

6 Charts Show Crucial Facts About Spending, Taxes, Deficits Missing From Biden's Budget

COMMENTARY [Budget and Spending](#)

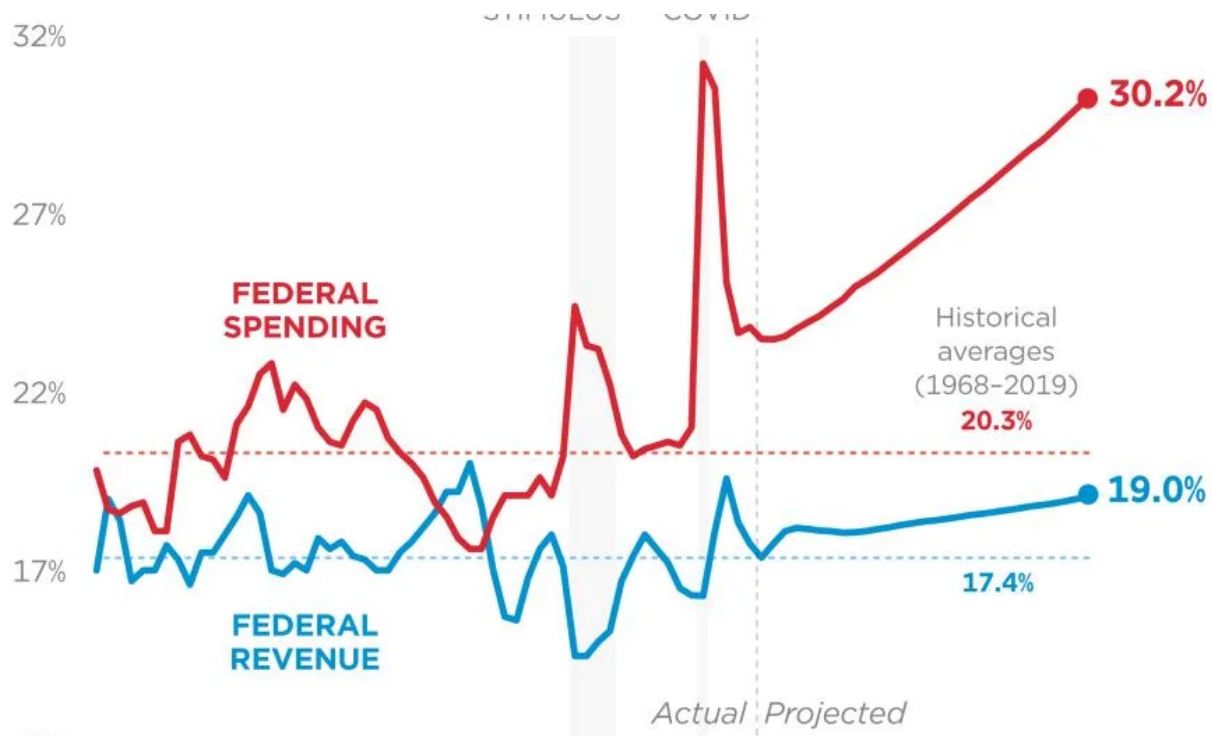
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5 min read

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These charts, based on updated information from the nonpartisan Congressional Budget Office, show just how off-base Biden's narrative is. The Heritage Foundation

Key Takeaways

The Biden administration released an outline for its fiscal year 2024 budget. As expected, it promotes the same swampy, big-government agenda as last year.

Too many politicians want to either ignore this reality, or—like Biden—pretend that the solution is to

raise taxes while refusing to take any meaningful action.

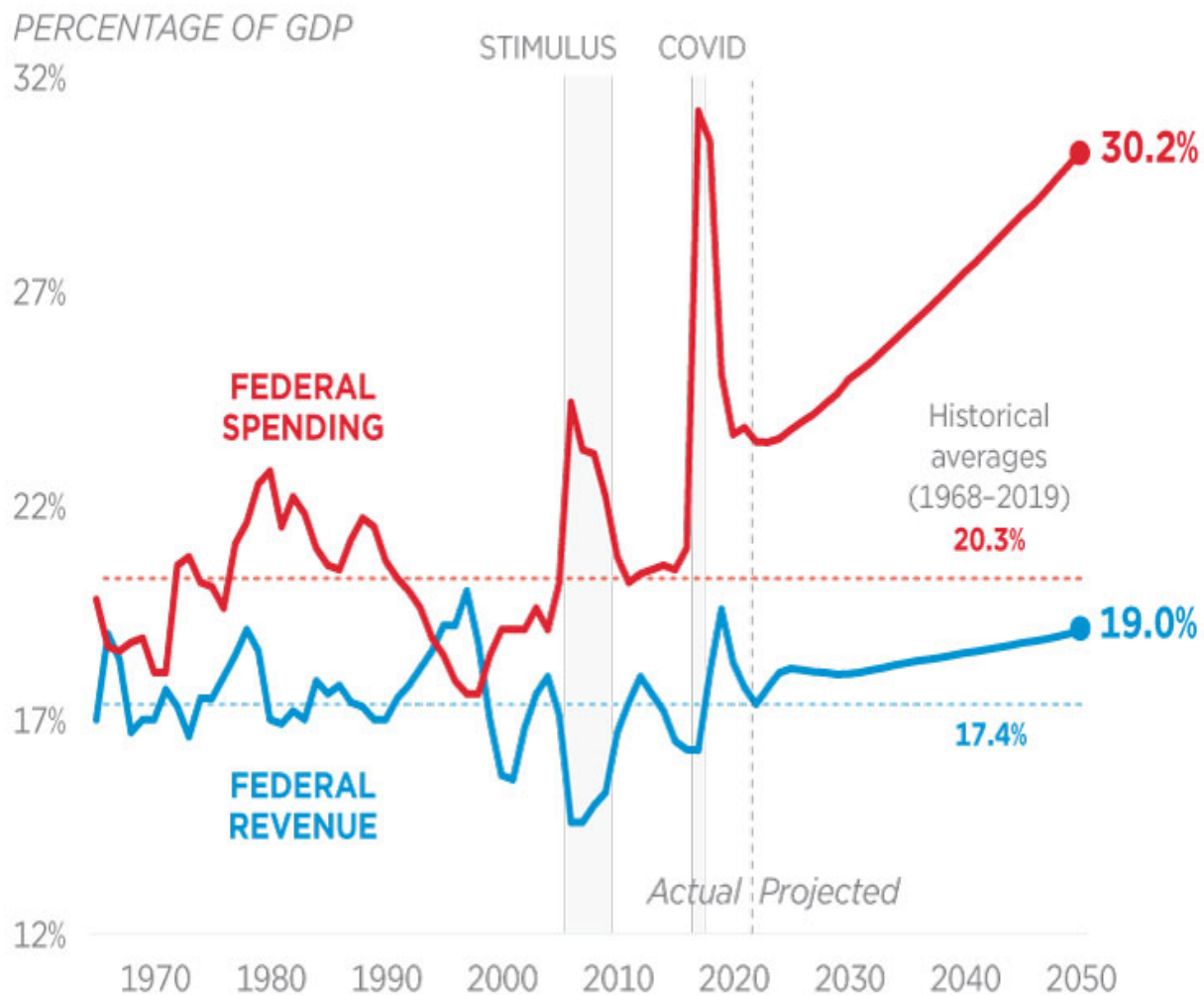
More than merely rejecting this bleak vision for the country, Congress must go in the opposite direction if we are to have any hope.

The Biden administration on Thursday released an [outline](#) for its fiscal year 2024 budget. As expected, it promotes the same swampy, big-government agenda as [last year](#), which the country desperately needs to avoid.

Beneath the administration's spin, the ultimate message is that it thinks the federal government doesn't have enough power and control over our families and businesses.

These charts, based on [updated information](#) from the nonpartisan Congressional Budget Office, show just how off-base Biden's narrative is and why America needs exactly the opposite from its leaders.

GROWING SPENDING IS THE PROBLEM



Source: Congressional Budget Office.

heritage.org

For more than 50 years prior to the COVID-19 pandemic, federal spending averaged a whisker over 20% of the economy. That temporarily spiked above 30% in 2020 and 2021 due to the immense (and extremely wasteful) [spending spree](#) by Congress.

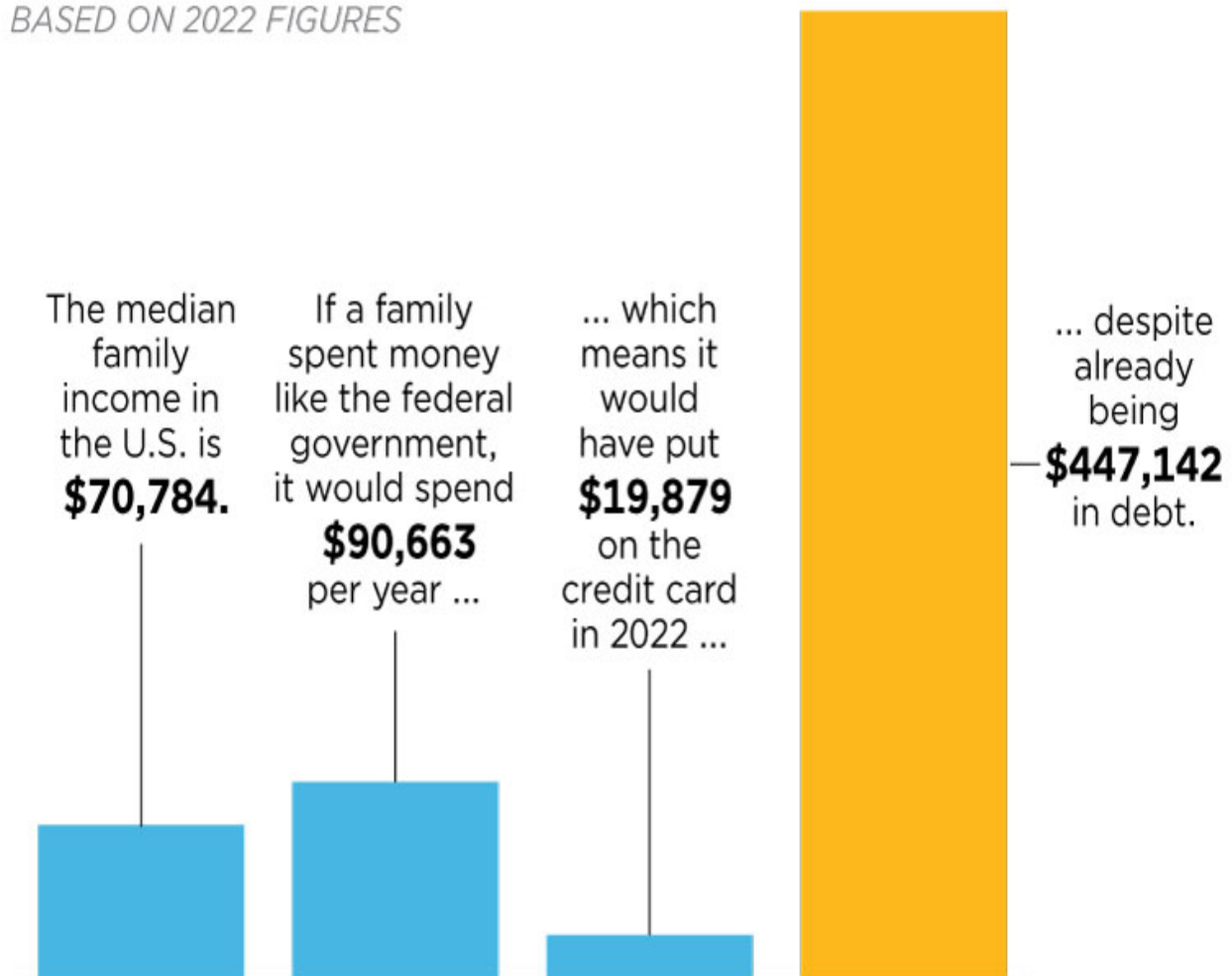
The country is on course to return to that excessive level of spending without war, recession, or a pandemic as the underlying cause. Merely maintaining the status quo of allowing benefit and cronyistic programs to grow faster than the economy will make “emergency” levels of spending the new normal.

A relatively short exposure to firehose-style spending helped [drive inflation](#) through the roof. We can only imagine what would happen if that’s allowed to become permanent reality.

Incredibly, the Biden budget would increase spending above the baseline by \$1.85 trillion over the next decade, making the problem even worse. It envisions a mindboggling \$10 trillion in spending by 2033.

U.S. BUDGET VS. FAMILY BUDGET

BASED ON 2022 FIGURES



Sources: CBO, Census Bureau, and Treasury Department.

 heritage.org

The raw numbers involved with federal budgeting are impossible to fully comprehend, which makes charts such as these so important.

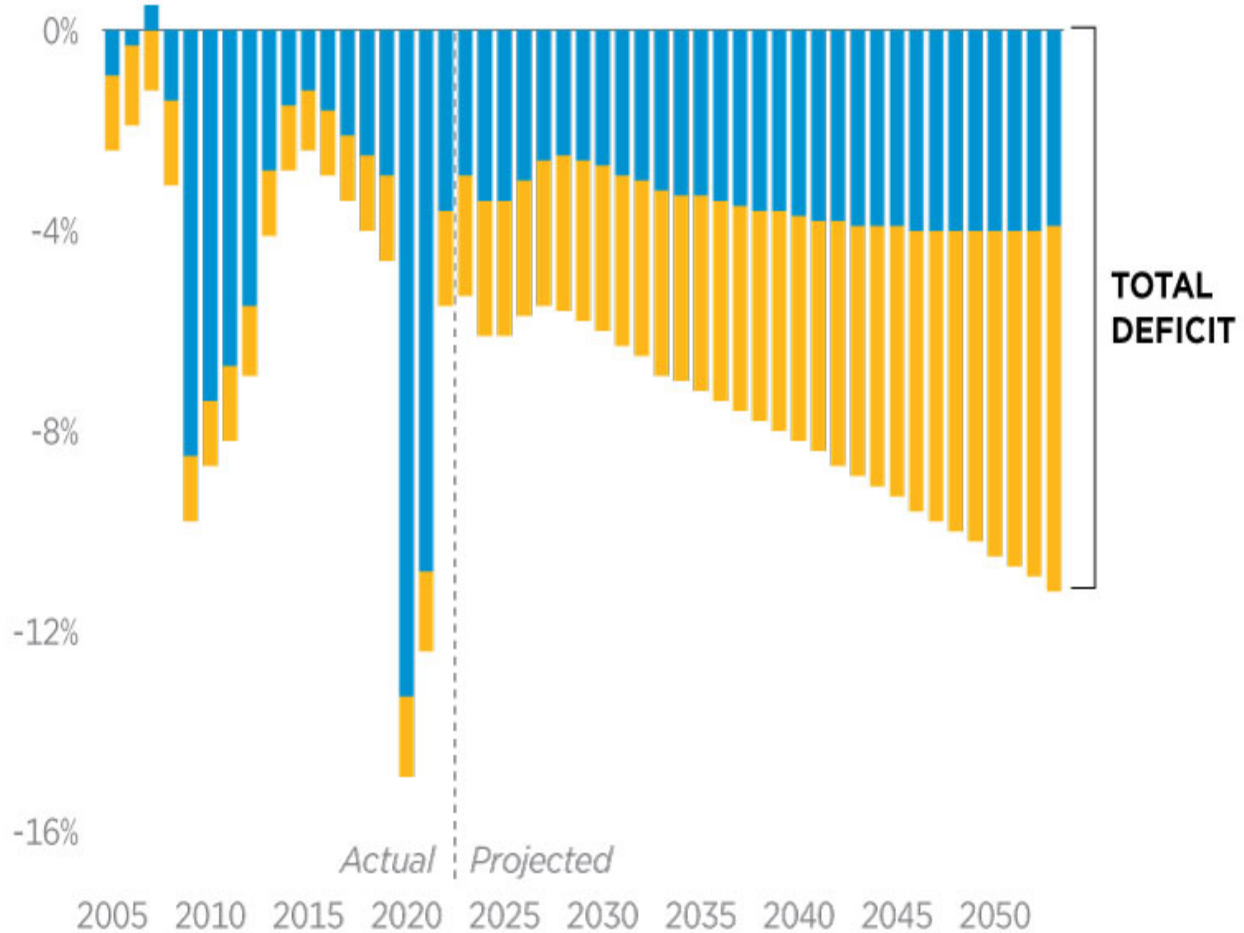
In fiscal year 2022, the federal deficit was the equivalent of nearly \$20,000 for a middle-class family. To carry the analogy further, this family would already be more than \$447,000 in debt, but with no new assets to show for it.

Any family with such an unbalanced budget would be bankrupt in no time flat. We shouldn't assume that the nation can avoid a similar fate for much longer.

INTEREST COSTS A MAJOR BURDEN

AS PERCENTAGE OF GDP

■ PRIMARY DEFICIT ■ NET INTEREST



Source: Congressional Budget Office.

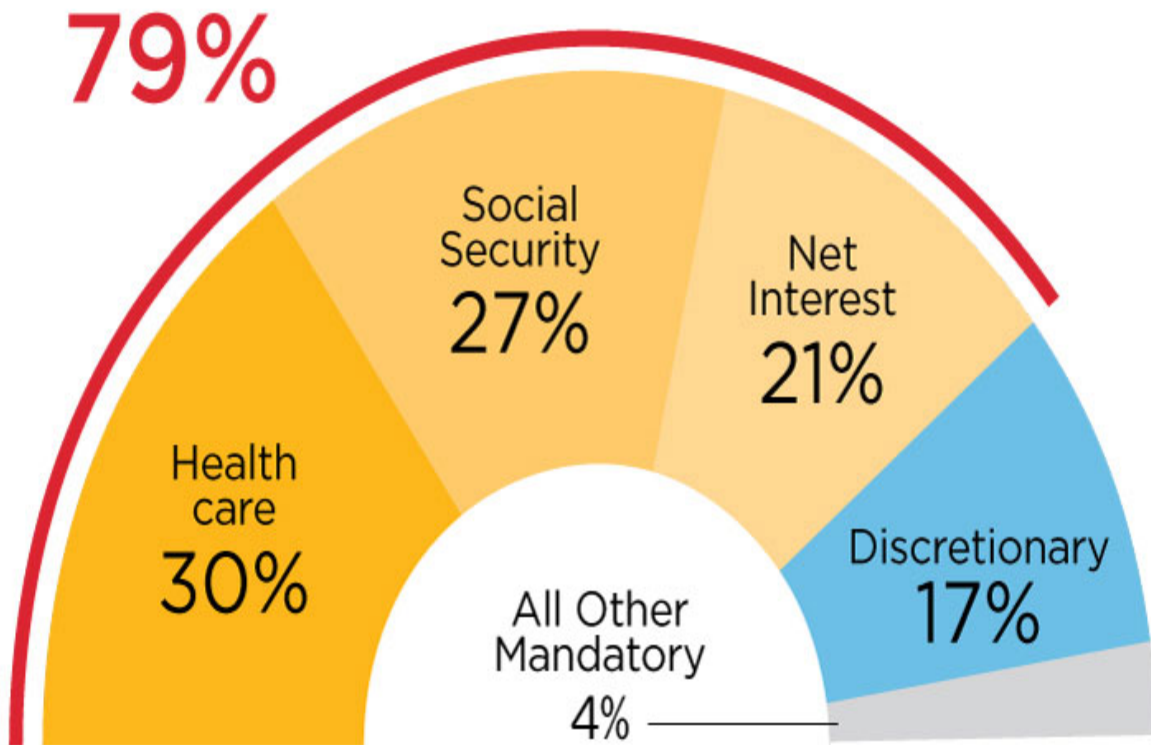
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It has been incredibly reckless for Washington insiders to assume low interest rates would be around forever. With interest rates rising, the country is faced with the prospect of dedicating more than \$1 trillion dollars per year to interest payments by the end of the decade, and trillions more per year not too long after that.

Servicing the federal debt will soon be an anchor dragging on the economy, steadily eroding the growth and prosperity that we take for granted. Any attempt to artificially push interest rates down would threaten to make inflation worse, [squeezing families](#) from both sides.

DRIVERS OF GROWING SPENDING

SHARE OF PROJECTED SPENDING INCREASE, 2023-2033



Note: Figures have been rounded.

Source: Congressional Budget Office.

 [heritage.org](https://www.heritage.org)

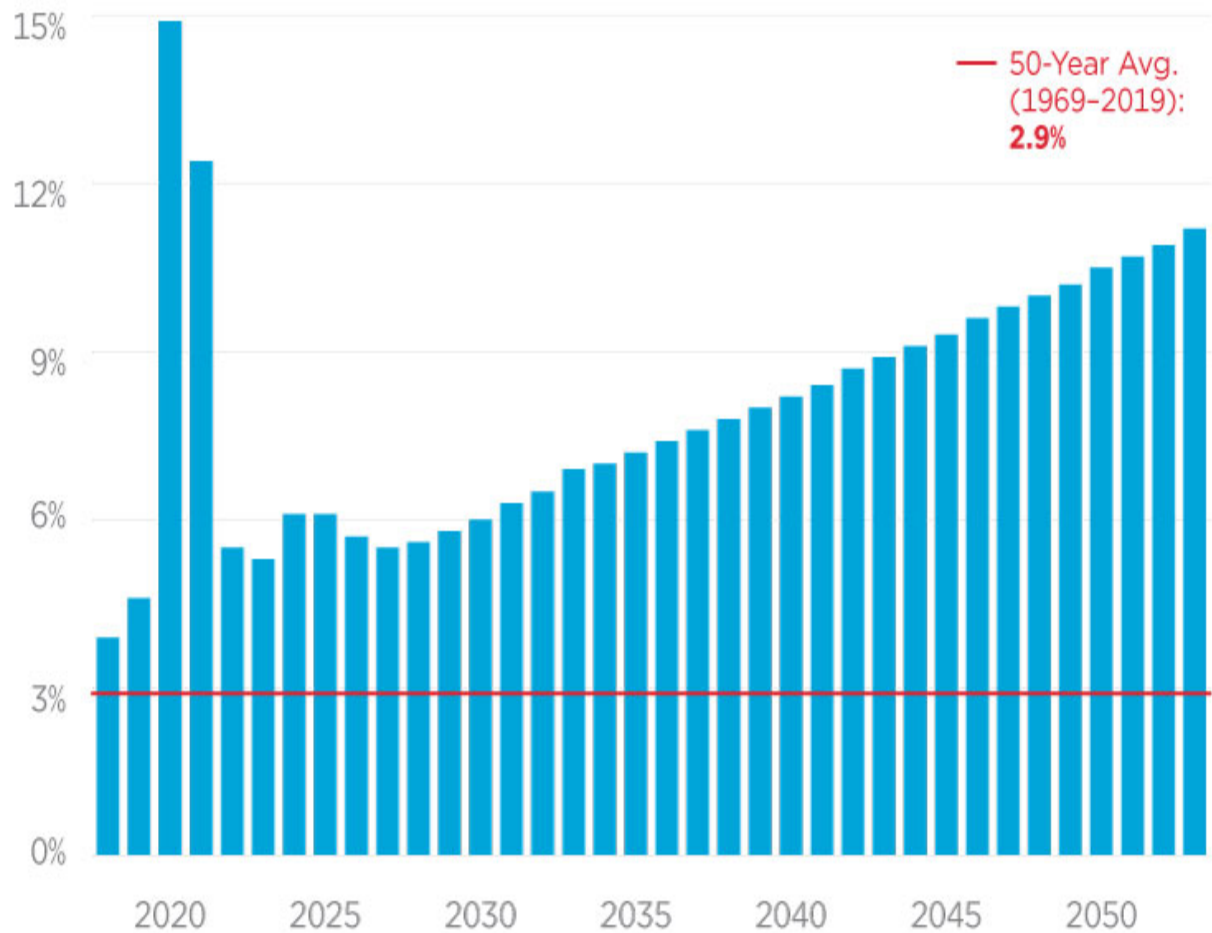
Federal spending is projected to grow much faster than the economy. Of that incredible growth, a full 79% would arise from net interest payments, Social Security, and Medicare.

Too many politicians want to either ignore this reality, or—like Biden—pretend that the solution is to raise taxes while refusing to take any meaningful action to reform key benefit programs with long-term stability in mind.

Incredibly, Biden is proposing a whopping \$4.7 trillion tax increase in the budget plan, or more than \$35,000 per household.

UNSUSTAINABLE BUDGET DEFICITS

DEFICITS AS PERCENTAGE OF GDP



Source: Congressional Budget Office.

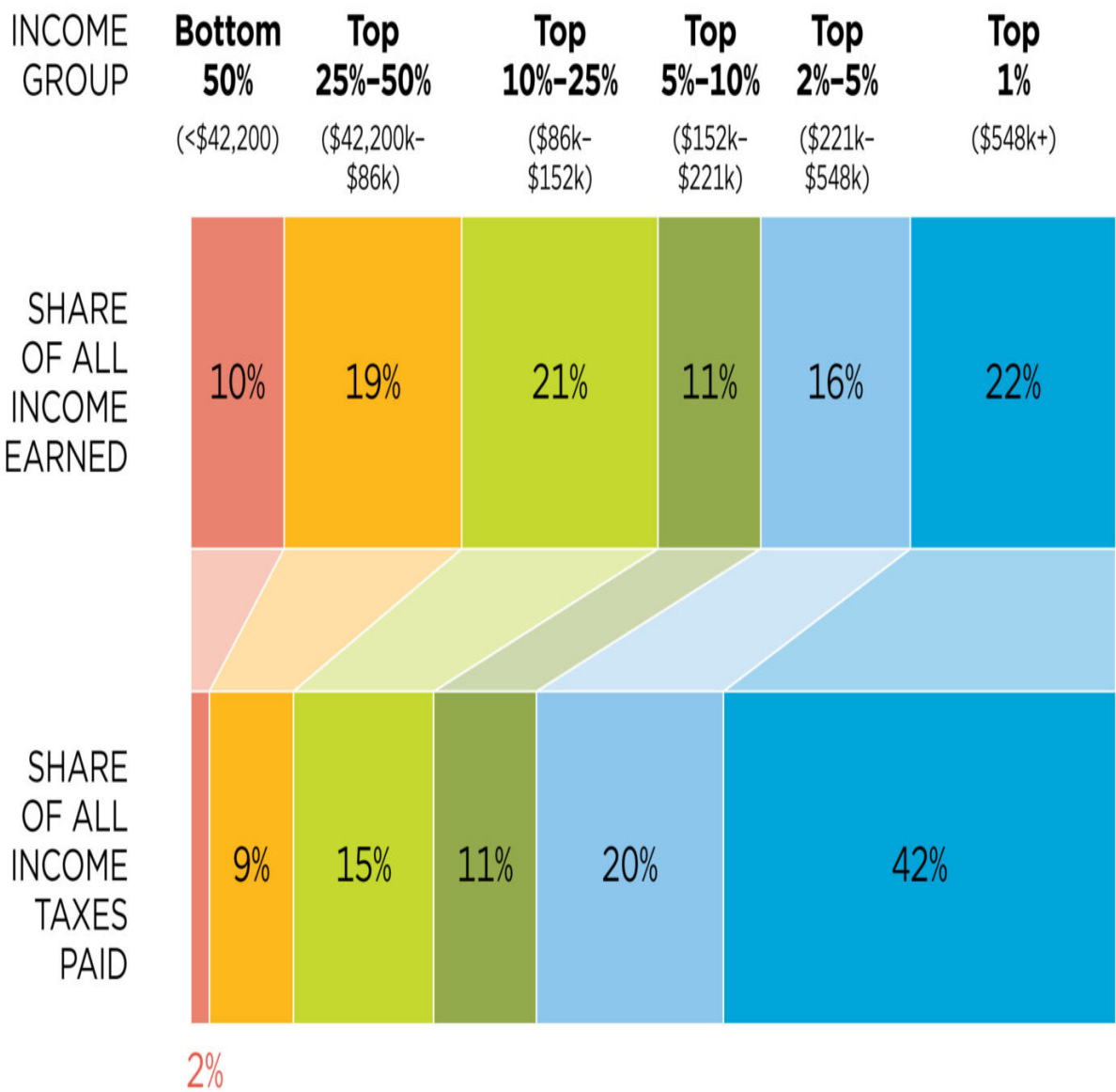
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Biden and his staffers love to brag about the 2022 deficit being lower than it was in 2020. This talking point is, frankly, misinformation. Biden's decisions have consistently [made things worse](#).

Further, the 2022 deficit was still well above the historical average. Unless something changes, deficits will be twice the historical average by 2029 and keep climbing from there.

DO THE RICH PAY THEIR ‘FAIR SHARE’?

FEDERAL INCOME TAXES AND ADJUSTED GROSS INCOME EARNED IN 2020



Source: Internal Revenue Service.  [heritage.org](https://www.heritage.org)

Biden and the Left have spent decades claiming that high-income households don’t pay their “fair share” of taxes. The Biden budget’s signature policy is a tax hike based on that assertion.

Once again, reality says otherwise. The top 1% of households pay more income tax than the bottom

90% combined and pay roughly twice as much in taxes relative to their share of income.

The Left never defines what “fair share” means, other than “more,” and they typically want to use that “more” to cover spending increases.

It’s crucial for Americans to understand that raising taxes on businesses and entrepreneurs would not only damage economic growth and private investment, but it would also utterly fail to generate enough revenue to satisfy the Left’s agenda.

The harsh reality is that a European-style government with cradle-to-grave benefits would require European-style taxes, and that would mean [hammering the middle class](#) with tax hikes.

A proper solution to federal finances, such as that of The Heritage Foundation’s [Budget Blueprint](#), would focus on shrinking bloated bureaucracies and reforming programs such as [Medicare](#) in a way that treats both older and younger Americans fairly.

In contrast, Biden’s budget would leave future generations with crushing burdens of debt and taxation. More than merely rejecting this bleak vision for the country, Congress must go in the opposite direction if we are to have any hope.

This piece originally appeared in [The Daily Signal](#)