

IN CASE YOU MISSED IT

Interest Costs *Surpass* National Defense and Medicare Spending

Halfway into Fiscal Year 2024, and the United States is now **spending more on net interest payments than on national defense and Medicare.**

Last Friday, the Committee for a Responsible Federal Budget issued a [piece](#) highlighting that our Nation has **spent more on net interest payments than both national defense and Medicare so far in Fiscal Year 2024.**

House Budget Committee Chairman Jodey C. Arrington (R-TX) continues to **Sound the Alarm** on rising interest payments spent to finance our nation's **\$34 trillion** debt. **Our skyrocketing interest costs are the result of Washington's insatiable appetite for borrowing and spending, crowding out tax dollars that could be spent on important programs that Americans rely on.**

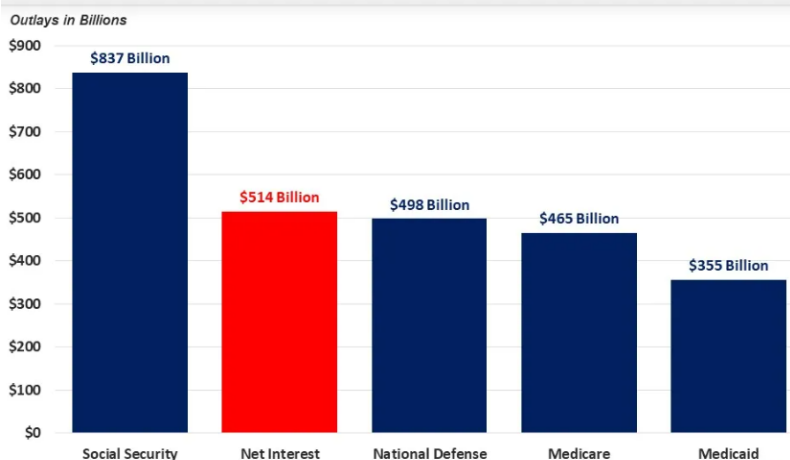


WORD ON THE STREET



Via [Committee for a Responsible Federal Budget](#):

Interest Costs Just Surpassed Defense and Medicare



Sources: Department of the Treasury.

CRFB.org



- *“Interest on the debt is currently the **fastest growing part of the budget**, nearly doubling from **\$345 billion** (1.6 percent of GDP) in FY 2020 to **\$659 billion** (2.4 percent of GDP) in 2023, and is on track to reach **\$870 billion** (3.1 percent of GDP) by the end of FY 2024.”*
- *“Spending on interest is also more than all the money spent this year on veterans, education, and transportation combined.”*
- *“Spending on interest is now the second largest line item in the budget and is expected to remain so for the rest of the fiscal year. **By 2051, interest will be the largest line item in the budget.**”*
- *“Without reforms to reduce deficits and debt, interest costs will keep rising, **continue crowding out spending on other priorities, and further burden future generations.**”*

THE BOTTOM LINE

According to the Congressional Budget Office (CBO), interest payments on the national debt **will nearly double** under current law from **\$870 billion** (3.1 percent of GDP) in 2024 to **\$1.6 trillion** (3.9 percent of GDP) in 2034—**the highest level in American history**.

Over the next decade, net interest spending will total a staggering **\$12.4 trillion**. By 2034, **interest costs will consume over 20 percent of revenue**.

As a result of the President’s economic policies, projected 10-year interest costs have almost tripled compared to when he took office.

The Committee–advanced Fiscal Year 2025 **“Reverse the Curse”** Budget Resolution balances the Federal budget in 10 years and reduces interest payments on the debt by **\$2.7 trillion**—an over 20 percent reduction compared to CBO projections.

