



Press Release

U.S. Treasury: FY 2026 Deficit Totaled \$2 Trillion

ALLIE WATSON | OCTOBER 19, 2026

The U.S. Department of the Treasury recently released its final Monthly Treasury Statement for fiscal year 2026. In a new insight, Director of Fiscal Policy Jordan Haring breaks down the data and highlights key findings.

Key points:

- *The Treasury Statement shows a \$2.0 trillion budget deficit for the year - \$217 billion higher than the deficit recorded in FY 2025; the FY 2026 deficit was the net effect of \$7.4 trillion of spending and \$5.4 trillion of revenue collections.*
- *As a share of the economy, the FY 2026 deficit was an estimated 6.1 percent of gross domestic product (GDP).*
- *Federal debt held by the public increased by \$2.0 trillion to \$32.4 trillion between FY 2025 and FY 2026; as a share of the economy, debt totaled an estimated 100 percent of GDP.*
- *Interest payments on the national debt totaled \$1.1 trillion, surpassing spending on national defense; net interest was the third-largest federal government expenditure behind Social Security and Medicare.*

[Read the analysis.](#)