

Spending, Taxes & Deficits: A Book of Charts

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Highlights

- In Just 20 Months, President Biden Added \$4.8 Trillion to 10-year Deficits (p. 11)
- Individual Income Taxes in 2022 Shattered Records as a %GDP (14)
- How Did Washington Go From Budget Surpluses to Escalating Deficits? (26-27)
- What Happened to the 2011 BCA Spending Caps? (32-33)
- Rising Social Security & Medicare Shortfalls Drive Nearly Entire 2019-32 Deficit Rise (40-44)
- What is Driving CBO's Projected \$114 Trillion Deficit over 30 Years? (52-58)
- Why the Deficit Could Top \$3 Trillion Yet Again Within a Decade (66)
- Each 1% Interest Rate Rise Adds \$30 Trillion (or 45% of GDP) to 30-Year Debt (69)
- A Menu of Tax Increase Options With 10-Year and Long-Term Estimates (74-75)
- Does the U.S. Have the OECD's Most Progressive Tax Code? (103)
- Is it Possible that the 1980s Defense Build Up Paid for Itself? (110)
- What Really Caused the 1990s Budget Surpluses? (111)
- The Comprehensive Bush Budget Record (113-114)
- The Comprehensive Obama Budget Record (115-122)
- The Comprehensive Trump Budget Record (123-128)

Methodology

Nearly all charts were built with publicly available government data from the Office of Management and Budget (OMB), Congressional Budget Office (CBO), U.S. Treasury, Council of Economic Advisors (CEA), Bureau of Labor Statistics (BLS), Bureau of Economic Analysis (BEA), and Census Bureau.

Unless otherwise noted, short time periods are expressed in nominal dollars, medium time periods are expressed in inflation-adjusted dollars, and long time periods are expressed as percentage of the economy.

Questions on specific charts can be addressed by contacting Brian Riedl at Briedl@manhattan-institute.org.

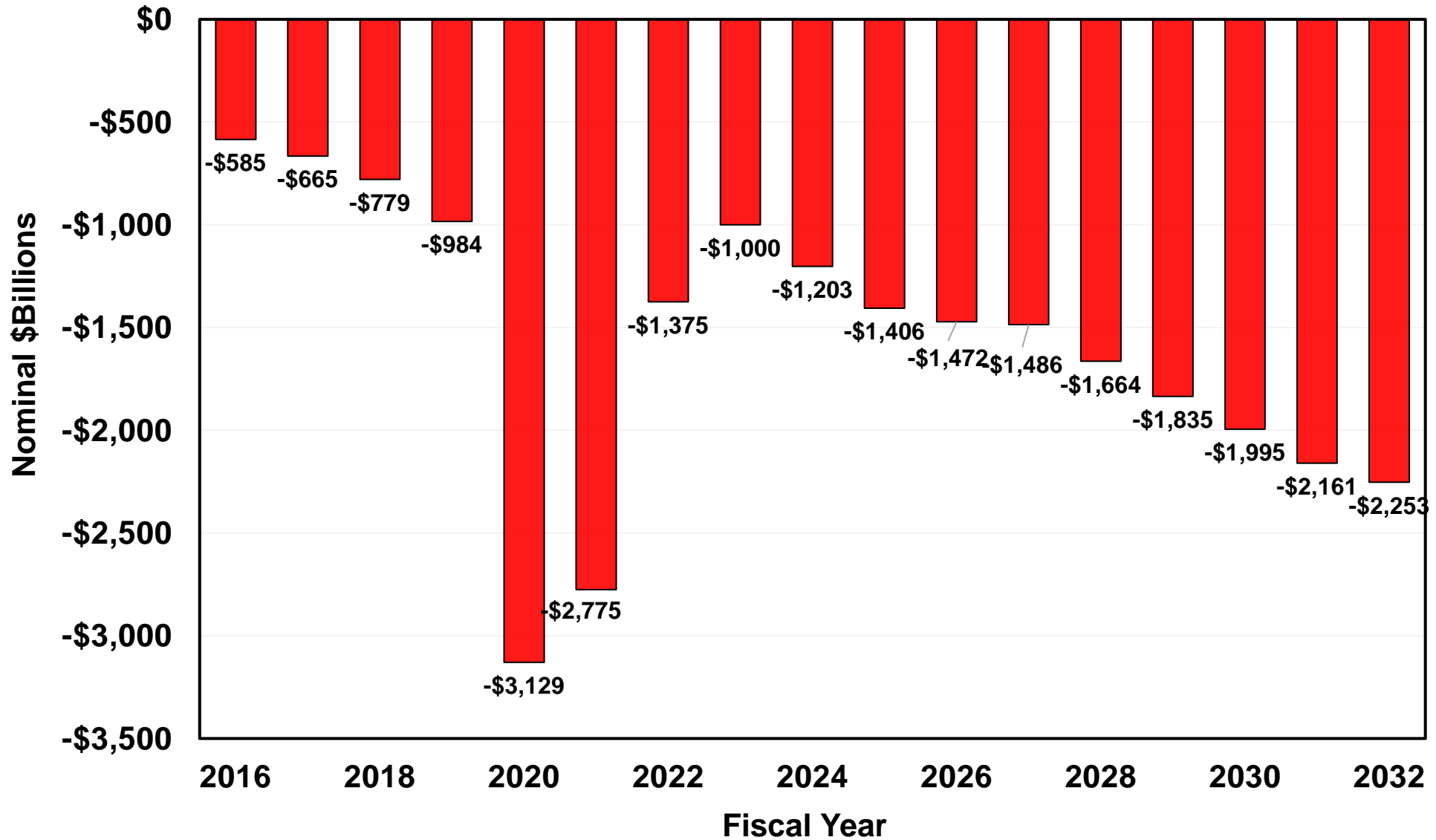
Charts are Organized into 13 Chapters

1. Rising Budget Deficits and National Debt
2. What is Driving the Debt? Soaring Federal Spending
3. Discretionary Spending is Not Driving the Long-Term Debt
4. Mandatory Spending and Entitlement Costs are Rising Rapidly
5. 30-Yr Debt Estimates are Driven by Social Security & Medicare Shortfalls
6. What Happens to the Debt if Interest Rates Rise?
7. Can't We Just Raise Taxes, Cut Defense, & Nationalize Health Care Instead?
8. Progressive Proposals Would Dig the Debt Even Deeper
9. Tax Revenues Will Continue Growing Faster Than the Economy
10. The Tax Code Has Become Increasingly Progressive
11. Countering Tax, Spending, & Deficit Myths of the 1980s Through 2008
12. A Comprehensive Accounting of the Obama Fiscal Record
13. A Comprehensive Accounting of the Trump Fiscal Record

Rising Budget Deficits and National Debt

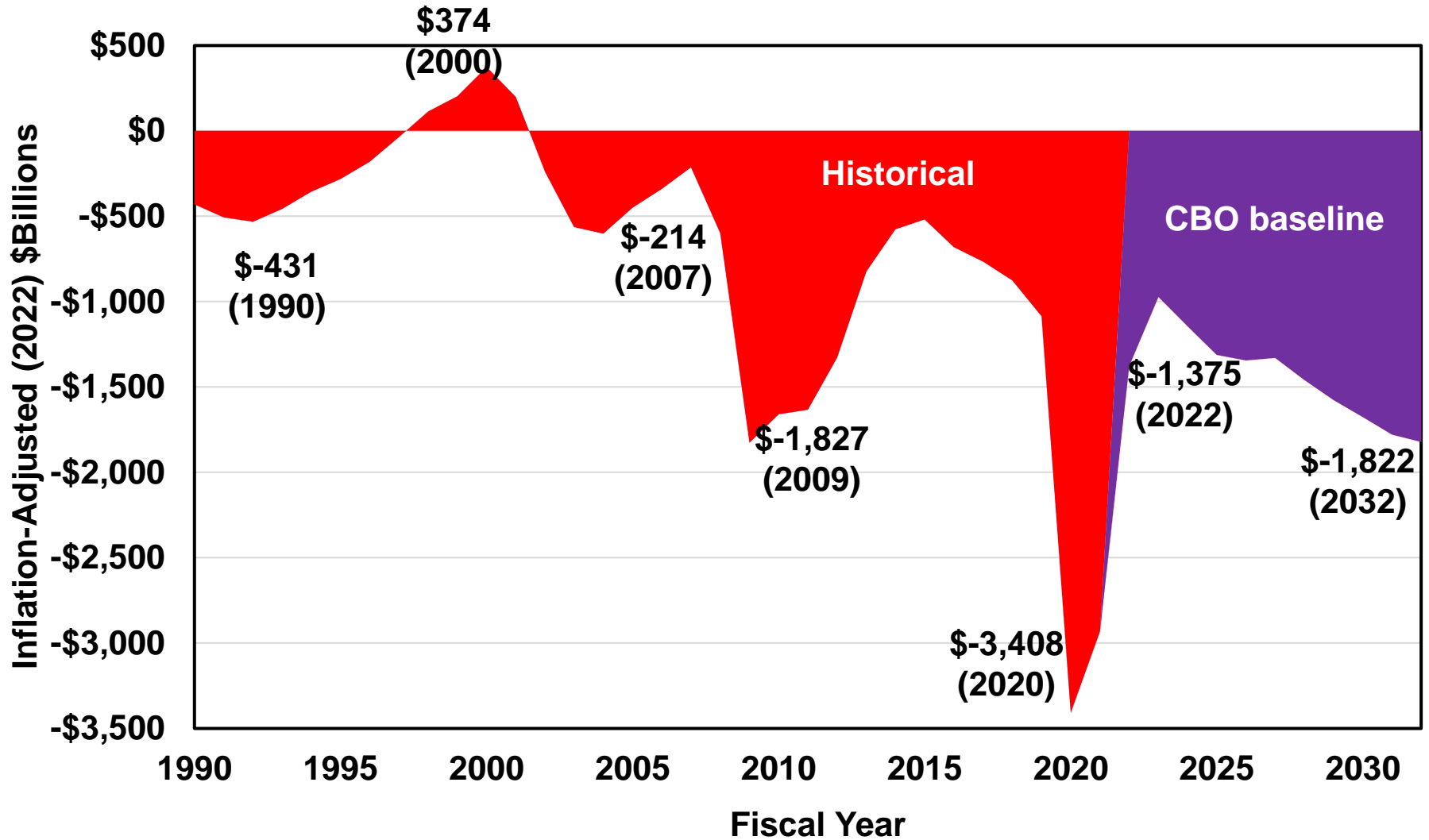
Chapter 1

Budget Deficits to Resume Steep Growth Even After Pandemic



Source: OMB historical table 1.1, and May 2022 CBO baseline (with timing shifts removed) adjusted for final FY 22 figures and legislation enacted through September 2022. Assumes most 2017 tax cuts expire on schedule.

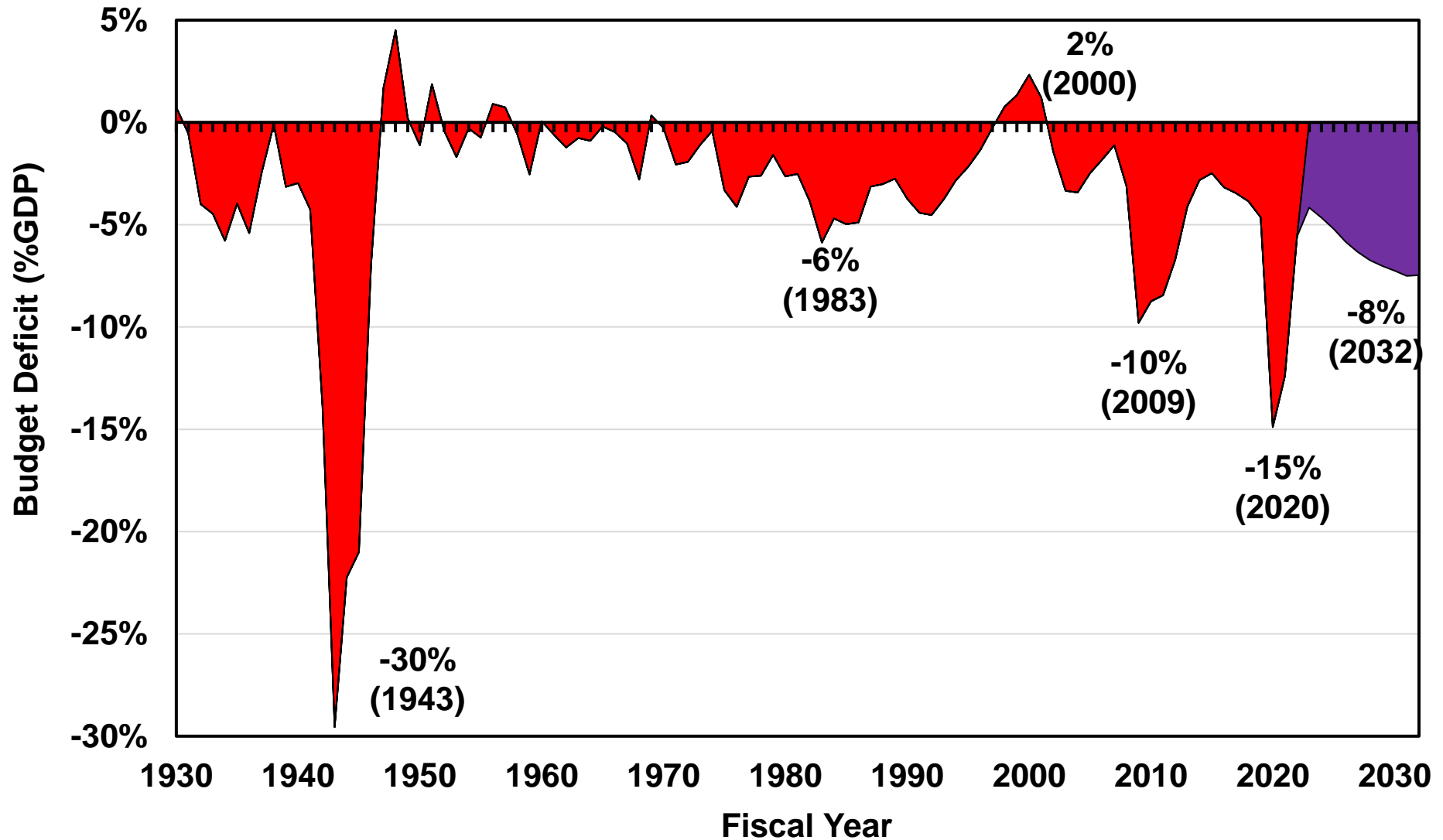
Budget Deficits are Set to Rise Steeply (Adjusted for Inflation)



Author: Brian Riedl, Manhattan Institute @Brian_Riedl

Source: OMB historical table 1.1, and May 2022 CBO baseline (with timing shifts removed) adjusted for final FY 22 figures and legislation enacted through September 2022. Assumes most 2017 tax cuts expire on schedule.

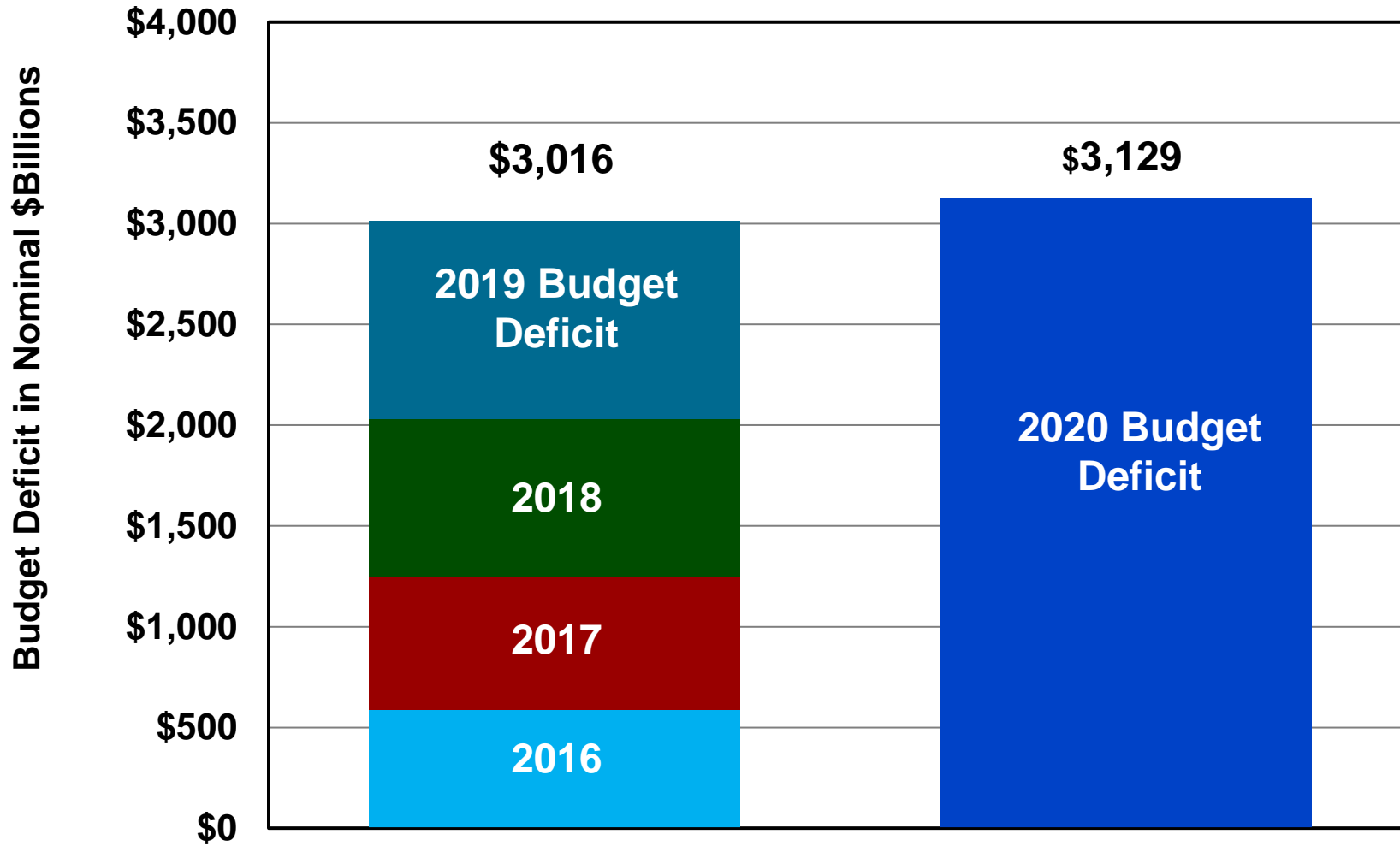
Deficits Will Rise to Levels Seen only During Wars, Deep Recessions, and Pandemics



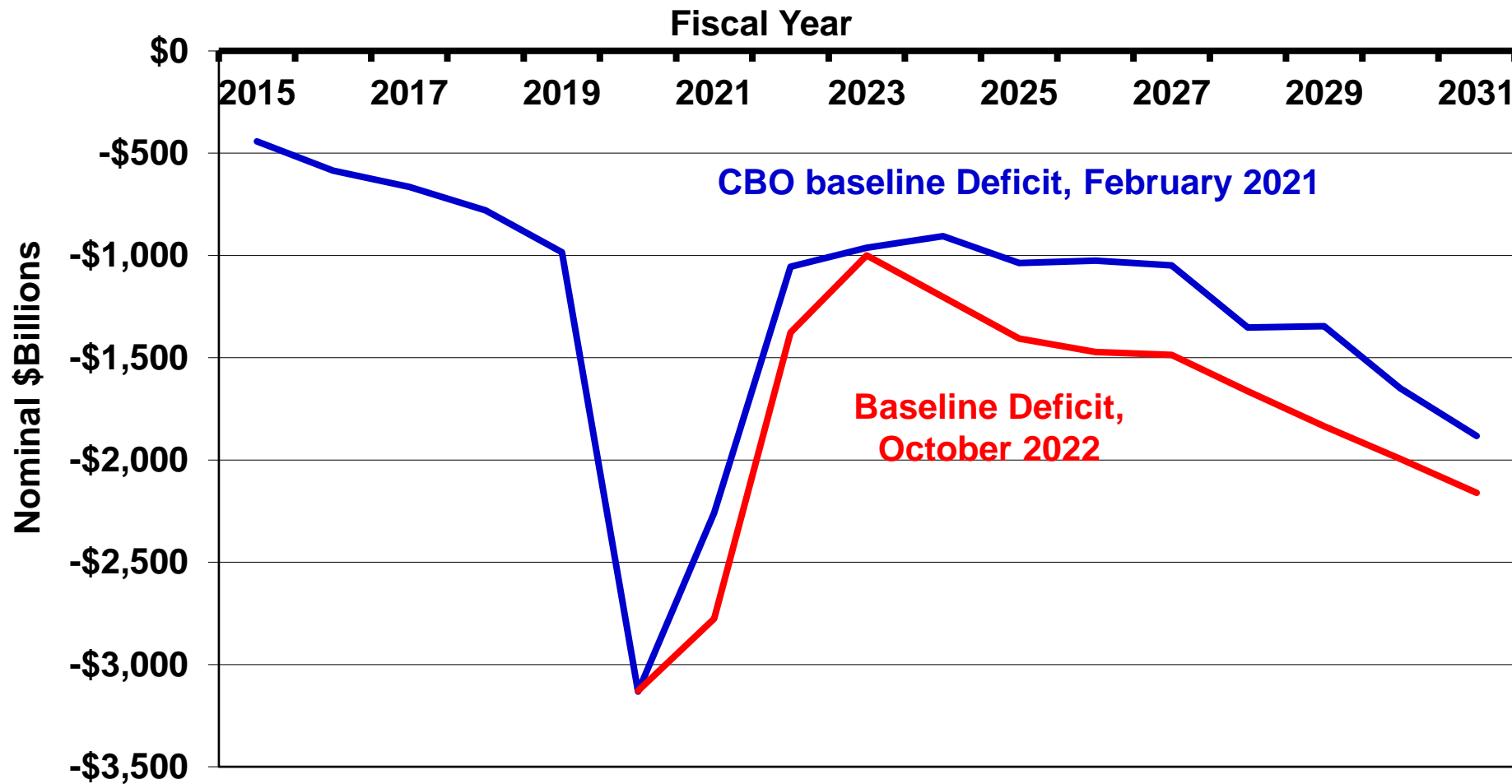
Author: Brian Riedl, Manhattan Institute @Brian_Riedl

Source: OMB historical table 1.1, and May 2022 CBO baseline (with timing shifts removed) adjusted for final FY 22 figures and legislation enacted through September 2022. Assumes 2017 tax cuts are renewed.

The 2020 Budget Deficit Exceeded the Combined 2016 Through 2019 Deficits



The 2021-2031 Projected Budget Deficit Has Grown by \$3.8 Trillion Since Biden Took Office



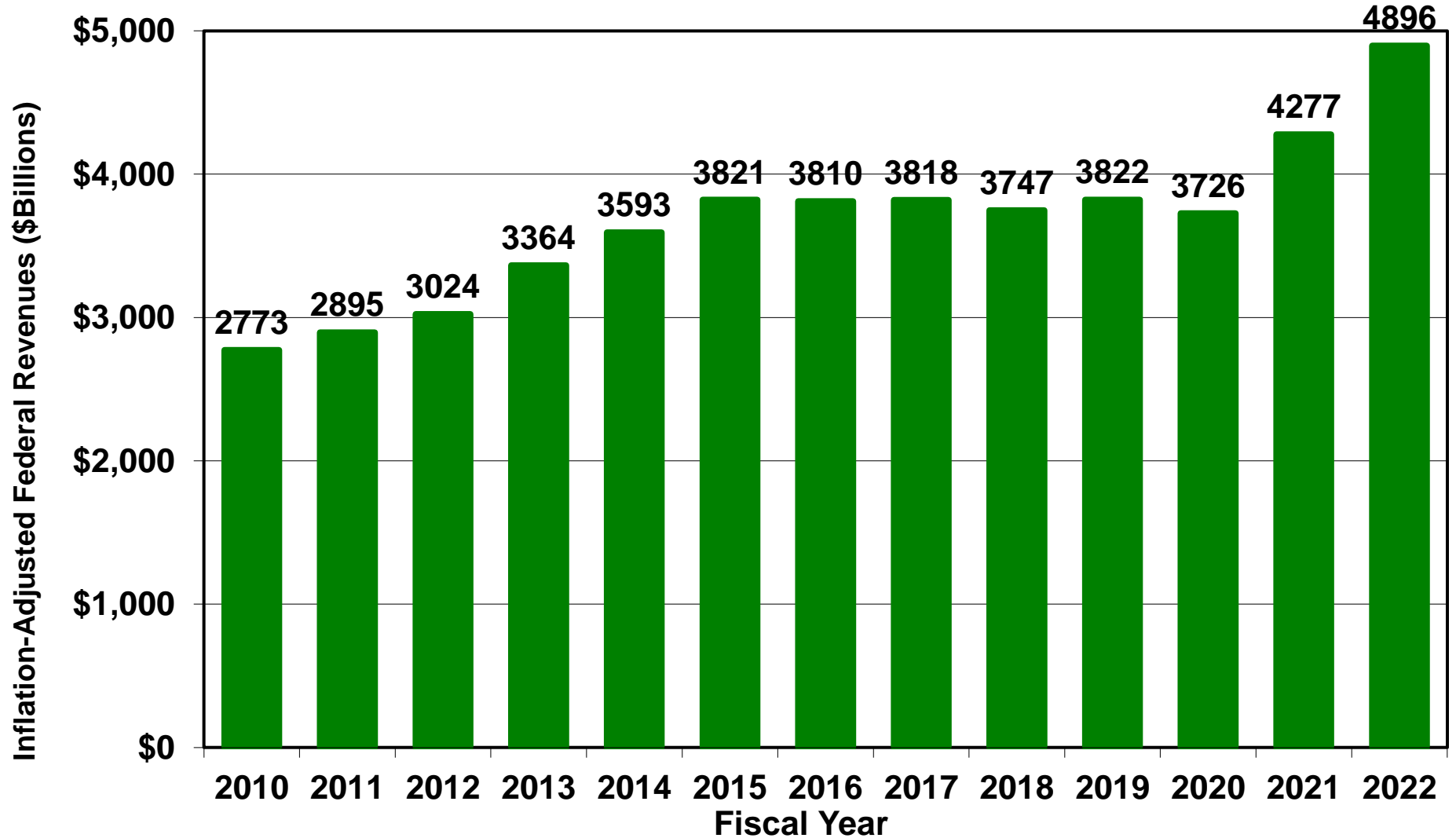
Source: CBO. October 2022 figures reflect May 2022 CBO baseline (with timing shifts removed) adjusted for final FY 22 figures and legislation enacted through September 2022.

In Just 20 Months, President Biden Added \$4.8 Trillion to 10-year Deficits

Legislation or Executive Order	10-year Cost (\$Billions)
American Rescue Plan	\$1,850
FY 2022 Omnibus Bill	\$625
Bipartisan Infrastructure Law	\$370
Honoring our PACT Act	\$280
SNAP Expansion	\$185
Health-Related Executive Orders	\$175
CHIPS and Science Act	\$80
Ukraine Supplementals	\$55
Inflation Reduction Act	-\$240
Student Debt Relief	\$750
Net Interest From Above Policies	\$700
Total 10-year Cost	\$4,830

Source: Committee For a Responsible Federal Budget, based on CBO and OMB data.
Does not account for budget deficit changes driven by economic and technical factors.

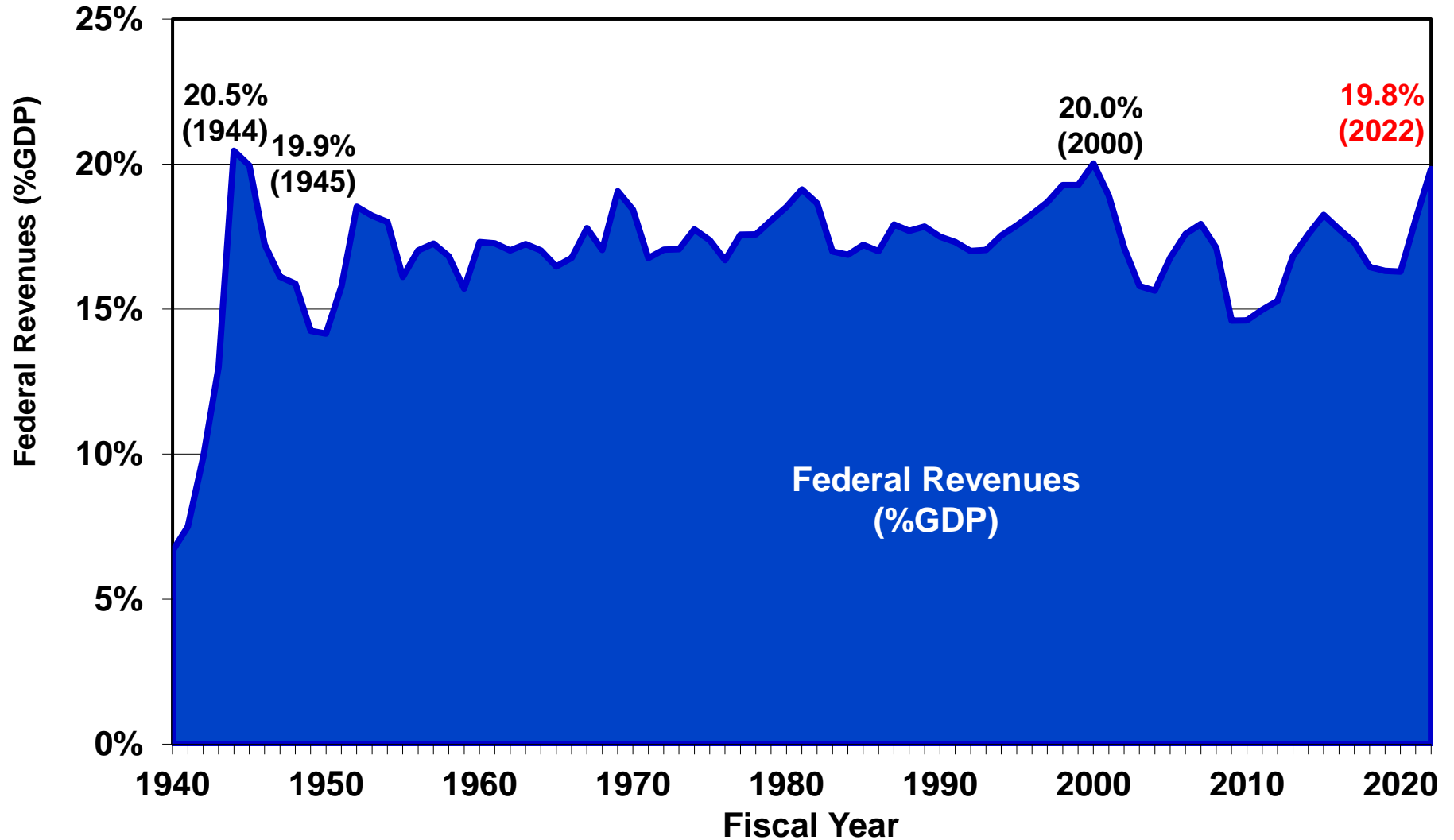
2022 Tax Revenues Were \$1 Trillion Above Pre-Pandemic Levels (Adjusted for Inflation)



Author: Brian Riedl, Manhattan Institute @Brian_Riedl

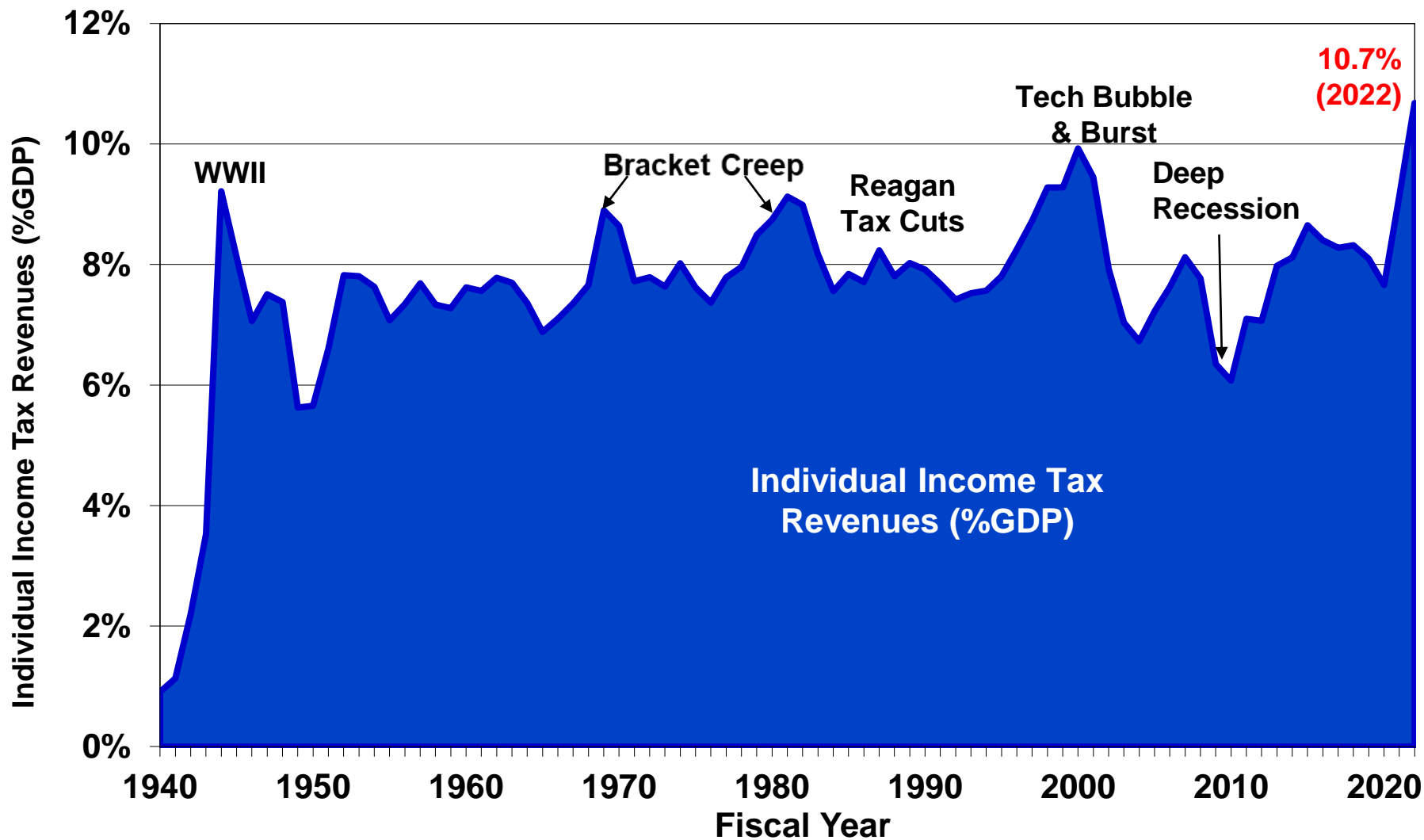
Source: OMB Historical Table 2.3, and final 2022 Treasury data.

2022 Tax Revenues Were the Second-Highest Ever Outside of World War II



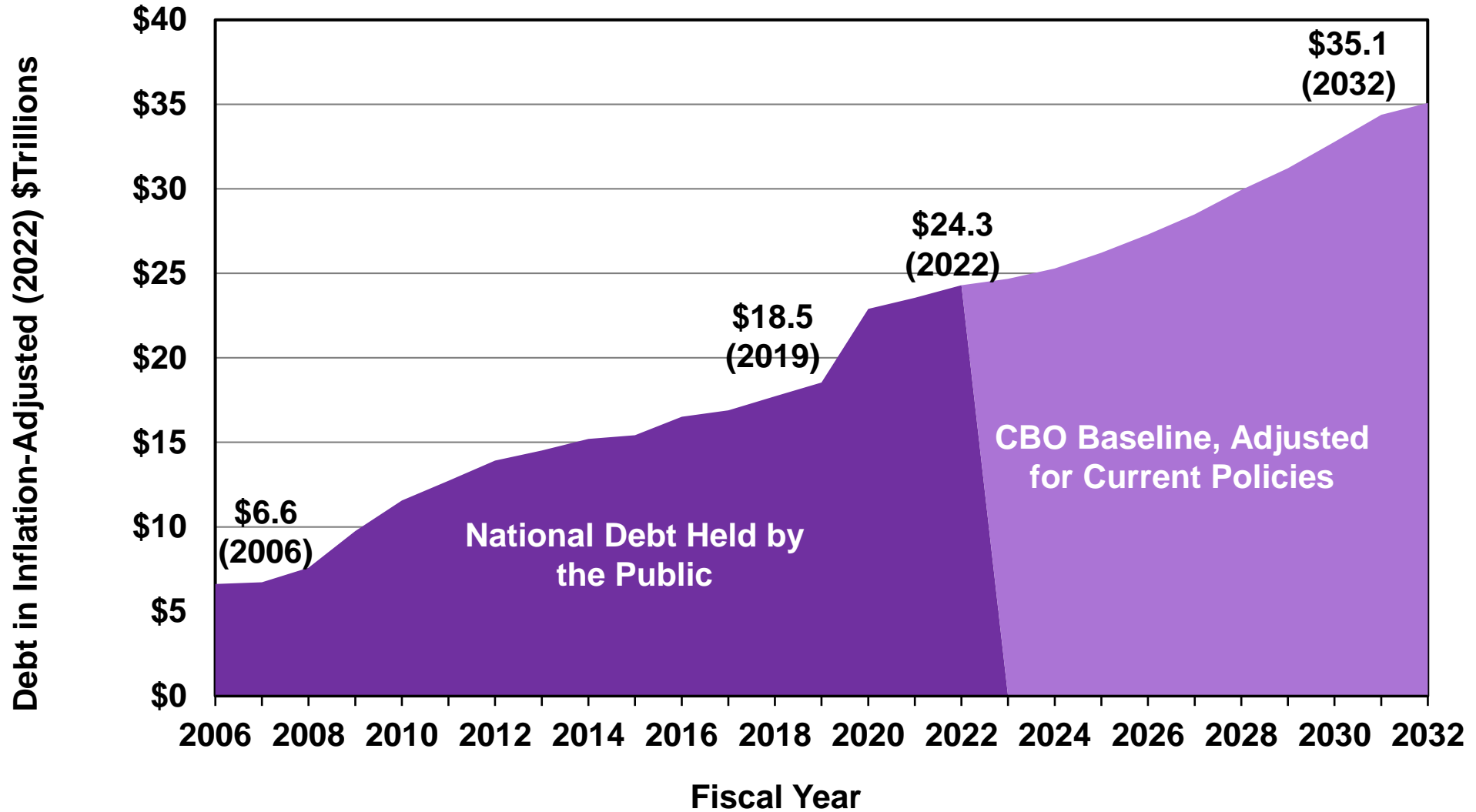
Source: OMB Historical Table 2.3, and final 2022 Treasury data.

In 2022, Individual Income Tax Revenues Exceeded 10% of GDP for the First Time Ever



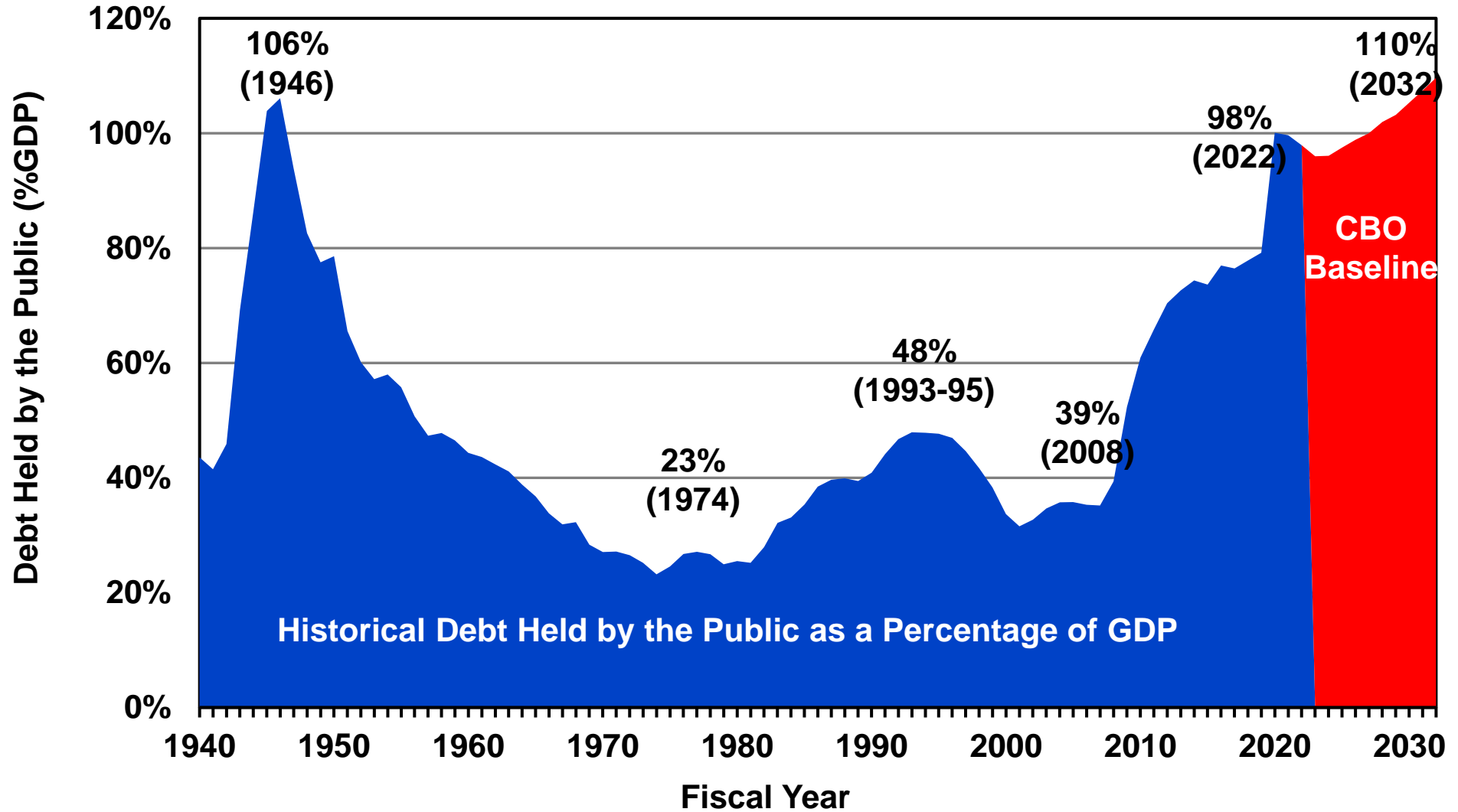
Source: OMB Historical Table 2.3, and final 2022 Treasury data.

The National Debt is in the Middle of a Historic Surge

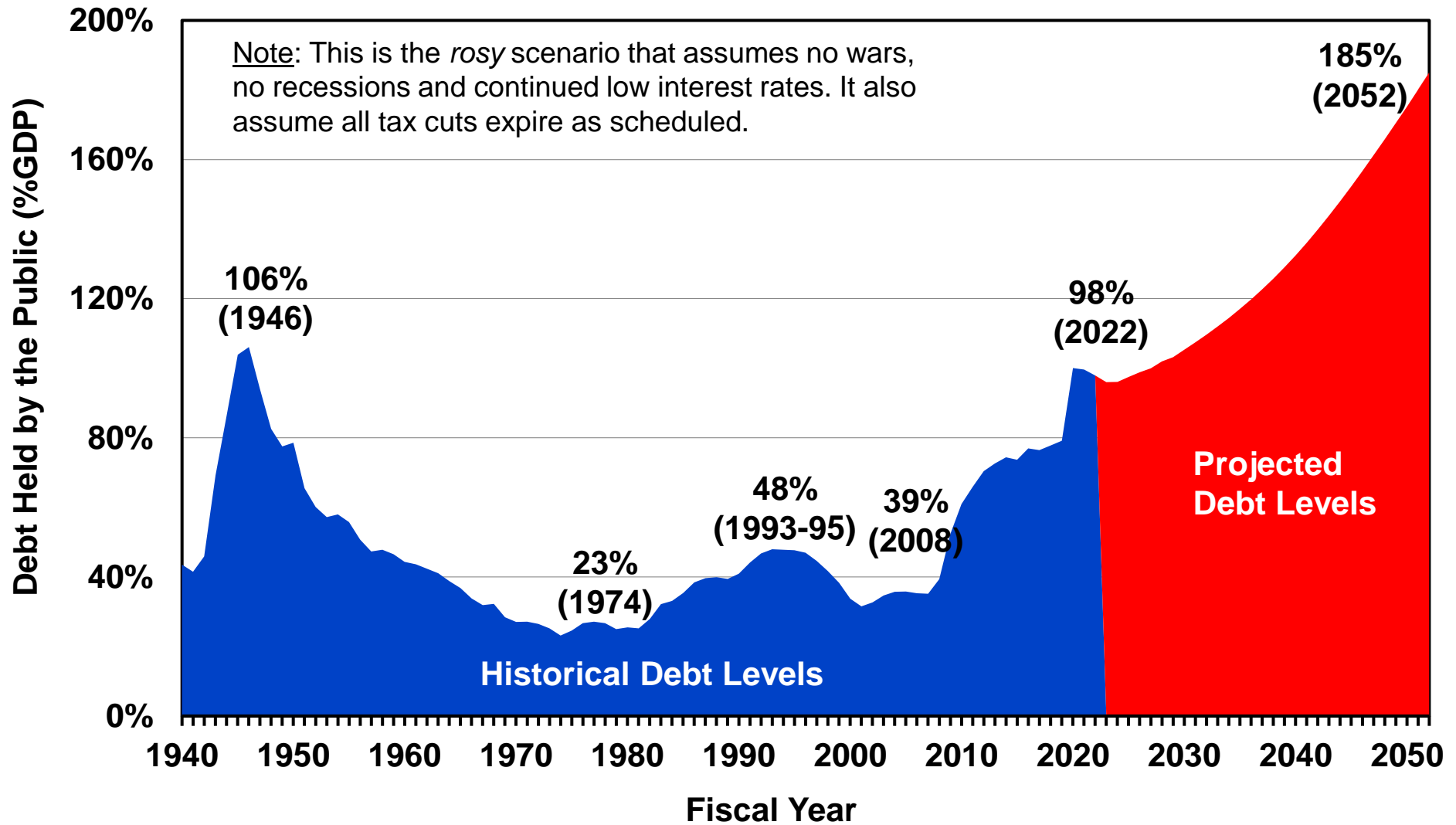


Source: May 2022 CBO baseline and historical data, adjusted to assume extension of the 2017 tax cuts.

The National Debt is Set to Surpass the World War II Peak Within a Decade

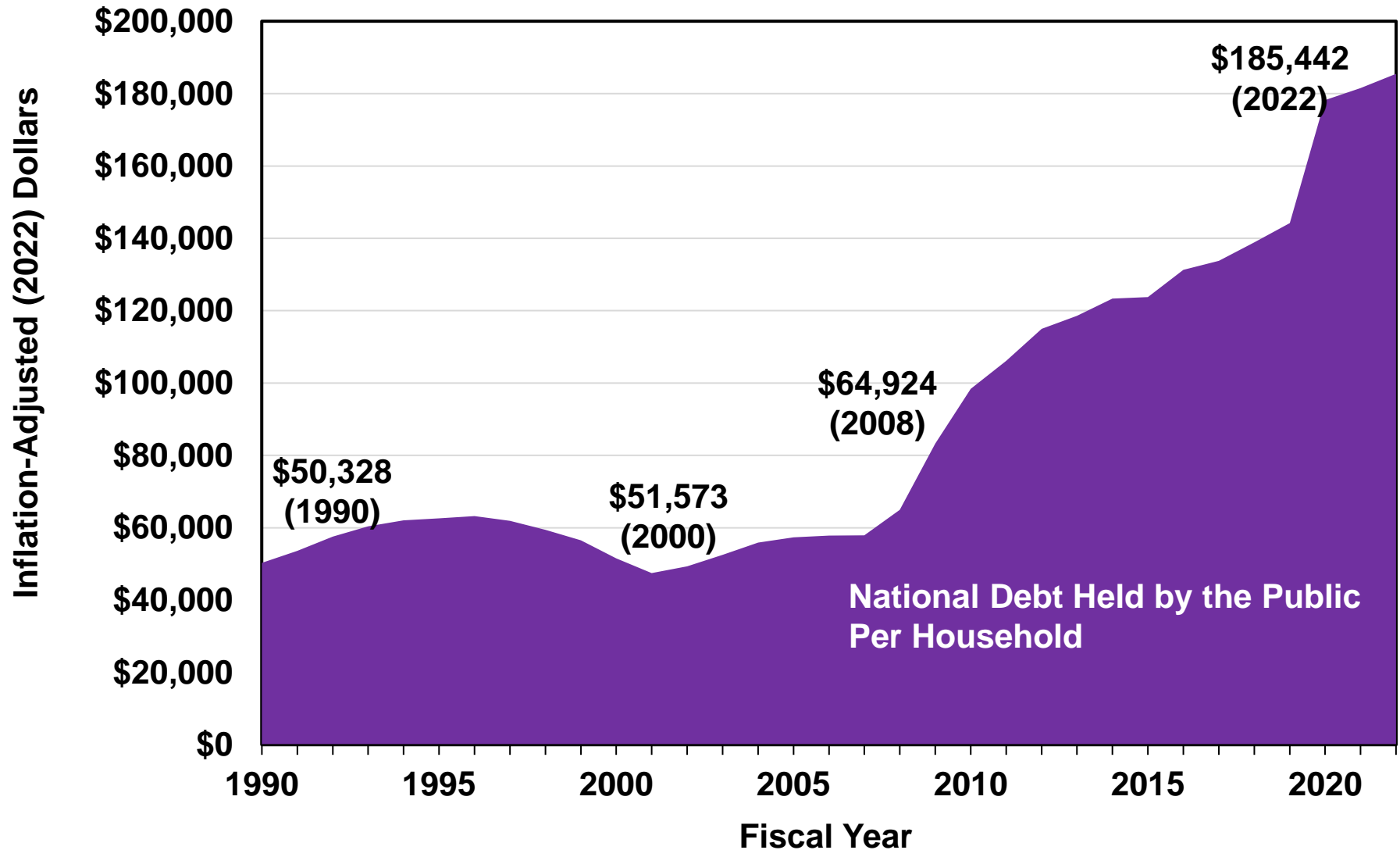


CBO Long-Term Baseline Shows Unsustainable Debt



Source: CBO 2022 Long-term Budget Outlook.

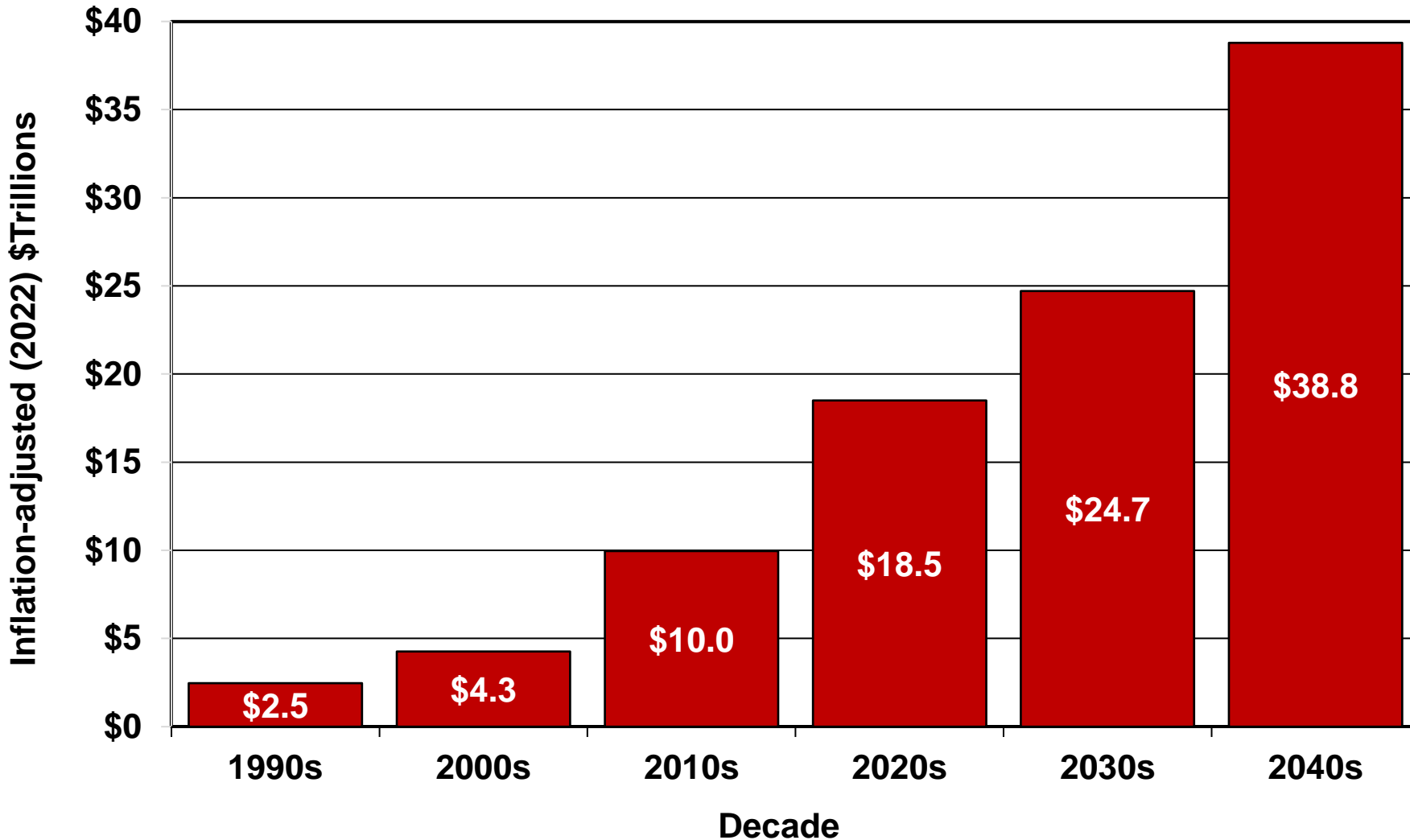
The National Debt Has Surpassed \$180,000 Per Household



Author: Brian Riedl, Manhattan Institute @Brian_Riedl

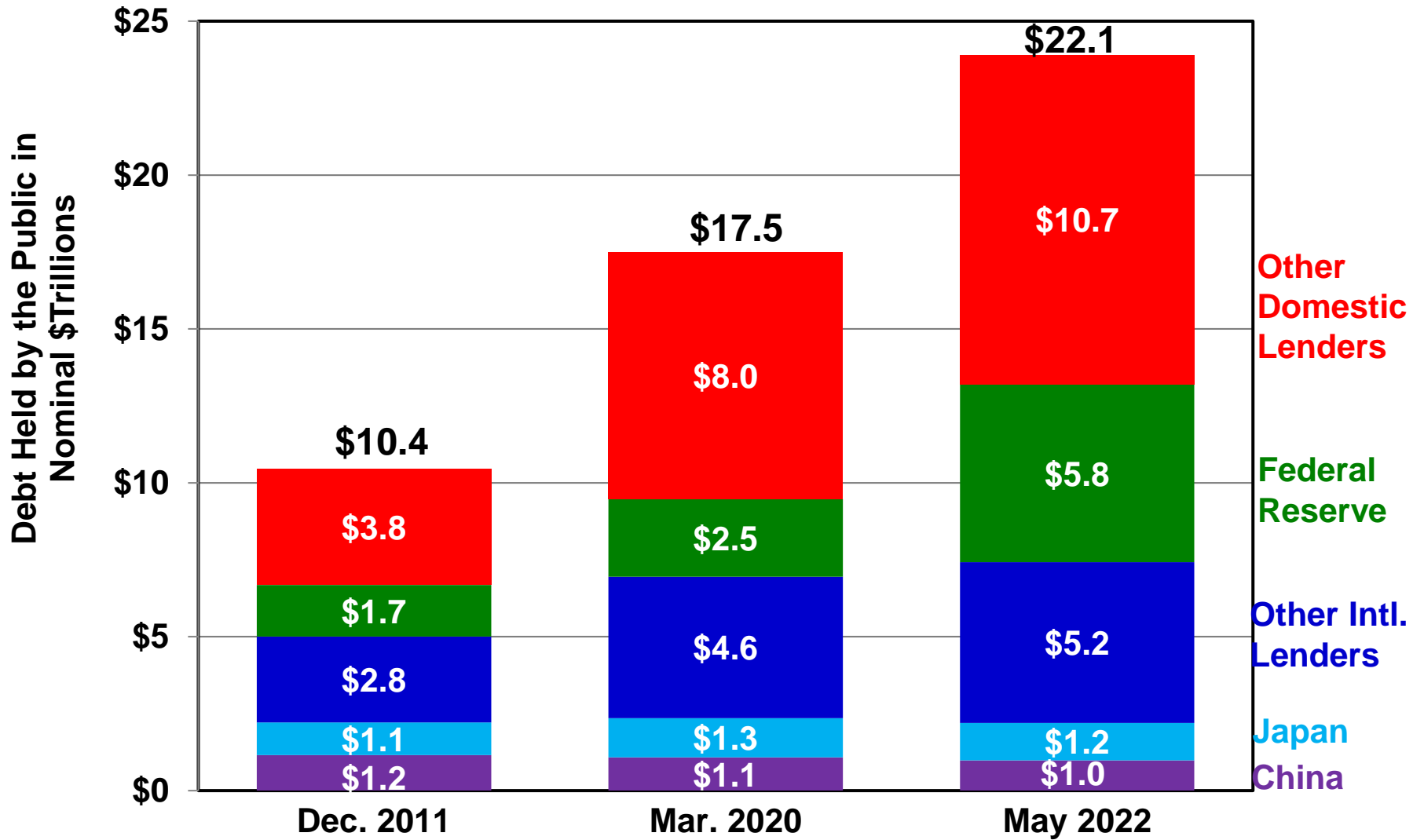
Source: OMB Historical Table 7.1, May 2022 CBO baseline, and Census Bureau data.

Projected New Federal Debt Added by Decade

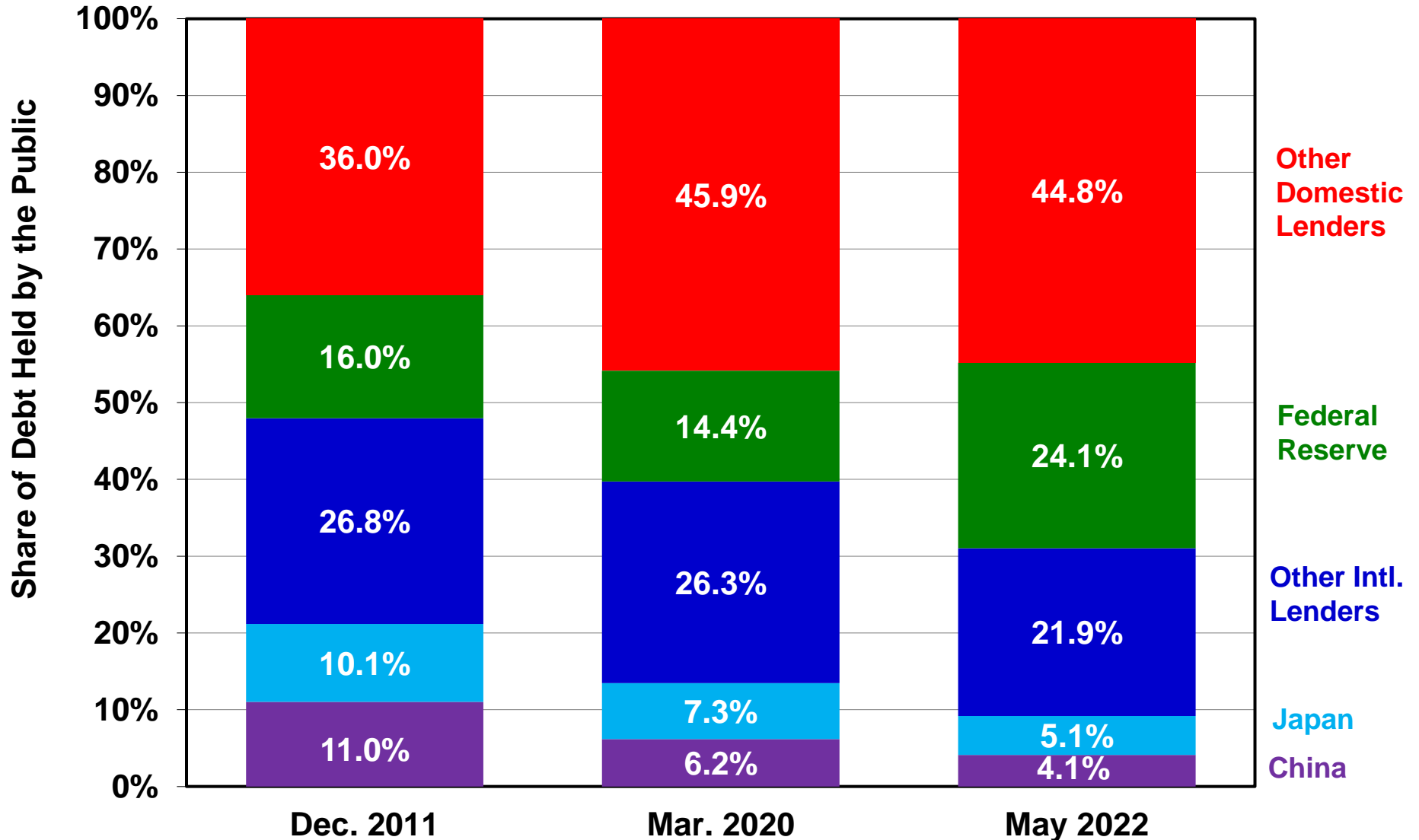


Source: CBO 2022 long-term budget outlook adjusted to reflect the current-policy baseline.

U.S. Government Debt is Increasingly Financed by the Federal Reserve and Domestic Lenders



A Rising Share of U.S. Government Debt is Financed by the Federal Reserve and Domestic Lenders

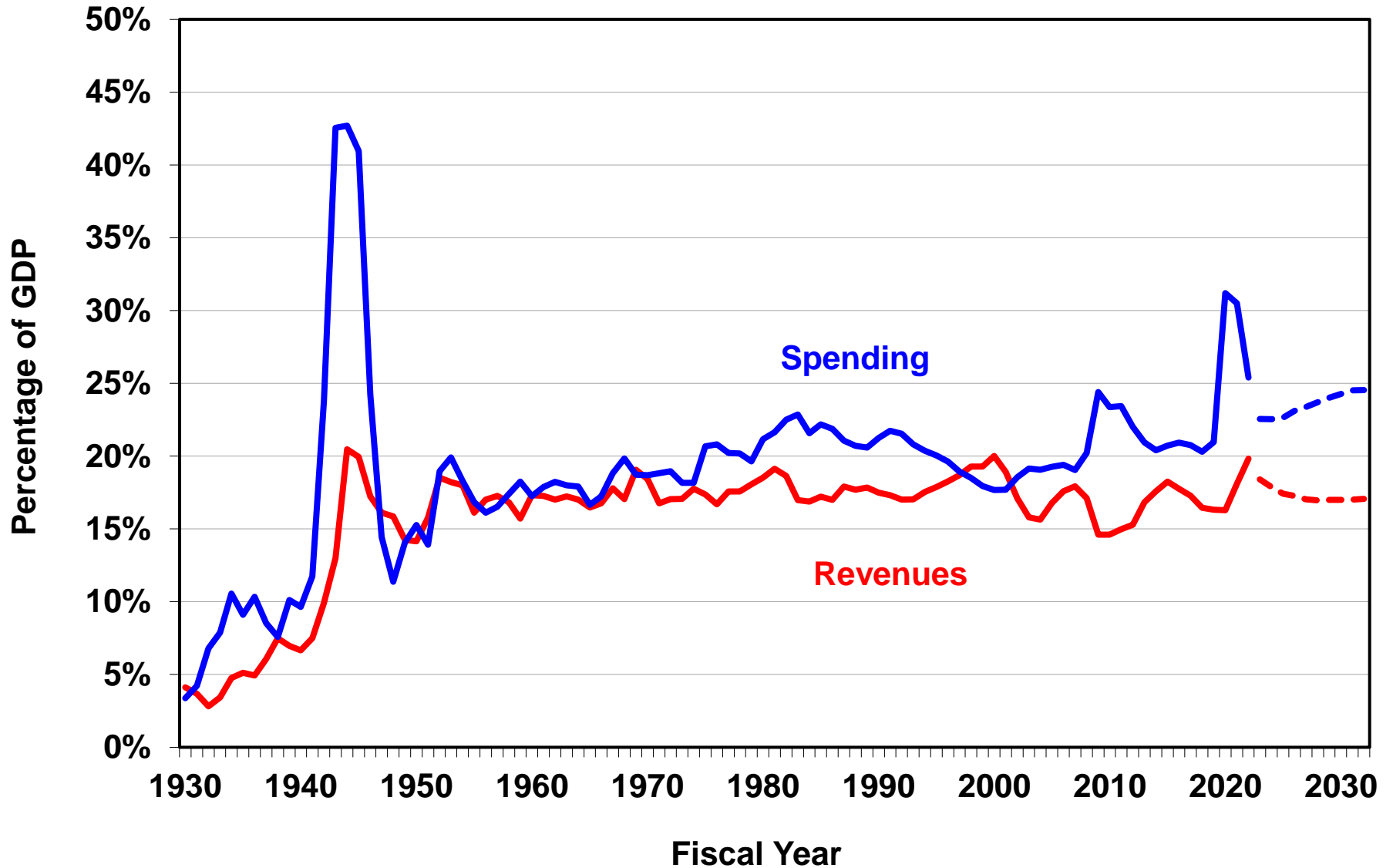


Source: U.S. Treasury, Federal Reserve

What Is Driving the Debt? Soaring Federal Spending

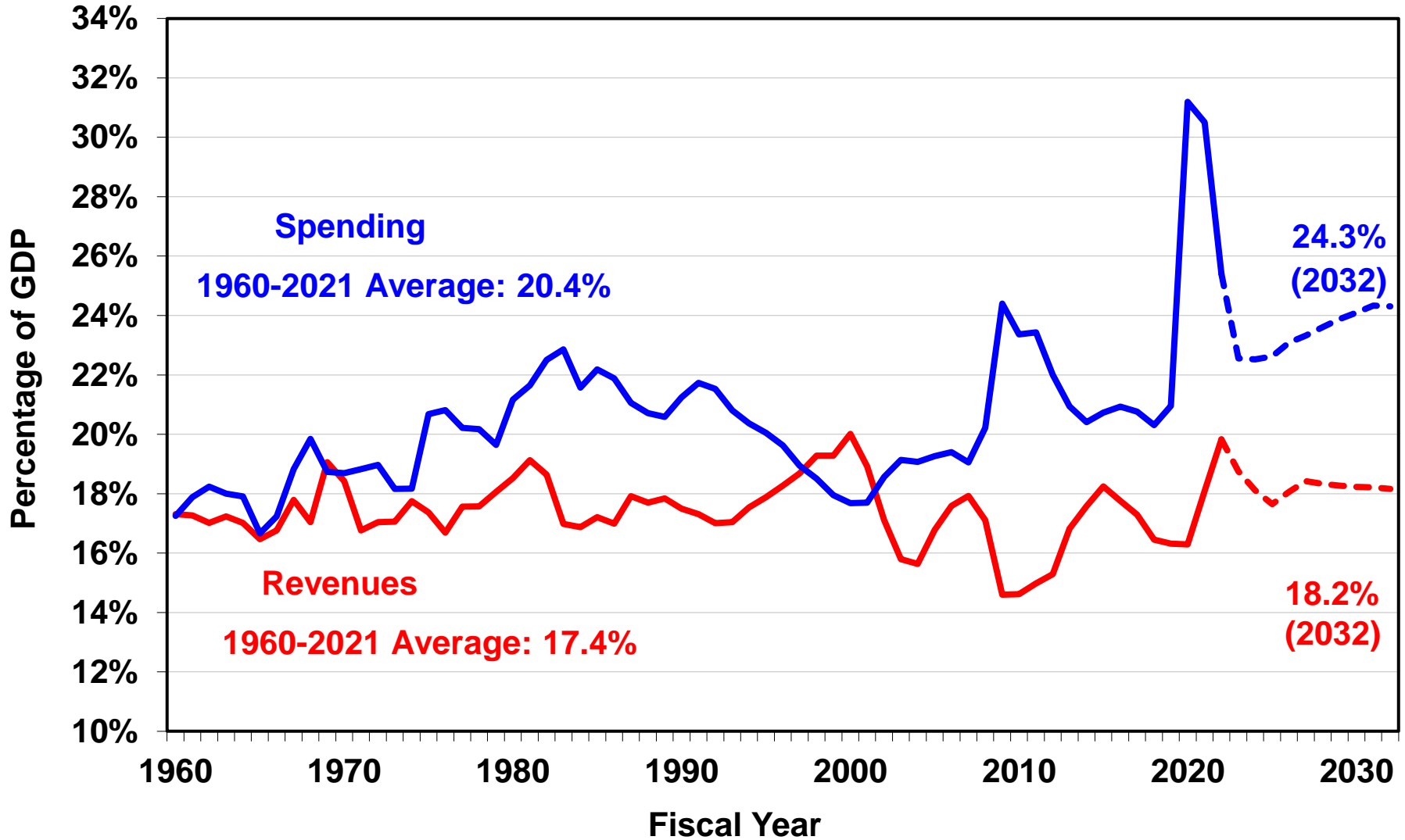
Chapter 2

Background: Federal Spending & Taxes: 1930-2032



Source: OMB Historical Table 1.2 (1930-2020), and May 2022 CBO baseline, adjusted to include current-policy tax cut extensions.

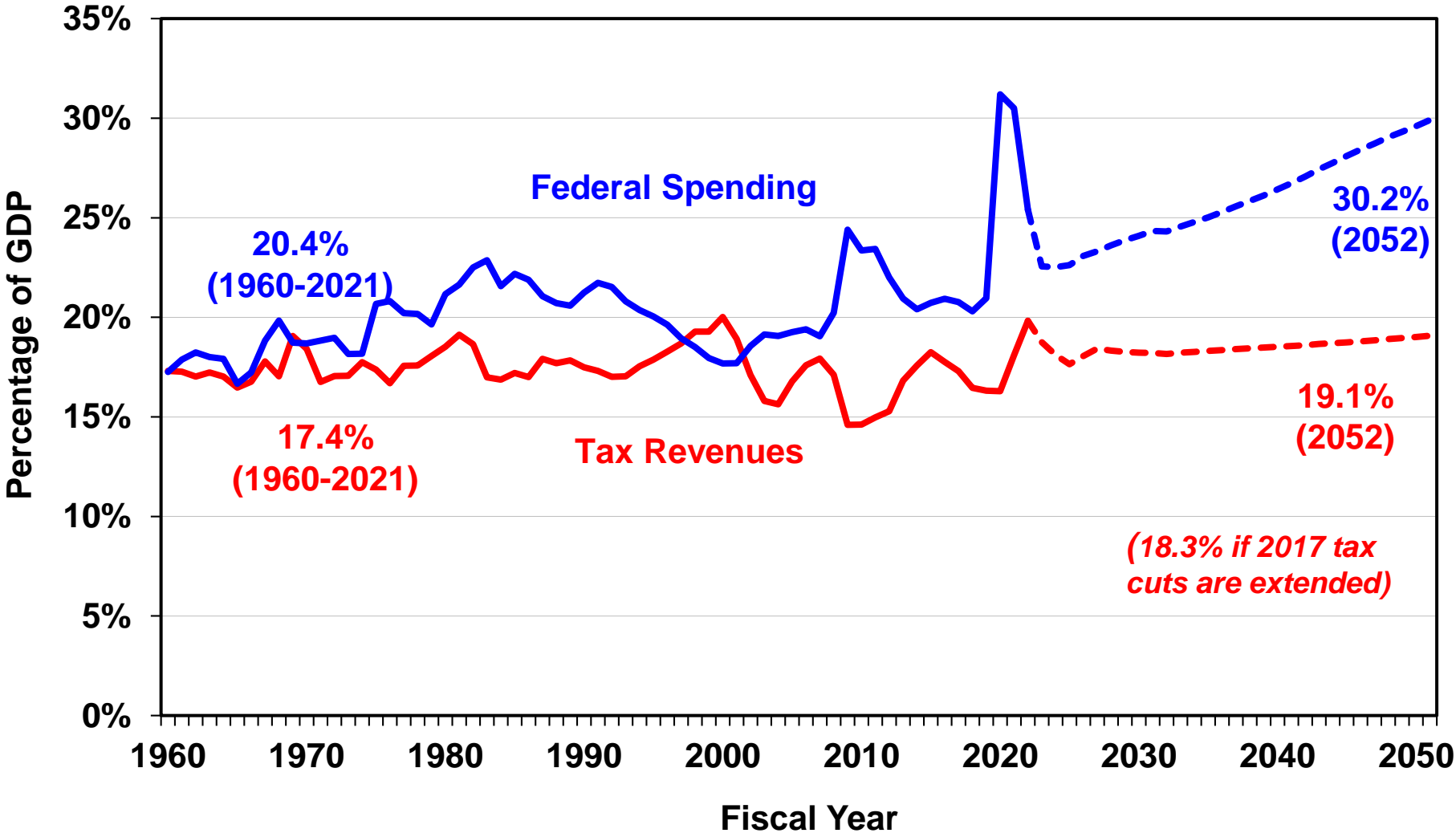
Over the Next Decade, Above-Average Spending Will Drive Most of the Rising Deficit



Author: Brian Riedl, Manhattan Institute @Brian_Riedl

Source: OMB Historical Table 1.2 (1930-2020), and May 2022 CBO baseline

Rising Spending – Not Falling Revenues – Drives the Long-Term Deficit

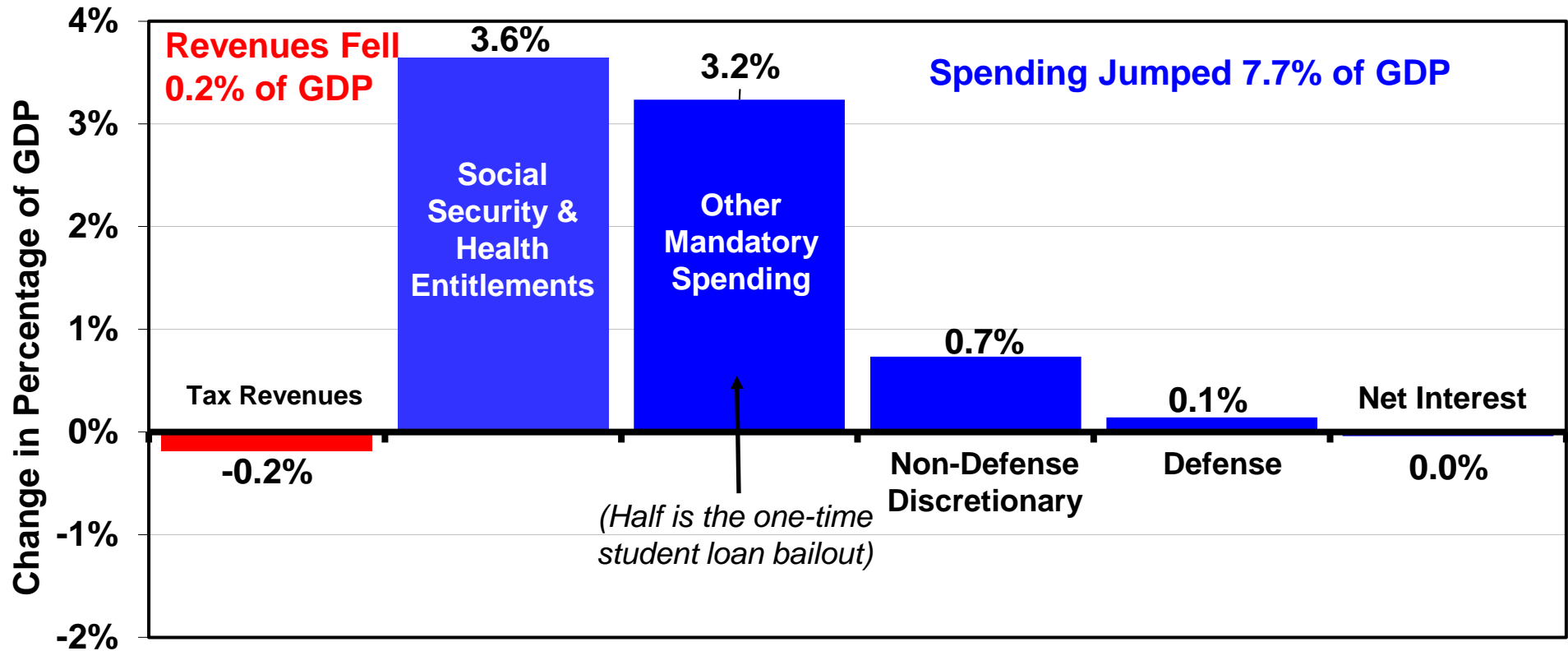


Source: CBO 2022 Long-term Budget Outlook

What Happened to Those Budget Surpluses?

2000: Budget Surplus of 2.3% of GDP

2022: Budget Deficit of 5.6% of GDP

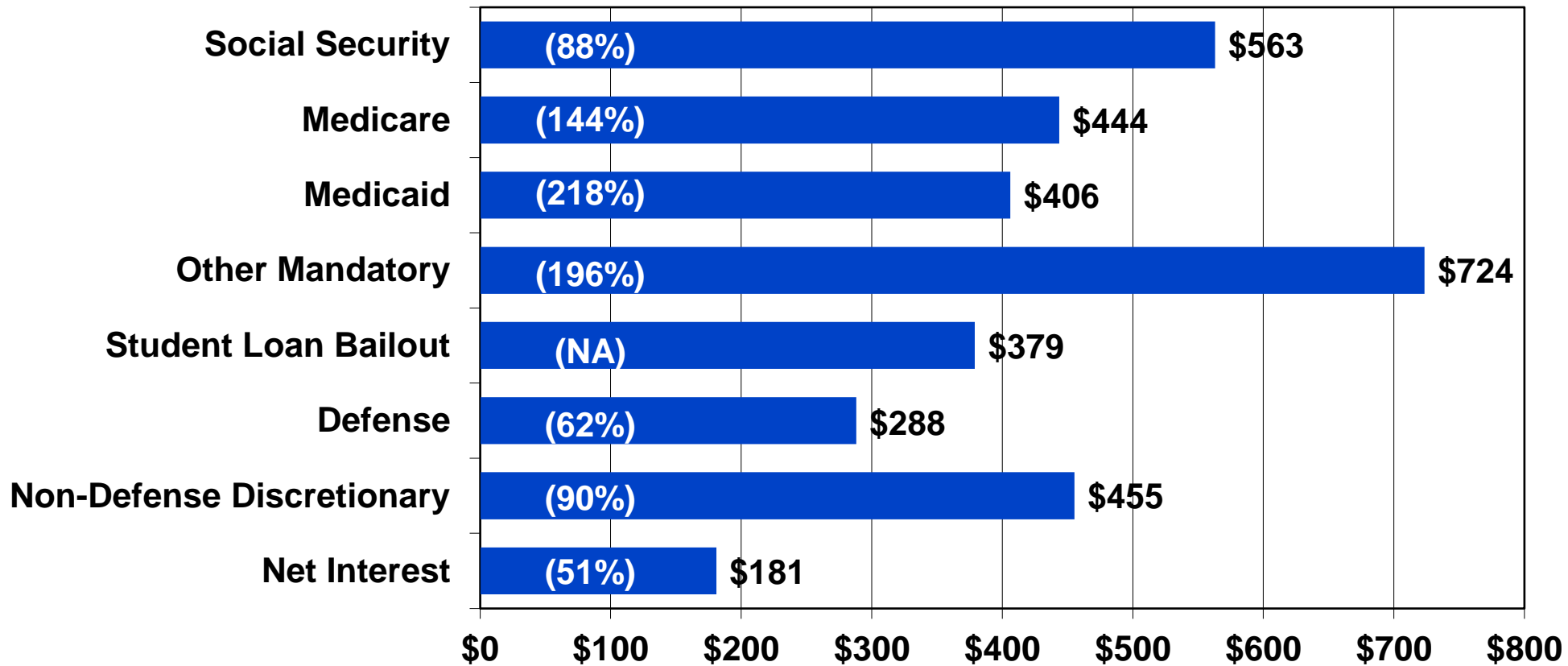


Change Between 2000 Peak Surplus of 2.3% GDP, and 2022 Deficit of 5.6% of GDP

Both 2000 and 2022 showed above-average tax revenues. On average, post-2000 revenues have been 1% of GDP below the previous two decades. Source: OMB historical tables and May 2022 CBO baseline.

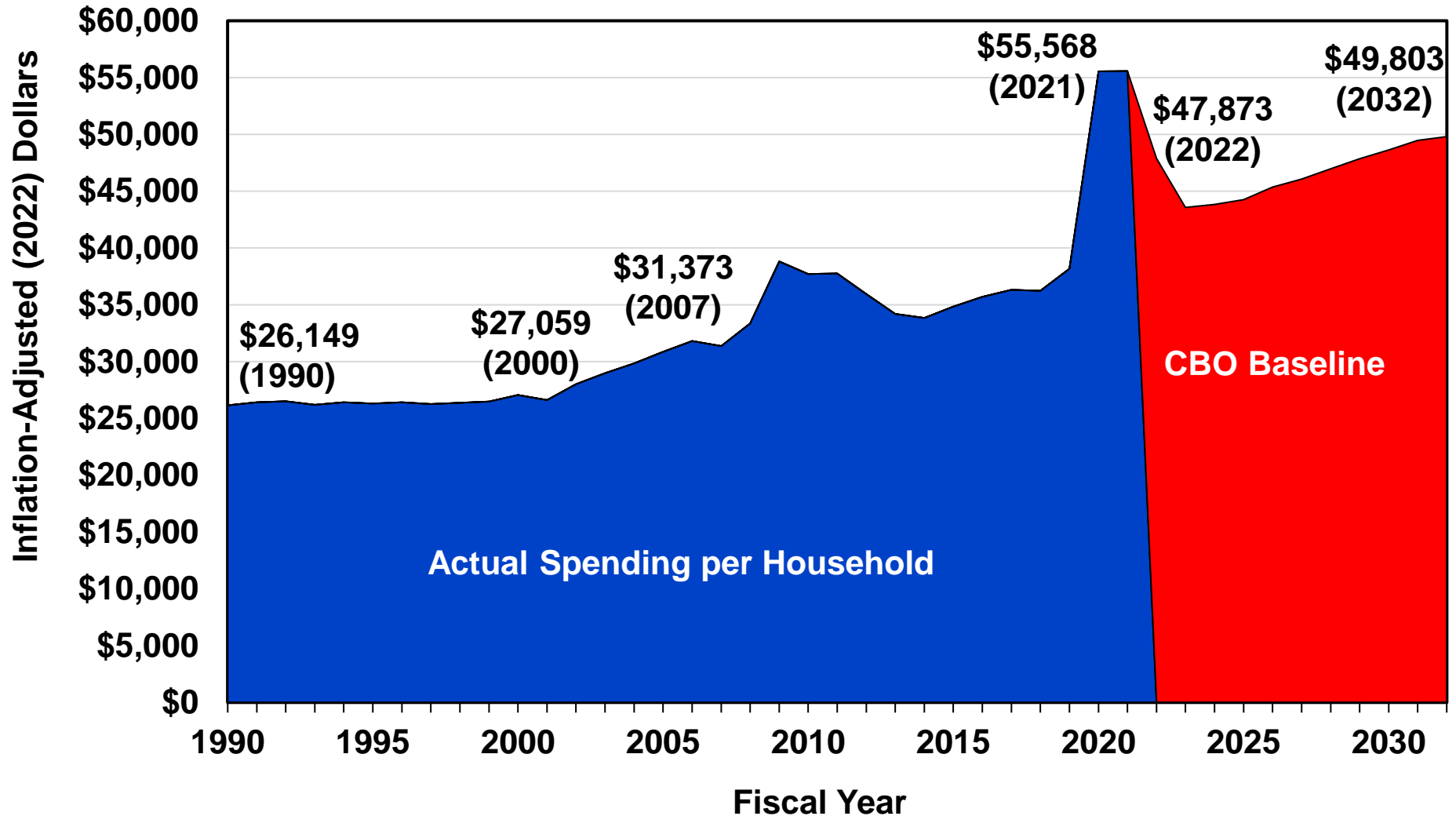
Entitlement Programs – not Defense – are Driving Spending Upward

2022 spending increase above 2000 levels in inflation-adjusted \$billions
(Percentage increase over 2000 levels in parentheses)



Source: OMB Historical Table 3.2 and CBO final 2022 figures, adjusted for inflation.
Total spending rose by \$3,439 billion, or 121%. Real GDP rose by 54%.

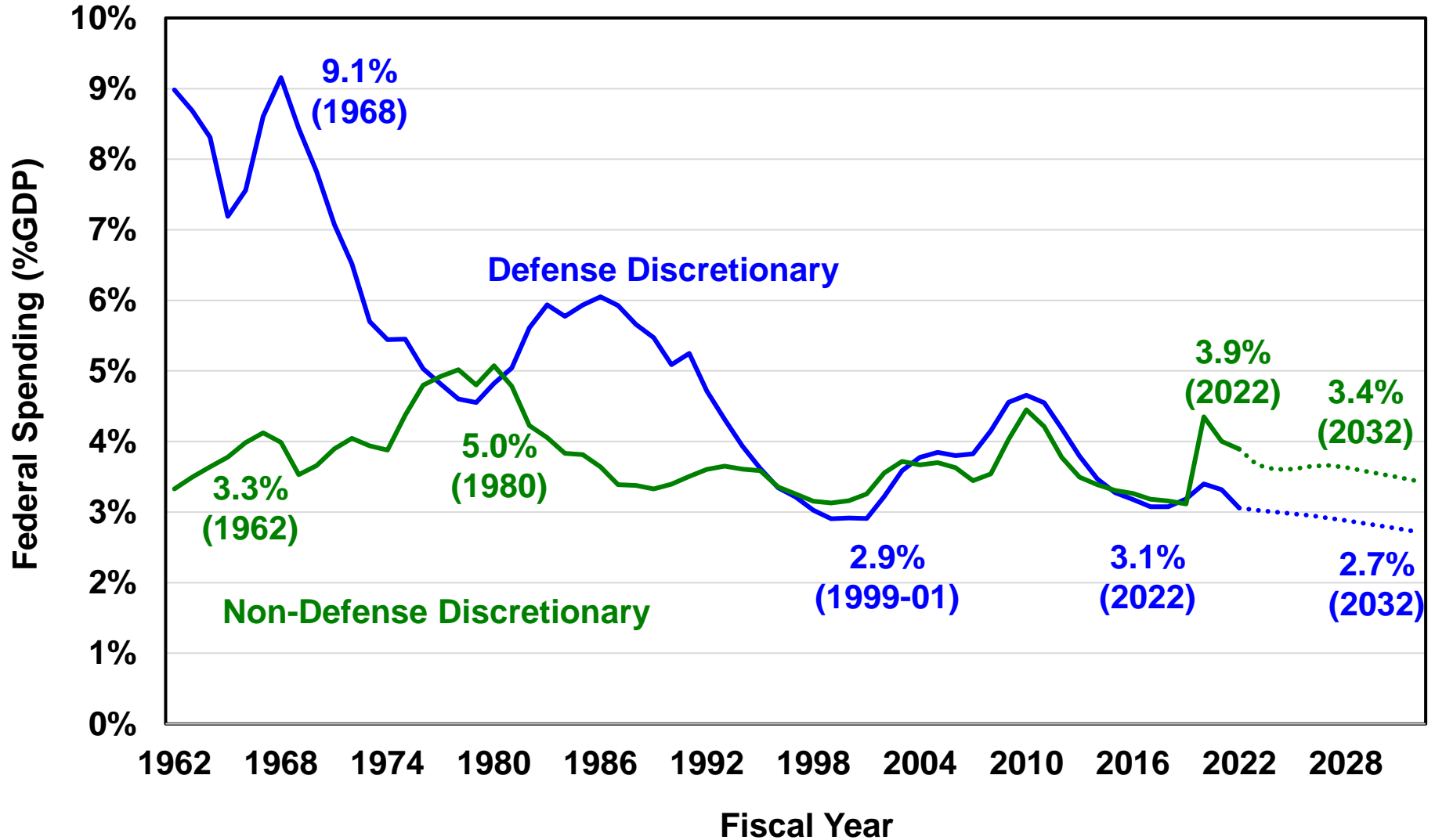
Coronavirus Legislation Pushed 2020 and 2021 Federal Spending Past \$55,000 per Household



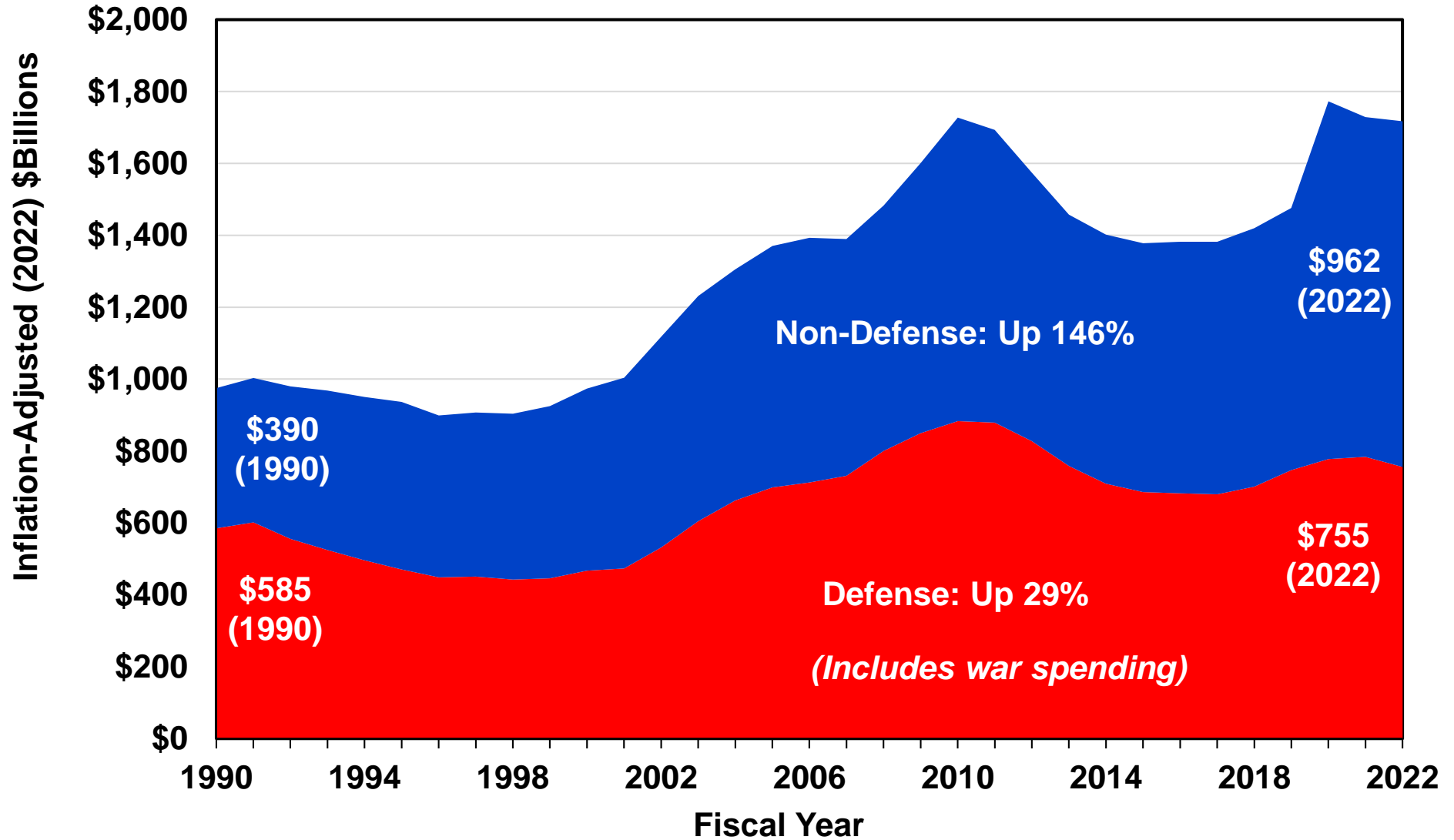
Discretionary Spending Is Not Driving the Long-term Debt

Chapter 3

Despite Recent Increases, Discretionary Spending Should Resume Falling as a Share of the Economy



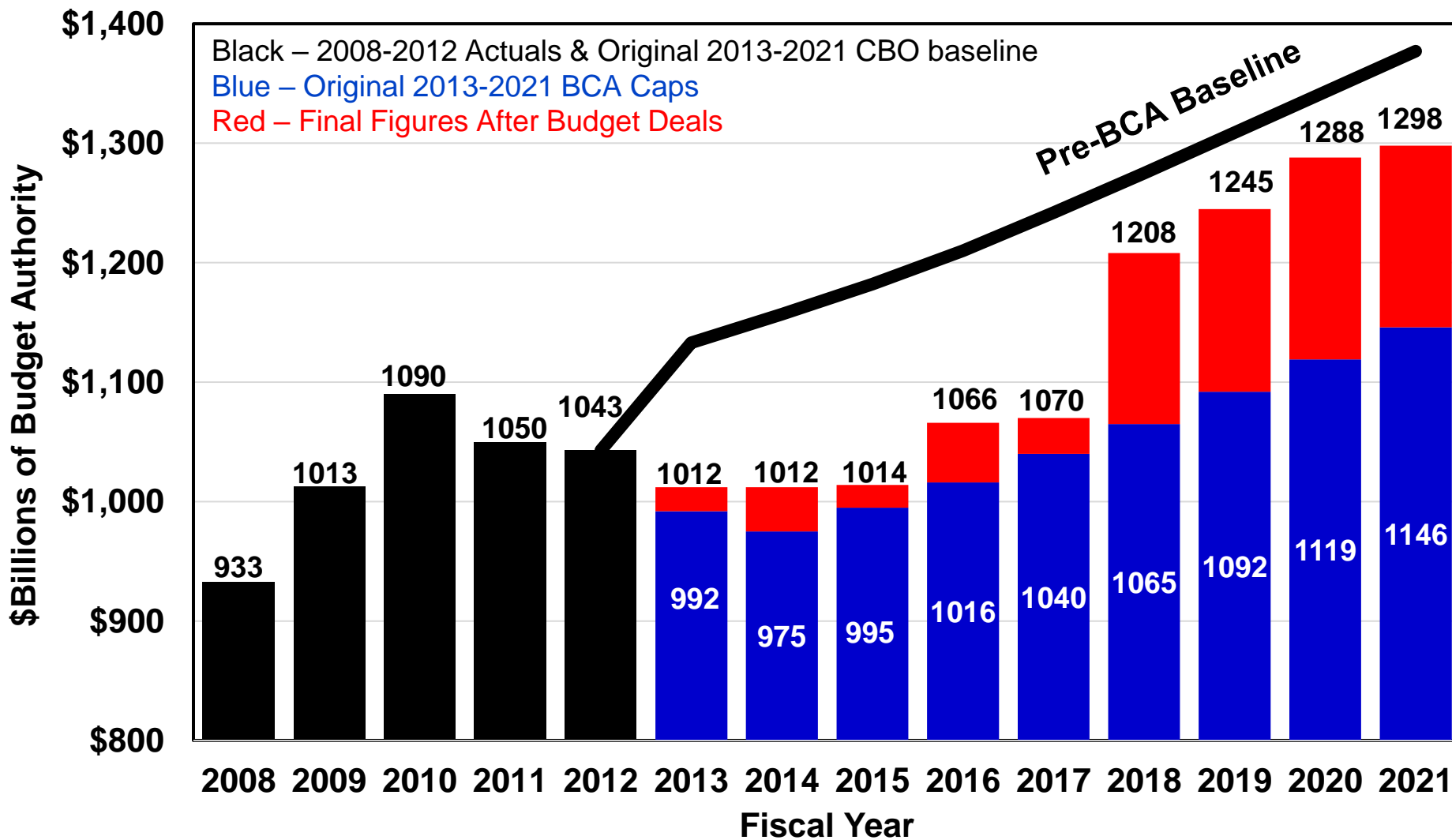
Since 1990, Non-Defense Discretionary Spending Has Grown 5 Times Faster than Defense



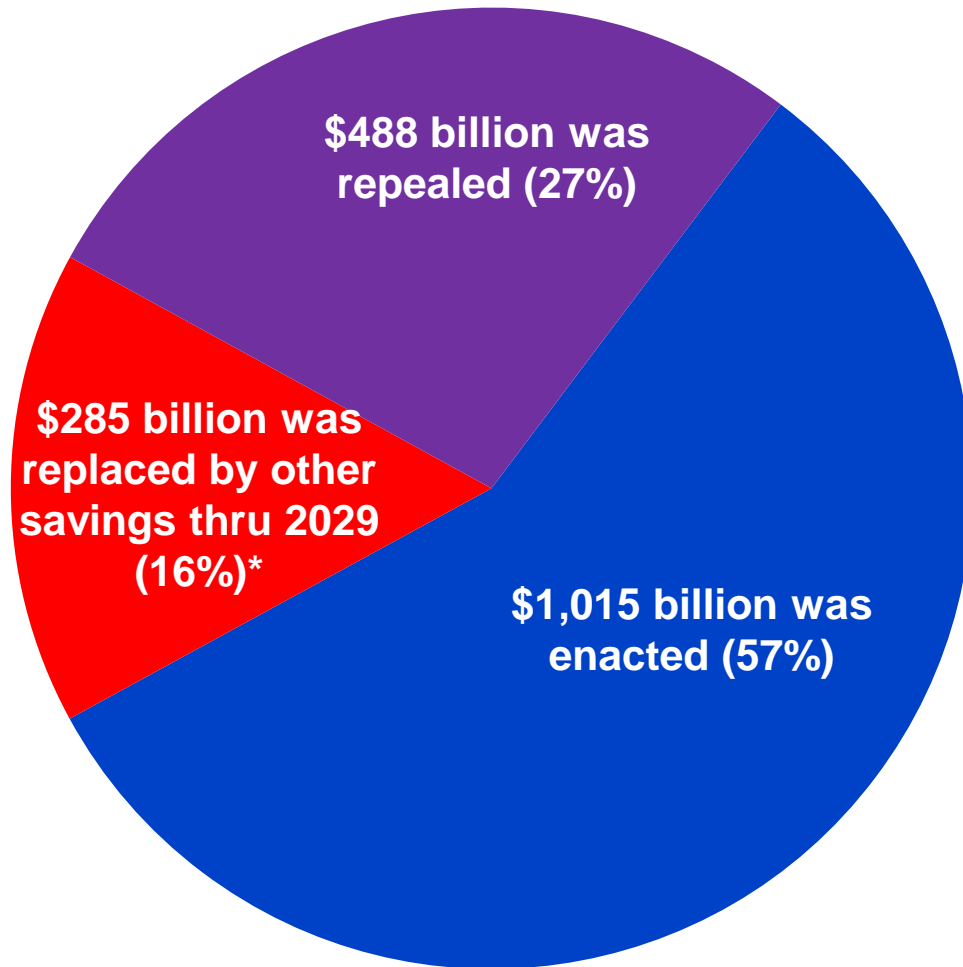
Author: Brian Riedl, Manhattan Institute @Brian_Riedl

Source: OMB historical table 8.1, and May 2022 CBO baseline, converted into 2022 dollars.

Budget Deals Weakened the Budget Control Act (BCA) Discretionary Spending Caps



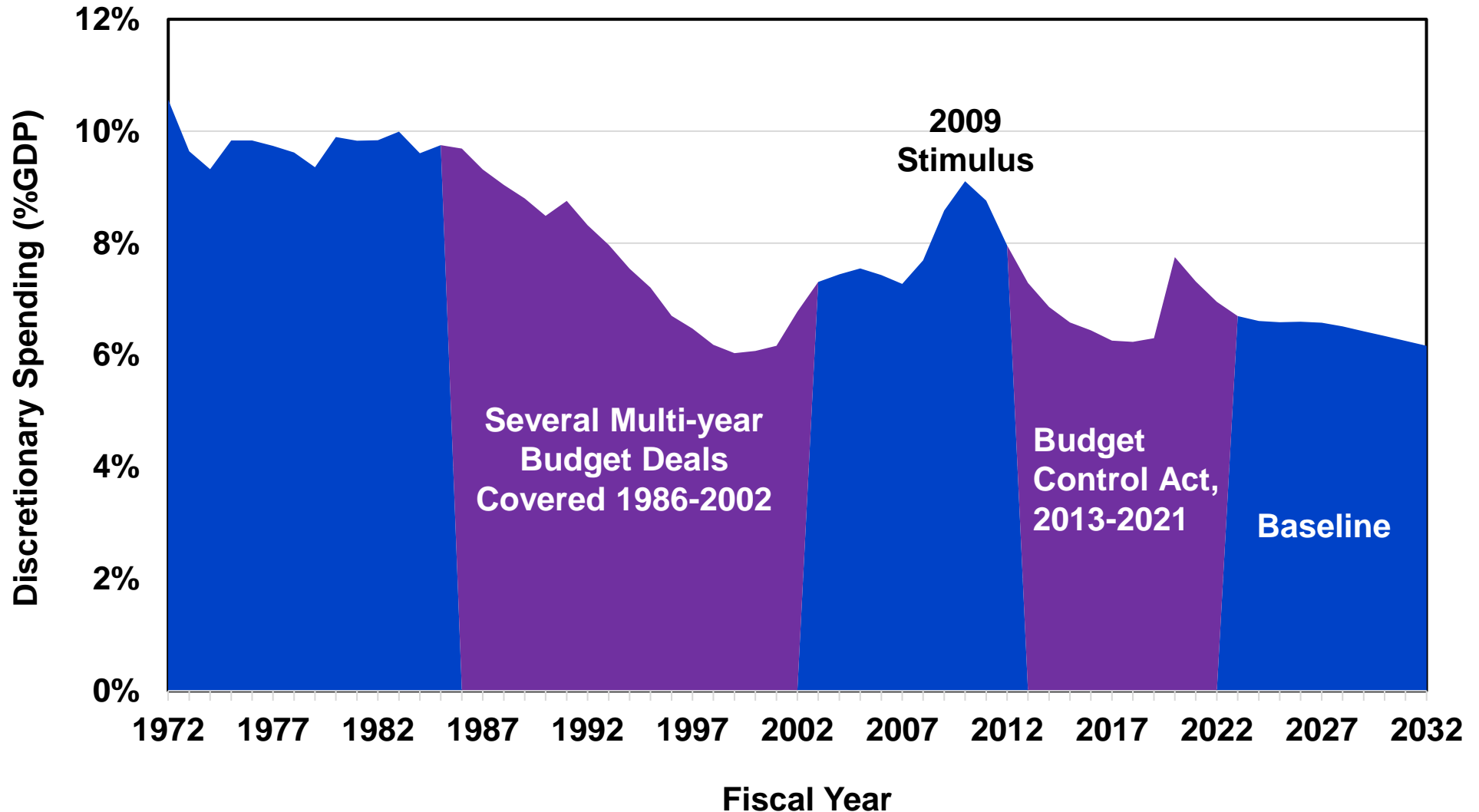
What Became of the \$1,788 Billion in Promised 2013-2021 Discretionary Savings Under the Budget Control Act?



*Other savings consist of mandatory savings and revenue increases.

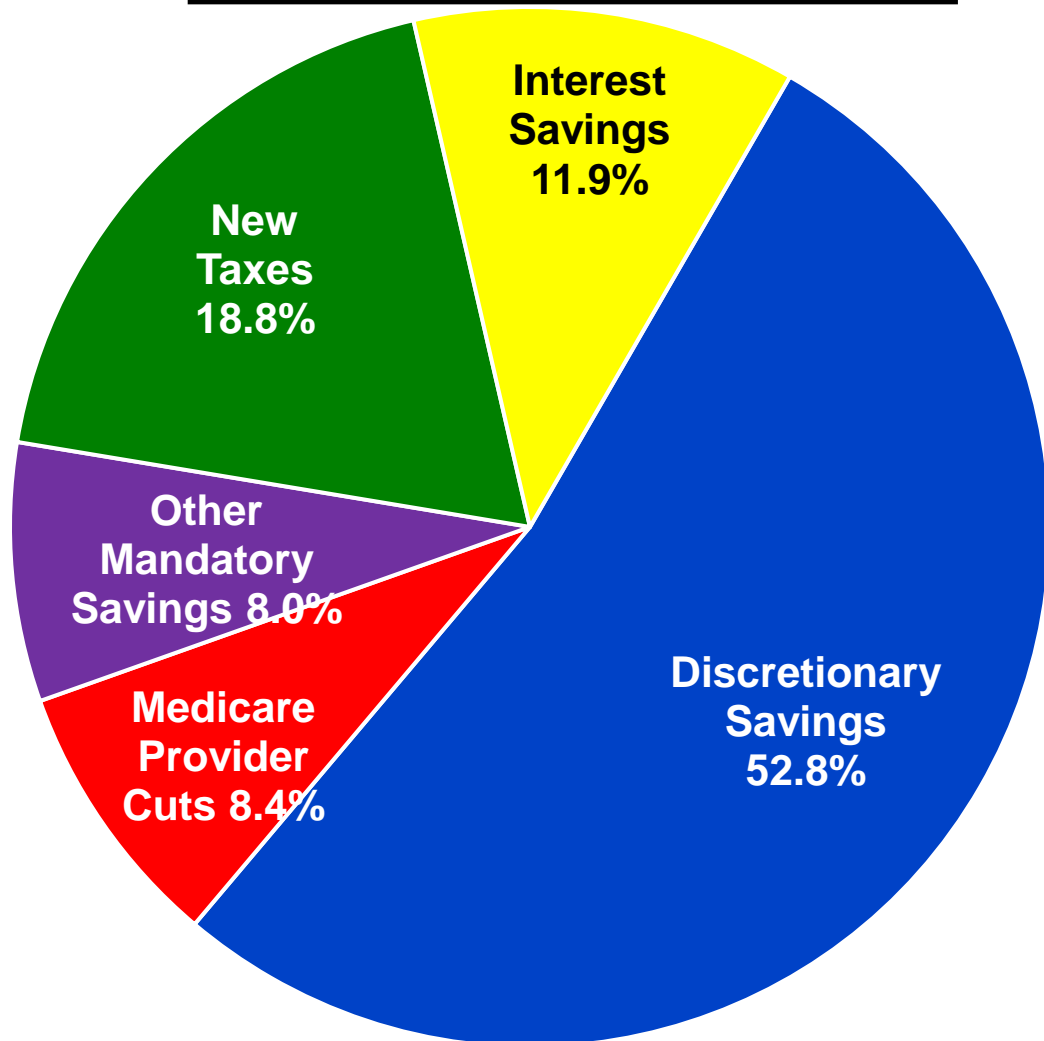
Lawmakers also circumvented the caps through the ChIMPs gimmick, and by adding extra defense money to the Iraq & Afghanistan “emergency” bills that do not count against these spending caps.

Budget Caps Sharply Reduce Discretionary Spending – For a Few Years Until They Get Ignored



The Six Major Deficit-Reduction Deals Since 1983 Relied Mostly on Discretionary Savings

Combined Components of the 6 Deals



The 6 Largest Deficit Reduction Deals Since 1983 Were:

- 1983 Social Security Deal (Saved 0.52% of GDP)
- 1985 Gramm-Rudman Hollings Act (1.72%)
- 1990 Bush “Andrew Air Force Base” Deal (1.45%)
- 1993 Clinton Budget Deal (1.08%)
- 1997 Balanced Budget Deal (0.72%)
- 2011 Budget Control Act (1.01%)

Savings scored at time of enactment. Many cuts were later reversed, and the 1985 law was invalidated by the Supreme Court and replaced with a 1987 version.

Source: Brian Riedl, “Getting to Yes: A History of Why Budget Negotiations Succeed, and Why They Fail.” 2019

Mandatory Spending and Entitlement Costs Are Rising Rapidly

Chapter 4

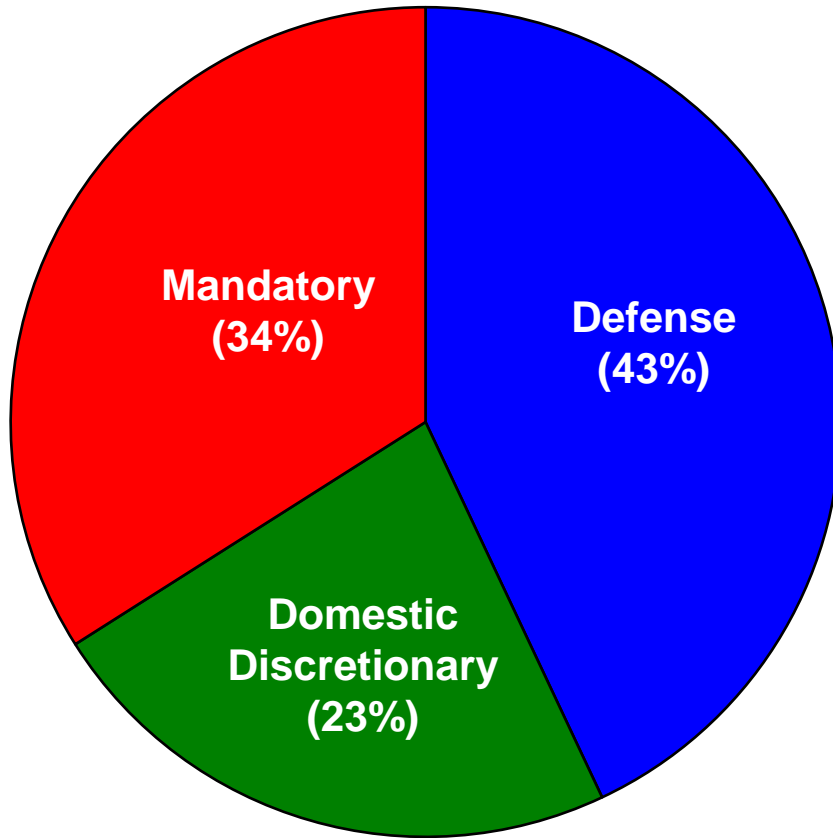
Major Components of the 2022 Federal Budget

2022 Outlays	\$Millions	Per Household	%
Social Security	\$1,046,955	\$9,293	18%
National Defense	684,568	5,941	12%
Medicare	651,199	5,799	11%
Income Security Programs	418,681	4,714	7%
Medicaid	393,498	4,281	7%
Net Interest	349,458	2,721	6%
Veterans Benefits	200,458	2,088	3%
Education	112,863	1,727	2%
Fed. Retirement & Disability	71,780	1,251	1%
Health Research & Regulation	68,678	930	1%
General Fiscal Assistance	63,580	895	1%
Highways & Mass Transit	54,337	741	1%
All Else	1,735,521	4,209	30%
Total	5,851,576	44,590	100%

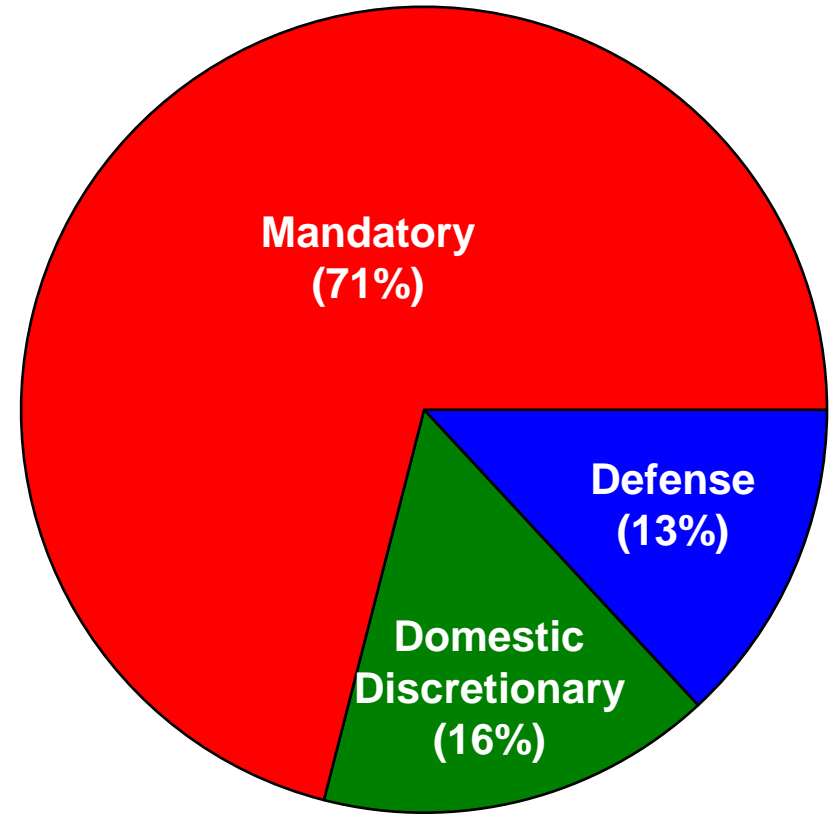
2022 Revenues	\$Millions	Per Household	%
Ind. Income Taxes	\$2,263,370	\$17,247	51%
Soc. Insurance Taxes	1,445,596	\$11,016	33%
Corporate Taxes	382,560	\$2,915	9%
Fed. Reserve Earning	107,749	\$821	2%
Excise Taxes	92,638	\$706	2%
Customs Duties/ Fees	84,113	\$641	2%
Estate/Gift Taxes	25,742	\$196	1%
Other Revenues	34,858	\$266	1%
Total Receipts	4,436,626	33,808	100%

Mandatory Spending is Squeezing Discretionary Spending

1965

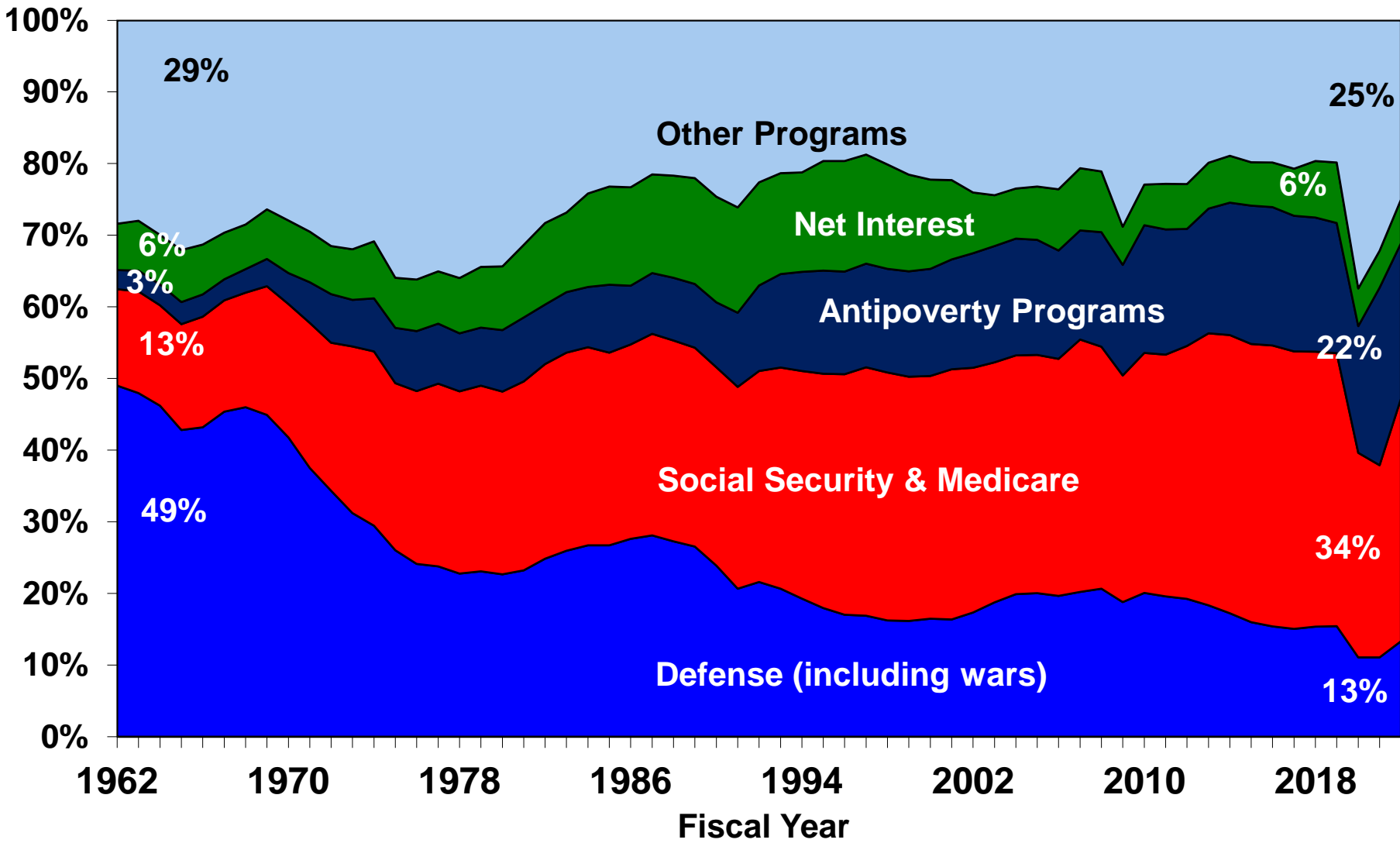


2022



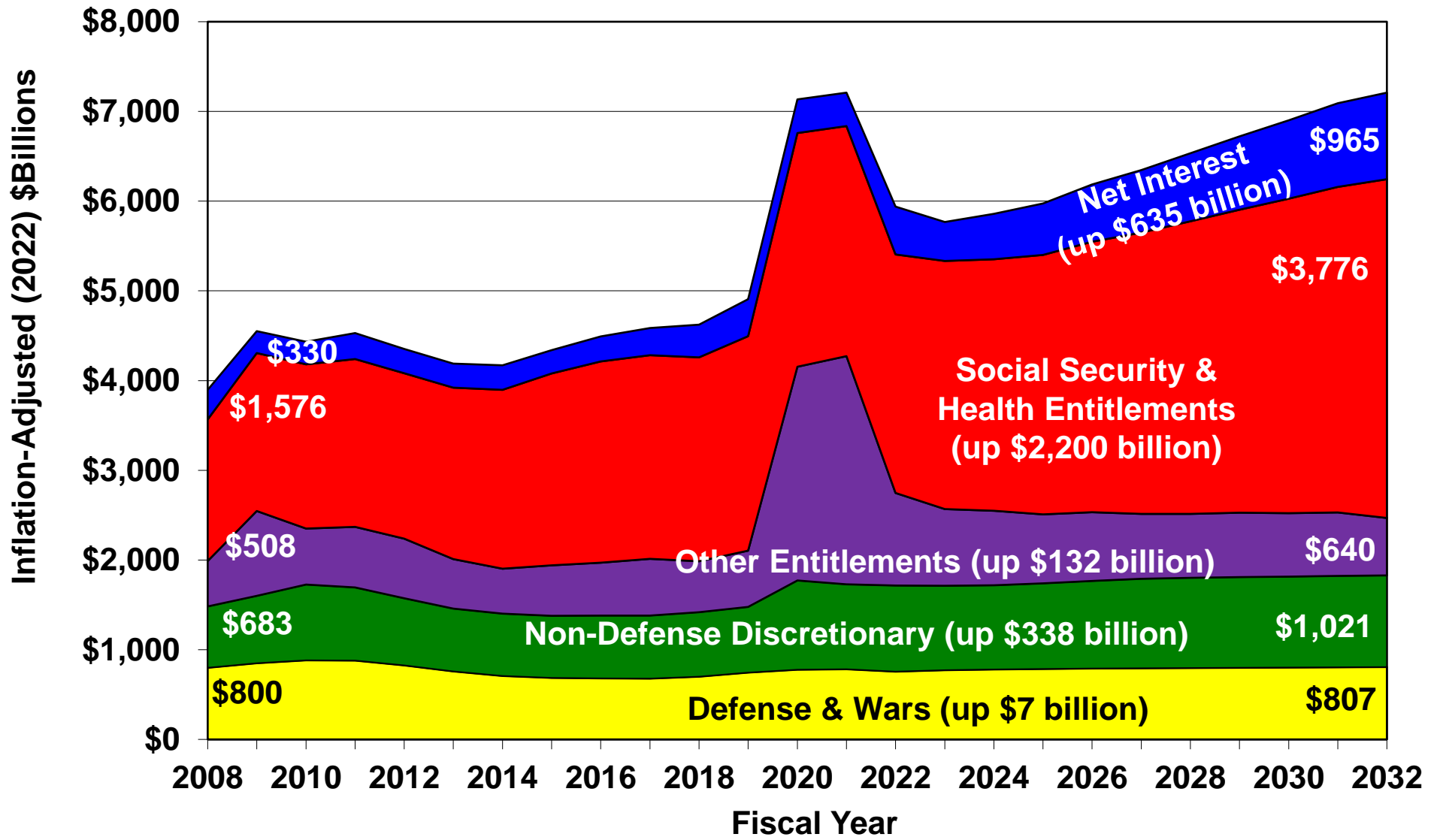
Composition of Federal Spending, 1962-2022

Author: Brian Riedl, Manhattan Institute @Brian_Riedl



Source: OMB Historical Tables 3.2, 8.5, and 10.1

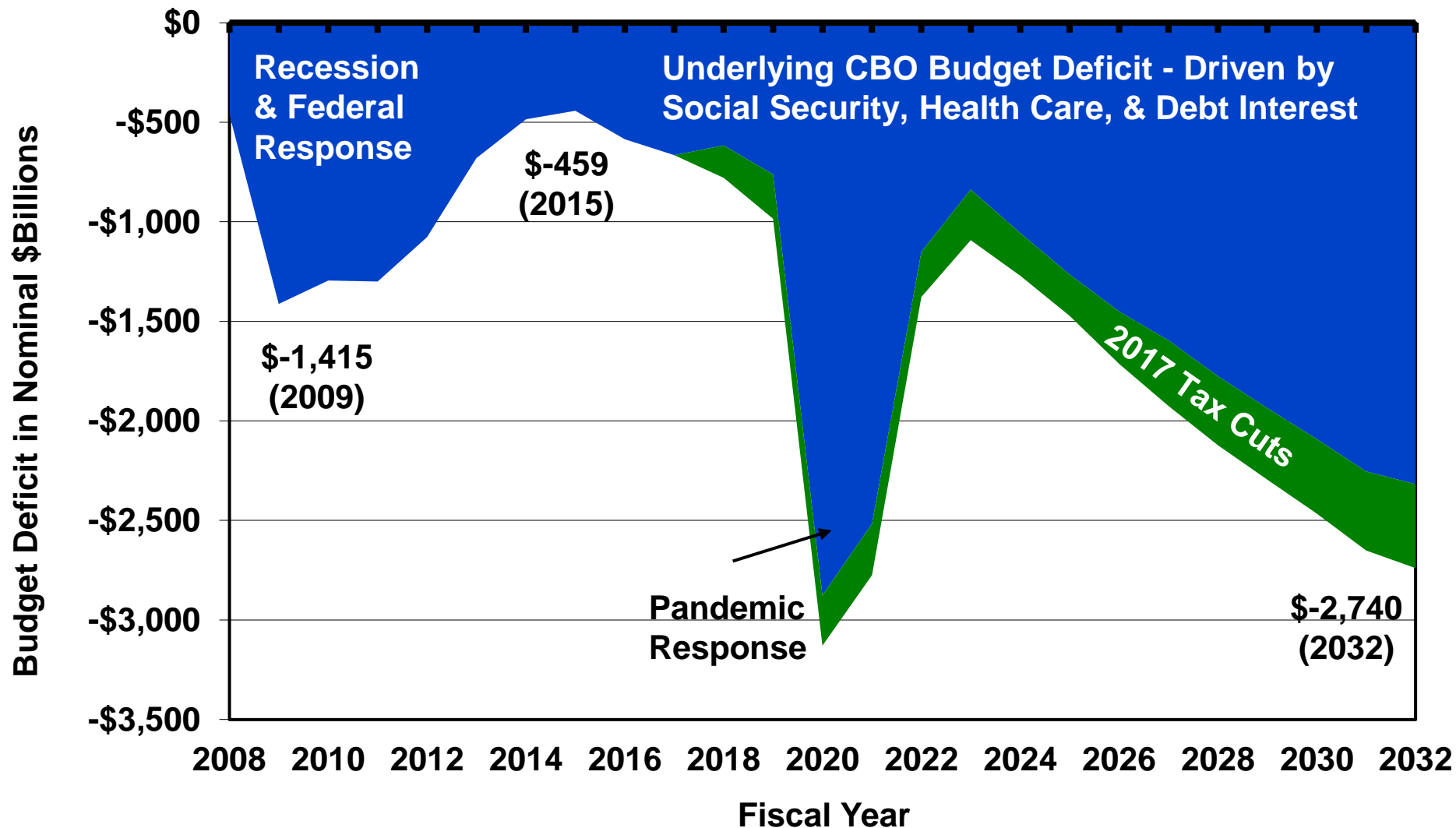
Social Security, Health Entitlements, & Interest Costs Drive 86% of the 2032 Spending Hike Over 2008 Level



Author: Brian Riedl, Manhattan Institute @Brian_Riedl

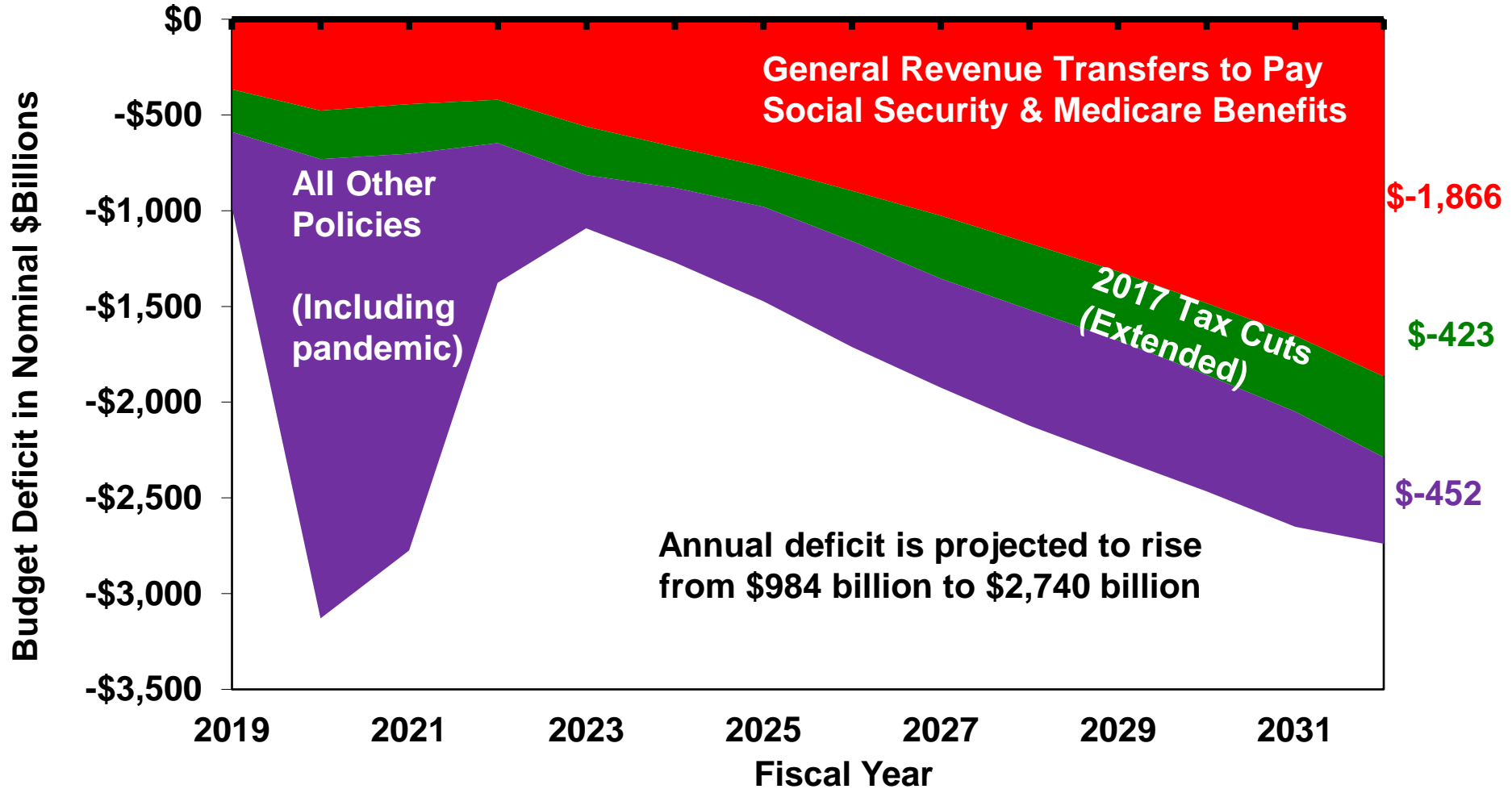
Source: May 2022 CBO (baseline and historical data), adjusted for inflation

The 2017 Tax Cuts are a Relatively Minor Contributor to Soaring Deficits



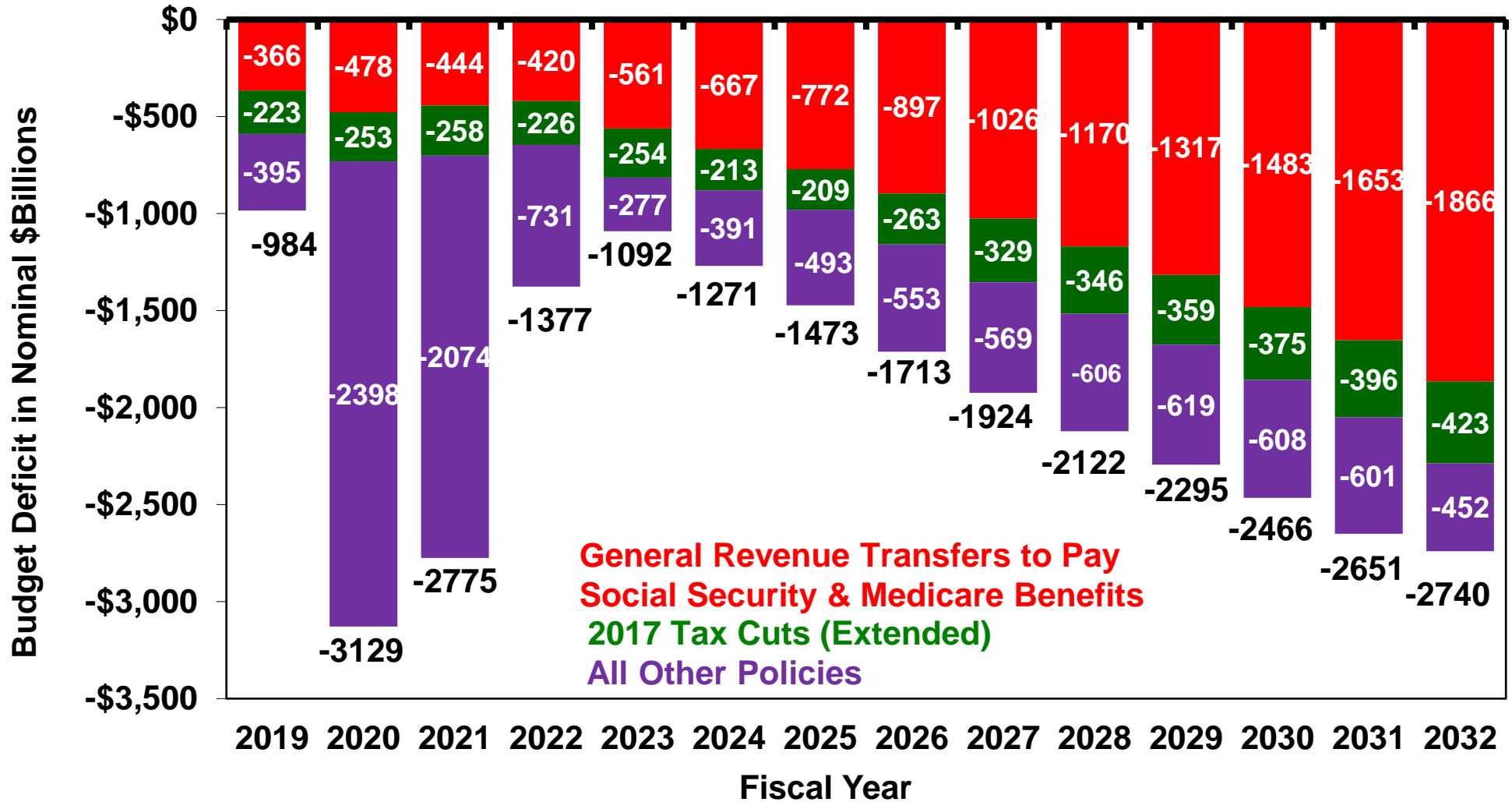
Source: Calculated using CBO May 2022 (current-policy) Baseline data.
Assumes that tax cuts are renewed. Resulting interest costs are incorporated into each category.

Rising Social Security & Medicare Shortfalls Drive Nearly the Entire 2019-2032 Deficit Rise



Source: Calculated using May 2022 CBO (current-policy) baseline and CBO 2022 Long-Term baseline. Resulting interest costs are incorporated into each category. General revenues include interest payments on trust funds, as they represent a net cost to the rest of the budget.

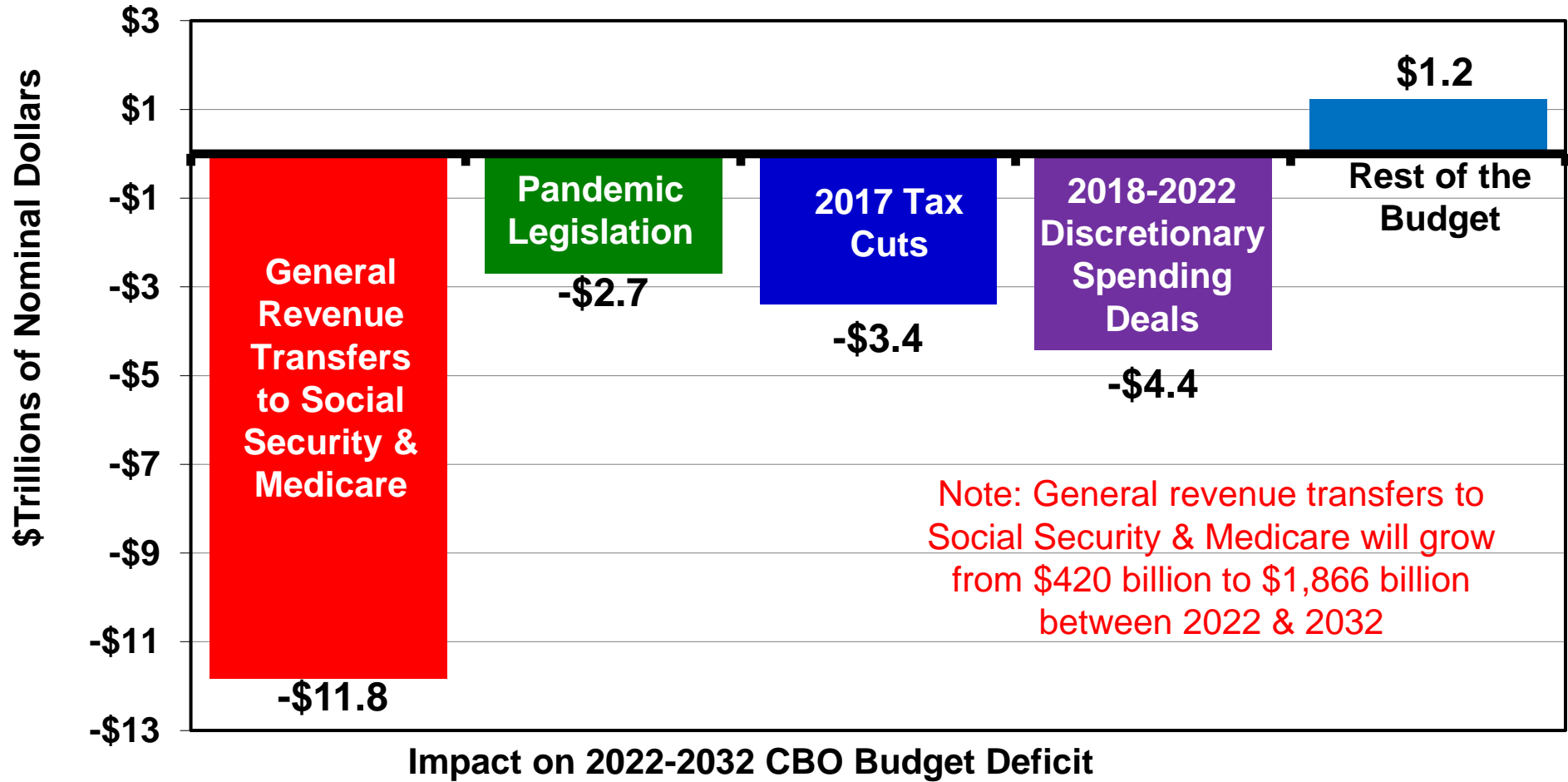
Rising Social Security & Medicare Shortfalls Drive Nearly Entire 2019-2032 (non-Pandemic) Deficit Rise



Author: Brian Riedl, Manhattan Institute @Brian_Riedl

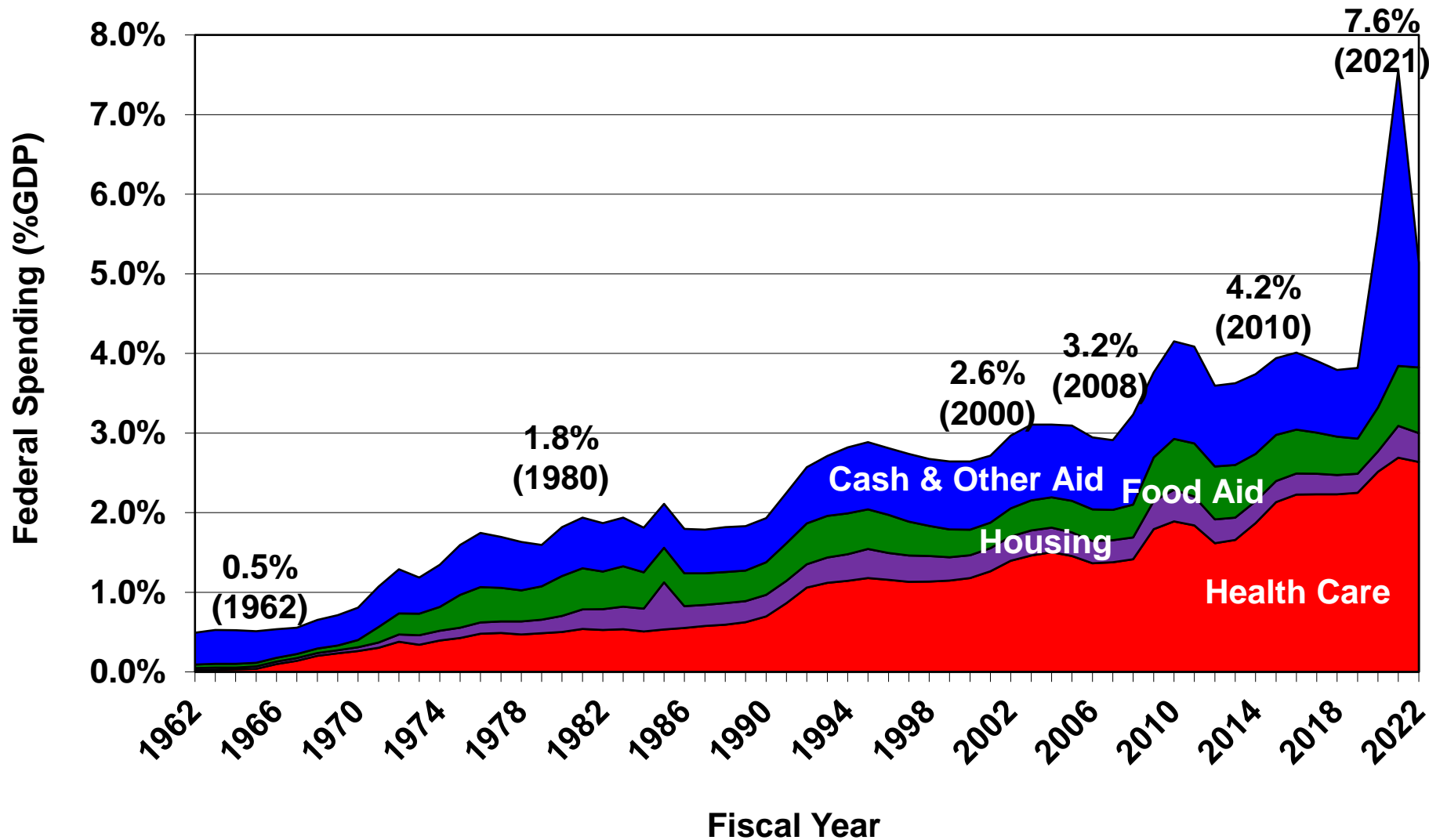
Each category includes the portion of interest on the national debt that it is responsible for. General revenue transfers include interest payments on trust funds, which are a net cost to the rest of the budget. Source: Calculated using May 2022 CBO (current-policy) baseline.

Major Components of the \$21.1 Trillion Deficit Projected Over 2022-2032 Period



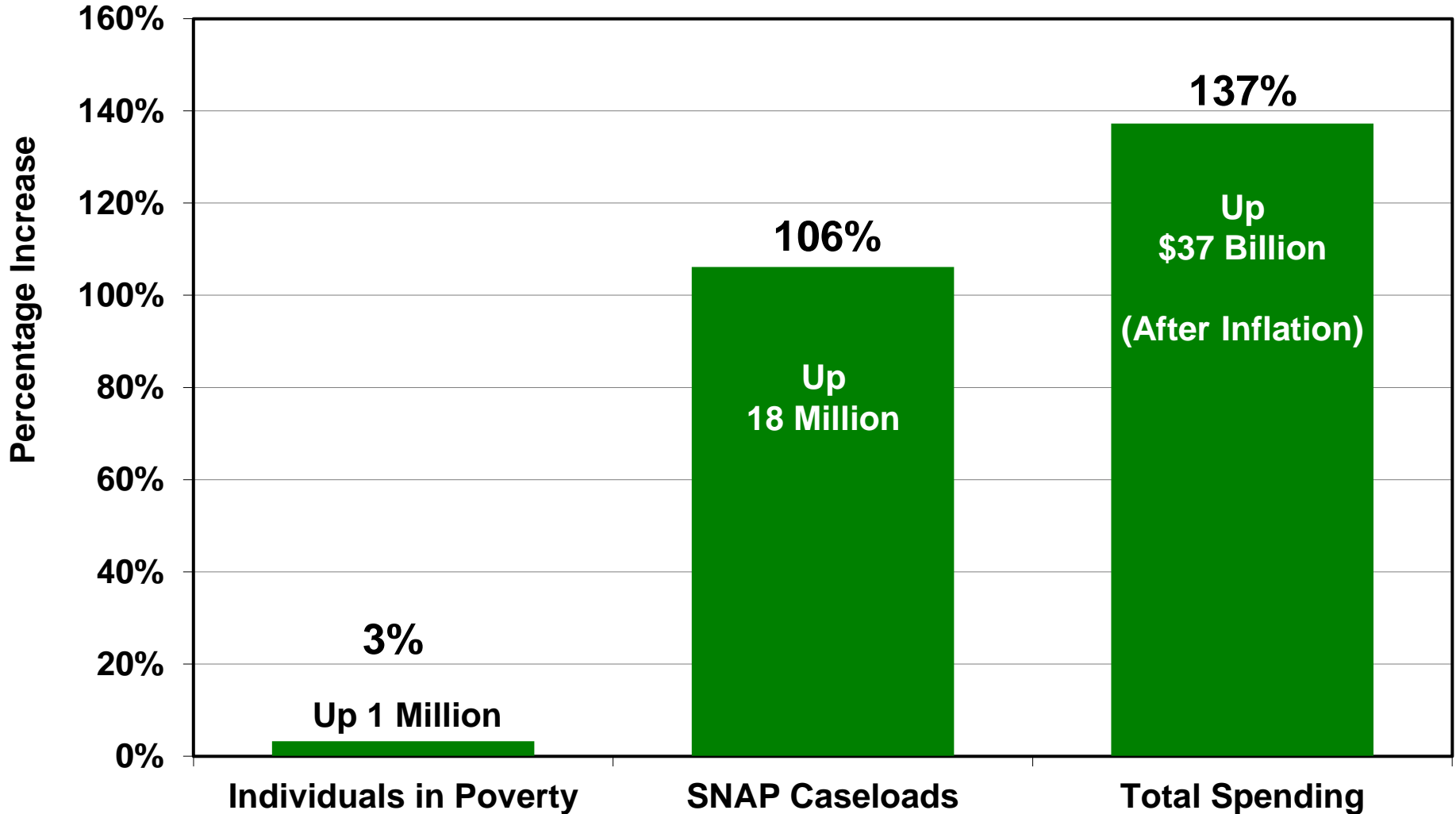
Source: Calculated using May 2022 (current-policy) baseline and Long-Term baseline, adjusted for subsequent legislation. Assumes that new tax cuts are renewed. Resulting interest costs are incorporated into each category. General revenues include interest payments on trust funds, as they represent a net cost to the rest of the budget.

Anti-Poverty Spending Has Soared Regardless of Party Control of Government

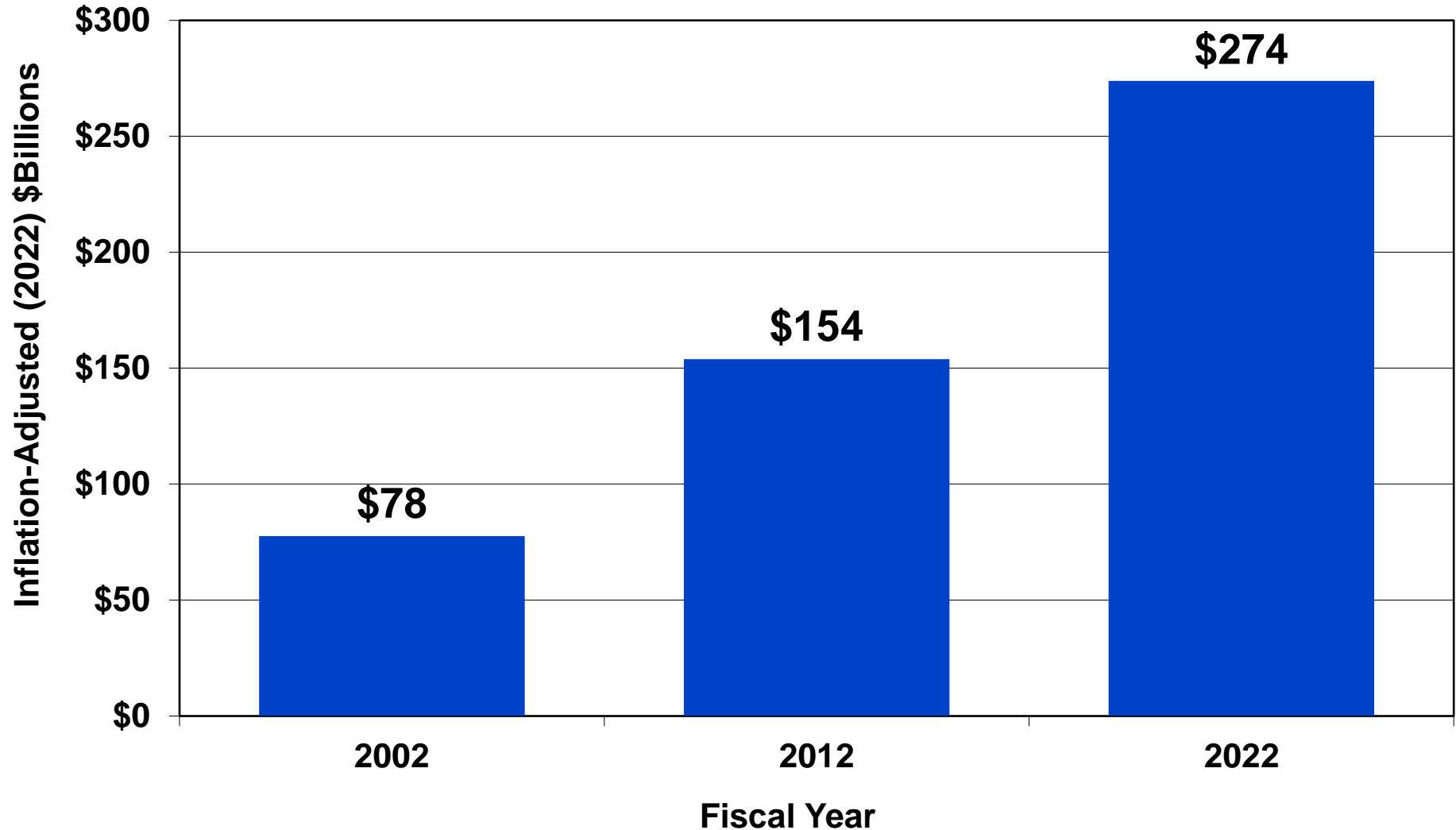


Source: OMB Historical Tables 3.2, 8.5, and 10.1

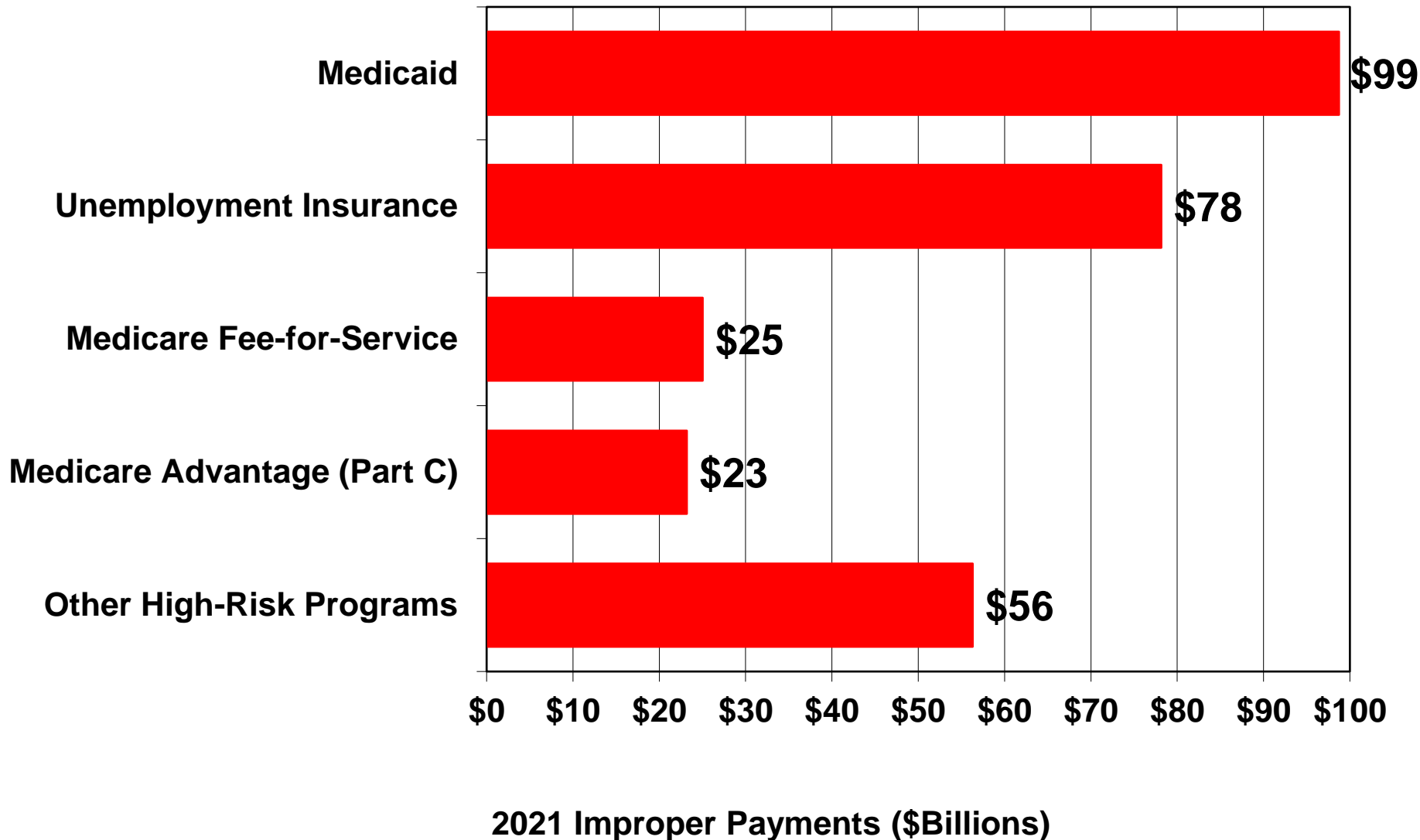
From 2001-2019, SNAP (Food Stamp) Caseloads Grew 17 Times as Fast as the Poverty Population



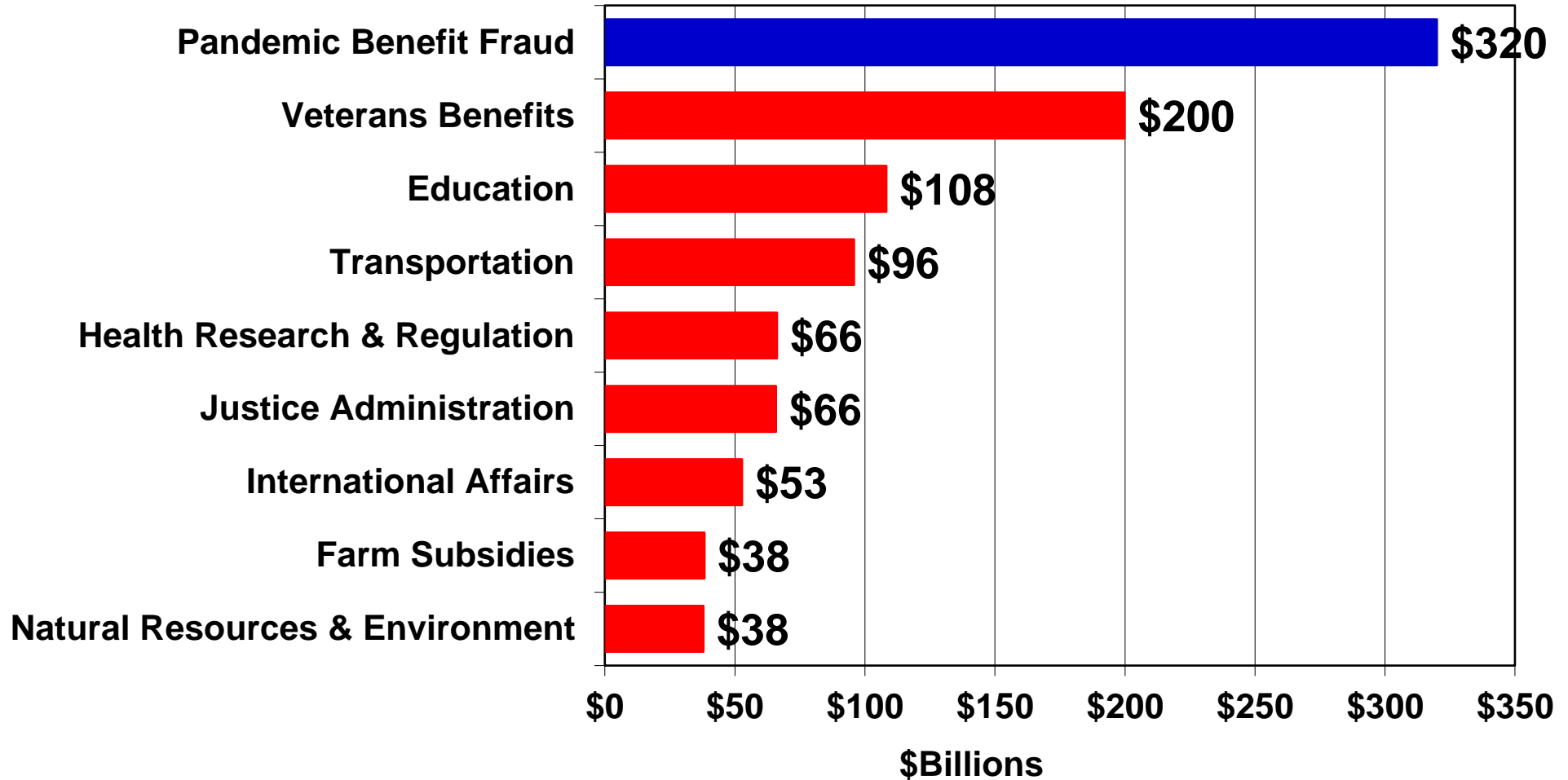
Veterans' Programs Have Earned Healthy Funding Increases



In 2021, Washington Made \$281 Billion in Improper Payments



Pandemic Benefit Fraud and Overpayments Exceeded Large Categories of Federal Spending



Source: Pandemic figure consists of reported fraud and overpayments in unemployment benefits, Paycheck Protection Program loans, and Economic Injury Disaster loans. Other programs show OMB 2019 spending totals to reflect typical (non-pandemic) budgets.

Why the Debt Limit Matters

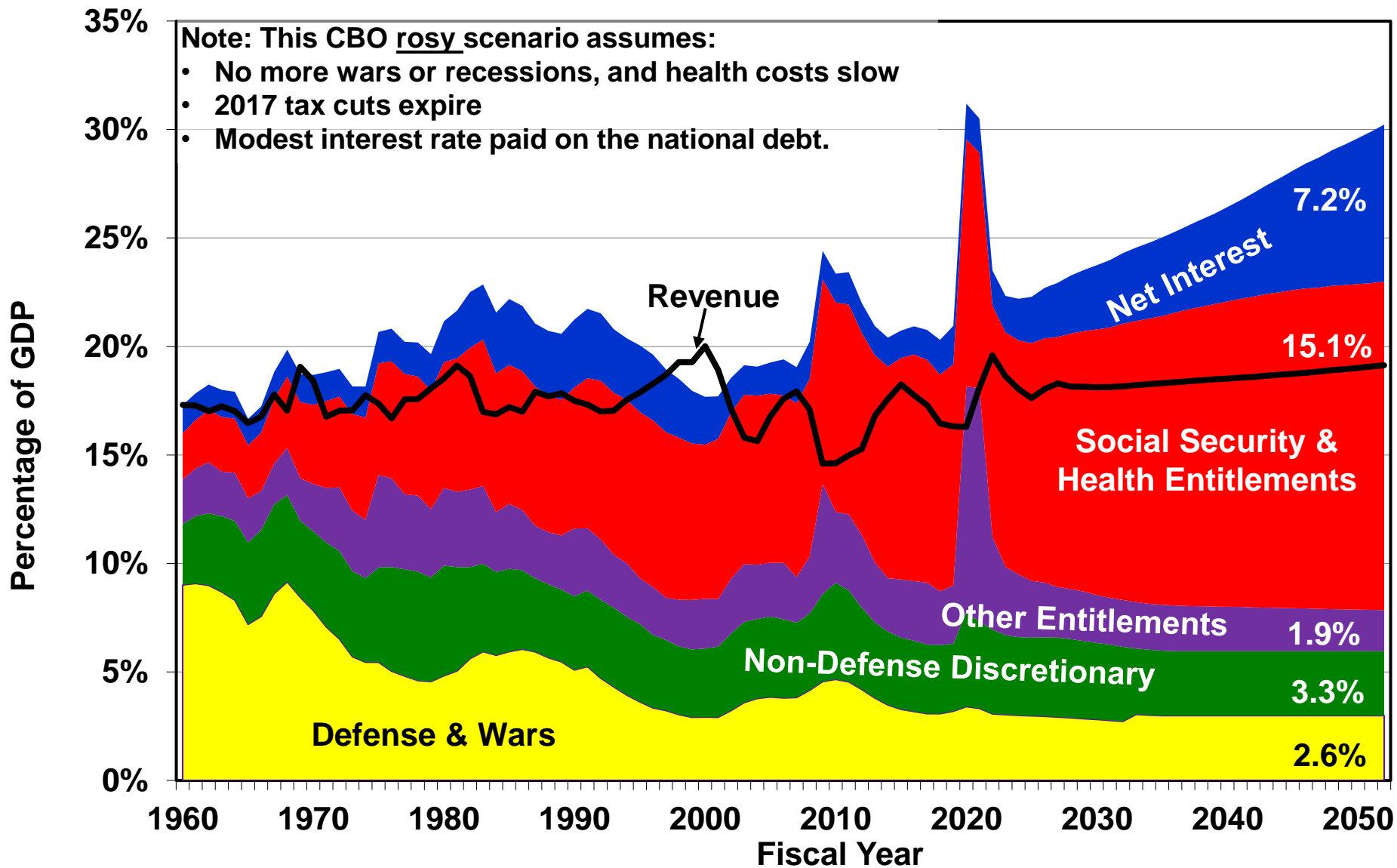
All 8 Major Deficit-Reduction Laws Since 1985 Were Attached to Debt Limit Legislation

Year	Major Deficit-Reduction Law	Attached to Debt Limit?
1985	Gramm-Rudman-Hollings Deficit Caps	✓
1987	Gramm-Rudman-Hollings Deficit Caps II	✓
1990	Bush Tax Increases & Spending Caps	✓
1993	Clinton Deficit Reduction Package	✓
1996	Line-Item Veto Act (<i>later struck down by Supreme Court</i>)	✓
1997	Balanced Budget Act	✓
2009	Statutory Pay-As-You-Go Act	✓
2011	Budget Control Act (Cutting \$2.1 Trillion)	✓

The 30-Year Debt Estimates Are Driven by Social Security and Medicare Shortfalls

Chapter 5

Federal Budget, 1960-2052 (Projected)

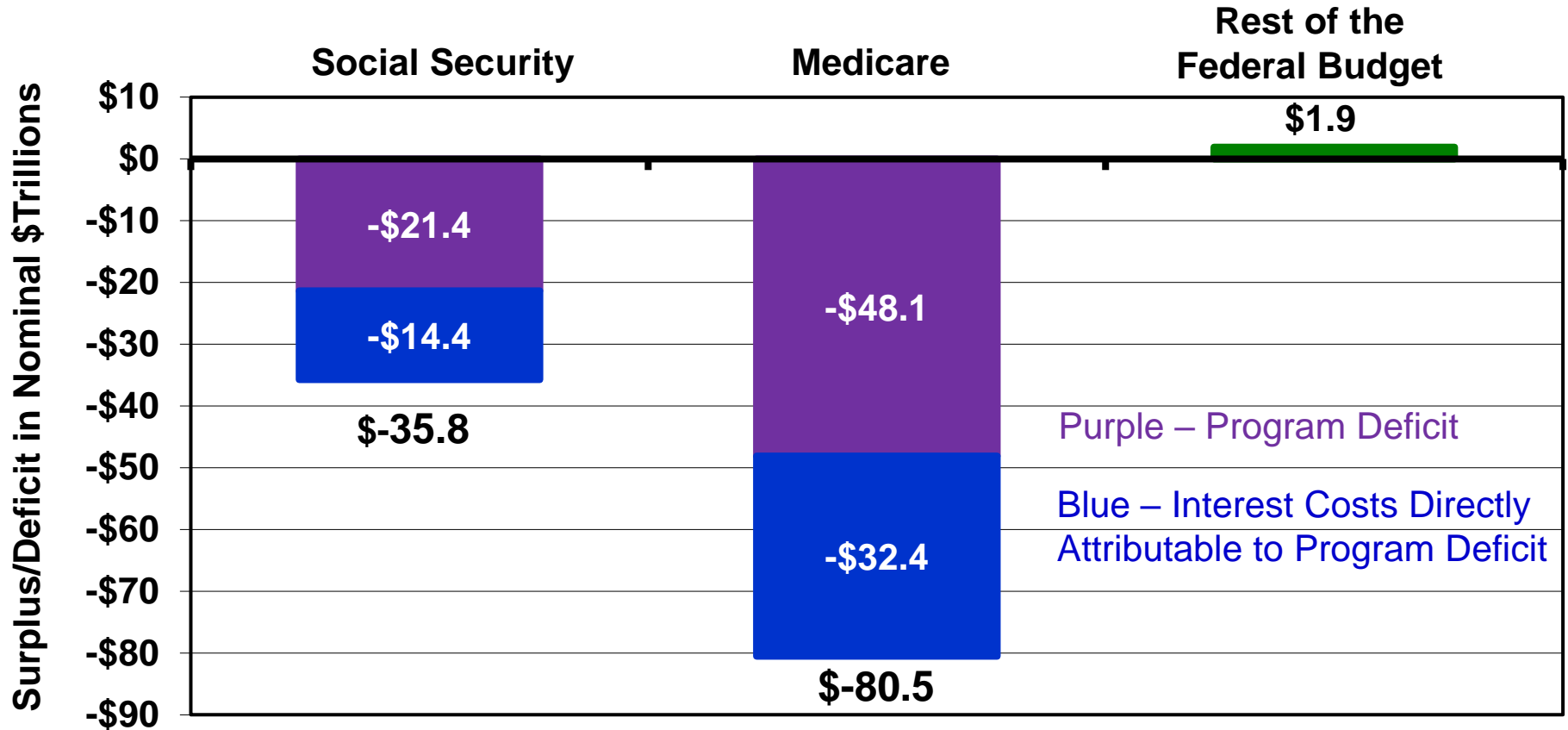


Source: CBO 2022 Long-Term Budget Outlook and OMB Historical Tables.

What is Causing \$114 Trillion 2022-2052 Budget Deficit?

Social Security & Medicare: \$116 Trillion Deficit

The Rest of the Budget: \$2 Trillion Surplus

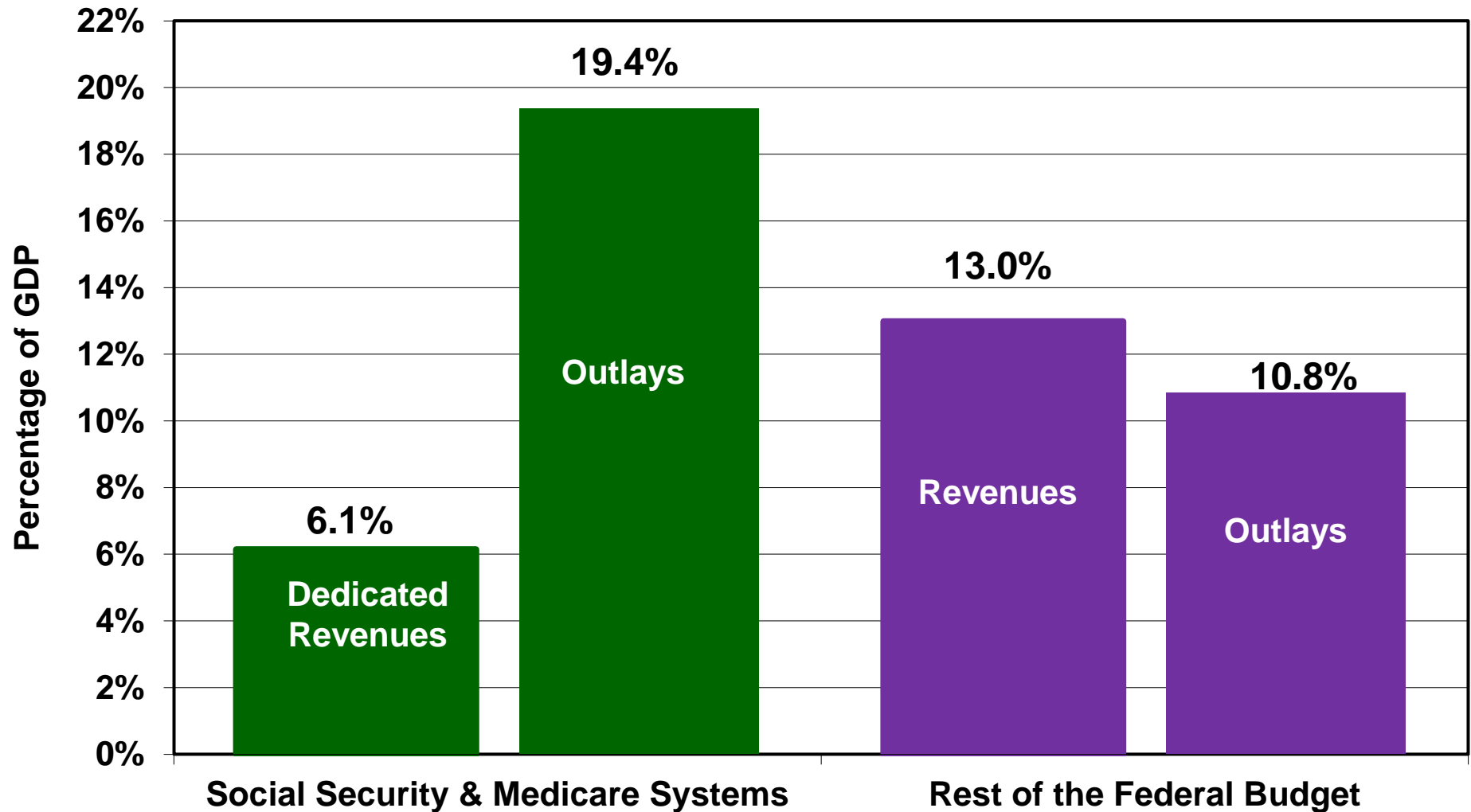


Source of \$114.4 Trillion Budget Deficit Projected over 2022-2052 Period (\$Nominal)

Note: Social Security & Medicare deficits are the benefits that must be paid from general revenues because payroll taxes, premiums, and other non-interest trust fund revenues are insufficient. CBO assumes full benefits will continue even after trust fund insolvency.

Source: Calculations from CBO 2022 Long-Term Budget Outlook. To inflation adjust, trim amounts by one-third.

Projected 2052 Budget Deficits are Entirely Driven by Social Security & Medicare Shortfalls

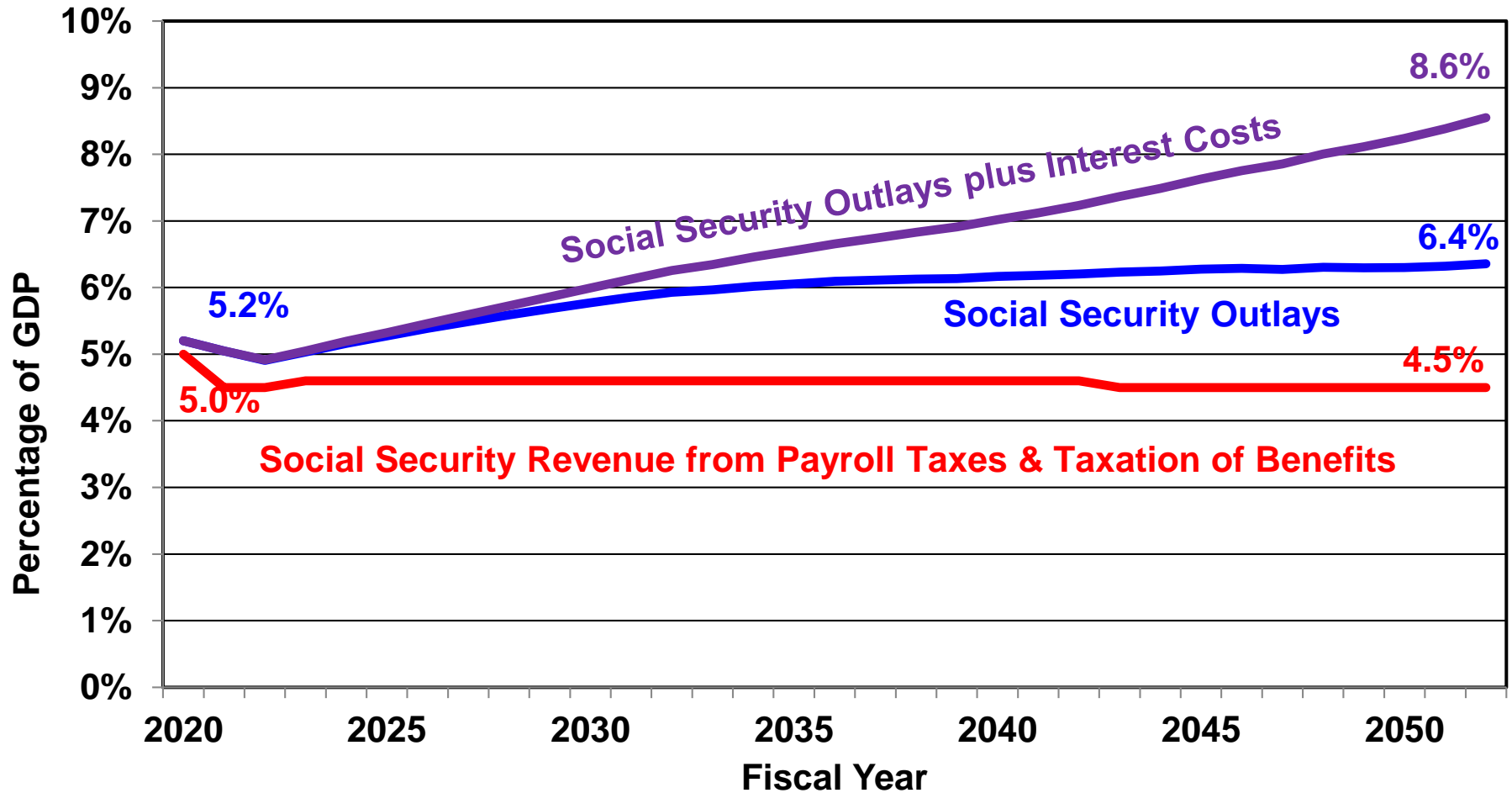


Note: 2052 is the final year of the latest CBO 30-year budget projection.

Each outlay category includes portion of national debt interest attributed to its 2022-2052 deficits

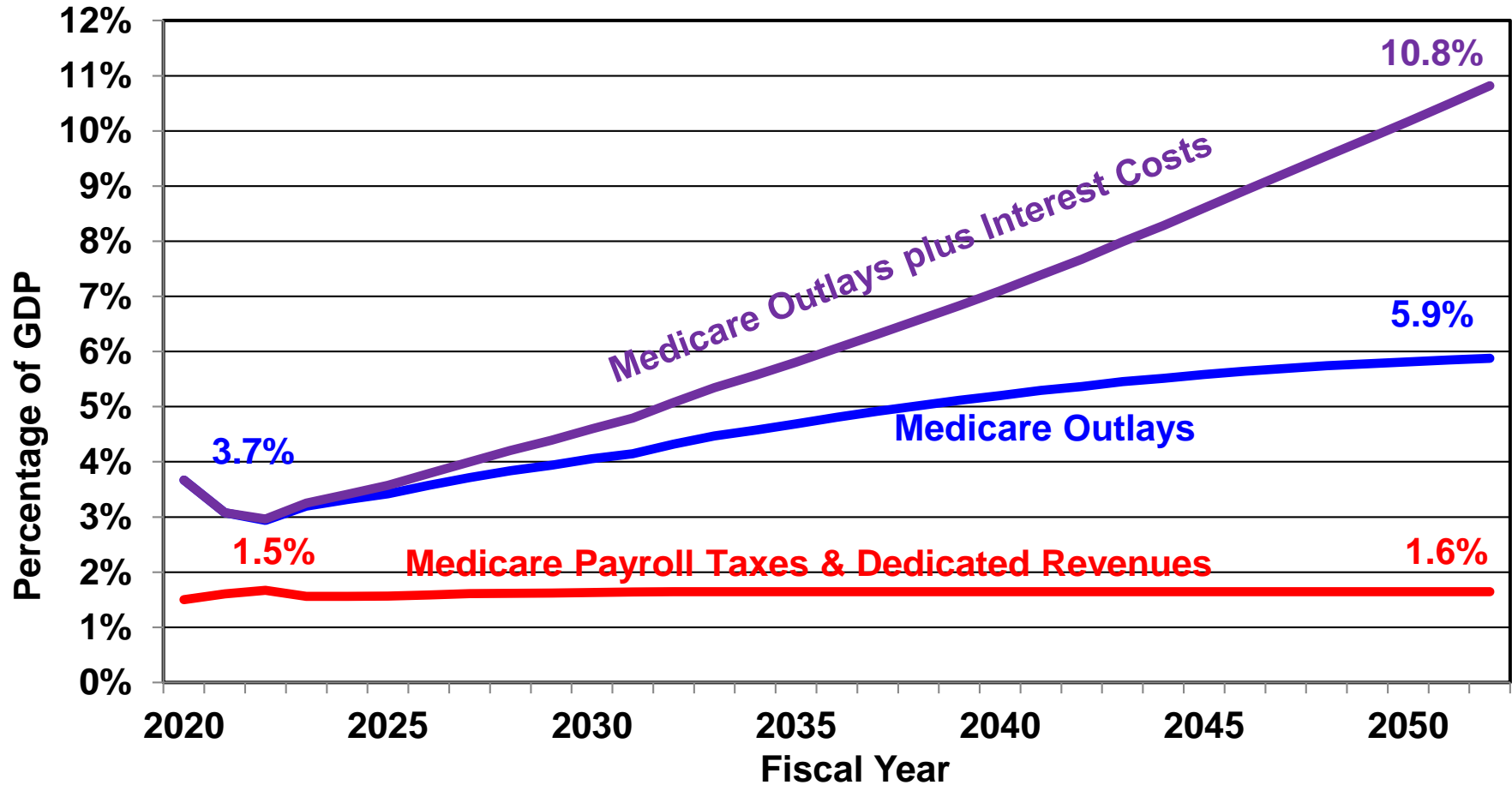
Source: CBO 2022 Long-Term Budget Outlook.

Social Security's Cash Shortfalls are Driven by Retiring Baby Boomer Costs and Resulting Interest Costs



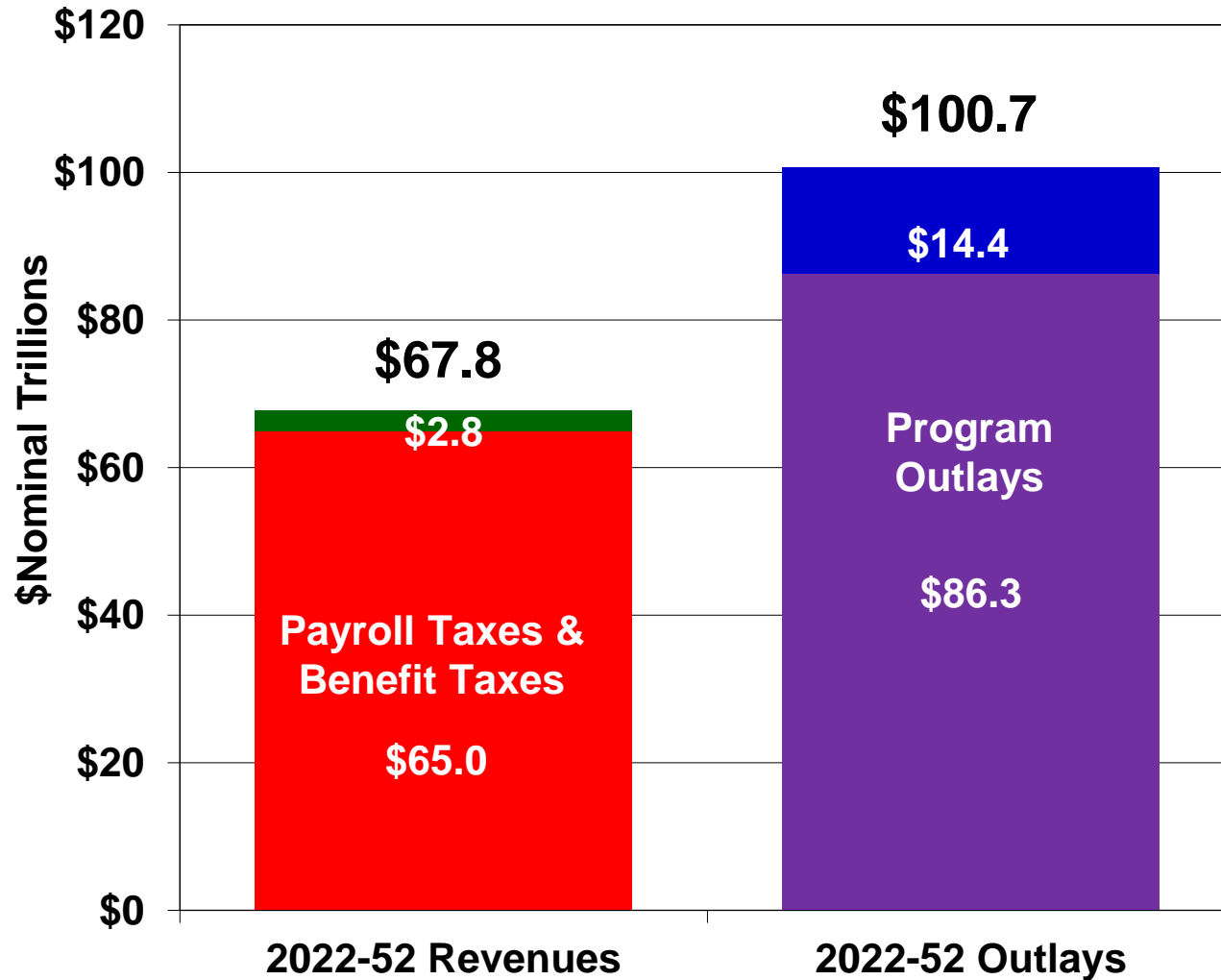
Source: Calculated using CBO 2022 Long-Term Baseline. Revenues do not include trust fund interest transfers. Interest costs are those directly attributable to Social Security's annual deficits over this period.

Medicare's Cash Shortfalls are Driven by Soaring Benefit Costs and Resulting Interest Costs



Source: Calculated using CBO 2022 Long-Term Baselines. Outlays are net of premiums paid. Interest costs are those directly attributable to Medicare's annual deficits over this period.

Social Security Faces a \$36 Trillion Shortfall over 30 Years - \$33 Trillion if Subtracting the Trust Fund



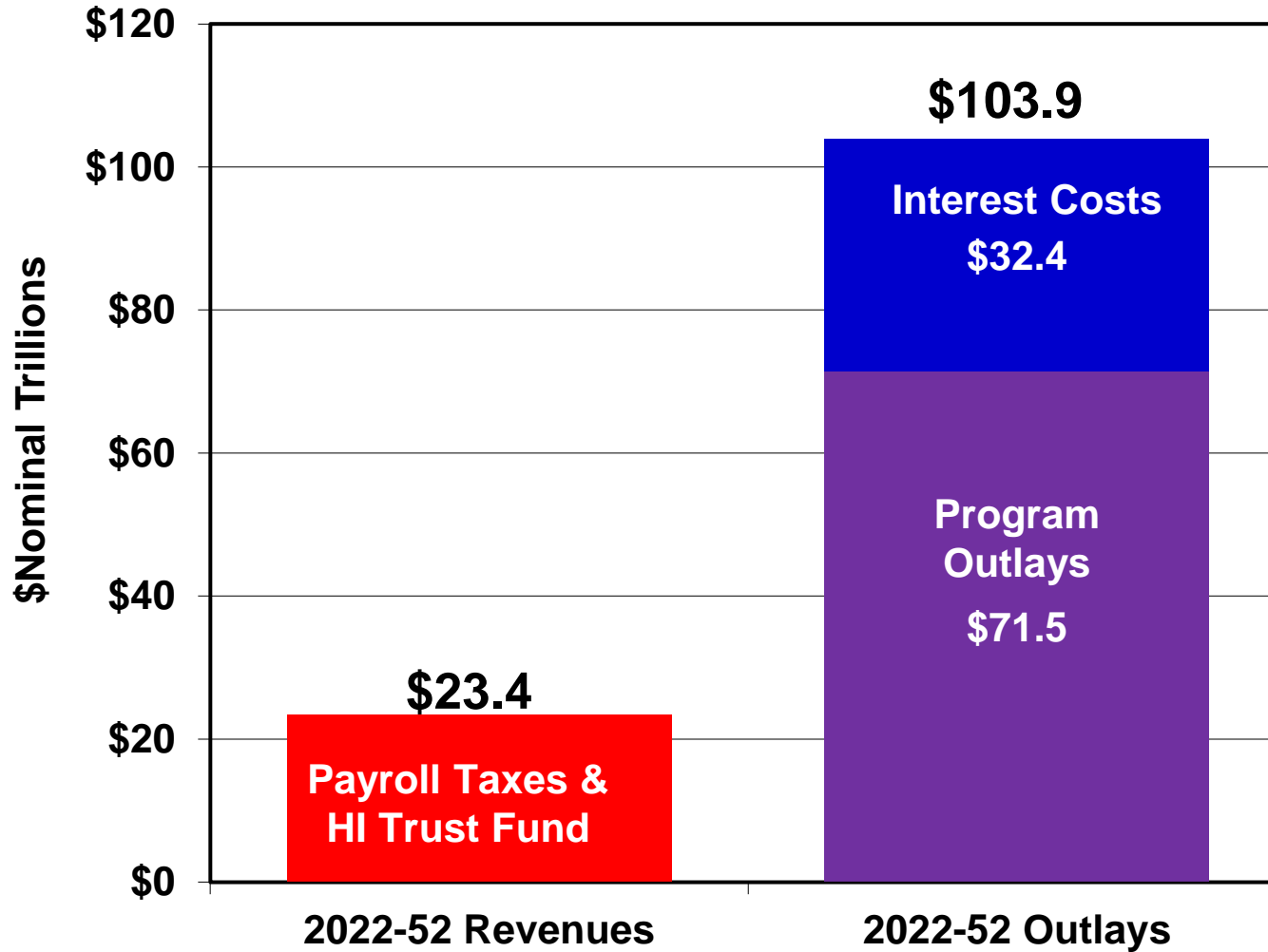
Green = Transfers from redeeming the Social Security Trust Fund.

The Trust Fund contains no economic resources and must be redeemed by new taxes and borrowing.

In other words, it does not save future taxpayers a dime or reduce the true shortfall.

Source: Calculated using the CBO 2022 Long-Term Budget Outlook.
Interest costs reflect those directly attributable to 2022-2052 Social Security shortfalls.

Medicare Faces a \$80 Trillion Cash Shortfall Over the Next 30 years

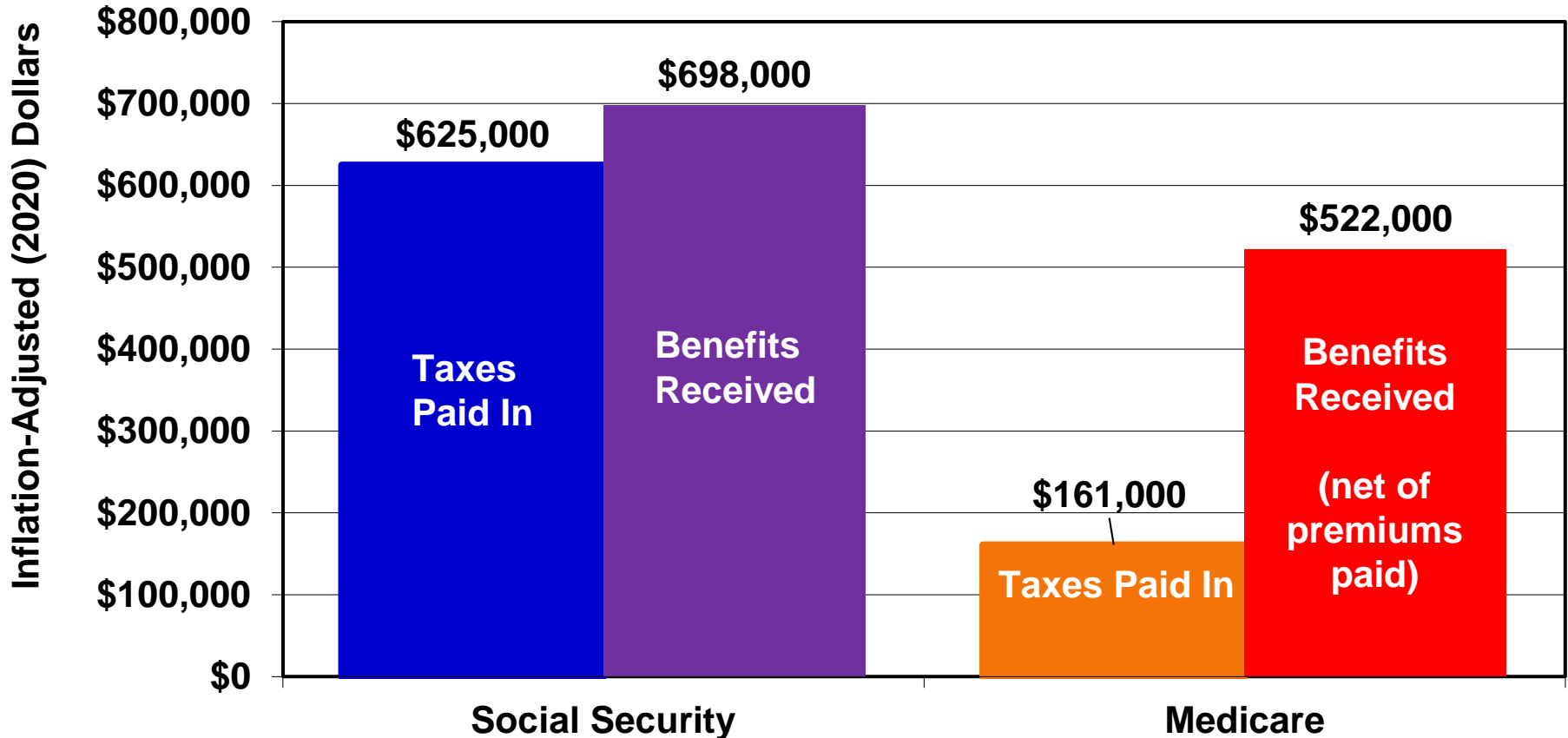


Medicare's \$80 Trillion shortfall equals 70% of the total federal budget deficit projected by CBO over the 2022-2052 period.

Annual projected shortfall:
2022: 1.3% of GDP
2052: 4.3% of GDP (9.2% including interest cost).

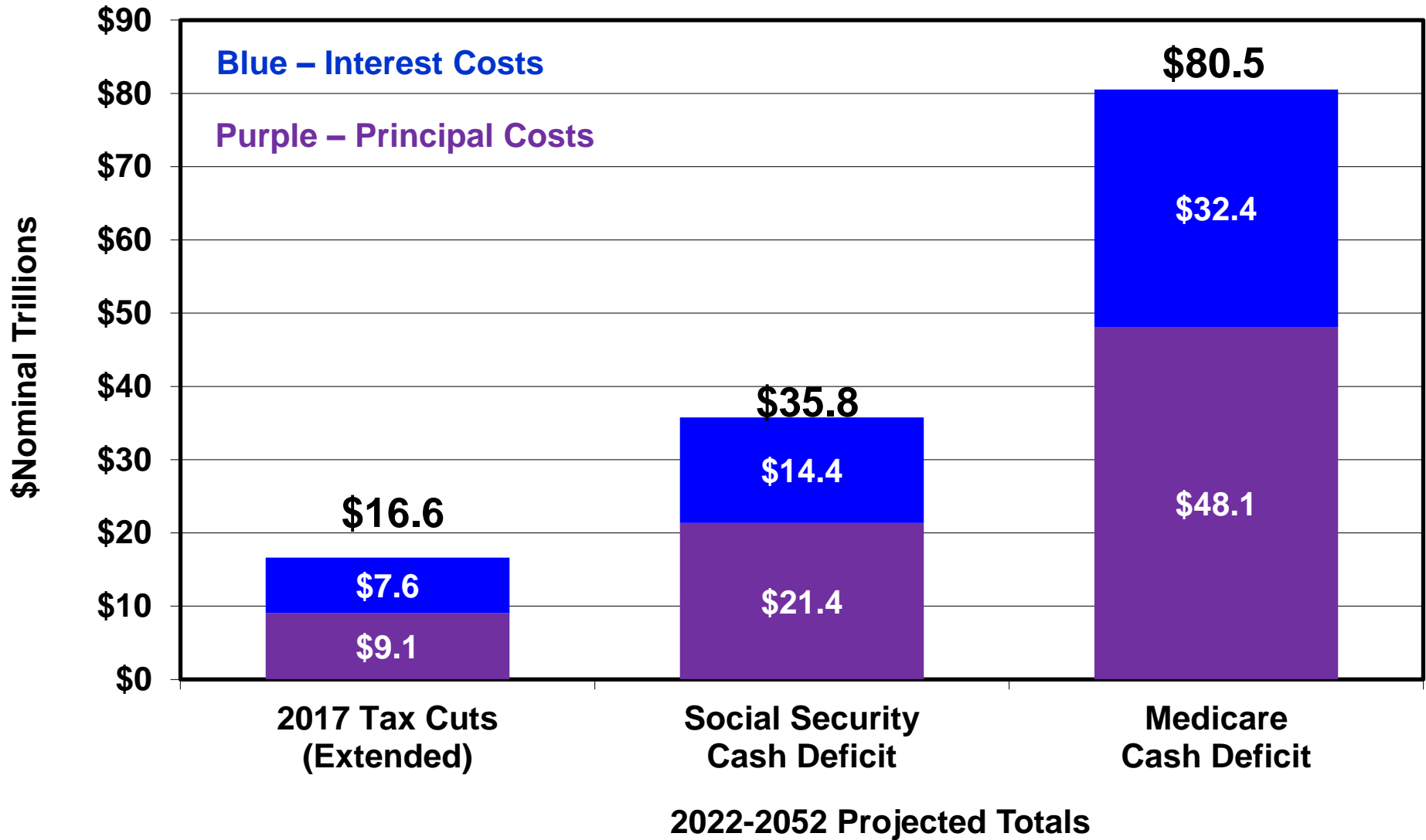
Source: Calculated using the CBO 2022 Long-Term Budget Outlook. Benefits are net of senior premiums. Interest costs reflect those directly attributable to 2022-2052 Medicare shortfalls.

The Typical Retiring Couple Will Receive \$3 in Medicare Benefits for Every \$1 Paid into the System –and Also Come Out Ahead in Social Security



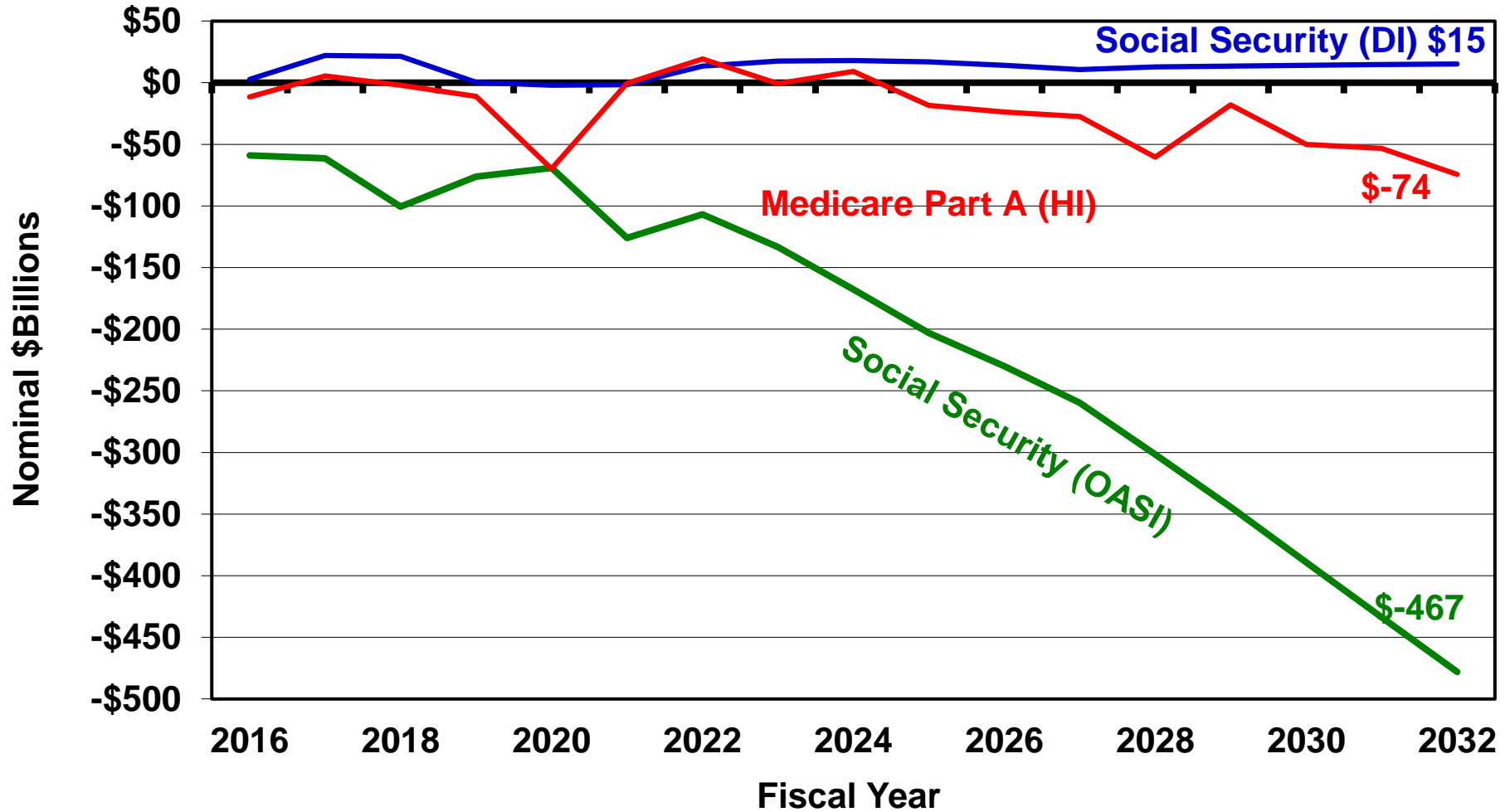
Represents typical, average-income married couple turning 65 in 2020
Calculations represent expected present values.

Cost of 2017 Tax Cuts vs. Major Entitlements Over 30 Years



Source: Calculated using the CBO 2022 Long-Term Budget Outlook and earlier CBO tax estimates

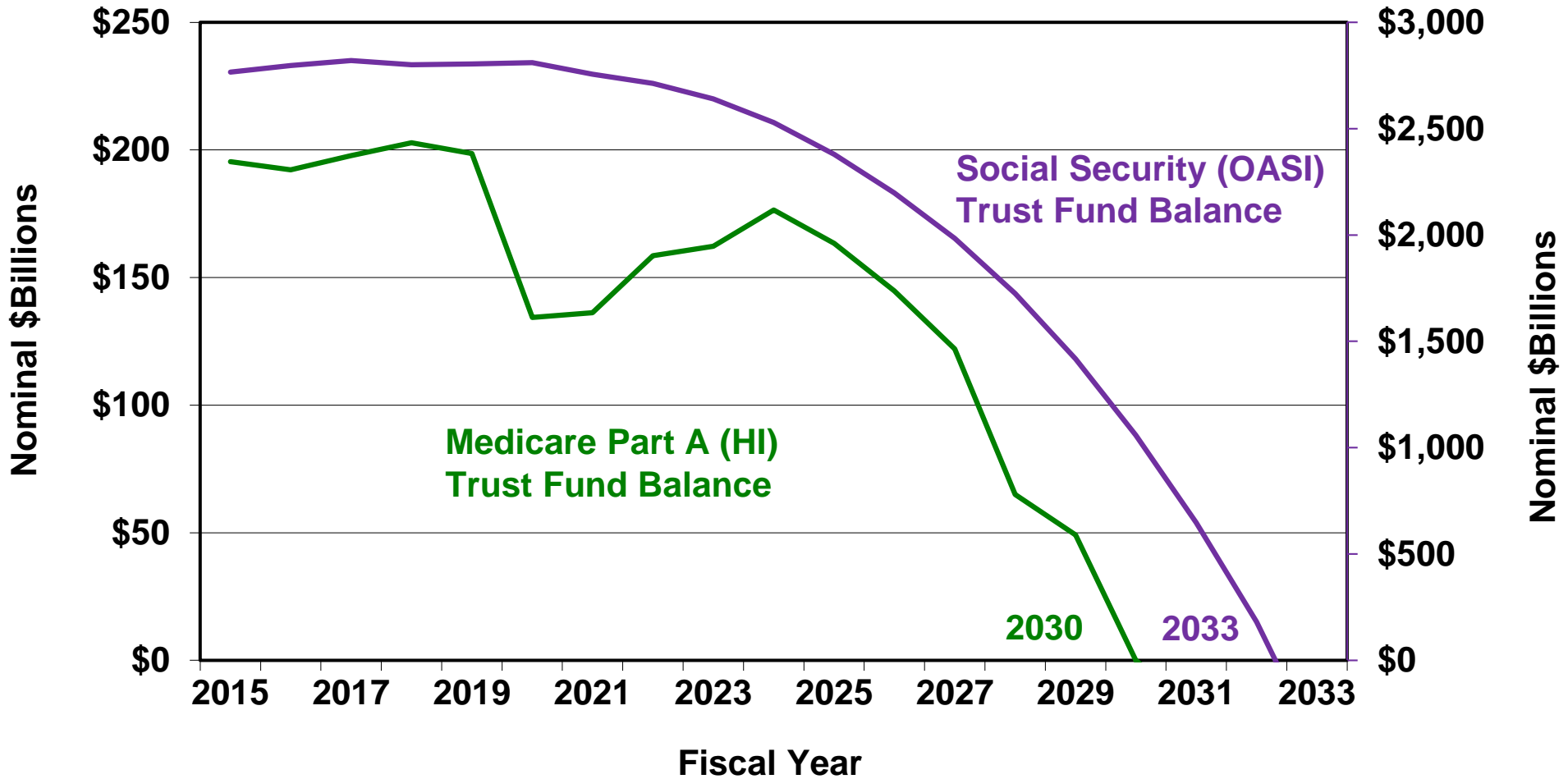
Social Security's Deficits Will Steeply Increase, While Medicare Also Faces Rising Deficits



Author: Brian Riedl, Manhattan Institute @Brian_Riedl

Excludes general revenue transfers into the programs, such as interest payments.
Source: May 2022 CBO baseline Supplemental Trust Fund Tables.

Medicare Part A and Social Security Trust Funds Face Bankruptcy in 8 and 11 Years, Respectively



Author: Brian Riedl, Manhattan Institute @Brian_Riedl

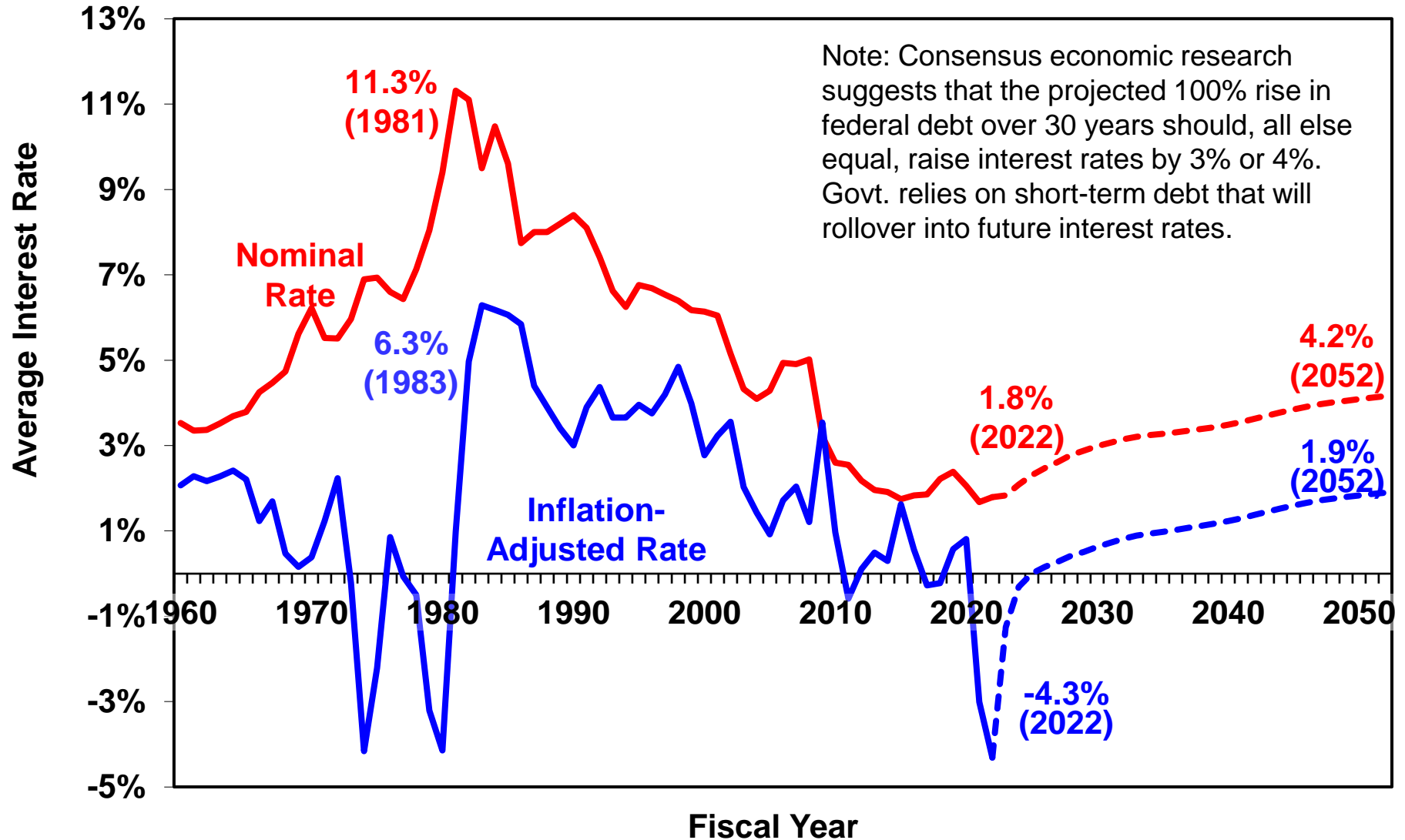
Post-2032 figures are extrapolated.

Source: July 2022 CBO baseline Supplemental Trust Fund Tables.

What Happens to the Debt if Interest Rates Rise?

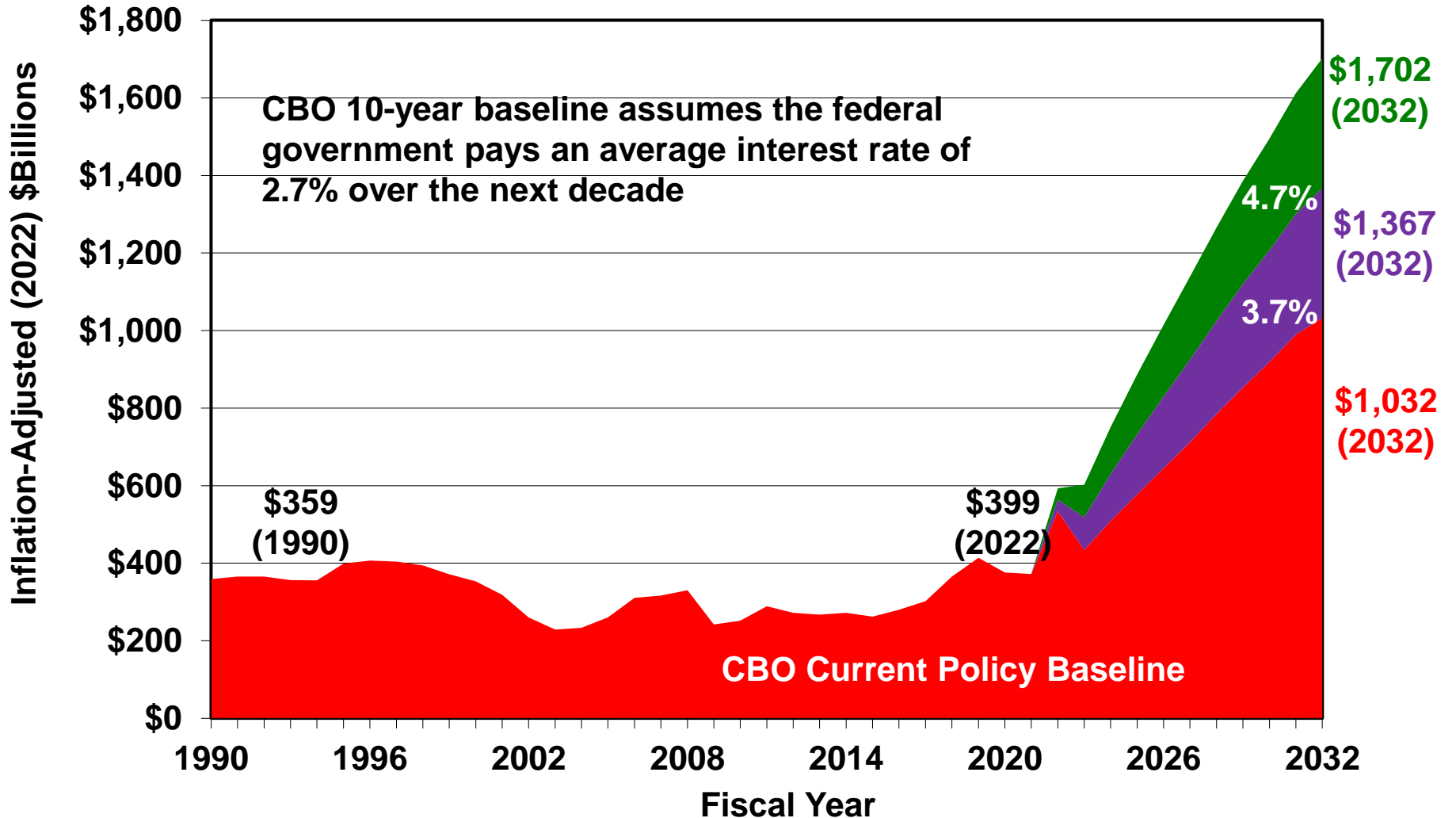
Chapter 6

Average Interest Rate Paid on U.S. Federal Debt – Historical and CBO Projections



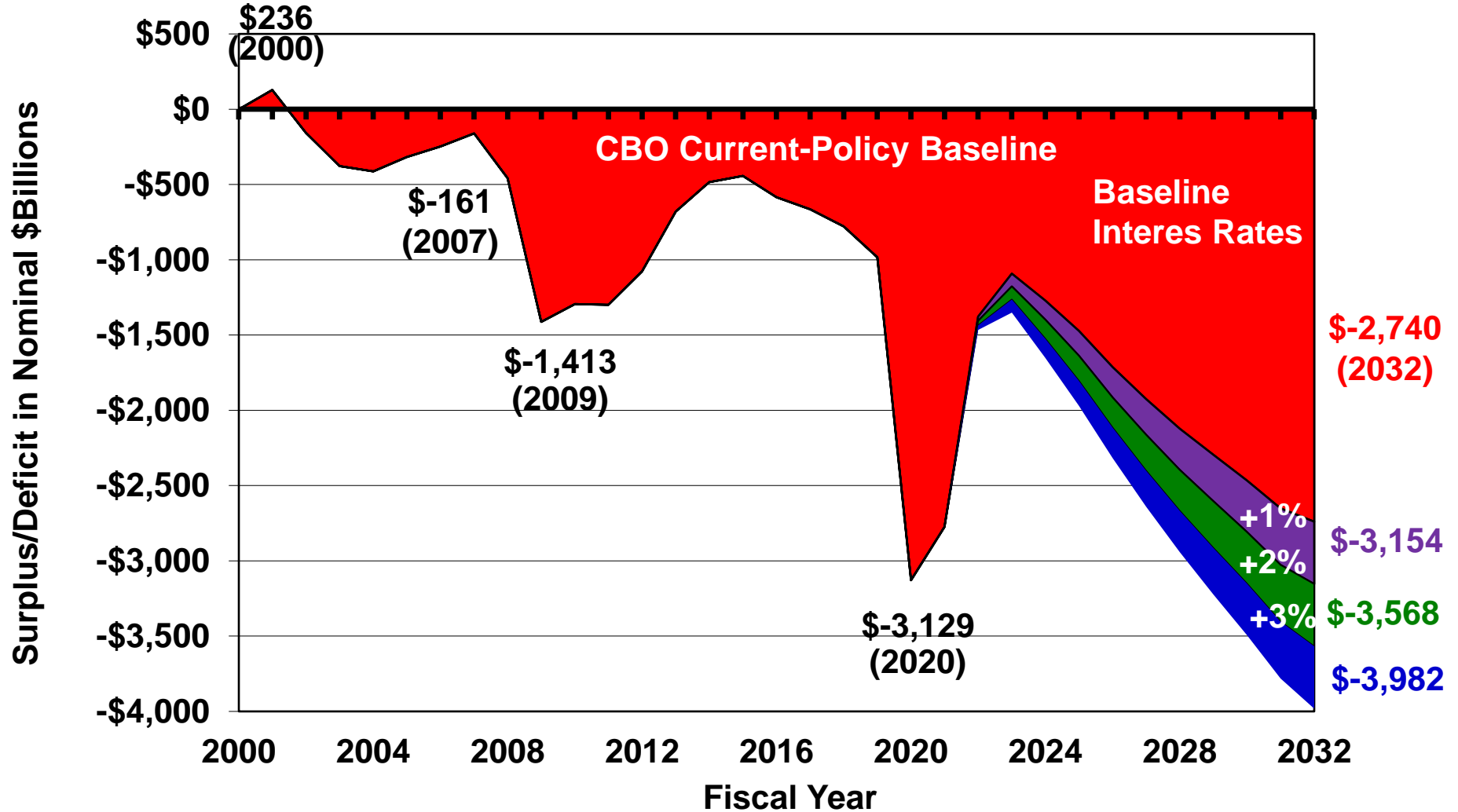
Source: 1987 through 2052 (projected) data provided by CBO.
Earlier figures estimated using Treasury, OMB, and Federal Reserve data.

Net Interest Costs are Set to Spike – Especially if Interest Rates Exceed 2.7% Projection



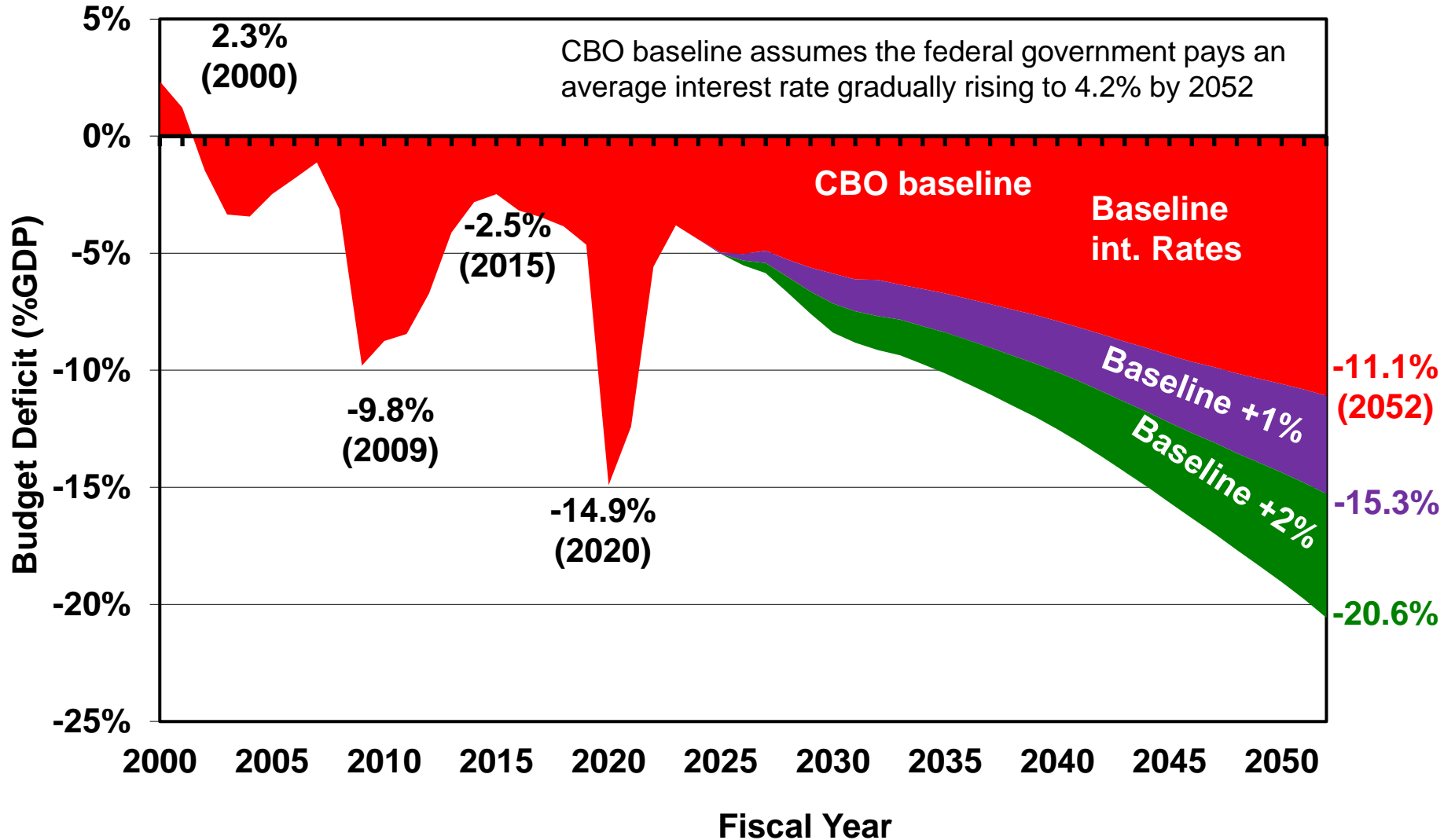
Source: OMB Historical Table 3.2 and May 2022 CBO baseline, adjusted for tax cut extensions, and for inflation into 2022 dollars. Cost of higher interest rates comes from OMB Analytical Perspectives.

If Interest Rates Exceed the CBO baseline, Net Interest Costs – and the Deficit – Will Soar



Source: Calculated using May 2022 CBO (current-policy) Baseline data, OMB sensitivity tables, and CEA historical interest rate data. Amounts in nominal \$billions.

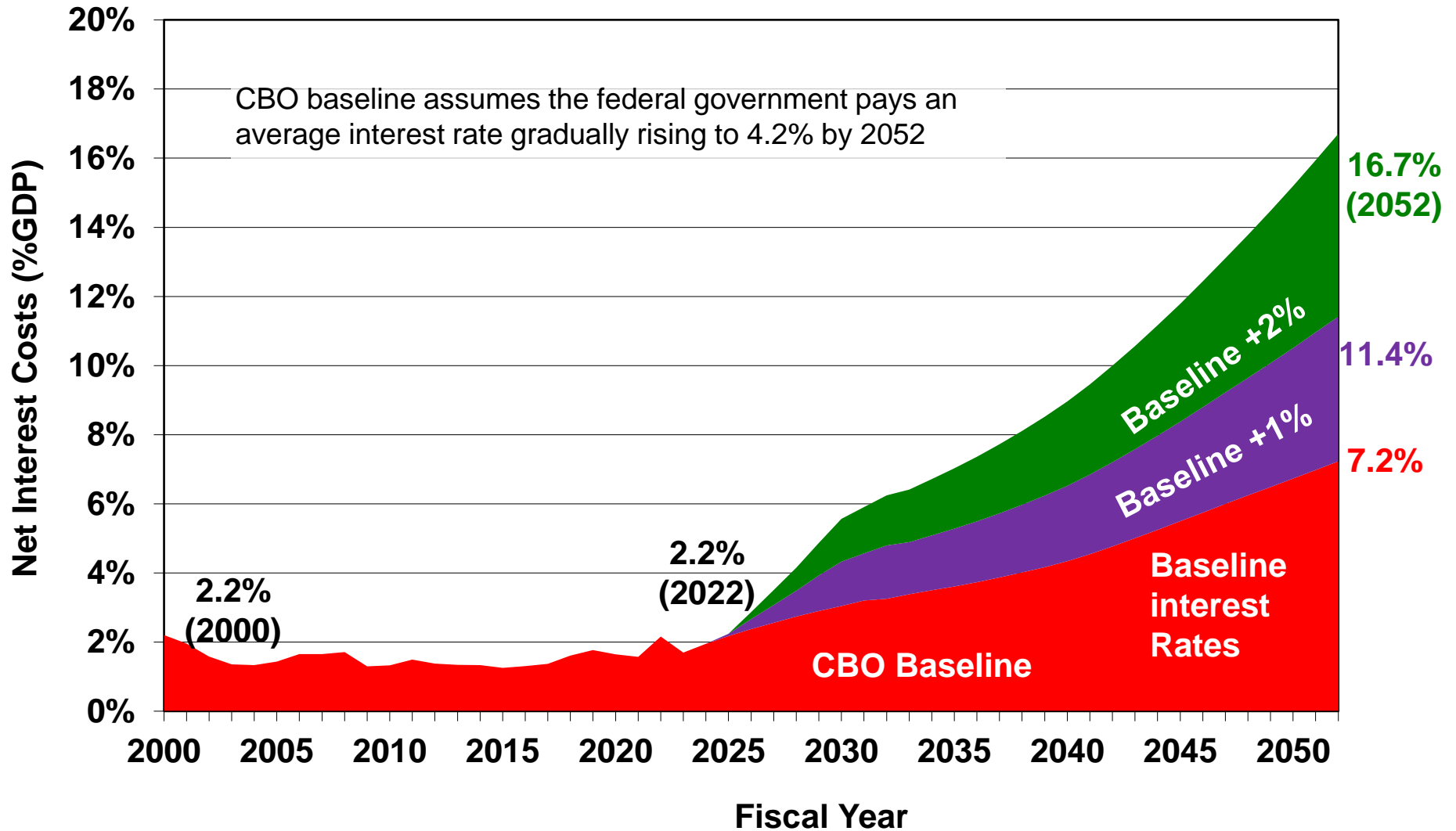
Rising Budget Deficits Will be Substantially Worsened if Interest Rates Rise



Author: Brian Riedl, Manhattan Institute @Brian_Riedl

Source: Calculations using the 2022 CBO Long-Term baseline.
 Most economists agree that a steeply rising debt will raise interest rates.

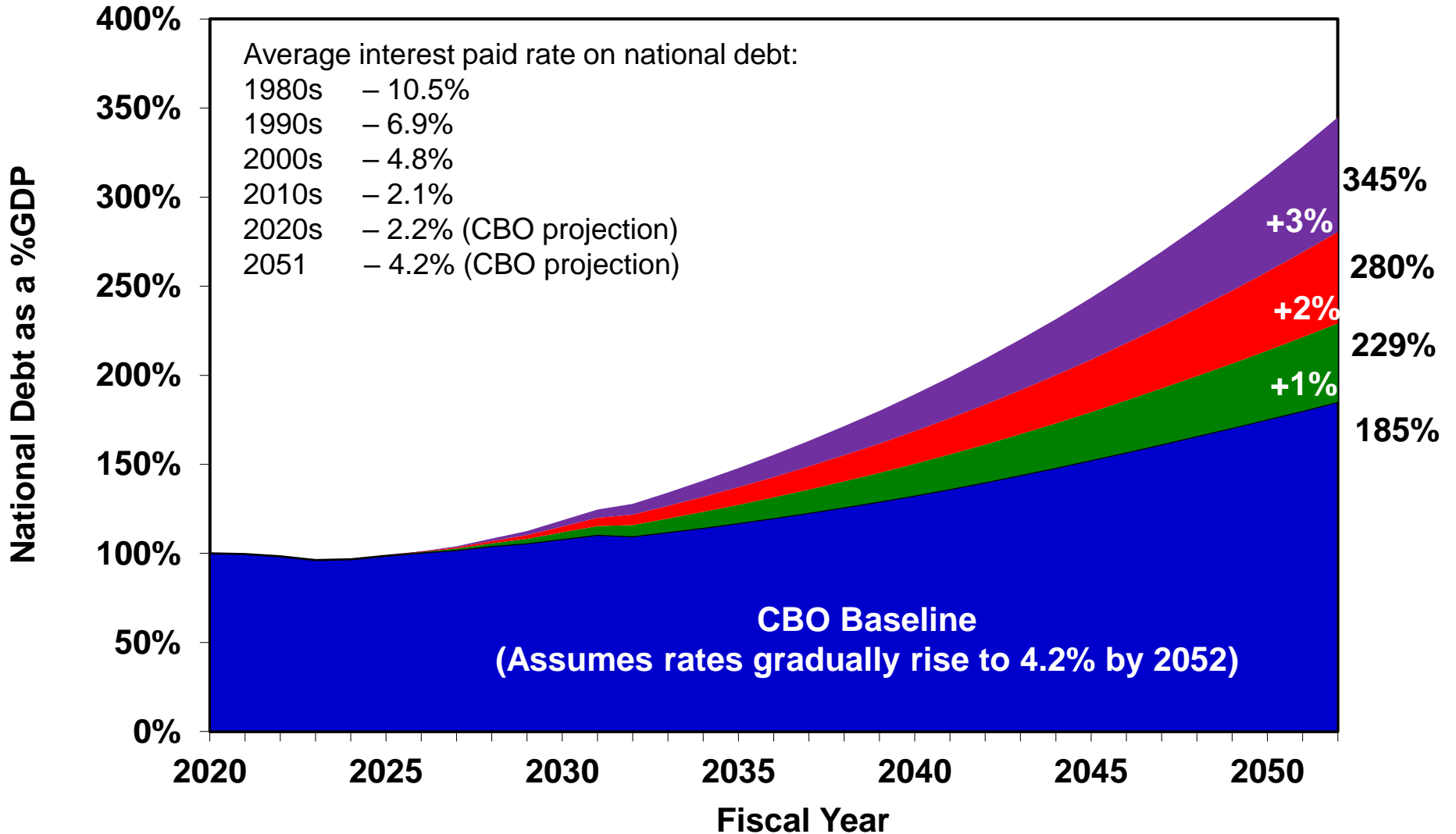
Rising Debt is Projected to Drive Up Interest Costs – and Rising Interest Rates Could Bury the Budget



Author: Brian Riedl, Manhattan Institute @Brian_Riedl

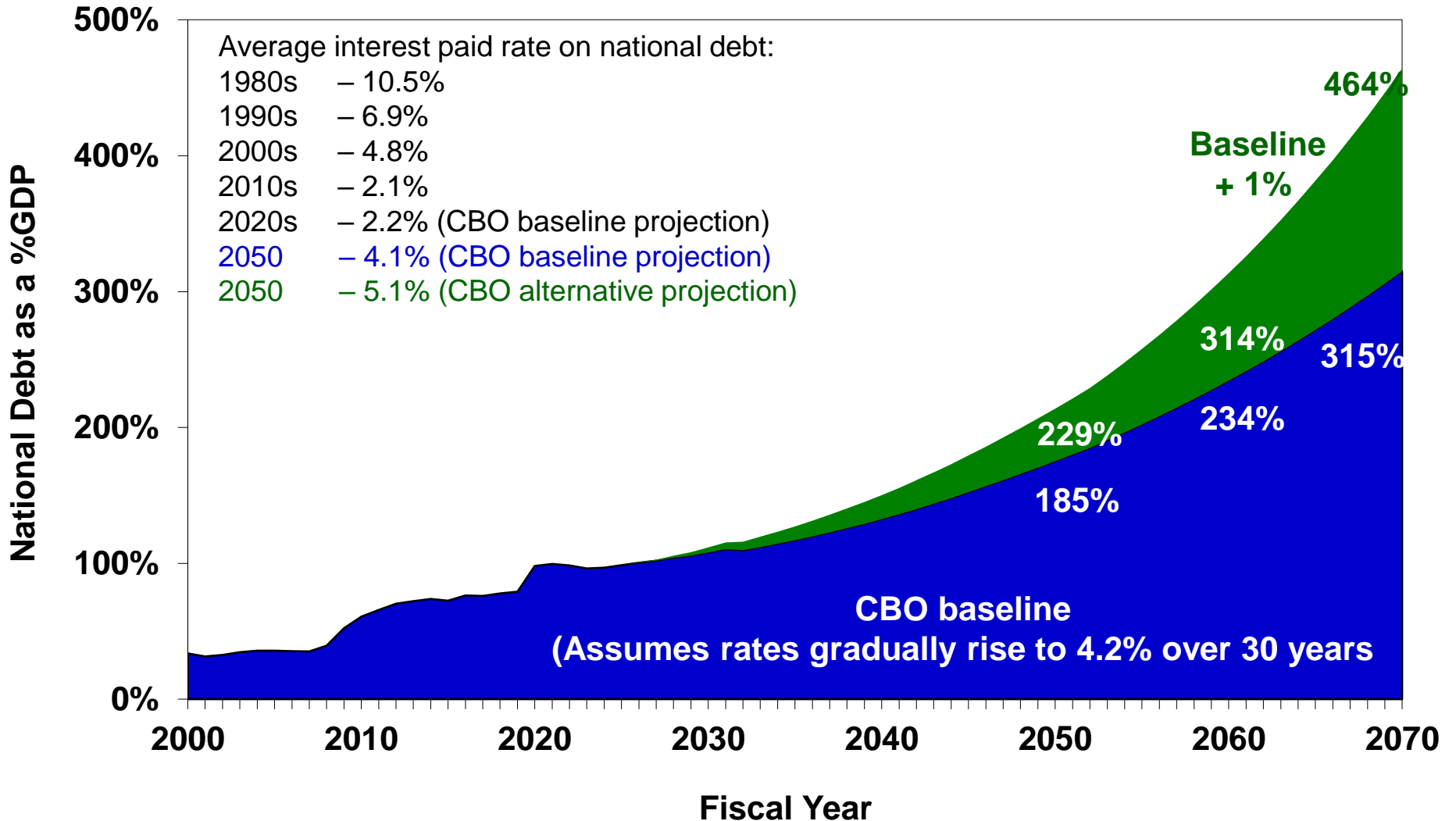
Source: Calculations using the 2022 CBO Long-Term baseline.
Most economists agree that a steeply rising debt will raise interest rates.

Rising Interest Rates Could Push the National Debt towards 300% of GDP Within 30 Years



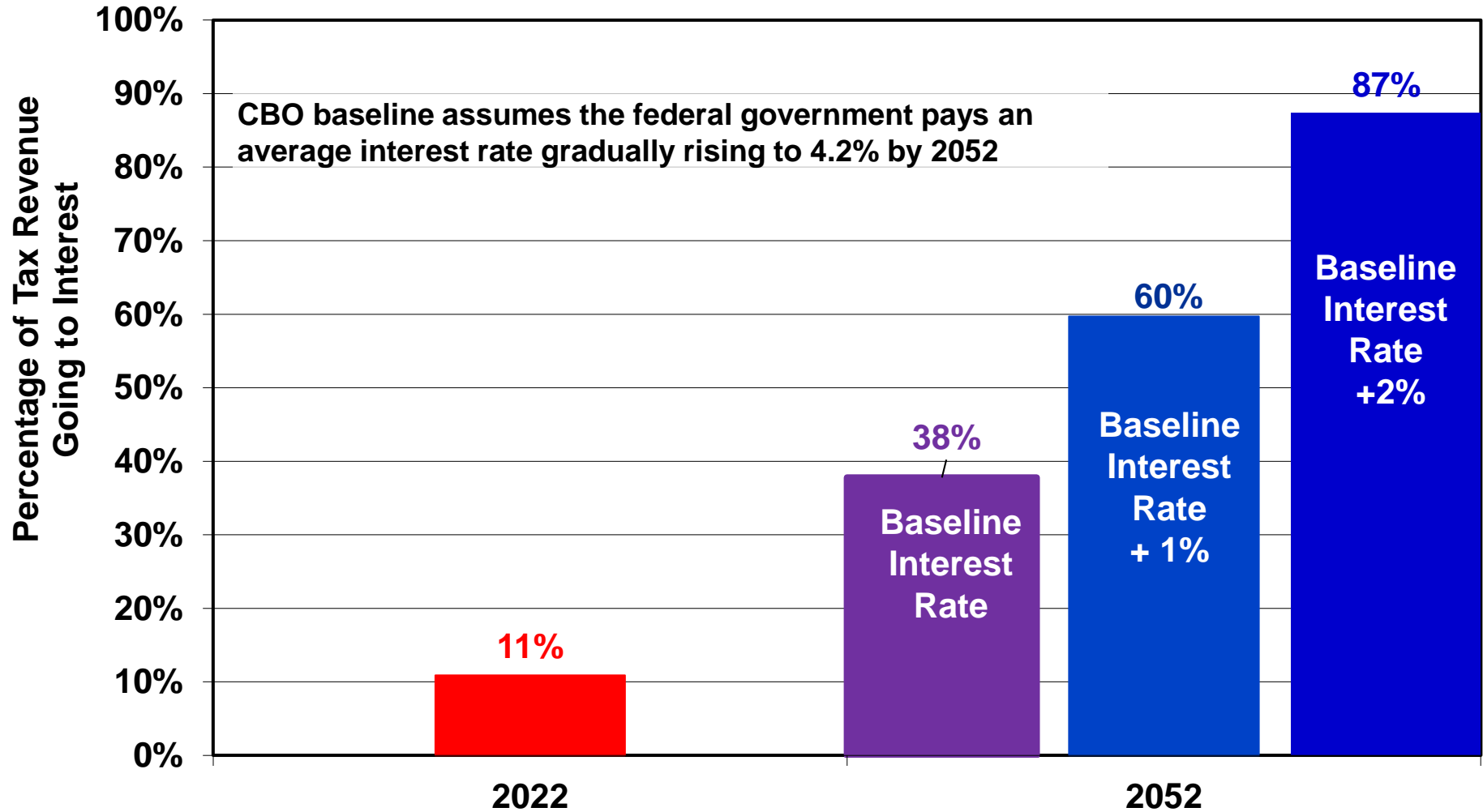
Source: Calculations using the 2022 CBO Long-Term baseline
Most economists agree that a steeply rising debt will raise interest rates.

The Baseline Debt is Set to Rise to 200% or 300% of GDP – and Higher Interest Rates Would Bury U.S.



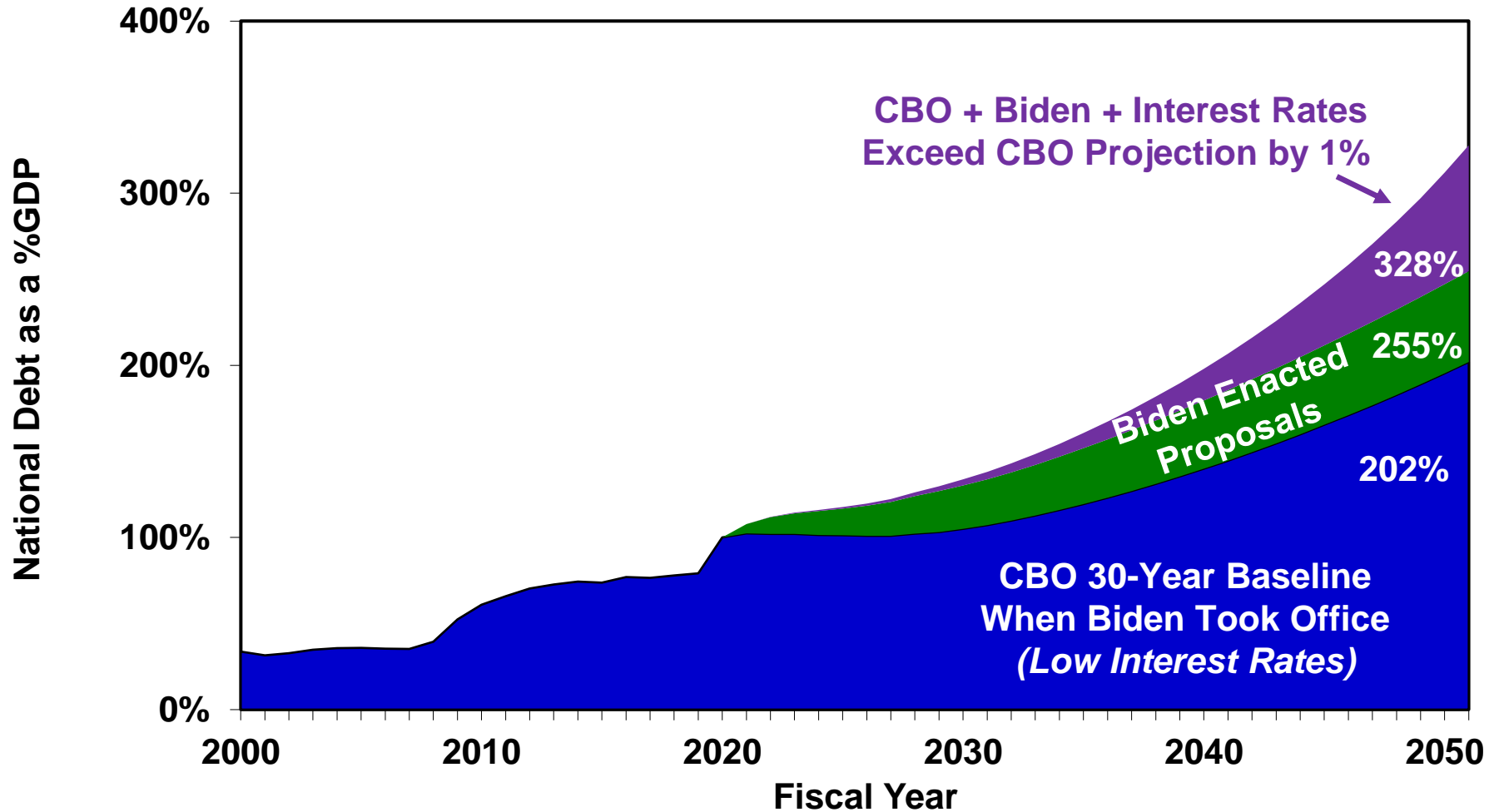
Source: 2022 CBO Long-Term baseline, with post-2052 data extrapolated.
Most economists agree that a steeply rising debt pushes up interest rates.

The Share of Federal Tax Revenues Spent on Interest on the National Debt is Projected to Surge



Most economists agree that a steeply rising debt will raise interest rates.
Source: Calculations using the 2022 CBO Long-Term Baseline.

National Debt is Projected to Leap to 200% to 328% of GDP, Depending on Biden Proposals & Interest Rates



Source: 2021 CBO Long-Term baseline and author calculations of Biden proposal costs.
CBO baseline assumes average interest rate paid on national debt gradually rises to 4.6% over 30 years.

Can't We Just Raise Taxes, Cut Defense, and Nationalize Health Care Instead?

Chapter 7

The Full Roster of Progressive Tax Hikes Could Not Even Balance the 10-Year Budget

\$16.2 Trillion Deficit is Forecast over 2021-2030

Progressive Tax Proposal	2021-2030	Source
Repeal All 2017 Tax Cuts, Including Low-Income	\$455	CBO Data (dynamic)
50% Income Tax Rate Over \$200k (single) \$400k (married)	\$1,593	CBO Options
70% Income Tax Rate Over \$10 Million (AOC)	\$189	Tax Foundation (dynamic)
Cap Deductions at 28% Value Above \$400k AGI	\$224	Tax Policy Center
Mark-to-Market Taxation & Higher Cap Gains Rates, No Step-up Basis	\$2,000	CRS, Warren campaign
Eliminate FICA Cap – 15.3% Payroll Tax on All Wages	\$2,180	Social Security Admin
Biden International Tax Proposals (FDII, GILTI, Inversions)	\$700	TPC, Tax Foundation
Aggressively Reduce Domestic Corporate Tax Preferences	\$1,000	Various
Warren “Real Corporate Profits Tax”	\$476	Tax Foundation (dynamic)
Sanders Wealth Tax as High as 8%	\$2,263	Tax Policy Center
Sanders Estate Tax Rate as High as 77%	\$383	Tax Policy Center
Carbon Tax (\$25/metric ton) – No Household Rebate	\$1,033	CBO Options
Financial Transactions Tax of 0.1%	\$752	CBO Options
Financial Institutions Tax of 0.15%	\$103	CBO Options
Total Savings Over Decade	\$13,350	

All figures in \$billions

Deficits would continue growing significantly in the 2030s, as baseline spending soars. Combining tax policies would create damaging interactions, including tax rates approaching 100%.

No “Easy” Pay-Fors for Social Security & Medicare: Programs Face Shortfalls of 6% of GDP by 2040s

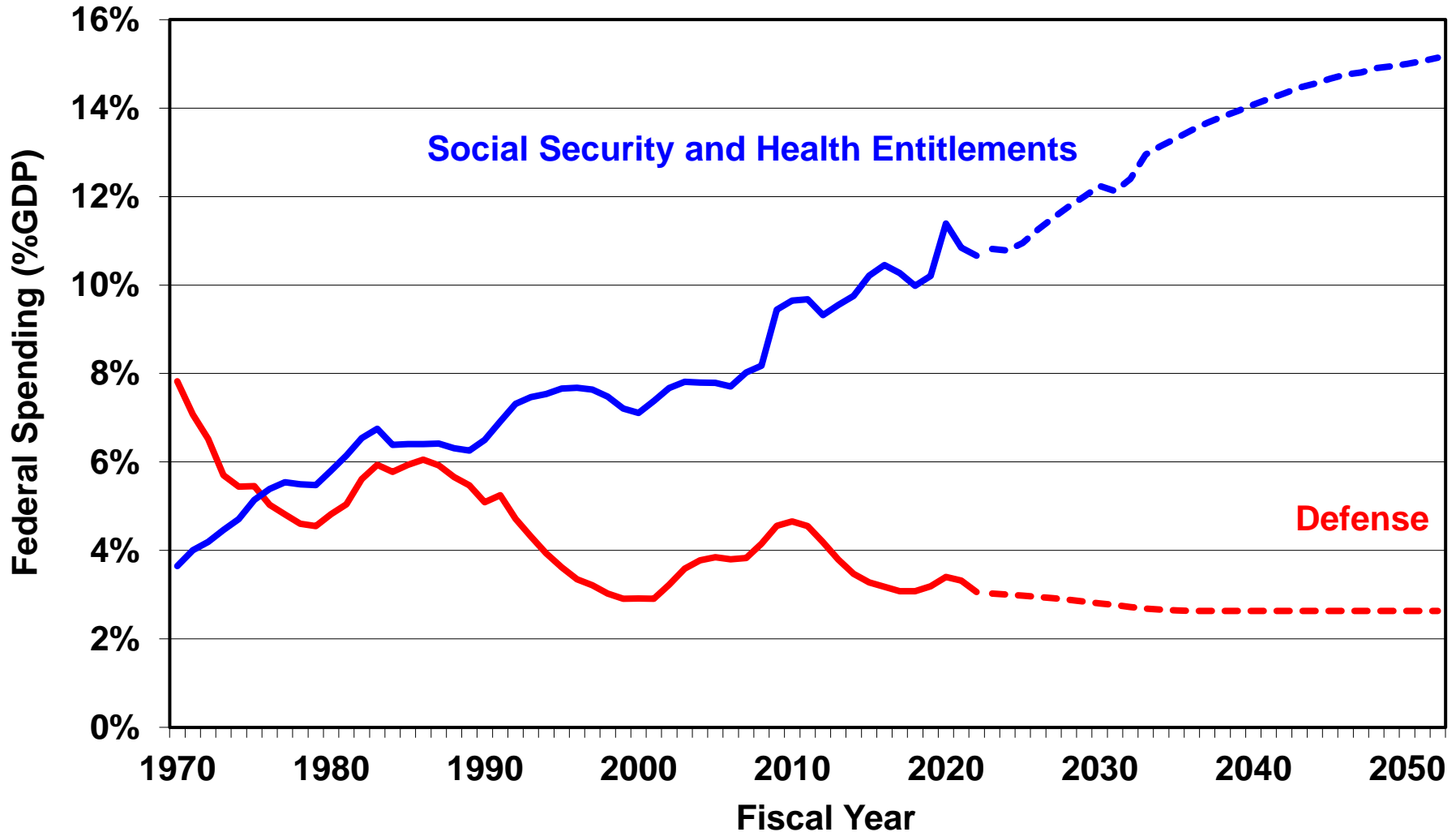
Tax Proposals (static scoring)	10-Yr Savings (\$Billions)	Long-Term Savings (%GDP)
Raise Income Tax Rates Across-the-Board by 10 Percentage Points	\$8,840	3.27%
Raise Payroll Tax by 10 Percentage Points, no wage limit	\$8,775	3.32%
Impose a 20% Value-Added Tax (VAT) – like a national sales tax	\$7,280	3.02%
Double 35% and 37% Tax Brackets to 70% and 74% (plus 15% state/payroll)	\$4,154	1.48%
Impose Bernie Sanders’ 8% Wealth Tax (<i>data from TPC</i>)	\$2,263	0.73%
Eliminate FICA Cap – 15.3% Payroll Tax on All Wages (<i>data from SSA</i>)	\$2,180	0.84%
Repeal All Itemized Tax Deductions	\$1,718	0.98%
50% Income Tax Rate Over \$200k (single) \$400k (married)	\$1,593	0.57%
Restore 35% Corporate Tax Rate	\$1,390	0.55%
Carbon Tax of \$25/Metric Ton – no rebate for households hit	\$1,033	0.42%
Impose a 0.1% Tax on Financial Transactions	\$752	0.34%
Repeal Entire 2017 Tax Law (<i>data from CBO/JCT</i>)	\$455	(Mostly scheduled)
Impose Bernie Sanders’ 77% Estate Tax (<i>data from TPC</i>)	\$383	0.18%
Tax Dividends & Capital Gains as Income over \$1M & End Step-Up (<i>TPC</i>)	\$373	0.17%
Impose a 0.15% "Bank Tax" on Large Financial Institutions	\$103	0.03%
30% Minimum "Buffett Tax" for Millionaires	\$66	0.03%
Spending Proposals		
Cut Defense Budget to European Target of 2% of GDP (<i>data from CBO</i>)	\$2,737	0.80%

Source: Dec. 2020 CBO “Budget Options” book unless otherwise noted.

These static estimates do not account for revenues lost to the economic impact.

Combining policies may also create duplications and interaction effects, so these cannot be summed.

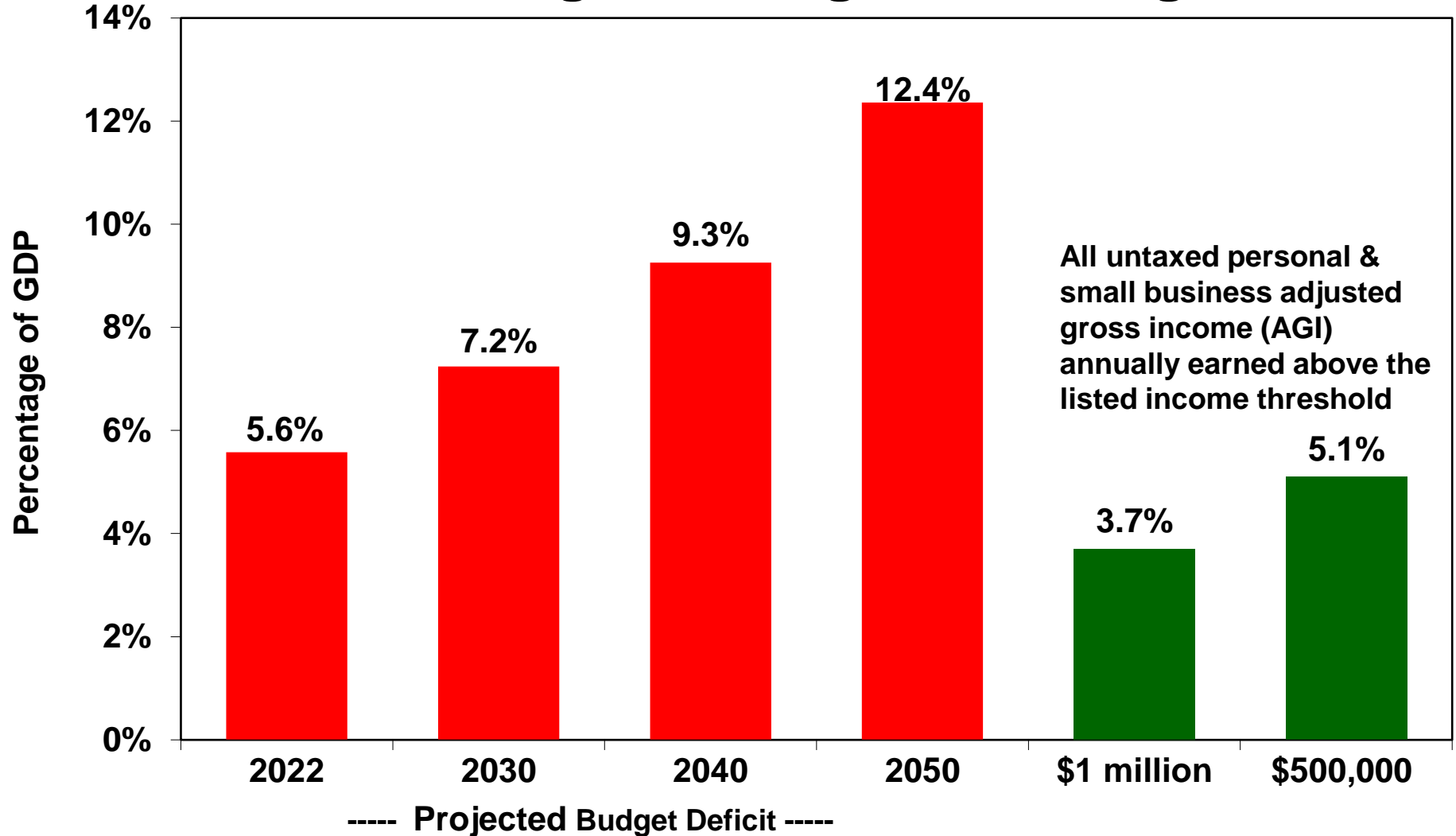
Even Eliminating Defense Department Would Not Come Close to Financing Soaring Long-Term Entitlement Costs



Author: Brian Riedl, Manhattan Institute @Brian_Riedl

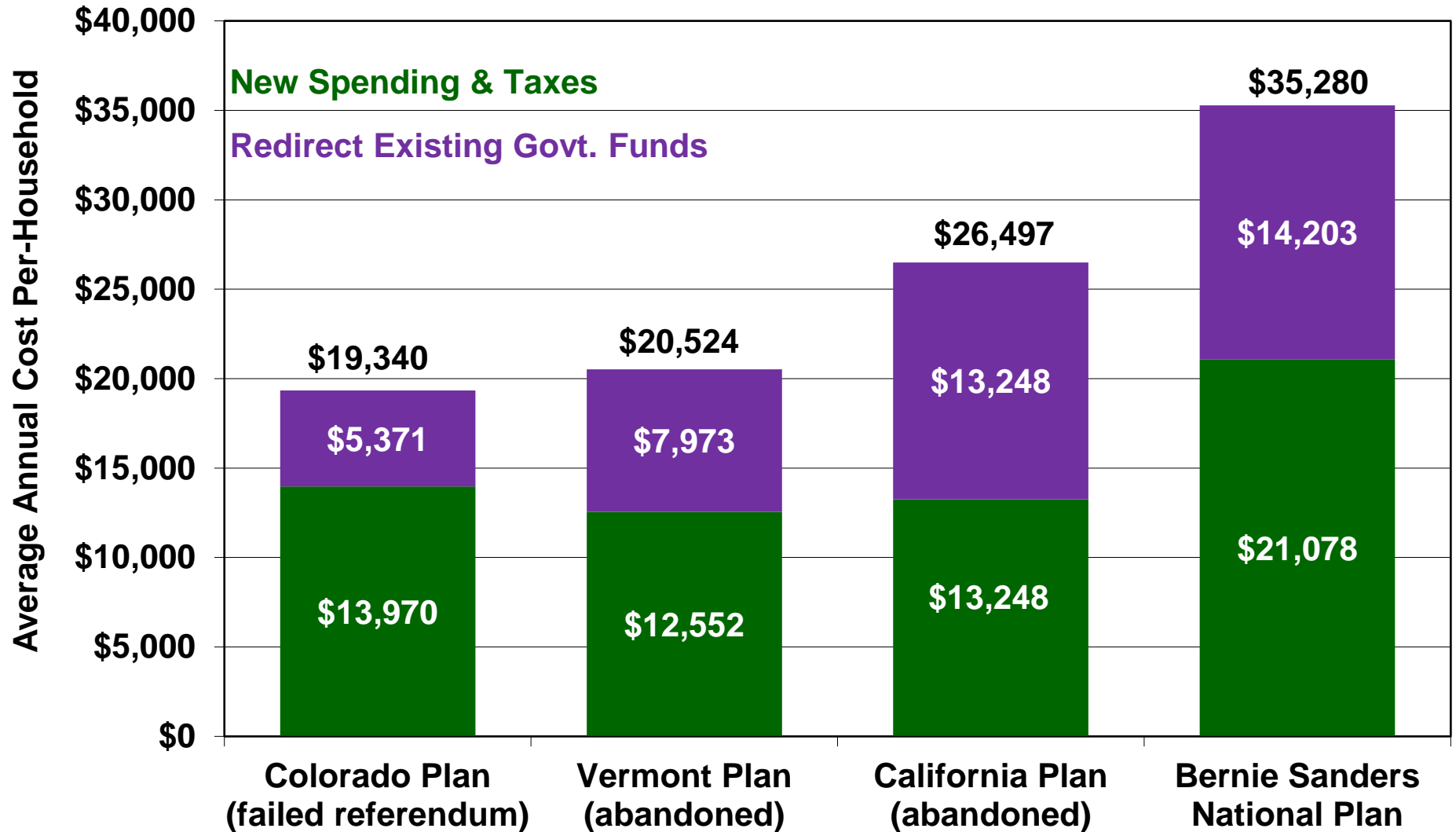
Source: OMB Historical Tables 3.2, and 10.1; and CBO 2022 Long-Term Outlook.

Even 100% Tax Rates on Small Businesses and Upper-Income Families Could Not Come Close to Balancing the Long-Term Budget



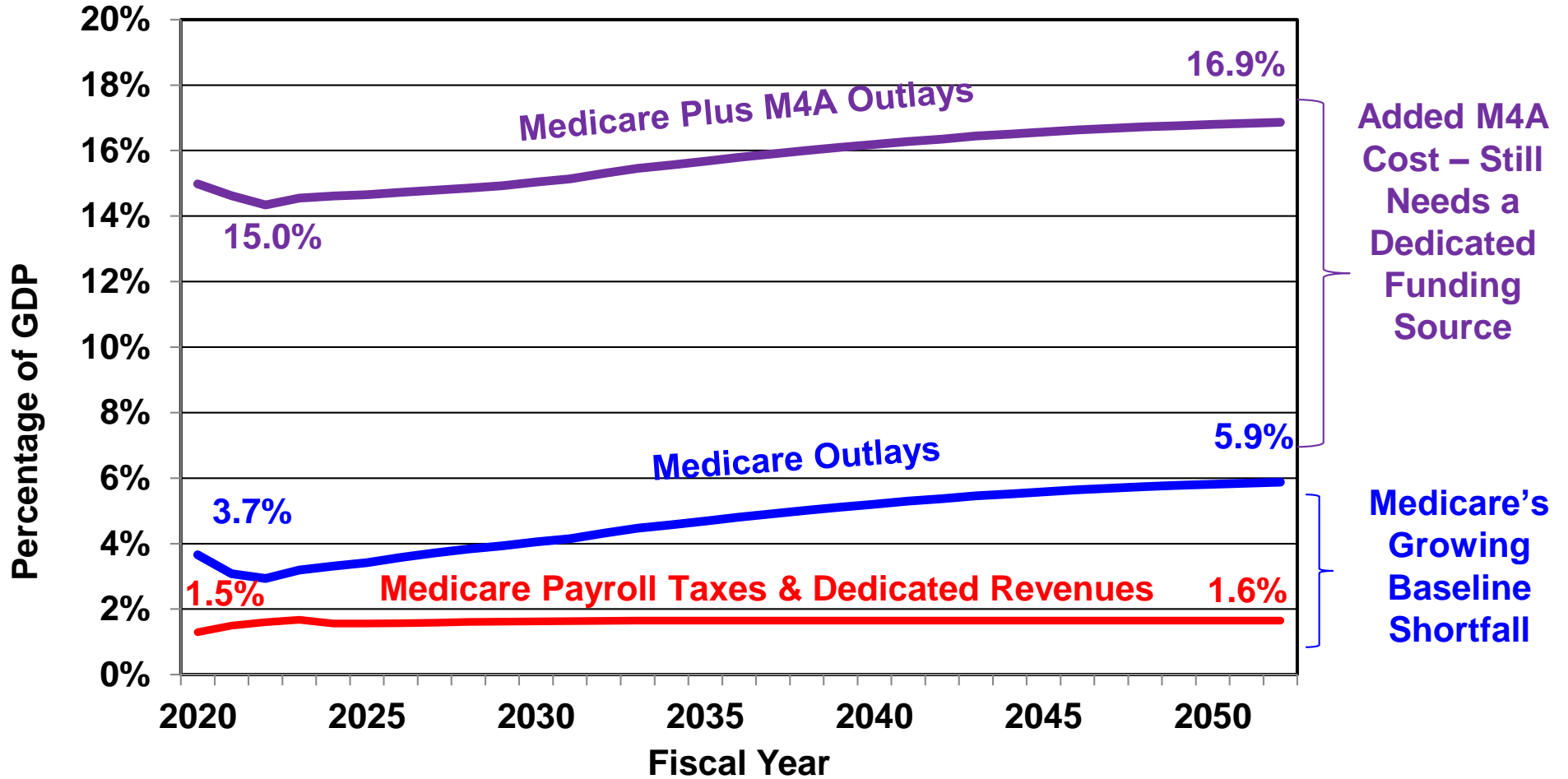
Source: CBO July 2022 Long-Term Budget Outlook adjusted into current-policy baseline and analysis of IRS 2019 (latest year) income tables.

Single-Payer Health Plans Do Not Save Money, They Would Require Huge Per-Household Tax Increases



Source: Public scores of Vermont and California bills, and Colorado Health Institute data. Sanders calculated from Urban Institute 2016 score of plan.

Medicare-For-All's 11% of GDP Cost is on Top of Current Medicare's Large & Growing Shortfall

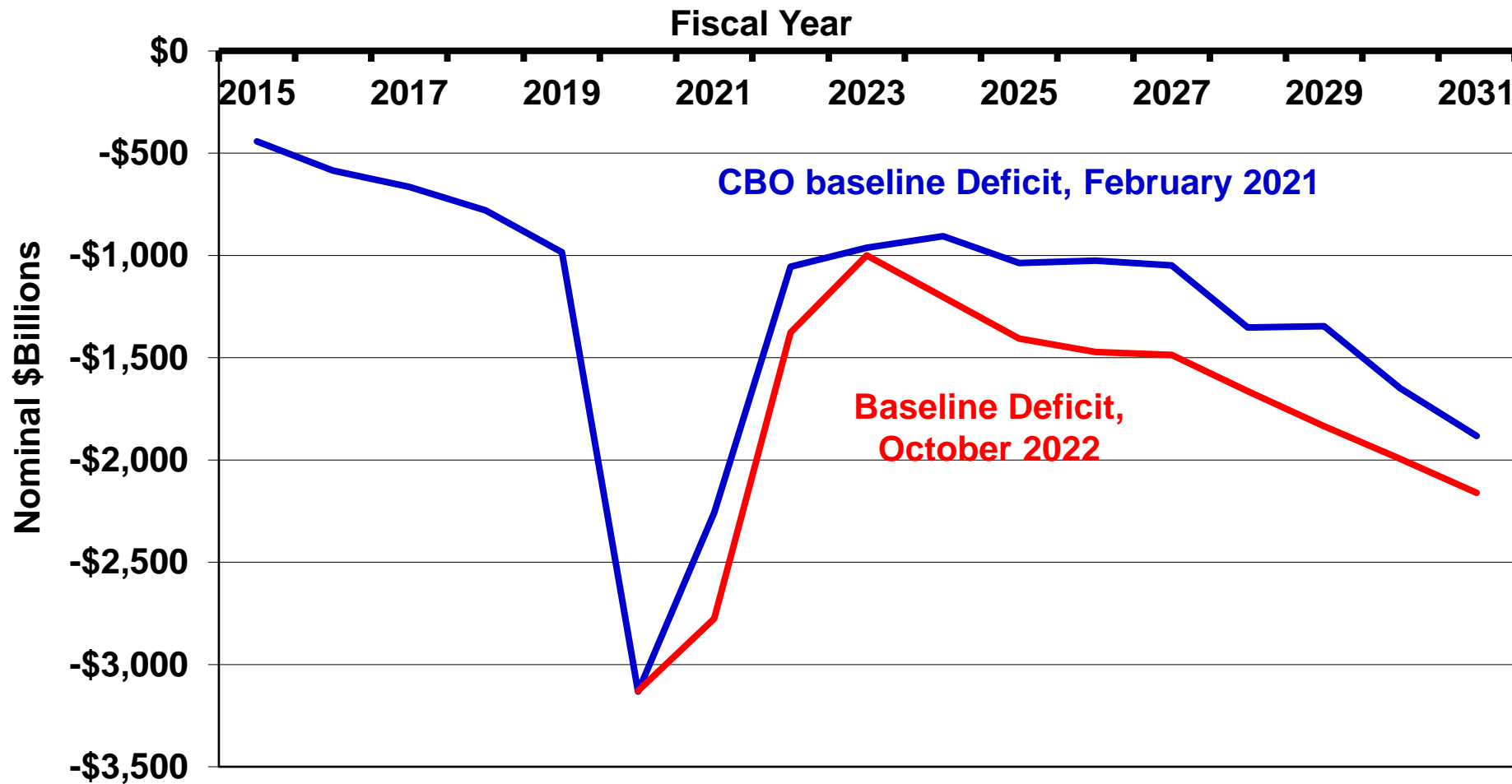


Source: Calculated using CBO 2022 Long-Term baseline and Medicare-For-All Estimates from the Committee For a Responsible Federal Budget (CRFB). Other health spending like Medicaid will by rise 0.6% of GDP, but that portion is already fully designed for general revenues.

Progressive Proposals Would Dig the Debt Even Deeper

Chapter 8

The 2021-2031 Projected Budget Deficit Has Grown by \$3.8 Trillion Since Biden Took Office



Source: CBO. October 2022 figures reflect May 2022 CBO baseline (with timing shifts removed) adjusted for final FY 22 figures and legislation enacted through September 2022.

In Just 20 Months, President Biden Added \$4.8 Trillion to 10-year Deficits

Legislation or Executive Order	10-year Cost (\$Billions)
American Rescue Plan	\$1,850
FY 2022 Omnibus Bill	\$625
Bipartisan Infrastructure Law	\$370
Honoring our PACT Act	\$280
SNAP Expansion	\$185
Health-Related Executive Orders	\$175
CHIPS and Science Act	\$80
Ukraine Supplementals	\$55
Inflation Reduction Act	-\$240
Student Debt Relief	\$750
Net Interest From Above Policies	\$700
Total 10-year Cost	\$4,830

Source: Committee For a Responsible Federal Budget, based on CBO and OMB data.
Does not account for budget deficit changes driven by economic and technical factors.

As a Candidate, Joe Biden Proposed \$11 Trillion in New Spending Over the Decade

Spending Proposal (\$Billions)	2021-2030	Source
Health & ACA Expansions (net of spending offsets)	\$1,450	CRFB
Reduce Medicare Eligibility Age to 60	\$300	Author Estimate
Climate and Infrastructure Initiative	\$2,000	Biden Campaign Website
Expand Social Security and SSI	\$1,000	CRFB
K-12 and Preschool Expansions	\$750	CRFB
College and Post-Secondary Education	\$750	Biden Campaign
Buy American Initiative (net*)	\$400	Biden Campaign Website
Housing Assistance	\$640	Biden Campaign Website
Family Leave Assistance	\$550	CBO Score of Family Act
Combat Opioid Addiction	\$125	Biden Campaign
Economic Stimulus (Endorsed Heroes Act)	\$3,000	CBO Score of Heroes Act
Total Spending Over Decade	\$10,965	

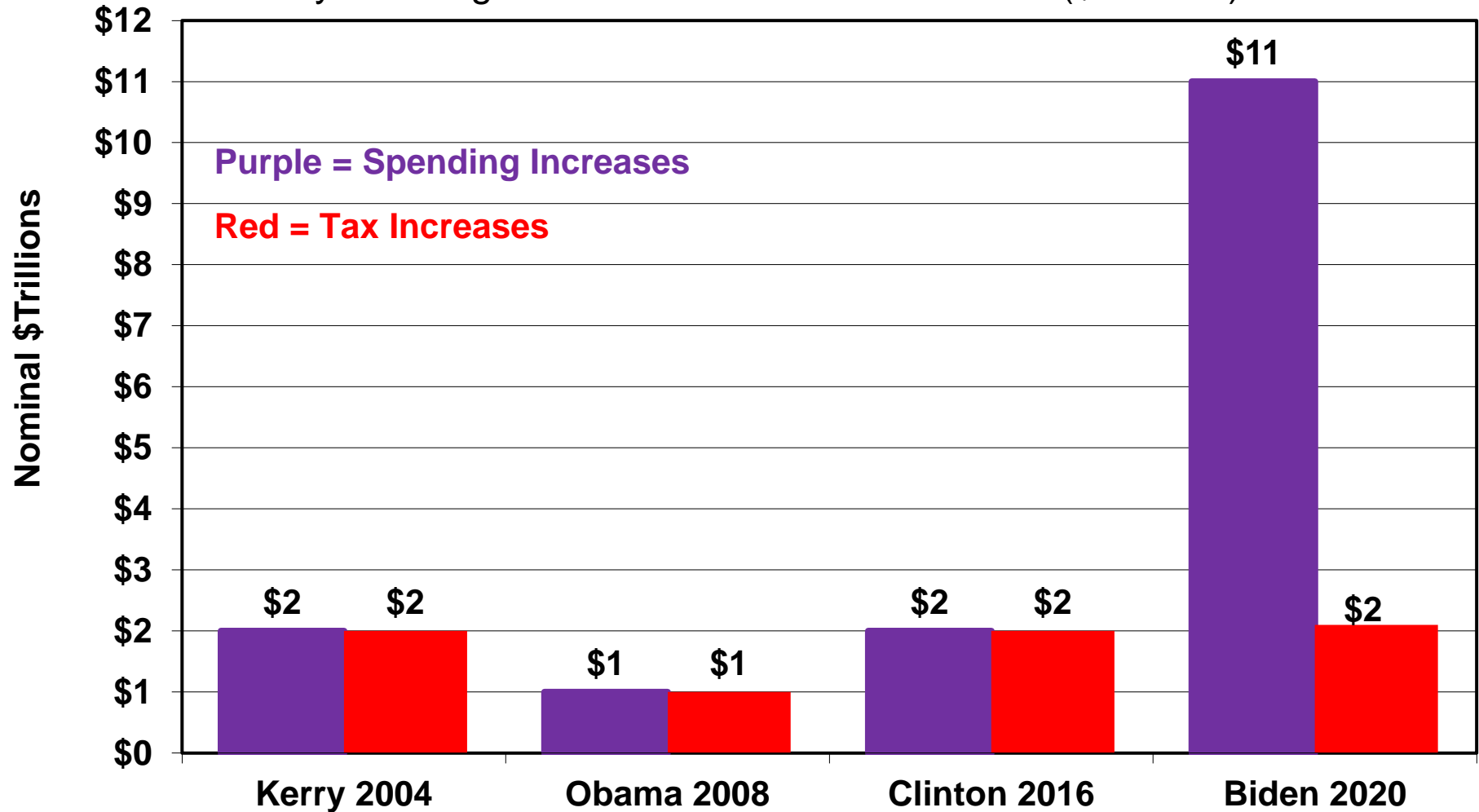
*Some of this \$700 billion initiative would take place within climate/infrastructure spending.

CRFB = Committee for a Responsible Federal Budget

Figures do not include additional interest costs of new borrowing.

Biden's Campaign Spending Proposals Dwarfed Recent Democratic Pres. Candidates

10-year Budget Estimates of Candidate Plans (\$Trillions)



Source: Tax Policy Center, Committee For a Responsible Federal Budget, American Enterprise Institute, and public scores of Biden plans

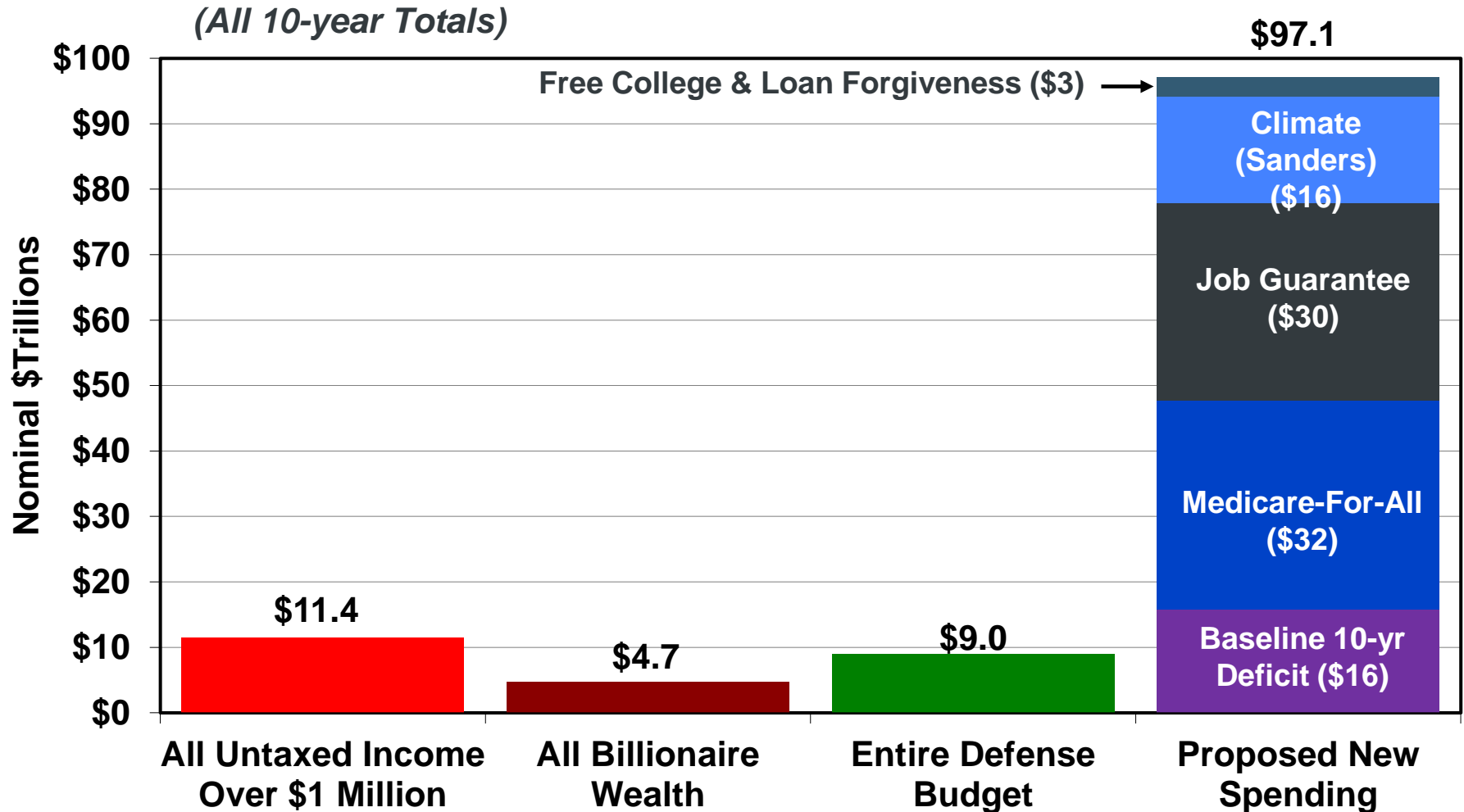
Common Progressive Proposals Would Total Between \$48 Trillion and \$102 Trillion Over the Decade

Common Spending Proposal	Low*	High*	Notes
Medicare-For-All	30.0	34.0	Sanders conceded “between \$30 to \$40 trillion”
Government Job Guarantee	—	30.1	Sanders proposal
Climate and Clean Energy	2.0	16.3	Sanders is the high figure
Free Public College Tuition & Loan Forgiveness	1.5	3.0	Low figure reflects partial loan forgiveness
Affordable Housing	0.7	2.5	Range is Biden to Sanders proposals
Social Security and SSI Expansion	1.1	1.8	Range is Biden to Sanders & Warren proposals
K-12 funding	0.5	1.2	
High Speed Rail and Other Infrastructure	1.0	1.0	
Child Care & Paid Family/Medical Leave	0.5	1.0	
Subtotal: New Spending Proposals	37.3	90.9	Baseline is \$72 trillion spending over decade
Baseline Budget Deficit, 2023-2032	16.5	16.5	
Total Federal Budget Deficit	53.8	107.4	Out of a \$311 trillion projected GDP (CBO)
Popular Spending Offsets			
Cut Defense to European Levels	-2.7	-2.7	Baseline is 3% of GDP. NATO target is 2%
Medicare-For-All - Capture State Govt Savings	-3.0	-3.0	It is not clear Washington could capture this
Remaining Budget Shortfall To Fill	48.1	101.7	<i>Requires > Doubling \$56 T in Fed. Revenues</i>

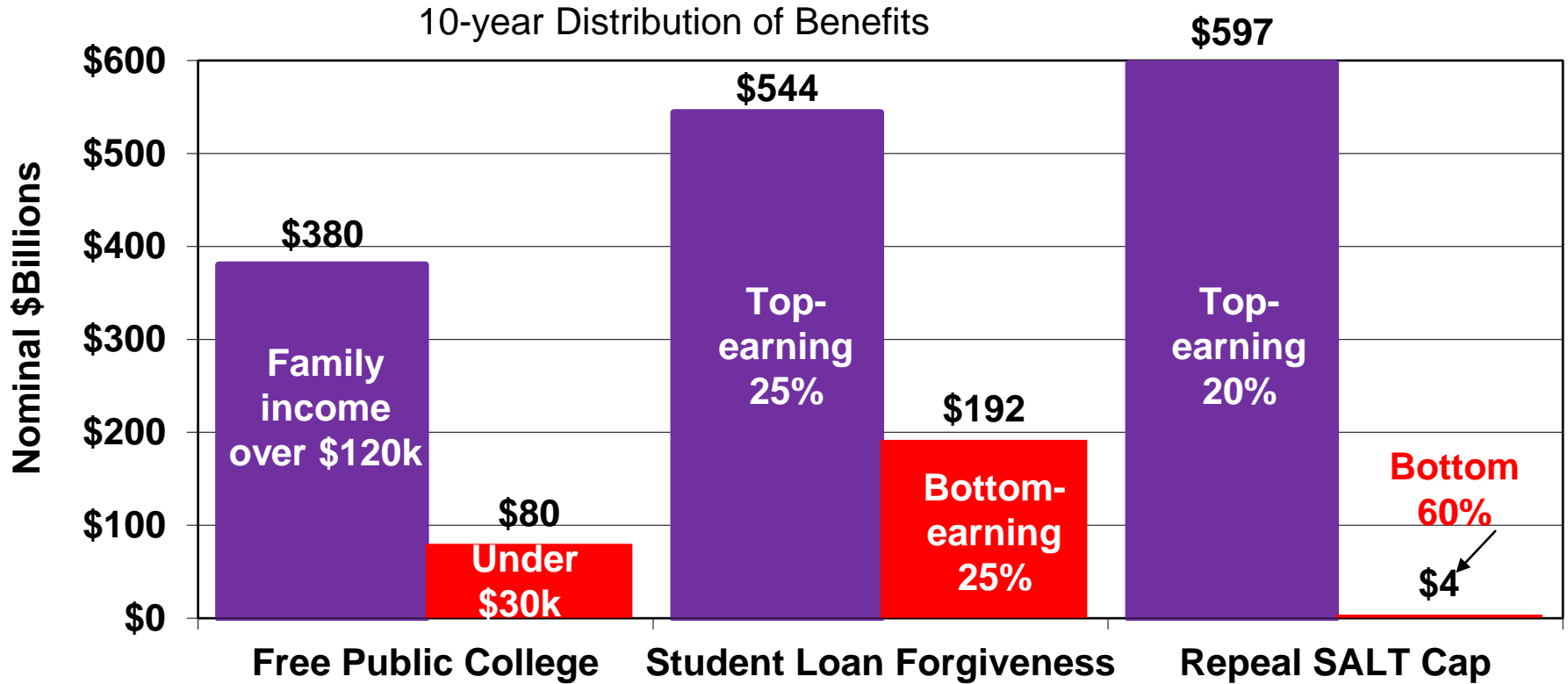
*All figures are over ten years, and in \$trillions.

Sources: Campaigns, White House, CBO, Committee For a Responsible Federal Budget, and Manhattan Institute estimates

No, Defense Cuts & Taxing Millionaires Cannot Finance Current Deficit or Progressive Wishlist



Several Major Progressive Proposals Overwhelmingly Benefit Upper-Income Families



Sources: Calculated using data from the Urban Institute and Tax Policy Center.

SALT=State and Local Tax deduction.

Also: Medicare-For-All could hurt most of the 75 million Medicaid recipients who already pay little-to-no premiums/copays, but would likely pay the broad-based taxes required to fund full cost of law.

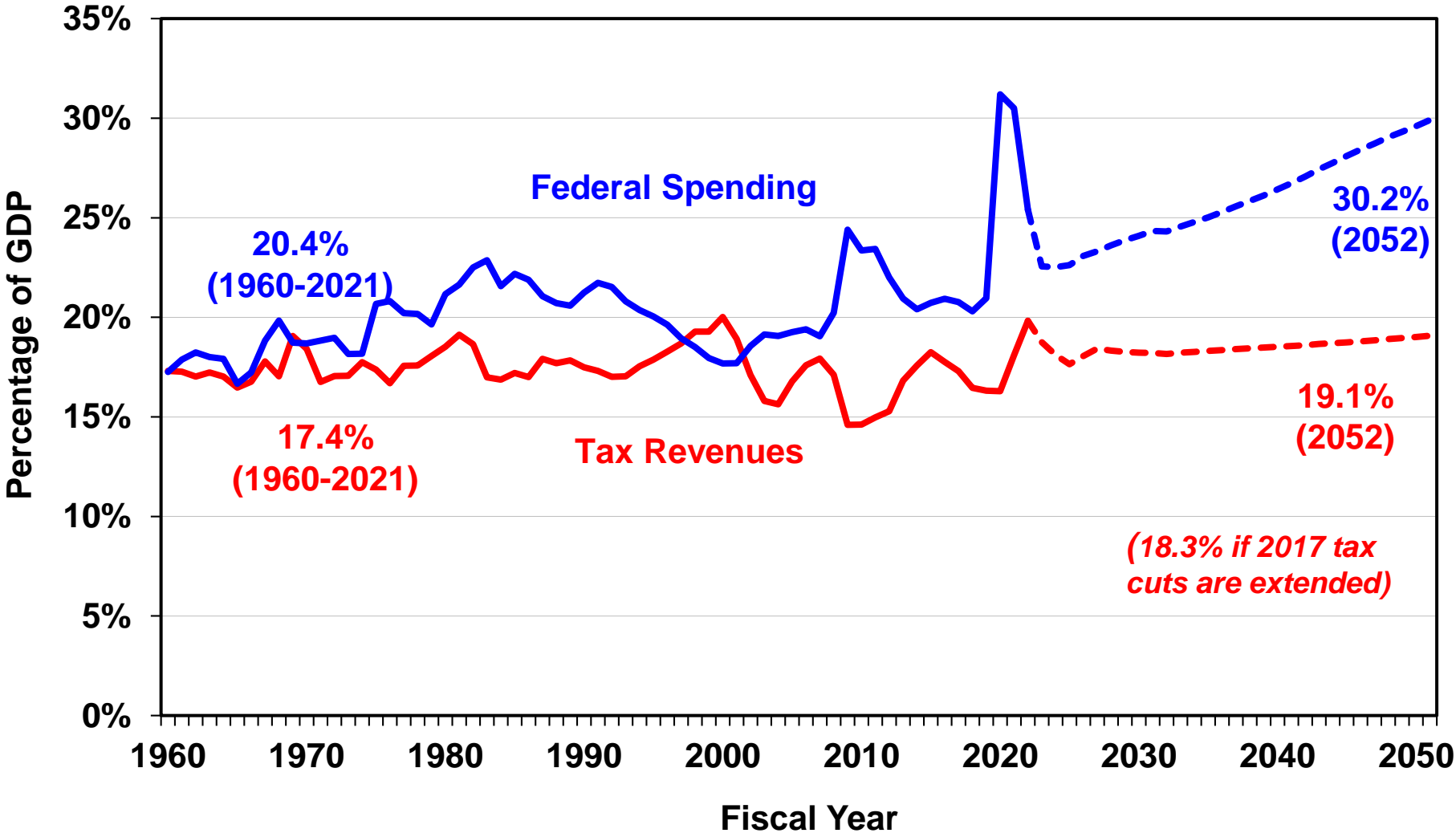
A carbon tax would raise costs 2% for the bottom quintile, vs. 1% for top quintile.

Zero-emission mandates will raise car/home prices & kill working-class fossil fuel jobs.

Tax Revenues Will Continue Growing Faster than the Economy

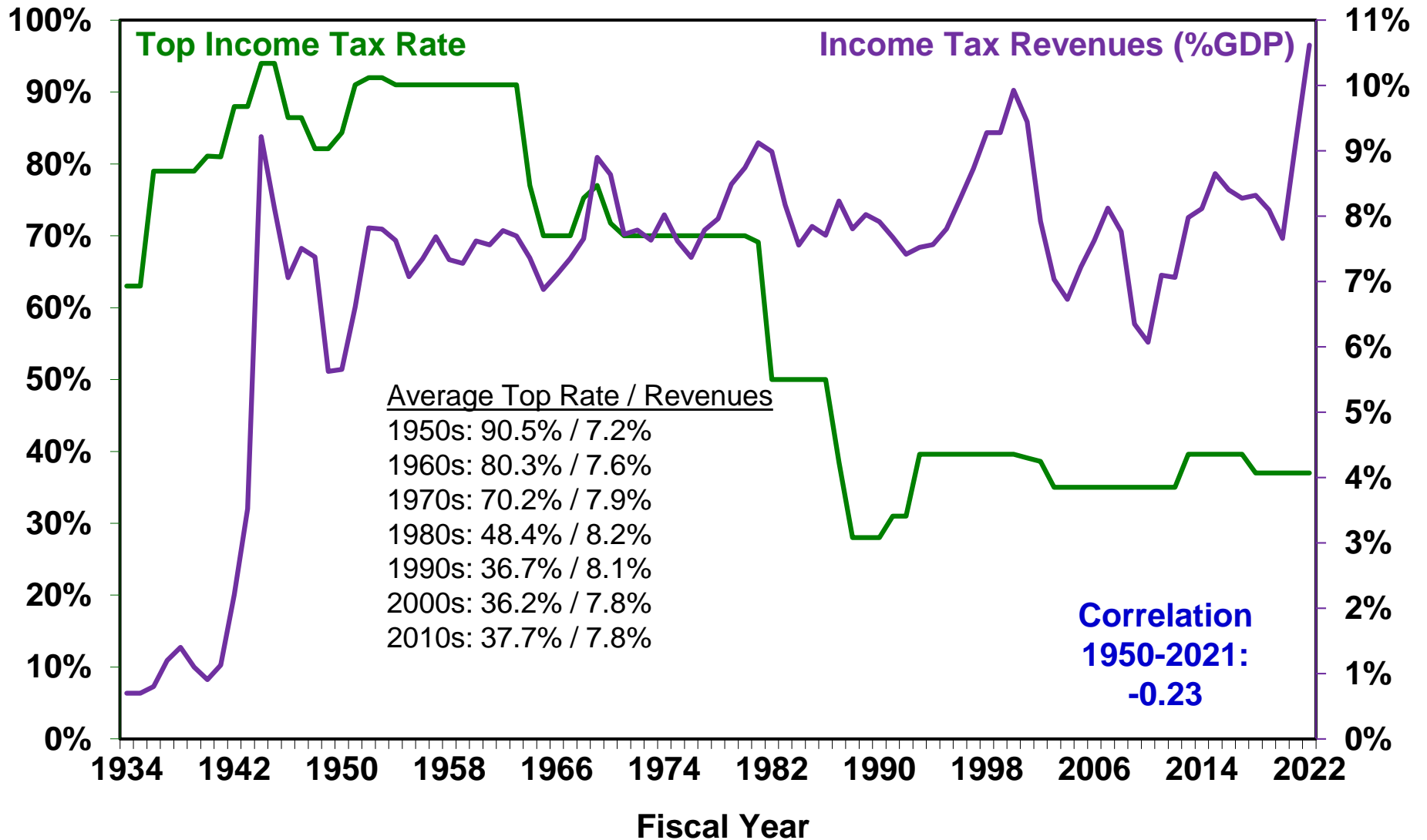
Chapter 9

Rising Spending – Not Falling Revenues – Drives the Long-Term Deficit

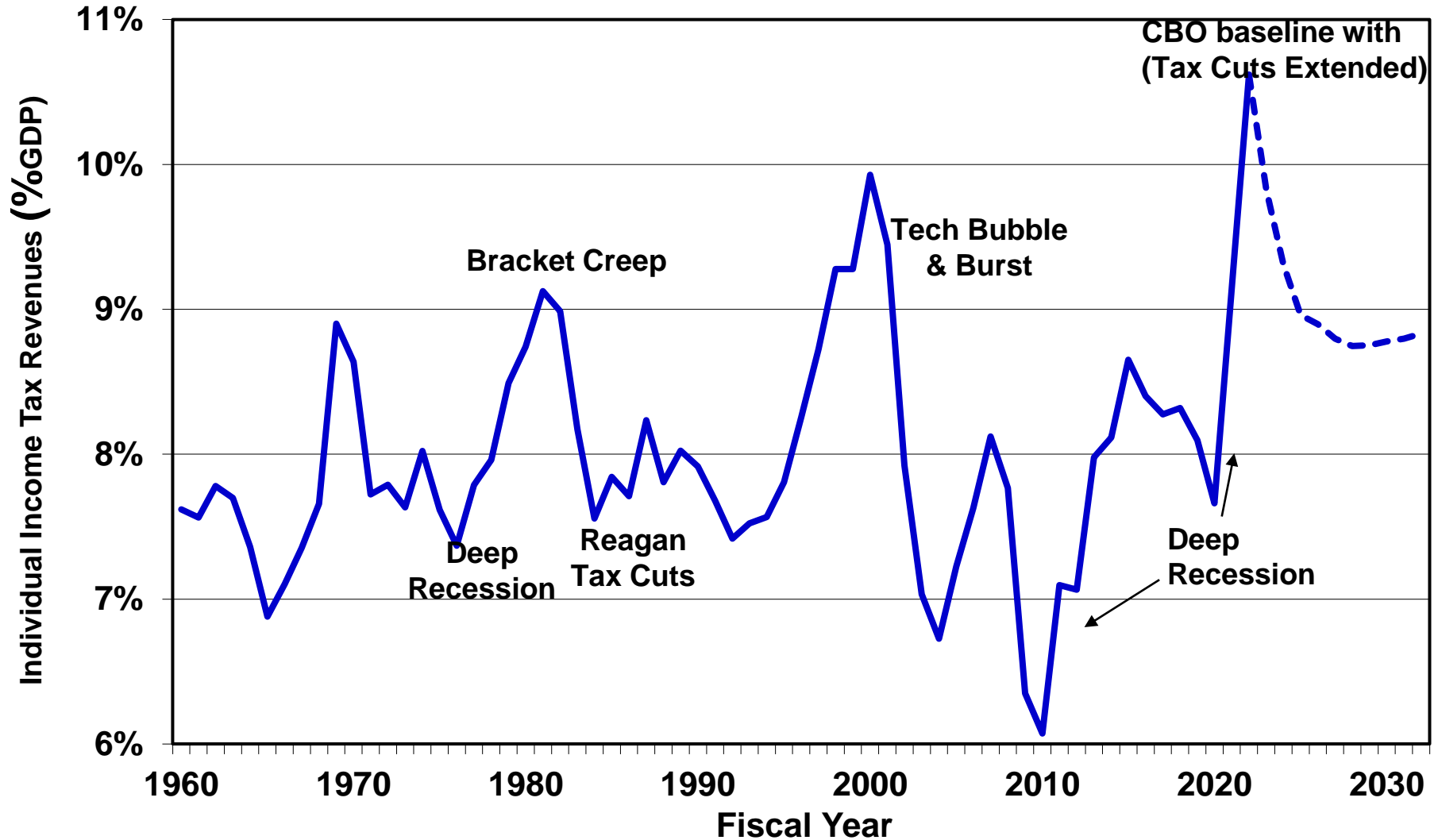


Source: CBO 2022 Long-term Budget Outlook

Income Tax Revenues Have Remained Relatively Constant Regardless of the Top Tax Rate



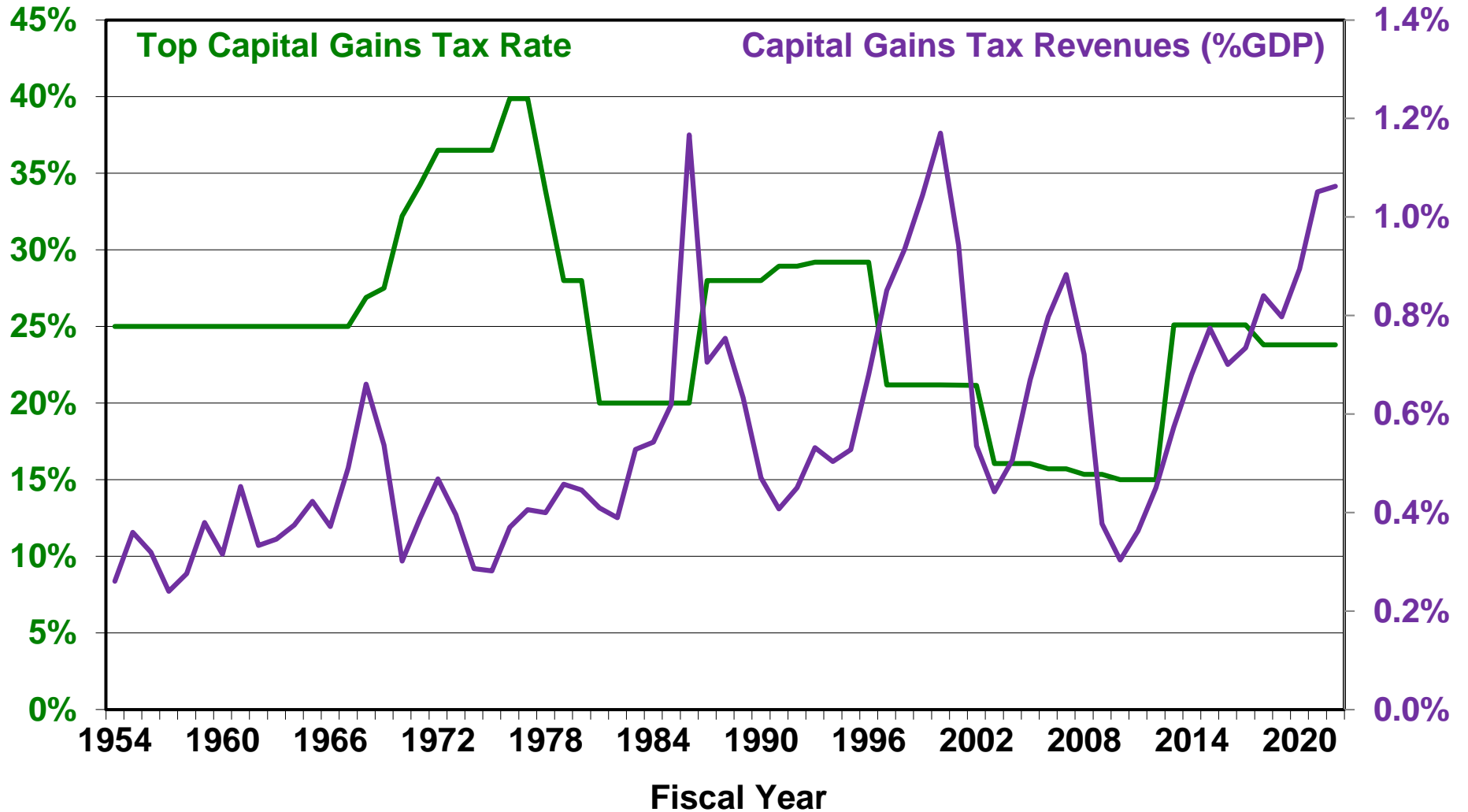
Individual Income Tax Revenues Will Rise –Even With the Tax Cuts– Due to Real Bracket Creep & Taxable Retirement Distributions



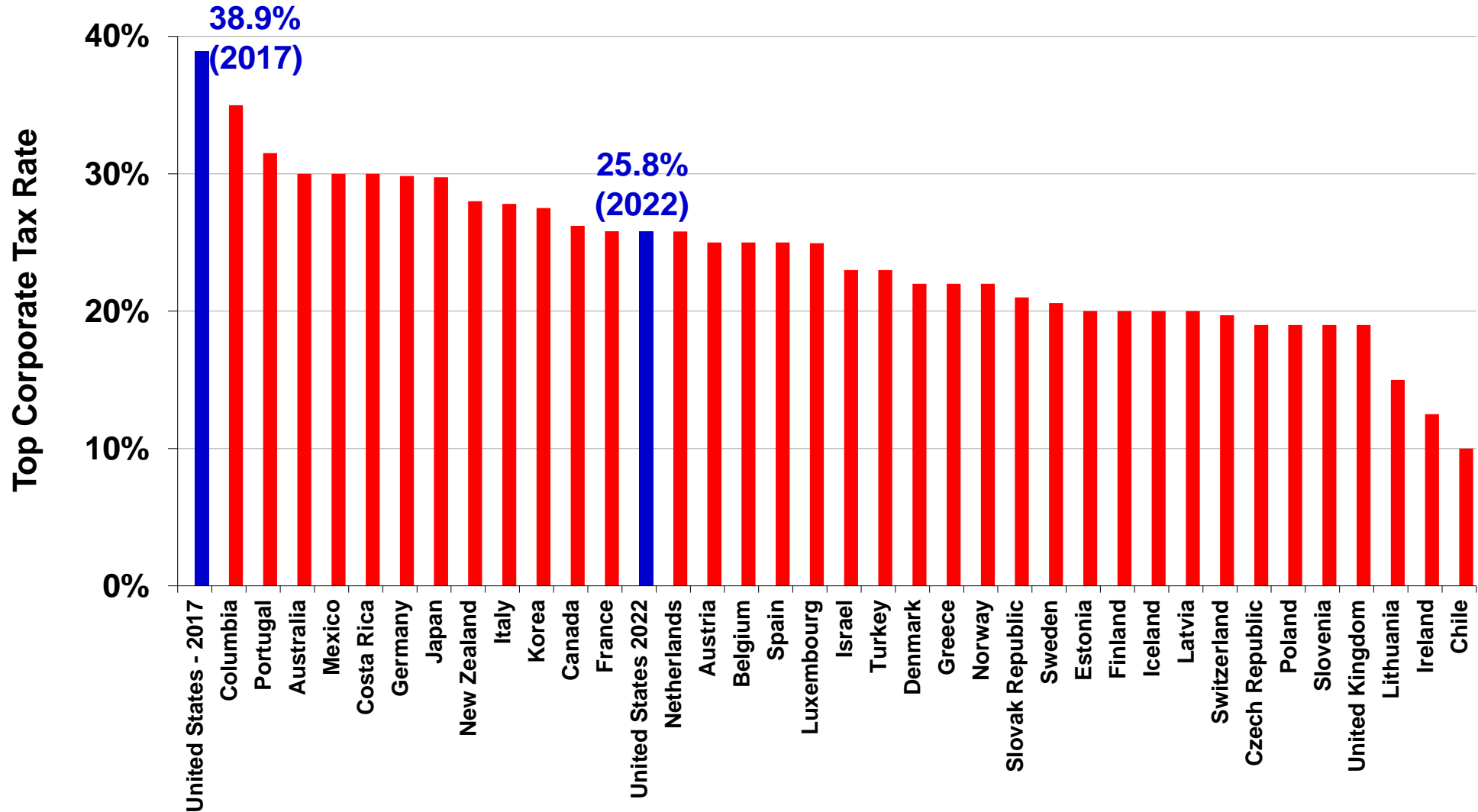
Source: OMB Historical Table 2.3, and May 2022 CBO (current-policy) Baseline. Real bracket creep is when rising incomes (above inflation) push taxpayers into higher tax brackets, raising their average tax rate.

High Capital Gains Tax Rates Have Not Produced More Revenues

Correlation 1954-2022: -0.31



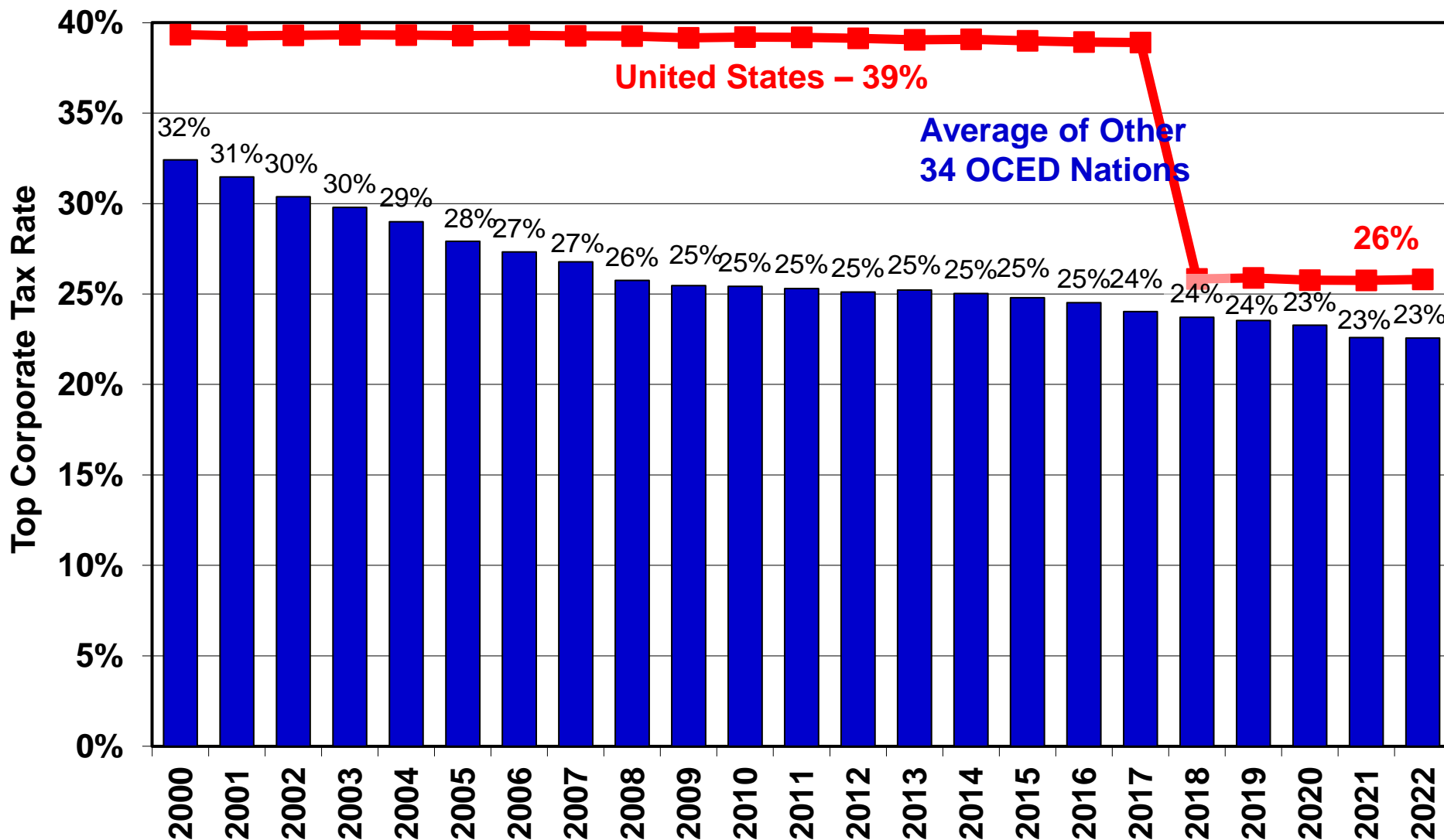
Before the TCJA Cut it to 26% (incl. 5% State) U.S. had Highest Corporate Tax Rate in the OECD



Source: OECD Stats (2022), Tax Table II.1. Tax rates include federal, state, province and local corporate taxes.

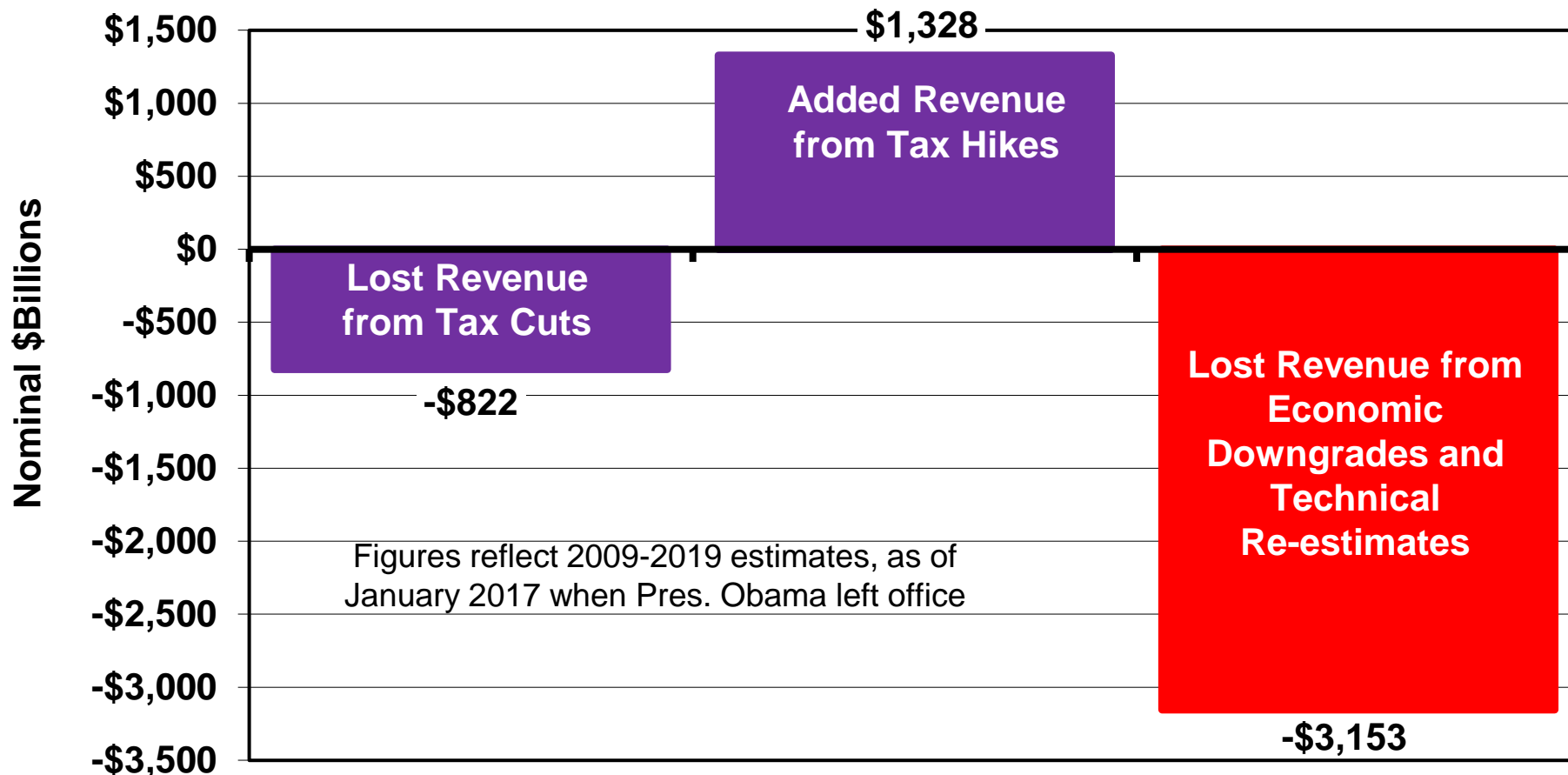
Notes: While all countries allow businesses to reduce their taxes through exemptions, deductions, and credits, the U.S. has been among the highest effective corporate tax rates too.

The U.S. has Finally Caught Up With the Rest of the OECD on Corporate Tax Competitiveness



Source: OECD Stats (2022), Tax Table II.1. Tax rates include federal, state, province and local corporate taxes.

The Economy Matters More: President Obama Oversaw \$500 Billion in New Taxes – and Also Lost \$3.2 Trillion to Economic Downgrades



Source: Congressional Budget Office data. Between January 2009 and January 2017, Congress and President Obama enacted legislation adding \$516 billion to 2009-2019 revenues (against a current-policy baseline). During that same period, the unexpectedly-weak economic recovery and related technical estimates reduced 2009-19 revenues by \$3,153 billion. Note that the initial January 2009 CBO baseline had already incorporated the projected 2009-19 revenue losses from the recession. These additional economic downgrades reflect the weak recovery, particularly in the later years.

Taxes Cannot Easily Close Security & Medicare Shortfall: Would Need to Hike Taxes by 6% of GDP by 2040s

Tax Proposals (static scoring)	10-Yr Savings (\$Billions)	Long-Term Savings (%GDP)
Raise Income Tax Rates Across-the-Board by 10 Percentage Points	\$8,840	3.27%
Raise Payroll Tax by 10 Percentage Points, no wage limit	\$8,775	3.32%
Impose a 20% Value-Added Tax (VAT) – like a national sales tax	\$7,280	3.02%
Double 35% and 37% Tax Brackets to 70% and 74% (plus 15% state/payroll)	\$4,154	1.48%
Impose Bernie Sanders' 8% Wealth Tax (<i>data from TPC</i>)	\$2,263	0.73%
Eliminate FICA Cap – 15.3% Payroll Tax on All Wages (<i>data from SSA</i>)	\$2,180	0.84%
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30% Minimum "Buffett Tax" for Millionaires	\$66	0.03%

Source: Dec. 2020 CBO "Budget Options" book unless otherwise noted.

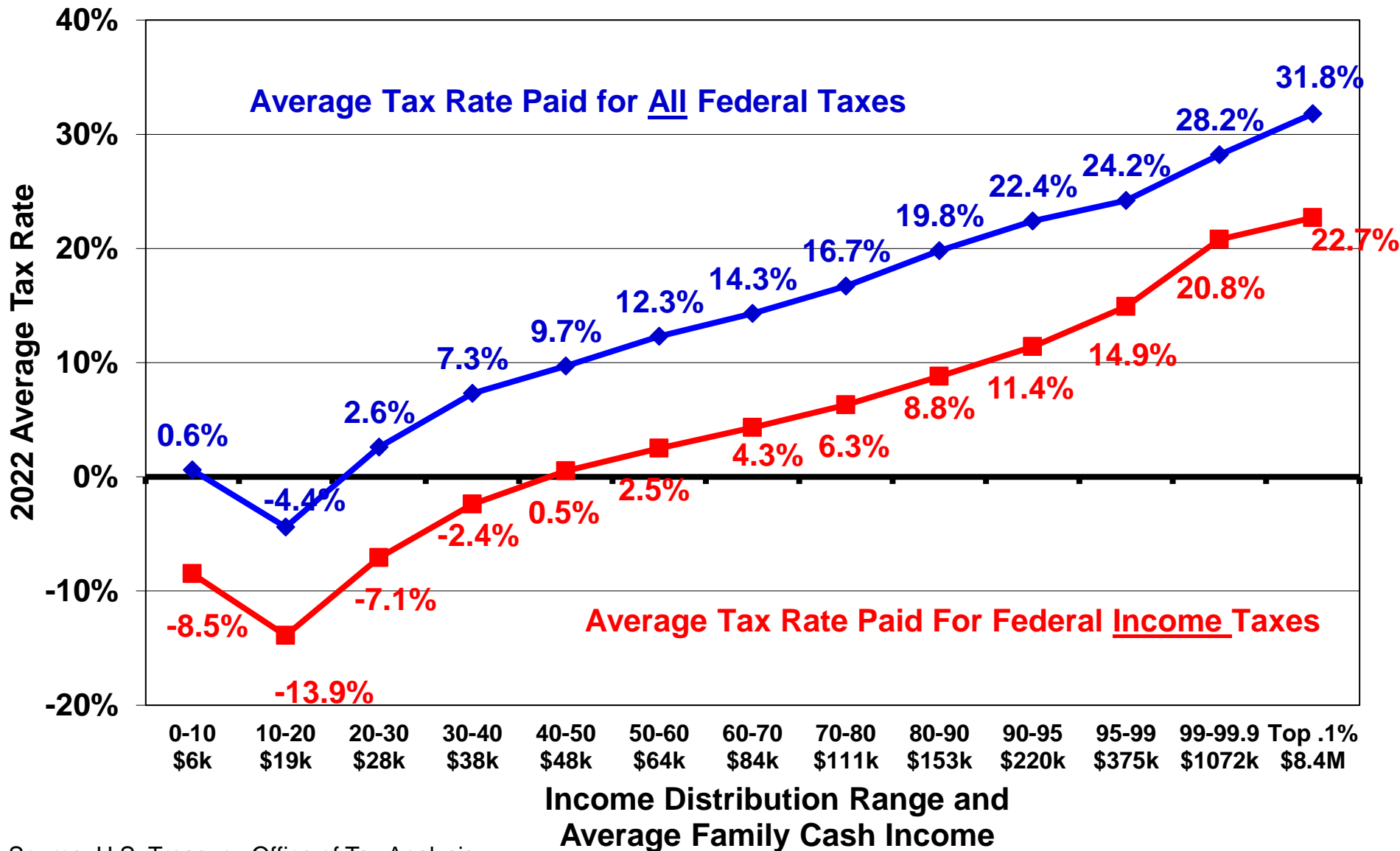
These static estimates do not account for revenues lost to the economic impact.

Combining policies may also create duplications and interaction effects, so these cannot be summed.

The Tax Code Has Become Increasingly Progressive

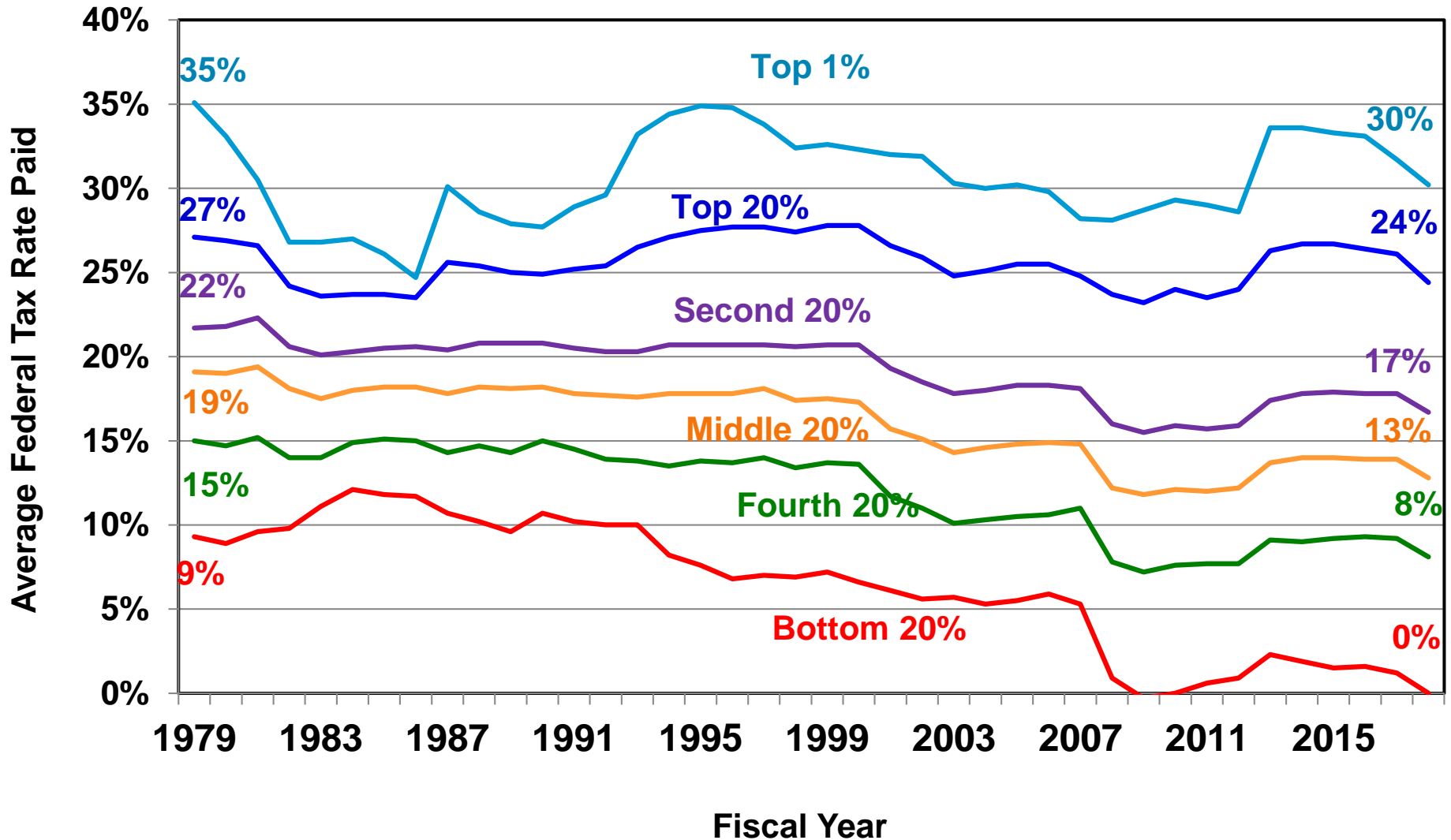
Chapter 10

The Federal Tax Code Remains Progressive



Source: U.S. Treasury, Office of Tax Analysis.
Data represents 2022 Distribution of Tax Burden, Current Law

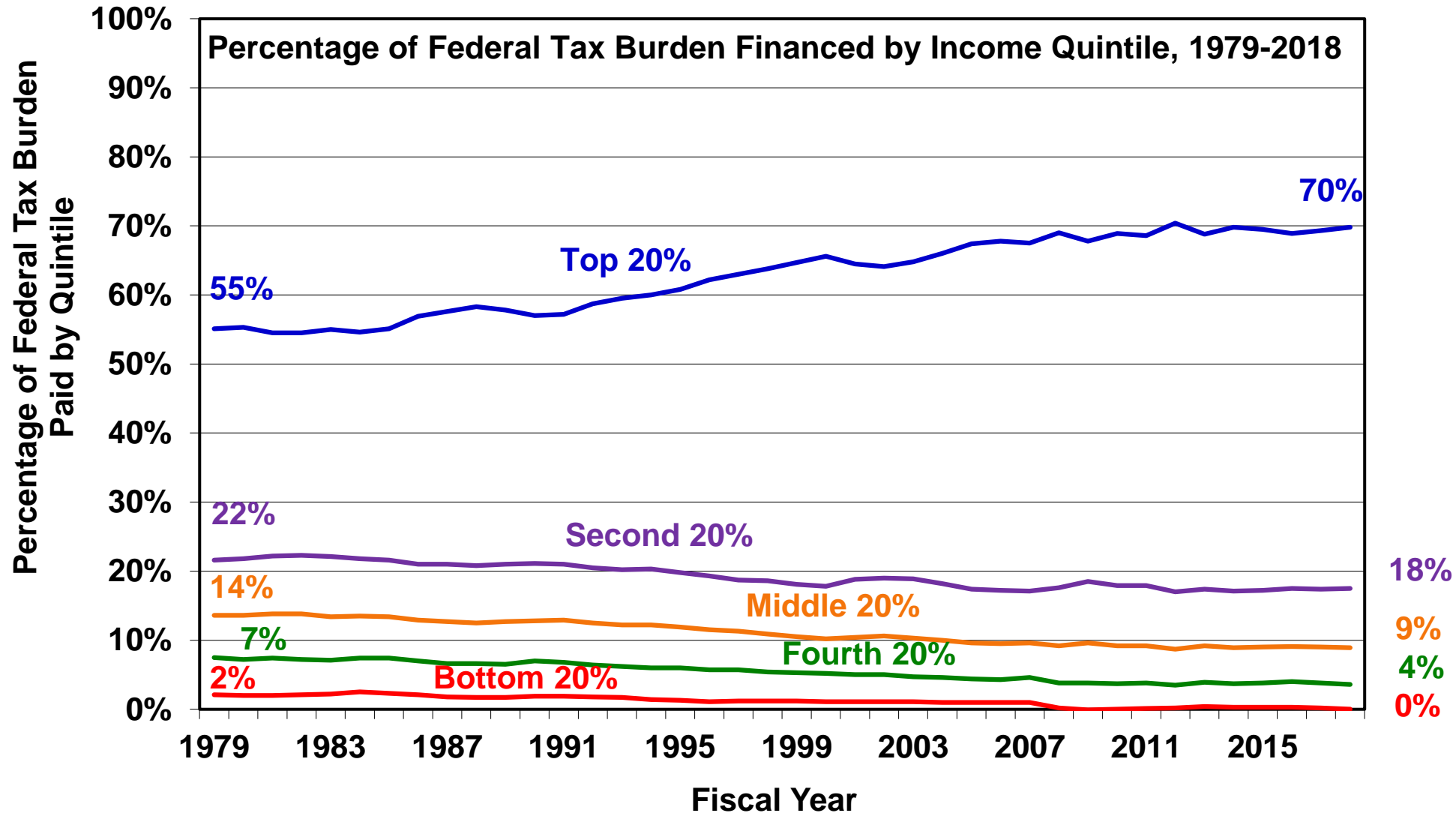
Average Federal Tax Rate Paid by Income Category, 1979-2018



Author: Brian Riedl, Manhattan Institute @Brian_Riedl

Note: Includes federal income, payroll, corporate, and excise taxes paid.
Source: Calculations using CBO "Distribution of Household Income, 2018" (2021)

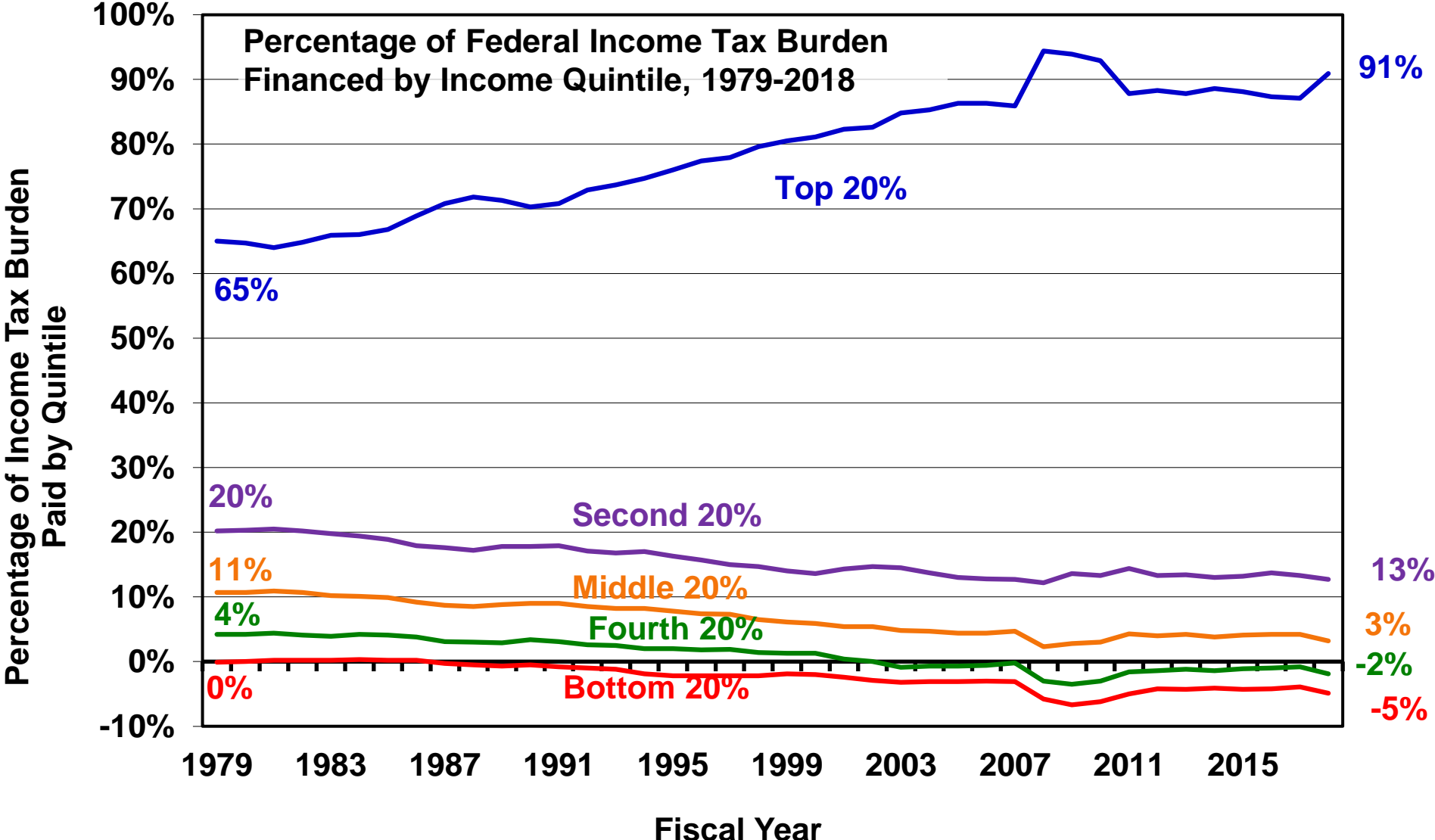
The Federal Tax Burden (For All Combined Taxes) Has Grown More Progressive Over Time



Author: Brian Riedl, Manhattan Institute @Brian_Riedl

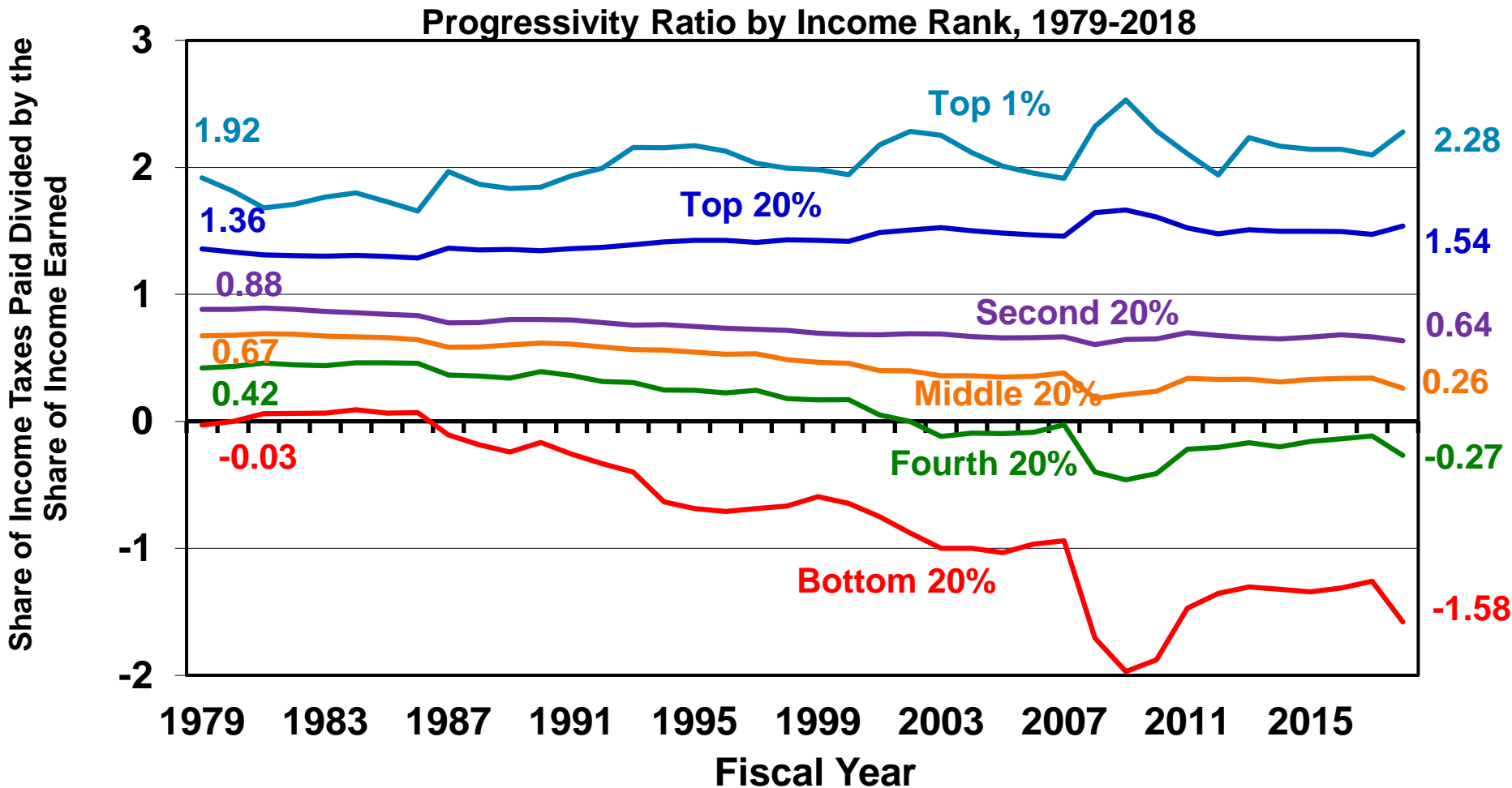
Source: Calculations using CBO "Distribution of Household Income, 2018" (2021)

The Highest-Earning 20% of Taxpayers Pay 91% of All Federal Individual Income Taxes



Source: Calculations using CBO "Distribution of Household Income, 2018" (2021)

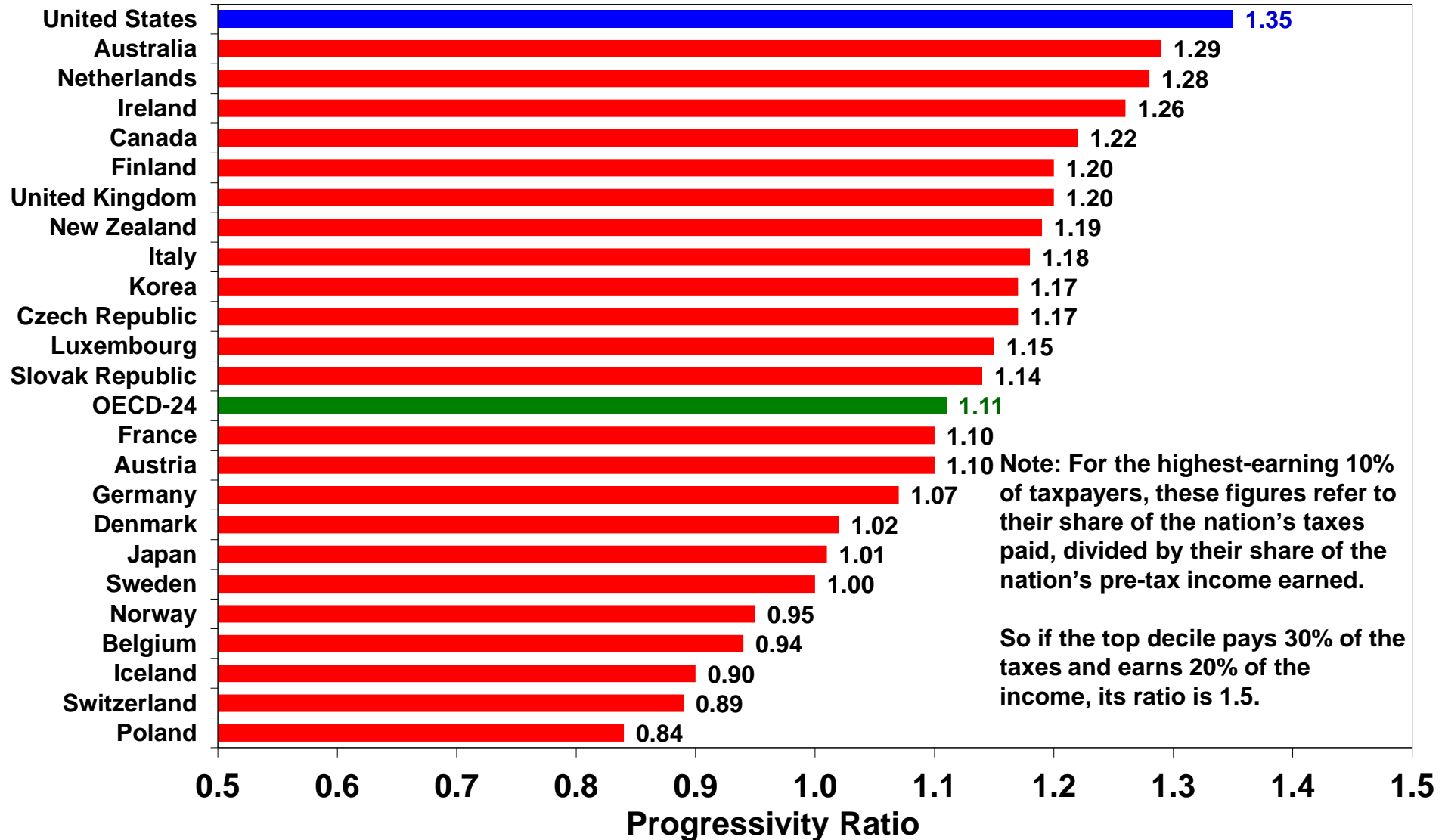
Even Controlling for Income Inequality, Income Taxes Have Become More Progressive



Source: Calculations using CBO "Distribution of Household Income, 2018" (2021)

"Progressivity ratio" refers to the share of all individual income taxes paid divided by the share of pre-tax income earned. So a group that pays 40% of the taxes while earning 20% of the income has a progressivity ratio of 2. Ratios above 1 represent tax burdens exceeding their share of the income, while ratios below 1 represent tax burdens below their income share. Negative figures reflect a negative tax burden.

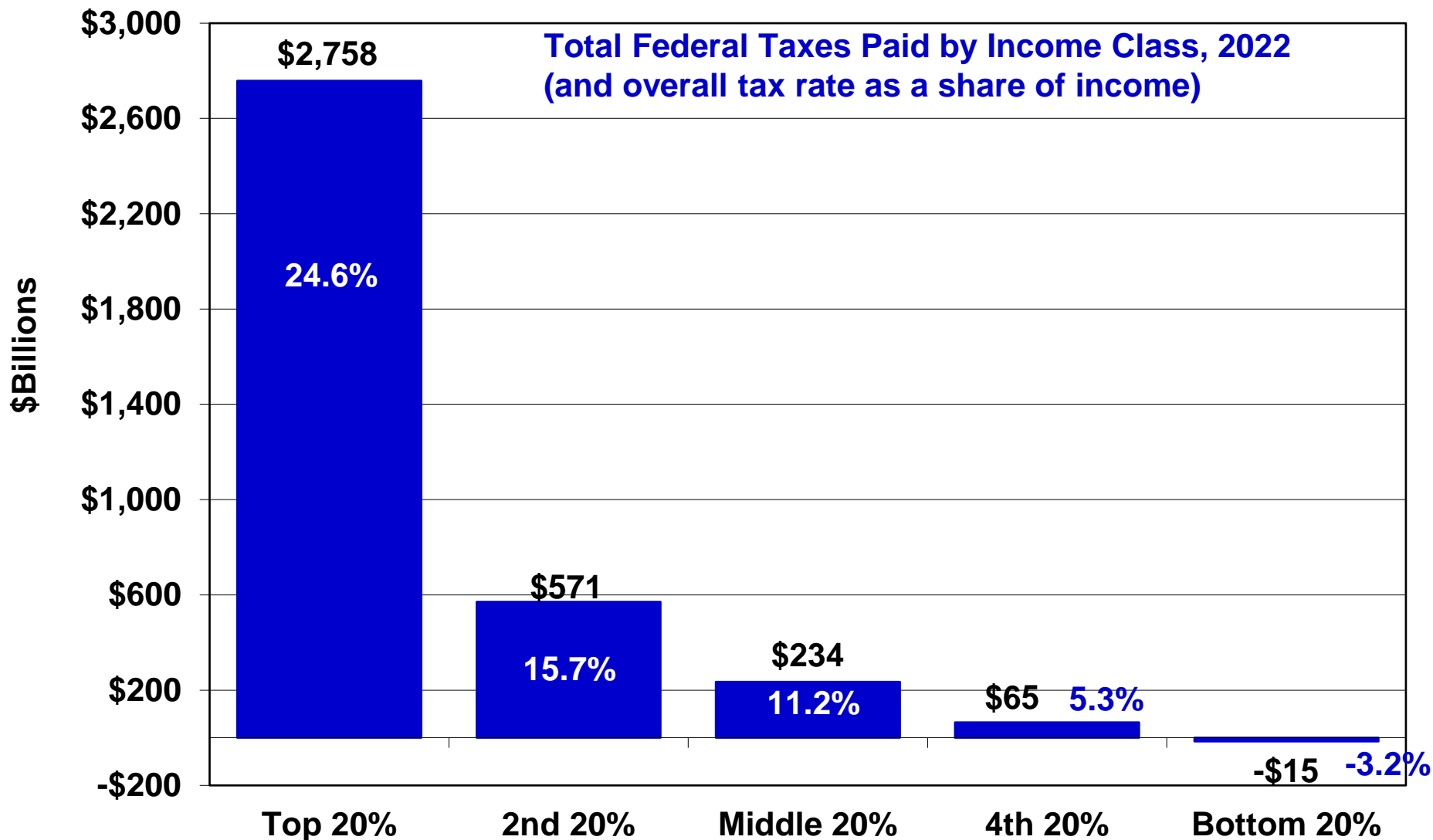
Even Controlling for Income Inequality, the U.S. Has the OECD's Most Progressive Income & Payroll Tax



Author: Brian Riedl, Manhattan Institute @Brian_Riedl

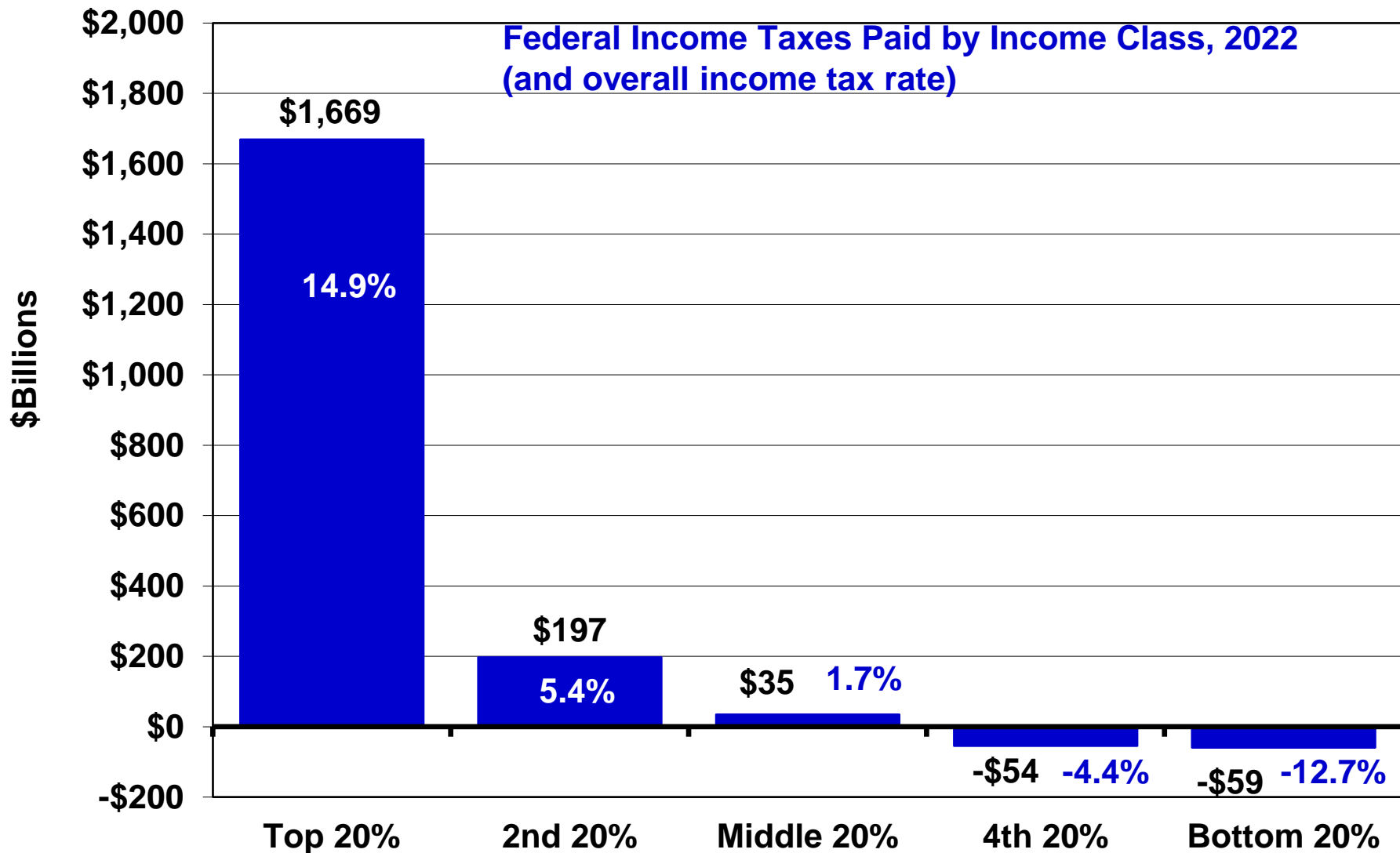
Source: OECD (2008) and Tax Foundation. The U.S tax code has since become even more progressive. Figures also exclude value-added taxes that make many other OECD nations' tax codes even less progressive.

Upper-Income Taxpayers Overwhelmingly Finance the Federal Government



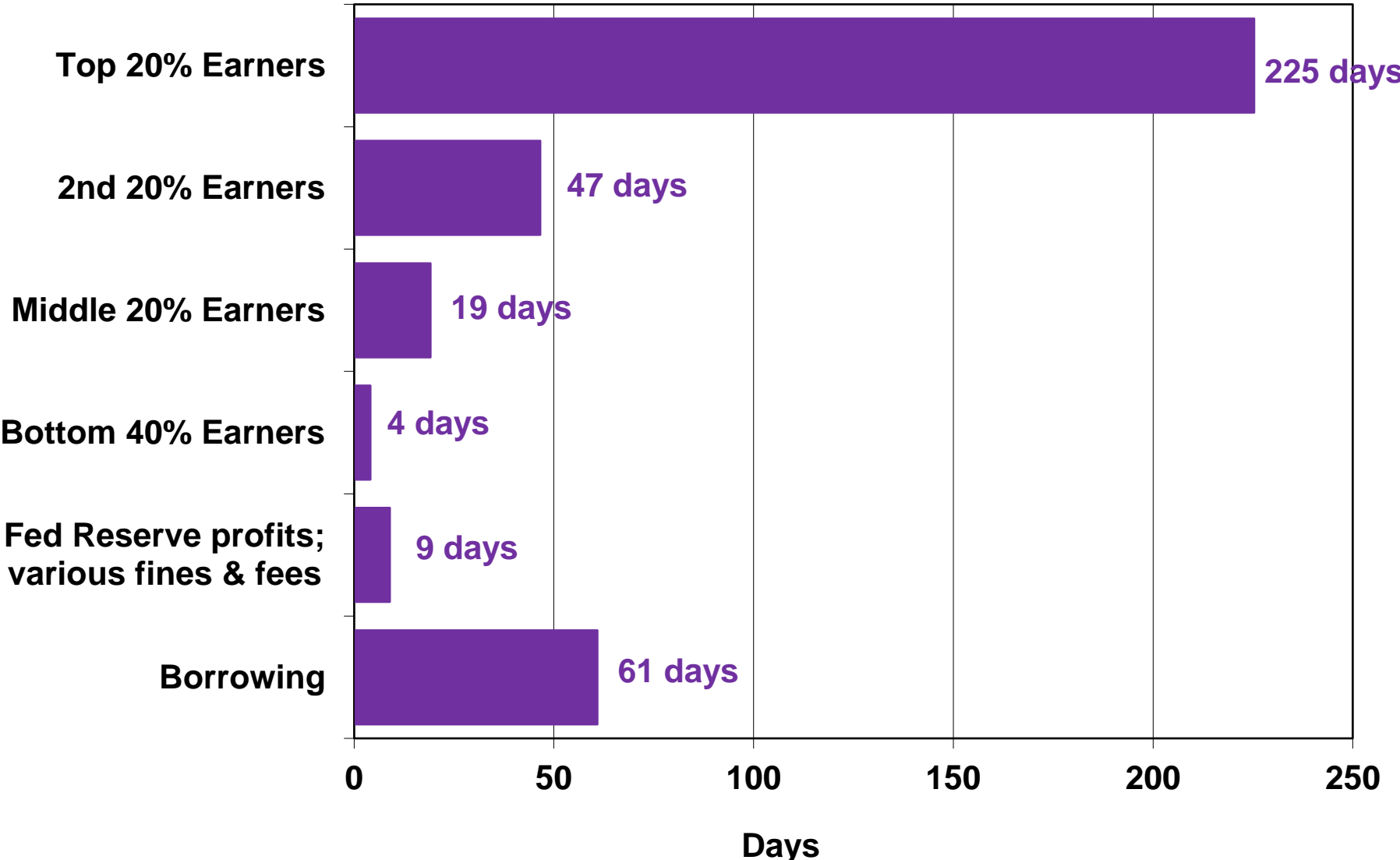
Source U.S. Treasury Office of Tax Analysis. Data for 2022, and includes individual and corporate income, payroll, excises, customs duties, and estate and gift taxes.

Upper-Income Taxpayers Finance Nearly the Entire Federal Income Tax



Source U.S. Treasury Office of Tax Analysis. Data for 2022.

How Washington Financed 365 Days of Spending in 2022

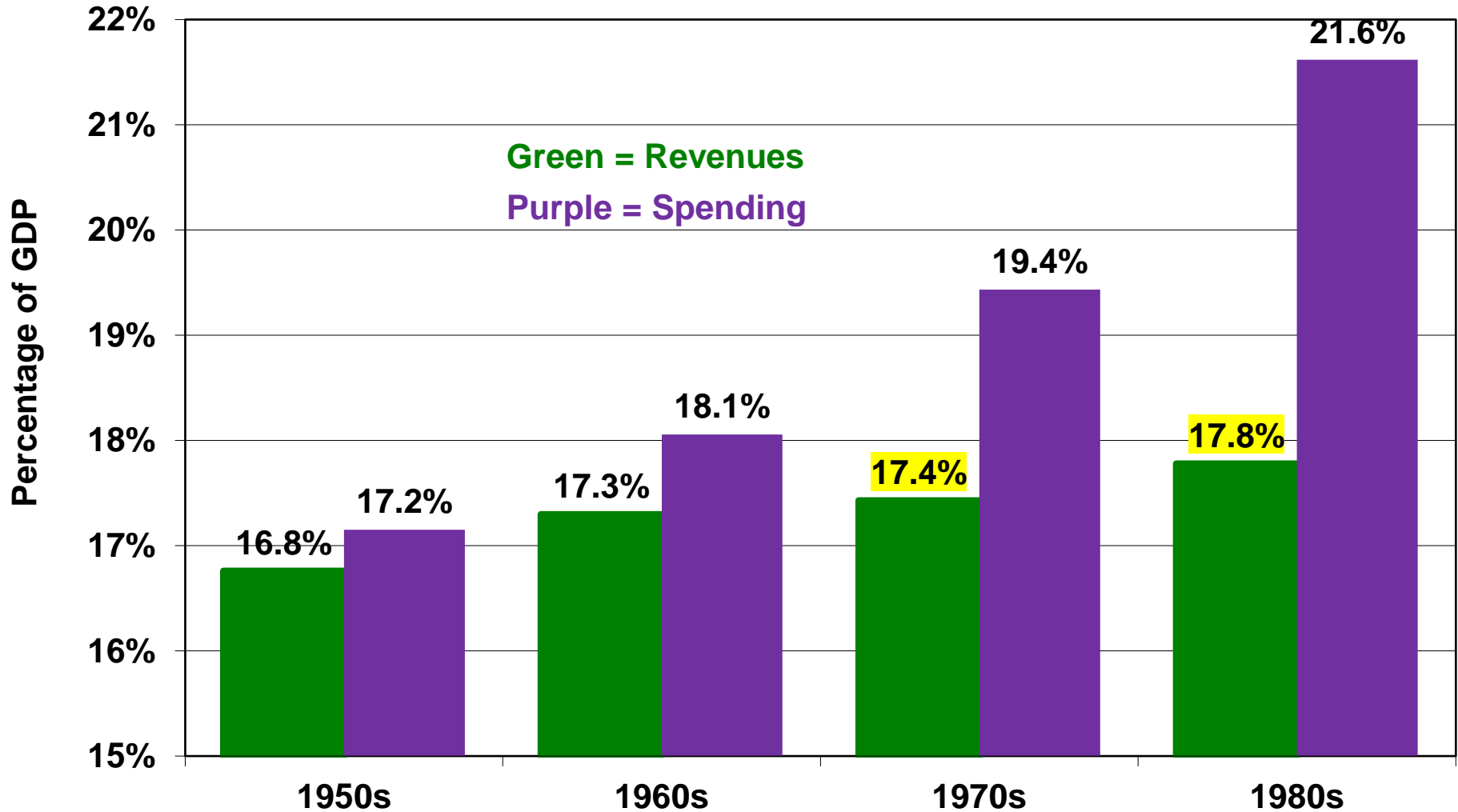


Note: Top 20% splits to 179 days for top 10%, and 46 days for 2nd 10%.
Source: Calculated using data from U.S. Treasury Office of Tax Analysis.

Countering Tax, Spending, & Deficit Myths of the 1980s through 2008

Chapter 11

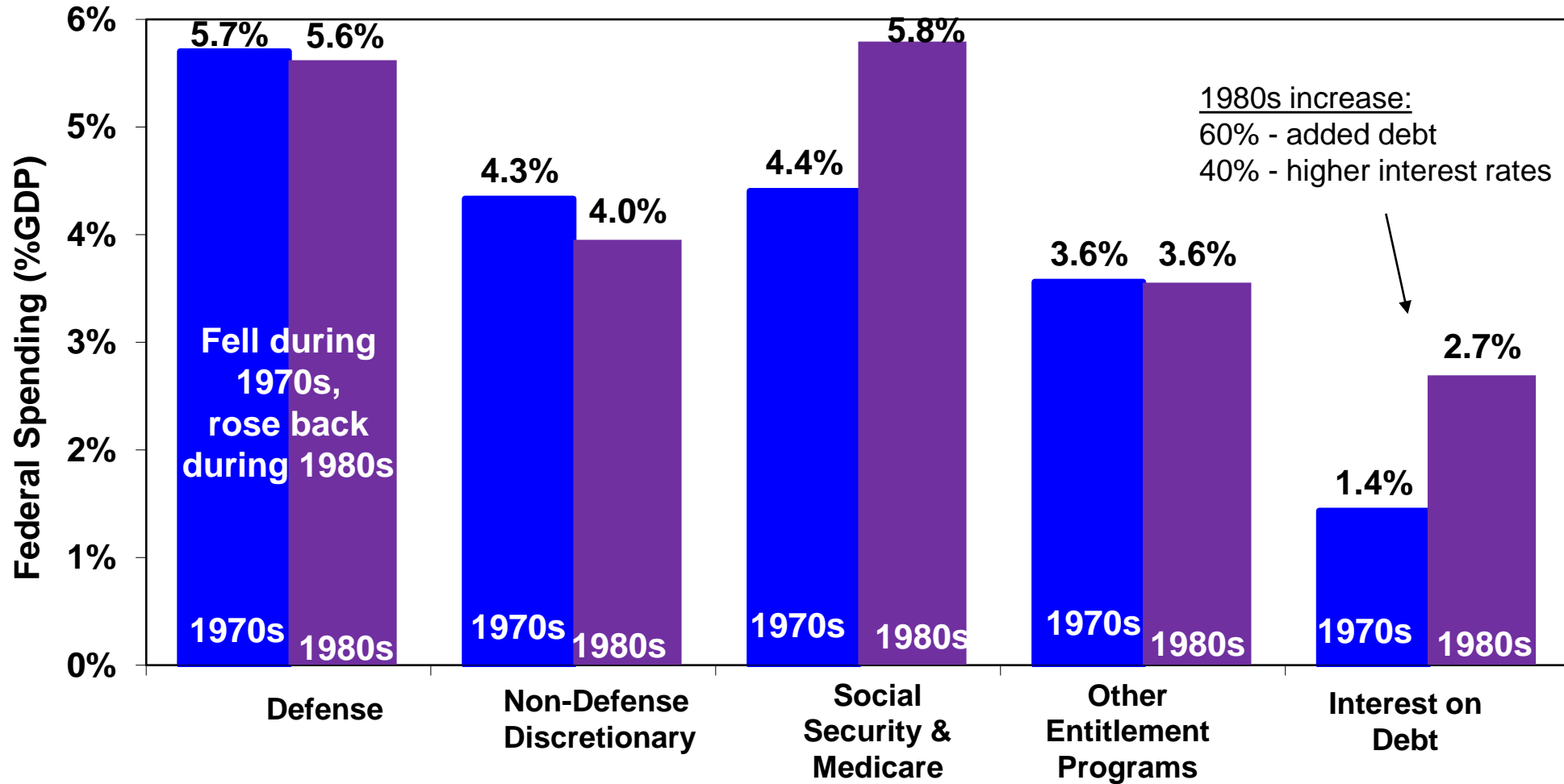
Reagan's Tax Cuts Did Not Starve the Government – Spending Worsened the 1980s Deficits



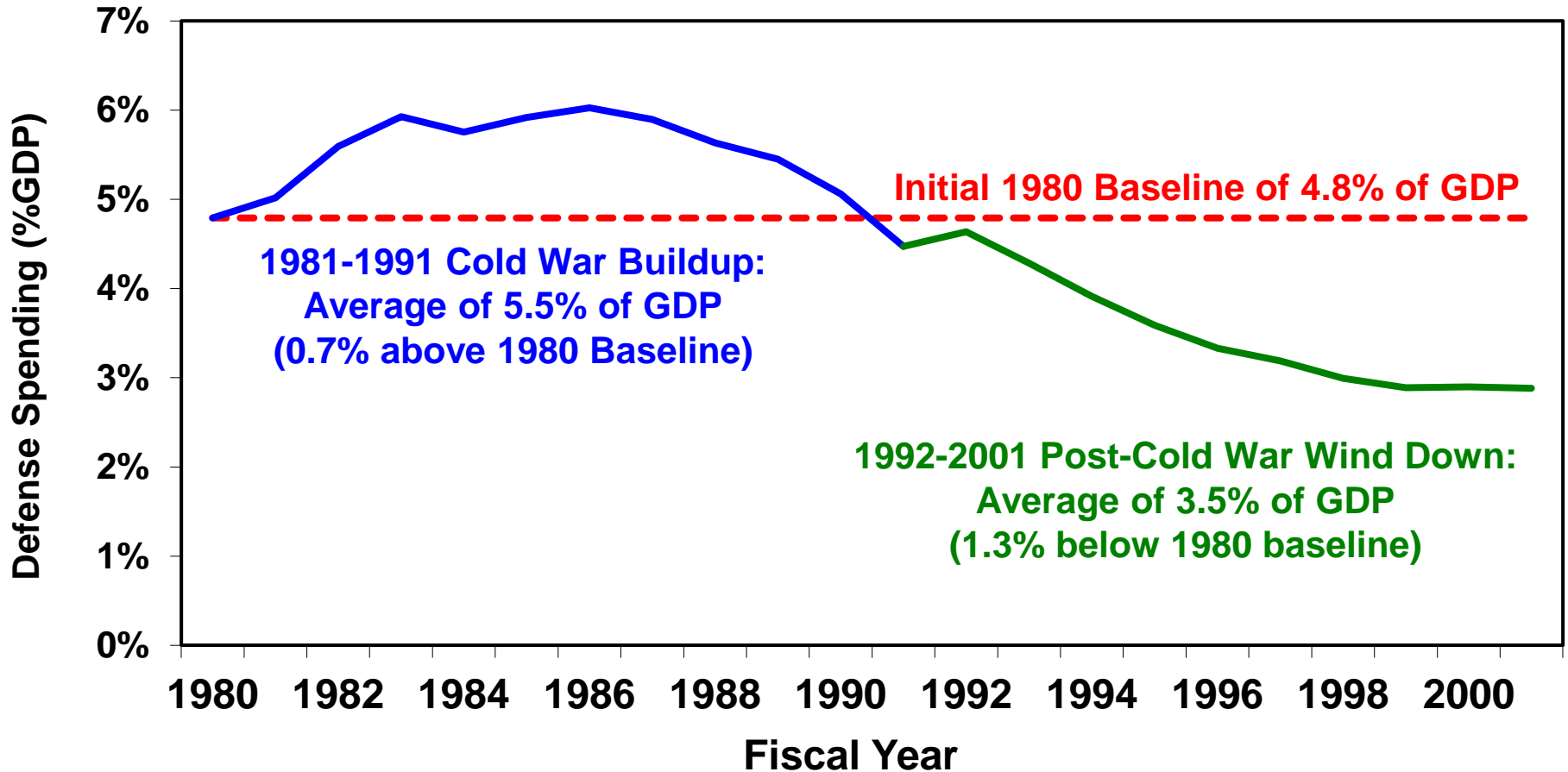
Why Did 1980s Budget Deficits Exceed the 1970s?

1970s Average Percentage of GDP: Revenue 17.4%, Spending 19.4%, Deficit: 2.0%

1980s Average Percentage of GDP: Revenue 17.8%, Spending 21.6%, Deficit: 3.8%



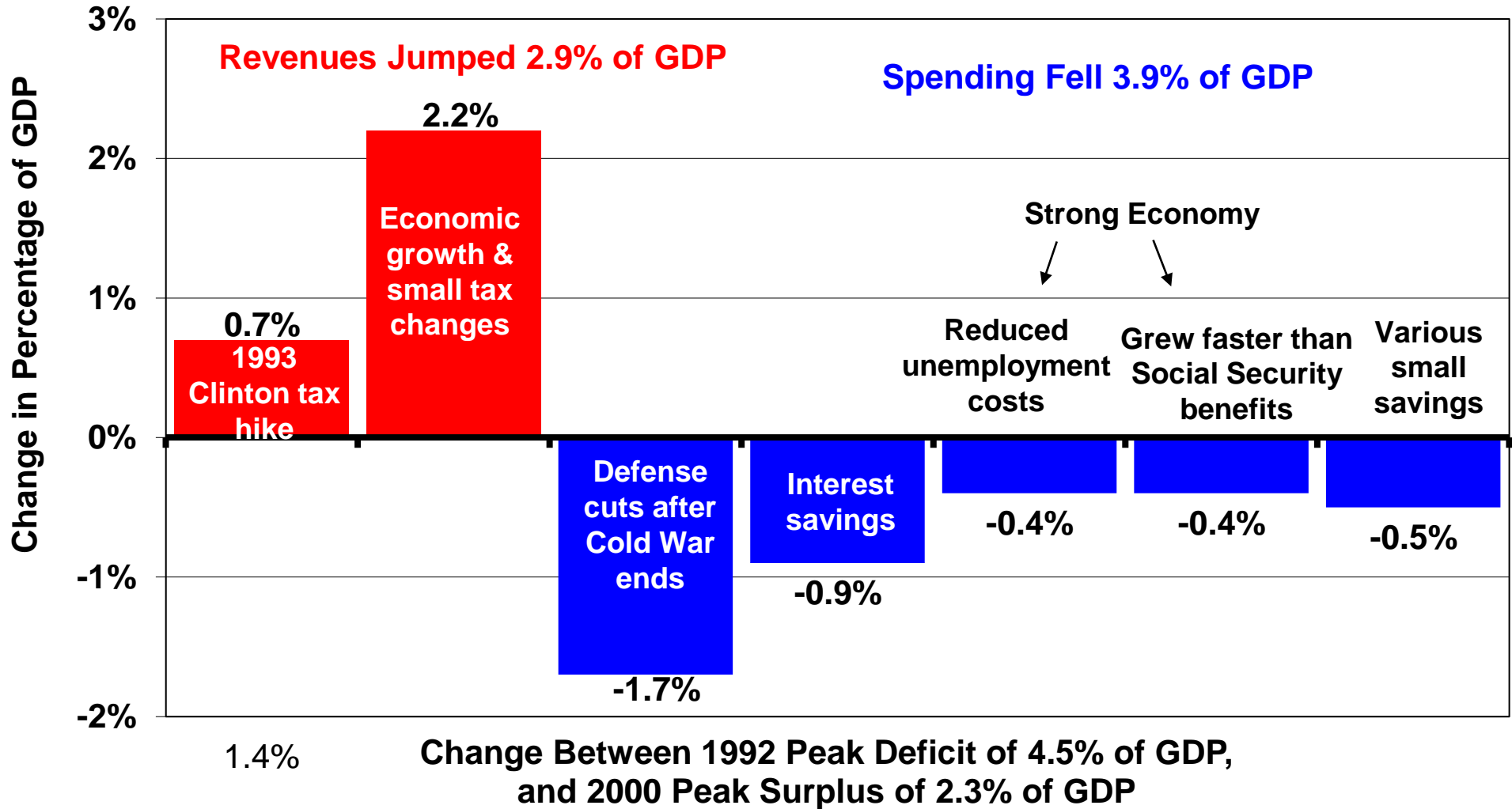
To the Extent it Contributed to Soviet Collapse, the 1980s Defense Buildup Eventually Paid for Itself



Note: Some believe that America's 1980s defense buildup pushed the Soviets into an unaffordable arms race that contributed to its economic problems and ultimately a more accommodating posture towards the West, each of which contributed to Soviet destabilization and collapse.

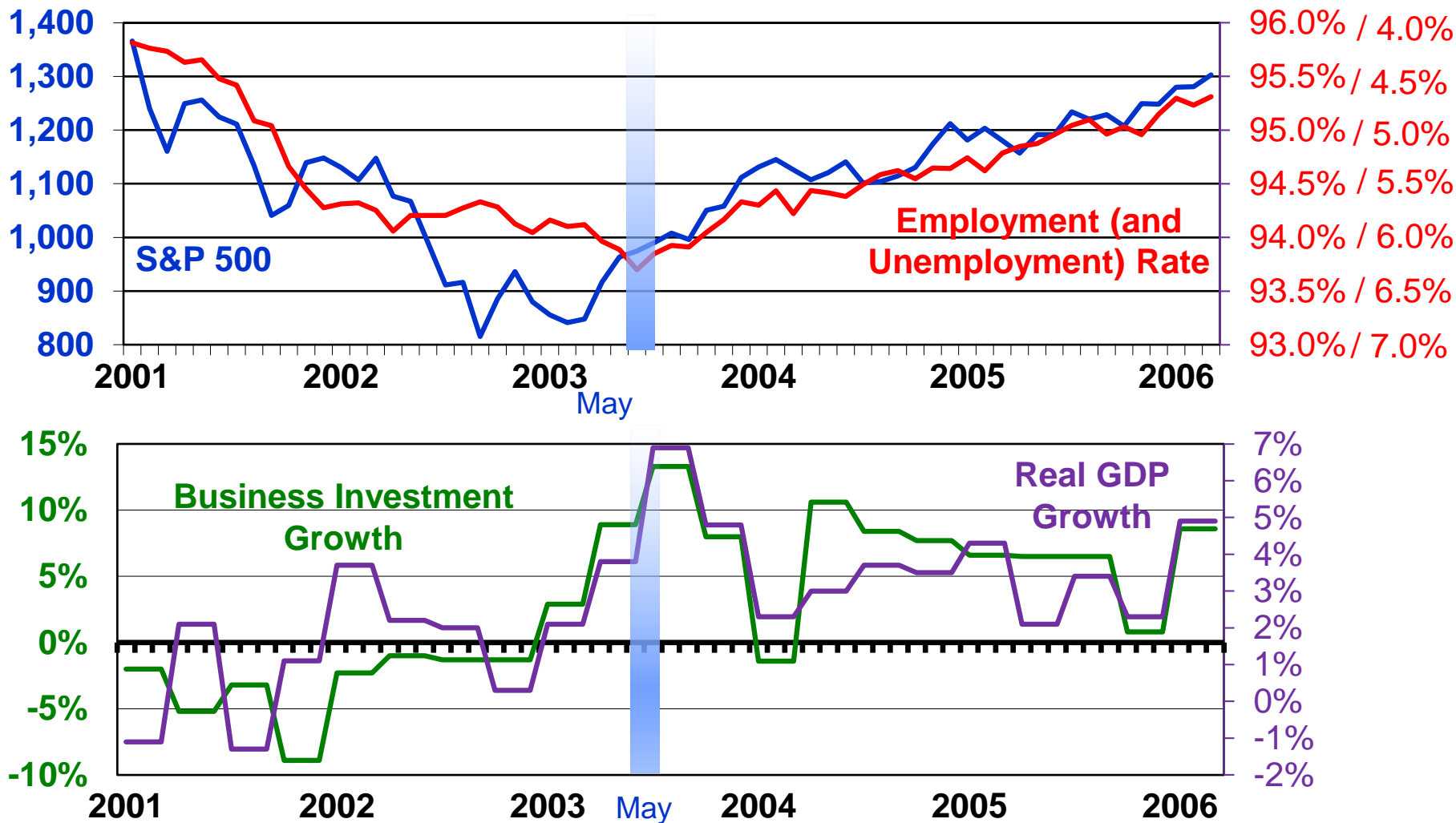
Source: OMB Historical Tables 3.2, and 10.1

The 1990s Budget Was Balanced by an Economic Boom and the Cold War Peace Dividend (and by Washington Not Spending All the Savings)



Author: Brian Riedl, Manhattan Institute @Brian_Riedl

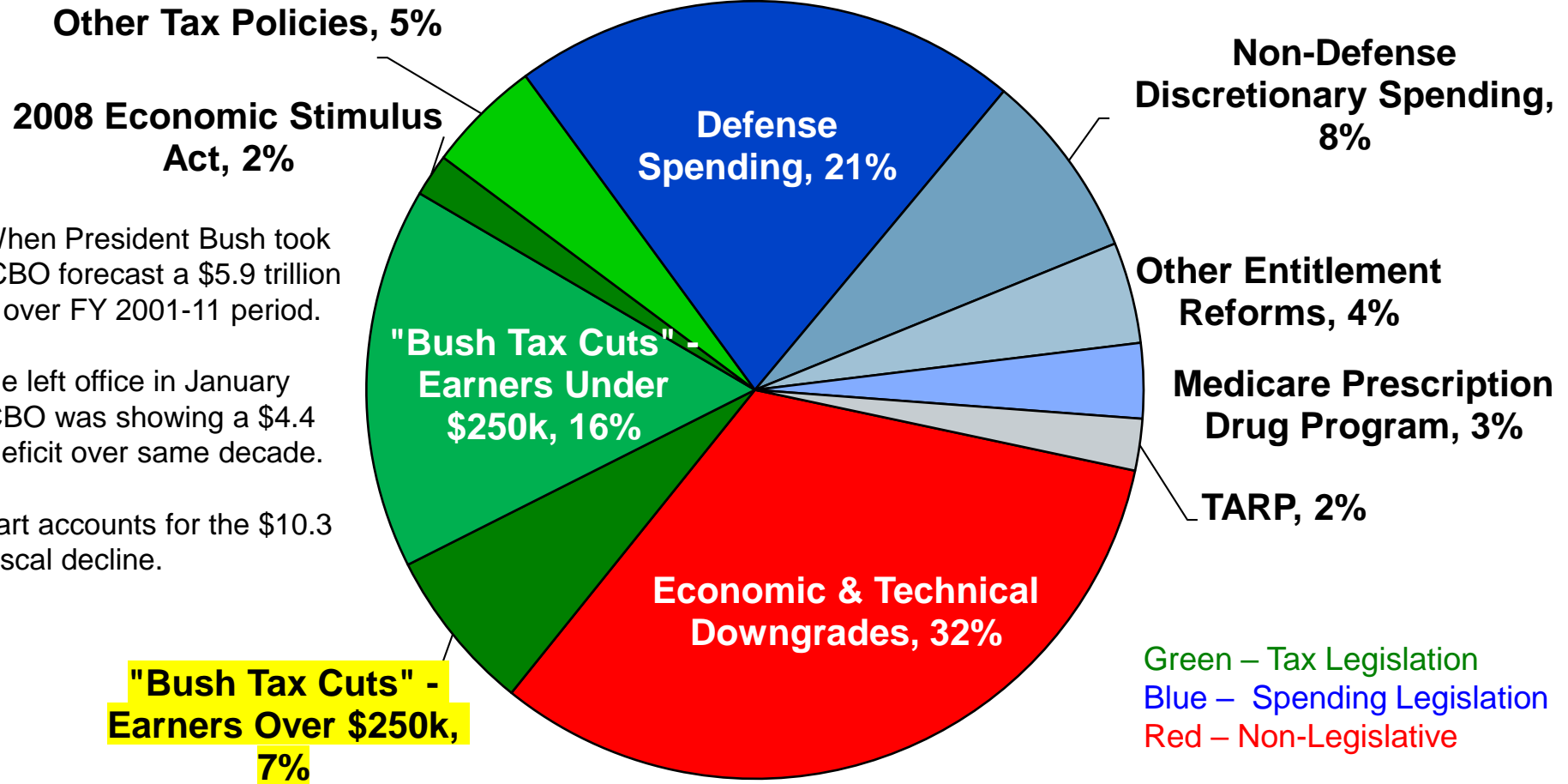
The May 2003 Supply-Side Tax Rate Cuts Were More Successful Than They are Credited For



Author: Brian Riedl, Manhattan Institute @Brian_Riedl

Source: BEA, BLS, S&P. The 2003 tax cuts reduced marginal tax rates for families, small businesses, & investors. The less-successful 2001 tax cuts were more rebate-based. The 2007 housing crash that ended this mini-boom was unrelated to these tax policies.

The "Bush Tax Cuts" for Upper-Income Taxpayers Caused Only 7% of the 2001-2011 Fiscal Decline Under President Bush



Note: When President Bush took office, CBO forecast a \$5.9 trillion surplus over FY 2001-11 period.

When he left office in January 2009, CBO was showing a \$4.4 trillion deficit over same decade.

This chart accounts for the \$10.3 trillion fiscal decline.

President Bush Oversaw a \$10.3 Trillion Decline from Inherited 2001-2011 Budget Projections

(All numbers in nominal \$billions)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2001-2011
CBO January 2001 Projected Surplus	281	313	359	397	433	505	573	635	710	796	889	5,891
Legislative Changes												
"Bush Tax Cuts" - Earners Over \$250k	-22	-12	-48	-82	-74	-71	-72	-78	-81	-88	-71	-699
"Bush Tax Cuts" - Earners Under \$250k	-52	-27	-112	-191	-172	-165	-169	-181	-189	-206	-167	-1,631
Defense Spending	-5	-36	-85	-130	-165	-195	-229	-294	-332	-343	-357	-2,171
Non-Defense Discretionary Spending	2	-17	-34	-46	-74	-91	-83	-107	-120	-118	-114	-802
AMT Patch, Tax Extenders, Other Tax Laws	-1	-44	-44	-33	-12	-12	-55	-89	-129	-42	-30	-489
Medicare Prescription Drug Program	0	0	0	-4	-6	-29	-44	-50	-56	-62	-70	-321
TARP Financial Bailouts	0	0	0	0	0	0	0	0	-194	-16	-12	-221
Economic Stimulus Act of 2008	0	0	0	0	0	0	0	-160	-25	3	0	-181
Other Entitlement Reforms	-8	-14	-36	-29	-36	-51	-44	-41	-74	-52	-46	-432
Economic & Technical Re-estimates												
Economic/Technical Downgrades	-67	-319	-377	-295	-212	-140	-39	-95	-696	-577	-520	-3,337
CBO January 2009 Budget Surplus/Deficit	128	-158	-378	-413	-318	-248	-161	-459	-1,186	-703	-498	-4,394
Memorandum												
Legislative Changes	-87	-150	-358	-514	-540	-614	-696	-1,000	-1,199	-923	-867	-6,947
Economic & Technical Re-estimates	-67	-319	-377	-295	-212	-140	-39	-95	-696	-577	-520	-3,337
Total Deficit Changes	-154	-469	-735	-809	-752	-754	-735	-1,095	-1,895	-1,500	-1,386	-10,285
Revenue Changes	-144	-383	-561	-573	-416	-282	-248	-431	-750	-738	-622	-5,148
Spending Changes	-10	-88	-176	-237	-335	-471	-486	-663	-1,147	-761	-765	-5,138

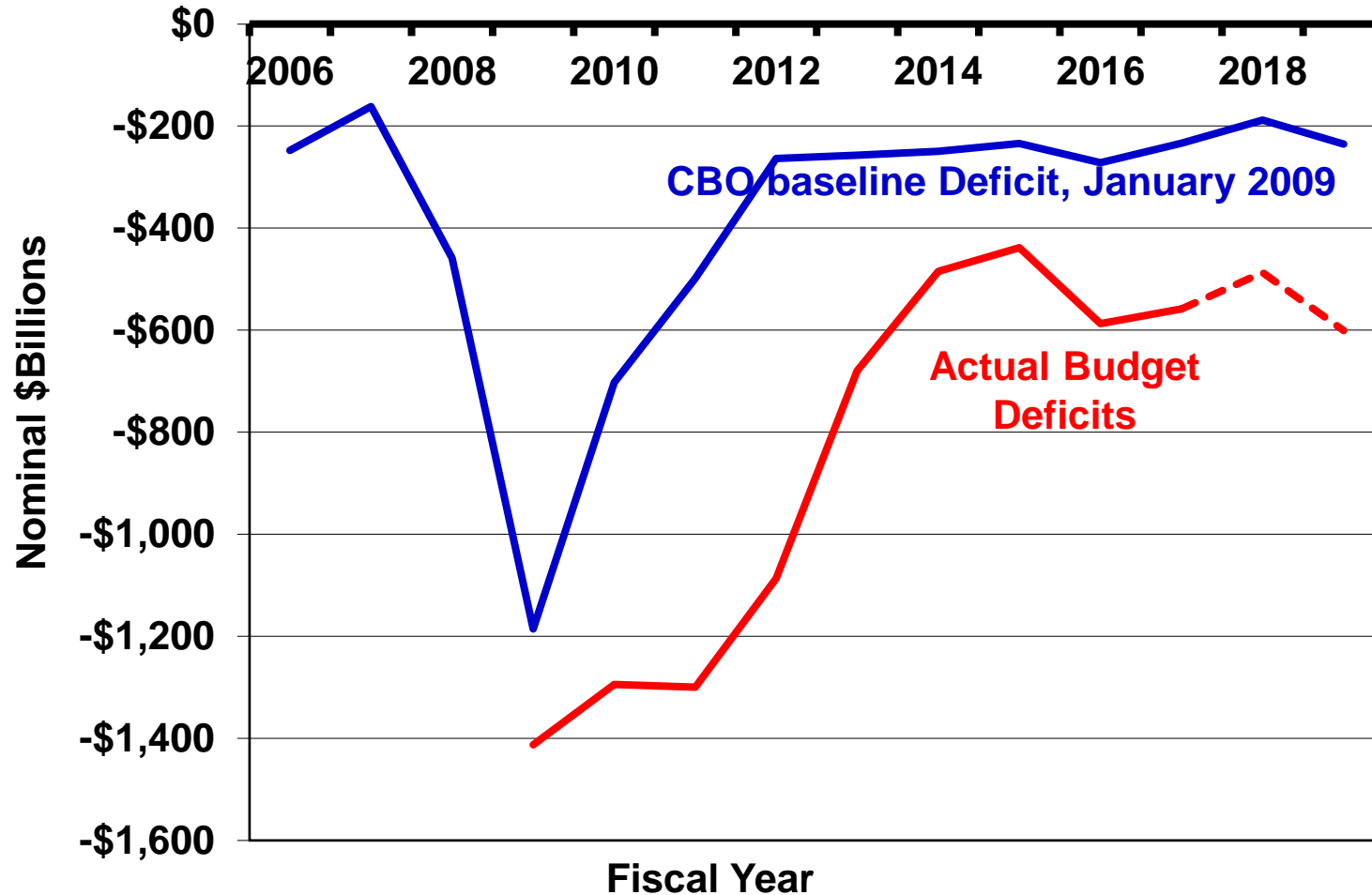
Source: Author calculations based on a CBO June 2012 report, and CBO baseline updates over 2001-11 period. Positive numbers add to deficit, negative numbers reduce deficit. Legislative changes include associated interest costs and savings. Ending 2009-2011 figures represent estimates on January 2009 when President Bush left office.

See "Obama's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Brian Riedl.

A Comprehensive Accounting of the Obama Fiscal Record

Chapter 12

President Obama Oversaw 2009-19 Budget Deficits \$4.6 Trillion Beyond the Inherited Baseline



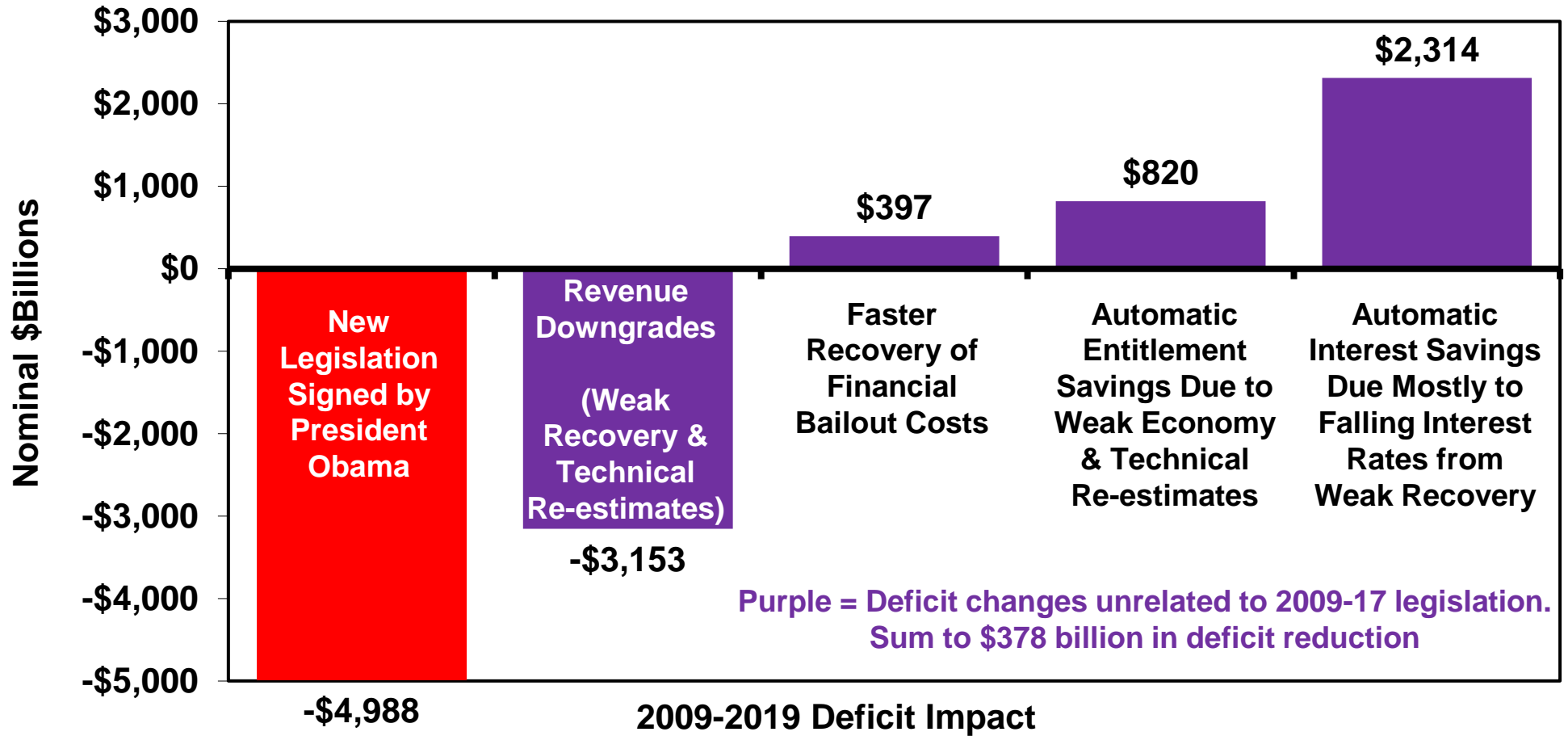
Note: The January 2009 CBO baseline already incorporated the 10-year effects of the 2007-2009 recession, and the policies inherited from President Bush.

The added Obama deficits consist of \$5 trillion in new legislation, partially offset by \$400 billion saved by the sluggish recovery, as lower interest rates and thus interest costs offset the lower revenues

Source: CBO data. FY 2017-2019 "actuals" reflect CBO baseline as of January 2017, and thus reflect the deterioration of the full 10-year budget picture.

See "Obama's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Brian Riedl.

Under President Obama, the 2009-2019 Deficit Worsened by \$4.6 Trillion Relative to the Baseline He Inherited in January 2009



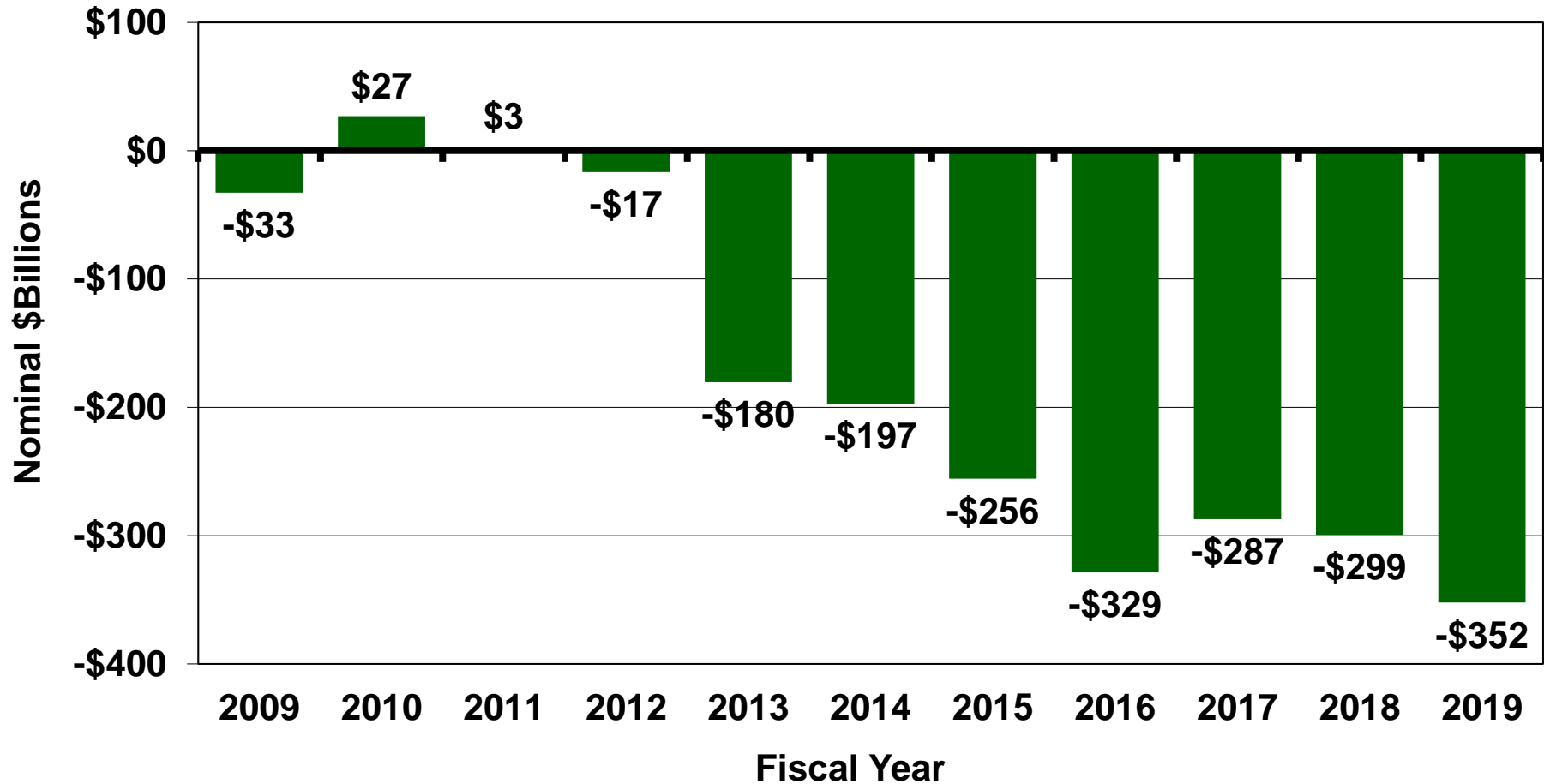
Source: Author calculations based on CBO baseline updates and bill scores. Positive figures reduce the deficit, negative figures worsen the deficit. The January 2009 baseline already incorporated the long-term effects of the recession. Subsequent economic downgrades reflect the unexpectedly-weak recovery after the recession ended. See “Obama’s Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits,” by Brian Riedl.

President Obama Oversaw a \$4.6 Trillion Decline from the Inherited 2009-2019 Budget Projections

(All numbers in nominal \$billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2009-19
CBO January 2009 Baseline Budget Deficit	-1,186	-703	-498	-264	-257	-250	-234	-272	-234	-188	-235	-4,321
Legislative Changes												
Renewing Pre-2009 Tax Policies	-27	-114	-239	-273	-382	-363	-421	-528	-539	-596	-654	-4,135
2009 ARRA Stimulus	-163	-311	-175	-63	-58	-55	-39	-29	-33	-39	-46	-1,010
Subsequent Stimulus and Recession Relief	-7	-106	-233	-269	-93	-15	-17	-41	-44	-56	-67	-948
Renewing Pre-2009 Health Laws	0	-3	-16	-20	-19	-15	-16	-19	-19	-15	-12	-154
Other Mandatory Spending Legislation	-7	-7	-16	-25	-29	-13	1	-1	4	12	13	-69
Hurricane Sandy Relief	0	0	0	0	-5	-13	-12	-11	-10	-7	-6	-64
BCA Mandatory Sequesters	0	0	0	0	10	14	16	16	18	20	22	117
Affordable Care Act	0	-7	-2	19	44	51	51	30	17	30	41	275
Other Revenue Legislation	4	18	-4	21	7	35	27	56	37	39	41	282
Other Discretionary Spending and OCO Reforms	-18	-49	-84	-59	36	89	124	144	150	183	202	718
Economic and Technical Re-estimates												
Revenue Effect - Economic Changes	-33	27	3	-17	-180	-197	-256	-329	-287	-299	-352	-1,920
Revenue Effect - Technical Re-estimates	-159	-178	-118	-254	-54	-125	-7	-33	-121	-92	-93	-1,233
Financial Bailout Cost Re-Estimates	-1	126	5	-28	113	89	33	25	26	7	0	397
Mandatory Spending - Economic/Technical Re-estimates	176	10	65	30	-23	24	1	71	125	151	190	820
Interest Spending - Economic/Technical Re-estimates	8	1	12	113	210	261	309	332	350	363	356	2,314
Actual Deficits and January 2017 Baseline Deficit	-1,413	-1,294	-1,300	-1,087	-680	-485	-438	-587	-559	-487	-601	-8,931
Memorandum												
Total Legislative Changes	-219	-577	-768	-668	-488	-286	-286	-382	-418	-429	-467	-4,988
Total Economic and Technical Re-estimates	-8	-14	-33	-155	66	51	81	67	93	130	101	378
Total Deficit Changes	-227	-592	-801	-823	-423	-235	-205	-315	-325	-299	-366	-4,610

Source: "Obama's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Brian Riedl (based on CBO data). Positive numbers reduce deficit, negative numbers add to deficit. Legislative changes include associated interest costs and savings. Ending 2017-2019 figures represent estimates as of January 2017 when President Obama left office.

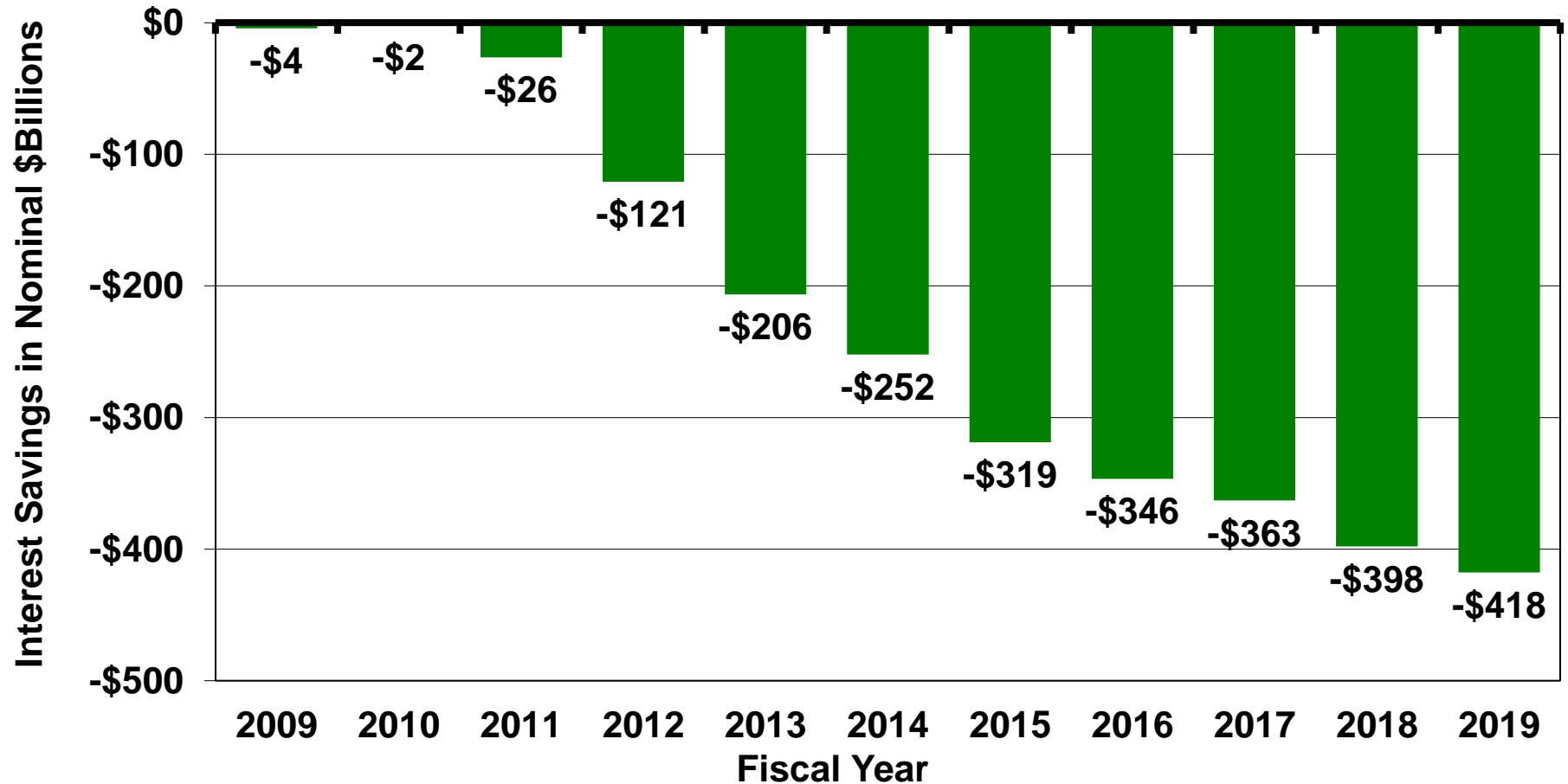
Tax Revenue Impact of CBO Economic Growth Downgrades (and Upgrades) Under President Obama



Note: Consists of gained/lost revenues specifically resulting from economic growth upgrades and downgrades between March 2009 and January 2017. Post-2016 figures reflect latest estimates.

Source: CBO budget baselines between March 2009 and January 2017. See “Obama’s Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits,” by Brian Riedl.

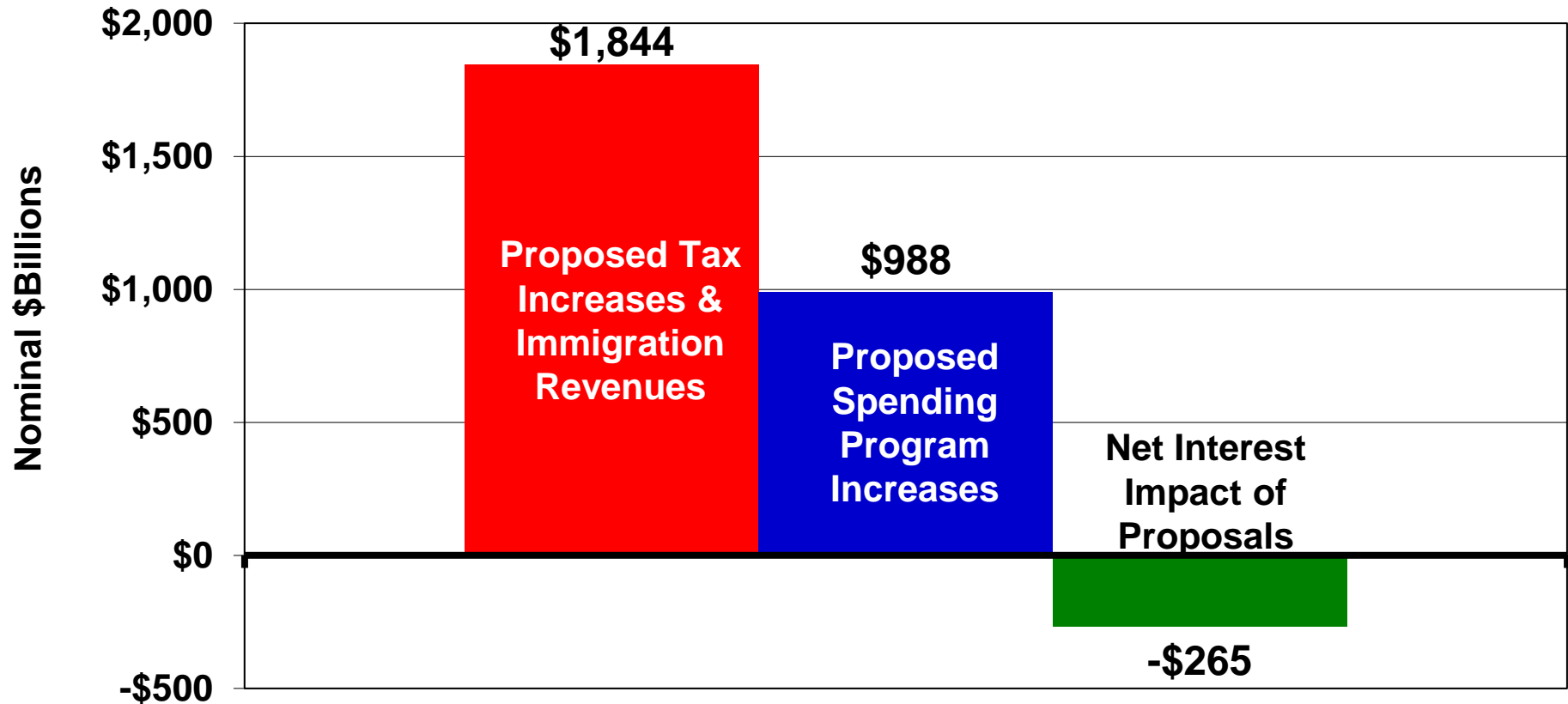
CBO Economic Downgrades Under President Obama Sharply Lowered Interest Rates and Therefore Net Interest Costs



Note: Consists of net interest savings directly attributed to lower interest rates from economic downgrades occurring between March 2009 and January 2017. Post-2016 figures reflect latest estimates.

Source: CBO budget baselines between March 2009 and January 2017. See "Obama's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Brian Riedl.

President Obama's Eight Annual Budget Requests Proposed Large Tax and Spending Increases

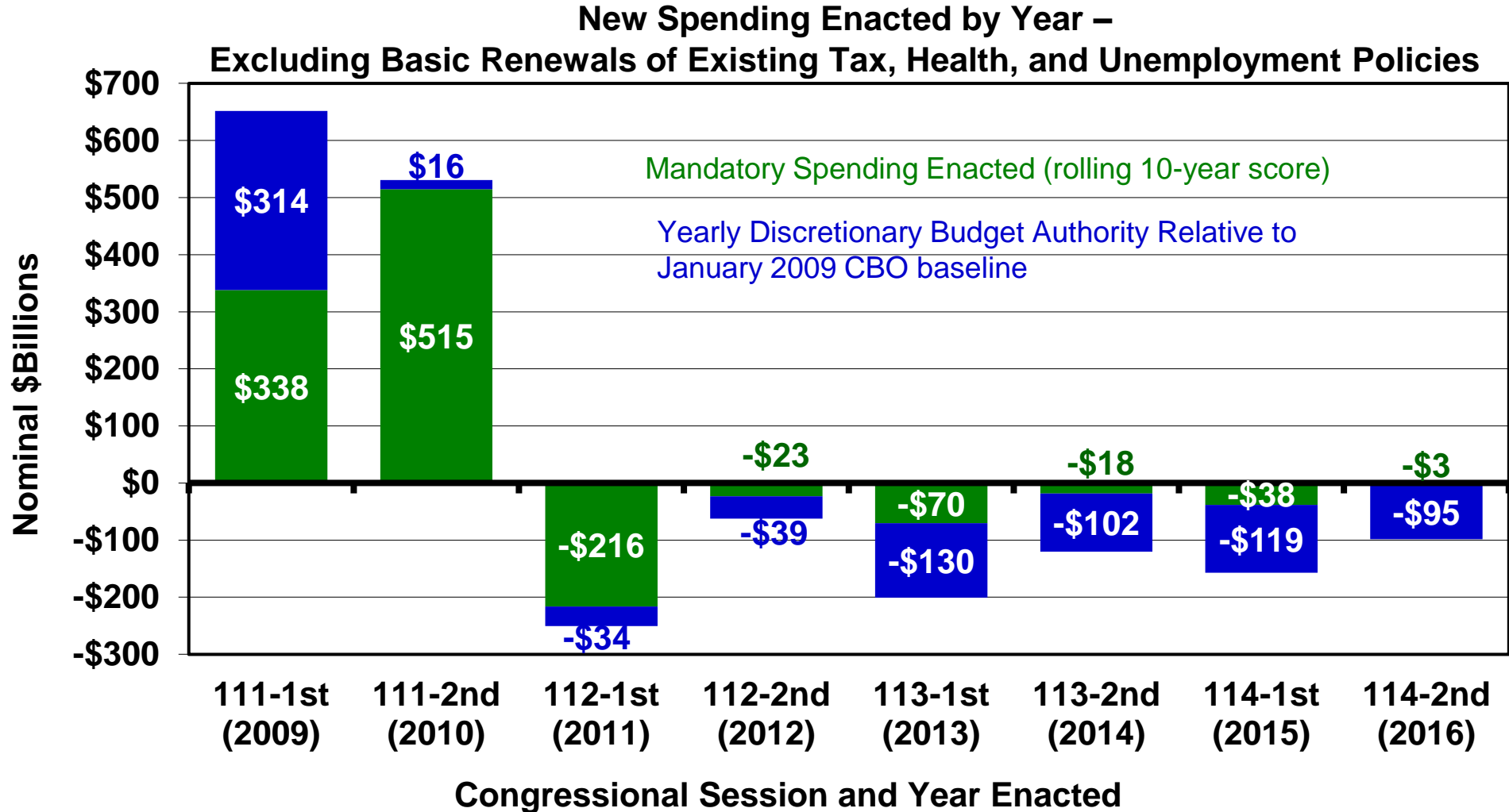


Source: OMB, President's Budget Proposals, FY 2010 - FY 2017.

Includes new proposals hidden in the budget baseline and excludes OCO proposals due to the lack of a plausible baseline to score them against. Also excludes current-policy extensions of long-time tax cuts and Medicare payment rates.

See "Obama's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Brian Riedl.

The Obama Spending Spree Ended When the GOP Took the House in 2011



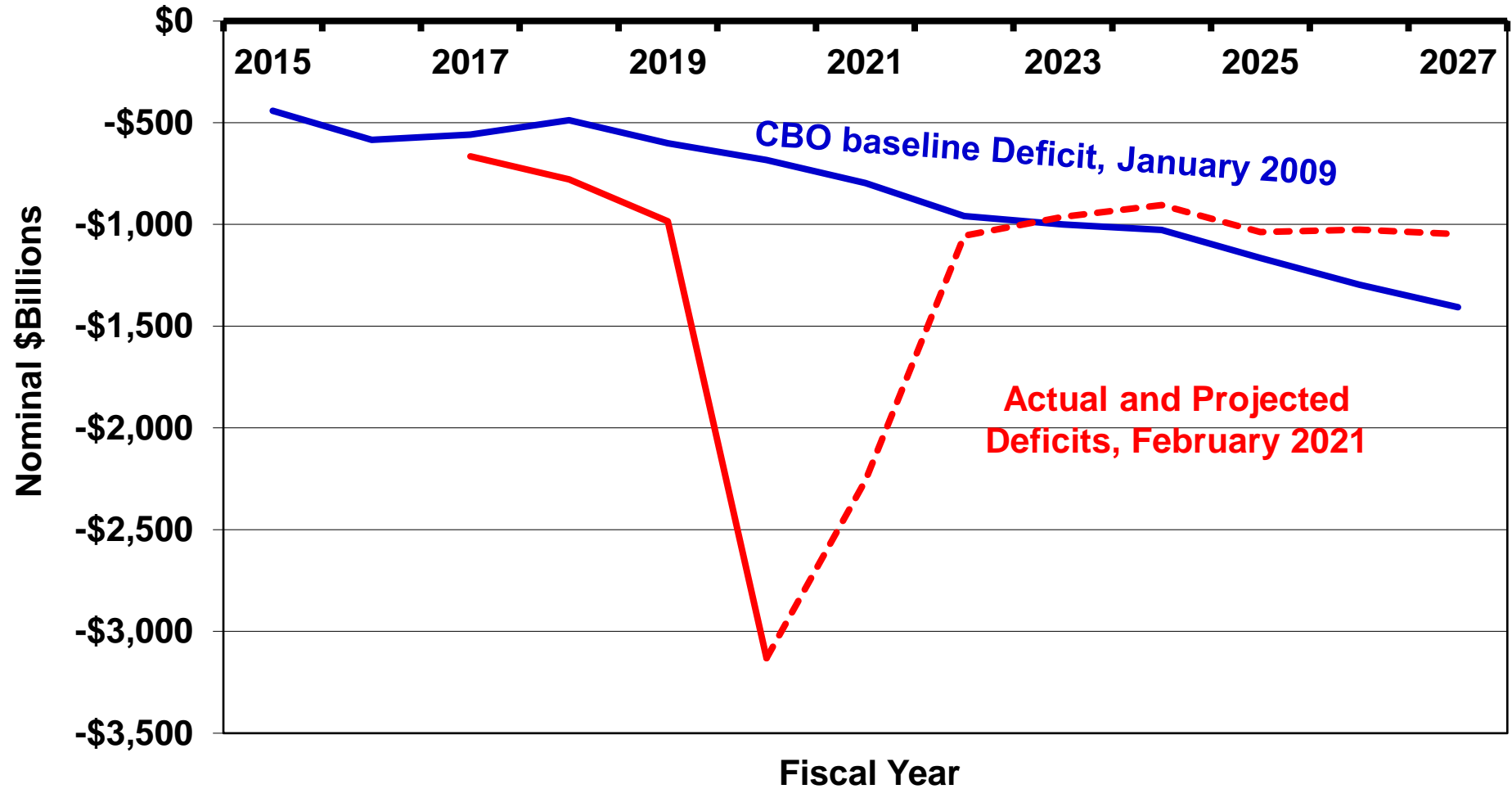
Source: Author calculations based on CBO and JCT bill scores. Discretionary spending figures exclude emergency appropriations for OCO (which would otherwise show even larger 2011-2016 savings) and Hurricane Sandy.

See “Obama's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits,” by Brian Riedl.

A Comprehensive Accounting of the Trump Fiscal Record

Chapter 13

President Trump Oversaw 10-Year Budget Deficits \$3.9 Trillion Above the Inherited Baseline

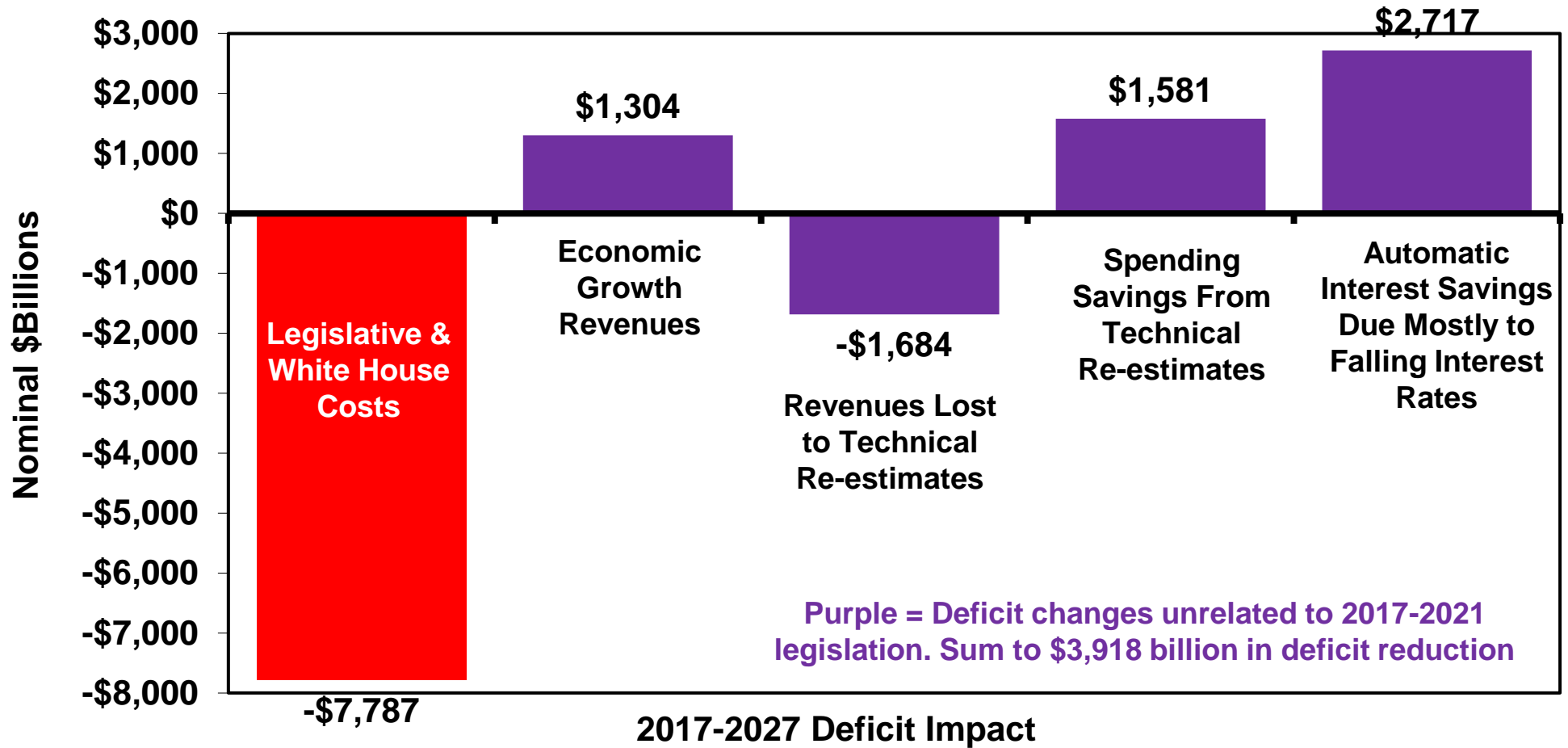


Author: Brian Riedl, Manhattan Institute @Brian_Riedl

Source: CBO data.

See "Trump's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Brian Riedl.

Under Trump, the Cost of New Initiatives Dwarfed the Savings from Economic Growth and Falling Interest Rates



Source: Author calculations based on CBO baseline updates and bill scores. Positive figures reduce the deficit, negative figures worsen the deficit.

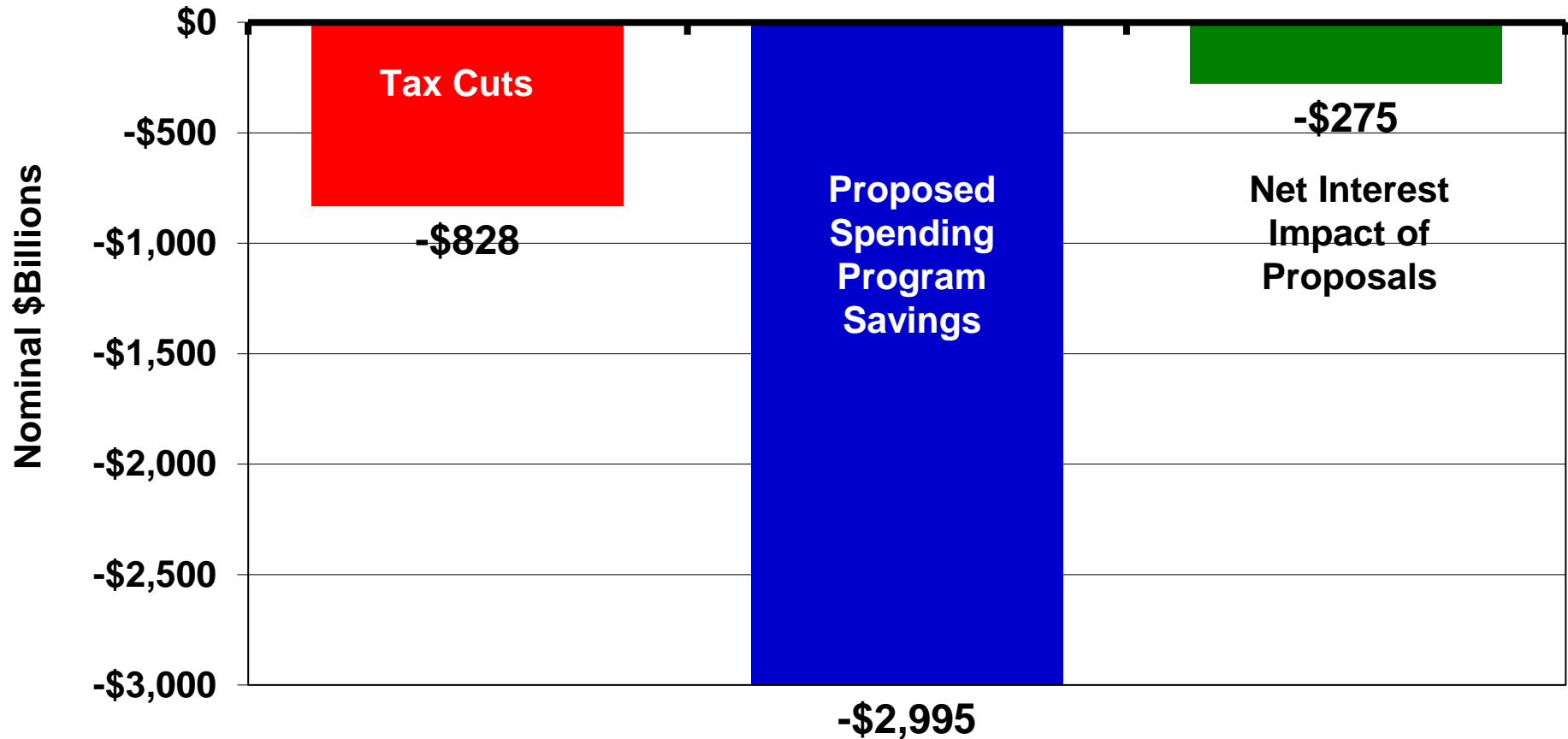
The cumulative 2017-2027 actual and projected budget deficits increased by \$3.9 trillion during the Trump presidency. See "Obama's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Brian Riedl.

President Trump Oversaw a \$3.9 Trillion Decline from the Inherited 2017-2027 Budget Projections

All numbers in nominal \$billions)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2017-27
CBO January 2017 Baseline Budget Deficit	-559	-487	-601	-684	-797	-959	-1,000	-1,027	-1,165	-1,297	-1,408	-9,984
Legislative and White House Policies												
Pandemic Response	--	--	--	-2,302	-1,430	38	62	-85	-69	-72	-83	-3,940
2017 Tax Cuts	--	-137	-293	-277	-262	-232	-200	-189	-190	-126	-62	-1,969
Higher Discretionary Caps - Defense	-4	-21	-72	-81	-80	-84	-88	-91	-96	-101	-106	-824
Higher Discretionary Caps - Non-Defense	-3	-21	-72	-75	-72	-75	-78	-80	-85	-89	-94	-744
Disaster Aid & Uncapped Disc. Spending Hikes	0	-70	-21	-62	-59	-54	-47	-43	-45	-46	-47	-493
Repeal ACA Taxes	--	-1	-15	-6	-24	-28	-34	-39	-45	-50	-58	-299
Other Mandatory and Tax Legislation	0	-28	-16	-39	-60	-41	-23	-16	-21	17	27	-201
Repeal ACA Individual Mandate Penalty & IPAB	--	--	6	10	29	37	42	41	48	48	56	317
Presidential Tariffs and Subsidies	--	--	30	13	40	46	47	50	47	47	46	367
Economic and Technical Re-estimates												
Revenues From Economic Changes	1	23	81	-37	145	212	191	183	174	174	156	1,304
Revenues from Technical Re-estimates	-89	-133	-104	379	-129	-371	-355	-219	-252	-234	-176	-1,684
Spending from Technical Re-estimates	-19	123	124	-41	248	169	157	191	195	218	216	1,581
Net Interest Costs from Econ/Technical Changes	7	-26	-30	70	191	287	361	420	466	485	485	2,717
Actual Values and CBO February 2021 Baseline Deficit	-665	-779	-984	-3,132	-2,258	-1,056	-963	-905	-1,037	-1,026	-1,048	-13,853
Memorandum												
Total Legislative and White House Policies	-7	-278	-454	-2,819	-1,917	-393	-317	-453	-455	-371	-321	-7,787
Total Economic and Technical Re-estimates	-99	-14	71	371	456	297	355	575	584	643	681	3,918
Total Deficit Changes	-107	-292	-383	-2,448	-1,462	-96	38	122	128	271	359	-3,869

Source: "Trump's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Brian Riedl (based on CBO data). Positive numbers reduce deficit, negative numbers add to deficit. Legislative changes include associated interest costs and savings. Ending 2021-2027 figures represent estimates as of January 2021 when President Trump left office.

Trump's Four Budget Proposals Called for Large Tax Cuts and Vaguely-Defined Spending Cuts



Source: Average of the CBO scores of President Trump's four yearly budget proposals.

Figures reflect the average 10-year score in each budget request.

See "Trump's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Brian Riedl

The 10-year Fiscal Records of Presidents Bush, Obama, and Trump

President Bush Fiscal Record		President Obama Fiscal Record		President Trump Fiscal Record	
	2001-11		2009-19		2017-27
Incoming CBO 10-Year Surplus	5,891	Incoming CBO 10-Year Deficit	-4,321	Incoming CBO 10-Year Deficit	-9,984
Legislative Changes	-6,947	Legislative Changes	-4,988	Legislative & White House Policies	-7,787
2001/2003 Tax Cuts	-2,330	Renew AMT patch and tax extenders	-2,102	Pandemic Response	-3,940
Defense Spending	-2,171	Renew 2001/2003 tax cuts	-2,034	2017 Tax Cuts	-1,969
Non-Defense Discretionary Spending	-802	2009 ARRA Stimulus	-1,010	Higher Discretionary Caps - Defense	-824
Other Tax Policies	-489	Later Stimulus and Recession Relief	-948	Higher Discretionary Caps - Non-Defense	-744
Medicare Drug Program	-321	Renewing Pre-2009 Health Laws	-154	Disaster Aid & Other Disc. Hikes	-493
TARP	-221	Other Mandatory Spending Bills	-69	Repeal ACA Taxes	-299
Economic Stimulus Act of 2008	-181	Hurricane Sandy Relief	-64	Other Mandatory and Tax Bills	-201
Other Entitlement Reforms	-432	BCA Mandatory Sequesters	117	Repeal ACA Ind. Mandate Penalty	317
		Affordable Care Act	275	Presidential Tariffs and Subsidies	367
		Other Revenue Legislation	282		
		Discretionary Spending & OCO Reforms	718		
Econ & Technical Re-estimates	-3,337	Econ & Technical Re-estimates	378	Econ & Technical Re-estimates	3,918
Total Changes to Deficit Projection	-10,283	Total Changes to Deficit Projection	-4,610	Total Changes to Deficit Projection	-3,869
Final Deficit and Outgoing Projection for Same 10-Year Period	-4,394	Final Deficit and Outgoing Projection for Same 10-Year Period	-8,931	Final Deficit and Outgoing Projection for Same 10-Year Period	-13,853

Source: "Trump's Fiscal Legacy: A Comprehensive Overview of Spending, Taxes, and Deficits," by Brian Riedl (based on CBO data). Positive numbers reduce deficit, negative numbers add to deficit. Legislative changes include associated interest costs and savings. All figures in nominal \$Billions.