Spending, Taxes & Deficits: A Book of Charts

Brian Riedl
Senior Fellow, Manhattan Institute
November 2022
Highlights

-- In Just 20 Months, President Biden Added $4.8 Trillion to 10-year Deficits (p. 11)
-- Individual Income Taxes in 2022 Shattered Records as a %GDP (14)
-- How Did Washington Go From Budget Surpluses to Escalating Deficits? (26-27)
-- What Happened to the 2011 BCA Spending Caps? (32-33)
-- Rising Social Security & Medicare Shortfalls Drive Nearly Entire 2019-32 Deficit Rise (40-44)
-- What is Driving CBO’s Projected $114 Trillion Deficit over 30 Years? (52-58)
-- Why the Deficit Could Top $3 Trillion Yet Again Within a Decade (66)
-- Each 1% Interest Rate Rise Adds $30 Trillion (or 45% of GDP) to 30-Year Debt (69)
-- A Menu of Tax Increase Options With 10-Year and Long-Term Estimates (74-75)
-- Does the U.S. Have the OECD’s Most Progressive Tax Code? (103)
-- Is it Possible that the 1980s Defense Build Up Paid for Itself? (110)
-- What Really Caused the 1990s Budget Surpluses? (111)
-- The Comprehensive Bush Budget Record (113-114)
-- The Comprehensive Obama Budget Record (115-122)
-- The Comprehensive Trump Budget Record (123-128)
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, Council of Economic Advisors (CEA), Bureau of Labor Statistics (BLS), Bureau of Economic Analysis (BEA), and Census Bureau.

Unless otherwise noted, 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.

Questions on specific charts can be addressed by contacting Brian Riedl at Briedl@manhattan-institute.org.
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-Yr 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, Cut Defense, & Nationalize Health Care Instead?
8. Progressive Proposals Would Dig the Debt Even Deeper
9. Tax Revenues Will Continue Growing Faster Than the Economy
10. The Tax Code Has Become Increasingly Progressive
12. A Comprehensive Accounting of the Obama Fiscal Record
13. A Comprehensive Accounting of the Trump Fiscal Record
Rising Budget Deficits and National Debt

Chapter 1
Budget Deficits to Resume Steep Growth Even After Pandemic

Source: OMB historical table 1.1, and May 2022 CBO baseline (with timing shifts removed) adjusted for final FY 22 figures and legislation enacted through September 2022. Assumes most 2017 tax cuts expire on schedule.
Budget Deficits are Set to Rise Steeply (Adjusted for Inflation)

Source: OMB historical table 1.1, and May 2022 CBO baseline (with timing shifts removed) adjusted for final FY 22 figures and legislation enacted through September 2022. Assumes most 2017 tax cuts expire on schedule.
Deficits Will Rise to Levels Seen only During Wars, Deep Recessions, and Pandemics

Source: OMB historical table 1.1, and May 2022 CBO baseline (with timing shifts removed) adjusted for final FY 22 figures and legislation enacted through September 2022. Assumes 2017 tax cuts are renewed.
The 2020 Budget Deficit Exceeded the Combined 2016 Through 2019 Deficits

Source: July 2021 CBO baseline, Treasury data, and historical data.
The 2021-2031 Projected Budget Deficit Has Grown by $3.8 Trillion Since Biden Took Office

Source: CBO. October 2022 figures reflect May 2022 CBO baseline (with timing shifts removed) adjusted for final FY 22 figures and legislation enacted through September 2022.
In Just 20 Months, President Biden Added $4.8 Trillion to 10-year Deficits

<table>
<thead>
<tr>
<th>Legislation or Executive Order</th>
<th>10-year Cost ($Billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Rescue Plan</td>
<td>$1,850</td>
</tr>
<tr>
<td>FY 2022 Omnibus Bill</td>
<td>$625</td>
</tr>
<tr>
<td>Bipartisan Infrastructure Law</td>
<td>$370</td>
</tr>
<tr>
<td>Honoring our PACT Act</td>
<td>$280</td>
</tr>
<tr>
<td>SNAP Expansion</td>
<td>$185</td>
</tr>
<tr>
<td>Health-Related Executive Orders</td>
<td>$175</td>
</tr>
<tr>
<td>CHIPS and Science Act</td>
<td>$80</td>
</tr>
<tr>
<td>Ukraine Supplementals</td>
<td>$55</td>
</tr>
<tr>
<td>Inflation Reduction Act</td>
<td>-$240</td>
</tr>
<tr>
<td>Student Debt Relief</td>
<td>$750</td>
</tr>
<tr>
<td>Net Interest From Above Policies</td>
<td>$700</td>
</tr>
<tr>
<td><strong>Total 10-year Cost</strong></td>
<td><strong>$4,830</strong></td>
</tr>
</tbody>
</table>

Source: Committee For a Responsible Federal Budget, based on CBO and OMB data. Does not account for budget deficit changes driven by economic and technical factors.
2022 Tax Revenues Were $1 Trillion Above Pre-Pandemic Levels (Adjusted for Inflation)

Source: OMB Historical Table 2.3, and final 2022 Treasury data.
2022 Tax Revenues Were the Second-Highest Ever Outside of World War II

Source: OMB Historical Table 2.3, and final 2022 Treasury data.
In 2022, Individual Income Tax Revenues Exceeded 10% of GDP for the First Time Ever

Source: OMB Historical Table 2.3, and final 2022 Treasury data.
The National Debt is in the Middle of a Historic Surge

Source: May 2022 CBO baseline and historical data, adjusted to assume extension of the 2017 tax cuts.
The National Debt is Set to Surpass the World War II Peak Within a Decade

Historical Debt Held by the Public as a Percentage of GDP

Source: OMB Historical Table 7.1, and May 2022 CBO baseline.
CBO Long-Term Baseline Shows Unsustainable Debt

Note: This is the *rosy* scenario that assumes no wars, no recessions and continued low interest rates. It also assume all tax cuts expire as scheduled.

Source: CBO 2022 Long-term Budget Outlook.
The National Debt Has Surpassed $180,000 Per Household

Source: OMB Historical Table 7.1, May 2022 CBO baseline, and Census Bureau data.
Projected New Federal Debt Added by Decade

Inflation-adjusted (2022) $Trillions

1990s: $2.5  
2000s: $4.3  
2010s: $10.0  
2020s: $18.5  
2030s: $24.7  
2040s: $38.8

Source: CBO 2022 long-term budget outlook adjusted to reflect the current-policy baseline.
U.S. Government Debt is Increasingly Financed by the Federal Reserve and Domestic Lenders

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Held by the Public in Nominal $Trillions</td>
<td>$10.4</td>
<td>$17.5</td>
<td>$22.1</td>
</tr>
<tr>
<td>Federal Reserve</td>
<td>$2.8</td>
<td>$4.6</td>
<td>$5.8</td>
</tr>
<tr>
<td>Other Domestic Lenders</td>
<td>$1.7</td>
<td>$1.3</td>
<td>$1.2</td>
</tr>
<tr>
<td>Other Intl. Lenders</td>
<td>$1.1</td>
<td>$1.0</td>
<td>$1.0</td>
</tr>
<tr>
<td>Japan</td>
<td>$1.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>$1.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A Rising Share of U.S. Government Debt is Financed by the Federal Reserve and Domestic Lenders

Source: U.S. Treasury, Federal Reserve
What Is Driving the Debt?
Soaring Federal Spending

Chapter 2
Background: Federal Spending & Taxes: 1930-2032

Source: OMB Historical Table 1.2 (1930-2020), and May 2022 CBO baseline, adjusted to include current-policy tax cut extensions.
Over the Next Decade, Above-Average Spending Will Drive Most of the Rising Deficit

10% 12% 14% 16% 18% 20% 22% 24% 26% 28% 30% 32% 34%

Percentage of GDP

1960-2021 Average: 20.4%
1960-2021 Average: 17.4%

Fiscal Year

Source: OMB Historical Table 1.2 (1930-2020), and May 2022 CBO baseline
Rising Spending – Not Falling Revenues – Drives the Long-Term Deficit

Source: CBO 2022 Long-term Budget Outlook
What Happened to Those Budget Surpluses?

2000: Budget Surplus of 2.3% of GDP
2022: Budget Deficit of 5.6% of GDP

Change in Percentage of GDP

Revenues Fell 0.2% of GDP, Spending Jumped 7.7% of GDP

- 3.6% Social Security & Health Entitlements
- 3.2% Other Mandatory Spending
- 0.7% Non-Defense Discretionary
- 0.1% Defense
- Net Interest 0.0%

(Half is the one-time student loan bailout)

Change Between 2000 Peak Surplus of 2.3% GDP, and 2022 Deficit of 5.6% of GDP

Both 2000 and 2022 showed above-average tax revenues. On average, post-2000 revenues have been 1% of GDP below the previous two decades. Source: OMB historical tables and May 2022 CBO baseline.
Entitlement Programs – not Defense – are Driving Spending Upward

2022 spending increase above 2000 levels in inflation-adjusted $billions
(Percentage increase over 2000 levels in parentheses)

- Social Security: $563, (88%)
- Medicare: $444, (144%)
- Medicaid: $406, (218%)
- Other Mandatory: $724, (196%)
- Student Loan Bailout: $379, (NA)
- Defense: $288, (62%)
- Non-Defense Discretionary: $455, (90%)
- Net Interest: $181, (51%)

Source: OMB Historical Table 3.2 and CBO final 2022 figures, adjusted for inflation. Total spending rose by $3,439 billion, or 121%. Real GDP rose by 54%.
Coronavirus Legislation Pushed 2020 and 2021 Federal Spending Past $55,000 per Household

Source: OMB Historical Table 1.1, May 2022 CBO baseline, and Census Bureau Data.
Discretionary Spending Is Not Driving the Long-term Debt

Chapter 3
Despite Recent Increases, Discretionary Spending Should Resume Falling as a Share of the Economy

Source: OMB Historical Table 8.4, and May 2022 CBO baseline.
Since 1990, Non-Defense Discretionary Spending Has Grown 5 Times Faster than Defense

Source: OMB historical table 8.1, and May 2022 CBO baseline, converted into 2022 dollars.
Budget Deals Weakened the Budget Control Act (BCA) Discretionary Spending Caps

Source: Congressional Budget Office. Excludes OCO and Emergency Spending. Amounts In Nominal $Billions
What Became of the $1,788 Billion in Promised 2013-2021 Discretionary Savings Under the Budget Control Act?

- $1,015 billion was enacted (57%)
- $488 billion was repealed (27%)
- $285 billion was replaced by other savings thru 2029 (16%)*

*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, as of July 2021. Excludes emergency appropriations related to the pandemic.
Budget Caps Sharply Reduce Discretionary Spending – For a Few Years Until They Get Ignored

Discretionary Spending (%GDP)

Fiscal Year

Source: OMB Historical Table 8.4, and May 2022 CBO baseline.
The Six Major Deficit-Reduction Deals Since 1983 Relied Mostly on Discretionary Savings

Combined Components of the 6 Deals

Discretionary Savings 52.8%

Interest Savings 11.9%

New Taxes 18.8%

Other Mandatory Savings 8.0%

Medicare Provider Cuts 8.4%

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 “Andrew 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.

Mandatory Spending and Entitlement Costs Are Rising Rapidly

Chapter 4
## Major Components of the 2022 Federal Budget

### 2022 Outlays

<table>
<thead>
<tr>
<th>2022 Outlays</th>
<th>$Millions</th>
<th>Per Household</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security</td>
<td>$1,046,955</td>
<td>$9,293</td>
<td>18%</td>
</tr>
<tr>
<td>National Defense</td>
<td>684,568</td>
<td>5,941</td>
<td>12%</td>
</tr>
<tr>
<td>Medicare</td>
<td>651,199</td>
<td>5,799</td>
<td>11%</td>
</tr>
<tr>
<td>Income Security Programs</td>
<td>418,681</td>
<td>4,714</td>
<td>7%</td>
</tr>
<tr>
<td>Medicaid</td>
<td>393,498</td>
<td>4,281</td>
<td>7%</td>
</tr>
<tr>
<td>Net Interest</td>
<td>349,458</td>
<td>2,721</td>
<td>6%</td>
</tr>
<tr>
<td>Veterans Benefits</td>
<td>200,458</td>
<td>2,088</td>
<td>3%</td>
</tr>
<tr>
<td>Education</td>
<td>112,863</td>
<td>1,727</td>
<td>2%</td>
</tr>
<tr>
<td>Fed. Retirement &amp; Disability</td>
<td>71,780</td>
<td>1,251</td>
<td>1%</td>
</tr>
<tr>
<td>Health Research &amp; Regulation</td>
<td>68,678</td>
<td>930</td>
<td>1%</td>
</tr>
<tr>
<td>General Fiscal Assistance</td>
<td>63,580</td>
<td>895</td>
<td>1%</td>
</tr>
<tr>
<td>Highways &amp; Mass Transit</td>
<td>54,337</td>
<td>741</td>
<td>1%</td>
</tr>
<tr>
<td>All Else</td>
<td>1,735,521</td>
<td>4,209</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,851,576</strong></td>
<td><strong>44,590</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

### 2022 Revenues

<table>
<thead>
<tr>
<th>2022 Revenues</th>
<th>$Millions</th>
<th>Per Household</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ind. Income Taxes</td>
<td>$2,263,370</td>
<td>$17,247</td>
<td>51%</td>
</tr>
<tr>
<td>Soc. Insurance Taxes</td>
<td>1,445,596</td>
<td>$11,016</td>
<td>33%</td>
</tr>
<tr>
<td>Corporate Taxes</td>
<td>382,560</td>
<td>$2,915</td>
<td>9%</td>
</tr>
<tr>
<td>Fed. Reserve Earning</td>
<td>107,749</td>
<td>$821</td>
<td>2%</td>
</tr>
<tr>
<td>Excise Taxes</td>
<td>92,638</td>
<td>$706</td>
<td>2%</td>
</tr>
<tr>
<td>Customs Duties/ Fees</td>
<td>84,113</td>
<td>$641</td>
<td>2%</td>
</tr>
<tr>
<td>Estate/Gift Taxes</td>
<td>25,742</td>
<td>$196</td>
<td>1%</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>34,858</td>
<td>$266</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td><strong>4,436,626</strong></td>
<td><strong>33,808</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: OMB Historical Tables 2.1, 2.4, 2.5, 3.2, and 8.5. Excludes student loan bailout that occurred after OMB report.
Mandatory Spending is Squeezing Discretionary Spending

1965
- Mandatory (34%)
- Defense (43%)
- Domestic Discretionary (23%)

2022
- Mandatory (71%)
- Defense (13%)
- Domestic Discretionary (16%)

Source: OMB Historical Table 8.3
Composition of Federal Spending, 1962-2022

Source: OMB Historical Tables 3.2, 8.5, and 10.1
Social Security, Health Entitlements, & Interest Costs Drive 86% of the 2032 Spending Hike Over 2008 Level

Source: May 2022 CBO (baseline and historical data), adjusted for inflation
The 2017 Tax Cuts are a Relatively Minor Contributor to Soaring Deficits

Budget Deficit in Nominal $Billions

- Recession & Federal Response
- Underlying CBO Budget Deficit - Driven by Social Security, Health Care, & Debt Interest

Budget Deficit $459 (2015)

Pandemic Response $-1,415 (2009)

2017 Tax Cuts $-2,740 (2032)

Source: Calculated using CBO May 2022 (current-policy) Baseline data. Assumes that tax cuts are renewed. Resulting interest costs are incorporated into each category.
Rising Social Security & Medicare Shortfalls Drive Nearly the Entire 2019-2032 Deficit Rise

Annual deficit is projected to rise from $984 billion to $2,740 billion

Source: Calculated using May 2022 CBO (current-policy) baseline and CBO 2022 Long-Term baseline.
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 Entire 2019-2032 (non-Pandemic) Deficit Rise

Each category includes the portion of interest on the national debt that it is responsible for. General revenue transfers include interest payments on trust funds, which are a net cost to the rest of the budget. Source: Calculated using May 2022 CBO (current-policy) baseline.
Major Components of the $21.1 Trillion Deficit Projected Over 2022-2032 Period

- General Revenue Transfers to Social Security & Medicare: -$11.8 trillion
- Pandemic Legislation: -$2.7 trillion
- 2017 Tax Cuts: -$3.4 trillion
- 2018-2022 Discretionary Spending Deals: -$4.4 trillion
- Rest of the Budget: $1.2 trillion

Note: General revenue transfers to Social Security & Medicare will grow from $420 billion to $1,866 billion between 2022 & 2032.

Source: Calculated using May 2022 (current-policy) baseline and Long-Term baseline, adjusted for subsequent legislation. Assumes that new tax cuts are renewed. 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.
Anti-Poverty Spending Has Soared Regardless of Party Control of Government

Federal Spending (%GDP)

Source: OMB Historical Tables 3.2, 8.5, and 10.1
From 2001-2019, SNAP (Food Stamp) Caseloads Grew 17 Times as Fast as the Poverty Population

Sources: Department of Agriculture and Census Bureau. The poverty rate fell from 11.7% to 10.5% over this period.
Veterans’ Programs Have Earned Healthy Funding Increases

Source: OMB Historical Table 3.2, adjusted for inflation
In 2021, Washington Made $281 Billion in Improper Payments

- Medicaid: $99 billion
- Unemployment Insurance: $78 billion
- Medicare Fee-for-Service: $25 billion
- Medicare Advantage (Part C): $23 billion
- Other High-Risk Programs: $56 billion

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.
Why the Debt Limit Matters
All 8 Major Deficit-Reduction Laws Since 1985 Were Attached to Debt Limit Legislation

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

Source: Compiled by the Committee For a Responsible Federal Budget
The 30-Year Debt Estimates Are Driven by Social Security and Medicare Shortfalls

Chapter 5
Note: This CBO rosy scenario assumes:
• No more wars or recessions, and health costs slow
• 2017 tax cuts expire
• Modest interest rate paid on the national debt.

Source: CBO 2022 Long-Term Budget Outlook and OMB Historical Tables.
What is Causing $114 Trillion 2022-2052 Budget Deficit?
Social Security & Medicare: $116 Trillion Deficit
The Rest of the Budget: $2 Trillion Surplus

Source of $114.4 Trillion Budget Deficit Projected over 2022-2052 Period
($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 2022 Long-Term Budget Outlook. To inflation adjust, trim amounts by one-third.
Projected 2052 Budget Deficits are Entirely Driven by Social Security & Medicare Shortfalls

Note: 2052 is the final year of the latest CBO 30-year budget projection. Each outlay category includes portion of national debt interest attributed to its 2022-2052 deficits

Source: CBO 2022 Long-Term Budget Outlook.
Social Security’s Cash Shortfalls are Driven by Retiring Baby Boomer Costs and Resulting Interest Costs

Source: Calculated using CBO 2022 Long-Term 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 2022 Long-Term Baselines. Outlays are net of premiums paid. Interest costs are those directly attributable to Medicare’s annual deficits over this period.
Social Security Faces a $36 Trillion Shortfall over 30 Years - $33 Trillion if Subtracting the 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 2022 Long-Term Budget Outlook. Interest costs reflect those directly attributable to 2022-2052 Social Security shortfalls.
Medicare Faces a $80 Trillion Cash Shortfall Over the Next 30 years

Medicare’s $80 Trillion shortfall equals 70% of the total federal budget deficit projected by CBO over the 2022-2052 period.

Annual projected shortfall:
2022: 1.3% of GDP
2052: 4.3% of GDP (9.2% including interest cost).

Source: Calculated using the CBO 2022 Long-Term Budget Outlook. Benefits are net of senior premiums. Interest costs reflect those directly attributable to 2022-2052 Medicare shortfalls.
The Typical Retiring Couple Will Receive $3 in Medicare Benefits for Every $1 Paid into the System—and Also Come Out Ahead in Social Security

Represents typical, average-income married couple turning 65 in 2020
Calculations represent expected present values.

Source: Urban Institute (2020)
Cost of 2017 Tax Cuts vs. Major Entitlements Over 30 Years

2017 Tax Cuts (Extended)
- $7.6
- $9.1

Social Security Cash Deficit
- $14.4
- $21.4

Medicare Cash Deficit
- $32.4
- $48.1

$Nominal Trillions

Source: Calculated using the CBO 2022 Long-Term Budget Outlook and earlier CBO tax estimates
Social Security’s Deficits Will Steeply Increase, While Medicare Also Faces Rising Deficits

Excludes general revenue transfers into the programs, such as interest payments.
Source: May 2022 CBO baseline Supplemental Trust Fund Tables.
Medicare Part A and Social Security Trust Funds Face Bankruptcy in 8 and 11 Years, Respectively

Post-2032 figures are extrapolated.

Source: July 2022 CBO baseline Supplemental Trust Fund Tables.
What Happens to the Debt if Interest Rates Rise?

Chapter 6
Note: Consensus economic research suggests that the projected 100% rise in federal debt over 30 years should, all else equal, raise interest rates by 3% or 4%. Govt. relies on short-term debt that will rollover into future interest rates.

Source: 1987 through 2052 (projected) data provided by CBO. Earlier figures estimated using Treasury, OMB, and Federal Reserve data.
Net Interest Costs are Set to Spike – Especially if Interest Rates Exceed 2.7% Projection

CBO 10-year baseline assumes the federal government pays an average interest rate of 2.7% over the next decade.

Source: OMB Historical Table 3.2 and May 2022 CBO baseline, adjusted for tax cut extensions, and for inflation into 2022 dollars. Cost of higher interest rates comes from OMB Analytical Perspectives.
If Interest Rates Exceed the CBO baseline, Net Interest Costs – and the Deficit – Will Soar

Source: Calculated using May 2022 CBO (current-policy) Baseline data, OMB sensitivity tables, and CEA historical interest rate data. Amounts in nominal $billions.
Rising Budget Deficits Will be Substantially Worsened if Interest Rates Rise

CBO baseline assumes the federal government pays an average interest rate gradually rising to 4.2% by 2052.

Source: Calculations using the 2022 CBO Long-Term baseline. Most economists agree that a steeply rising debt will raise interest rates.
Rising Debt is Projected to Drive Up Interest Costs – and Rising Interest Rates Could Bury the Budget

CBO baseline assumes the federal government pays an average interest rate gradually rising to 4.2% by 2052.

Most economists agree that a steeply rising debt will raise interest rates.

Source: Calculations using the 2022 CBO Long-Term baseline.
Rising Interest Rates Could Push the National Debt towards 300% of GDP Within 30 Years

Average interest paid rate on national debt:
- 1980s – 10.5%
- 1990s – 6.9%
- 2000s – 4.8%
- 2010s – 2.1%
- 2020s – 2.2% (CBO projection)
- 2051 – 4.2% (CBO projection)

Source: Calculations using the 2022 CBO Long-Term baseline

Most economists agree that a steeply rising debt will raise interest rates.
The Baseline Debt is Set to Rise to 200% or 300% of GDP – and Higher Interest Rates Would Bury U.S.

Average interest paid rate on national debt:
- 1980s – 10.5%
- 1990s – 6.9%
- 2000s – 4.8%
- 2010s – 2.1%
- 2020s – 2.2% (CBO baseline projection)
- 2050 – 4.1% (CBO baseline projection)
- 2050 – 5.1% (CBO alternative projection)

Source: 2022 CBO Long-Term baseline, with post-2052 data extrapolated.

Most economists agree that a steeply rising debt pushes up interest rates.
The Share of Federal Tax Revenues Spent on Interest on the National Debt is Projected to Surge

CBO baseline assumes the federal government pays an average interest rate gradually rising to 4.2% by 2052.

Most economists agree that a steeply rising debt will raise interest rates.

Source: Calculations using the 2022 CBO Long-Term Baseline.
National Debt is Projected to Leap to 200% to 328% of GDP, Depending on Biden Proposals & Interest Rates

Source: 2021 CBO Long-Term baseline and author calculations of Biden proposal costs. CBO baseline assumes average interest rate paid on national debt gradually rises to 4.6% over 30 years.
Can’t We Just Raise Taxes, Cut Defense, and Nationalize Health Care Instead?

Chapter 7
The Full Roster of Progressive Tax Hikes Could Not Even Balance the 10-Year Budget

$16.2 Trillion Deficit is Forecast over 2021-2030

<table>
<thead>
<tr>
<th>Progressive Tax Proposal</th>
<th>2021-2030</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repeal All 2017 Tax Cuts, Including Low-Income</td>
<td>$455</td>
<td>CBO Data (dynamic)</td>
</tr>
<tr>
<td>50% Income Tax Rate Over $200k (single) $400k (married)</td>
<td>$1,593</td>
<td>CBO Options</td>
</tr>
<tr>
<td>70% Income Tax Rate Over $10 Million (AOC)</td>
<td>$189</td>
<td>Tax Foundation (dynamic)</td>
</tr>
<tr>
<td>Cap Deductions at 28% Value Above $400k AGI</td>
<td>$224</td>
<td>Tax Policy Center</td>
</tr>
<tr>
<td>Mark-to-Market Taxation &amp; Higher Cap Gains Rates, No Step-up Basis</td>
<td>$2,000</td>
<td>CRS, Warren campaign</td>
</tr>
<tr>
<td>Eliminate FICA Cap – 15.3% Payroll Tax on All Wages</td>
<td>$2,180</td>
<td>Social Security Admin</td>
</tr>
<tr>
<td>Biden International Tax Proposals (FDII, GILTI, Inversions)</td>
<td>$700</td>
<td>TPC, Tax Foundation</td>
</tr>
<tr>
<td>Aggressively Reduce Domestic Corporate Tax Preferences</td>
<td>$1,000</td>
<td>Various</td>
</tr>
<tr>
<td>Warren “Real Corporate Profits Tax”</td>
<td>$476</td>
<td>Tax Foundation (dynamic)</td>
</tr>
<tr>
<td>Sanders Wealth Tax as High as 8%</td>
<td>$2,263</td>
<td>Tax Policy Center</td>
</tr>
<tr>
<td>Sanders Estate Tax Rate as High as 77%</td>
<td>$383</td>
<td>Tax Policy Center</td>
</tr>
<tr>
<td>Carbon Tax ($25/metric ton) – No Household Rebate</td>
<td>$1,033</td>
<td>CBO Options</td>
</tr>
<tr>
<td>Financial Transactions Tax of 0.1%</td>
<td>$752</td>
<td>CBO Options</td>
</tr>
<tr>
<td>Financial Institutions Tax of 0.15%</td>
<td>$103</td>
<td>CBO Options</td>
</tr>
<tr>
<td><strong>Total Savings Over Decade</strong></td>
<td><strong>$13,350</strong></td>
<td></td>
</tr>
</tbody>
</table>

All figures in $billions

Deficits would continue growing significantly in the 2030s, as baseline spending soars. Combining tax policies would create damaging interactions, including tax rates approaching 100%.
No “Easy” Pay-Fors for Social Security & Medicare: Programs Face Shortfalls of 6% of GDP by 2040s

<table>
<thead>
<tr>
<th>Tax Proposals (static scoring)</th>
<th>10-Yr Savings ($Billions)</th>
<th>Long-Term Savings (%GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raise Income Tax Rates Across-the-Board by 10 Percentage Points</td>
<td>$8,840</td>
<td>3.27%</td>
</tr>
<tr>
<td>Raise Payroll Tax by 10 Percentage Points, no wage limit</td>
<td>$8,775</td>
<td>3.32%</td>
</tr>
<tr>
<td>Impose a 20% Value-Added Tax (VAT) – like a national sales tax</td>
<td>$7,280</td>
<td>3.02%</td>
</tr>
<tr>
<td>Double 35% and 37% Tax Brackets to 70% and 74% (plus 15% state/payroll)</td>
<td>$4,154</td>
<td>1.48%</td>
</tr>
<tr>
<td>Impose Bernie Sanders’ 8% Wealth Tax (data from TPC)</td>
<td>$2,263</td>
<td>0.73%</td>
</tr>
<tr>
<td>Eliminate FICA Cap – 15.3% Payroll Tax on All Wages (data from SSA)</td>
<td>$2,180</td>
<td>0.84%</td>
</tr>
<tr>
<td>Repeal All Itemized Tax Deductions</td>
<td>$1,718</td>
<td>0.98%</td>
</tr>
<tr>
<td>50% Income Tax Rate Over $200k (single) $400k (married)</td>
<td>$1,593</td>
<td>0.57%</td>
</tr>
<tr>
<td>Restore 35% Corporate Tax Rate</td>
<td>$1,390</td>
<td>0.55%</td>
</tr>
<tr>
<td>Carbon Tax of $25/Metric Ton – no rebate for households hit</td>
<td>$1,033</td>
<td>0.42%</td>
</tr>
<tr>
<td>Impose a 0.1% Tax on Financial Transactions</td>
<td>$752</td>
<td>0.34%</td>
</tr>
<tr>
<td>Repeal Entire 2017 Tax Law (data from CBO/JCT)</td>
<td>$455</td>
<td>(Mostly scheduled)</td>
</tr>
<tr>
<td>Impose Bernie Sanders’ 77% Estate Tax (data from TPC)</td>
<td>$383</td>
<td>0.18%</td>
</tr>
<tr>
<td>Tax Dividends &amp; Capital Gains as Income over $1M &amp; End Step-Up (TPC)</td>
<td>$373</td>
<td>0.17%</td>
</tr>
<tr>
<td>Impose a 0.15% &quot;Bank Tax&quot; on Large Financial Institutions</td>
<td>$103</td>
<td>0.03%</td>
</tr>
<tr>
<td>30% Minimum &quot;Buffett Tax&quot; for Millionaires</td>
<td>$66</td>
<td>0.03%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Spending Proposals</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cut Defense Budget to European Target of 2% of GDP (data from CBO)</td>
<td>$2,737</td>
<td>0.80%</td>
</tr>
</tbody>
</table>

Source: Dec. 2020 CBO “Budget Options” book unless otherwise noted.
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 Department Would Not Come Close to Financing Soaring Long-Term Entitlement Costs

Source: OMB Historical Tables 3.2, and 10.1; and CBO 2022 Long-Term Outlook.
Even 100% Tax Rates on Small Businesses and Upper-Income Families Could Not Come Close to Balancing the Long-Term Budget

Source: CBO July 2022 Long-Term Budget Outlook adjusted into current-policy baseline and analysis of IRS 2019 (latest year) income tables.
Single-Payer Health Plans Do Not Save Money, They Would Require Huge Per-Household Tax Increases

Source: Public scores of Vermont and California bills, and Colorado Health Institute data. Sanders calculated from Urban Institute 2016 score of plan.
Medicare-For-All’s 11% of GDP Cost is on Top of Current Medicare’s Large & Growing Shortfall

Source: Calculated using CBO 2022 Long-Term baseline and Medicare-For-All Estimates from the Committee For a Responsible Federal Budget (CRFB). Other health spending like Medicaid will by rise 0.6% of GDP, but that portion is already fully designed for general revenues.
Progressive Proposals Would Dig the Debt Even Deeper

Chapter 8
The 2021-2031 Projected Budget Deficit Has Grown by $3.8 Trillion Since Biden Took Office

Source: CBO. October 2022 figures reflect May 2022 CBO baseline (with timing shifts removed) adjusted for final FY 22 figures and legislation enacted through September 2022.
In Just 20 Months, President Biden Added $4.8 Trillion to 10-year Deficits

<table>
<thead>
<tr>
<th>Legislation or Executive Order</th>
<th>10-year Cost ($Billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Rescue Plan</td>
<td>$1,850</td>
</tr>
<tr>
<td>FY 2022 Omnibus Bill</td>
<td>$625</td>
</tr>
<tr>
<td>Bipartisan Infrastructure Law</td>
<td>$370</td>
</tr>
<tr>
<td>Honoring our PACT Act</td>
<td>$280</td>
</tr>
<tr>
<td>SNAP Expansion</td>
<td>$185</td>
</tr>
<tr>
<td>Health-Related Executive Orders</td>
<td>$175</td>
</tr>
<tr>
<td>CHIPS and Science Act</td>
<td>$80</td>
</tr>
<tr>
<td>Ukraine Supplementals</td>
<td>$55</td>
</tr>
<tr>
<td>Inflation Reduction Act</td>
<td>-$240</td>
</tr>
<tr>
<td>Student Debt Relief</td>
<td>$750</td>
</tr>
<tr>
<td>Net Interest From Above Policies</td>
<td>$700</td>
</tr>
<tr>
<td><strong>Total 10-year Cost</strong></td>
<td><strong>$4,830</strong></td>
</tr>
</tbody>
</table>

Source: Committee For a Responsible Federal Budget, based on CBO and OMB data. Does not account for budget deficit changes driven by economic and technical factors.
As a Candidate, Joe Biden Proposed $11 Trillion in New Spending Over the Decade

<table>
<thead>
<tr>
<th>Spending Proposal</th>
<th>($Billions)</th>
<th>2021-2030</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health &amp; ACA Expansions (net of spending offsets)</td>
<td></td>
<td>$1,450</td>
<td>CRFB</td>
</tr>
<tr>
<td>Reduce Medicare Eligibility Age to 60</td>
<td></td>
<td>$300</td>
<td>Author Estimate</td>
</tr>
<tr>
<td>Climate and Infrastructure Initiative</td>
<td></td>
<td>$2,000</td>
<td>Biden Campaign Website</td>
</tr>
<tr>
<td>Expand Social Security and SSI</td>
<td></td>
<td>$1,000</td>
<td>CRFB</td>
</tr>
<tr>
<td>K-12 and Preschool Expansions</td>
<td></td>
<td>$750</td>
<td>CRFB</td>
</tr>
<tr>
<td>College and Post-Secondary Education</td>
<td></td>
<td>$750</td>
<td>Biden Campaign</td>
</tr>
<tr>
<td>Buy American Initiative (net*)</td>
<td></td>
<td>$400</td>
<td>Biden Campaign Website</td>
</tr>
<tr>
<td>Housing Assistance</td>
<td></td>
<td>$640</td>
<td>Biden Campaign Website</td>
</tr>
<tr>
<td>Family Leave Assistance</td>
<td></td>
<td>$550</td>
<td>CBO Score of Family Act</td>
</tr>
<tr>
<td>Combat Opioid Addiction</td>
<td></td>
<td>$125</td>
<td>Biden Campaign</td>
</tr>
<tr>
<td>Economic Stimulus (Endorsed Heroes Act)</td>
<td></td>
<td>$3,000</td>
<td>CBO Score of Heroes Act</td>
</tr>
<tr>
<td><strong>Total Spending Over Decade</strong></td>
<td></td>
<td><strong>$10,965</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Some of this $700 billion initiative would take place within climate/infrastructure spending.

CRFB = Committee for a Responsible Federal Budget

Figures do not include additional interest costs of new borrowing.
Biden’s Campaign Spending Proposals Dwarfed Recent Democratic Pres. Candidates

10-year Budget Estimates of Candidate Plans ($Trillions)

Purple = Spending Increases
Red = Tax Increases

Source: Tax Policy Center, Committee For a Responsible Federal Budget, American Enterprise Institute, and public scores of Biden plans
Common Progressive Proposals Would Total Between $48 Trillion and $102 Trillion Over the Decade

<table>
<thead>
<tr>
<th>Common Spending Proposal</th>
<th>Low*</th>
<th>High*</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare-For-All</td>
<td>30.0</td>
<td>34.0</td>
<td>Sanders conceded “between $30 to $40 trillion”</td>
</tr>
<tr>
<td>Government Job Guarantee</td>
<td>—</td>
<td>30.1</td>
<td>Sanders proposal</td>
</tr>
<tr>
<td>Climate and Clean Energy</td>
<td>2.0</td>
<td>16.3</td>
<td>Sanders is the high figure</td>
</tr>
<tr>
<td>Free Public College Tuition &amp; Loan Forgiveness</td>
<td>1.5</td>
<td>3.0</td>
<td>Low figure reflects partial loan forgiveness</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>0.7</td>
<td>2.5</td>
<td>Range is Biden to Sanders proposals</td>
</tr>
<tr>
<td>Social Security and SSI Expansion</td>
<td>1.1</td>
<td>1.8</td>
<td>Range is Biden to Sanders &amp; Warren proposals</td>
</tr>
<tr>
<td>K-12 funding</td>
<td>0.5</td>
<td>1.2</td>
<td></td>
</tr>
<tr>
<td>High Speed Rail and Other Infrastructure</td>
<td>1.0</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>Child Care &amp; Paid Family/Medical Leave</td>
<td>0.5</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal: New Spending Proposals</strong></td>
<td>37.3</td>
<td>90.9</td>
<td>Baseline is $72 trillion spending over decade</td>
</tr>
<tr>
<td>Baseline Budget Deficit, 2023-2032</td>
<td>16.5</td>
<td>16.5</td>
<td></td>
</tr>
<tr>
<td><strong>Total Federal Budget Deficit</strong></td>
<td>53.8</td>
<td>107.4</td>
<td>Out of a $311 trillion projected GDP (CBO)</td>
</tr>
<tr>
<td><strong>Popular Spending Offsets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cut Defense to European Levels</td>
<td>-2.7</td>
<td>-2.7</td>
<td>Baseline is 3% of GDP. NATO target is 2%</td>
</tr>
<tr>
<td>Medicare-For-All - Capture State Govt Savings</td>
<td>-3.0</td>
<td>-3.0</td>
<td>It is not clear Washington could capture this</td>
</tr>
<tr>
<td><strong>Remaining Budget Shortfall To Fill</strong></td>
<td>48.1</td>
<td>101.7</td>
<td>Requires &gt; Doubling $56 T in Fed. Revenues</td>
</tr>
</tbody>
</table>

*All figures are over ten years, and in $trillions.
Sources: Campaigns, White House, CBO, Committee For a Responsible Federal Budget, and Manhattan Institute estimates
No, Defense Cuts & Taxing Millionaires Cannot Finance Current Deficit or Progressive Wishlist

Sources: Author calculations using data from CBO, IRS, Forbes, progressive candidates and think tanks.
Several Major Progressive Proposals Overwhelmingly Benefit Upper-Income Families

10-year Distribution of Benefits

- **Free Public College**: $380 (Family income over $120k)
- **Student Loan Forgiveness**: $544 (Top-earning 25%)
- **Repeal SALT Cap**: $597 (Top-earning 20%)

**Nominal $Billions**

- Under $30k: $80
- Bottom-earning 25%
- $192
- Bottom 60%
- $4

Sources: Calculated using data from the Urban Institute and Tax Policy Center.

SALT=State and Local Tax deduction.

Also: Medicare-For-All could hurt most of the 75 million Medicaid recipients who already pay little-to-no premiums/copays, but would likely pay the broad-based taxes required to fund full cost of law.

A carbon tax would raise costs 2% for the bottom quintile, vs. 1% for top quintile.

Zero-emission mandates will raise car/home prices & kill working-class fossil fuel jobs.
Tax Revenues Will Continue Growing Faster than the Economy

Chapter 9
Rising Spending – Not Falling Revenues – Drives the Long-Term Deficit

Source: CBO 2022 Long-term Budget Outlook
Income Tax Revenues Have Remained Relatively Constant Regardless of the Top Tax Rate

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Average Top Rate / Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950s</td>
<td>90.5% / 7.2%</td>
</tr>
<tr>
<td>1960s</td>
<td>80.3% / 7.6%</td>
</tr>
<tr>
<td>1970s</td>
<td>70.2% / 7.9%</td>
</tr>
<tr>
<td>1980s</td>
<td>48.4% / 8.2%</td>
</tr>
<tr>
<td>1990s</td>
<td>36.7% / 8.1%</td>
</tr>
<tr>
<td>2000s</td>
<td>36.2% / 7.8%</td>
</tr>
<tr>
<td>2010s</td>
<td>37.7% / 7.8%</td>
</tr>
</tbody>
</table>

Correlation 1950-2021: -0.23

Source: OMB Historical Table 2.3, and U.S. Treasury SOI Tax Stats – Historical Table 23
Individual Income Tax Revenues Will Rise –Even With the Tax Cuts– Due to Real Bracket Creep & Taxable Retirement Distributions

Source: OMB Historical Table 2.3, and May 2022 CBO (current-policy) Baseline. Real bracket creep is 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

Correlation 1954-2022: -0.31

Source: CBO, Treasury Office of Tax Analysis.
Before the TCJA Cut it to 26% (incl. 5% State)
U.S. had Highest Corporate Tax Rate in the OECD

Top Corporate Tax Rate

United States - 2017: 38.9% (2017)
Top Corporate Tax Rate

Source: OECD Stats (2022), 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 (2022), Tax Table II.1. Tax rates include federal, state, province and local corporate taxes.
The Economy Matters More: President Obama Oversaw $500 Billion in New Taxes – and Also Lost $3.2 Trillion to Economic Downgrades

Source: Congressional Budget Office data. Between January 2009 and January 2017, Congress and President Obama enacted legislation adding $516 billion to 2009-2019 revenues (against a current-policy baseline). During that same period, the unexpectedly-weak economic recovery and related technical estimates reduced 2009-19 revenues by $3,153 billion. Note that the initial January 2009 CBO baseline had already incorporated the projected 2009-19 revenue losses from the recession. These additional economic downgrades reflect the weak recovery, particularly in the later years.
Taxes Cannot Easily Close Security & Medicare Shortfall: Would Need to Hike Taxes by 6% of GDP by 2040s

<table>
<thead>
<tr>
<th>Tax Proposals (static scoring)</th>
<th>10-Yr Savings ($Billions)</th>
<th>Long-Term Savings (%GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raise Income Tax Rates Across-the-Board by 10 Percentage Points</td>
<td>$8,840</td>
<td>3.27%</td>
</tr>
<tr>
<td>Raise Payroll Tax by 10 Percentage Points, no wage limit</td>
<td>$8,775</td>
<td>3.32%</td>
</tr>
<tr>
<td>Impose a 20% Value-Added Tax (VAT) – like a national sales tax</td>
<td>$7,280</td>
<td>3.02%</td>
</tr>
<tr>
<td>Double 35% and 37% Tax Brackets to 70% and 74% (plus 15% state/payroll)</td>
<td>$4,154</td>
<td>1.48%</td>
</tr>
<tr>
<td>Impose Bernie Sanders’ 8% Wealth Tax (data from TPC)</td>
<td>$2,263</td>
<td>0.73%</td>
</tr>
<tr>
<td>Eliminate FICA Cap – 15.3% Payroll Tax on All Wages (data from SSA)</td>
<td>$2,180</td>
<td>0.84%</td>
</tr>
<tr>
<td>Repeal All Itemized Tax Deductions</td>
<td>$1,718</td>
<td>0.98%</td>
</tr>
<tr>
<td>50% Income Tax Rate Over $200k (single) $400k (married)</td>
<td>$1,593</td>
<td>0.57%</td>
</tr>
<tr>
<td>Restore 35% Corporate Tax Rate</td>
<td>$1,390</td>
<td>0.55%</td>
</tr>
<tr>
<td>Carbon Tax of $25/Metric Ton – no rebate for households hit</td>
<td>$1,033</td>
<td>0.42%</td>
</tr>
<tr>
<td>Impose a 0.1% Tax on Financial Transactions</td>
<td>$752</td>
<td>0.34%</td>
</tr>
<tr>
<td>Repeal Entire 2017 Tax Law (data from CBO/JCT)</td>
<td>$455 (Mostly scheduled)</td>
<td></td>
</tr>
<tr>
<td>Impose Bernie Sanders’ 77% Estate Tax (data from TPC)</td>
<td>$383</td>
<td>0.18%</td>
</tr>
<tr>
<td>Tax Dividends &amp; Capital Gains as Income over $1M &amp; End Step-Up (TPC)</td>
<td>$373</td>
<td>0.17%</td>
</tr>
<tr>
<td>Impose a 0.15% &quot;Bank Tax&quot; on Large Financial Institutions</td>
<td>$103</td>
<td>0.03%</td>
</tr>
<tr>
<td>30% Minimum &quot;Buffett Tax&quot; for Millionaires</td>
<td>$66</td>
<td>0.03%</td>
</tr>
</tbody>
</table>

Source: Dec. 2020 CBO “Budget Options” book unless otherwise noted.
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.
The Tax Code Has Become Increasingly Progressive

Chapter 10
The Federal Tax Code Remains Progressive

Source: U.S. Treasury, Office of Tax Analysis.
Data represents 2022 Distribution of Tax Burden, Current Law
Average Federal Tax Rate Paid by Income Category, 1979-2018

Note: Includes federal income, payroll, corporate, and excise taxes paid.
Source: Calculations using CBO "Distribution of Household Income, 2018" (2021)
The Federal Tax Burden (For All Combined Taxes) Has Grown More Progressive Over Time

Percentage of Federal Tax Burden Financed by Income Quintile, 1979-2018

- Top 20%: 55% in 1979, 70% in 2018
- Second 20%: 22% in 1979, 18% in 2018
- Middle 20%: 14% in 1979, 9% in 2018
- Fourth 20%: 7% in 1979, 4% in 2018
- Bottom 20%: 2% in 1979, 0% in 2018

Source: Calculations using CBO "Distribution of Household Income, 2018" (2021)
The Highest-Earning 20% of Taxpayers Pay 91% of All Federal Individual Income Taxes

Percentage of Federal Income Tax Burden Financed by Income Quintile, 1979-2018

Fiscal Year

Source: Calculations using CBO "Distribution of Household Income, 2018" (2021)
Even Controlling for Income Inequality, Income Taxes Have Become More Progressive

“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.

Source: Calculations using CBO "Distribution of Household Income, 2018" (2021)
Even Controlling for Income Inequality, the U.S. Has the OECD’s Most Progressive Income & Payroll Tax

Note: For the highest-earning 10% of taxpayers, these figures refer to their share of the nation’s taxes paid, divided by their share of the nation’s pre-tax income earned.

So if the top decile pays 30% of the taxes and earns 20% of the income, its ratio is 1.5.

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

Total Federal Taxes Paid by Income Class, 2022 (and overall tax rate as a share of income)

Source U.S. Treasury Office of Tax Analysis. Data for 2022, and includes individual and corporate income, payroll, excises, customs duties, and estate and gift taxes.
Upper-Income Taxpayers Finance Nearly the Entire Federal Income Tax

Federal Income Taxes Paid by Income Class, 2022 (and overall income tax rate)

Top 20%: $1,669 14.9%
2nd 20%: $197 5.4%
Middle 20%: $35 1.7%
4th 20%: -$54 -4.4%
Bottom 20%: -$59 -12.7%

How Washington Financed 365 Days of Spending in 2022

- **Top 20% Earners**: 225 days
- **2nd 20% Earners**: 47 days
- **Middle 20% Earners**: 19 days
- **Bottom 40% Earners**: 4 days
- **Fed Reserve profits; various fines & fees**: 9 days
- **Borrowing**: 61 days

Note: Top 20% splits to 179 days for top 10%, and 46 days for 2nd 10%.
Source: Calculated using data from U.S. Treasury Office of Tax Analysis.
Countering Tax, Spending, & Deficit Myths of the 1980s through 2008

Chapter 11
Reagan’s Tax Cuts Did Not Starve the Government – Spending Worsened the 1980s Deficits

Green = Revenues
Purple = Spending

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%

Federal Spending (%GDP)

- 1970s: 5.7%, 4.3%, 4.4%, 3.6%, 1.4%
- 1980s: 5.6%, 4.0%, 5.8%, 3.6%, 1.4%

1980s increase:
- 60% - added debt
- 40% - higher interest rates

Source: OMB Historical Table 8.4, and interest rate calculations using the Economic Report of the President Table B-25.
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)

Change in Percentage of GDP

- Revenues Jumped 2.9% of GDP
- Spending Fell 3.9% of GDP

1993 Clinton tax hike

Economic growth & small tax changes

0.7%

2.2%

Strong Economy

Reduced unemployment costs
Grew faster than Social Security benefits
Various small savings

Defense cuts after Cold War ends

Interest savings

-0.4%
-0.4%
-0.5%

-1.7%

-1%

1%

2%

3%

Change in Percentage of GDP

Change Between 1992 Peak Deficit of 4.5% of GDP, and 2000 Peak Surplus of 2.3% of GDP

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 More Successful Than They are Credited For

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 2007 housing crash that ended this mini-boom was unrelated to these tax policies.
The “Bush Tax Cuts” for Upper-Income Taxpayers Caused Only 7% of the 2001-2011 Fiscal Decline Under President Bush

- Economic & Technical Downgrades, 32%
- "Bush Tax Cuts" - Earners Over $250k, 7%
- 2008 Economic Stimulus Act, 2%
- Other Tax Policies, 5%
- Defense Spending, 21%
- Non-Defense Discretionary Spending, 8%
- Other Entitlement Reforms, 4%
- Medicare Prescription Drug Program, 3%
- TARP, 2%

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)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CBO January 2001 Projected Surplus</td>
<td>281</td>
<td>313</td>
<td>359</td>
<td>397</td>
<td>433</td>
<td>505</td>
<td>573</td>
<td>635</td>
<td>710</td>
<td>796</td>
<td>889</td>
<td>5,891</td>
</tr>
</tbody>
</table>

**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  

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 - $489

TARP Financial Bailouts  
- $0 - $0 - $0 - $0 - $0 - $0 - $0 - $194 - $16 - $12 - $221

Economic Stimulus Act of 2008  
- $0 - $0 - $0 - $0 - $0 - $0 - $160 - $25 - $3 - $0 - $1,095

Other Entitlement Reforms  
- $0 - $0 - $0 - $0 - $0 - $0 - $0 - $0 - $0 - $0 - $30 - $1,895

**Economic & Technical Re-estimates**

Economic/Technical Downgrades  

**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  

Total Deficit Changes  
- $154 - $469 - $735 - $809 - $752 - $754 - $735 - $1,095 - $1,895 - $1,500 - $1,386 - $10,285

Revenue Changes  

Spending Changes  

A Comprehensive Accounting of the Obama Fiscal Record

Chapter 12
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. FY 2017-2019 "actuals" reflect CBO baseline as of January 2017, and thus reflect the deterioration of the full 10-year budget picture.

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. The January 2009 baseline already incorporated the long-term effects of the recession. Subsequent economic downgrades reflect the unexpectedly-weak recovery after the recession ended. See “Obama’s Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits,” by Brian Riedl.
President Obama Oversaw a $4.6 Trillion Decline from the Inherited 2009-2019 Budget Projections

(All numbers in nominal $billions)

|-----------------------------------------|------|------|------|------|------|------|------|------|------|------|------|--------|

**Legislative Changes**

- **Subsequent Stimulus and Recession Relief**: -7 -106 -233 -269 -93 -15 -17 -41 -44 -56 -67 -948
- **Other Mandatory Spending Legislation**: -7 -7 -16 -25 -29 -13 1 -1 4 12 13 -69
- **Hurricane Sandy Relief**: 0 0 0 0 0 -5 -13 -12 -11 -10 -7 -6 -64
- **BCA Mandatory Sequesters**: 0 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

Source: "Obama's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Brian 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.
Note: Consists of gained/lost revenues specifically resulting from economic growth upgrades and downgrades between March 2009 and January 2017. Post-2016 figures reflect latest estimates.

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

Note: 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.

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.
The Obama Spending Spree Ended When the GOP Took the House in 2011

New Spending Enacted by Year – Excluding Basic Renewals of Existing Tax, Health, and Unemployment Policies

Source: Author calculations based on CBO and JCT bill scores. Discretionary spending figures exclude emergency appropriations for OCO (which would otherwise show even larger 2011-2016 savings) and Hurricane Sandy.

A Comprehensive Accounting of the Trump Fiscal Record

Chapter 13
President Trump Oversaw 10-Year Budget Deficits $3.9 Trillion Above the Inherited Baseline

Source: CBO data.
Under Trump, the Cost of New Initiatives 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 “Obama’s Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits,” by Brian Riedl.
President Trump Oversaw a $3.9 Trillion Decline from the Inherited 2017-2027 Budget Projections

All numbers in nominal $billions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CBO January 2017 Baseline Budget Deficit</td>
<td>-559</td>
<td>-487</td>
<td>-601</td>
<td>-684</td>
<td>-797</td>
<td>-959</td>
<td>-1,000</td>
<td>-1,027-1,165</td>
<td>-1,297-1,408</td>
<td>-1,984</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Legislative and White House Policies

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Pandemic Response</td>
<td>--</td>
<td>--</td>
<td>-2,302-1,430</td>
<td>38</td>
<td>62</td>
<td>-85</td>
<td>-69</td>
<td>-72</td>
<td>-83</td>
<td>-3,940</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Higher Discretionary Caps - Defense</td>
<td>-4</td>
<td>-21</td>
<td>-72</td>
<td>-81</td>
<td>-80</td>
<td>-84</td>
<td>-88</td>
<td>-91</td>
<td>-96</td>
<td>-101</td>
<td>-106</td>
<td>-824</td>
</tr>
<tr>
<td>Higher Discretionary Caps - Non-Defense</td>
<td>-3</td>
<td>-21</td>
<td>-72</td>
<td>-75</td>
<td>-72</td>
<td>-75</td>
<td>-78</td>
<td>-80</td>
<td>-85</td>
<td>-89</td>
<td>-94</td>
<td>-744</td>
</tr>
<tr>
<td>Other Mandatory and Tax Legislation</td>
<td>0</td>
<td>-28</td>
<td>-16</td>
<td>-39</td>
<td>-60</td>
<td>-41</td>
<td>-23</td>
<td>-16</td>
<td>-21</td>
<td>17</td>
<td>27</td>
<td>-201</td>
</tr>
<tr>
<td>Repeal ACA Individual Mandate Penalty &amp; IPAB</td>
<td>--</td>
<td>--</td>
<td>6</td>
<td>10</td>
<td>29</td>
<td>37</td>
<td>42</td>
<td>41</td>
<td>48</td>
<td>48</td>
<td>56</td>
<td>317</td>
</tr>
<tr>
<td>Presidential Tariffs and Subsidies</td>
<td>--</td>
<td>--</td>
<td>30</td>
<td>13</td>
<td>40</td>
<td>46</td>
<td>47</td>
<td>50</td>
<td>47</td>
<td>46</td>
<td>367</td>
<td>367</td>
</tr>
</tbody>
</table>

Economic and Technical Re-estimates

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues From Economic Changes</td>
<td>1</td>
<td>23</td>
<td>81</td>
<td>-37</td>
<td>145</td>
<td>212</td>
<td>191</td>
<td>183</td>
<td>174</td>
<td>174</td>
<td>156</td>
<td>1,304</td>
</tr>
<tr>
<td>Spending from Technical Re-estimates</td>
<td>-19</td>
<td>123</td>
<td>124</td>
<td>-41</td>
<td>248</td>
<td>169</td>
<td>157</td>
<td>191</td>
<td>195</td>
<td>218</td>
<td>216</td>
<td>1,581</td>
</tr>
<tr>
<td>Net Interest Costs from Econ/Technical Changes</td>
<td>7</td>
<td>-26</td>
<td>-30</td>
<td>70</td>
<td>191</td>
<td>287</td>
<td>361</td>
<td>420</td>
<td>466</td>
<td>485</td>
<td>485</td>
<td>2,717</td>
</tr>
</tbody>
</table>

Actual Values and CBO February 2021 Baseline Deficit

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>-665</td>
<td>-779</td>
<td>-984</td>
<td>-3,132-2,258-1,056</td>
<td>-963</td>
<td>-905-1,037</td>
<td>-1,026-1,048</td>
<td>-13,853</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Memorandum

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Legislative and White House Policies</td>
<td>-7</td>
<td>-278</td>
<td>-454</td>
<td>-2,819-1,917</td>
<td>-393</td>
<td>-317</td>
<td>-453</td>
<td>-455</td>
<td>-371</td>
<td>-321</td>
<td>-7,787</td>
<td></td>
</tr>
<tr>
<td>Total Economic and Technical Re-estimates</td>
<td>-99</td>
<td>-14</td>
<td>71</td>
<td>371</td>
<td>456</td>
<td>297</td>
<td>355</td>
<td>575</td>
<td>584</td>
<td>643</td>
<td>681</td>
<td>3,918</td>
</tr>
<tr>
<td>Total Deficit Changes</td>
<td>-107</td>
<td>-292</td>
<td>-383</td>
<td>-2,448-1,462</td>
<td>-96</td>
<td>38</td>
<td>122</td>
<td>128</td>
<td>271</td>
<td>359</td>
<td>-3,869</td>
<td></td>
</tr>
</tbody>
</table>

Source: “Trump’s Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits,” by Brian 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 Brian Riedl
## The 10-year Fiscal Records of Presidents Bush, Obama, and Trump

<table>
<thead>
<tr>
<th>President Bush Fiscal Record</th>
<th>President Obama Fiscal Record</th>
<th>President Trump Fiscal Record</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Incoming CBO 10-Year Surplus</strong></td>
<td>2001-11 5,891</td>
<td><strong>Incoming CBO 10-Year Deficit</strong></td>
</tr>
<tr>
<td><strong>Legislative Changes</strong></td>
<td>-6,947</td>
<td><strong>Legislative Changes</strong></td>
</tr>
<tr>
<td>Non-Defense Discretionary Spending</td>
<td>-802</td>
<td>2009 ARRA Stimulus</td>
</tr>
<tr>
<td>Other Tax Policies</td>
<td>-489</td>
<td>Later Stimulus and Recession Relief</td>
</tr>
<tr>
<td>Medicare Drug Program</td>
<td>-321</td>
<td>Renewing Pre-2009 Health Laws</td>
</tr>
<tr>
<td>TARP</td>
<td>-221</td>
<td>Other Mandatory Spending Bills</td>
</tr>
<tr>
<td>Economic Stimulus Act of 2008</td>
<td>-181</td>
<td>Hurricane Sandy Relief</td>
</tr>
<tr>
<td>Other Entitlement Reforms</td>
<td>-432</td>
<td>BCA Mandatory Sequesters</td>
</tr>
<tr>
<td><strong>Econ &amp; Technical Re-estimates</strong></td>
<td>-3,337</td>
<td>Affordable Care Act</td>
</tr>
<tr>
<td><strong>Total Changes to Deficit Projection</strong></td>
<td>-10,283</td>
<td>Other Revenue Legislation</td>
</tr>
<tr>
<td><strong>Final Deficit and Outgoing Projection for Same 10-Year Period</strong></td>
<td>-4,394</td>
<td>Discretionary Spending &amp; OCO Reforms</td>
</tr>
</tbody>
</table>

Source: “Trump’s Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits,” by Brian Riedl (based on CBO data). Positive numbers reduce deficit, negative numbers add to deficit. Legislative changes include associated interest costs and savings. All figures in nominal $Billions.