

# Deficits, Deficits Everywhere

September 2023

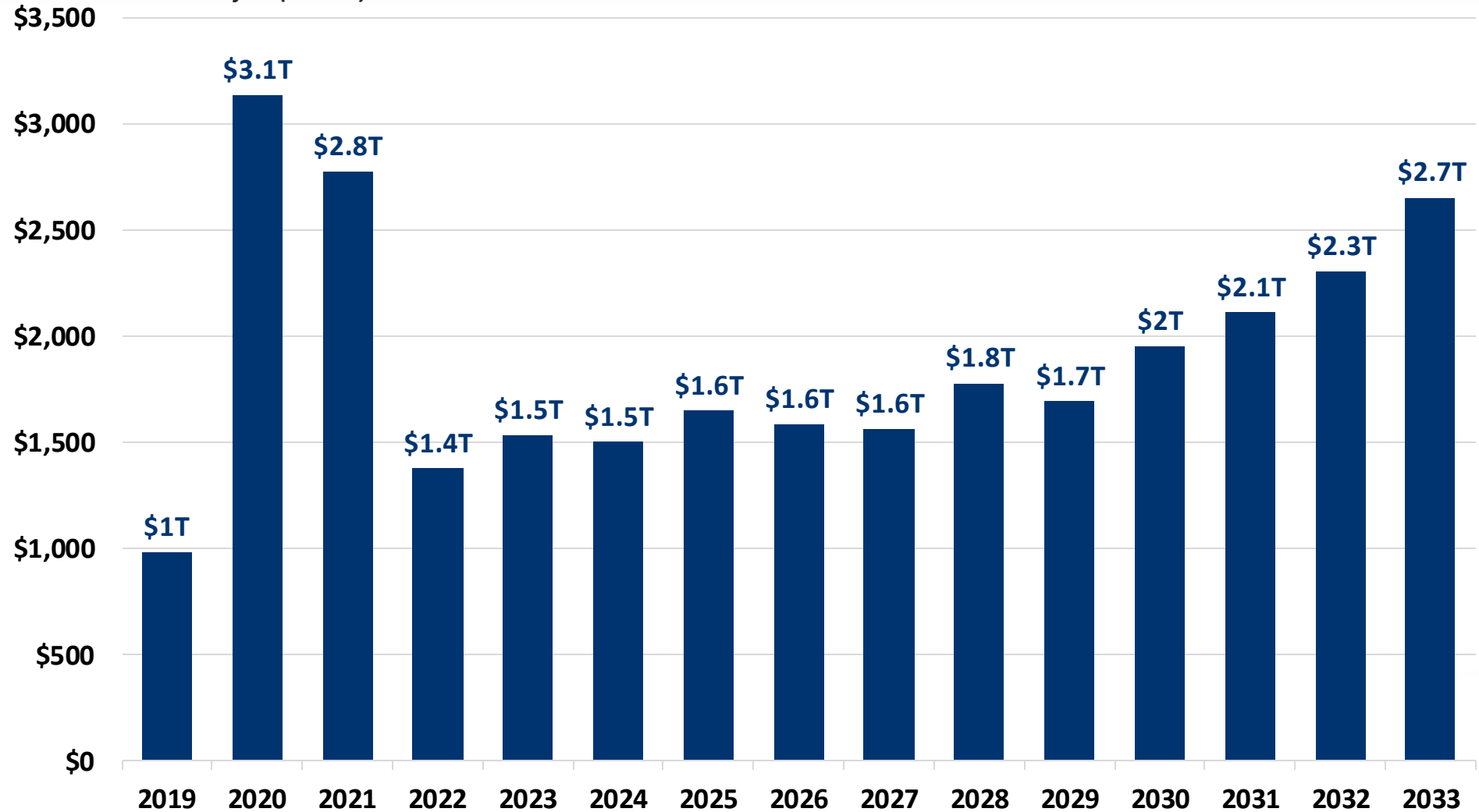


**COMMITTEE FOR A  
RESPONSIBLE FEDERAL BUDGET**

*CRFB.org*

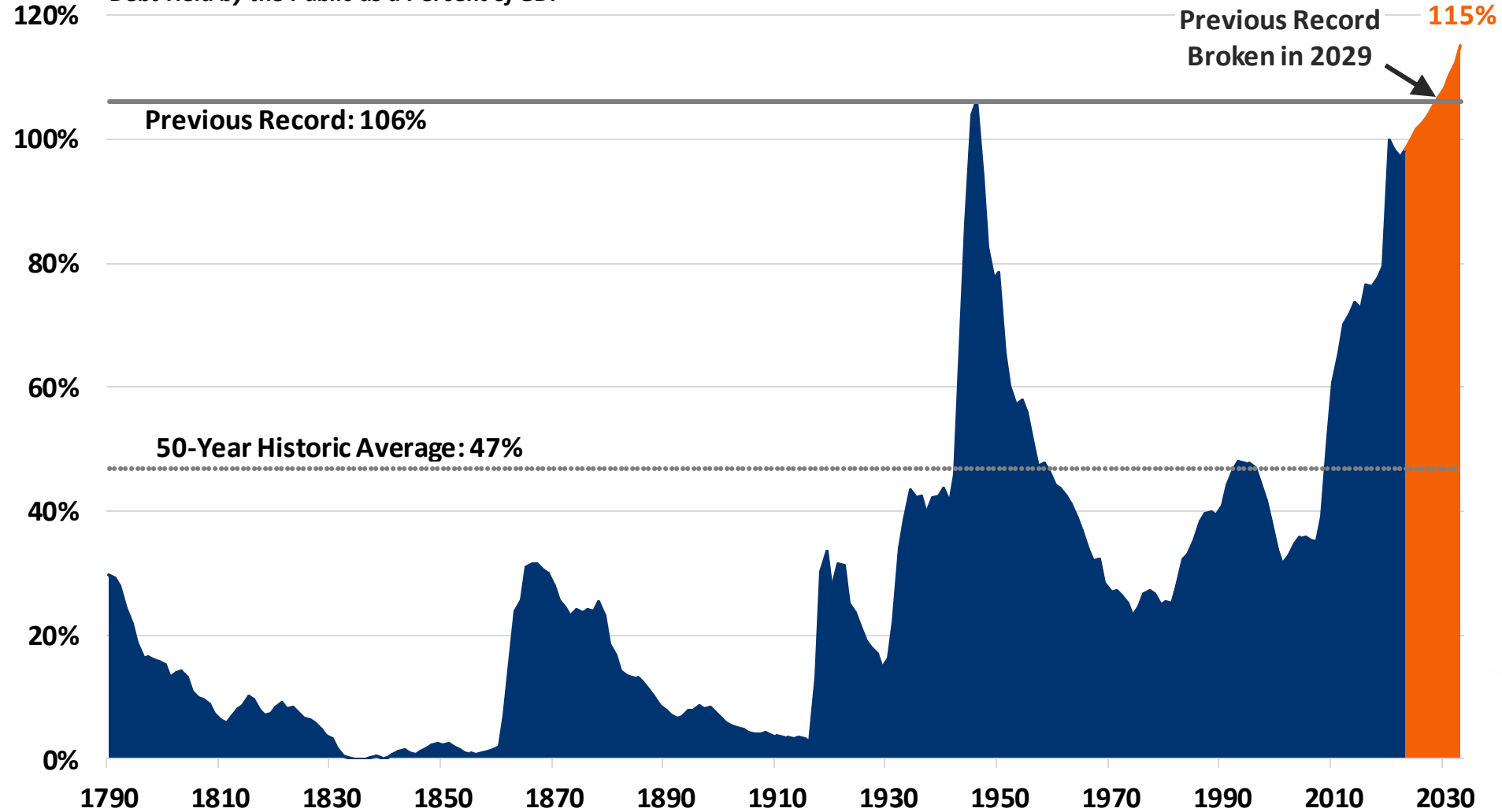
# Deficits Are Growing Again Post-COVID

Annual Deficit (billions)

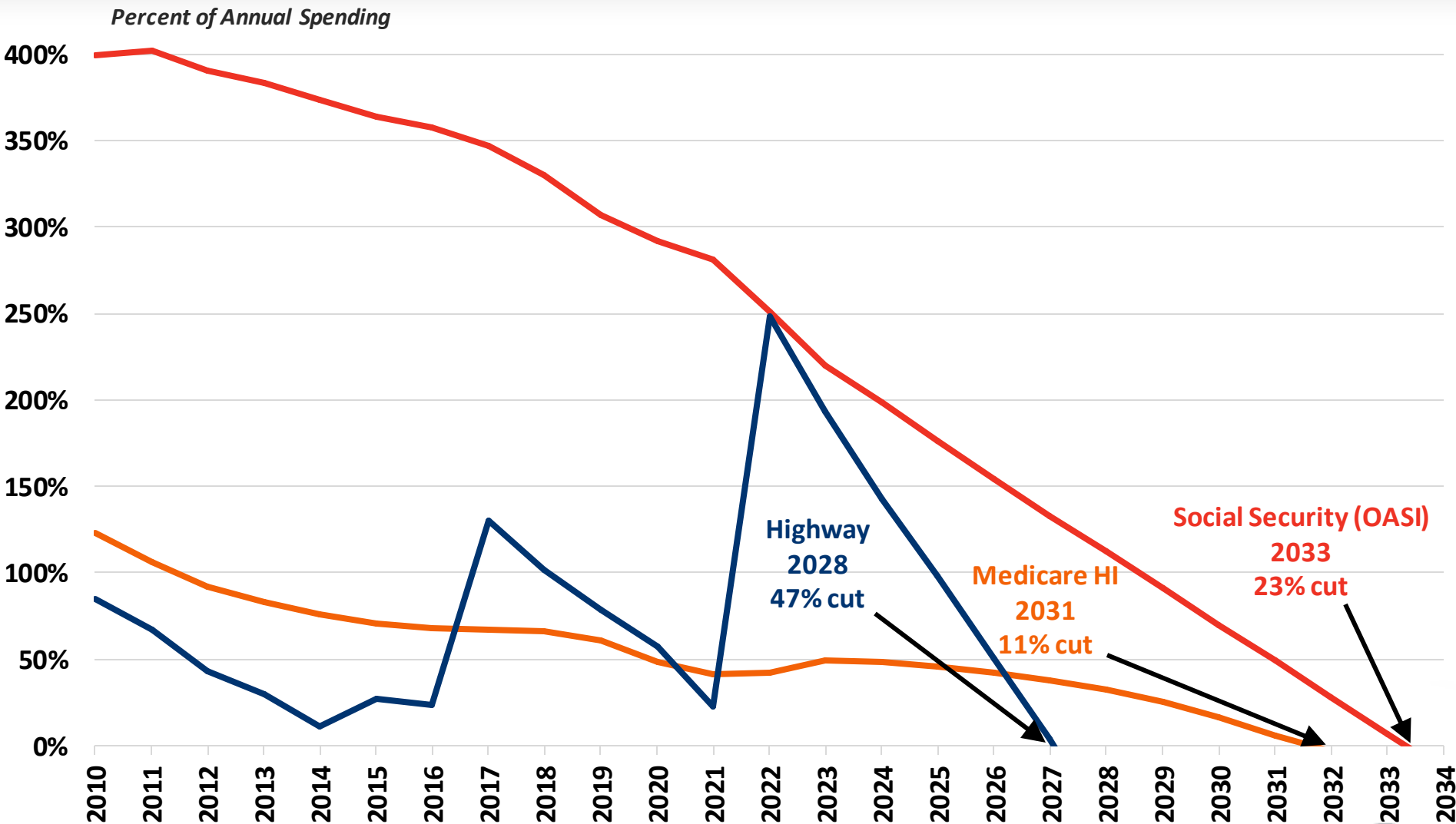


# Debt Is Nearing Record Levels

Debt Held by the Public as a Percent of GDP

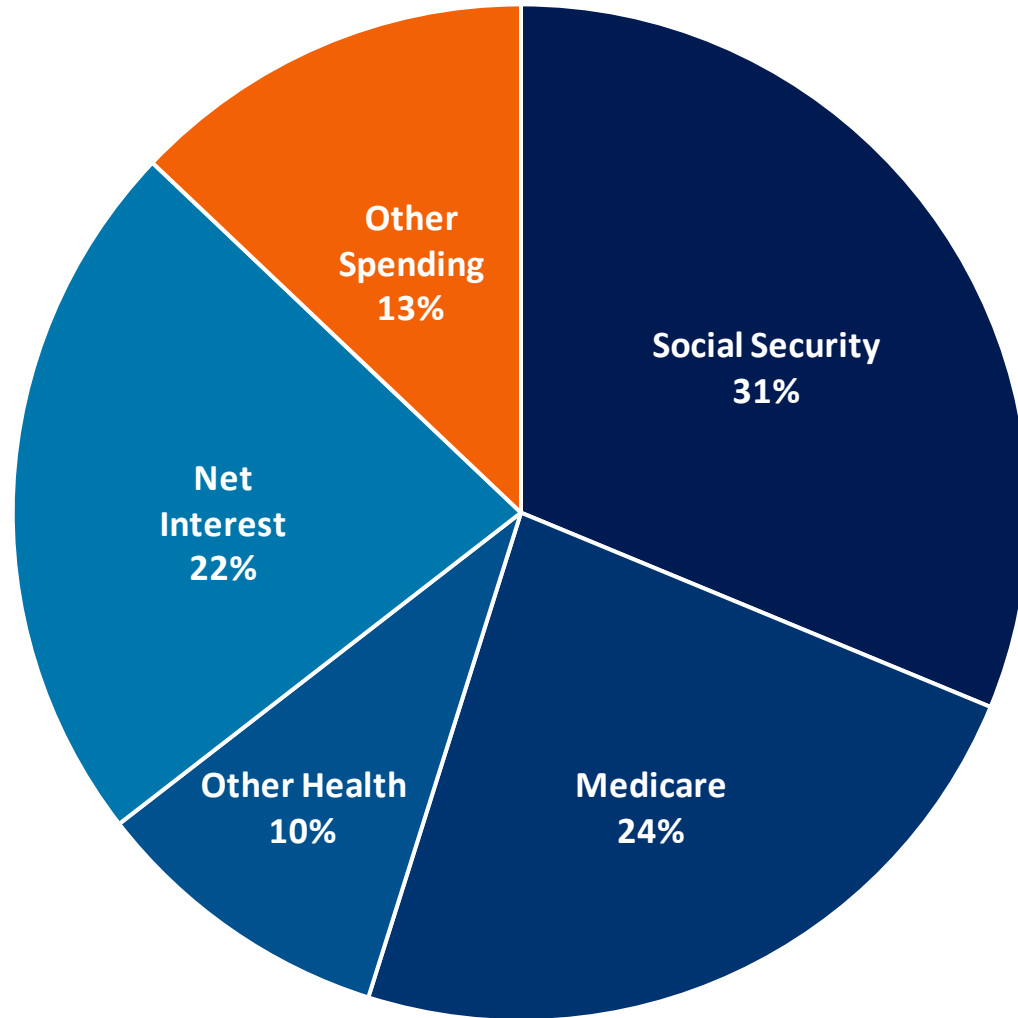


# Major Trust Funds Face Insolvency



# Social Security, Health Care, and Interest Explain 87% of Projected Spending Growth

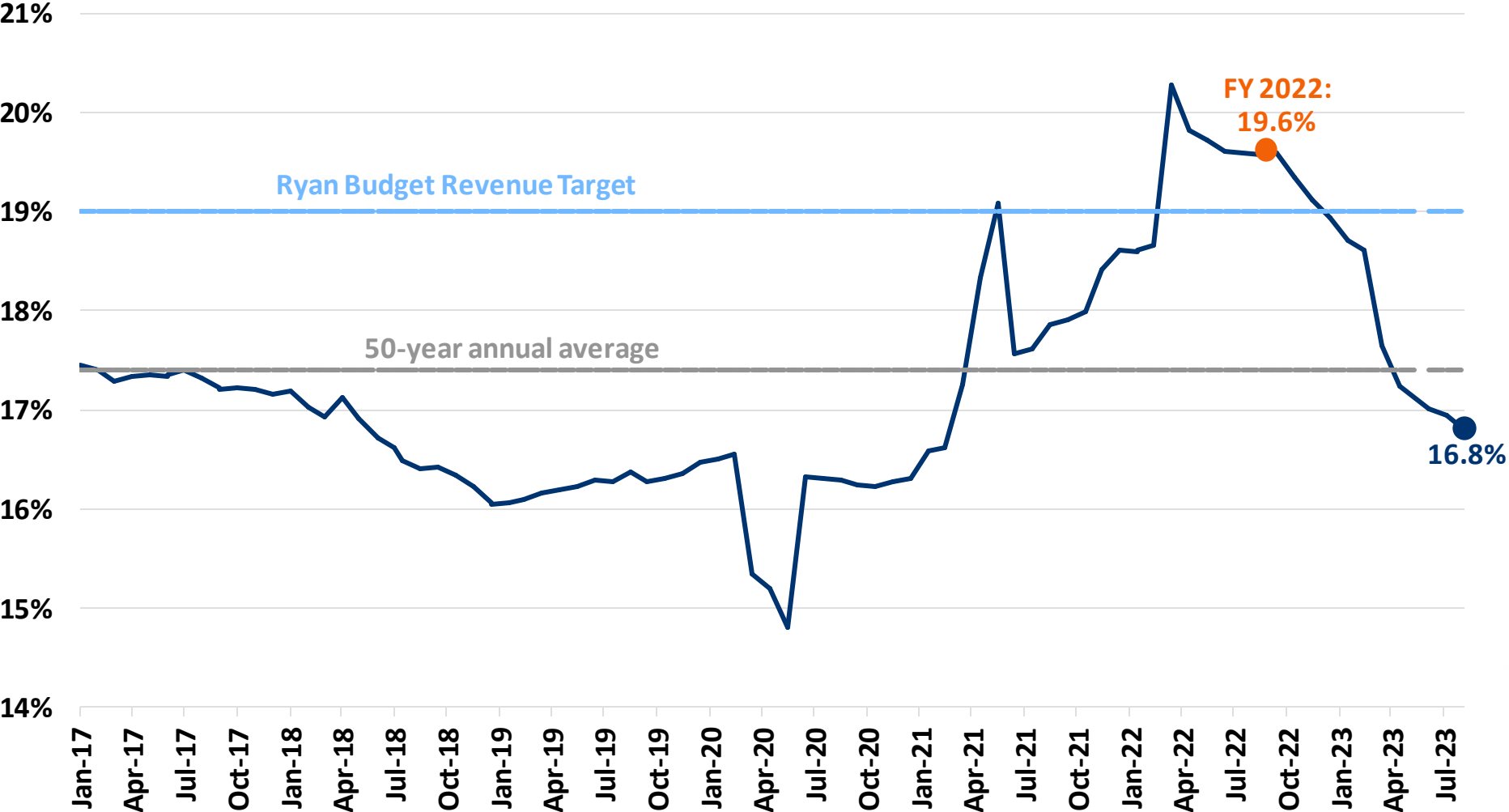
2023-2033 Nominal Spending Growth Under Current Law



Sources: Committee for a Responsible Federal Budget, Congressional Budget Office

# Revenue is Back Below Historic Averages

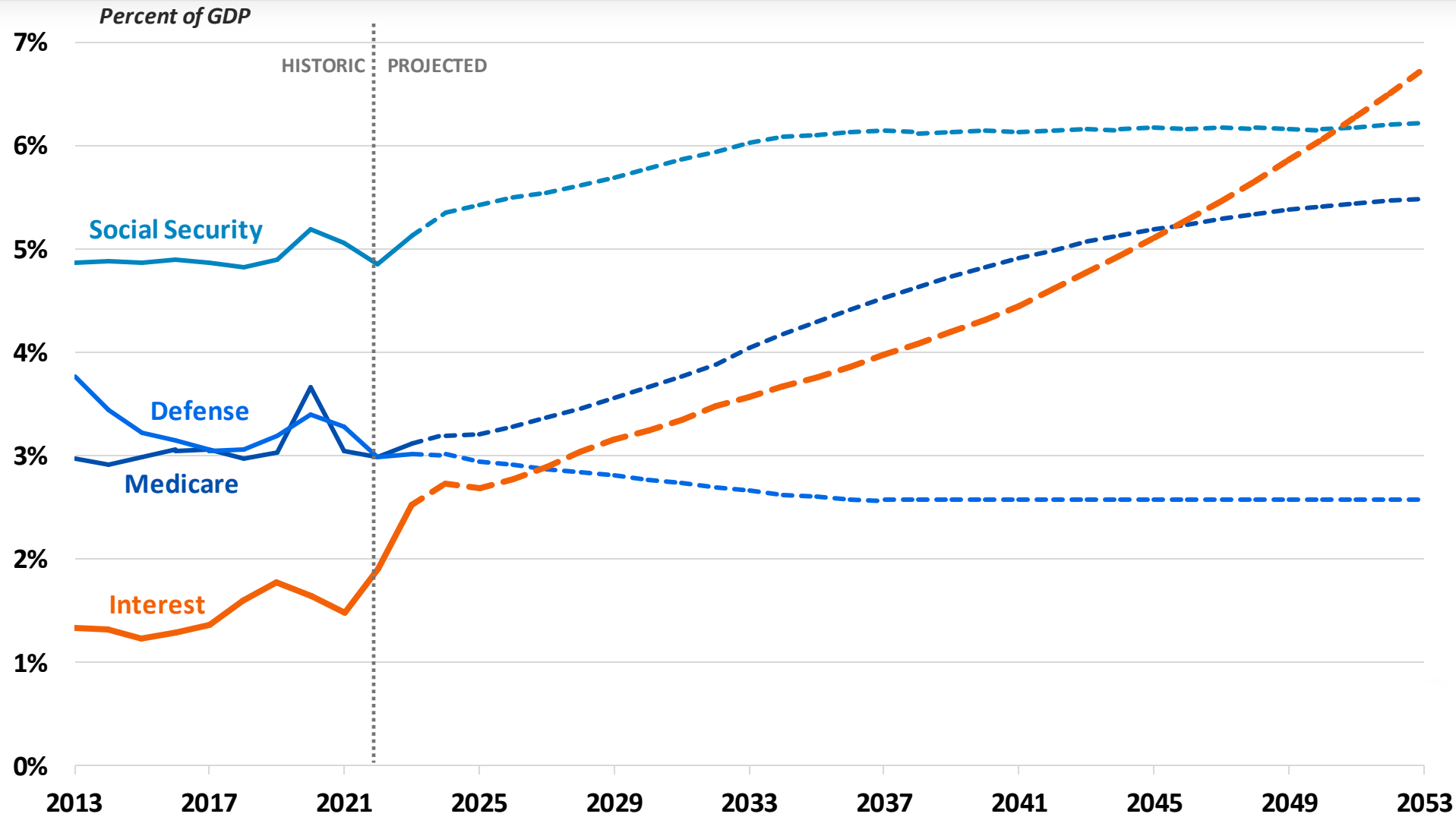
Receipts in current and prior 11 months, as a percent of total Gross Domestic Product



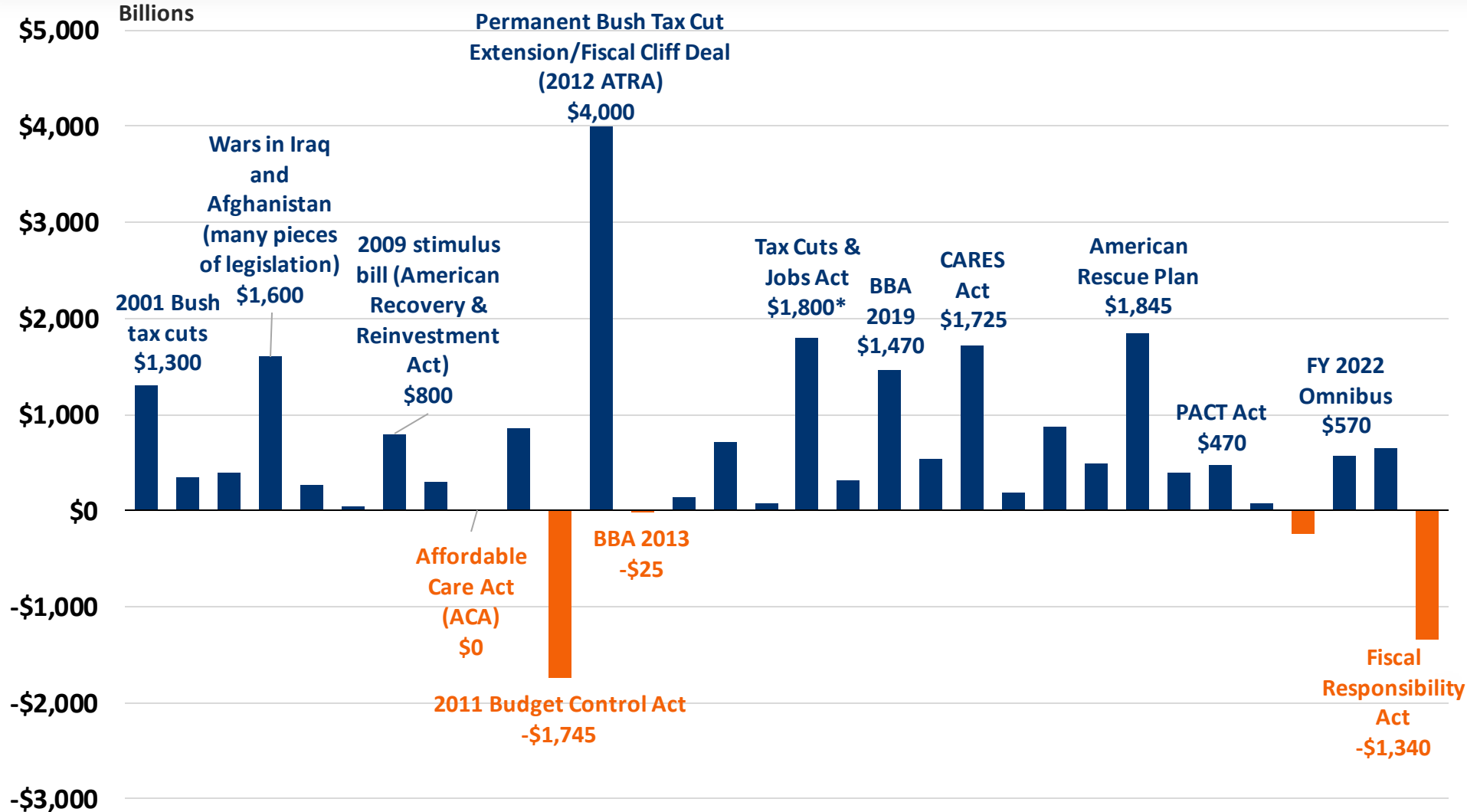
Source: U.S. Department of Treasury, Congressional Budget Office, Macroeconomic Advisers, Committee for a Responsible Federal Budget



# Interest Will Be the Largest Part of the Budget...



# We Keep Adding Tax Cuts & Spending to the Debt



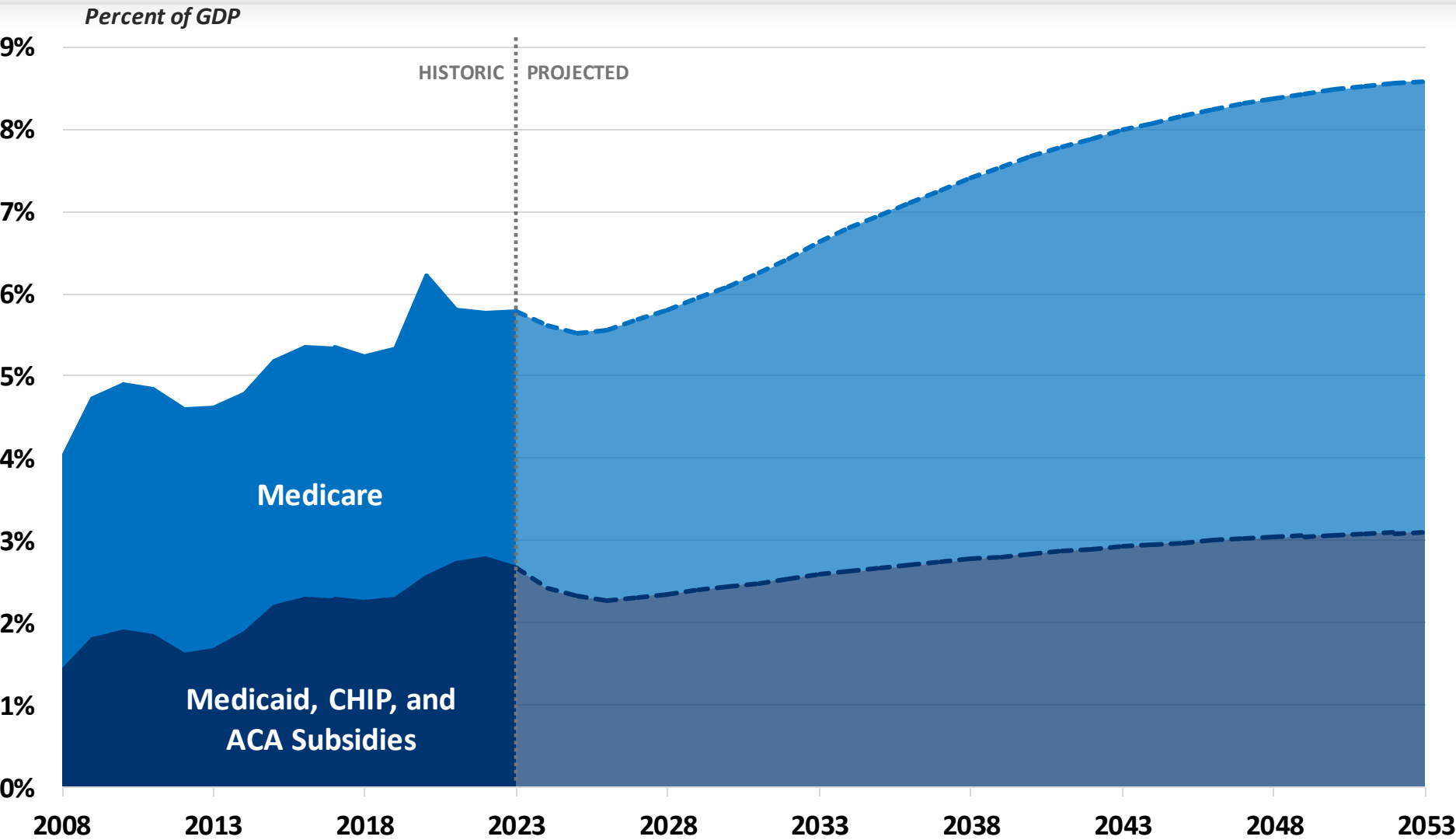
\* Cost of Tax Cuts & Jobs Act is estimated on a conventional basis for comparison purposes

Sources: Committee for a Responsible Federal Budget, Congressional Budget Office, Congressional Research Service.





# Growth of Health Care Costs is a Major Driver of Deficits



Source: Congressional Budget Office



# The U.S. Needs Trillions of Dollars of Debt Reduction

## Deficit Reduction Needed to Achieve Certain Fiscal Targets

|                         | Through 2028<br>(5 years) | Through 2033<br>(10 years) |
|-------------------------|---------------------------|----------------------------|
| <b>Debt Targets</b>     |                           |                            |
| 110 percent of GDP      | n/a                       | \$2.0 trillion             |
| 100 percent of GDP      | \$1.8 trillion            | \$5.9 trillion             |
| 90 percent of GDP       | \$5.0 trillion            | \$9.8 trillion             |
| 80 percent of GDP       | \$8.3 trillion            | \$13.8 trillion            |
| <b>Deficit Targets*</b> |                           |                            |
| 4 percent of GDP        | \$2.0 trillion            | \$6.4 trillion             |
| 3 percent of GDP        | \$3.3 trillion            | \$8.7 trillion             |
| On-Budget Balance       | \$6.2 trillion            | \$12.7 trillion            |
| Primary Balance         | \$3.6 trillion            | \$8.8 trillion             |
| Balance                 | \$7.3 trillion            | \$15.7 trillion            |