Press Release

Highlights of FY2022 President's Budget

ALLISON EDWARDS | MAY 28, 2021

AAF's Director of Fiscal Policy Gordon Gray analyzes the figures in the president's budget for fiscal year 2022.

He notes:

- **Taxes.** Over 10 years, the Biden Administration's budget proposes an average level of taxation of 19.3 percent, nearly a percentage point higher than *any* 10-year period in the history of the modern U.S. tax system;
- **Spending.** Over the next decade, spending would average 24.5 percent of GDP. There has never been a 10-year period in U.S. history with this level of spending as a share of GDP — even inclusive of World War II;
- **Deficits.** Deficits are projected to exceed $1 trillion every year over the next decade;
- **Interest payments.** Interest payments on the debt will reach $914 billion in 2031. This reflects a more than doubling of debt service costs of $345 billion in 2020; and
- **Debt Held by the Public.** Borrowing from the public would increase as a share of the economy under the *President's Budget*, increasing from an all-time high in FY2021 of 109.7 percent of GDP to 117 percent of GDP in 2031. Even during World War II, the debt never reached these levels.

Read the analysis.