



## Press Release

# Congress Already Spent the Low Interest-Rate Windfall

ANDREW EVANS | JANUARY 29, 2020

In its *Budget and Economic Outlook* released yesterday, the Congressional Budget Office lowered the interest rate it expects the federal government to pay over the next 10 years, creating a \$530 billion windfall. But Congress already increased the deficit by that amount in its December budget and tax deal, AAF's Director of Fiscal Policy Gordon Gray notes.

An excerpt:

The low interest rate environment has set off a reconsideration of the potential risks from high levels of debt among some economists. Indeed, some have argued that the federal government should be more heavily indebted, given the low cost. But this critique ignores that the United States is still adding to the debt even with low interest rates and that Congress has already spent what budgetary room the latest interest rate revision granted to taxpayers.

[Read the analysis.](#)