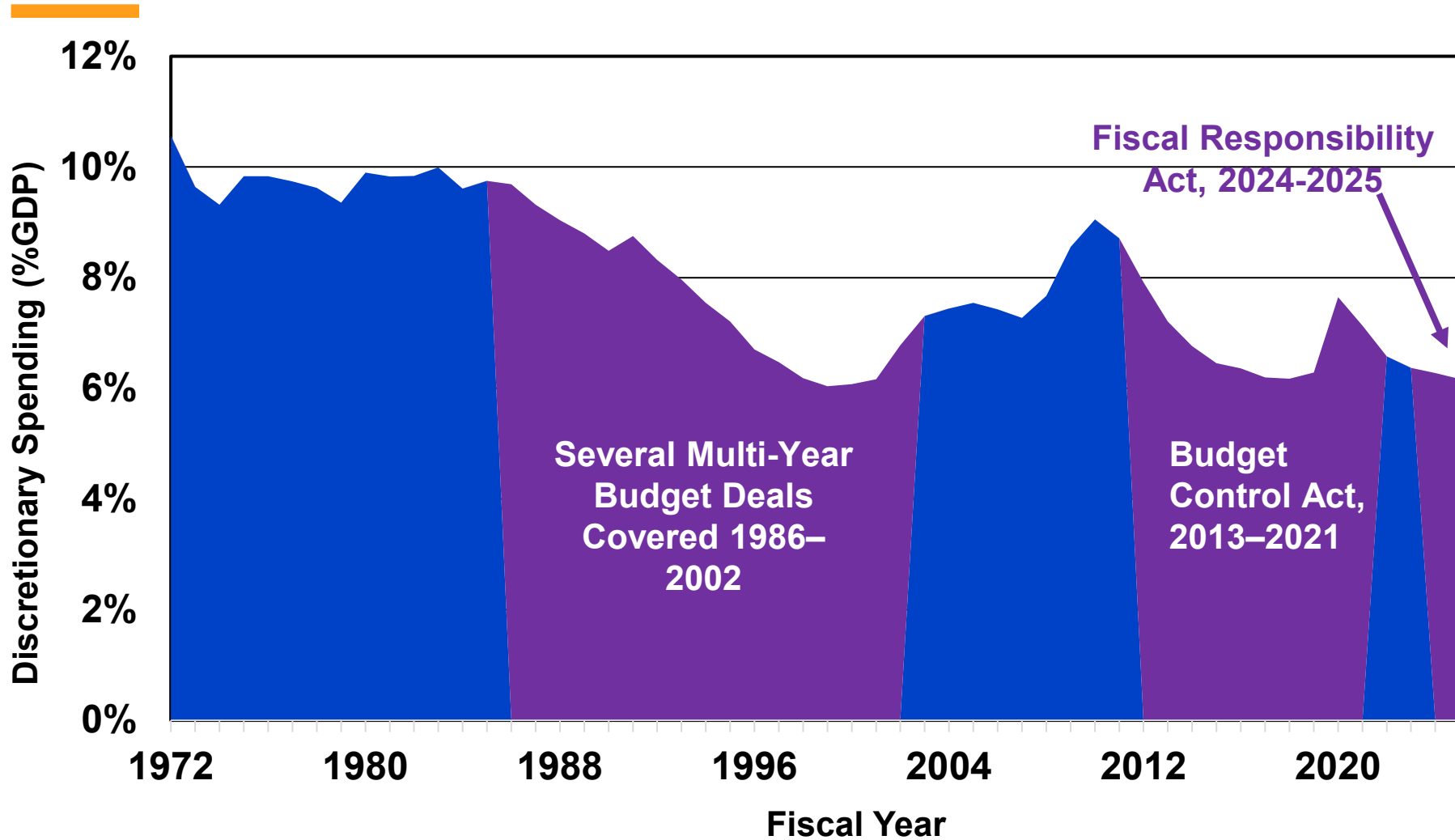


*Other savings consist of mandatory savings and revenue increases.

Lawmakers also circumvented the caps through the ChIMPs gimmick, and by adding extra defense money to the Iraq & Afghanistan “emergency” bills that do not count against these spending caps.

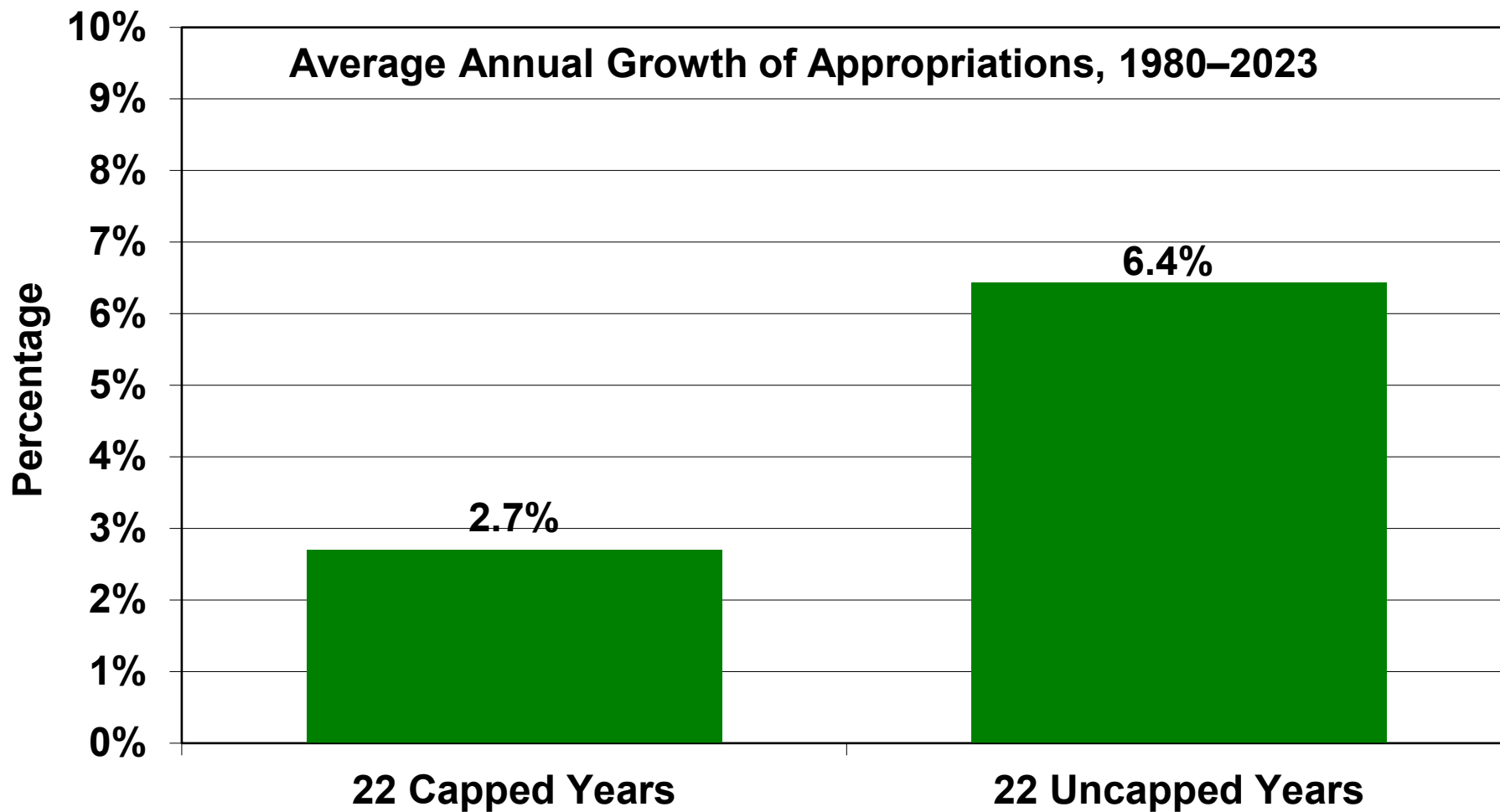
Source: Calculations based on CBO data. Excludes emergency appropriations.

Budget Caps Sharply Reduce Discretionary Spending For a Few Years—Then Get Ignored



Source: OMB Historical Table 8.4, and February 2026 CBO baseline.

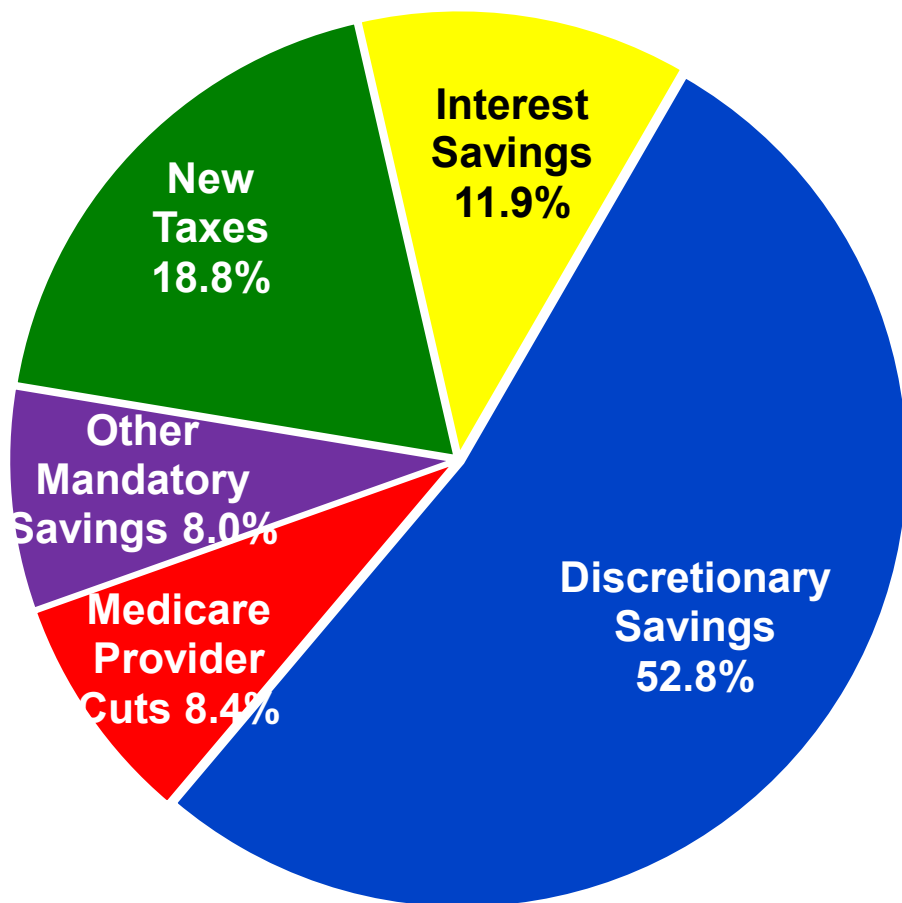
Spending Caps Have Slowed the Growth of Discretionary Spending



Source: Calculated using OMB Historical Table 3.2.
Excludes emergency appropriations for 2009 stimulus and 2020-2021 pandemic.

The Six Major Deficit-Reduction Deals Since 1983 Relied Mostly On Discretionary Savings

Combined Components of the 6 Deals



The 6 Largest Deficit Reduction Deals Since 1983 Were:

- 1983 Social Security Deal (Saved 0.52% of GDP)
- 1985 Gramm-Rudman Hollings Act (1.72%)
- 1990 Bush “Andrews Air Force Base” Deal (1.45%)
- 1993 Clinton Budget Deal (1.08%)
- 1997 Balanced Budget Deal (0.72%)
- 2011 Budget Control Act (1.01%)

Savings scored at time of enactment. Many cuts were later reversed, and the 1985 law was invalidated by the Supreme Court and replaced with a 1987 version.

Source: Jessica Riedl, “Getting to Yes: A History of Why Budget Negotiations Succeed, and Why They Fail” (2019).

A photograph of the Brookings Institution building, a large, classical-style stone structure with a prominent arched entrance and multiple windows. The image is overlaid with a semi-transparent blue filter. The word "BROOKINGS" is written in white, serif, all-caps font in the upper left corner.

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Mandatory Spending and Entitlement Costs Are Rising Rapidly

Chapter 4

Major Components of the 2026 Federal Budget

2026 Outlays	\$Billions	Per Household	%
Social Security	\$1,676	\$12,314	22%
Medicare	\$1,070	\$7,861	14%
Net Interest	\$1,017	\$7,468	13%
National Defense	\$966	\$7,099	13%
Medicaid	\$715	\$5,251	9%
Income Security Programs	\$477	\$3,504	6%
Veterans Benefits	\$440	\$3,233	6%
Federal Retirement & Disability	\$197	\$1,450	3%
ACA and Related	\$135	\$990	2%
Justice Administration	\$103	\$757	1%
Highways & Mass Transit	\$102	\$751	1%
Health Research & Regulation	\$100	\$736	1%
All Else	\$541	\$3,974	7%
Total	\$7,540	\$55,388	100%

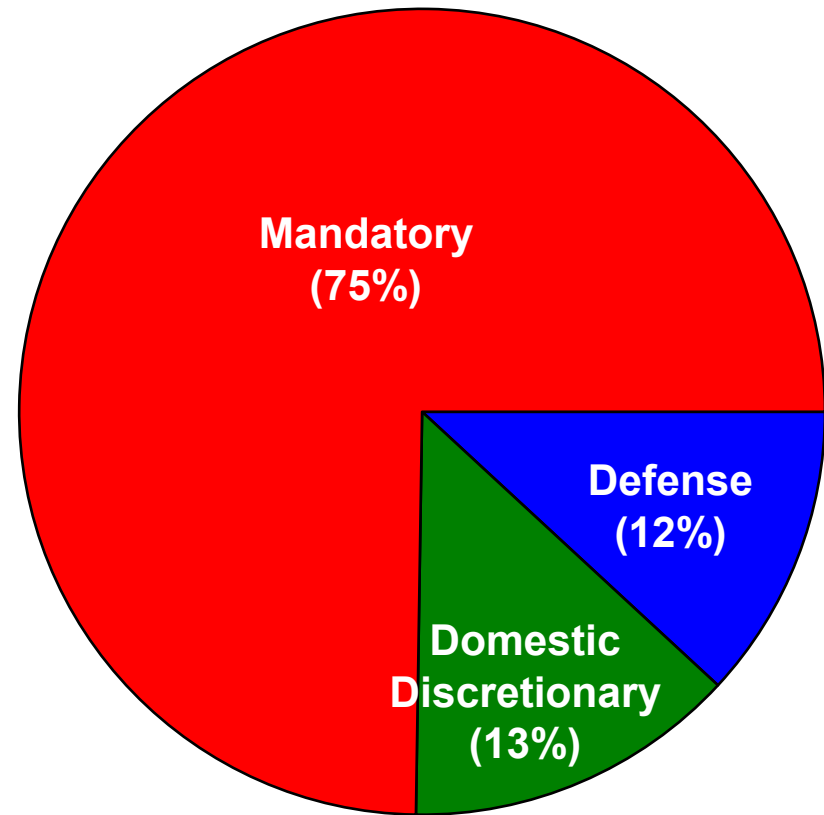
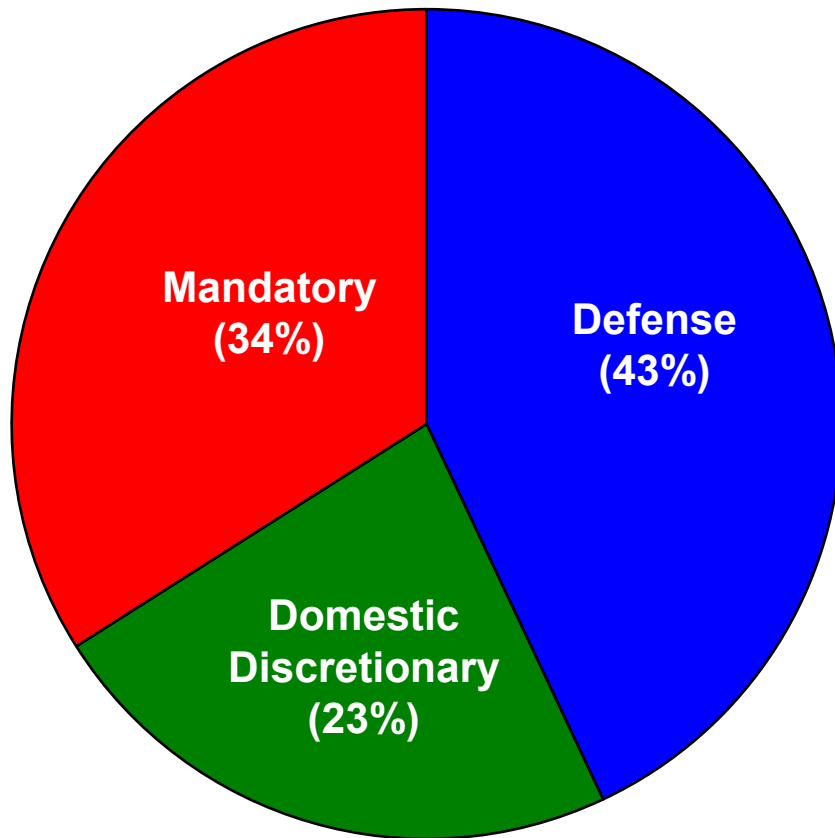
2026 Revenues	\$Billions	Per Household	%
Ind. Income Taxes	\$2,630	\$19,318	35%
Soc. Insurance Taxes	\$1,850	\$13,588	25%
Customs Duties/ Fees	\$406	\$2,983	5%
Corporate Taxes	\$399	\$2,928	5%
Excise Taxes	\$106	\$776	1%
Estate/Gift Taxes	\$36	\$263	0%
Other Revenues	\$50	\$367	1%
Total Receipts	\$5,476	\$40,222	100%

Source: OMB Historical Tables 2.1, 2.4, 2.5, 3.2, and 8.5. Represent OMB's projected levels as of April 2026.

Mandatory Spending is Squeezing Discretionary Spending

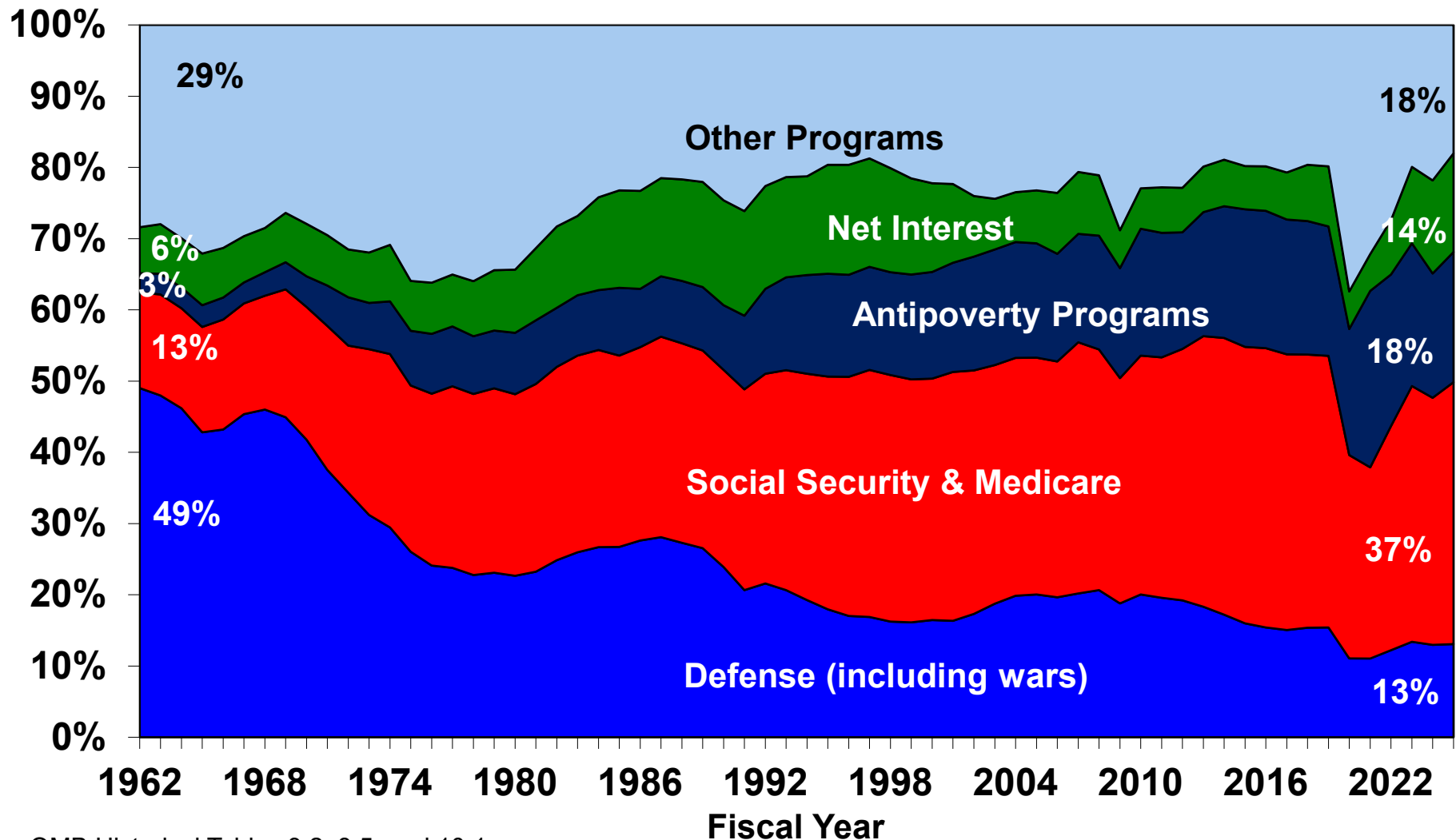
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2026



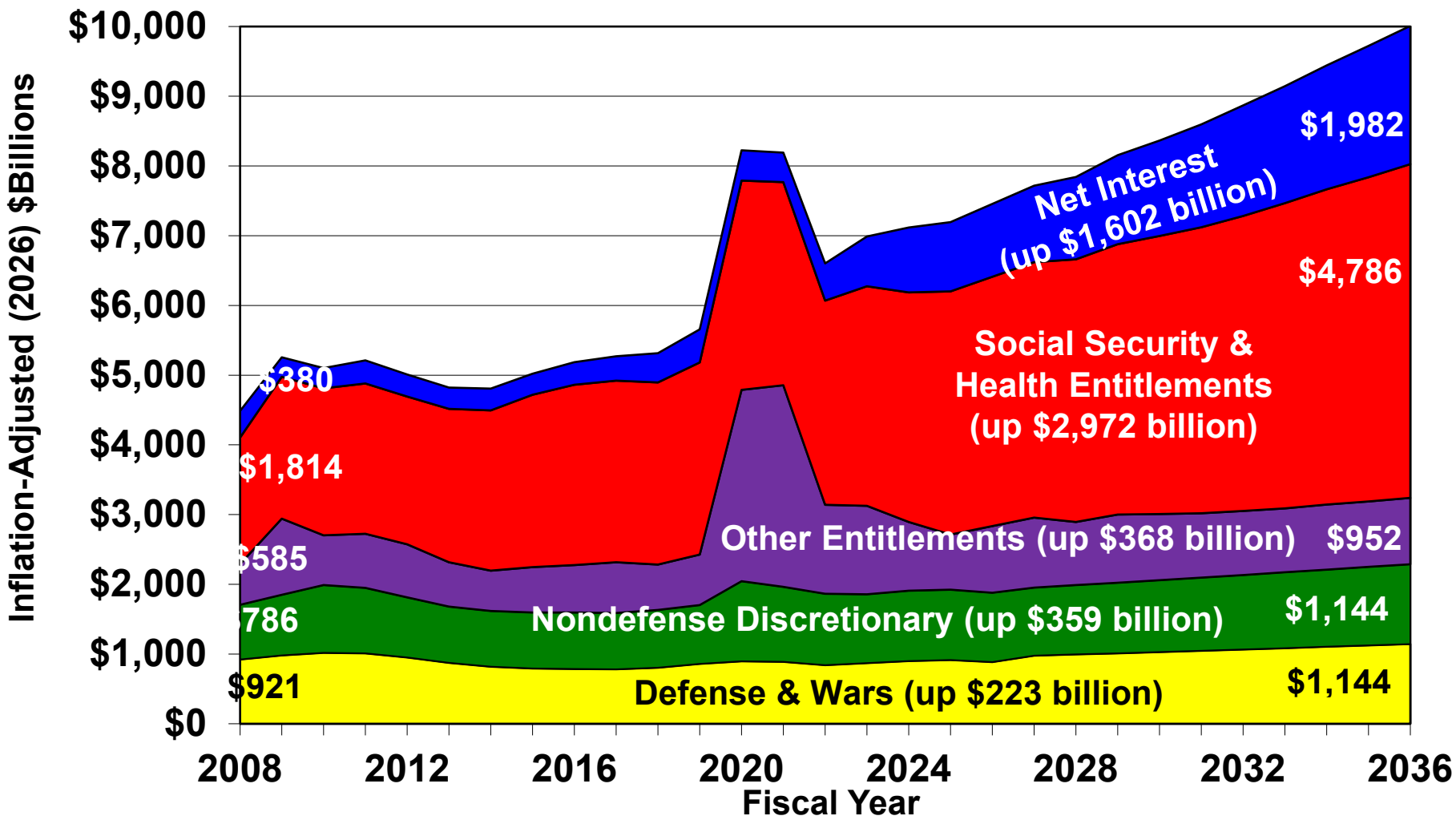
Source: OMB Historical Table 8.3 and February 2026 CBO baseline.

Composition of Federal Spending, 1962–2025



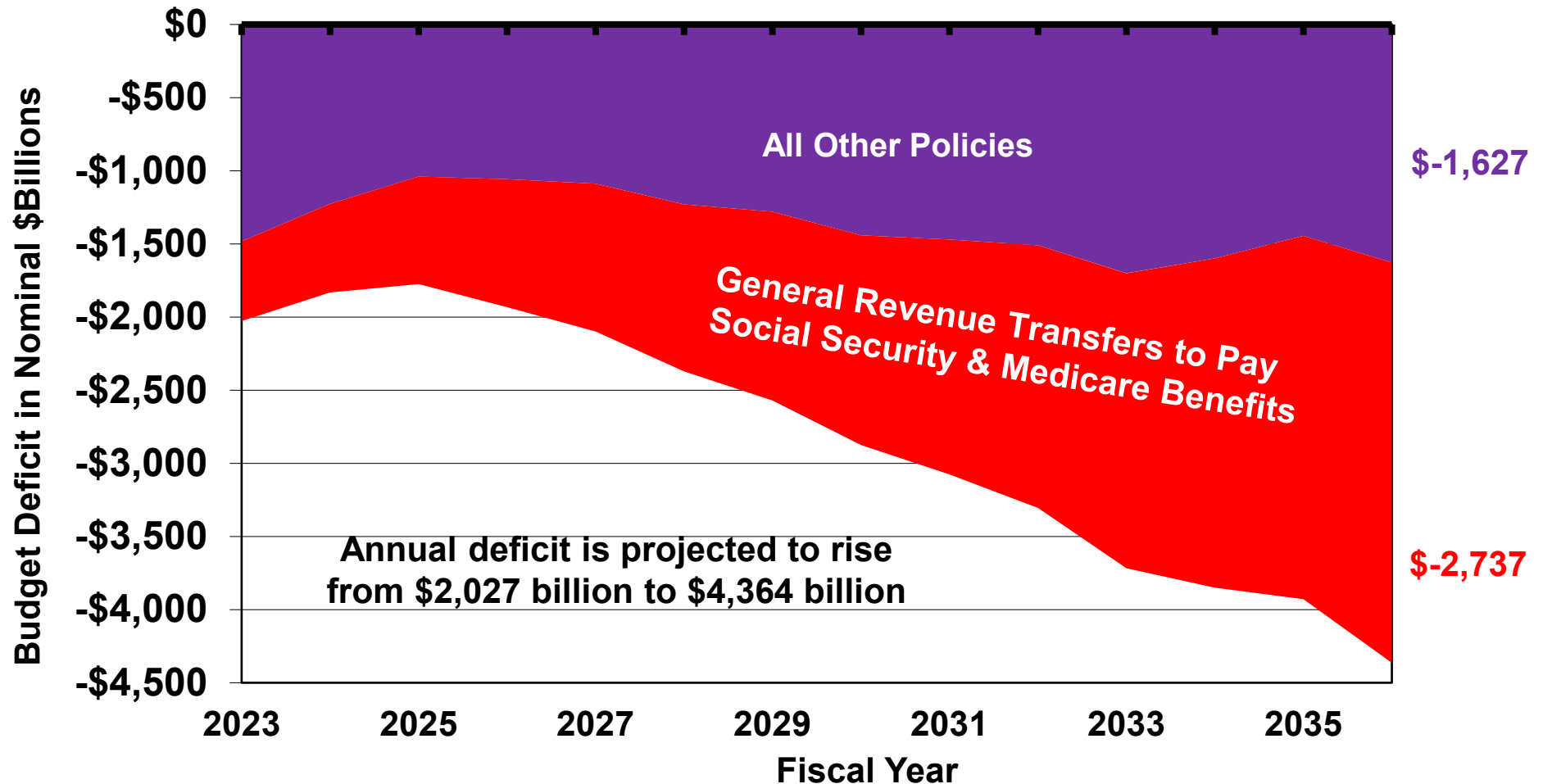
Source: OMB Historical Tables 3.2, 8.5, and 10.1.

Social Security, Health Entitlements, & Interest Costs Drive 83% of the 2036 Spending Hike Over 2008 Level



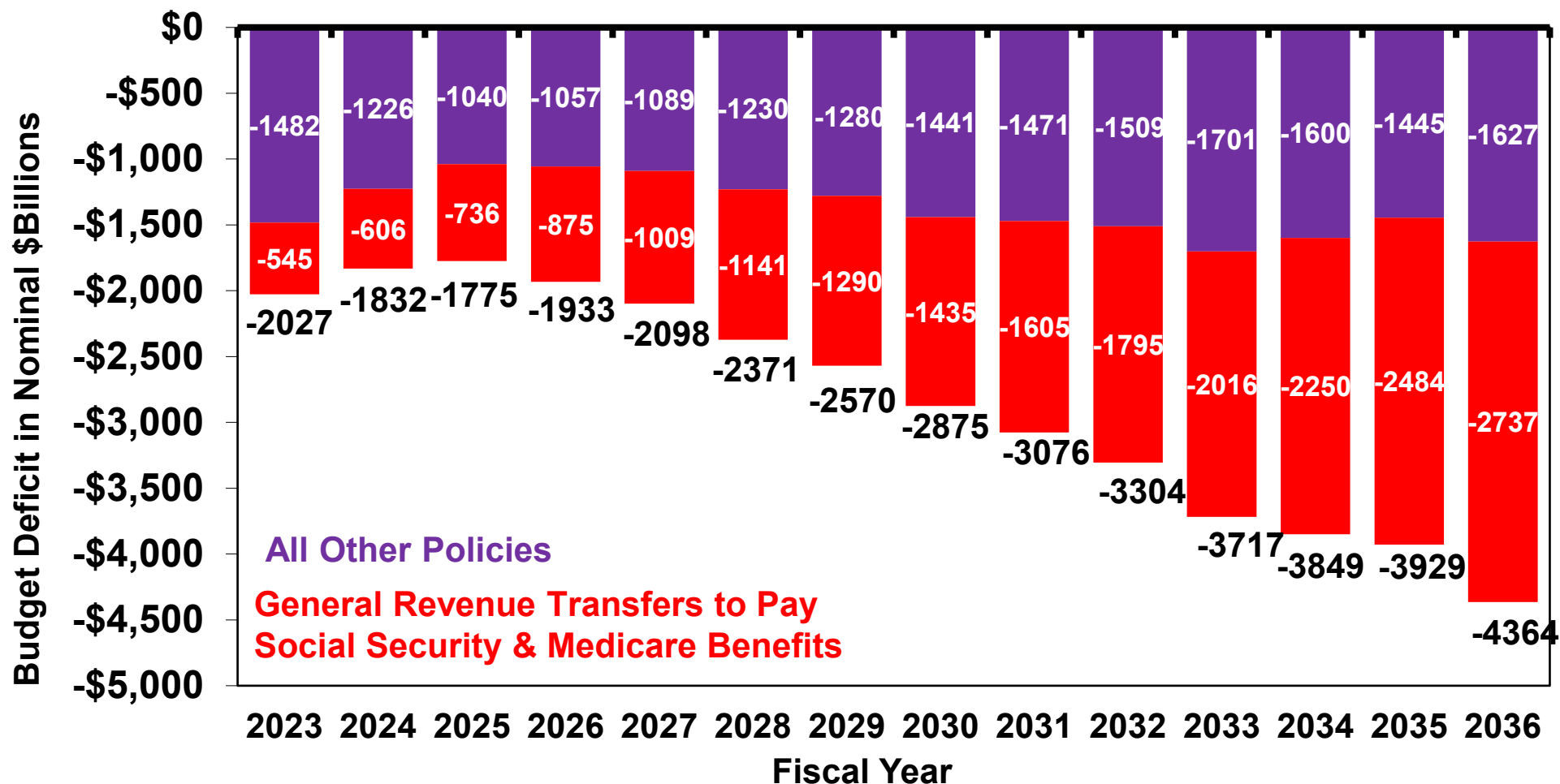
Source: OMB Historical Tables and February 2026 CBO baseline (adjusted for current-policy tax and spending extensions).

Rising Social Security & Medicare Shortfalls Drive Nearly the Entire 2023–2036 Deficit Rise



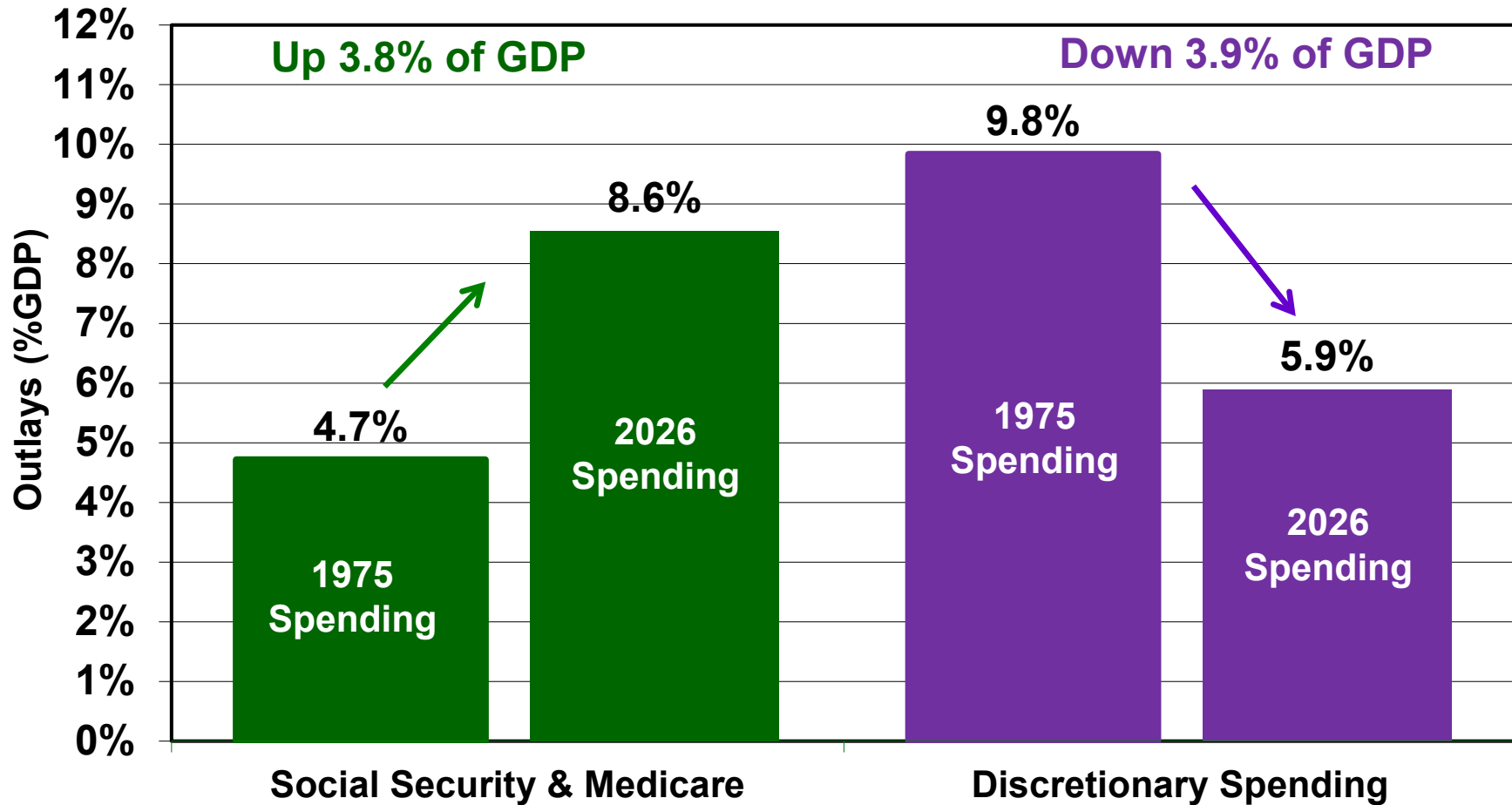
Source: Calculated using current policy baseline as of February 2026. Resulting interest costs are incorporated into each category. General revenues include interest payments on trust funds, as they represent a net cost to the rest of the budget.

Rising Social Security & Medicare Shortfalls Drive Nearly the Entire 2023–2036 Deficit Rise



Source: Calculated using current policy baseline as of February 2026. Resulting interest costs are incorporated into each category. General revenues include interest payments on trust funds, as they represent a net cost to the rest of the budget.

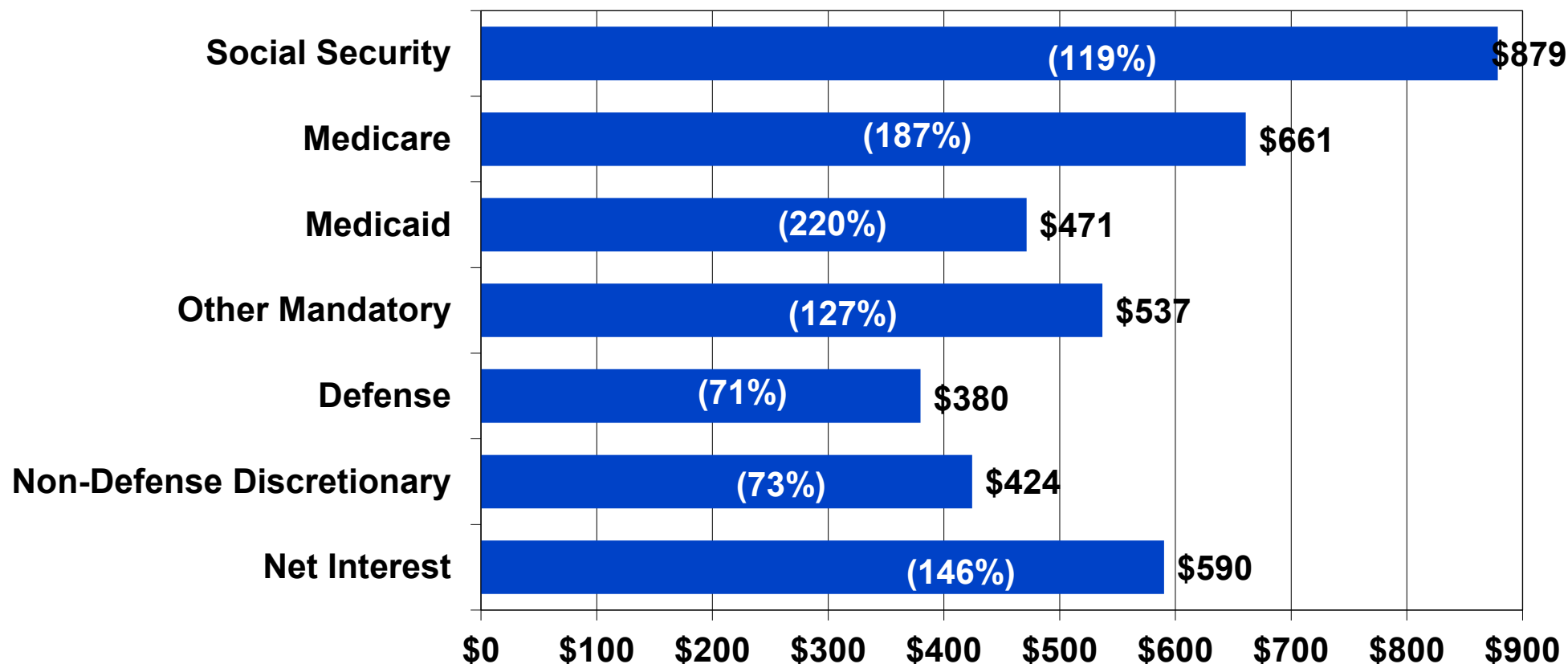
Since 1975, Rising Social Security & Medicare Costs Have Been Paid For With Discretionary Cuts



Since 1975, the sum of Social Security, Medicare, and discretionary spending has averaged 14.5 percent of GDP. The composition has shifted. Source: OMB and CBO data.

Entitlement Programs—Not Defense—Are Primarily Driving Spending Upward

2025 spending increase above 2000 levels in inflation-adjusted \$billions
(Percentage increase over 2000 levels in parentheses)

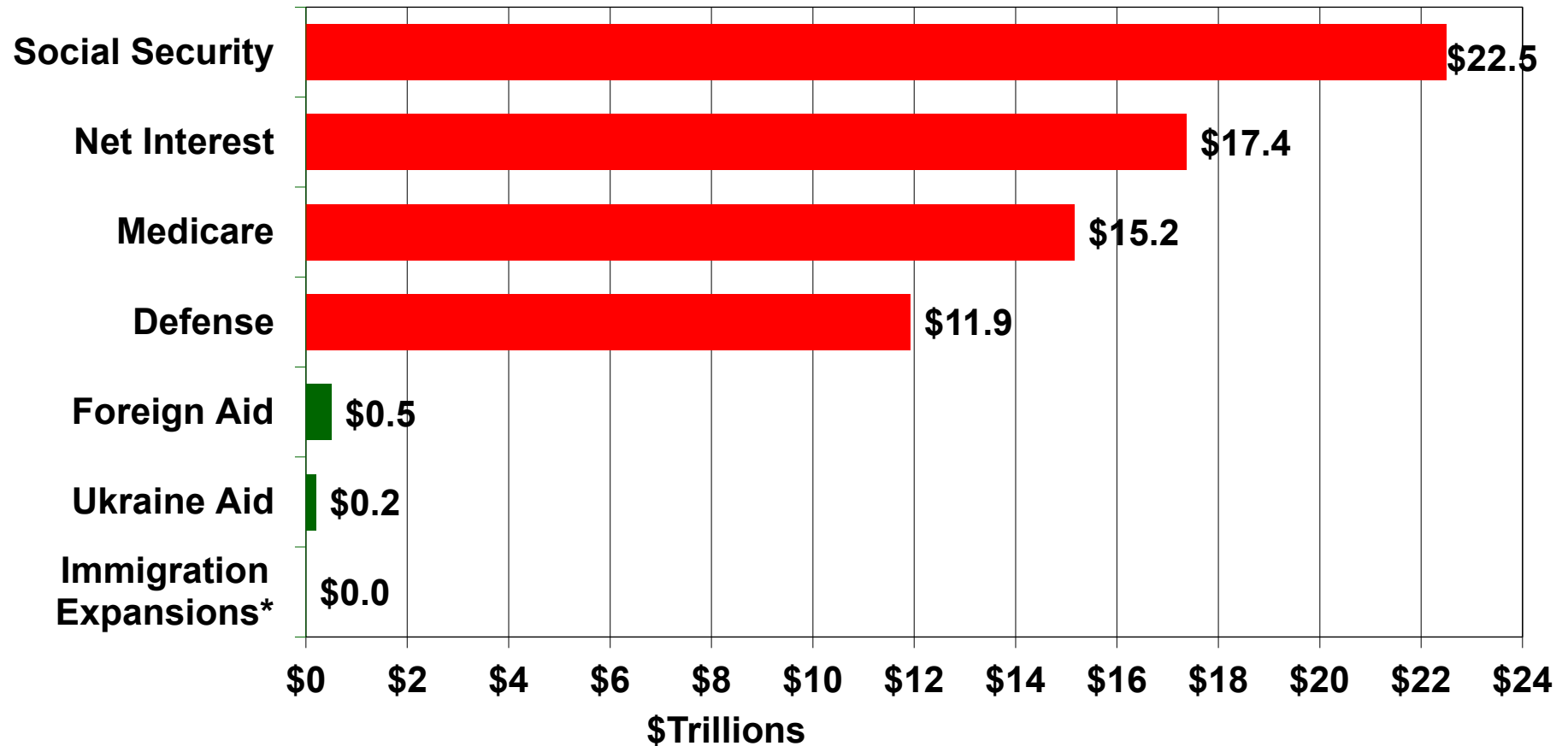


Source: OMB Historical Table 3.2 and February 2026 CBO baseline.

Total spending over this period rose by \$3,942 billion, or 121%. Real GDP rose by 66%.

No, Foreigners and Immigrants *Are Not* Driving Soaring Spending

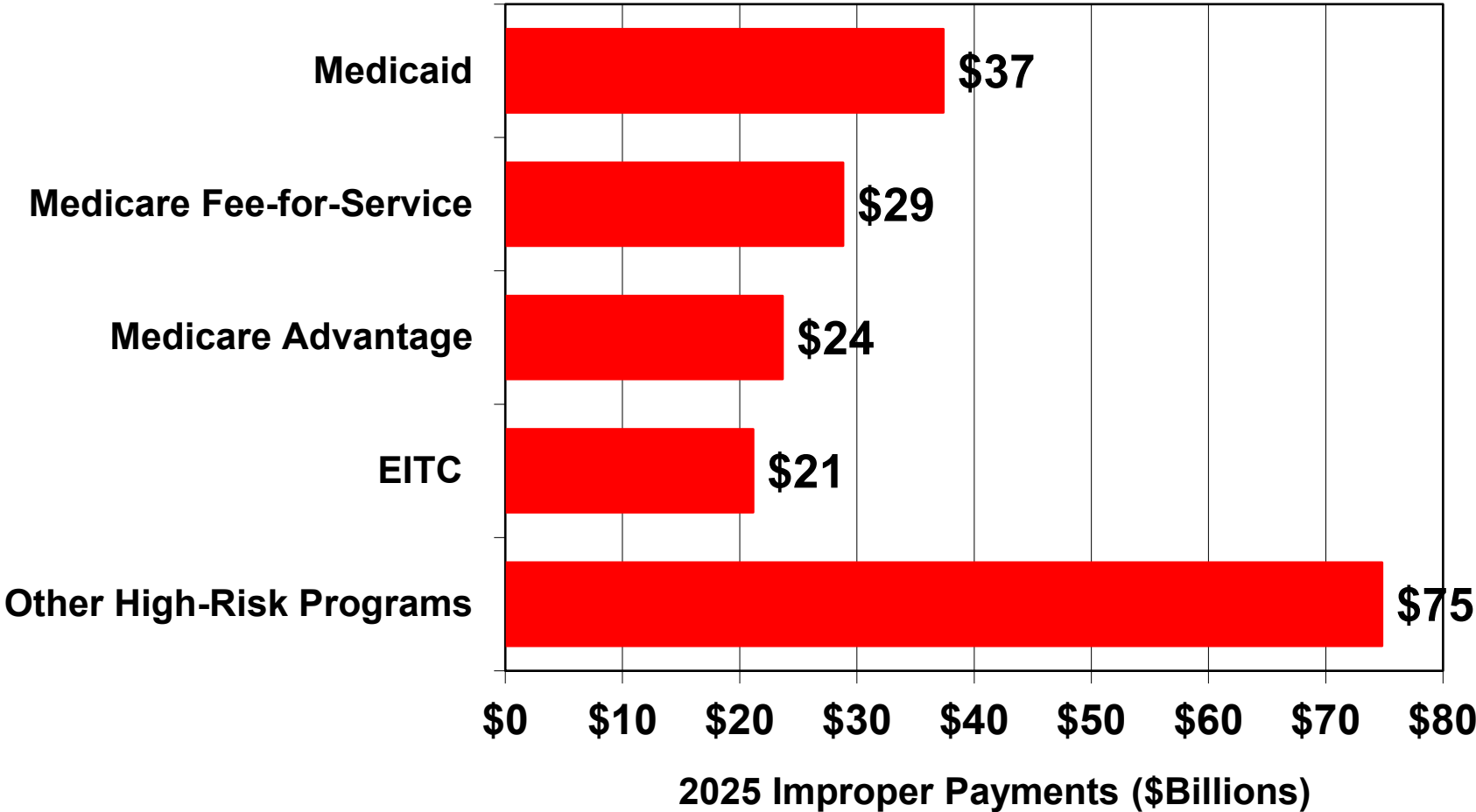
2027-2036 Projected Outlays



*Immigration costs are net of tax revenues paid by immigrants.

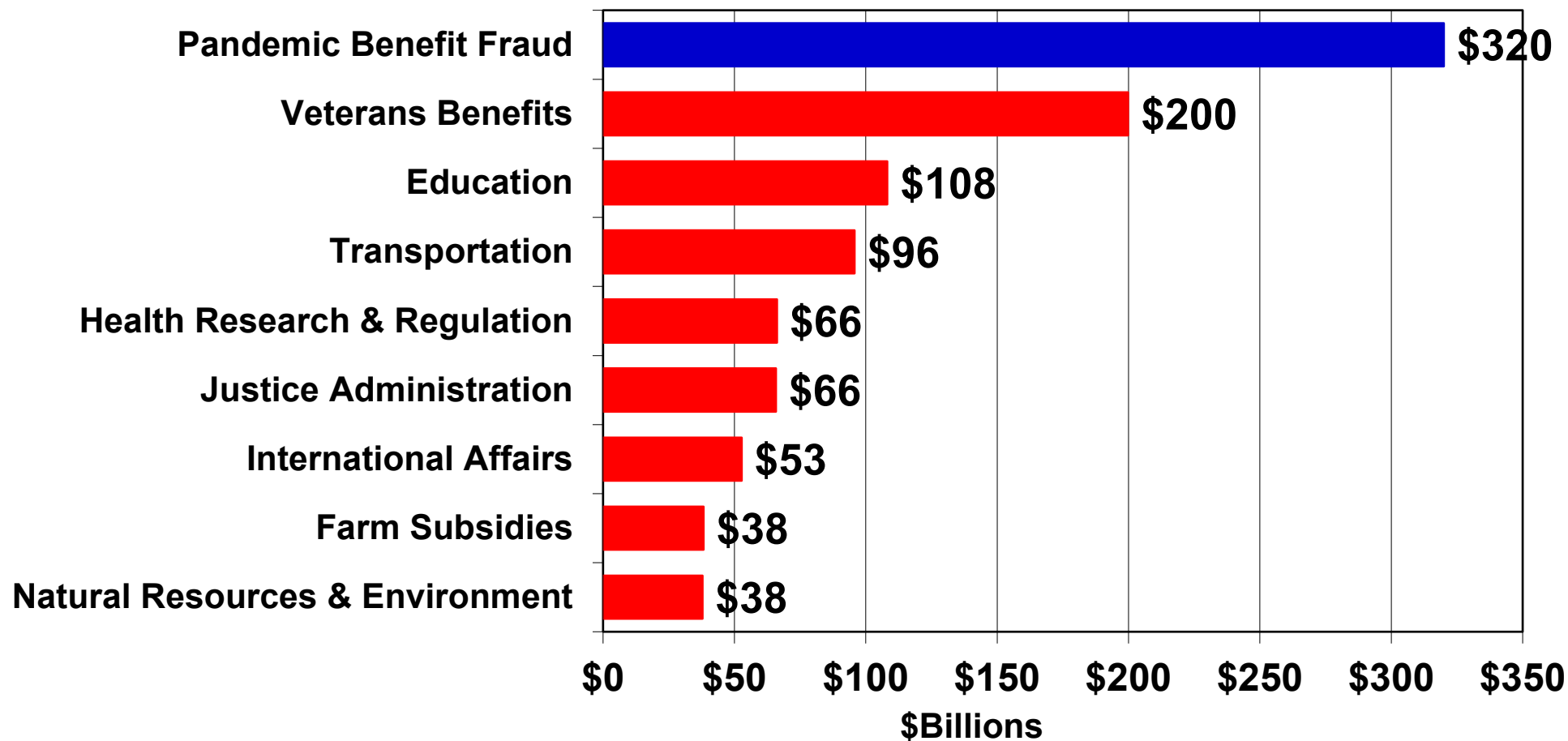
Source: CBO baseline adjusted to extend current policies. Assumes Ukraine aid receives 2 or 3 more supplemental bills.

In 2025, Washington Made \$186 Billion in Improper Payments



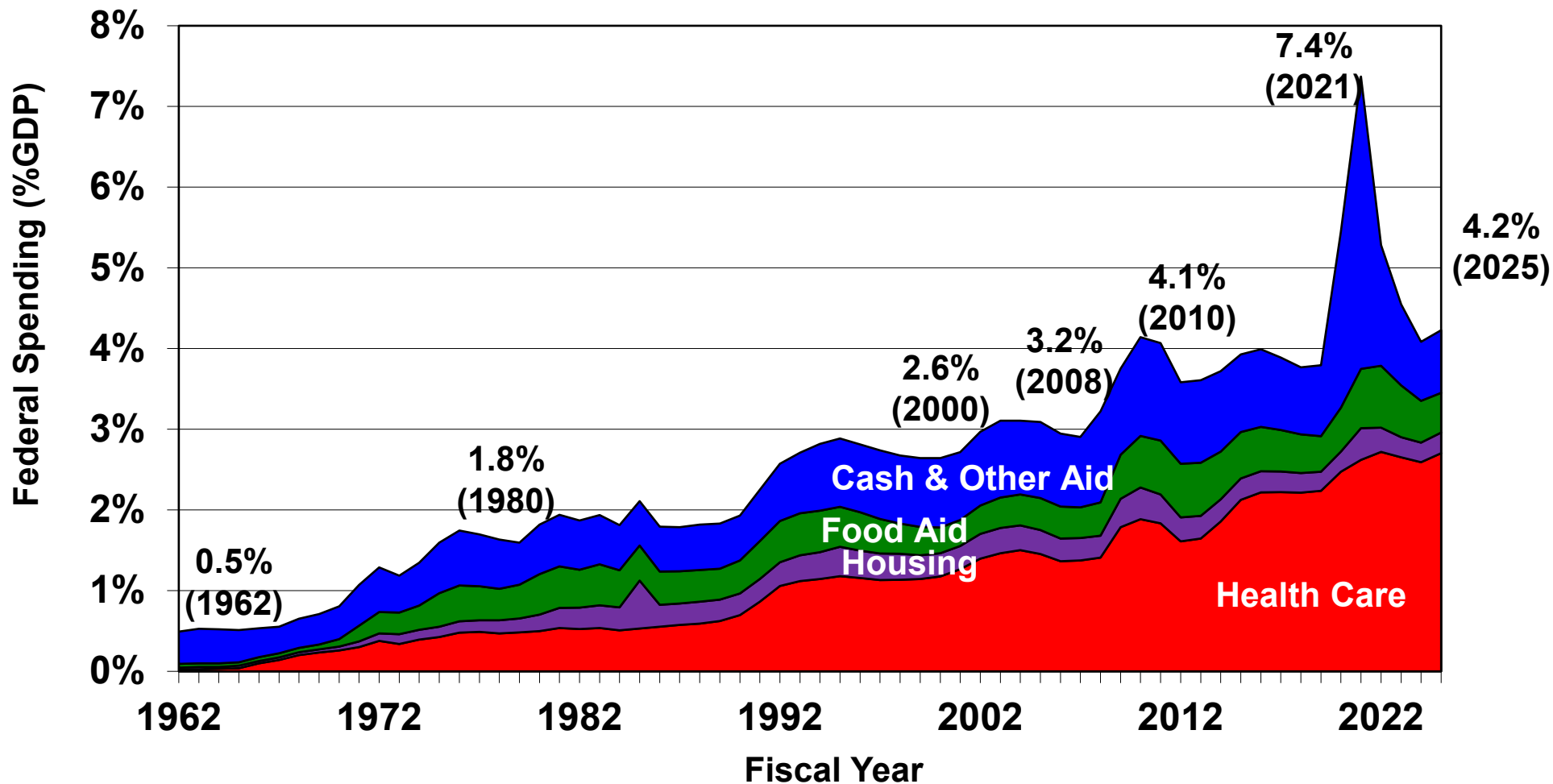
Source: OMB at <https://paymentaccuracy.gov/>

Pandemic Benefit Fraud and Overpayments Exceeded Large Categories of Federal Spending



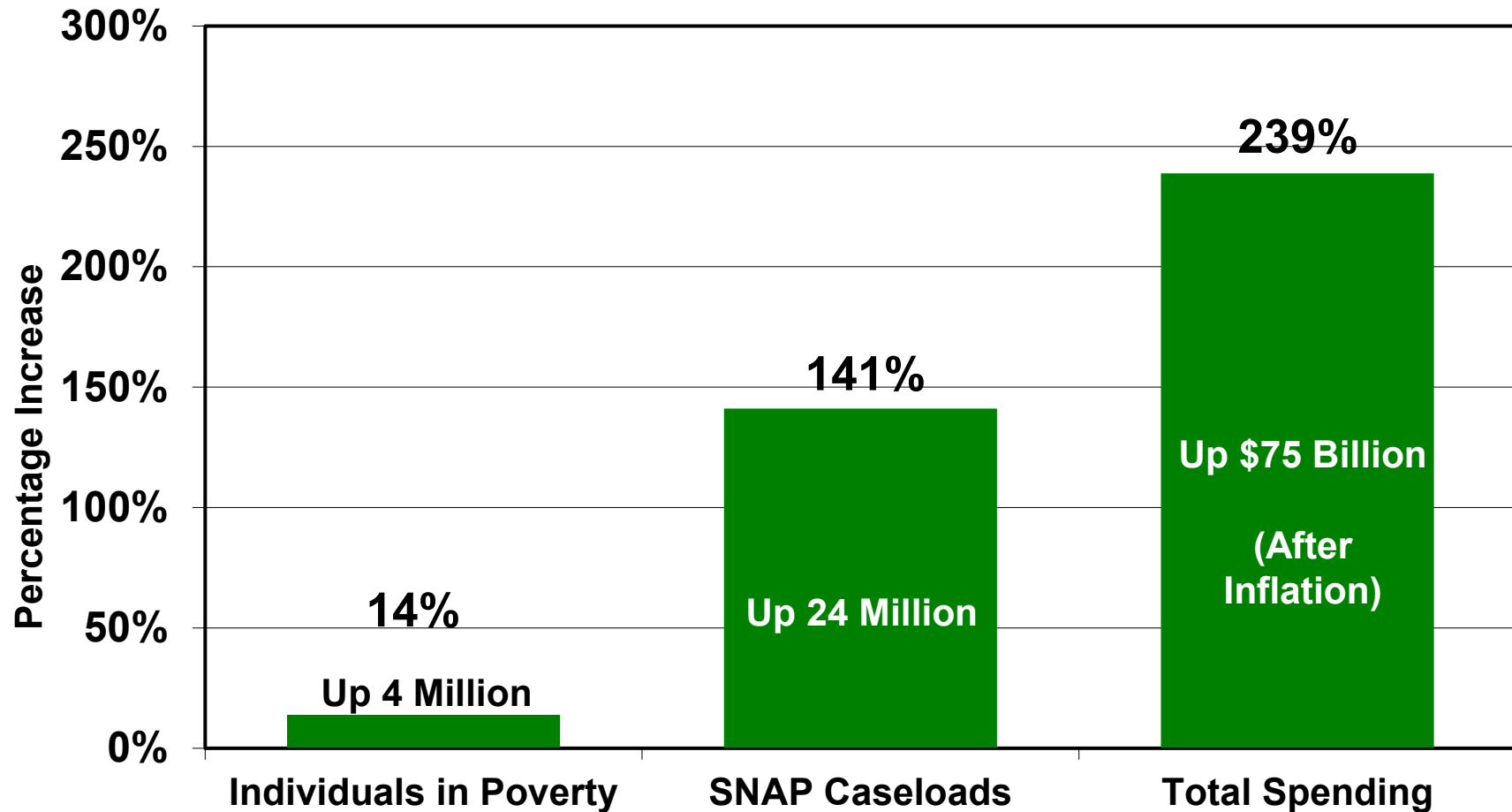
Source: Pandemic figure consists of reported fraud and overpayments in unemployment benefits, Paycheck Protection Program loans, and Economic Injury Disaster loans. Other programs show OMB 2019 spending totals to reflect typical (non-pandemic) budgets.

Anti-Poverty Spending Has Soared Regardless of Party Control of Government



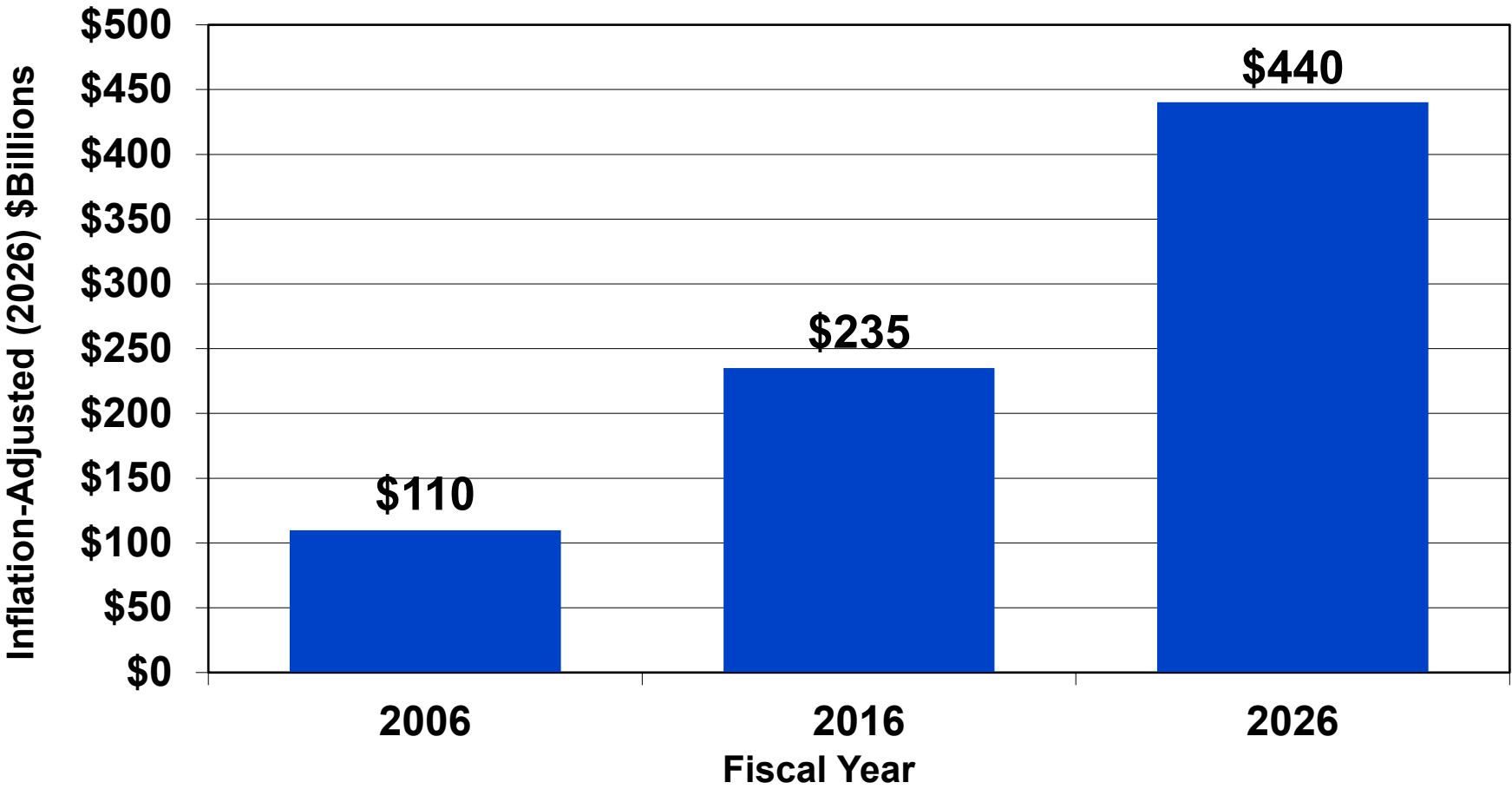
Source: OMB Historical Tables 3.2, 8.5, and 10.1, and CBO data.

From 2000–2024, SNAP Caseloads Grew 5.5 Times as Fast as the Poverty Population



Sources: Department of Agriculture and Census Bureau. The poverty rate fell from 11.7% to 10.6% over this period.

Veterans' Programs Have Received Significant Funding Increases



Source: OMB Historical Table 3.2, and CBO data, adjusted for inflation.

Why the Debt Limit Matters

All 9 Major Deficit-Reduction Laws Since 1985 Were Attached to Debt Limit Legislation

Year	Major Deficit-Reduction Law	Attached to Debt Limit?
1985	Gramm-Rudman-Hollings Deficit Caps	✓
1987	Gramm-Rudman-Hollings Deficit Caps II	✓
1990	Bush Tax Increases & Spending Caps	✓
1993	Clinton Deficit Reduction Package	✓
1996	Line-Item Veto Act <i>(later struck down by Supreme Court)</i>	✓
1997	Balanced Budget Act	✓
2009	Statutory Pay-As-You-Go Act	✓
2011	Budget Control Act (Cutting \$2.1 Trillion)	✓
2023	Fiscal Responsibility Act	✓

Source: Compiled by the Committee For a Responsible Federal Budget.

A blue-tinted photograph of the Brookings Institution building, a large, classical-style stone structure with a prominent arched entrance and multiple windows. The building is partially obscured by trees and shrubs in the foreground.

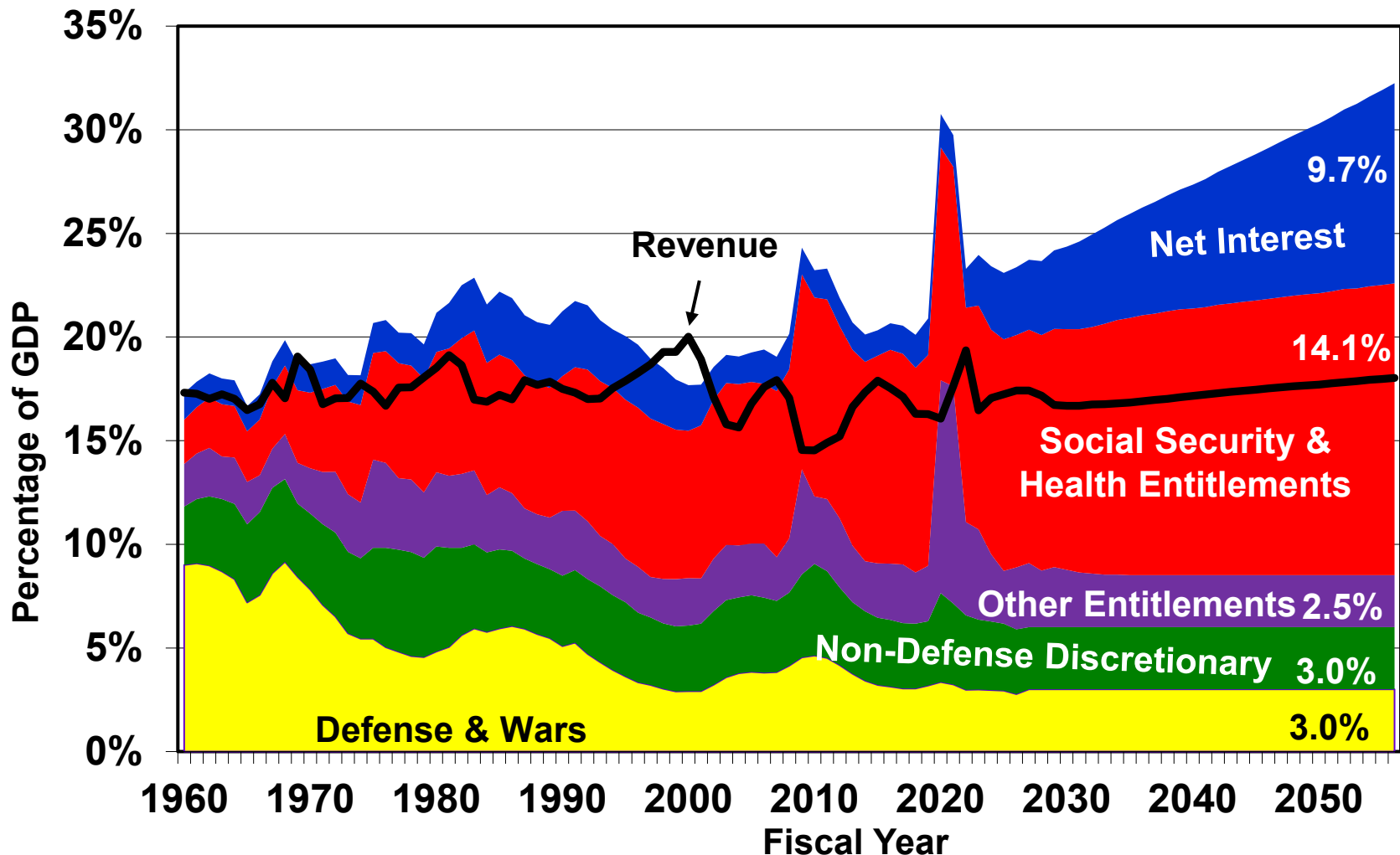
BROOKINGS

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The 30-Year Debt Estimates are Driven by Social Security and Medicare Shortfalls

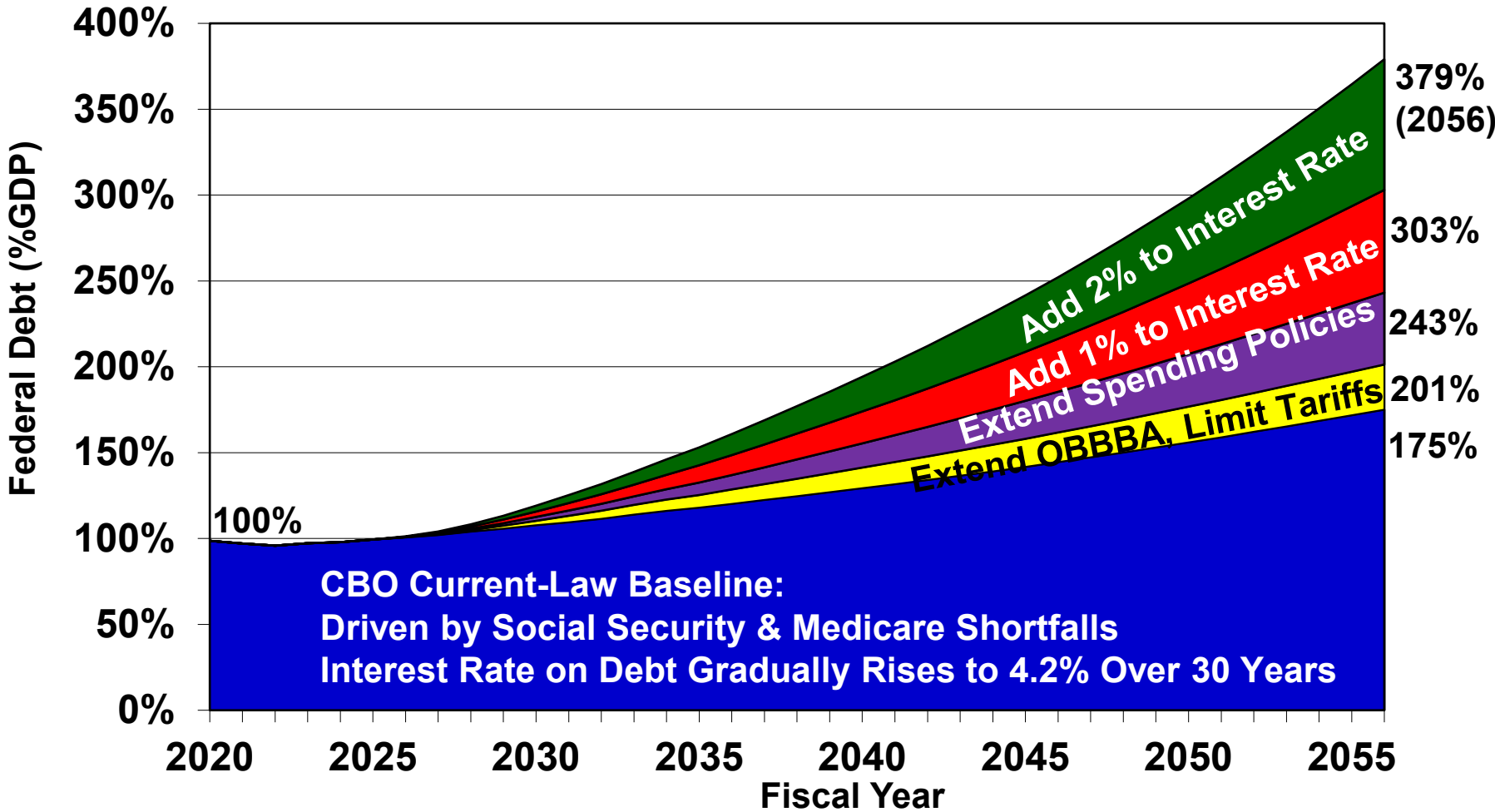
Chapter 5

Federal Budget, 1960–2056 (Projected)



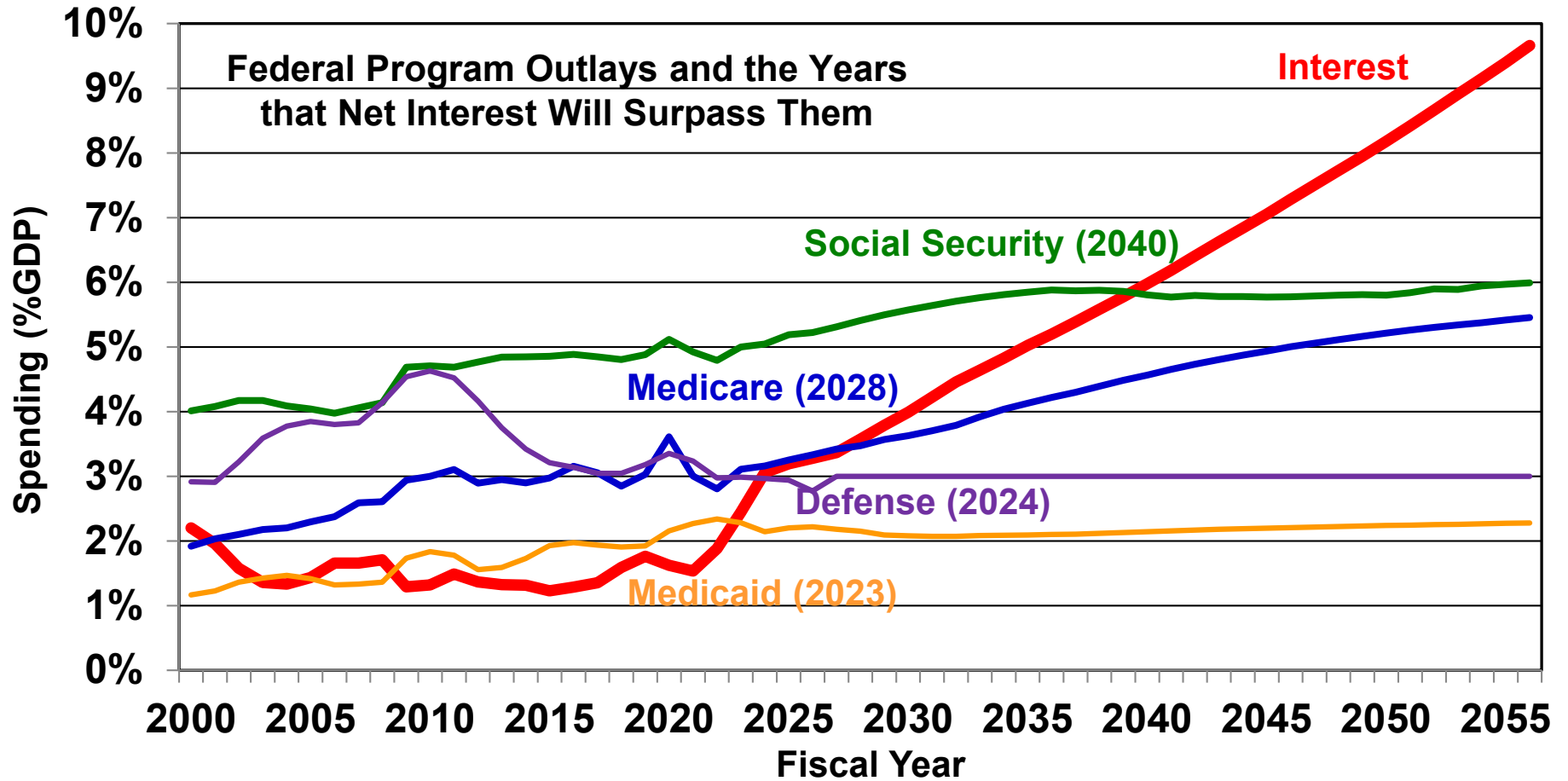
Source: CBO February 2026 baseline (adjusted to extend current tax and spending policies) and OMB Historical Tables.

Debt in 30 Years Projects to Between 175% and 379% of GDP, Depending on the Baseline Assumptions



Source: Calculations based on CBO February 2026 baseline
 Spending extensions would cancel long-term reductions to discretionary spending and smaller mandatory programs.

Net Interest is Projected to Become the Largest Federal Expenditure by 2040

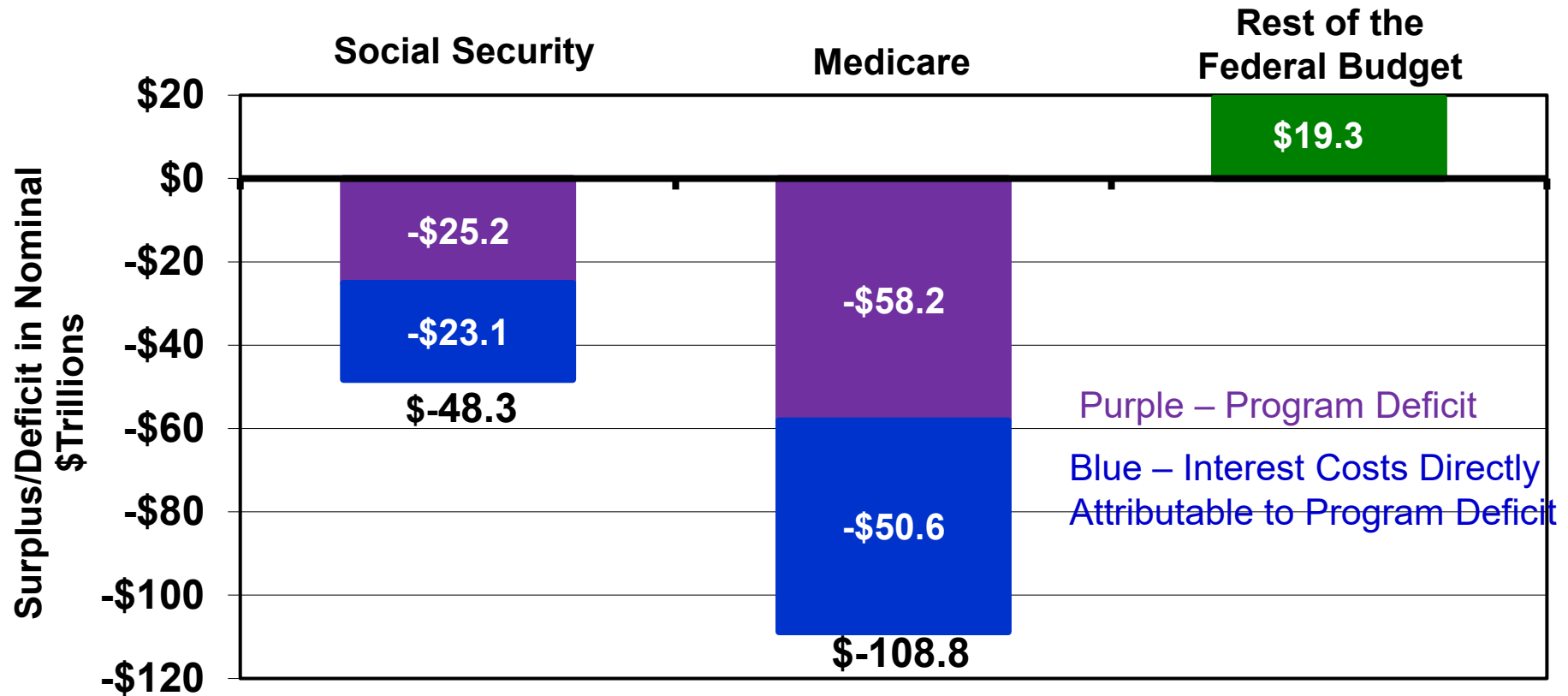


Source: CBO 10- and 30-year baselines adjusted for current-policy tax cut and spending extensions as well as Trump tariffs ending after 2028. These projections accept CBO's rosy assumption that Washington's paid interest rate never exceeds 4.2% through 2056.

CBO's Projected Deficit: \$138 Trillion over 2026–2056

Social Security & Medicare: \$157 Trillion Deficit

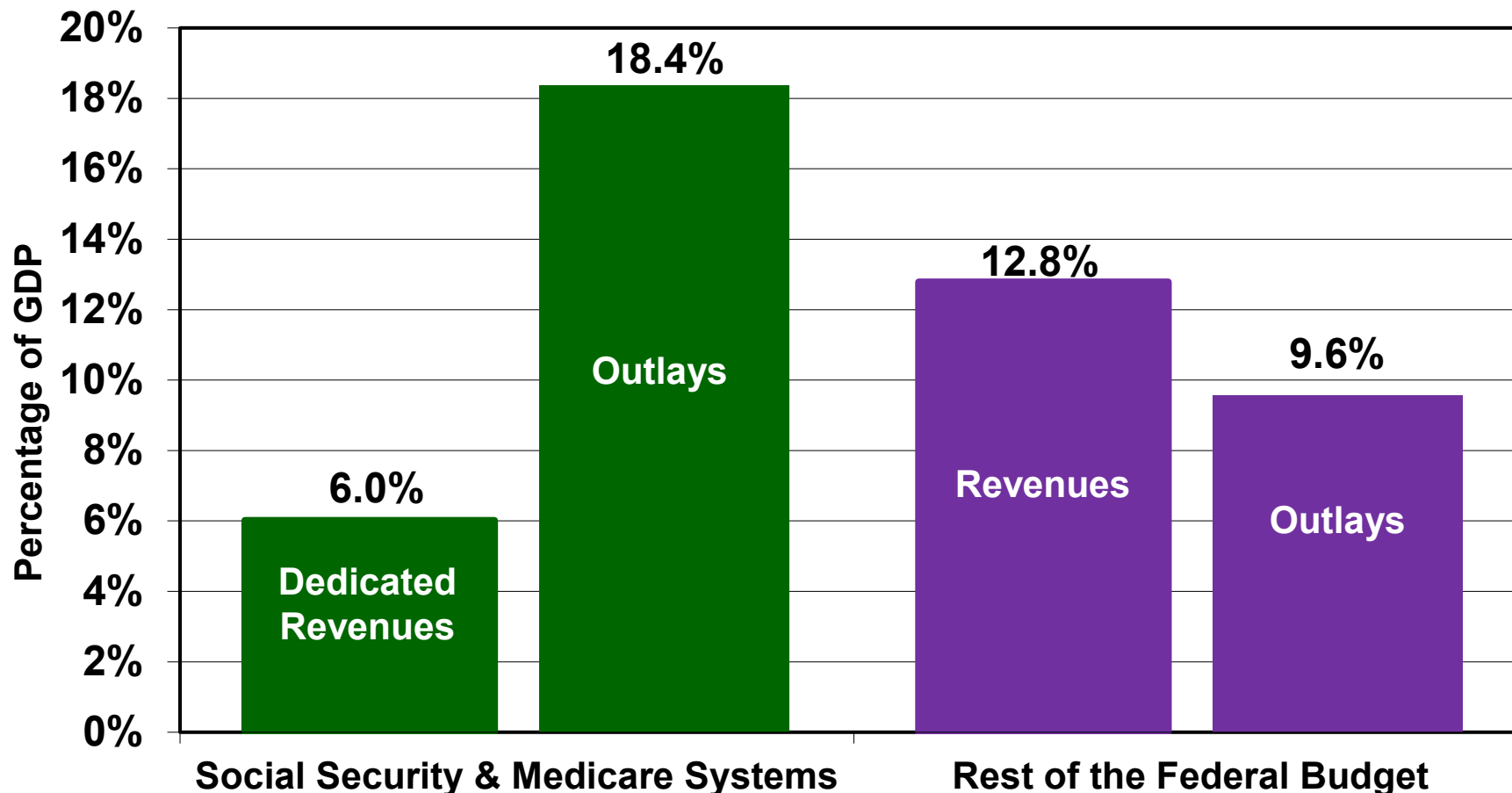
The Rest of the Budget: \$19 Trillion Surplus



Source of \$138 Trillion Budget Deficit Projected over 2026–2056 Period (\$Nominal)

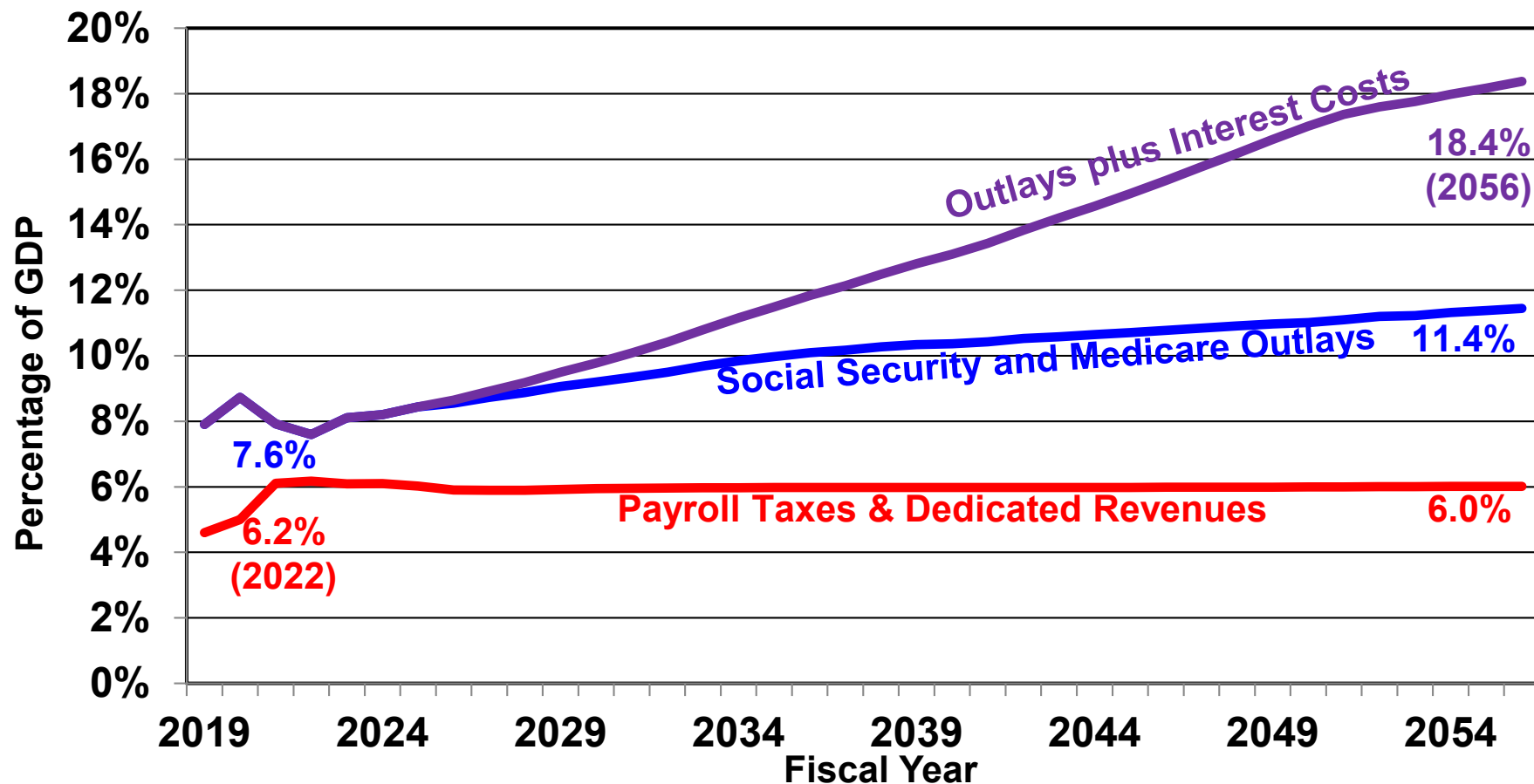
Note: Social Security & Medicare deficits are the benefits that must be paid from general revenues because payroll taxes, premiums, and other non-interest trust fund revenues are insufficient. CBO assumes full benefits will continue even after trust fund insolvency. Source: Calculations from CBO February 2026 baseline. To inflation adjust, trim amounts by one-third.

CBO's Projected 2056 Budget Deficits are Entirely Driven by Social Security & Medicare Shortfalls



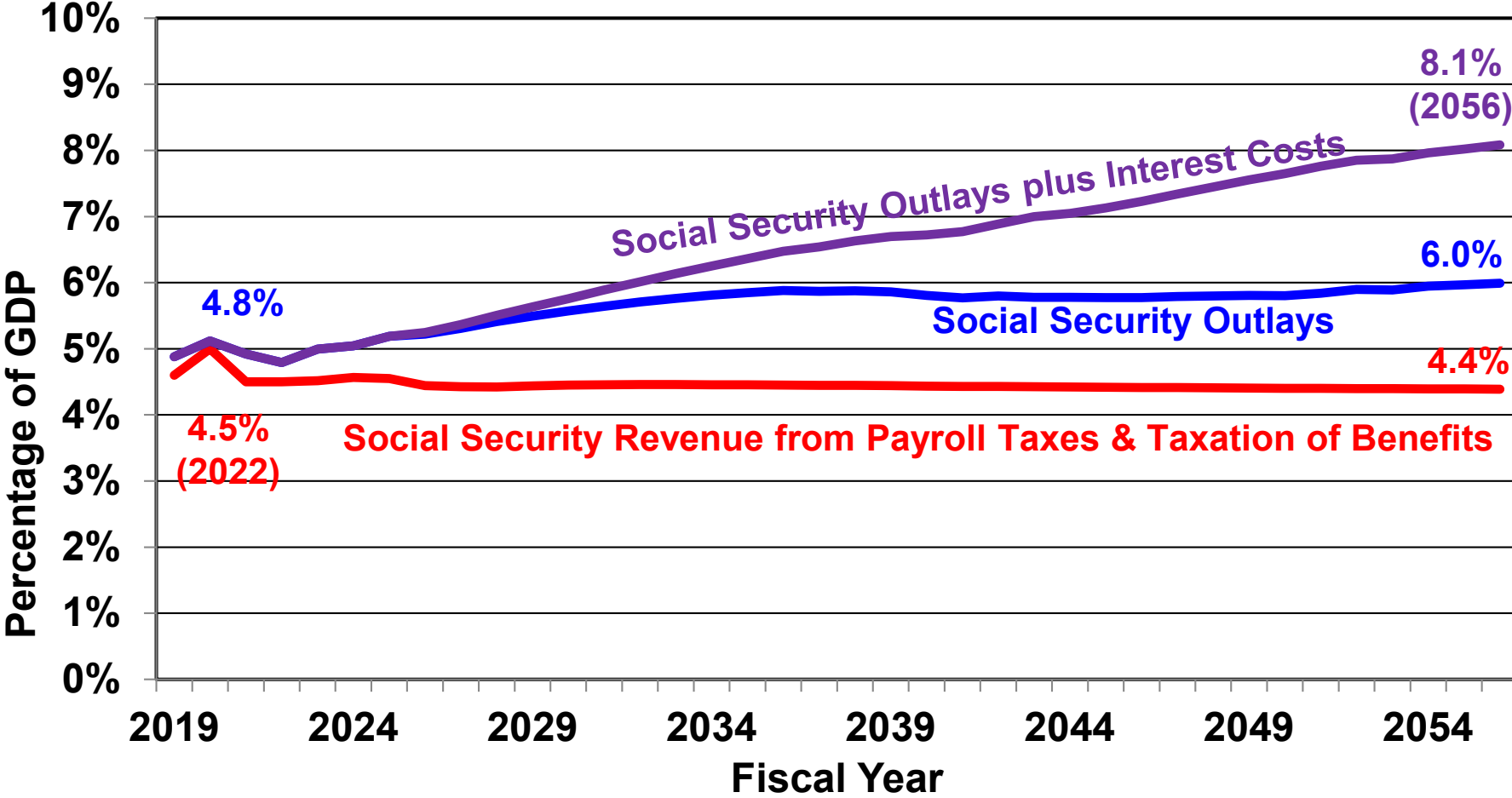
Note: 2056 is the final year of the latest CBO 30-year budget projection. Each outlay category includes portion of national debt interest attributed to its 2026-2056 deficits. Source: CBO 2026 Long-Term Budget Outlook.

Social Security and Medicare's Cash Shortfalls Will Soar to 5.4% of GDP Plus 7.0% in Interest Costs



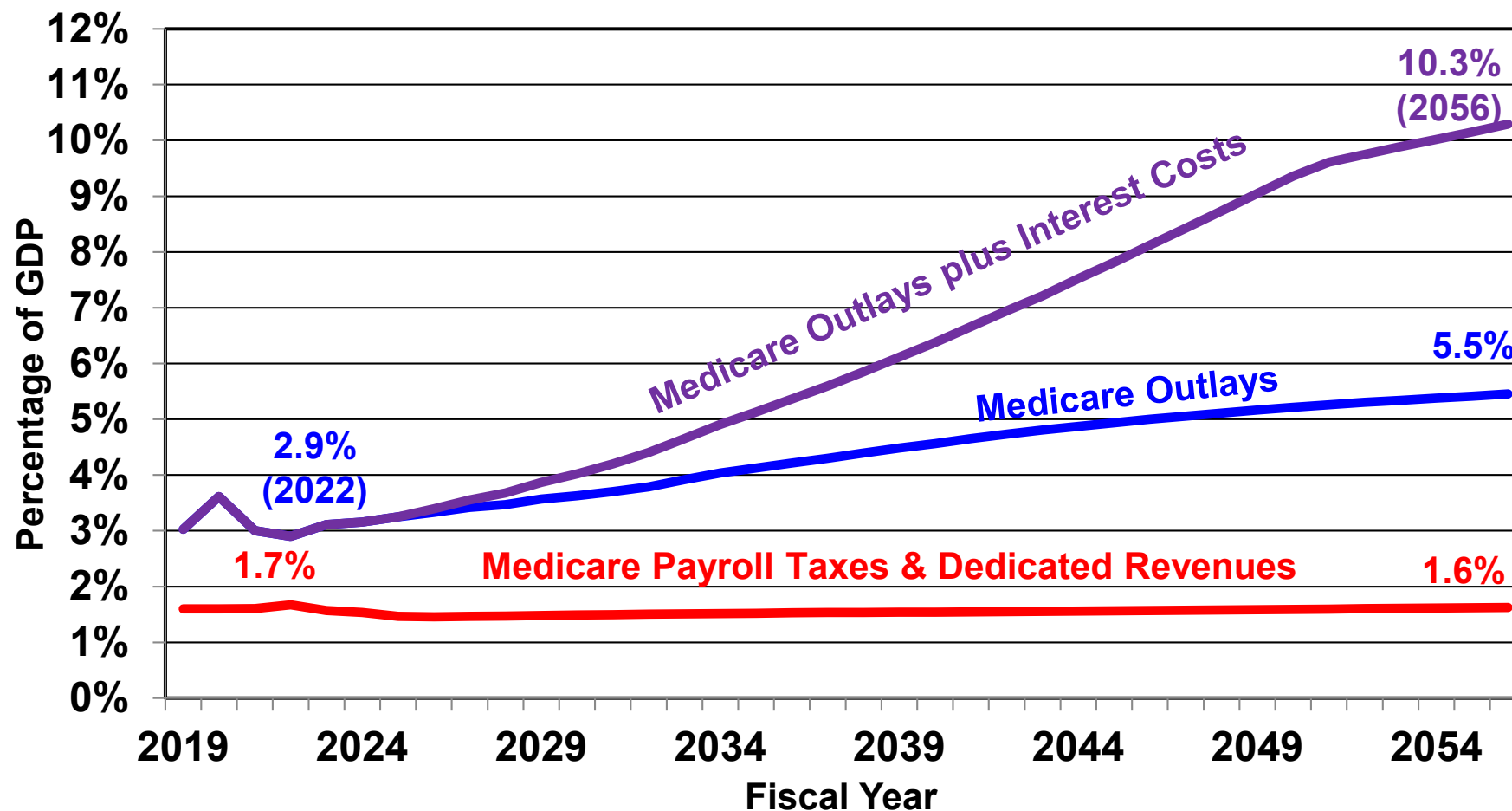
Source: Calculated using CBO February 2026 baseline. Outlays are net of Medicare premiums paid. Interest costs are those directly attributable to Social Security and Medicare's annual deficits over this period.

Social Security's Cash Shortfalls are Driven by Rising Spending and Resulting Interest Costs



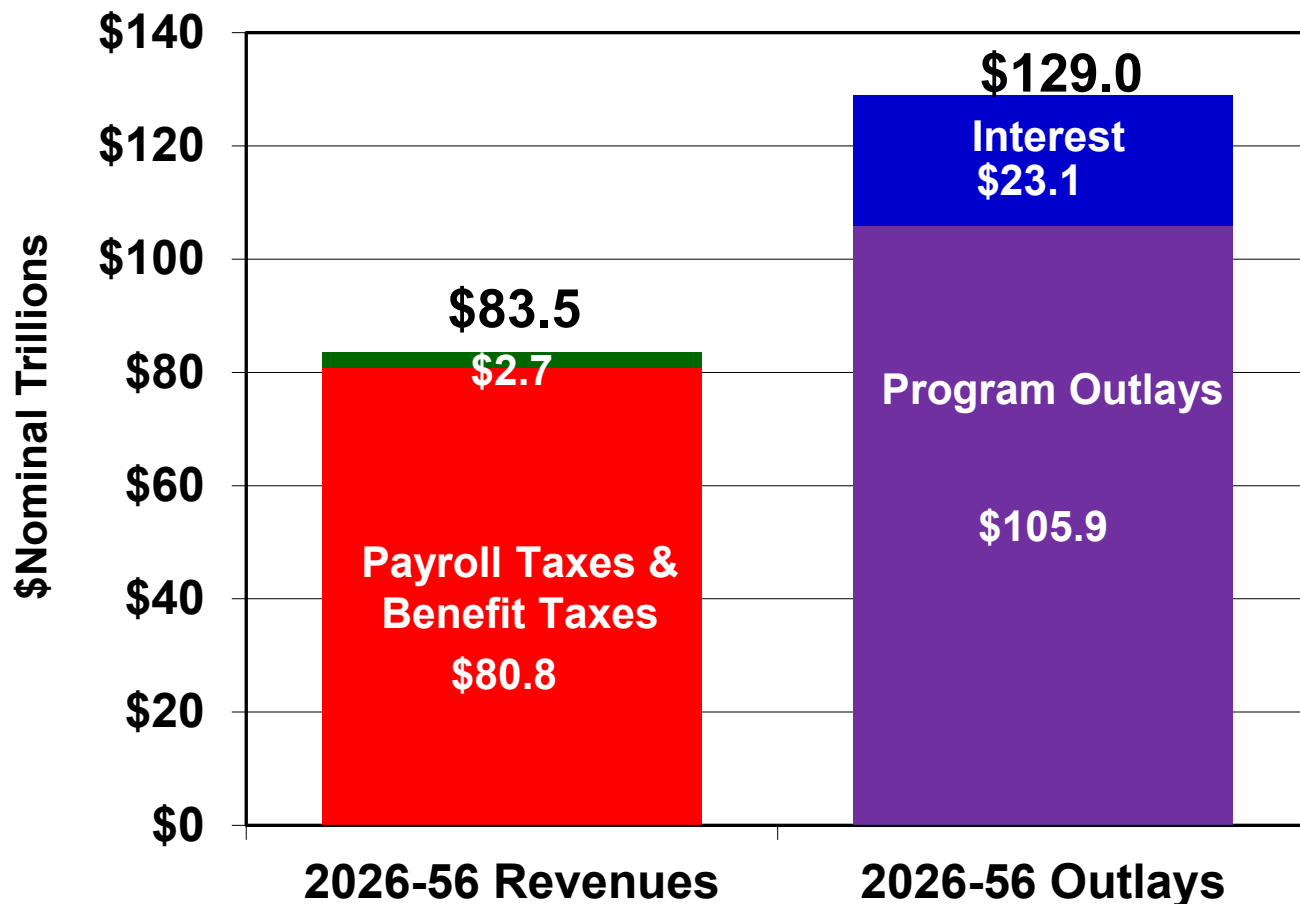
Source: Calculated using CBO February 2026 baseline. Revenues do not include trust fund interest transfers. Interest costs are those directly attributable to Social Security's annual deficits over this period.

Medicare's Cash Shortfalls are Driven by Soaring Benefit Costs and Resulting Interest Costs



Source: Calculated using CBO February 2026 baseline. Outlays are net of premiums paid. Interest costs are those directly attributable to Medicare's annual deficits over this period.

Social Security Faces a \$48 Trillion Shortfall over 30 Years—\$46 Trillion if Subtracting the Trust Fund



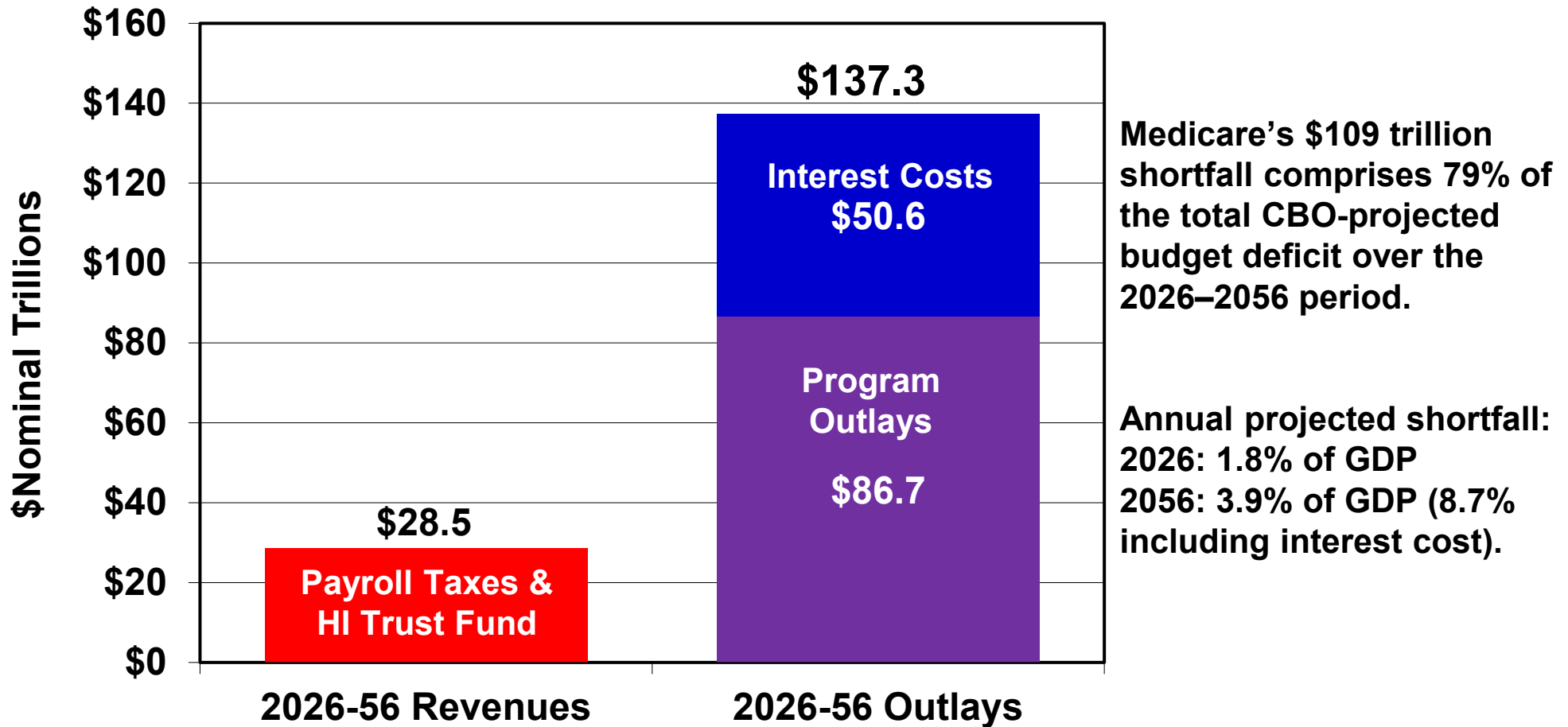
Green = Transfers from redeeming the Social Security Trust Fund.

The Trust Fund contains no economic resources and must be redeemed by new taxes and borrowing.

In other words, it does not save future taxpayers a dime or reduce the true shortfall.

Source: Calculated using the CBO February 2026 baseline.
Interest costs reflect those directly attributable to 2026-2056 Social Security shortfalls.

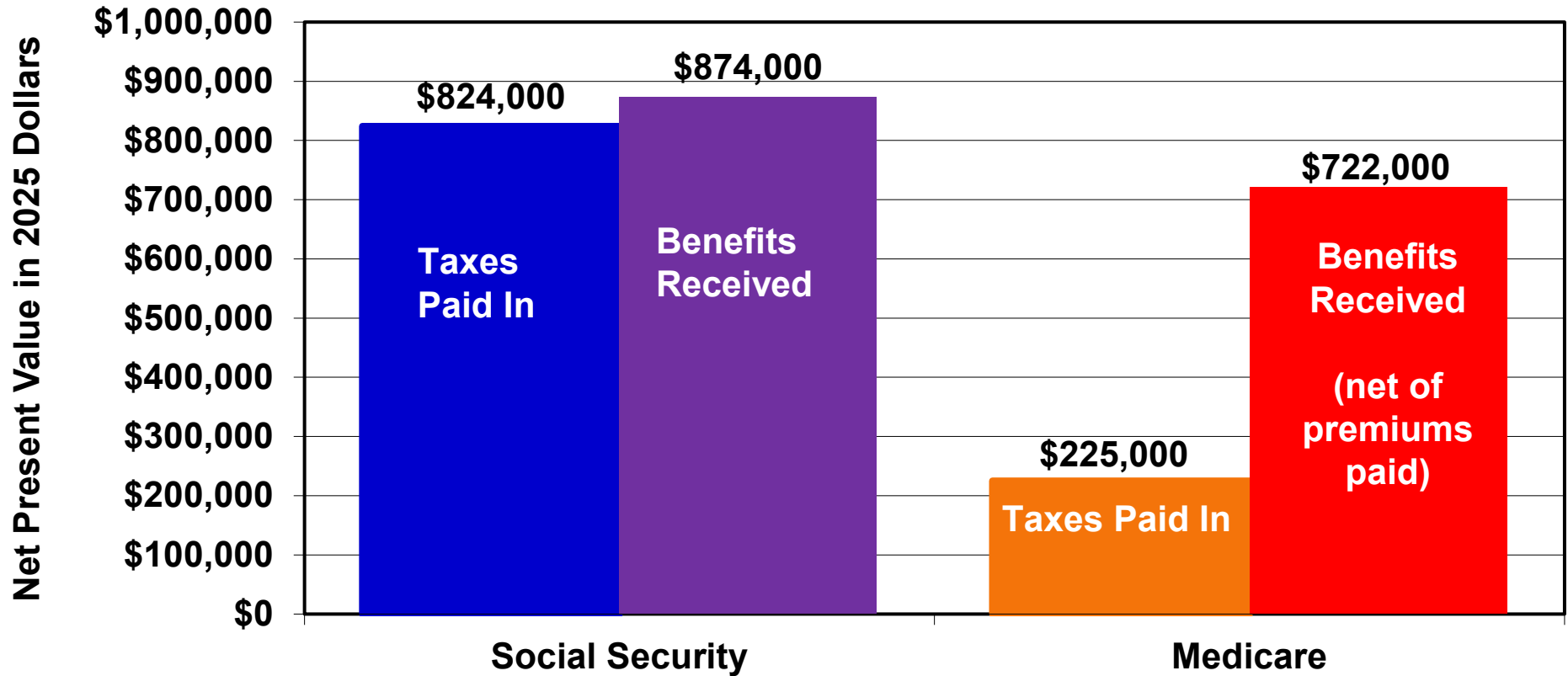
Medicare Faces a \$109 Trillion Cash Shortfall over the Next 30 Years



Source: Calculated using the CBO February 2026 baseline. Benefits are net of senior premiums. Interest costs reflect those directly attributable to 2026-2056 Medicare shortfalls.

The Typical Retiring Couple will Receive \$3 in Medicare Benefits for Every \$1 Paid into the System—and Come Out Ahead in Social Security

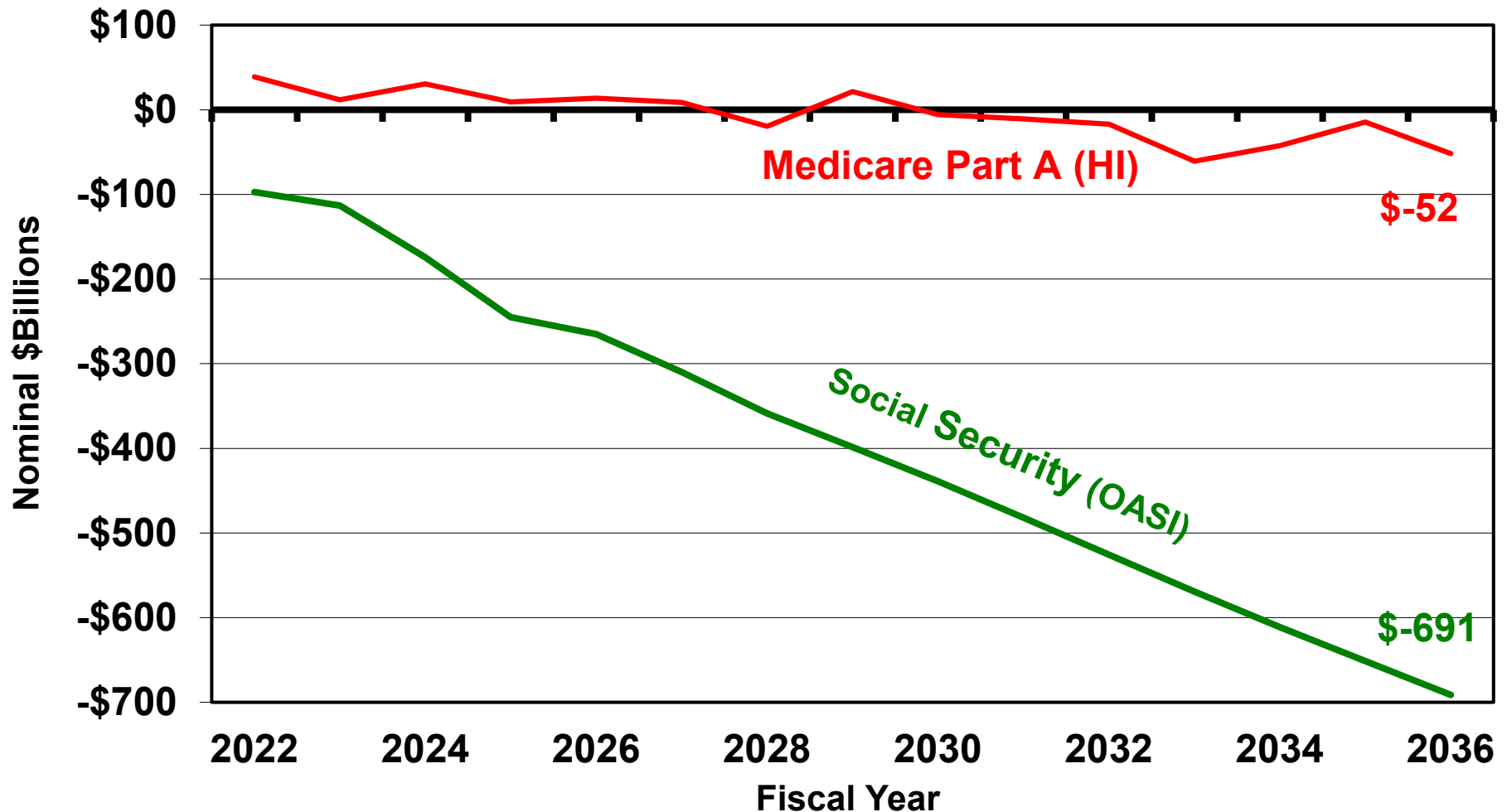
****Data is presented in net present value****



Represents typical, average-income married couple turning 65 in 2025

Source: C. Eugene Steuerle, Karen E. Smith, "Social Security & Medicare Lifetime Benefits & Taxes: 2025," Urban Institute, Table 15.

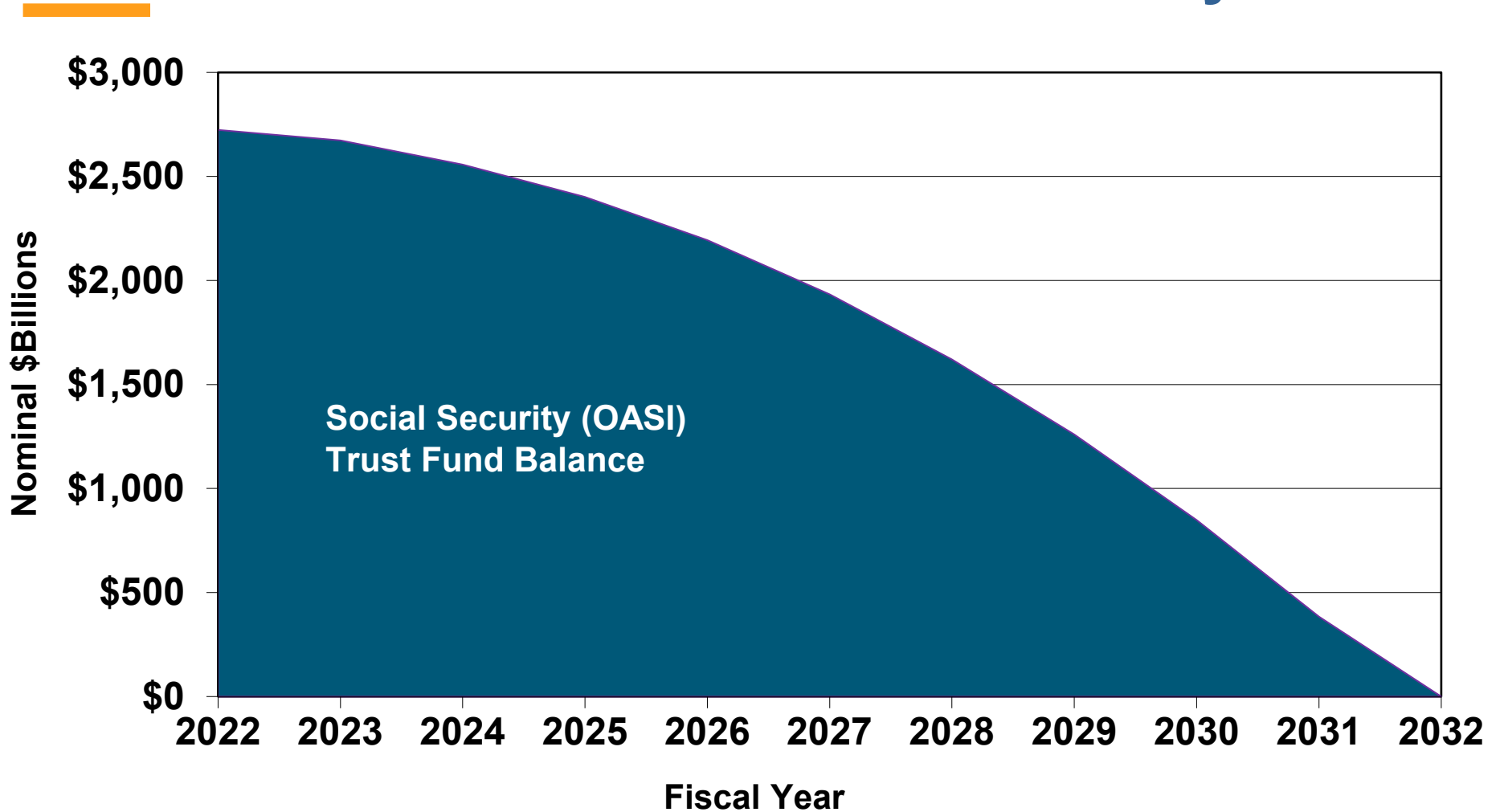
Social Security's Deficits Will Steeply Increase, While Medicare also Faces Deficits



Excludes general revenue transfers into the programs, such as interest payments.

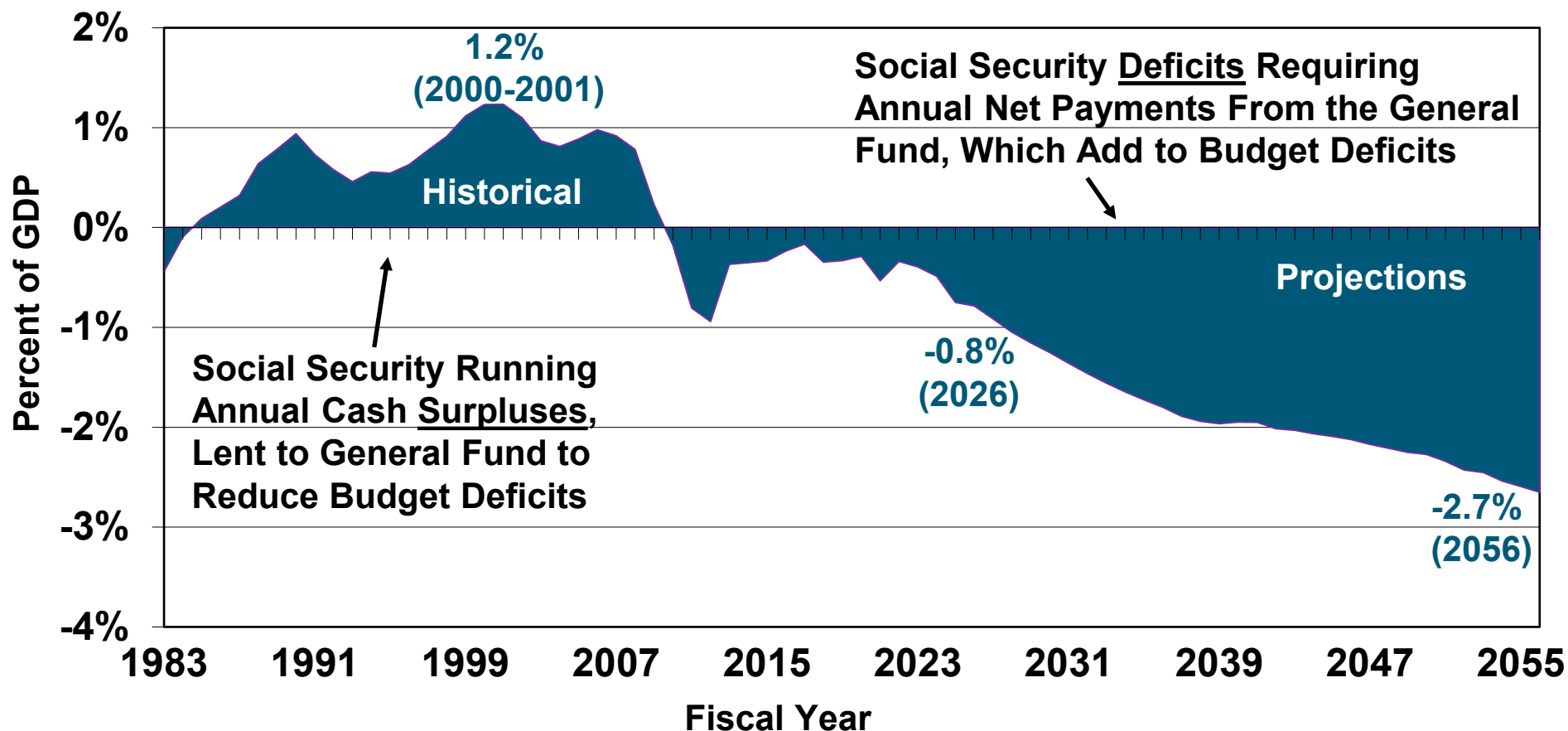
Source: February 2026 CBO baseline supplemental trust fund tables.

The Social Security Trust Fund is Just 6 Years From Insolvency



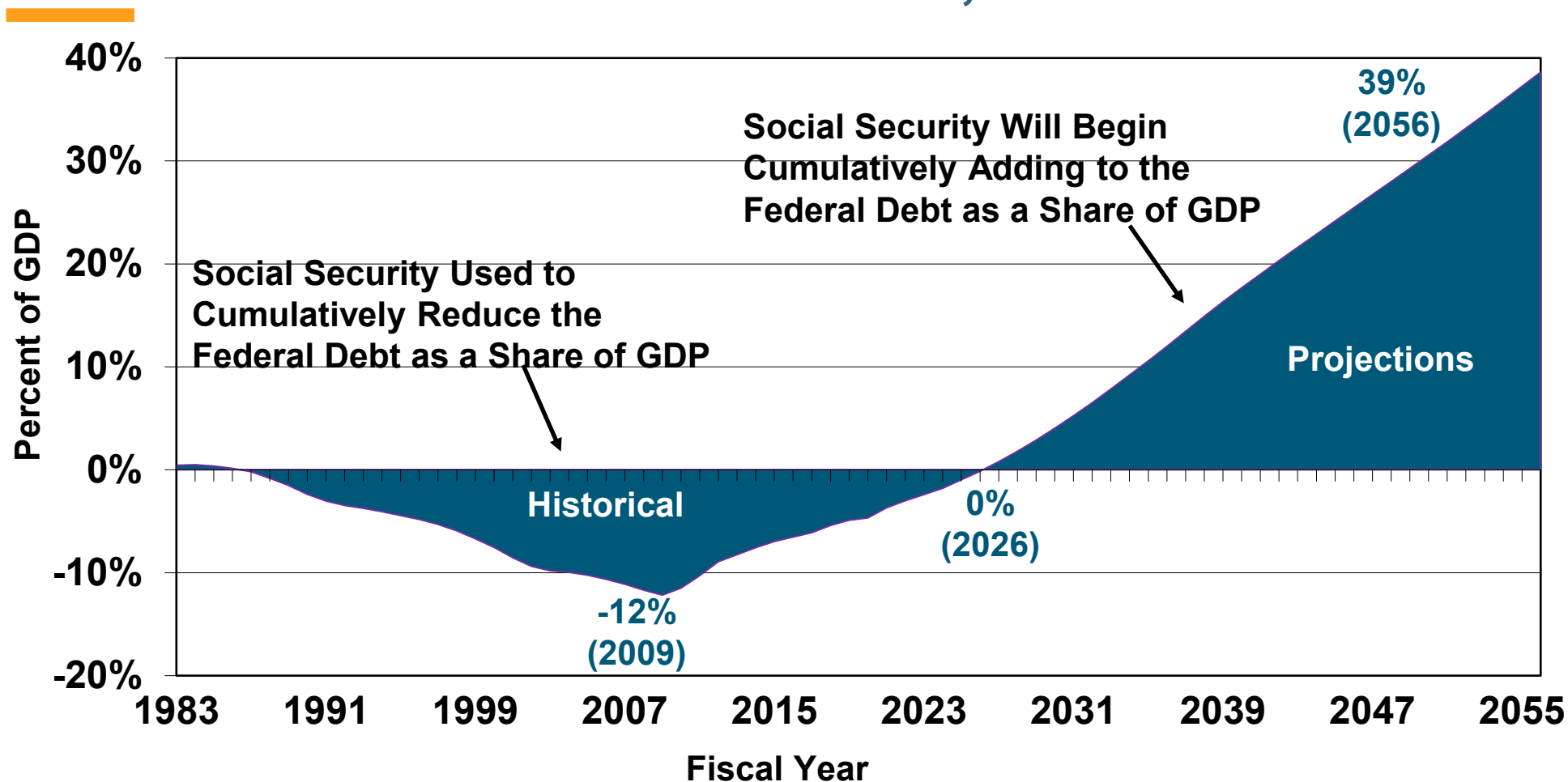
Source: February 2026 CBO baseline supplemental trust fund tables.

Social Security's Annual Effect on Federal Budget Surpluses & Deficits, 1983-2056



Source: CBO and SSA. Figures represent Social Security's effect on the rest of the federal budget through annual cash surpluses lent to Treasury, as well as funding received from the Treasury for trust fund interest payments, trust fund redemptions, and general revenue bailouts. Also incorporates these debt effects on federal budget interest costs. Assumes benefits continue after trust fund exhaustion.

Social Security's Cumulative Effect on the National Debt as a Share of GDP, 1983-2056



Source: CBO and SSA. Figures represent Social Security's effect on the rest of the federal budget through annual cash surpluses lent to Treasury, as well as funding received from the Treasury for trust fund interest payments, trust fund redemptions, and general revenue bailouts. Also incorporates these debt effects on federal budget interest costs. Assumes benefits continue after trust fund exhaustion.

A blue-tinted photograph of the Brookings Institution building, a large, classical-style stone structure with a prominent arched entrance and several windows. The building is surrounded by trees and a courtyard area.

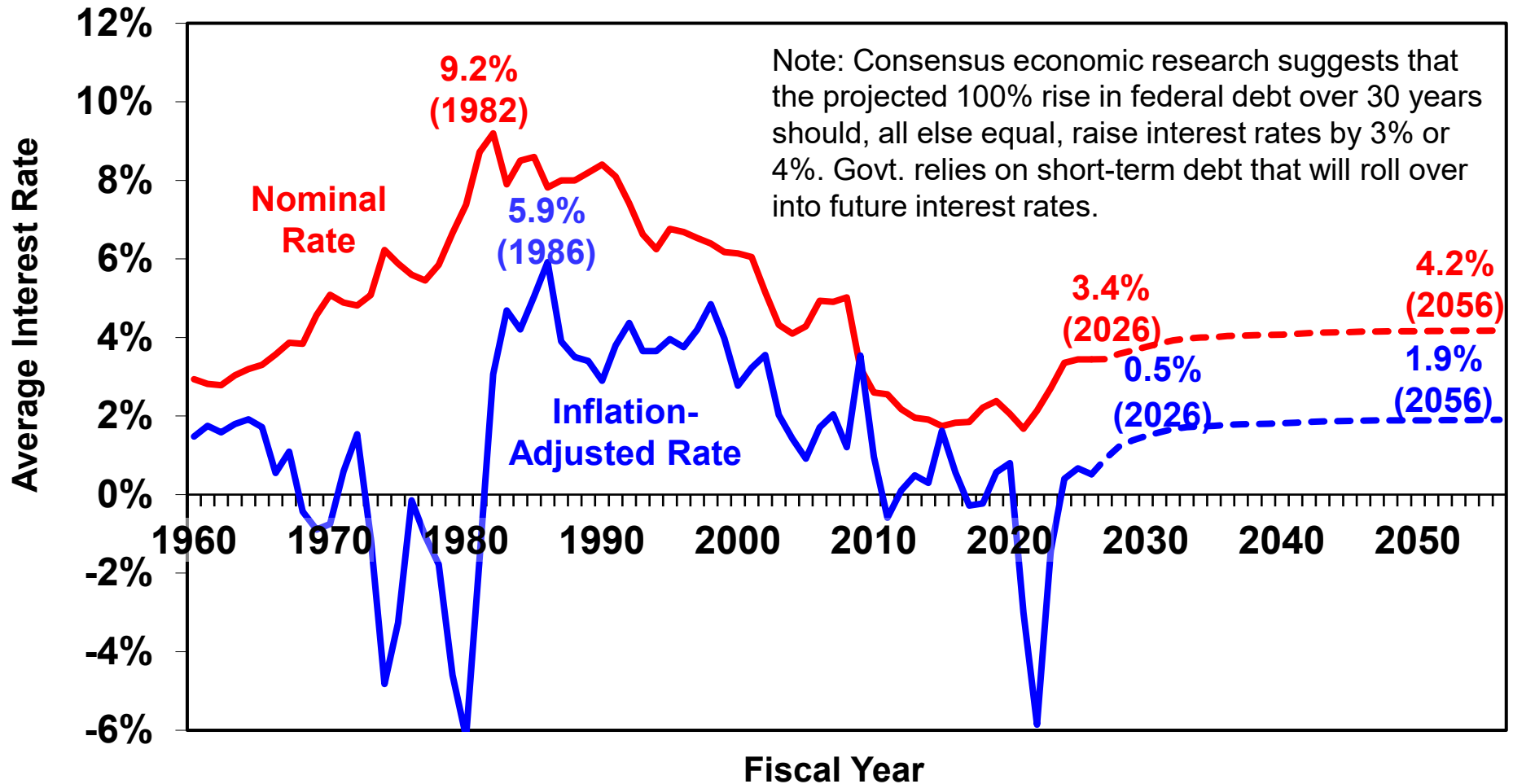
BROOKINGS

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What Happens to the Debt if Interest Rates Rise?

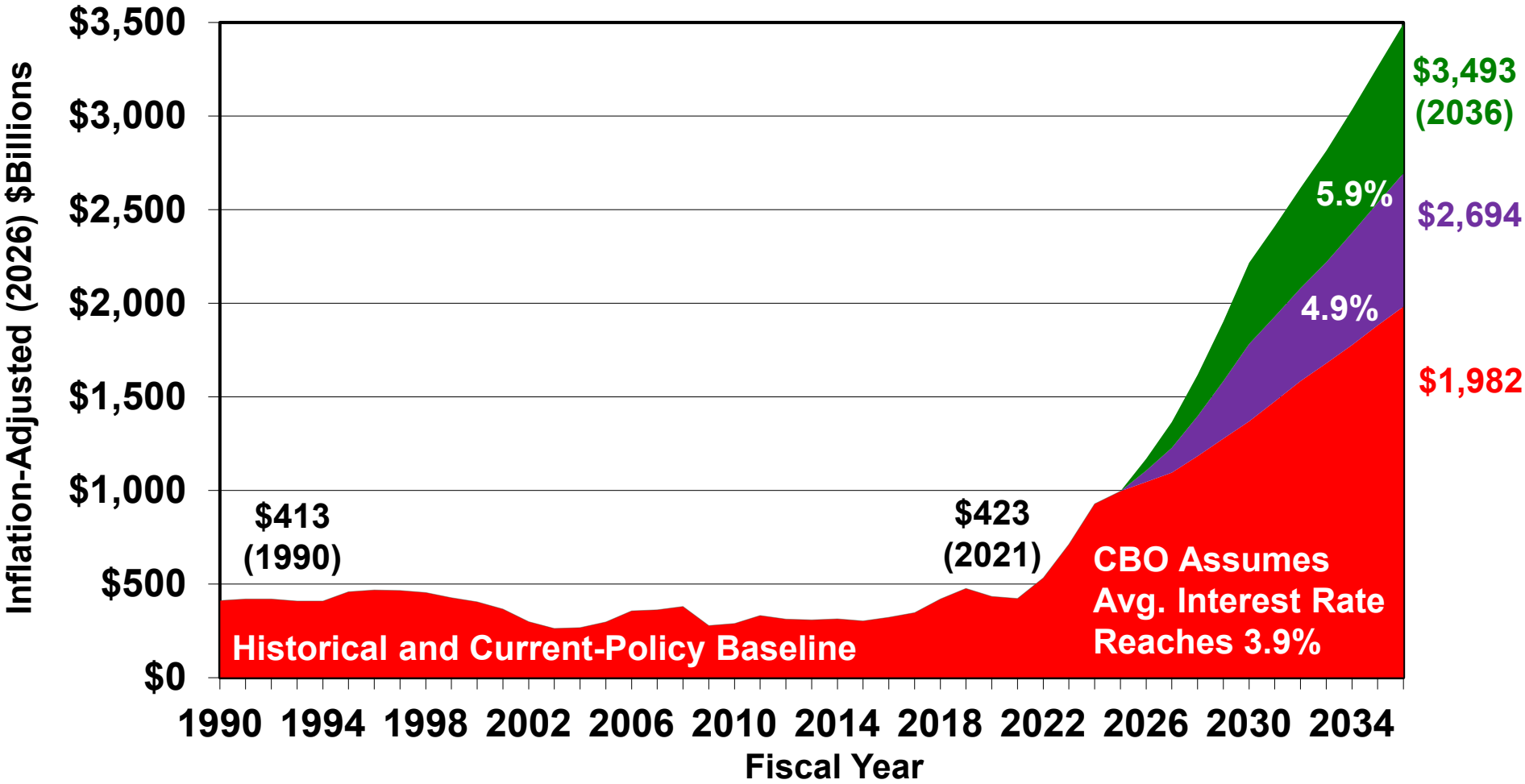
Chapter 6

Average Interest Rate Paid on U.S. Federal Debt— Historical And CBO Projections



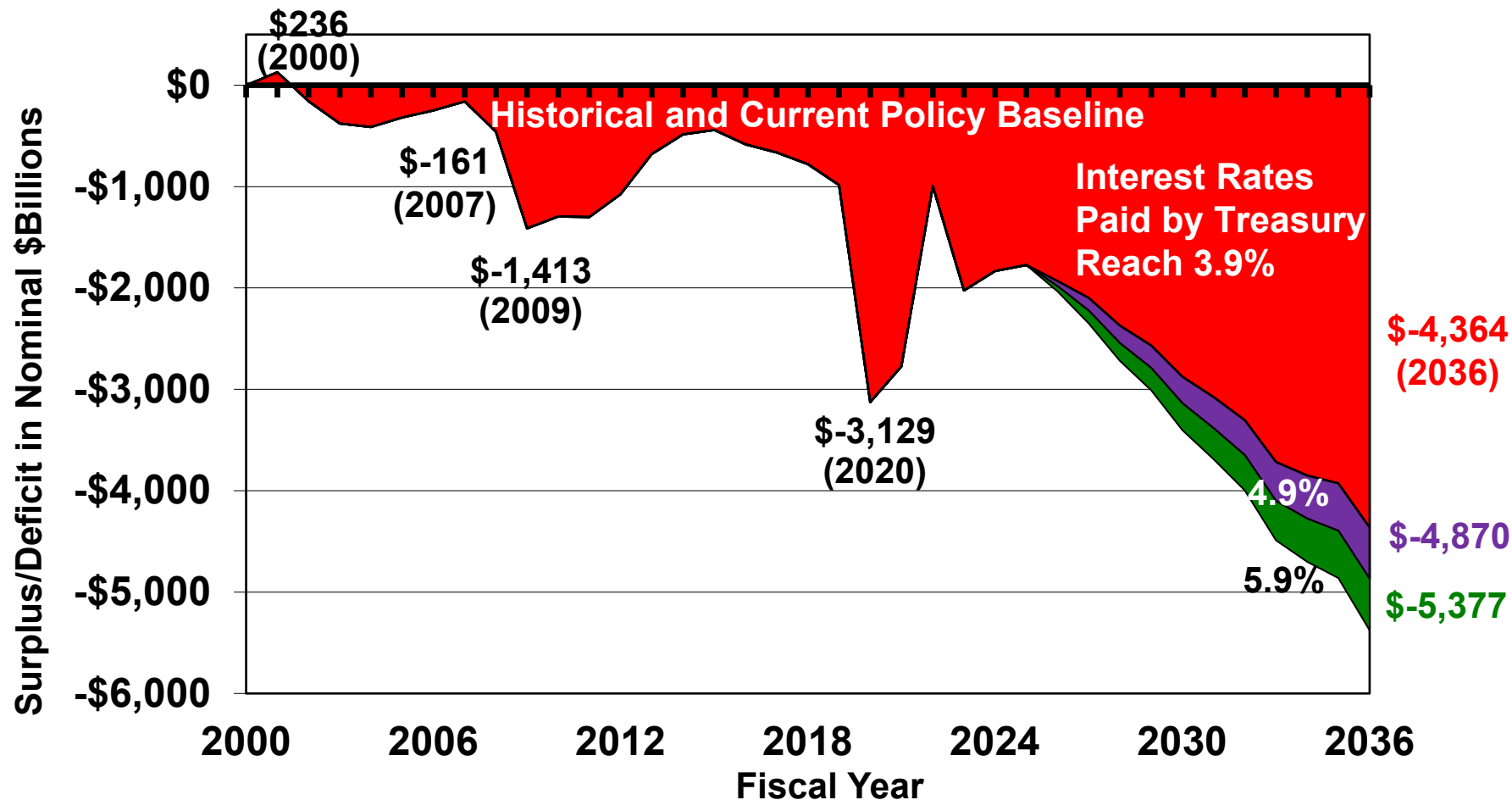
Source: 1987 through 2056 (projected) data provided by CBO. Earlier figures estimated using Treasury, OMB, and Federal Reserve data.

Federal Interest Costs are Set to Spike—Especially if Interest Rates Exceed 3.9% Projection



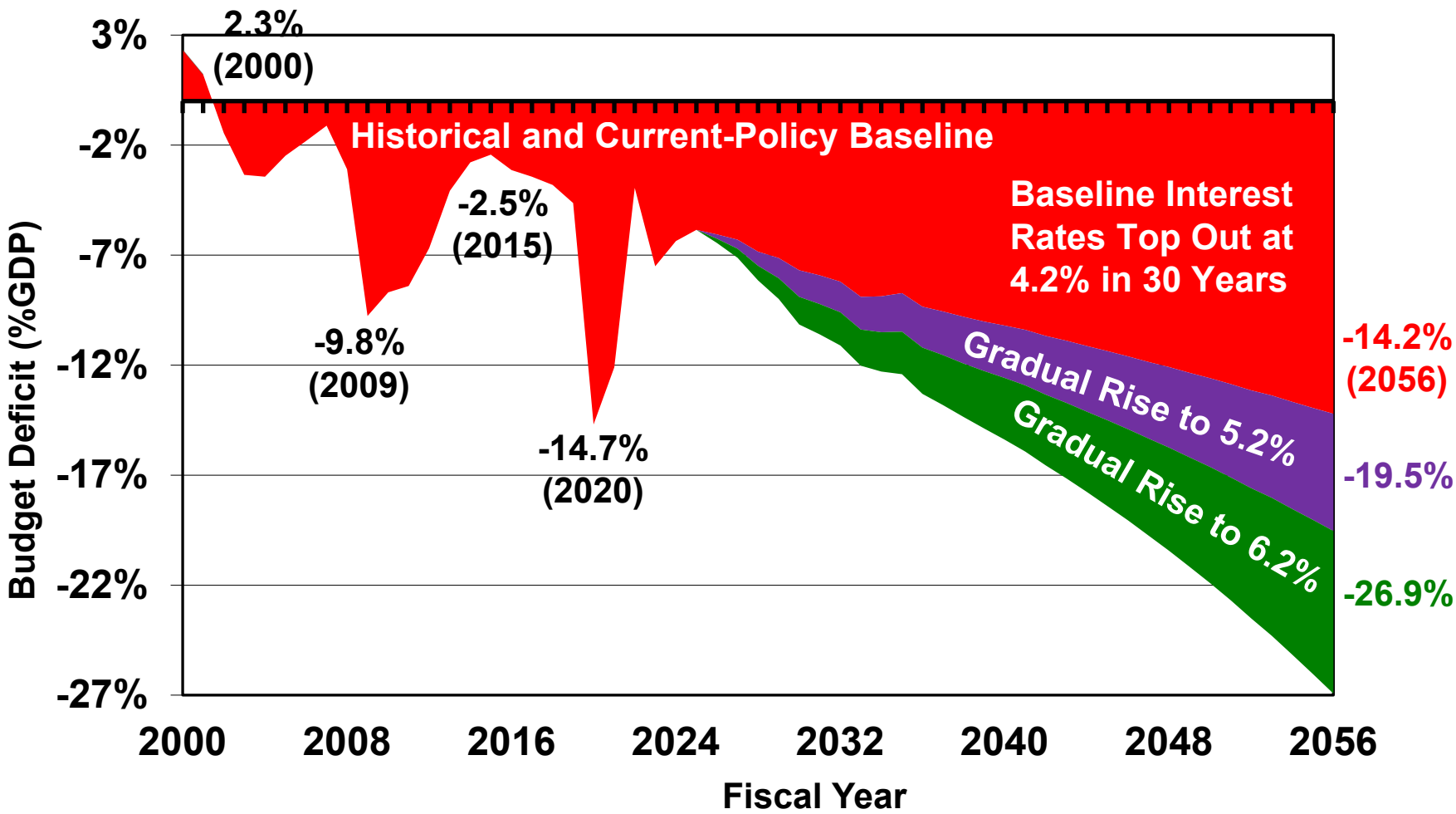
Source: OMB Historical Table 3.2 and February 2026 CBO baseline, adjusted for current-policy extensions and Trump tariffs ending after 2028.. Inflation-adjusted into 2026 dollars. Cost of higher interest rates provided by OMB Analytical Perspectives book's sensitivity tables.

Budget Deficits are Extraordinarily Sensitive to Interest Rates and Interest Costs



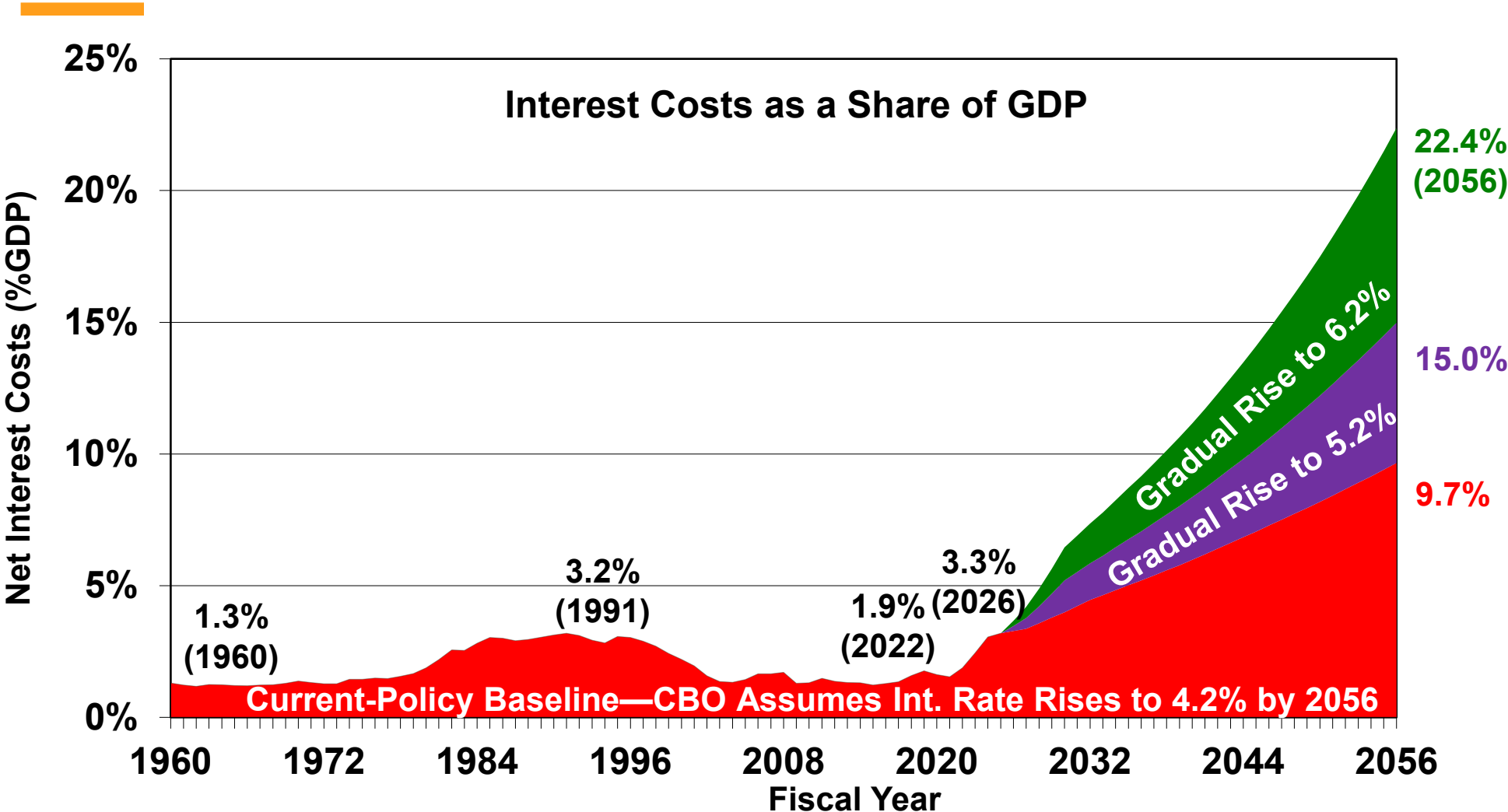
Source: OMB Historical Table 3.2 and February 2026 CBO baseline, adjusted for current-policy extensions and Trump tariffs ending after 2028. Cost of higher interest rates provided by OMB Analytical Perspectives book's sensitivity tables.

Budget Deficits Under Various Interest Rate Scenarios



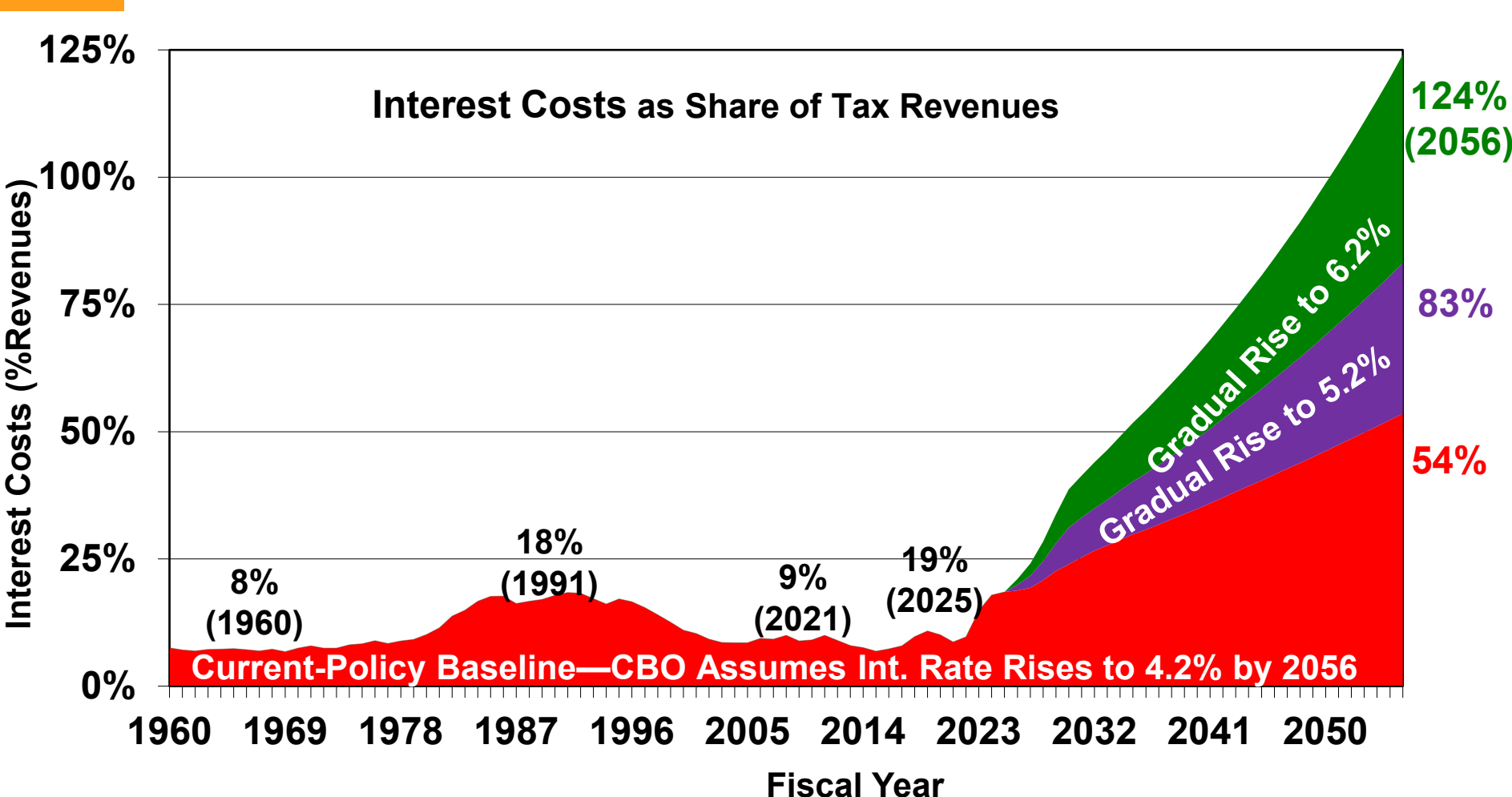
Source: Calculations using the February 2026 CBO long-term baseline. Most economists agree that a steeply rising debt will raise interest rates.

Federal Interest Costs Under Various Interest Rate Scenarios



Source: Calculations using the February 2026 CBO long-term baseline. Most economists agree that a steeply rising debt will raise interest rates.

Interests Costs are Projected to Eventually Consume More than Half of All Tax Revenues



Source: Calculations using CBO 10- and 30-year baselines, adjusted for current-policy tax cut and spending extensions and Trump tariffs ending after 2028.

A blue-tinted photograph of the Brookings Institution building, a large, classical-style stone structure with a prominent arched entrance and several windows. The building is surrounded by trees and a courtyard area.

BROOKINGS

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Can't We Just Raise Taxes and Cut Defense, Instead?

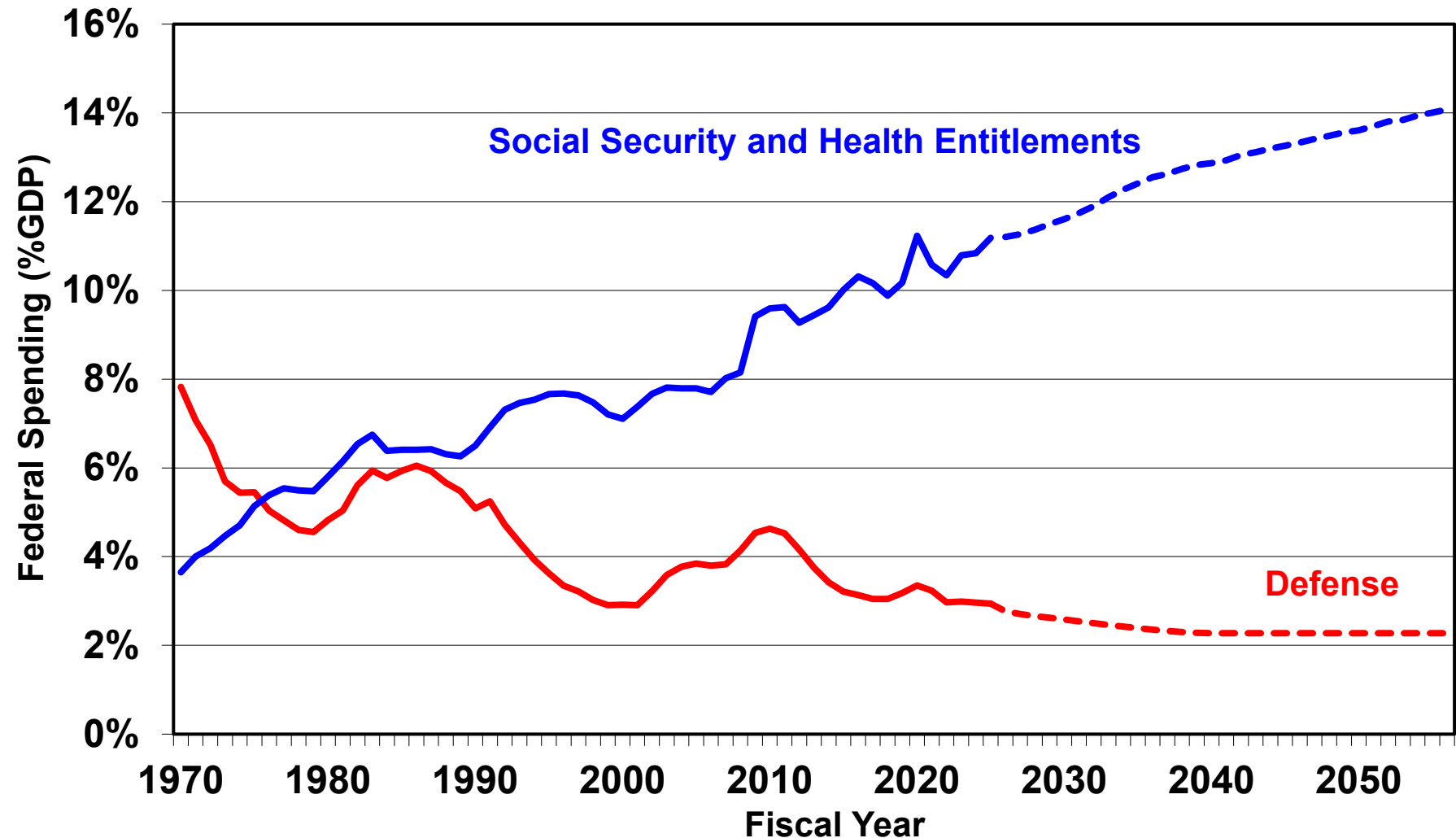
Chapter 7

Stabilizing the Debt is Not Easy: Requires Non-Interest Savings of 5% of GDP by 2040s

Tax Proposals (static scoring)	10-Yr Savings (\$Billions)	Long-Term Savings (%GDP)
Raise Payroll Tax by 10 Percentage Points, no wage limit	\$14,450	3.74%
Raise Income Tax Rates Across-the-Board by 10 Percentage Points	\$13,366	3.47%
Impose a 20% Value-Added Tax (VAT) – like a national sales tax	\$9,833	2.80%
50% Income Tax Rate Over \$200k (single) \$400k (married)	\$6,112	1.57%
Repeal All Itemized Tax Deductions	\$3,860	1.08%
Eliminate FICA Cap – 15.3% Payroll Tax on All Wages	\$3,460	0.89%
Impose Bernie Sanders’ 8% Wealth Tax	\$2,966	0.59%
Raise Corporate Tax Rate from 21% to 35%	\$2,142	0.53%
Repeal OBBBA for Families Earning Over \$400,000	\$2,098	0.53%
Limit Employer-Paid Health Tax Exclusion to 50th Percentile Premium	\$1,088	0.43%
Biden Tax Hikes for Multinational Companies	\$1,336	0.34%
Carbon Tax of \$25/Metric Ton – no rebate for households hit	\$1,037	0.29%
Reduce SALT Cap from \$40,000 to \$10,000 (<i>Current policy baseline</i>)	\$1,004	0.27%
Impose Bernie Sanders’ 77% Estate Tax	\$616	0.17%
Tax Capital Gains as Ordinary Income & End Step-Up Basis	\$645	0.16%
Impose a 0.1% Tax on Financial Transactions	\$335	0.11%
Spending Proposals		
Cut Defense Budget to NATO Target of 2% of GDP (<i>Current Policy Baseline</i>)	\$3,974	1.00%

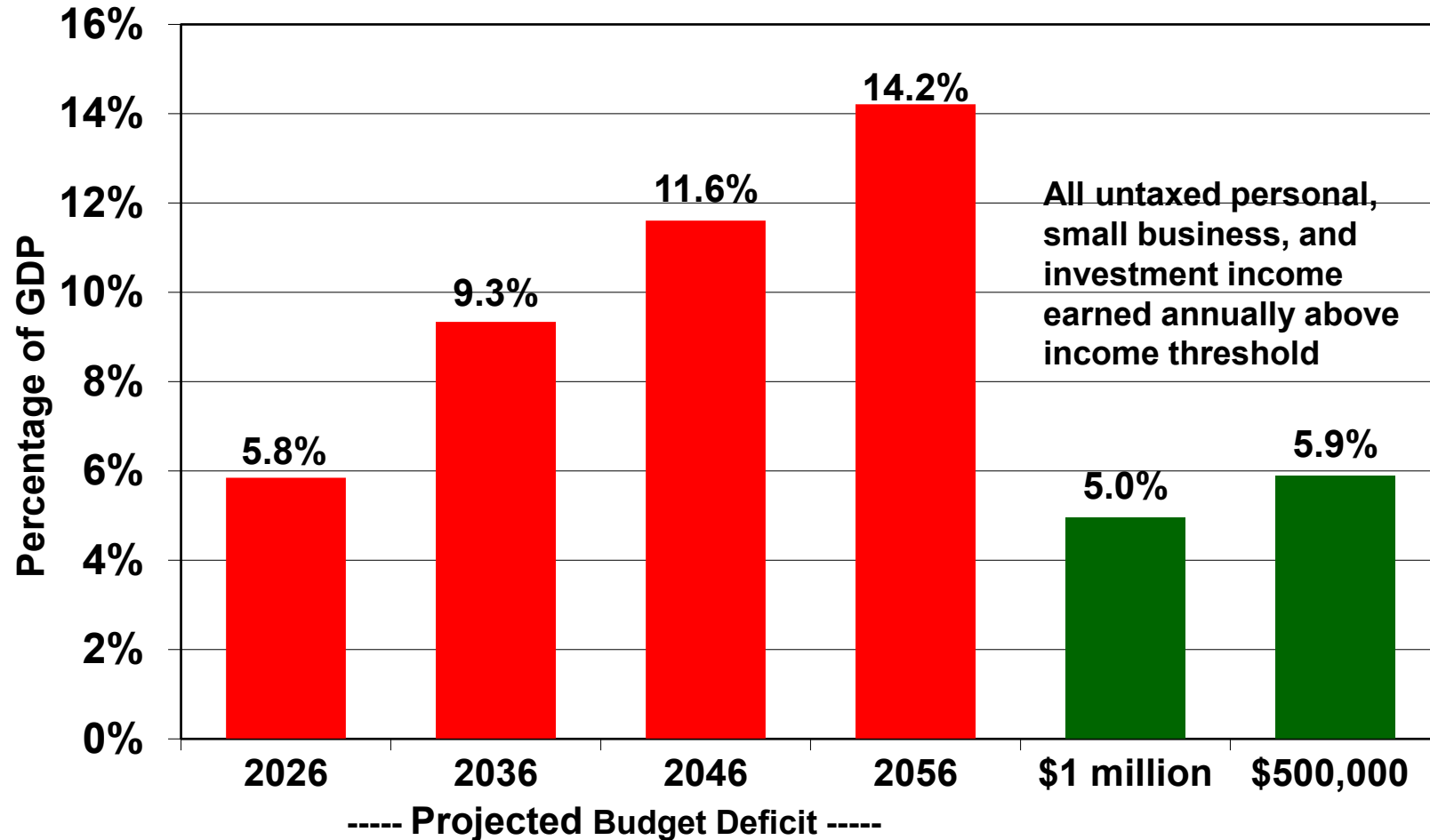
Sources: CBO, OMB, SSA, IRS, Tax Foundation, Committee for a Responsible Federal Budget. These static estimates do not account for revenues lost to the economic impact. Combining policies may also create duplications and interaction effects, so these cannot be summed.

Even Eliminating Defense Spending Would Not Finance Swelling Entitlement Costs



Source: OMB Historical Tables 3.2, and 10.1; and CBO 2026 Long-Term Outlook.

Even 100% Tax Rates on High-Earning Families, Investors, and Small Businesses Could Not Balance the Long-Term Budget



Source: CBO February 2026 Long-Term Budget Outlook adjusted into current-policy baseline, and analysis of IRS 2022 (latest available year) income tables.

Taxing the Rich Could Raise at Most 1% or 2% of GDP, But Maxing Out Also Brings Large Economic Losses

Tax Proposal Set to Revenue-Maximizing Level	2023-2032 (\$Billions)	%GDP
Individual Income Taxes (1.0% of GDP)		
Raise top two income tax brackets by 10%	\$1,661	0.50%
Aggressive tax enforcement	\$1,196	0.36%
Pare back retirement incentive abuses	\$133	0.04%
Cap itemized deductions at 28% rate	\$332	0.10%
Investment Taxes (0.2% of GDP)		
Tax capital gains and dividends at a top rate of 39.6% at incomes over \$1 million, and tax unrealized capital gains at death	\$332	0.10%
Other capital gains loophole closures and tax enforcement	\$332	0.10%
Corporate Taxes (0.8% of GDP)		
Raise corporate tax rate to 28%	\$930	0.28%
Biden international corporate tax hikes	\$1,163	0.35%
Other Biden corporate tax hikes	\$332	0.10%
Various additional corporate savings	\$233	0.07%
Estate Taxes (0.1% of GDP)		
Raise estate taxes to 2009 levels.	\$332	0.10%
Revenue Subtotal	\$6,976	2.10%
Resulting Macroeconomic Losses		0.1% to 1.0%
Net Revenue Increase		1.1% to 2.0%

Source: CBO, OMB, Tax Policy Center, U.S. Treasury. Tax proposals generally limited to corporations and the richest 1% to 2% of households. See Jessica Riedl, "The Limits of Taxing the Rich," Manhattan Institute, September 2023.

A blue-tinted photograph of the Brookings Institution building, a large, classical-style stone structure with a prominent arched entrance and several windows. The building is surrounded by trees and a courtyard area.

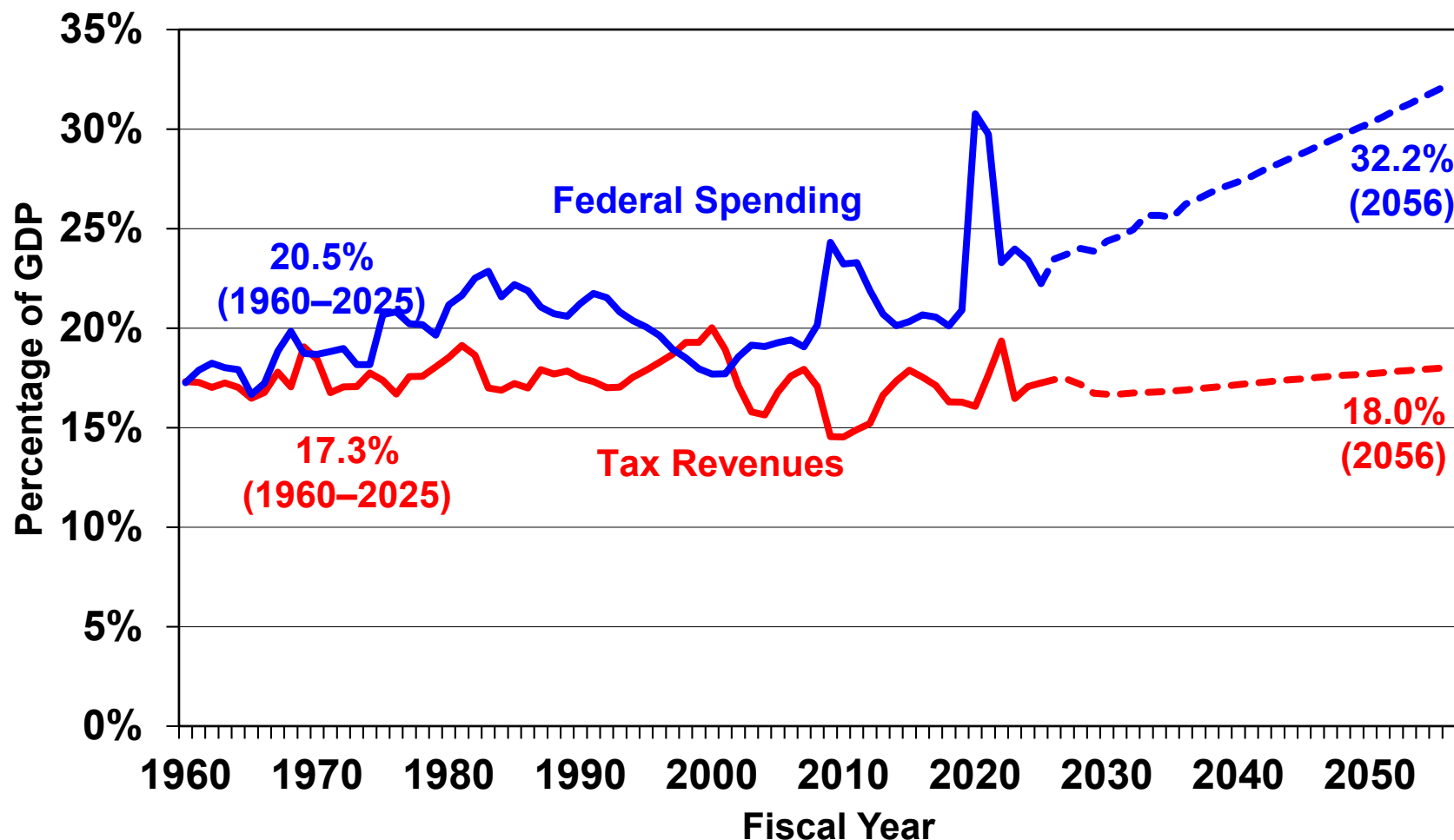
BROOKINGS

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Tax Revenues are Projected to Remain Around Typical Levels

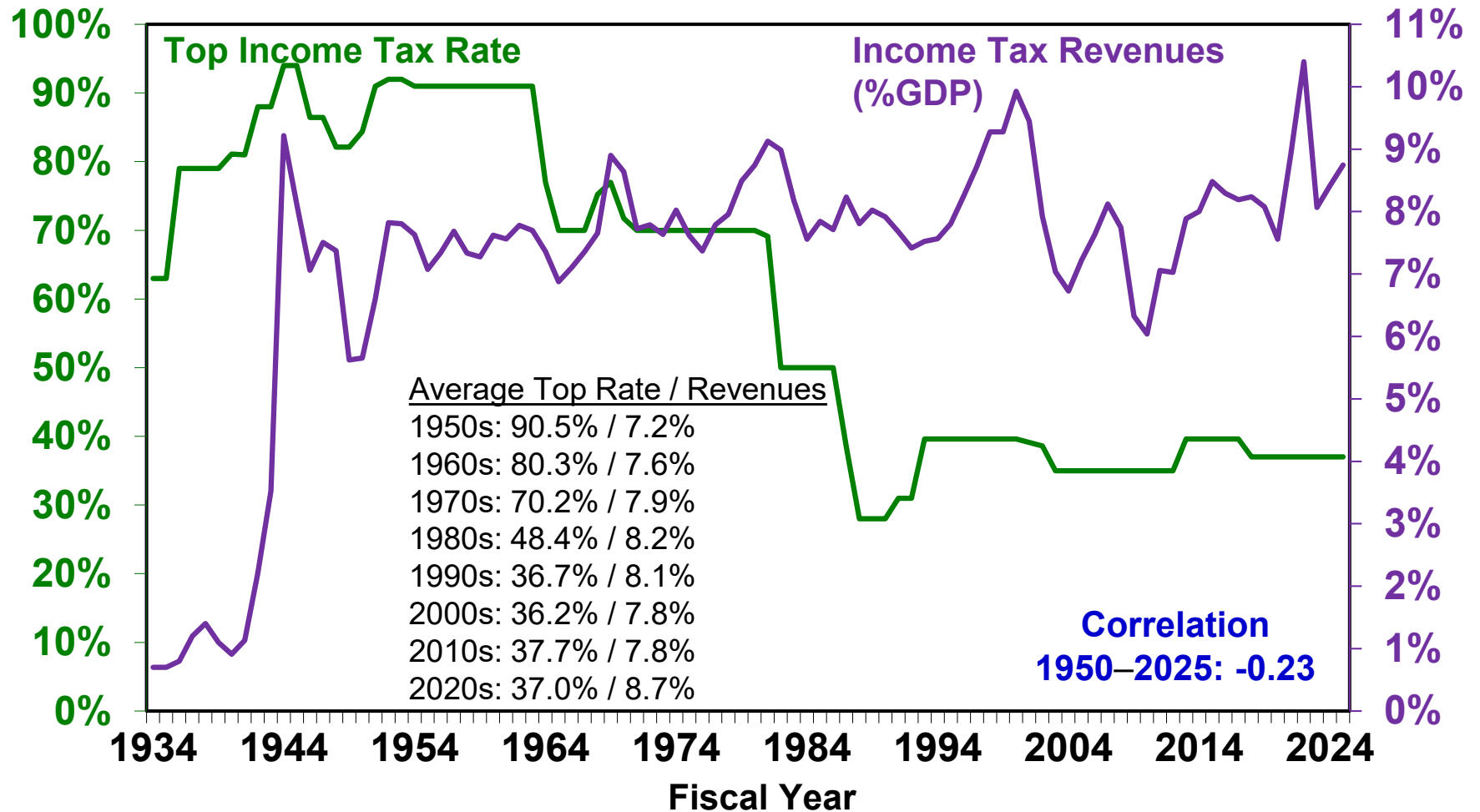
Chapter 8

Rising Spending—Not Falling Revenues— Drives The Long-Term Deficit



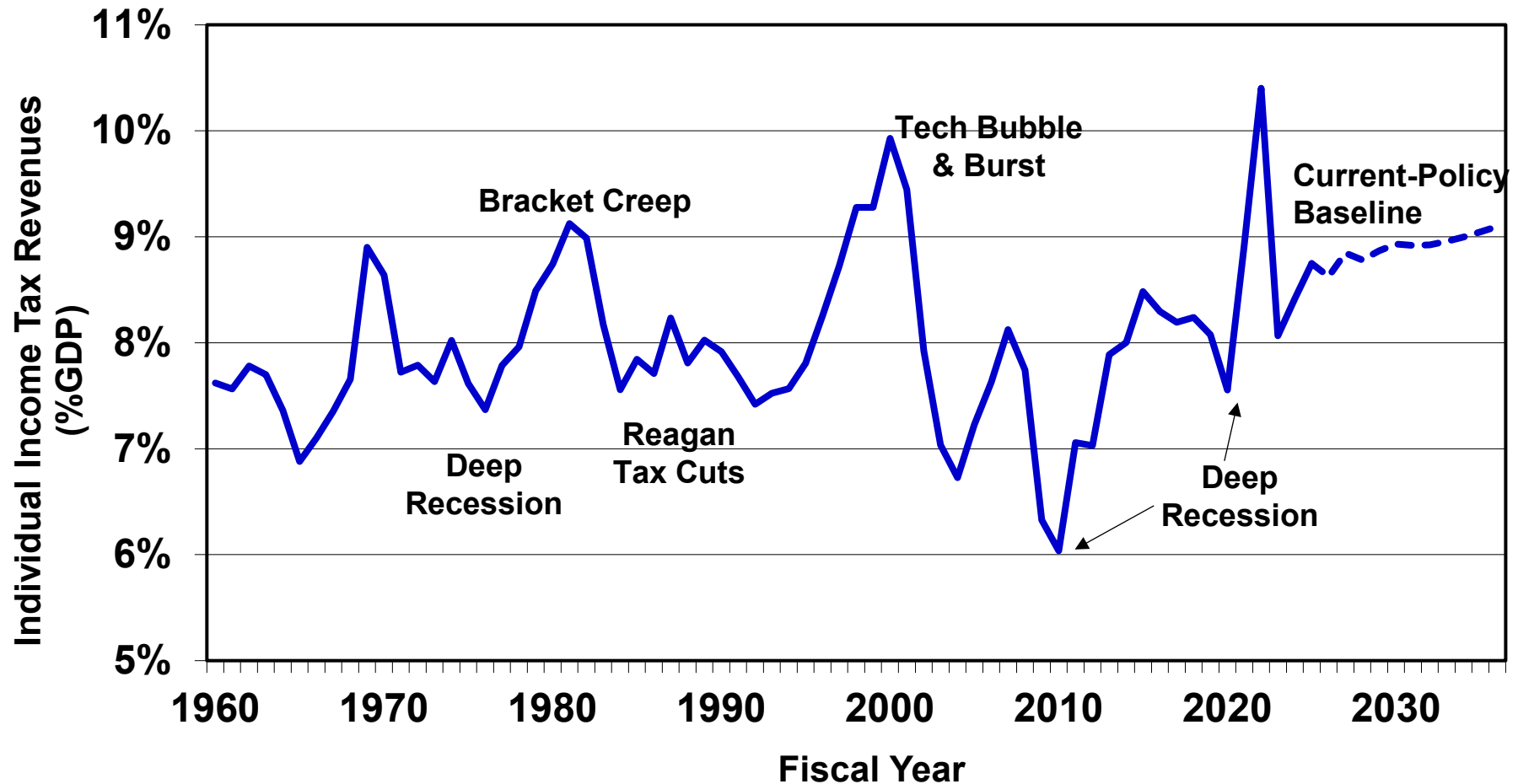
Source: CBO 2026 Long-Term Budget Outlook adjusted to include likely extensions of current tax cuts, and current discretionary and “other mandatory” shares of GDP. Also assumes President Trump’s tariffs phase down after his presidency.

Income Tax Revenues Have Remained Relatively Constant Regardless of the Top Tax Rate



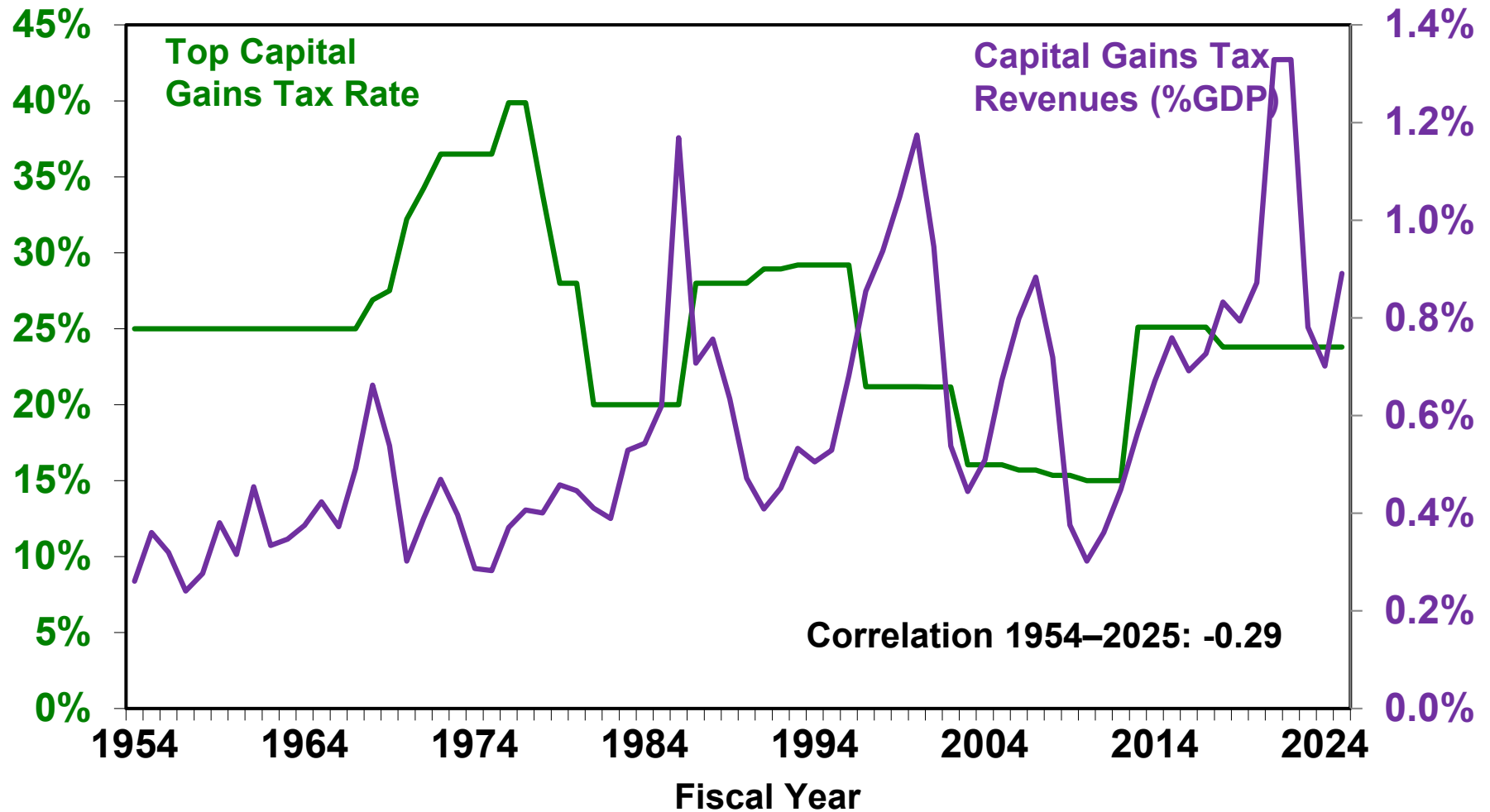
Source: OMB Historical Table 2.3, and U.S. Treasury SOI Tax Stats – Historical Table 23.

Income Tax Revenues Will Remain Above-Average Due to Real Bracket Creep & Taxable Retirement Distributions



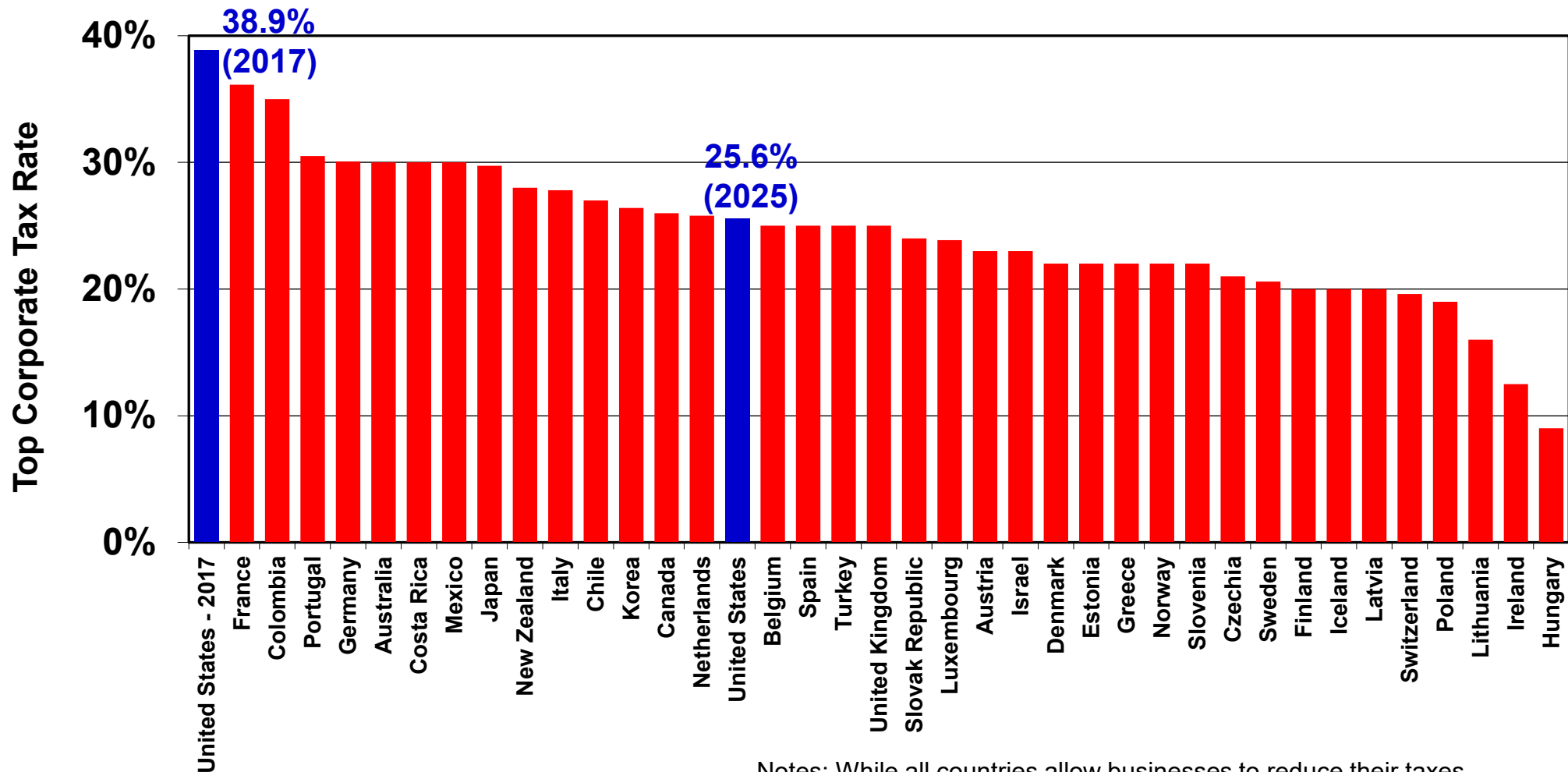
Source: OMB Historical Table 2.3, and February 2026 CBO (current-policy) baseline. Real bracket creep occurs when rising incomes (above inflation) push taxpayers into higher tax brackets, raising their average tax rate.

High Capital Gains Tax Rates Have Not Produced More Revenues



Source: CBO, Treasury Office of Tax Analysis.

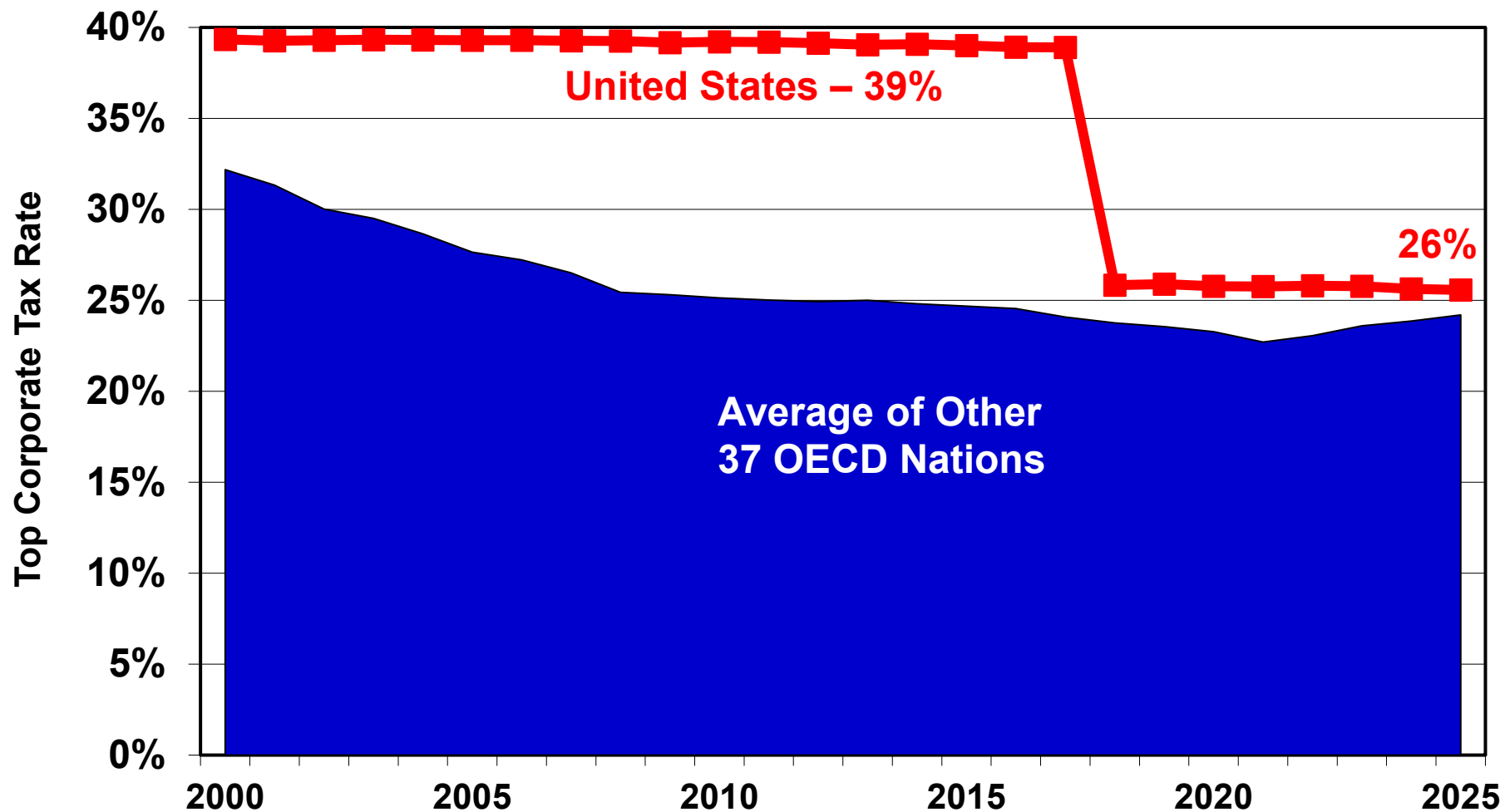
Before the TCJA Cut it to 26% (Incl. 5% State), U.S. Corporate Tax Rate Was Highest in OECD



Source: OECD Stats (2025), Tax Table II.1. Tax rates include federal, state, province and local corporate taxes.

Notes: While all countries allow businesses to reduce their taxes through exemptions, deductions, and credits, the U.S. has been among the highest effective corporate tax rates too.

The U.S. Has Finally Caught Up With the Rest of the OECD on Corporate Tax Competitiveness



Source: OECD Stats (2025), Tax Table II.1. Tax rates include federal, state, province and local corporate taxes.

America's Tax Revenues Lag Behind the OECD Because it Taxes the *Middle Class* Less— With No VAT and Lower Social Security Taxes

**2024 Tax Revenues as a Percent of GDP
(All levels of government)**

	USA	OECD Avg. (Non-US)	Scandinavia			
			Denmark	Finland	Norway	Sweden
Total Tax Revenue	25.6	34.3	45.2	42.2	40.2	41.4
Value Added Taxes (VATs)	--	7.2	9.1	9.4	7.5	8.7
Social Security Contributions	6.0	9.2	0.1	11.8	9.4	9.0
Other Payroll & Workforce Taxes	0.0	0.5	0.3	0.0	0.1	5.3
Individual Income Taxes	10.3	8.4	25.2	13.1	10.0	11.3
Corporate Income Taxes	2.2	3.6	4.2	2.6	9.8	3.9
Sales & Other Consumption Taxes	4.2	3.4	2.9	3.9	2.3	2.4
Property Taxes (immovable property)	2.7	0.8	0.9	0.8	0.3	0.6
Other Taxes	0.2	1.2	2.5	0.6	0.8	0.2

Source: OECD Global Revenue Statistics Database.
See also Jessica Riedl, "The Limits of Taxing the Rich," Manhattan Institute, September 2023.

America's Tax Rates for Corporations and High-Earning Families are Within International Norms

	Highest Tax Brackets				Broad Tax Rate Value-Added Tax (VAT)
	Personal Income	Capital Gains	Corporate Income	Estates and Inheritances	
United States	43.7%	28.7%	25.6%	40.0%	--
OECD Average	42.7%	19.3%	23.8%	25.4%	19.3%
Scandinavian Average	49.9%	36.0%	21.2%	17.0%	25.1%
Denmark	55.9%	42.0%	22.0%	15.0%	25.0%
Finland	51.5%	34.0%	20.0%	19.0%	25.5%
Norway	39.6%	37.8%	22.0%	--	25.0%
Sweden	52.4%	30.0%	20.6%	--	25.0%

Source: OECD, Tax Foundation. Other nations apply unique estate and inheritance tax rates based on the relationship of the inheritor. These tax rates apply to the children of the deceased. Data includes all levels of government.

See also Jessica Riedl, "The Limits of Taxing the Rich," Manhattan Institute, September 2023.

Taxes Alone Cannot Easily Stabilize Debt: Would Require Hike Taxes of 5% of GDP by 2040s

Tax Proposals (static scoring)	10-Yr Savings (\$Billions)	Long-Term Savings (%GDP)
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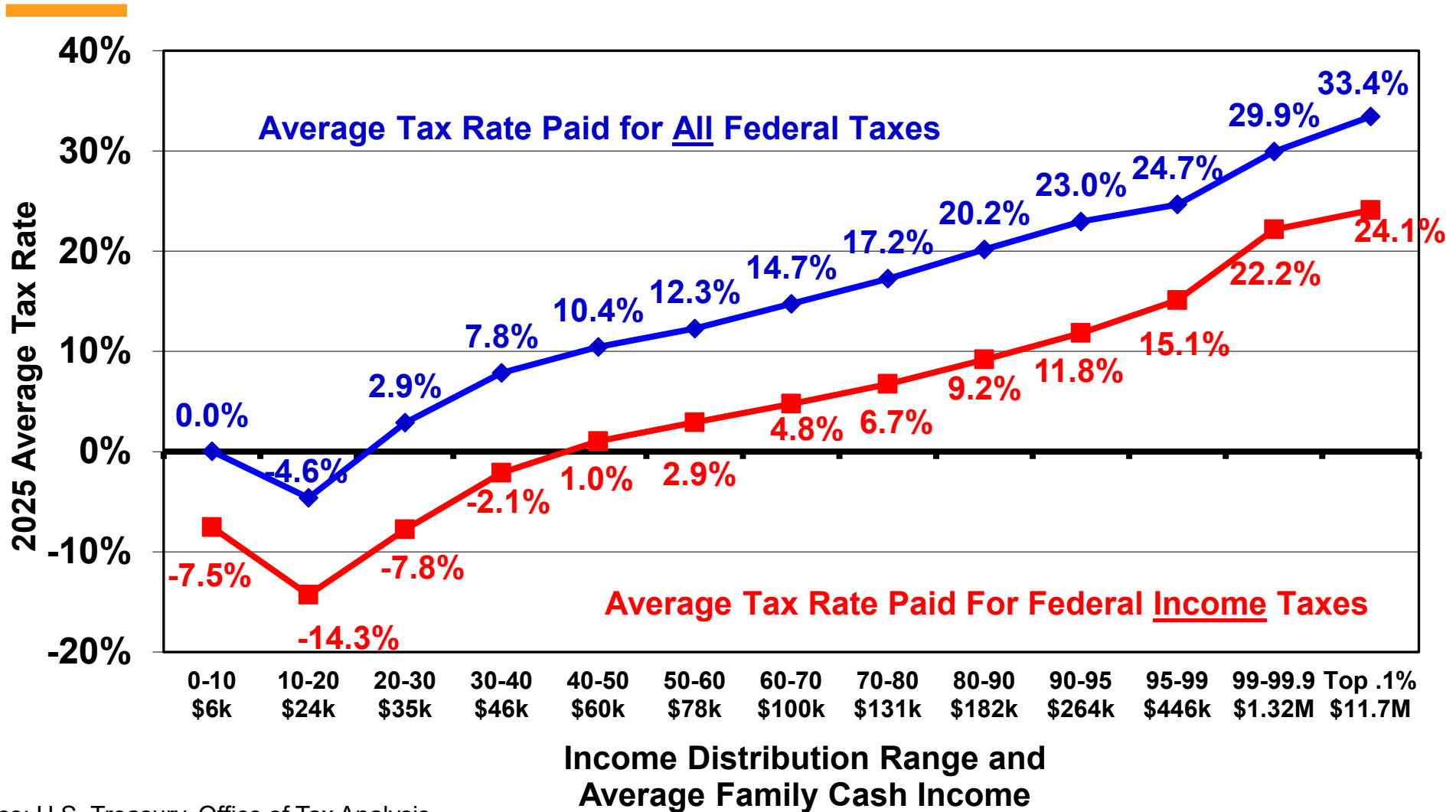
BROOKINGS

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The Tax Code Has Become Increasingly Progressive

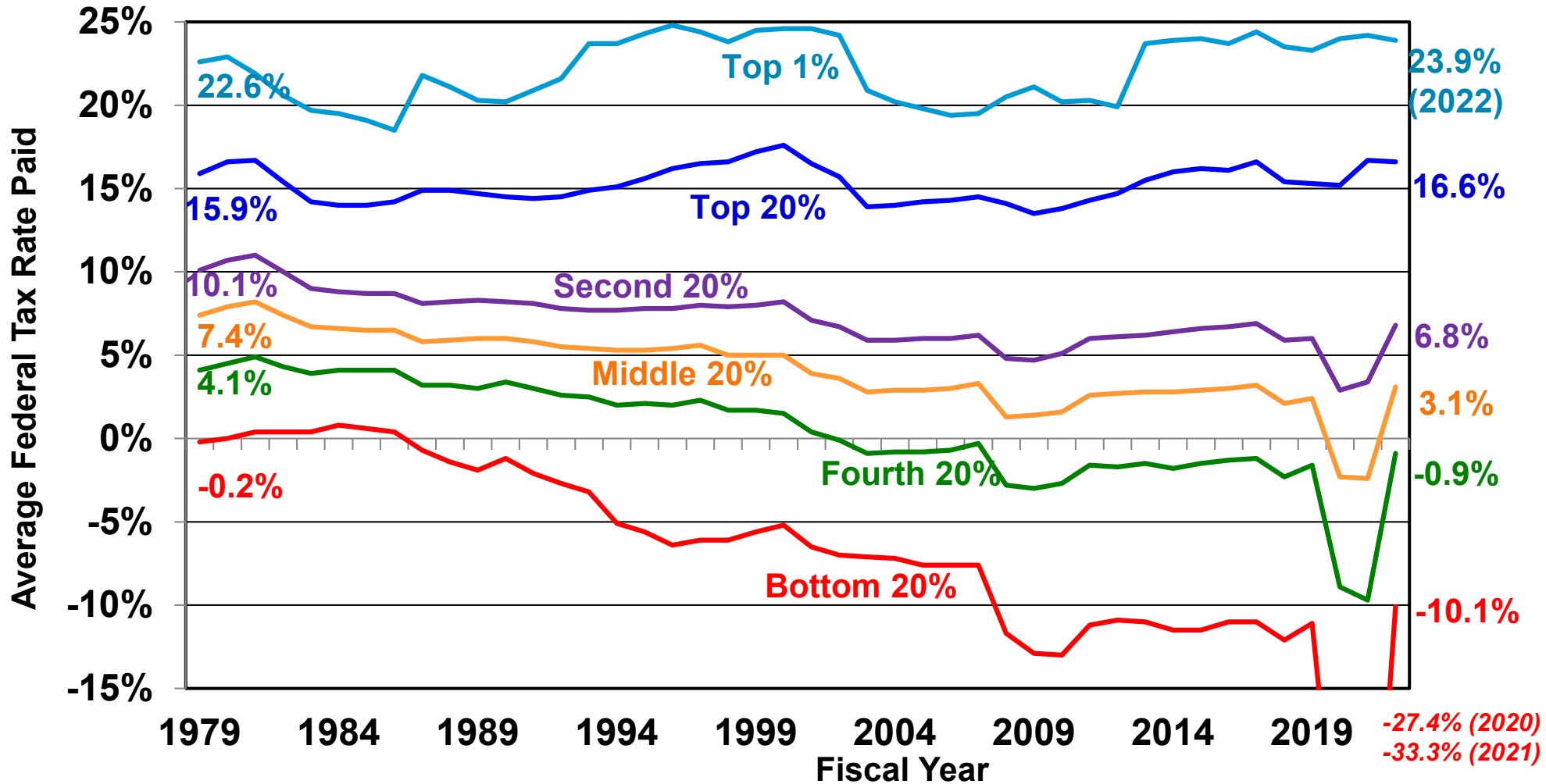
Chapter 9

The Federal Tax Code Remains Progressive



Source: U.S. Treasury, Office of Tax Analysis.
Data represents 2025 Distribution of Tax Burden, Current Law

The Average Federal Income Tax Rate Has Risen for the Top 20%, Fallen for Others

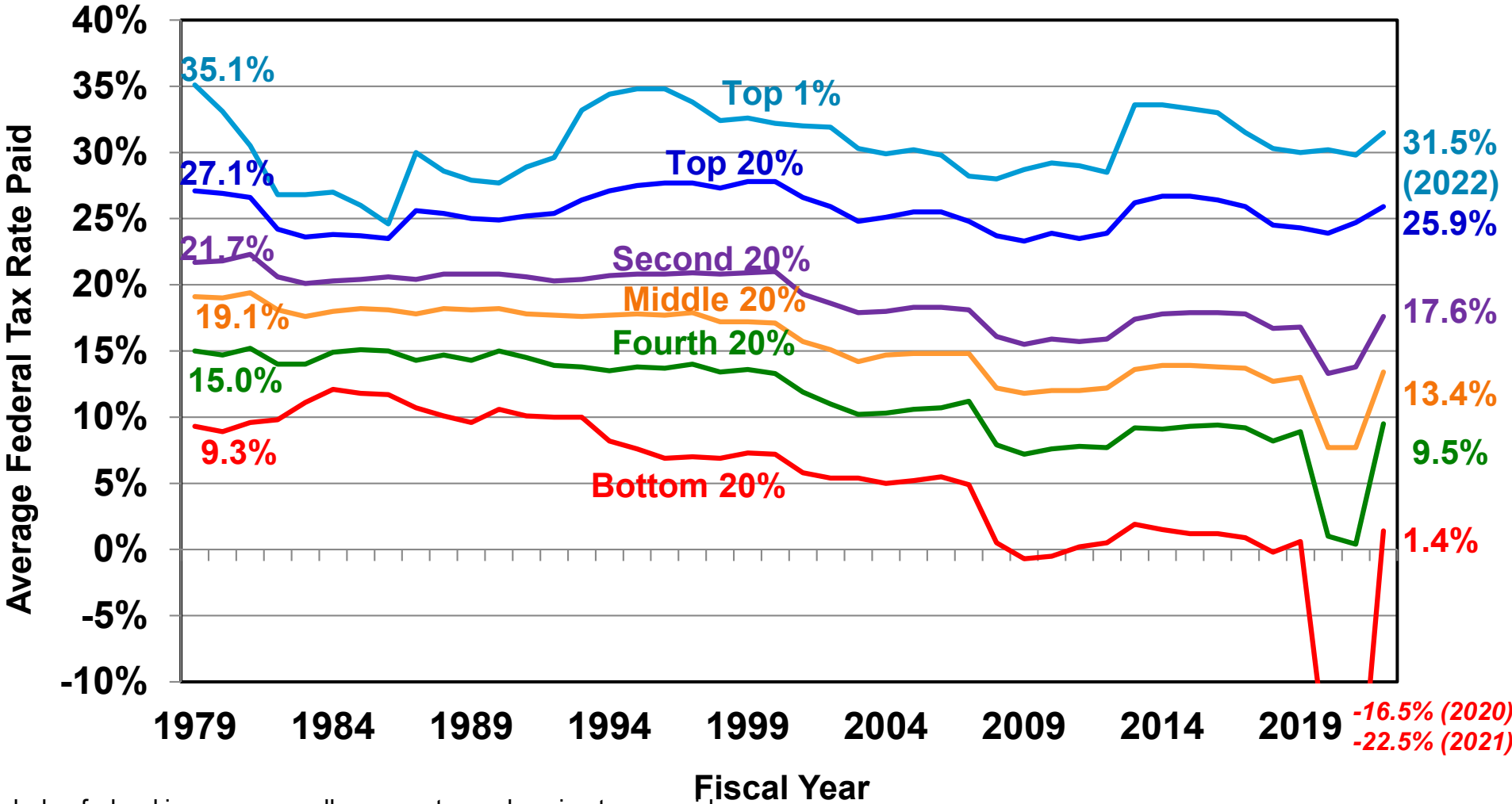


-27.4% (2020)
-33.3% (2021)

Note: Reflects actual income taxes paid after all deductions and adjustments made.

Source: CBO "Distribution of Household Income, 2022" (2026).

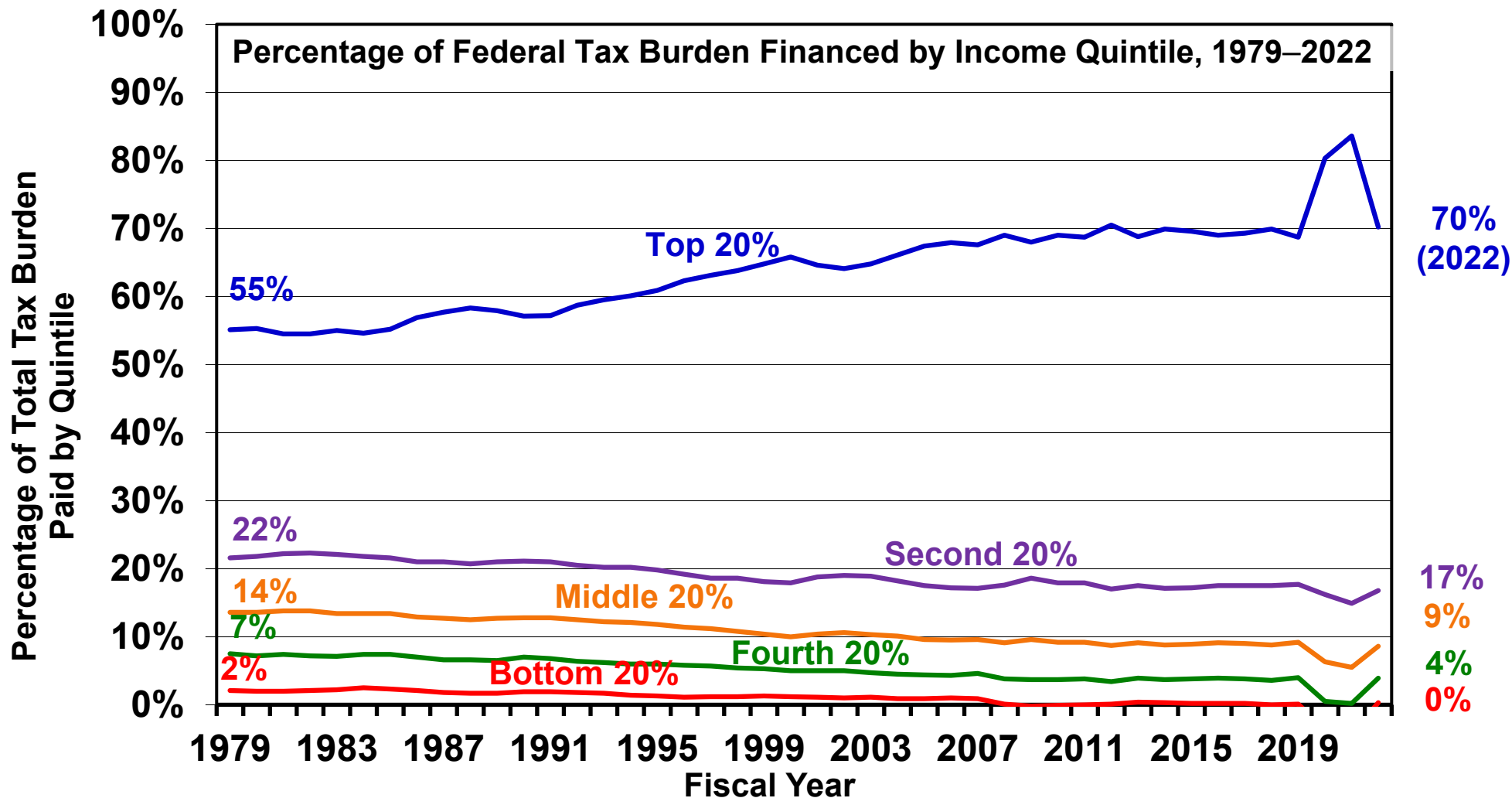
The Average Federal Tax Rate (All Combined Taxes) Paid by Income Category, 1979–2022



Note: Includes federal income, payroll, corporate, and excise taxes paid.

Source: "Distribution of Household Income, 2022" (2026).

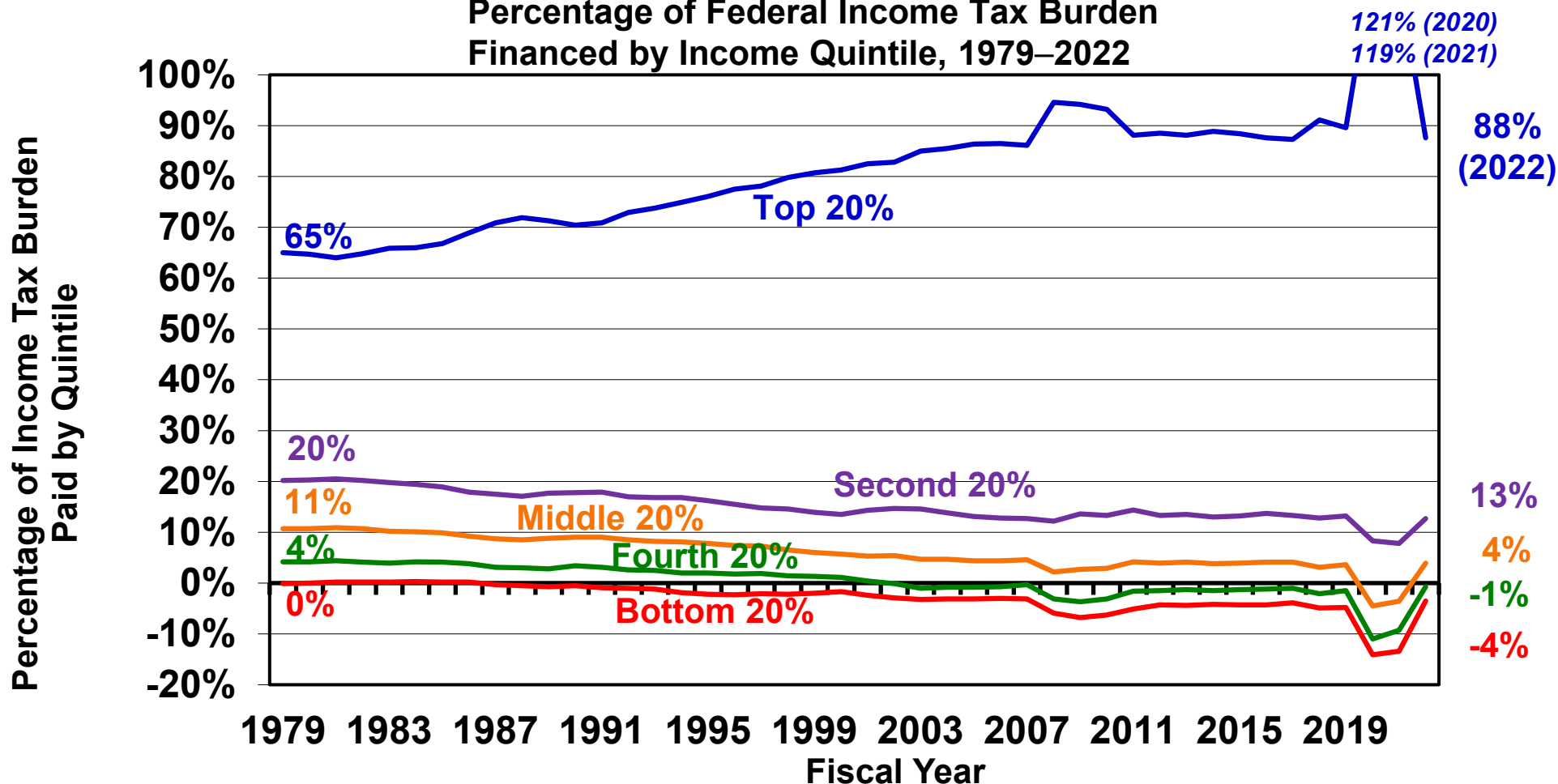
The Federal Tax Burden (All Combined Taxes) Has Grown More Progressive Over Time



Source: CBO "Distribution of Household Income, 2022" (2026).

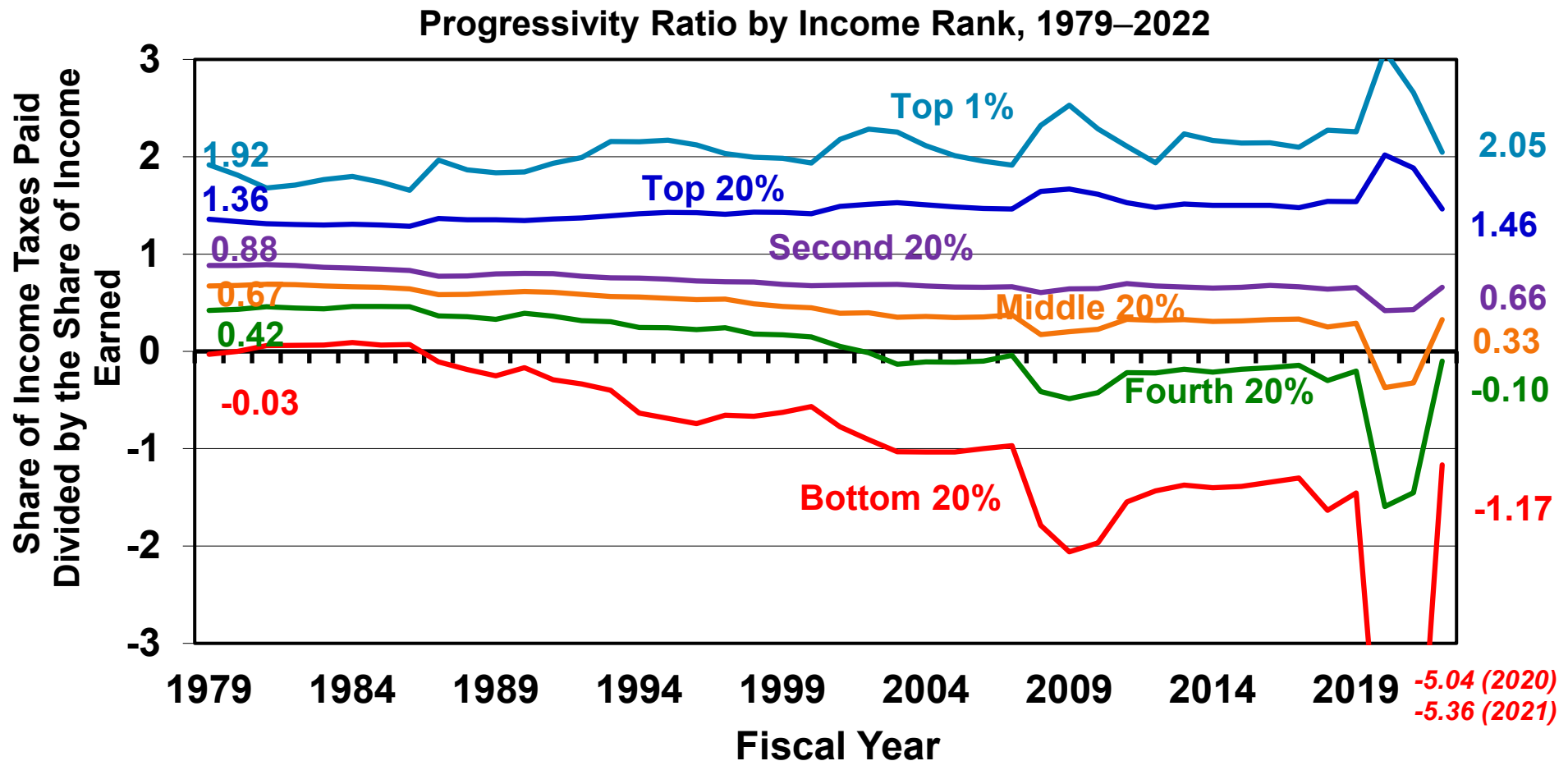
The Highest-Earning 20% of Taxpayers Pay 88% of All Federal Individual Income Taxes

Percentage of Federal Income Tax Burden Financed by Income Quintile, 1979–2022



Source: CBO "Distribution of Household Income, 2022" (2026).

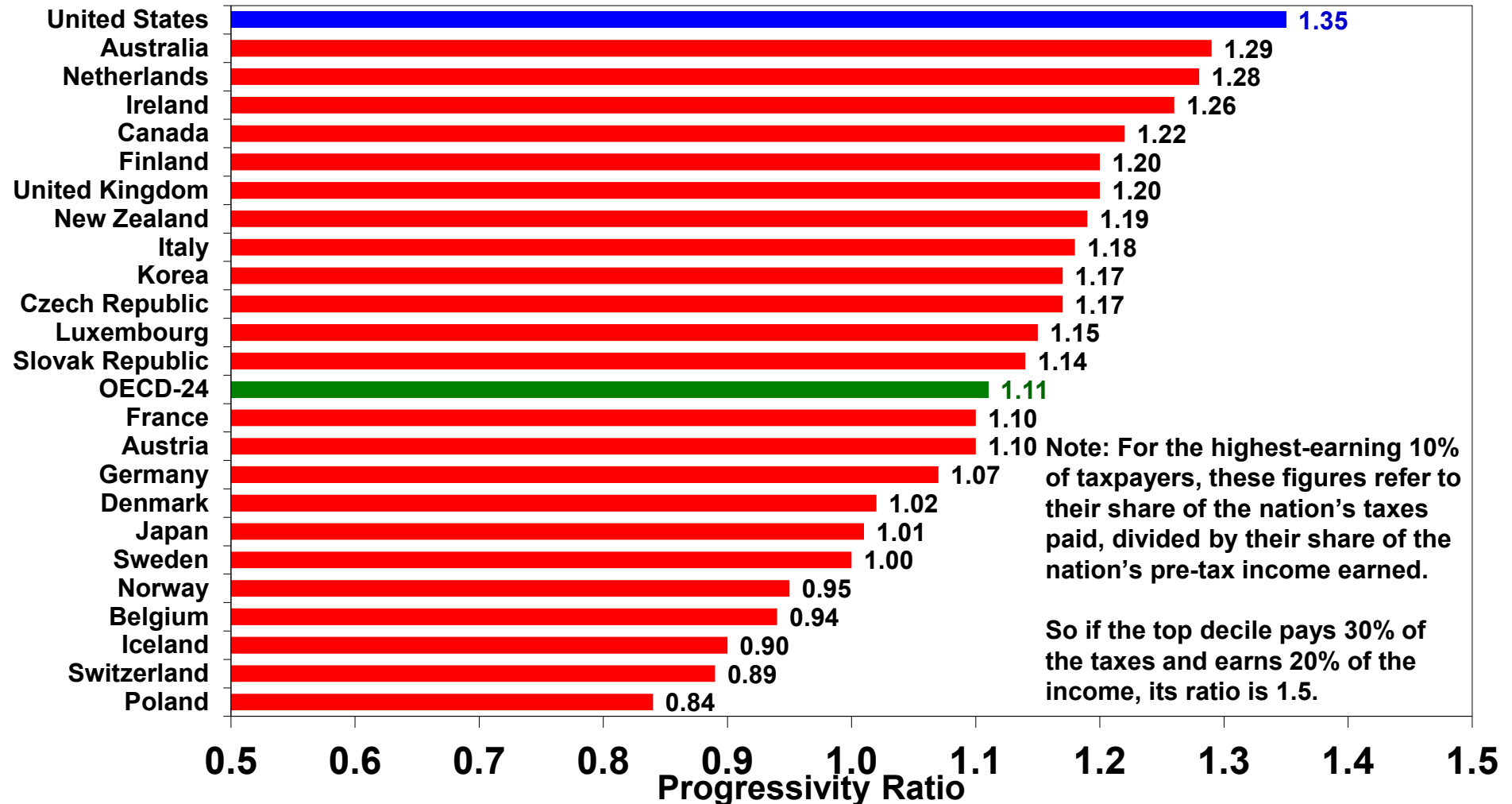
Income Taxes Have Become More Progressive— Even Controlling For Income Inequality



Source: Calculations using CBO "Distribution of Household Income, 2022" (2026).

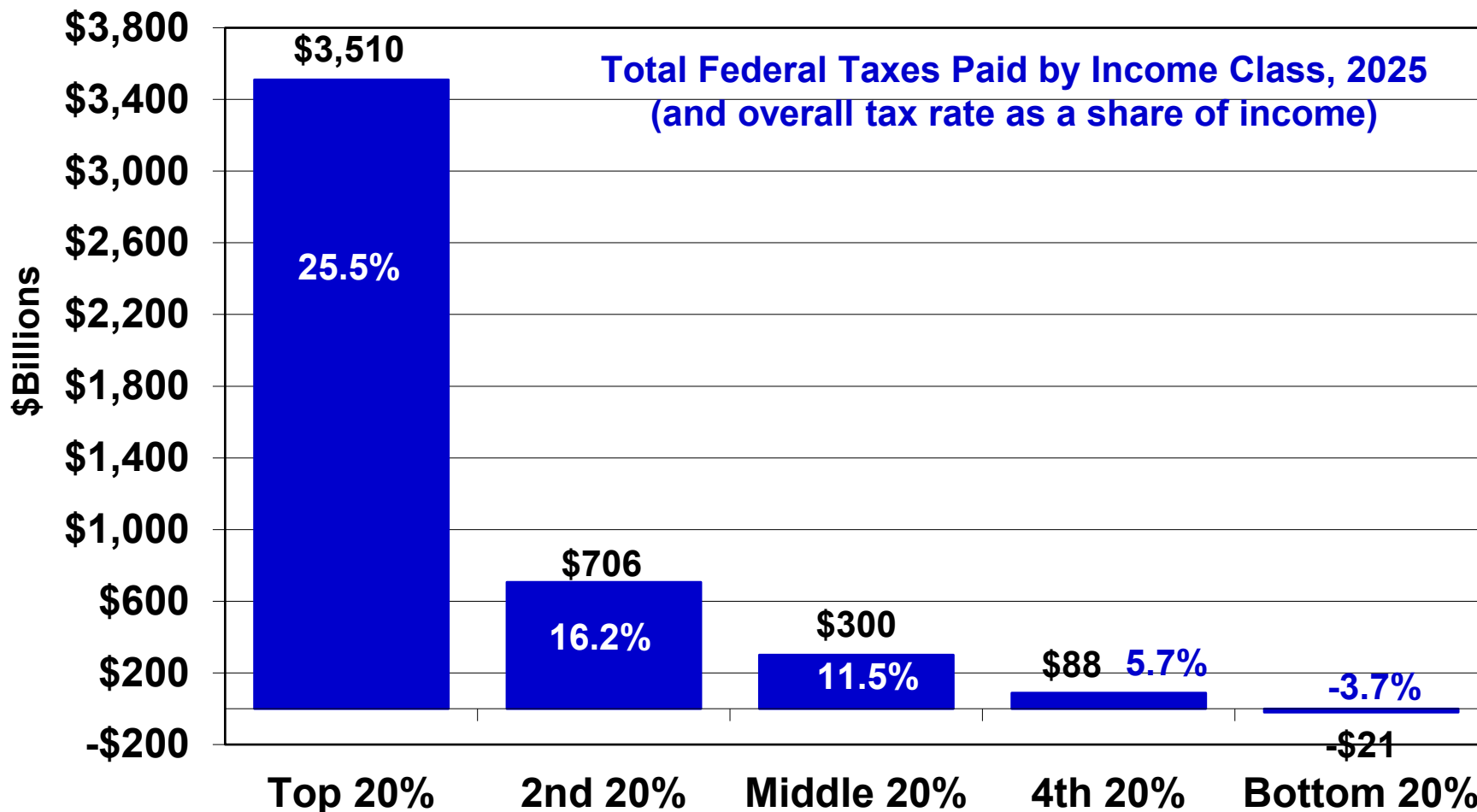
"Progressivity ratio" refers to the share of all individual income taxes paid divided by the share of pre-tax income earned. So a group that pays 40% of the taxes while earning 20% of the income has a progressivity ratio of 2. Ratios above 1 represent tax burdens exceeding their share of the income, while ratios below 1 represent tax burdens below their income share. Negative figures reflect a negative tax burden.

Even Controlling for Income Inequality, the U.S. Has the OECD's Most Progressive Income & Payroll Tax



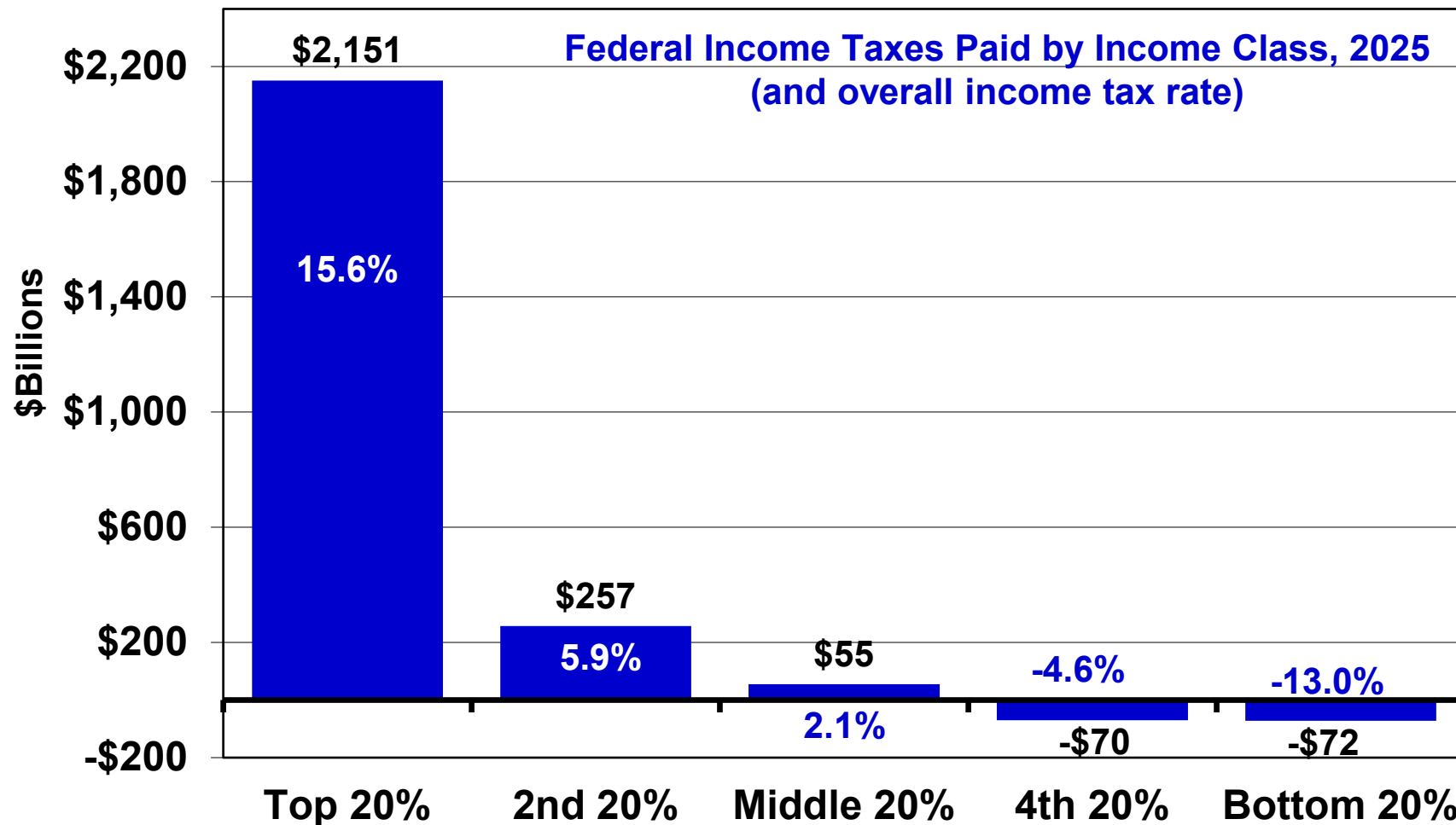
Source: OECD (2008) and Tax Foundation. The U.S tax code has since become even more progressive. Figures also exclude value-added taxes that make many other OECD nations' tax codes even less progressive.

Upper-Income Taxpayers Overwhelmingly Finance the Federal Government



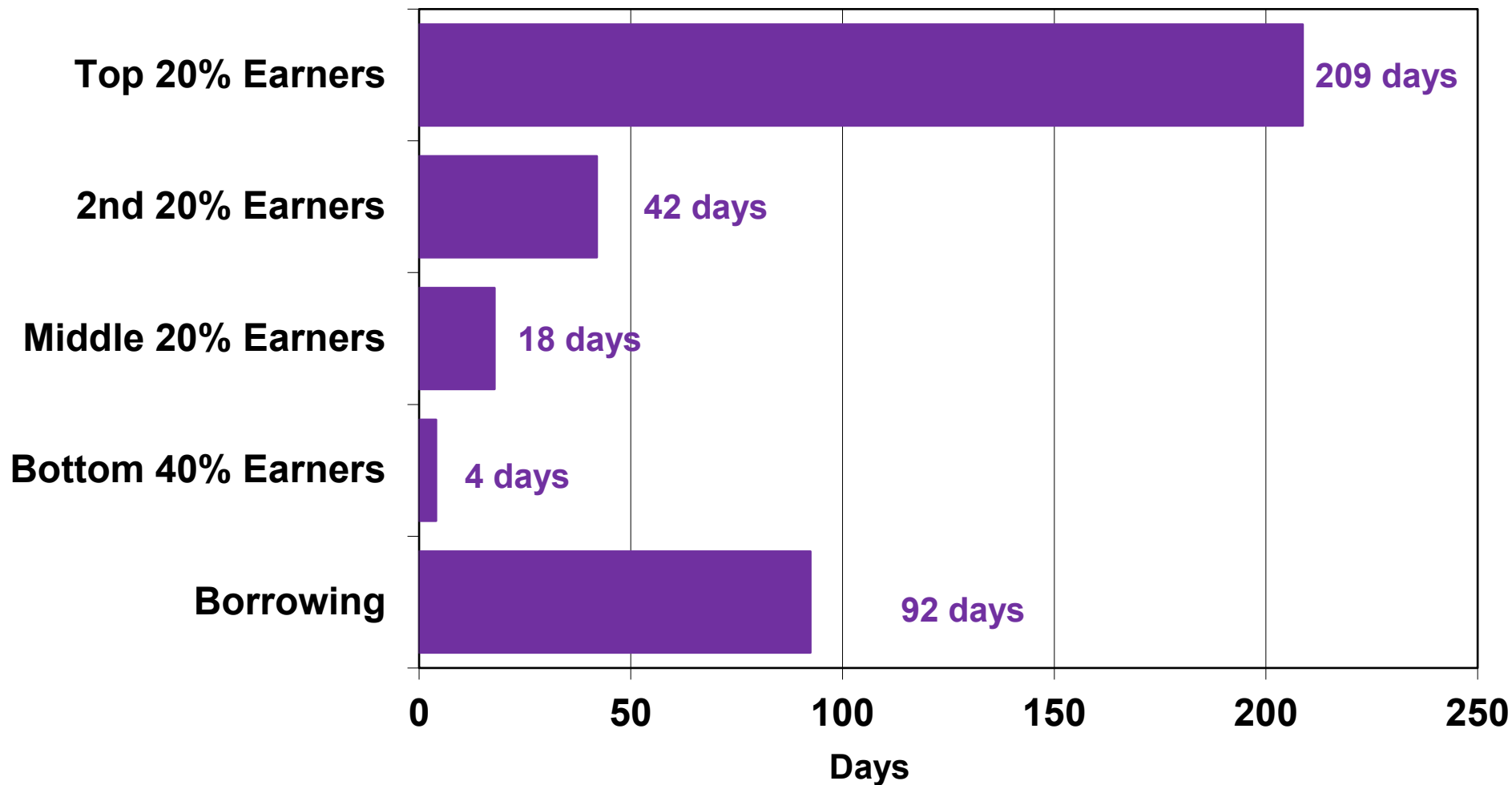
Source U.S. Treasury Office of Tax Analysis. Data for 2025, and includes individual and corporate income, payroll, excises, customs duties, estate, and gift taxes.

Upper-Income Taxpayers Finance Nearly the Entire Federal Income Tax



Source U.S. Treasury Office of Tax Analysis. Data for 2025.

How Washington Financed 365 Days of Spending in 2025



Note: Top 20% splits to 168 days for top 10%, and 41 days for 2nd 10%.
Source: Calculated using data from U.S. Treasury Office of Tax Analysis.

A blue-tinted photograph of the Brookings Institution building, a large, classical-style stone structure with a prominent arched entrance and several windows. The building is surrounded by trees and a courtyard area.

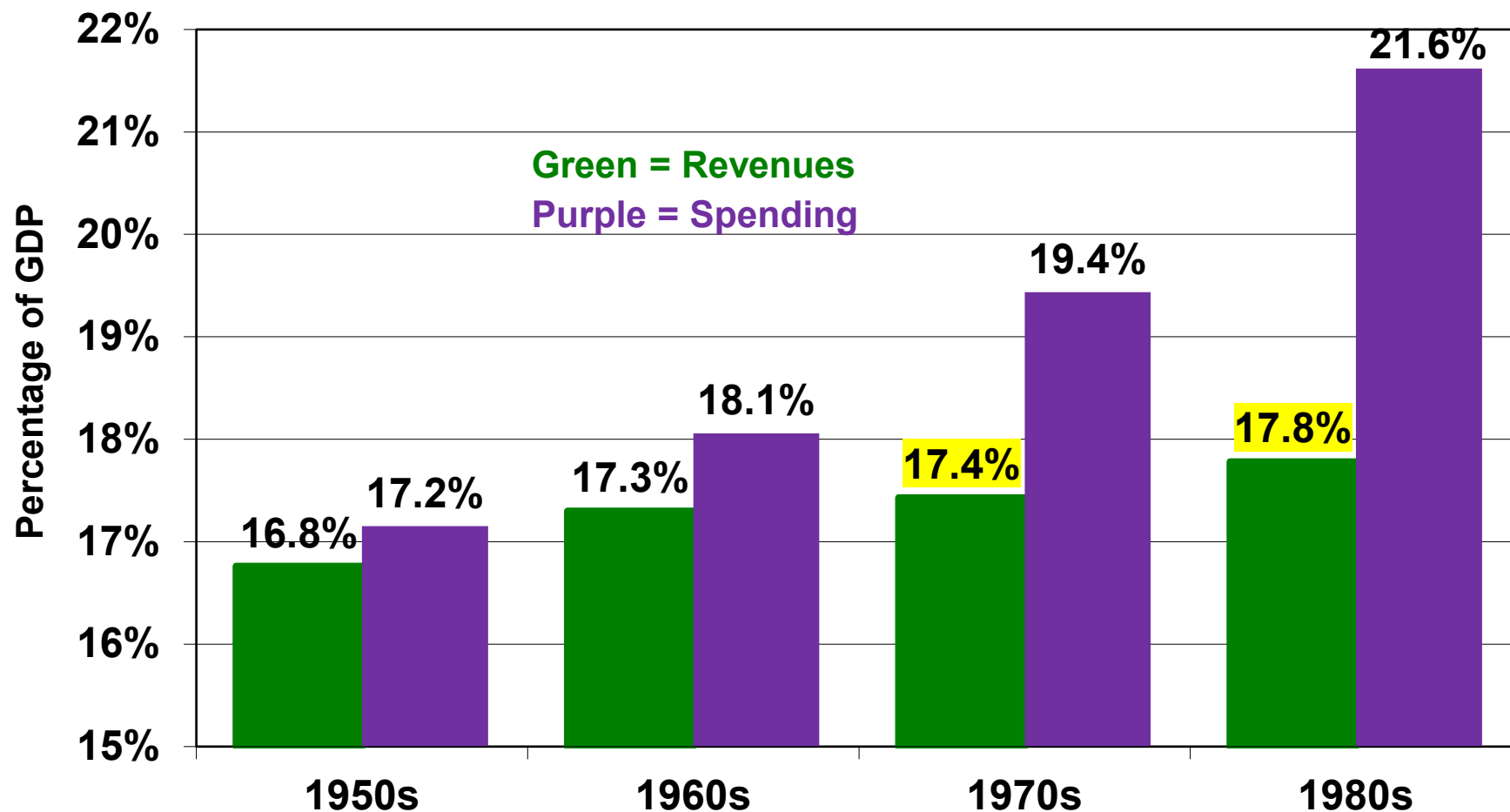
BROOKINGS

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Countering Tax, Spending, & Deficit Myths of the 1980s through 2008

Chapter 10

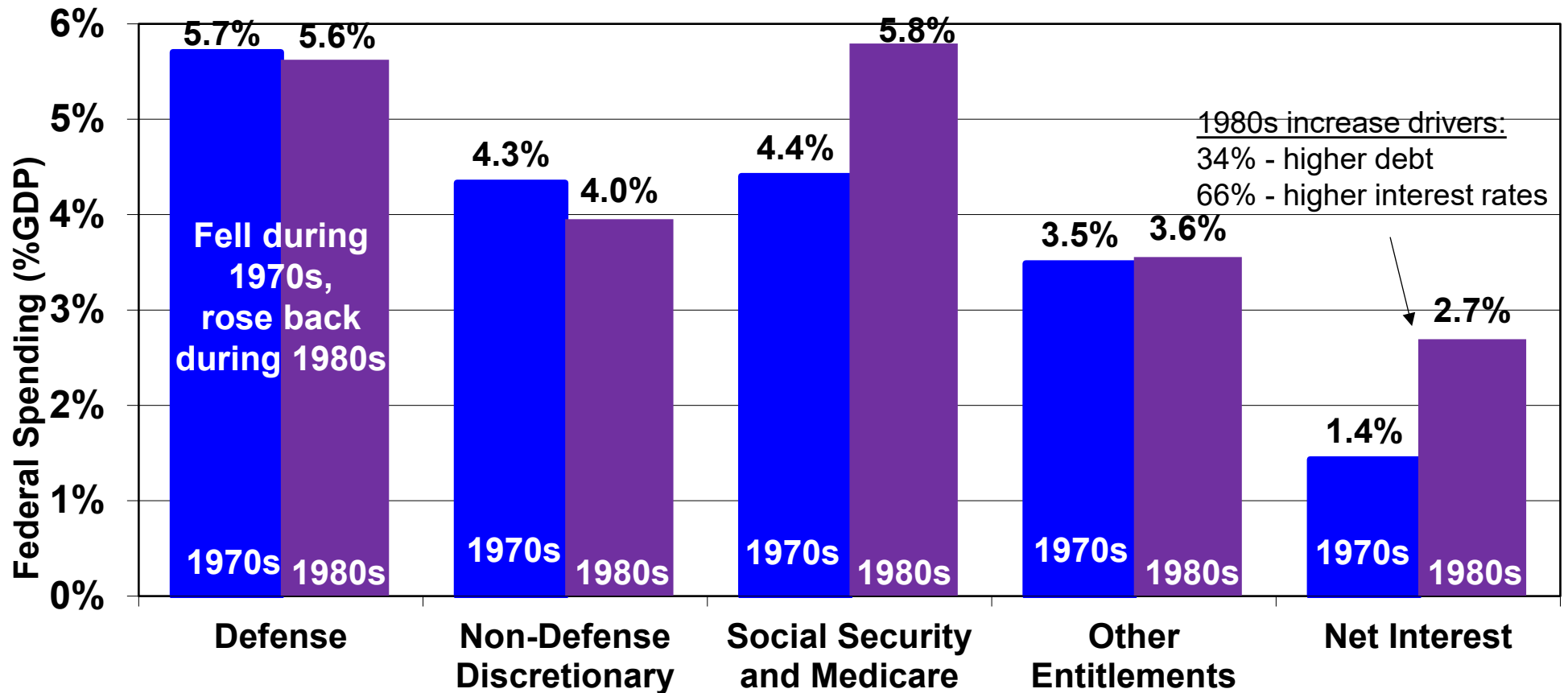
Reagan's Tax Cuts Did Not Starve the Government— Spending Worsened the 1980s Deficits



Source: OMB Historical Table 1.3.

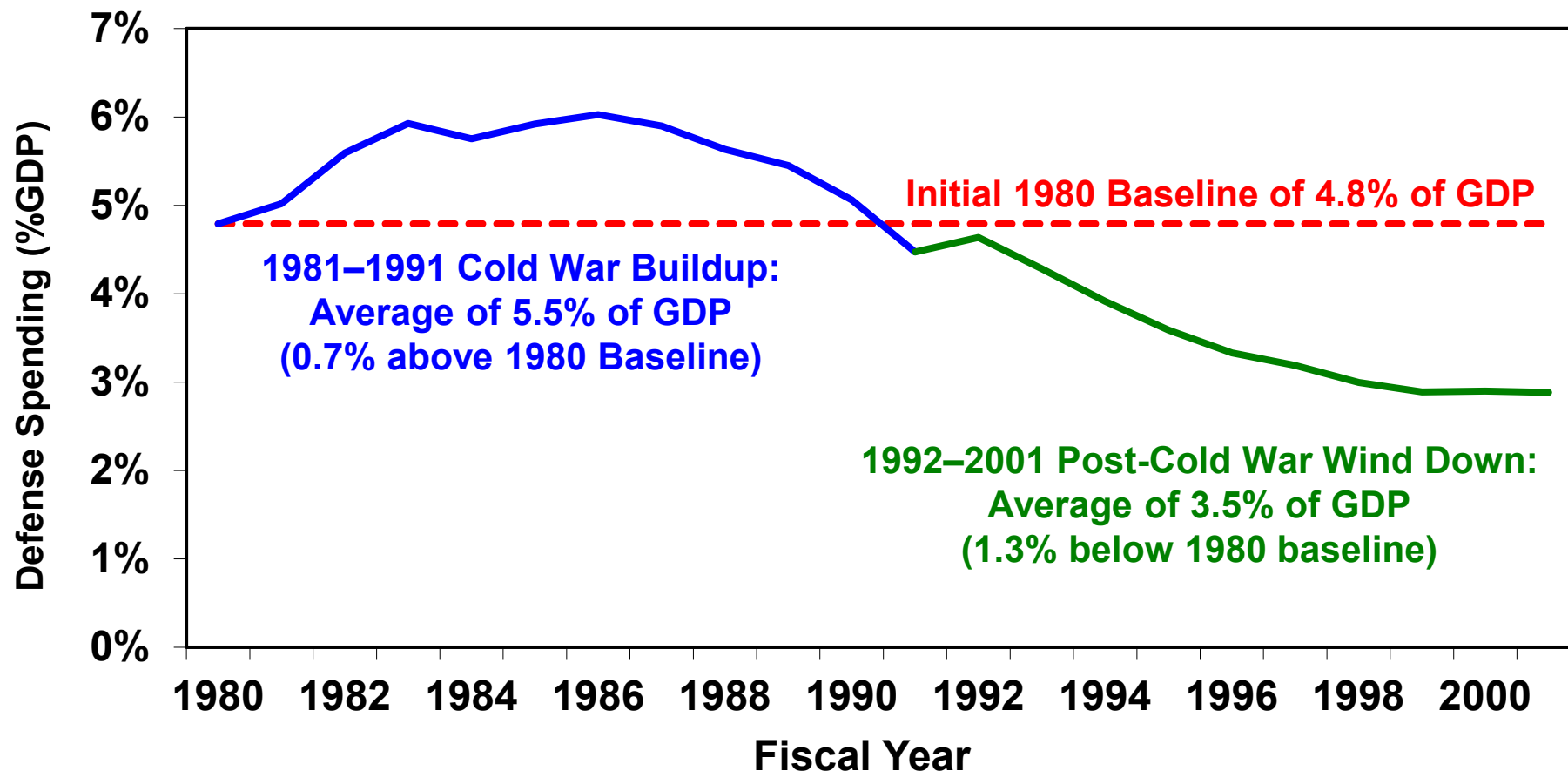
Why Did 1980s Budget Deficits Exceed the 1970s?

1970s Average Percentage of GDP: Revenue 17.4%, Spending 19.4%, Deficit: 2.0%
1980s Average Percentage of GDP: Revenue 17.8%, Spending 21.6%, Deficit: 3.8%



Source: OMB Historical Table 8.4.

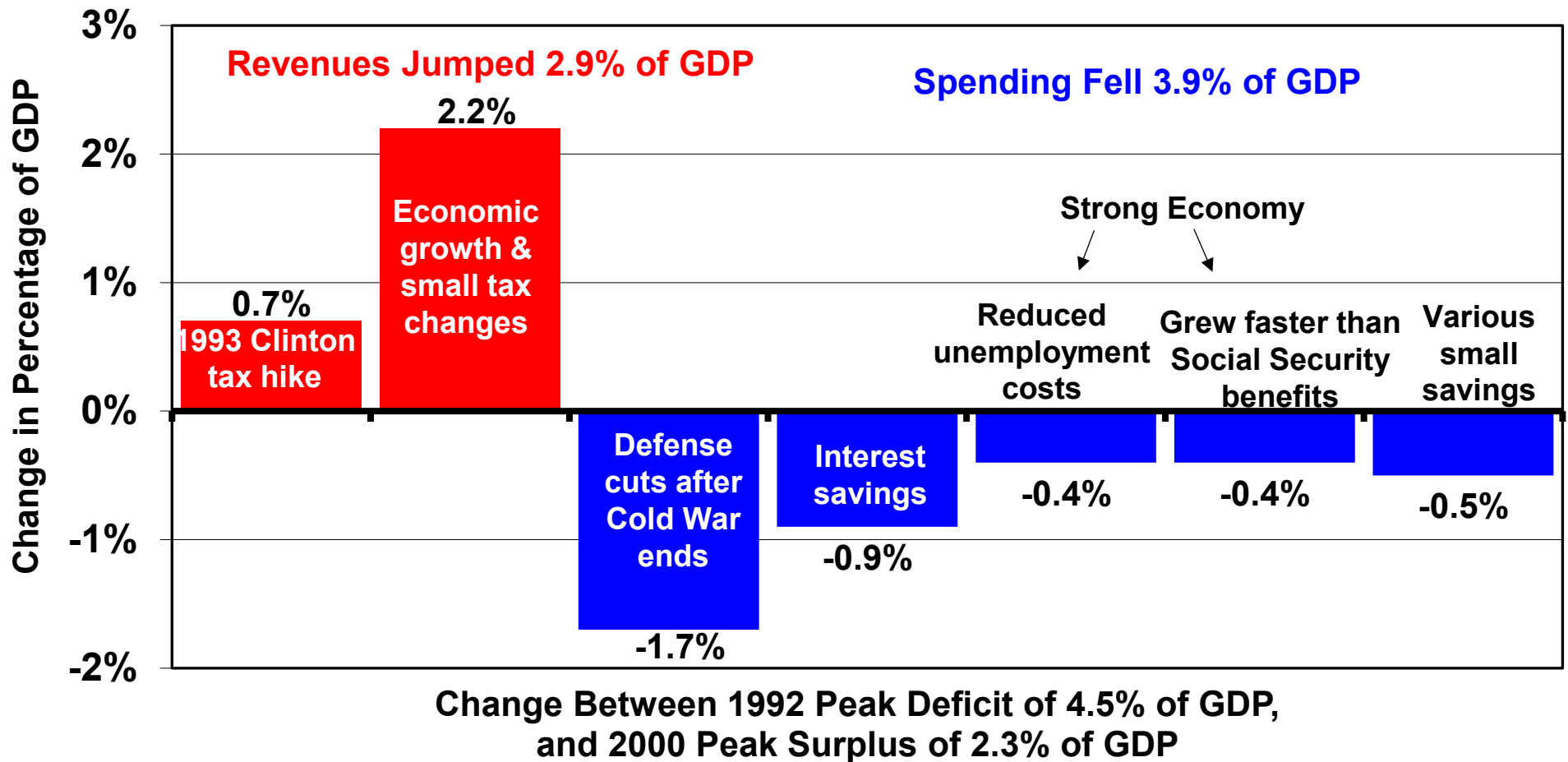
To the Extent it Contributed to Soviet Collapse, the 1980s Defense Buildup Eventually Paid for Itself



Note: Some believe that America's 1980s defense buildup pushed the Soviets into an unaffordable arms race that contributed to its economic problems and ultimately a more accommodating posture towards the West, each of which contributed to Soviet destabilization and collapse.

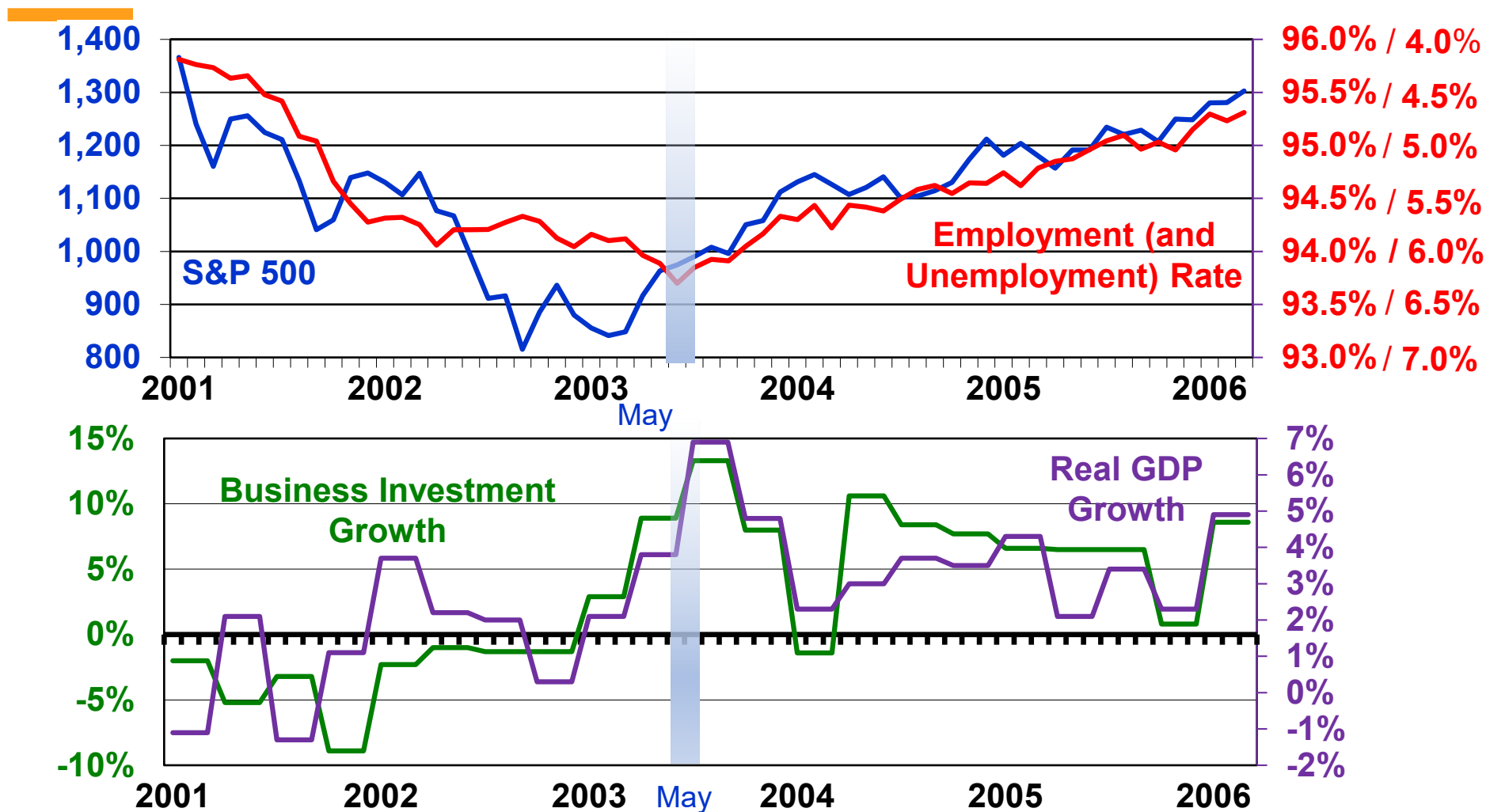
Source: OMB Historical Tables 3.2, and 10.1

The 1990s Budget Was Balanced by an Economic Boom and the Cold War Peace Dividend (and by Washington Not Spending All the Savings)



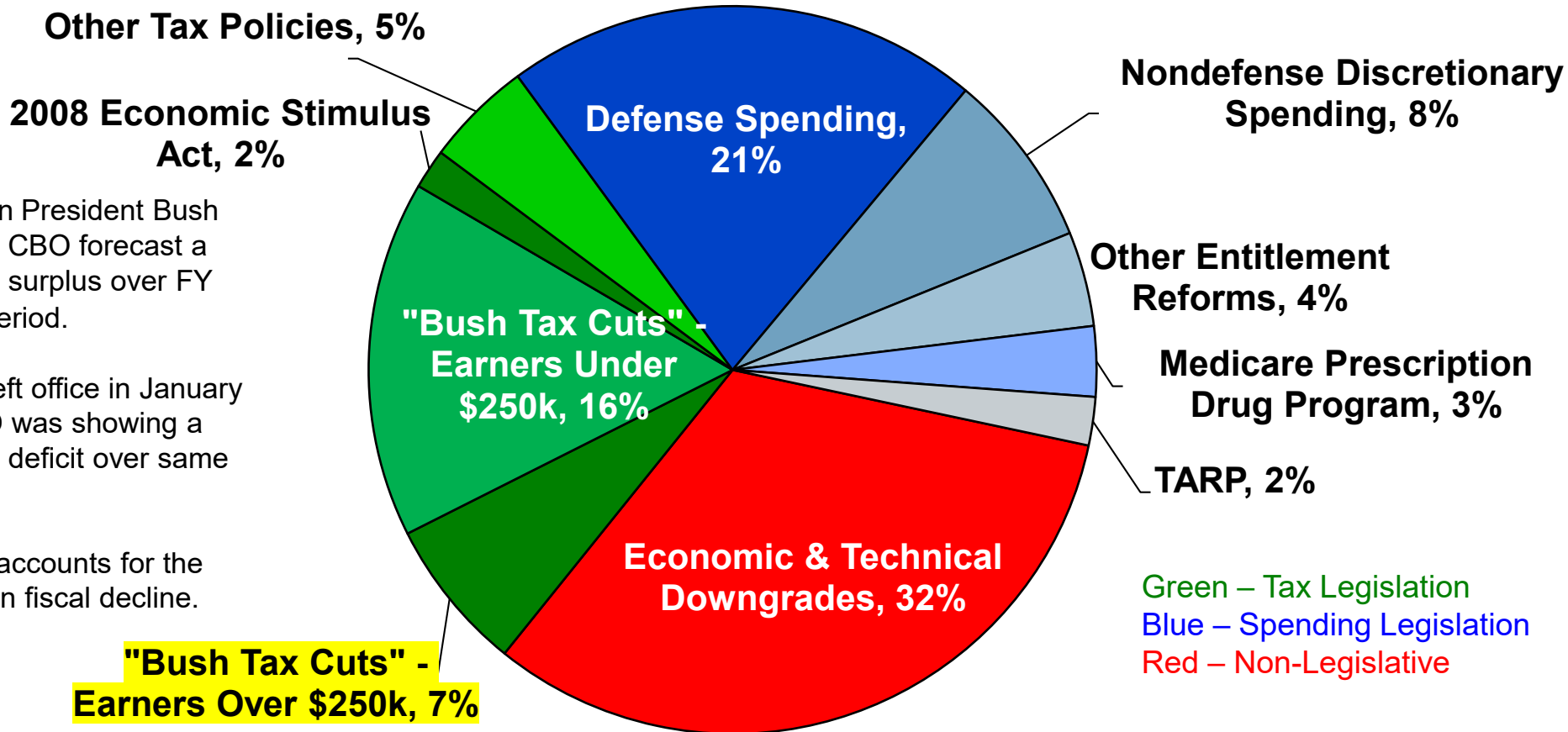
Source: OMB Historical Tables 2.3, 3.2, and 10.1; and the CBO (1993) score of tax increases.

The May 2003 Supply-Side Tax Rate Cuts Were Quickly Followed by Strong Growth



Source: BEA, BLS, S&P. The 2003 tax cuts reduced marginal tax rates for families, small businesses, & investors. The less-successful 2001 tax cuts were more rebate-based.

The “Bush Tax Cuts” for Upper-Income Taxpayers Caused Only 7% of the 2001–2011 Fiscal Decline Under President Bush



Note: When President Bush took office, CBO forecast a \$5.9 trillion surplus over FY 2001–11 period.

When he left office in January 2009, CBO was showing a \$4.4 trillion deficit over same decade.

This chart accounts for the \$10.3 trillion fiscal decline.

Source: Calculations based on a CBO June 2012 report, and CBO baseline updates over 2001–11 period. Tax distribution data was estimated using Treasury data accumulated by the Tax Policy Center. Each category’s cost includes its resulting net interest expenses.

President Bush Oversaw a \$10.3 Trillion Decline from Inherited 2001-2011 Budget Projections

(All numbers in nominal \$billions)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2001-2011
CBO January 2001 Projected Surplus	281	313	359	397	433	505	573	635	710	796	889	5,891
Legislative Changes												
"Bush Tax Cuts" - Earners Over \$250k	-22	-12	-48	-82	-74	-71	-72	-78	-81	-88	-71	-699
"Bush Tax Cuts" - Earners Under \$250k	-52	-27	-112	-191	-172	-165	-169	-181	-189	-206	-167	-1,631
Defense Spending	-5	-36	-85	-130	-165	-195	-229	-294	-332	-343	-357	-2,171
Non-Defense Discretionary Spending	2	-17	-34	-46	-74	-91	-83	-107	-120	-118	-114	-802
AMT Patch, Tax Extenders, Other Tax Laws	-1	-44	-44	-33	-12	-12	-55	-89	-129	-42	-30	-489
Medicare Prescription Drug Program	0	0	0	-4	-6	-29	-44	-50	-56	-62	-70	-321
TARP Financial Bailouts	0	0	0	0	0	0	0	0	-194	-16	-12	-221
Economic Stimulus Act of 2008	0	0	0	0	0	0	0	-160	-25	3	0	-181
Other Entitlement Reforms	-8	-14	-36	-29	-36	-51	-44	-41	-74	-52	-46	-432
Economic & Technical Re-estimates												
Economic/Technical Downgrades	-67	-319	-377	-295	-212	-140	-39	-95	-696	-577	-520	-3,337
CBO January 2009 Budget Surplus/Deficit	128	-158	-378	-413	-318	-248	-161	-459	-1,186	-703	-498	-4,394
Memorandum												
Legislative Changes	-87	-150	-358	-514	-540	-614	-696	-1,000	-1,199	-923	-867	-6,947
Economic & Technical Re-estimates	-67	-319	-377	-295	-212	-140	-39	-95	-696	-577	-520	-3,337
Total Deficit Changes	-154	-469	-735	-809	-752	-754	-735	-1,095	-1,895	-1,500	-1,386	-10,285
Revenue Changes	-144	-383	-561	-573	-416	-282	-248	-431	-750	-738	-622	-5,148
Spending Changes	-10	-88	-176	-237	-335	-471	-486	-663	-1,147	-761	-765	-5,138

Source: Author calculations based on a CBO data. Positive numbers add to deficit, negative numbers reduce deficit. Legislative changes include associated interest costs and savings. Ending 2009-2011 figures represent estimates on January 2009 when President Bush left office. See "Obama's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Jessica Riedl.

A blue-tinted photograph of the Brookings Institution building, a large, classical-style stone structure with a prominent arched entrance and several windows. The building is surrounded by trees and a courtyard area.

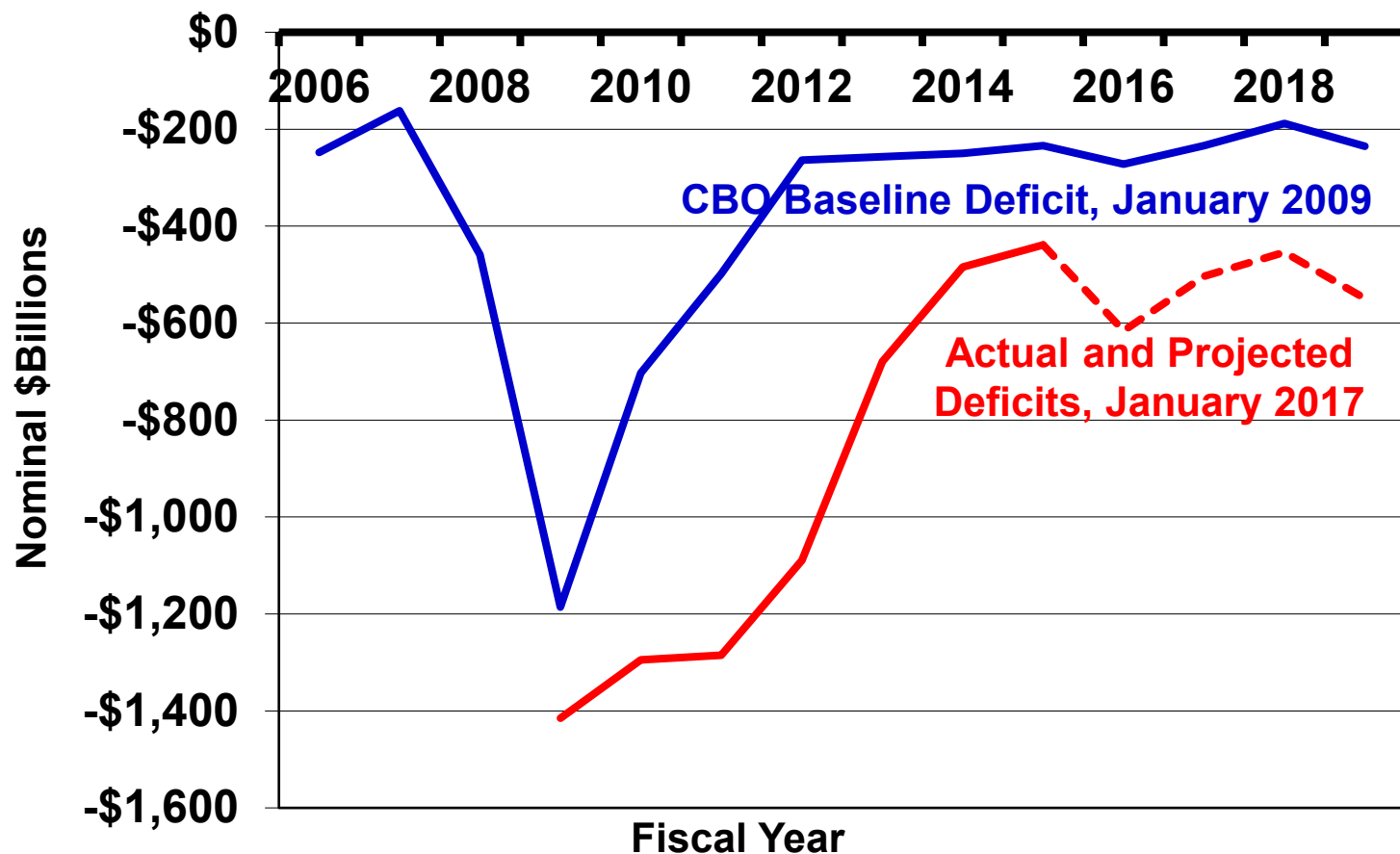
BROOKINGS

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A Comprehensive Accounting of the Obama Fiscal Record

Chapter 11

President Obama Oversaw 2009–19 Budget Deficits \$4.6 Trillion Above the Inherited Baseline

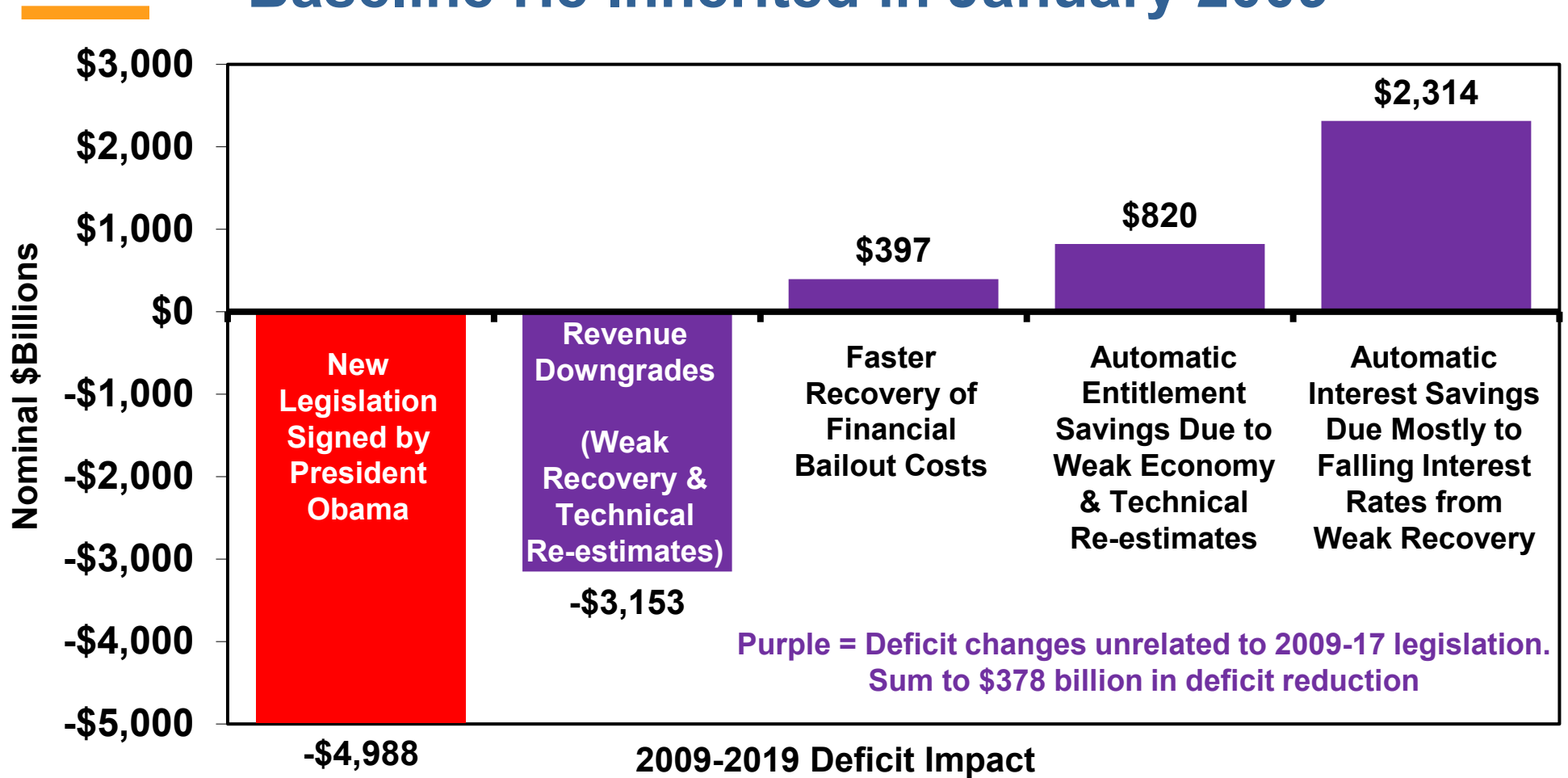


Note: The January 2009 CBO baseline already incorporated the 10-year effects of the 2007–2009 recession, and the policies inherited from President Bush.

The added Obama deficits consist of \$5 trillion in new legislation, partially offset by \$400 billion saved by the sluggish recovery, as lower interest rates and thus interest costs offset the lower revenues

Source: CBO data. See “Obama’s Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits,” by Jessica Riedl.

Under President Obama, the 2009–2019 Deficit Worsened by \$4.6 Trillion Relative to the Baseline He Inherited in January 2009



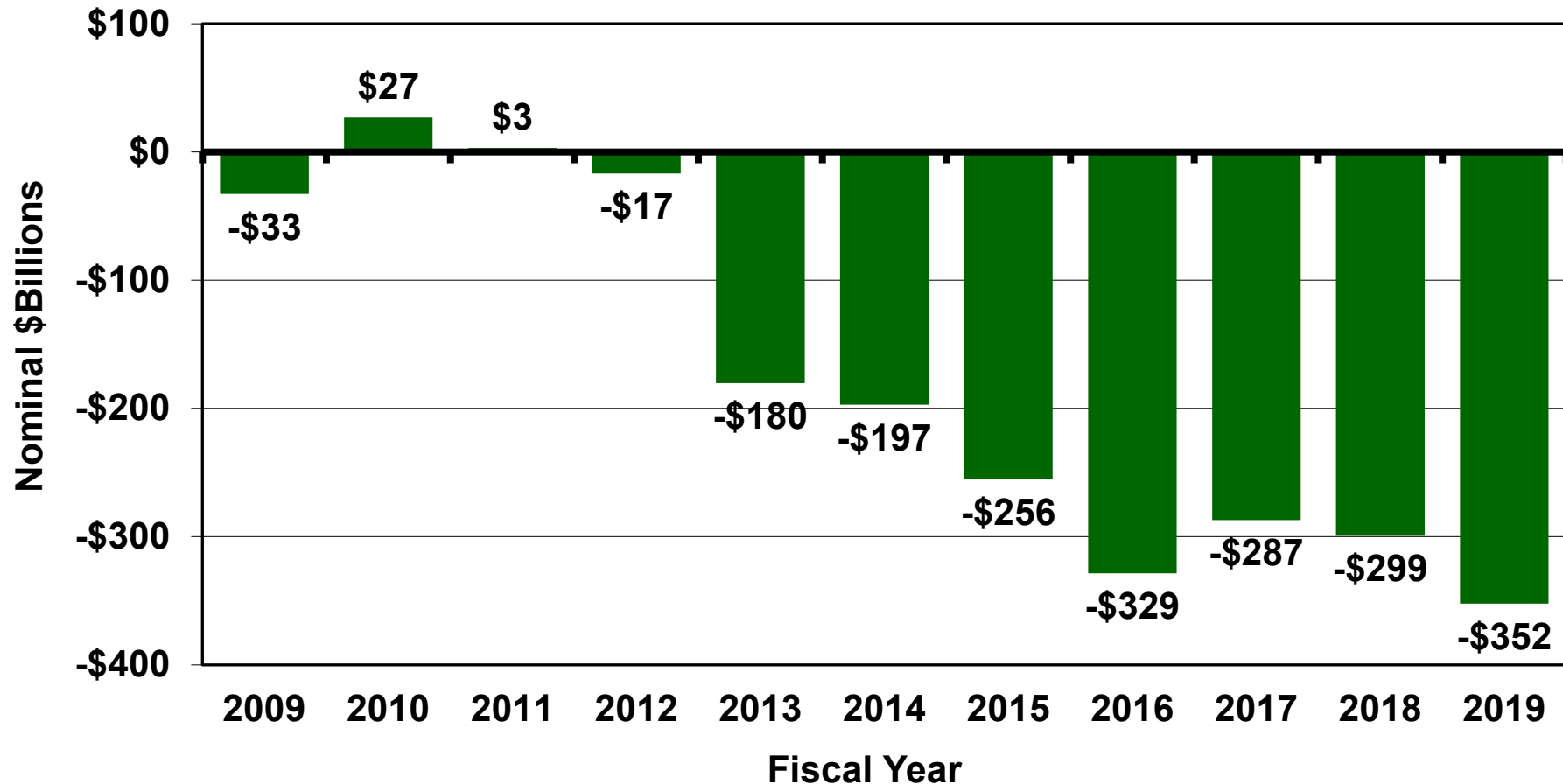
Source: Author calculations based on CBO baseline updates and bill scores. Positive figures reduce the deficit, Negative figures worsen the deficit. See "Obama's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Jessica Riedl.

President Obama Oversaw a \$4.6 Trillion Decline from the Inherited 2009–2019 Budget Projections

(All numbers in nominal \$billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2009–19
CBO January 2009 Baseline Budget Deficit	-1,186	-703	-498	-264	-257	-250	-234	-272	-234	-188	-235	-4,321
Legislative Changes												
Renewing Pre-2009 Tax Policies	-27	-114	-239	-273	-382	-363	-421	-528	-539	-596	-654	-4,135
2009 ARRA Stimulus	-163	-311	-175	-63	-58	-55	-39	-29	-33	-39	-46	-1,010
Subsequent Stimulus and Recession Relief	-7	-106	-233	-269	-93	-15	-17	-41	-44	-56	-67	-948
Renewing Pre-2009 Health Laws	0	-3	-16	-20	-19	-15	-16	-19	-19	-15	-12	-154
Other Mandatory Spending Legislation	-7	-7	-16	-25	-29	-13	1	-1	4	12	13	-69
Hurricane Sandy Relief	0	0	0	0	-5	-13	-12	-11	-10	-7	-6	-64
BCA Mandatory Sequesters	0	0	0	0	10	14	16	16	18	20	22	117
Affordable Care Act	0	-7	-2	19	44	51	51	30	17	30	41	275
Other Revenue Legislation	4	18	-4	21	7	35	27	56	37	39	41	282
Other Discretionary Spending and OCO Reforms	-18	-49	-84	-59	36	89	124	144	150	183	202	718
Economic and Technical Re-estimates												
Revenue Effect - Economic Changes	-33	27	3	-17	-180	-197	-256	-329	-287	-299	-352	-1,920
Revenue Effect - Technical Re-estimates	-159	-178	-118	-254	-54	-125	-7	-33	-121	-92	-93	-1,233
Financial Bailout Cost Re-Estimates	-1	126	5	-28	113	89	33	25	26	7	0	397
Mandatory Spending - Economic/Technical Re-estimates	176	10	65	30	-23	24	1	71	125	151	190	820
Interest Spending - Economic/Technical Re-estimates	8	1	12	113	210	261	309	332	350	363	356	2,314
Actual Deficits and January 2017 Baseline Deficit	-1,413	-1,294	-1,300	-1,087	-680	-485	-438	-587	-559	-487	-601	-8,931
Memorandum												
Total Legislative Changes	-219	-577	-768	-668	-488	-286	-286	-382	-418	-429	-467	-4,988
Total Economic and Technical Re-estimates	-8	-14	-33	-155	66	51	81	67	93	130	101	378
Total Deficit Changes	-227	-592	-801	-823	-423	-235	-205	-315	-325	-299	-366	-4,610

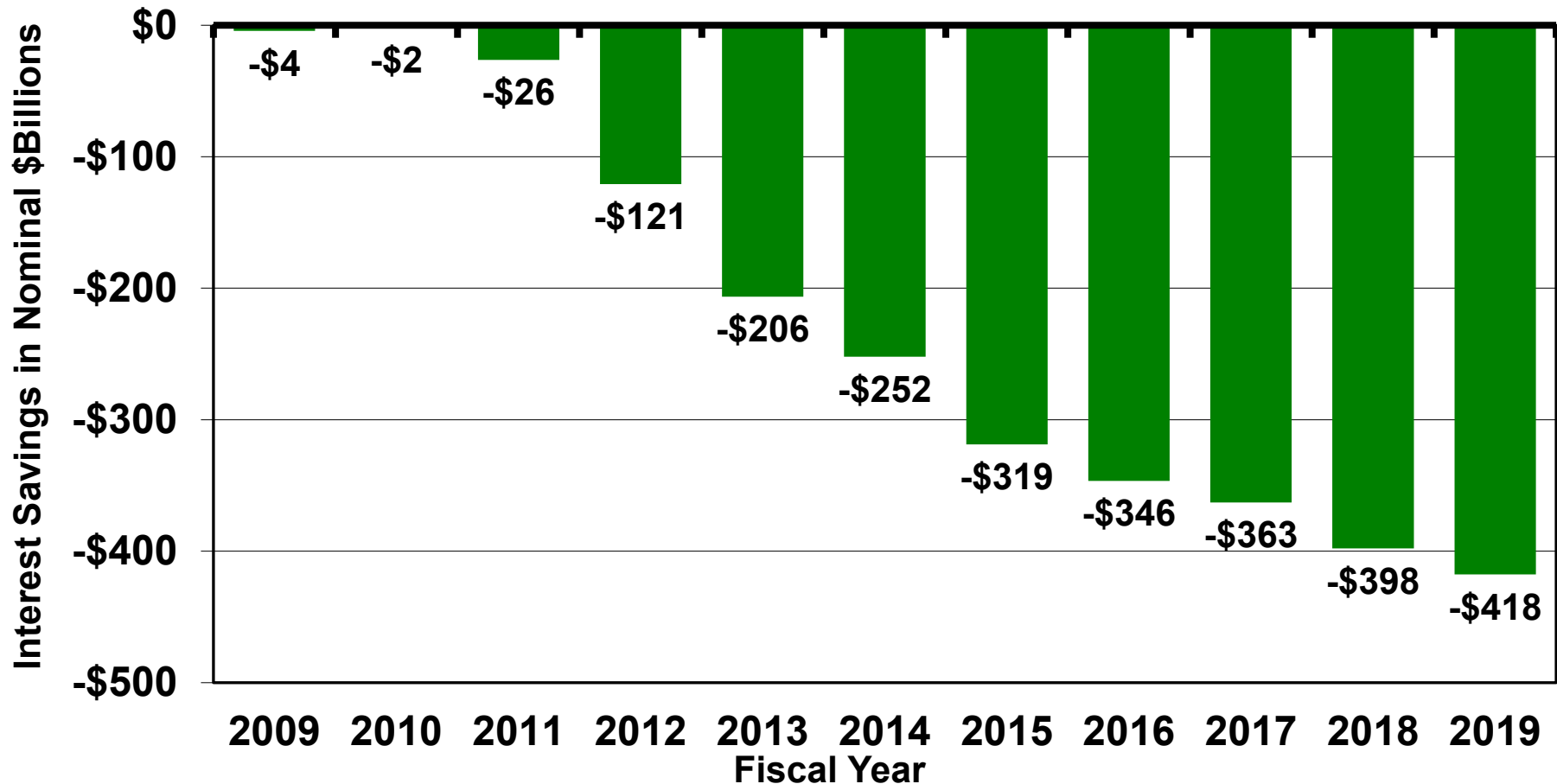
Source: "Obama's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Jessica Riedl (based on CBO data). Positive numbers reduce deficit, negative numbers add to deficit. Legislative changes include associated interest costs and savings. Ending 2017–2019 figures represent estimates as of January 2017 when President Obama left office.

Tax Revenue Impact of CBO Economic Growth Downgrades (and Upgrades) Under President Obama



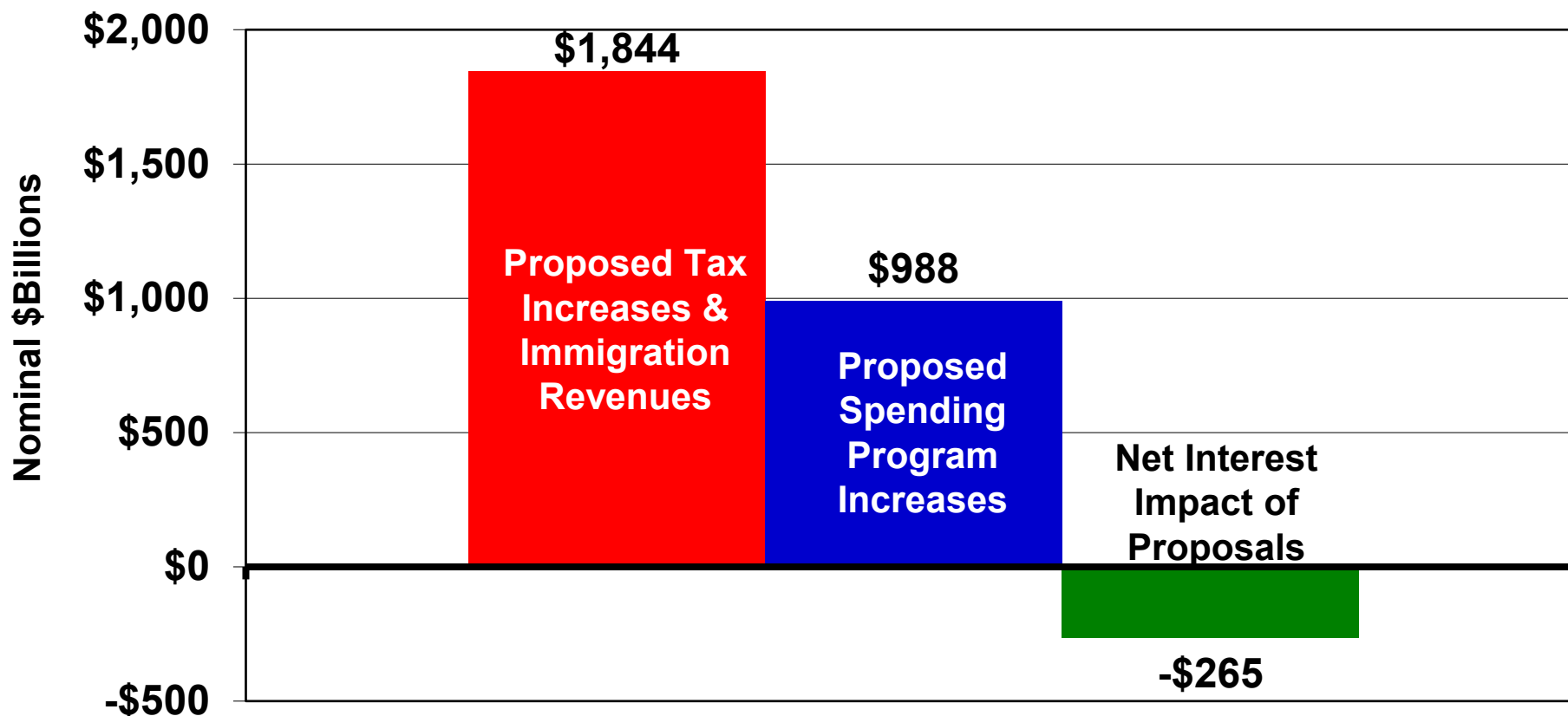
Consists of gained/lost revenues specifically resulting from economic growth upgrades and downgrades between March 2009 and January 2017. See "Obama's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Jessica Riedl.

CBO Economic Downgrades Under President Obama Sharply Lowered Interest Rates and Thus Interest Costs



Consists of net interest savings directly attributed to lower interest rates from economic downgrades occurring between March 2009 and January 2017. Post-2016 figures reflect latest estimates. See "Obama's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Jessica Riedl.

President Obama's Eight Annual Budget Requests Proposed Large Tax and Spending Increases

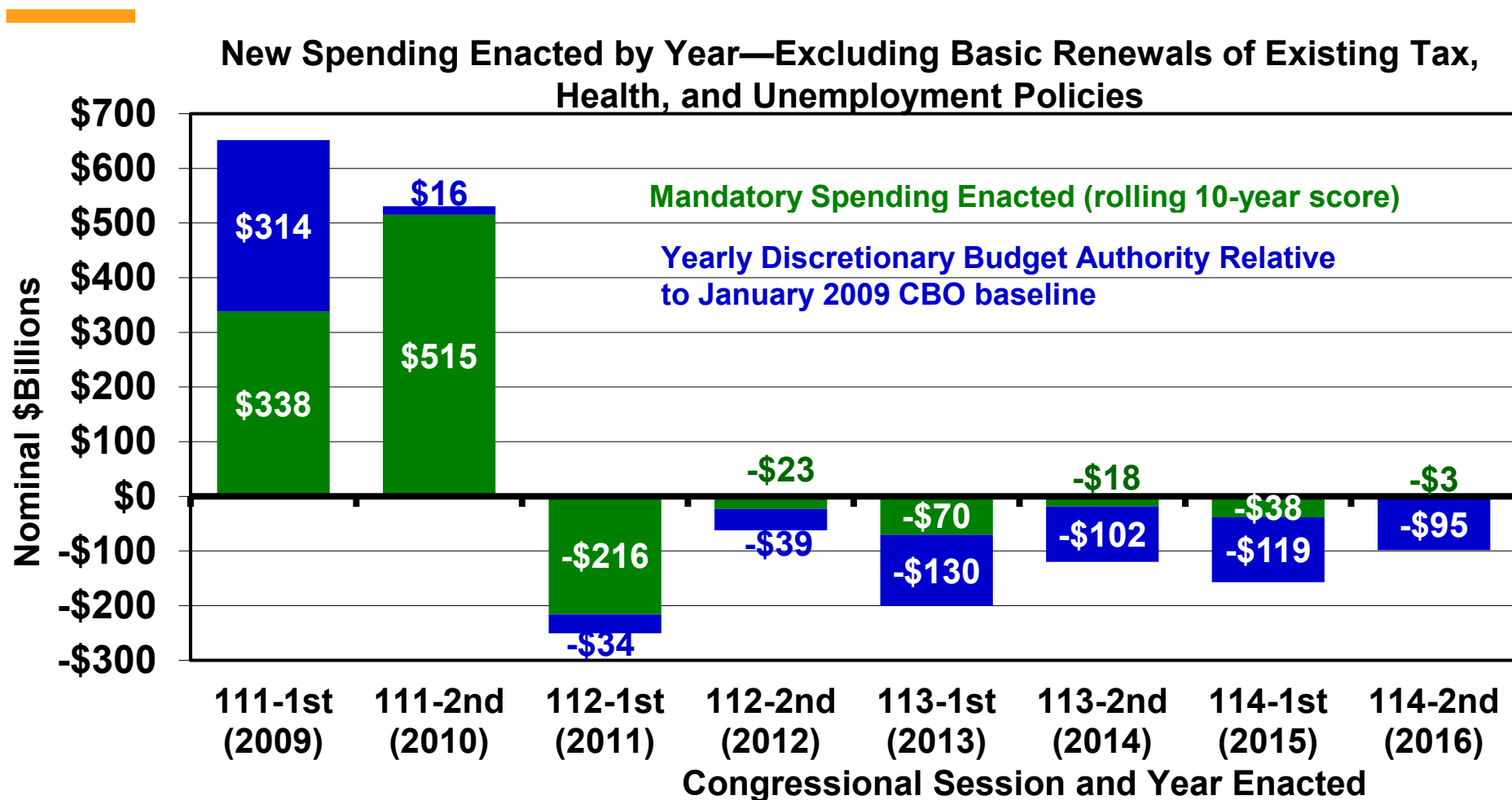


Source: OMB, President's Budget Proposals, FY 2010 - FY 2017.

Includes new proposals hidden in the budget baseline and excludes OCO proposals due to the lack of a plausible baseline to score them against. Also excludes current-policy extensions of long-time tax cuts and Medicare payment rates.

See "Obama's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Jessica Riedl.

The Obama Spending Surge Ended When the GOP Took the House In 2011



Based on CBO and JCT bill scores. Discretionary spending figures exclude emergency appropriations
 See “Obama’s Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits,” by Jessica Riedl.

The background of the top half of the slide is a blue-tinted photograph of the Brookings Institution building. The building is a large, classical-style structure with a prominent arched entrance and several windows with decorative elements. The word "BROOKINGS" is visible on the facade. The overall tone is professional and institutional.

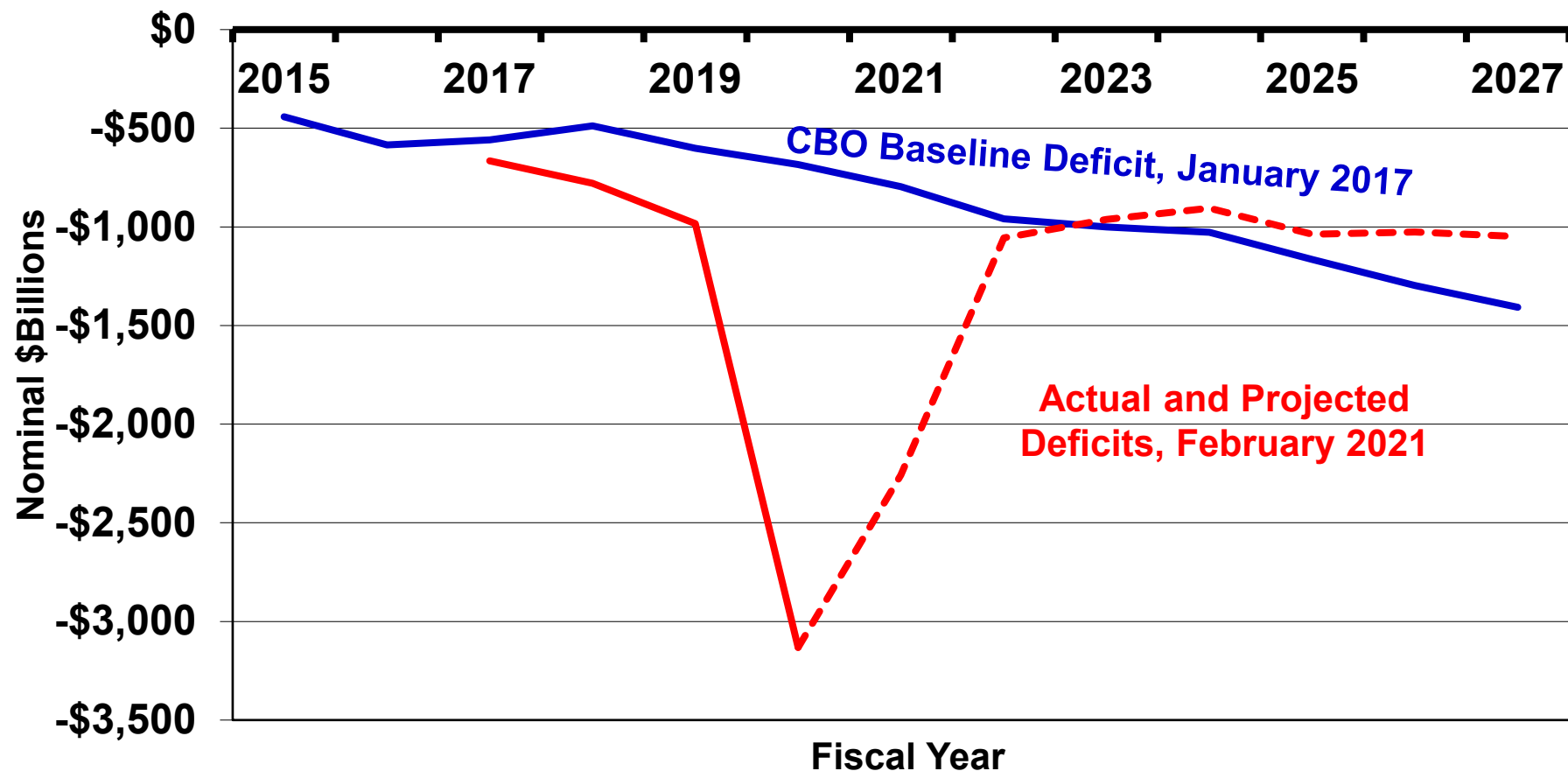
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A Comprehensive Accounting of the Trump First Term Fiscal Record

Chapter 12

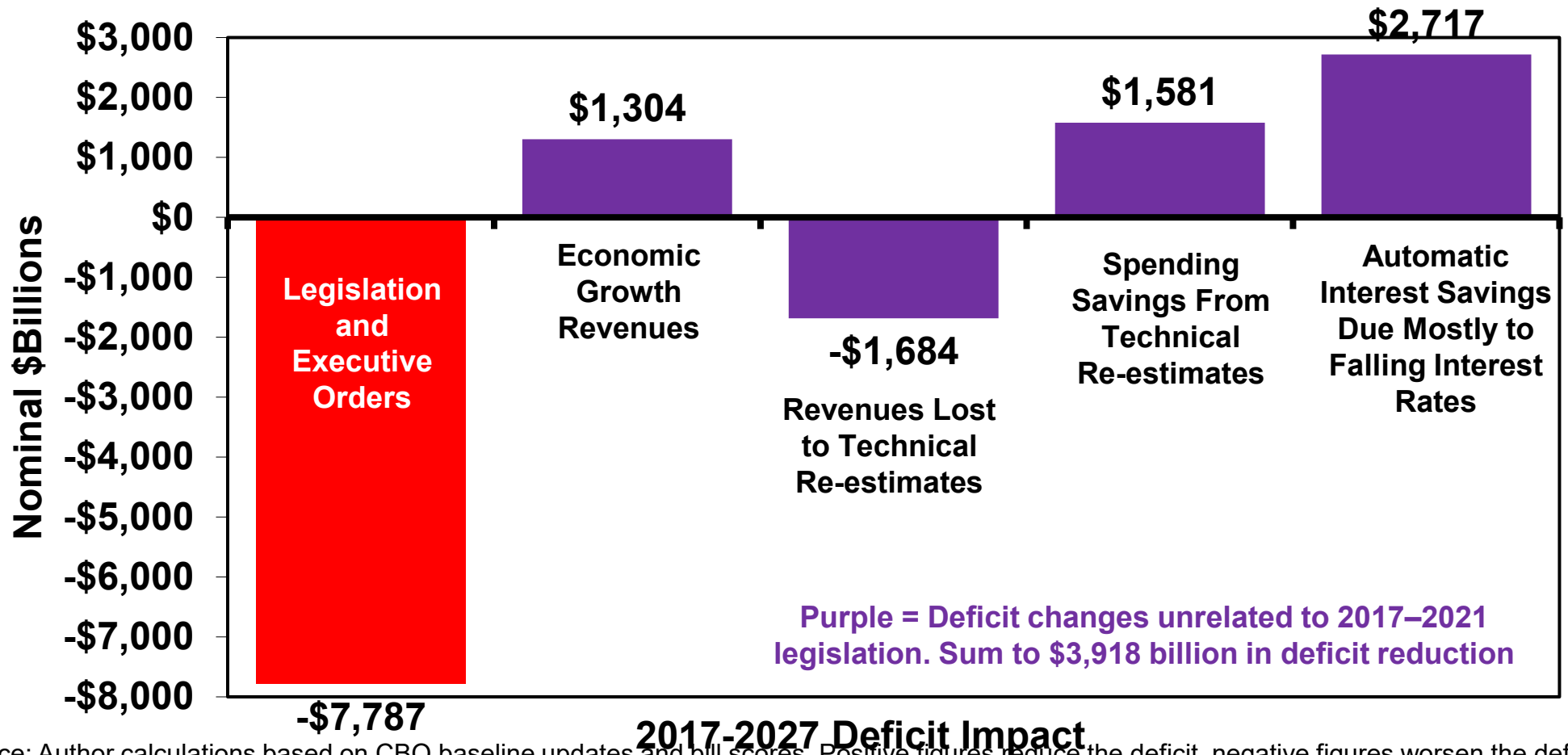
President Trump Oversaw 10-Year Budget Deficits \$3.9 Trillion Above the Inherited Baseline



Source: CBO data.

See "Trump's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Jessica Riedl.

Trump's New Initiative Costs Dwarfed the Savings from Economic Growth and Falling Interest Rates



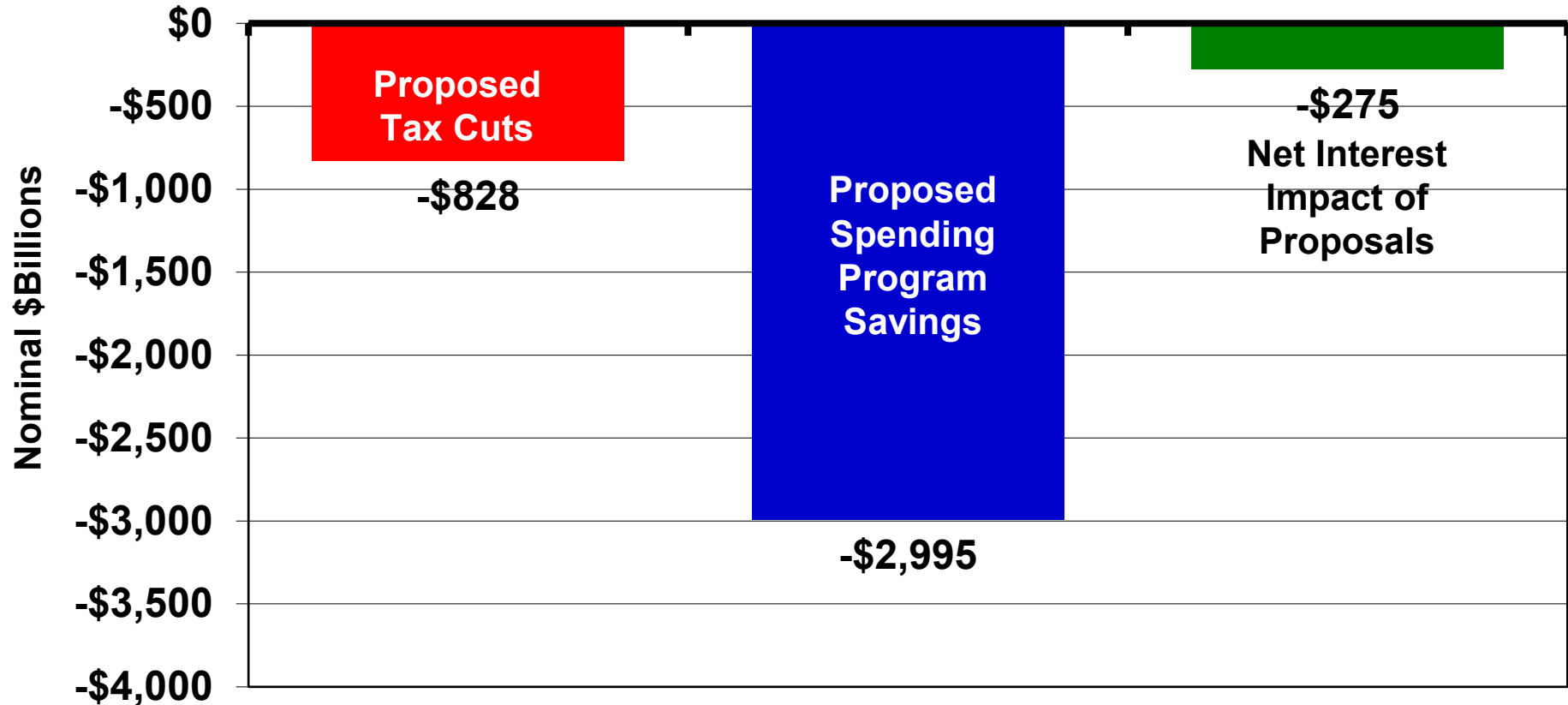
Source: Author calculations based on CBO baseline updates and bill scores. Positive figures reduce the deficit, negative figures worsen the deficit. The cumulative 2017-2027 actual and projected budget deficits increased by \$3.9 trillion during the Trump presidency. See “Trump’s Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits,” by Jessica Riedl.

President Trump Oversaw a \$3.9 Trillion Decline from the Inherited 2017–2027 Budget Projections

All numbers in nominal \$billions	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2017–27
CBO January 2017 Baseline Budget Deficit	-559	-487	-601	-684	-797	-959	-1,000	-1,027	-1,165	-1,297	-1,408	-9,984
Legislative and White House Policies												
Pandemic Response	--	--	--	-2,302	-1,430	38	62	-85	-69	-72	-83	-3,940
2017 Tax Cuts	--	-137	-293	-277	-262	-232	-200	-189	-190	-126	-62	-1,969
Higher Discretionary Caps - Defense	-4	-21	-72	-81	-80	-84	-88	-91	-96	-101	-106	-824
Higher Discretionary Caps - Nondefense	-3	-21	-72	-75	-72	-75	-78	-80	-85	-89	-94	-744
Disaster Aid & Uncapped Disc. Spending Hikes	0	-70	-21	-62	-59	-54	-47	-43	-45	-46	-47	-493
Repeal ACA Taxes	--	-1	-15	-6	-24	-28	-34	-39	-45	-50	-58	-299
Other Mandatory and Tax Legislation	0	-28	-16	-39	-60	-41	-23	-16	-21	17	27	-201
Repeal ACA Individual Mandate Penalty & IPAB	--	--	6	10	29	37	42	41	48	48	56	317
Presidential Tariffs and Subsidies	--	--	30	13	40	46	47	50	47	47	46	367
Economic and Technical Re-estimates												
Revenues From Economic Changes	1	23	81	-37	145	212	191	183	174	174	156	1,304
Revenues from Technical Re-estimates	-89	-133	-104	379	-129	-371	-355	-219	-252	-234	-176	-1,684
Spending from Technical Re-estimates	-19	123	124	-41	248	169	157	191	195	218	216	1,581
Net Interest Costs from Econ/Technical Changes	7	-26	-30	70	191	287	361	420	466	485	485	2,717
Actual Values and CBO February 2021 Baseline Deficit	-665	-779	-984	-3,132	-2,258	-1,056	-963	-905	-1,037	-1,026	-1,048	-13,853
Memorandum												
Total Legislative and White House Policies	-7	-278	-454	-2,819	-1,917	-393	-317	-453	-455	-371	-321	-7,787
Total Economic and Technical Re-estimates	-99	-14	71	371	456	297	355	575	584	643	681	3,918
Total Deficit Changes	-107	-292	-383	-2,448	-1,462	-96	38	122	128	271	359	-3,869

Source: “Trump’s Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits,” by Jessica Riedl (based on CBO data). Positive numbers reduce deficit, negative numbers add to deficit. Legislative changes include associated interest costs and savings. Ending 2021-2027 figures represent estimates as of January 2021 when President Trump left office.

Trump's Four Budget Proposals Called for Large Tax Cuts and Vaguely-Defined Spending Cuts



Source: Average of the CBO scores of President Trump's four yearly budget proposals.

Figures reflect the average 10-year score in each budget request.

See "Trump's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Jessica Riedl.

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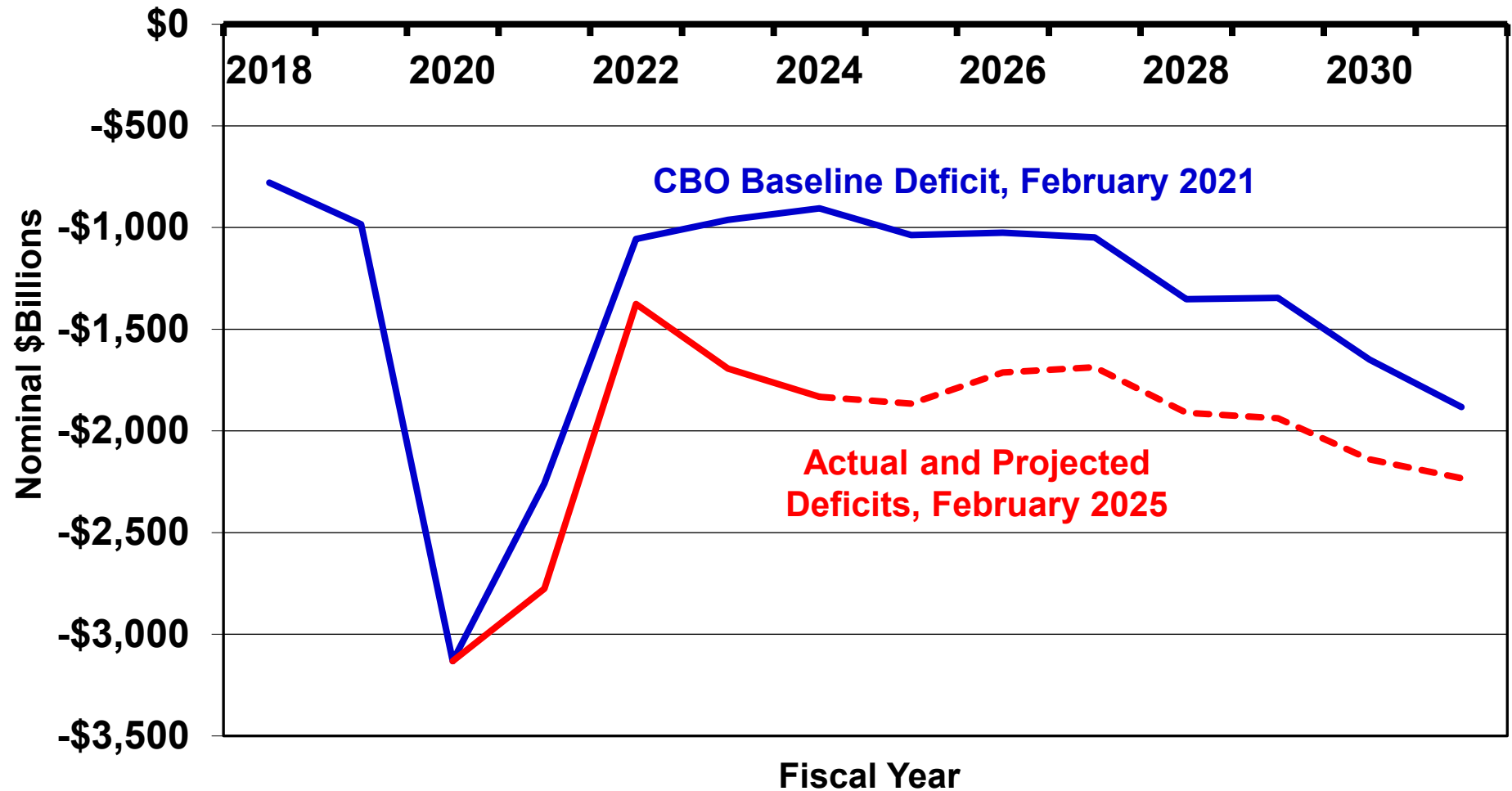
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A Comprehensive Accounting of the Biden Fiscal Record

Chapter 13

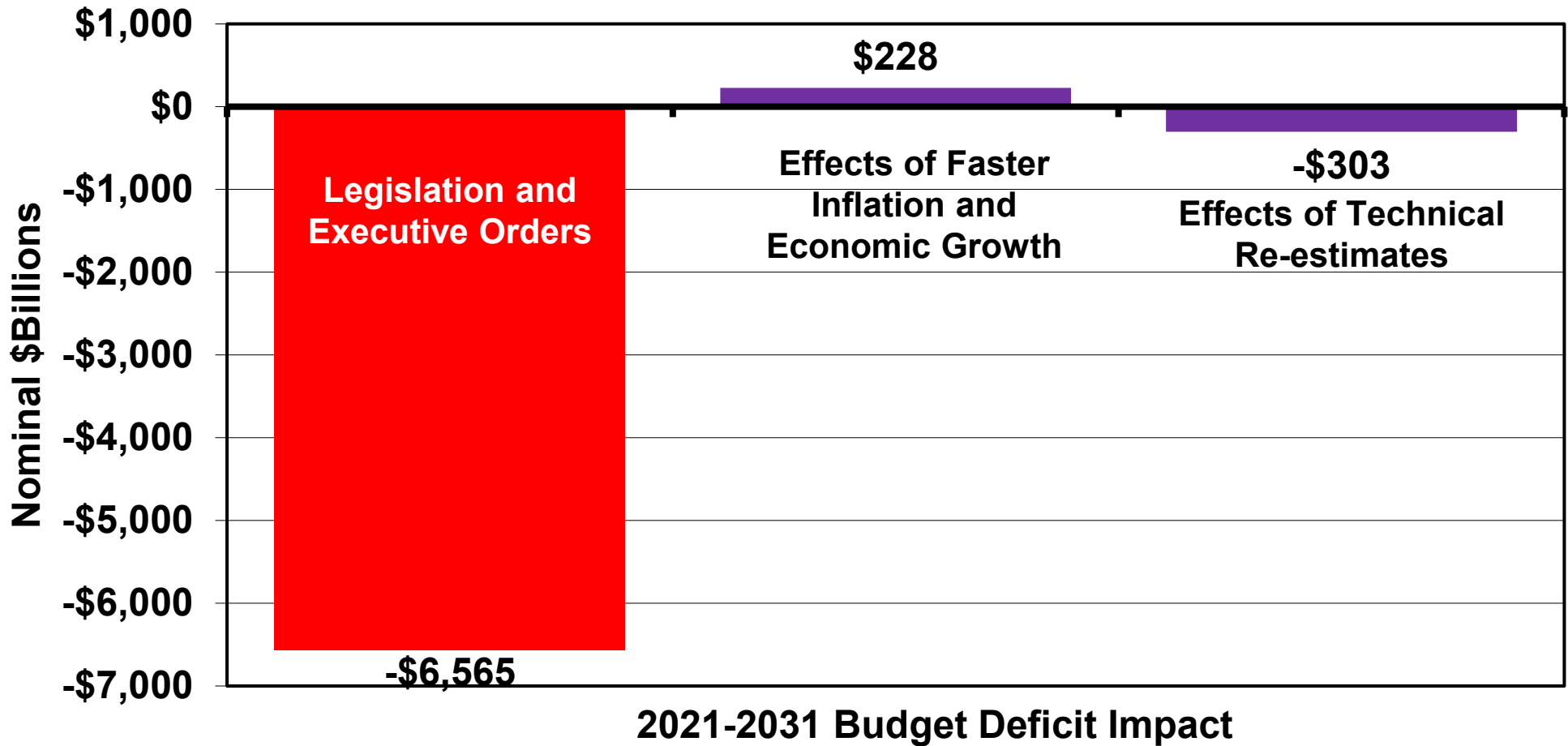
President Biden Oversaw 10-Year Budget Deficits \$6.6 Trillion Above the Inherited Baseline



Source: CBO data.

See "Biden's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Jessica Riedl.

Under Biden, the Cost of New Initiatives Dwarfed the Small Net Fiscal Effects of Economic and Technical Factors



2021-2031 Budget Deficit Impact

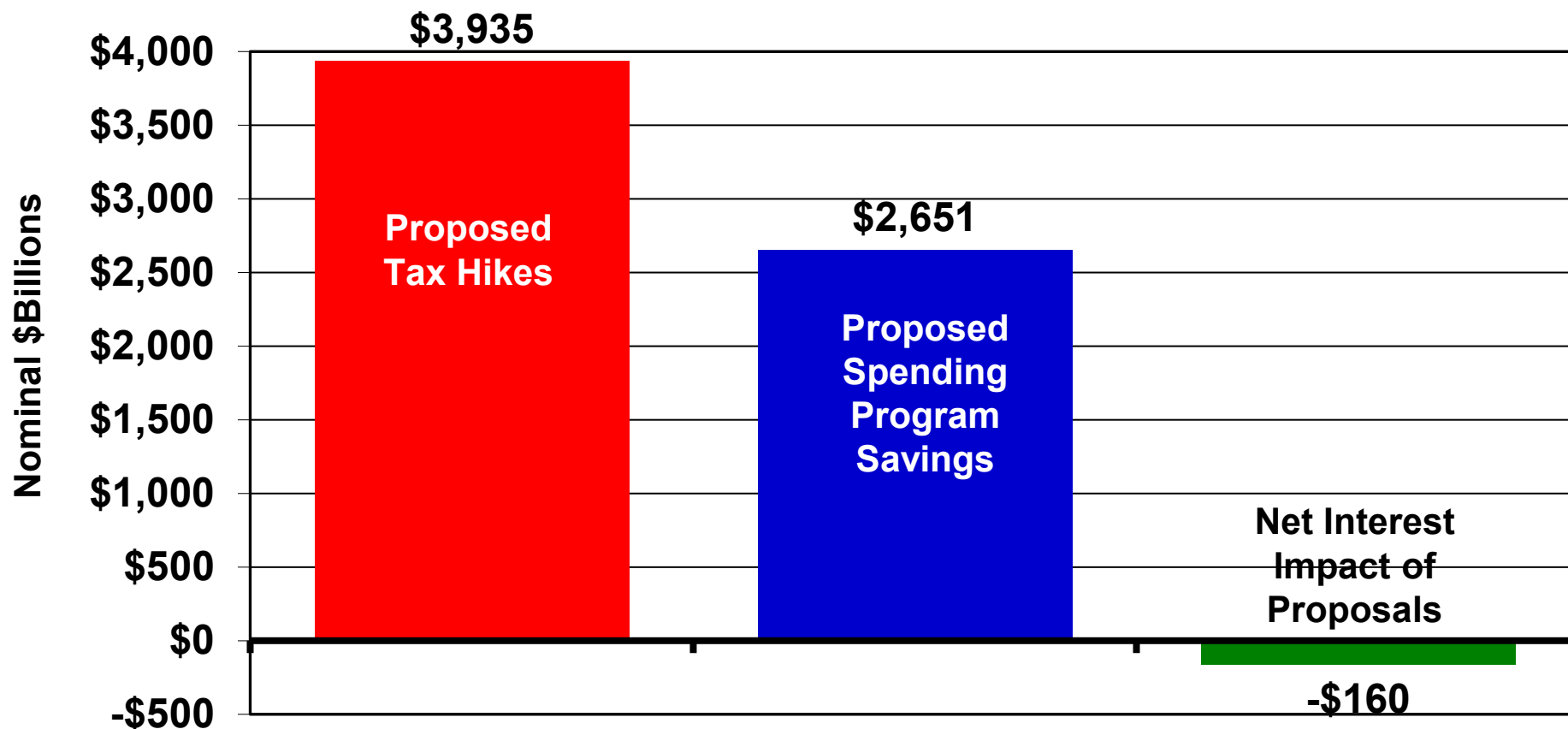
Source: Author calculations based on CBO baseline updates and bill scores. Positive figures reduce the deficit, negative figures worsen the deficit. See "Biden's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Jessica Riedl.

President Biden Oversaw a \$6.6 Trillion Decline from the Inherited 2021-31 Budget Projections

All numbers in nominal \$billions	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2021-31
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: "Biden's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Jessica Riedl (based on CBO data). Positive numbers reduce deficit, negative numbers add to deficit. Legislative changes include associated interest costs and savings. Ending 2025-2031 figures represent estimates as of February 2025 after President Biden left office.

Biden's Four Budgets Proposed Large Spending Expansions and Even Larger Tax Increases



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

See "Biden's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Jessica Riedl.

The 10-Year Fiscal Records of Presidents Bush, Obama, Trump, and Biden

President Bush	2001-11	President Obama	2009-19	President Trump	2017-27	President Biden	2021-31
CBO Jan. 2001 Baseline Ten-Year Surplus	5,891	CBO Jan. 2009 Baseline Ten-Year Deficit	-4,321	CBO Jan. 2017 Baseline Ten-Year Deficit	-9,984	CBO Jan. 2025 Baseline Ten-Year Deficit	-14,524
Legislative & White House Policies	-6,947	Legislative & White House Policies	-4,988	Legislative & White House Policies	-7,787	Legislative & White House Policies	-6,565
2001/2003 Tax Cuts	-2,330	Renew AMT Patch & 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	Disc Spending (non-Defense/vets)	-1,653
Non-Defense Disc Spending	-802	2009 ARRA Stimulus	-1,010	Higher Disc Caps - Defense	-824	Veterans Benefit Expansions	-837
Other Tax Policies	-489	Subsequent Stimulus/Relief	-948	Higher Disc Caps - Non-Defense	-744	Student Loan Executive Orders	-755
Medicare Drug Program	-321	Renewing Pre-2009 Health Laws	-154	Disaster Aid & Other Disc. Hikes	-493	Defense Discretionary Hikes	-596
TARP	-221	Other Mand Spending Legislation	-69	Repeal ACA Taxes	-299	Exec Orders (Non-Education)	-536
Economic Stimulus Act of 2008	-181	Hurricane Sandy Relief	-64	Other Mand/Tax Legislation	-201	Other Spending/Tax Legislation	-136
Other Entitlement Reforms	-432	BCA Mandatory Sequesters	117	Repeal ACA Ind Mandate Penalty	317		
		Affordable Care Act	275	Presidential Tariffs and Subsidies	367		
		Other Revenue Legislation	282				
		Disc Spending and OCO Reforms	718				
Econ/Technical Re-estimates	-3,337	Econ/Technical Re-estimates	378	Econ/Technical Re-estimates	3,918	Econ/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 Feb. 2021 Baseline Deficit	-13,853	Actual Values and Feb. 2025 Baseline Deficit	-21,164

Source: "Biden's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Jessica Riedl. Positive numbers reduce deficit, negative numbers add to deficit. Legislative changes include associated interest costs and savings. All figures in nominal \$billions.