



Press Release

Sizing Up Interest Payments on the National Debt

ALLIE WATSON | OCTOBER 28, 2025

In a new insight, Director of Fiscal Policy Jordan Haring analyzes the U.S. Department of Treasury's September 2025 Monthly Treasury Statement to assess trends in net interest payments on the national debt.

Key points:

- *In fiscal year (FY) 2025, the federal government spent \$970 billion on interest payments on the national debt - the equivalent of 19 percent of all federal revenue collections and roughly \$7,300 per household.*
- *Net interest was the third-largest government expenditure in FY 2025, behind Social Security and Medicare.*
- *The household share of net interest payments was larger than average household spending on health care, home furnishings, gasoline, clothing, or education, among other expenditures.*
- *Over the decade, interest payments are projected to grow by an estimated 76 percent, from \$1.0 trillion in FY 2026 to \$1.8 trillion in 2035; interest is projected to grow faster than any major budgetary category.*

[Read the analysis.](#)