



THE PRESIDENT'S BUDGET  
HOUSE BUDGET COMMITTEE

# EXECUTIVE SUMMARY

## TAX INCREASES

- President Biden's budget would add **\$4.9 trillion** in new taxes on American families and producers.
- Ten-year revenues of **\$70.3 trillion** or **19.7 percent of GDP** (14 percent above 50-year average).
- By 2031, federal revenues would be **more than a fifth** of GDP, a level only previously reached during World War II.
- By contrast, the House Republican Budget includes **no tax increases**.

## DEBT

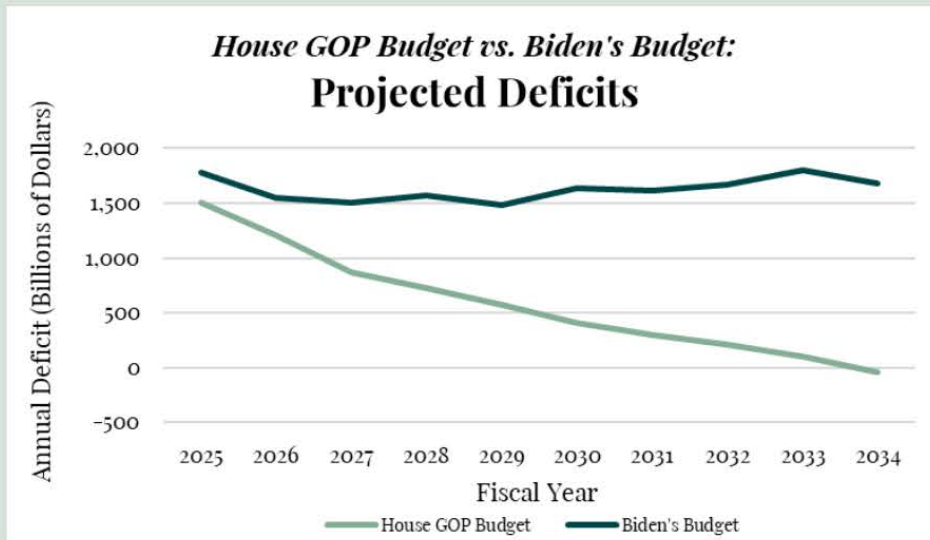
- Under President Biden's FY 2025 budget, the gross federal debt would increase by **\$18.2 trillion**, growing from \$34.5 trillion today to **\$52.7 trillion** by 2034. Debt-to-GDP grows to 128.2 percent in 2028, the highest level in American history.
- Federal debt grows **25 percent faster** than the U.S. economy over the next decade.
- By contrast, the FY 2025 House Republican budget would **reduce** the gross federal debt to **88 percent of GDP** (36 percentage points below the President's budget) and grow the economy more than three times faster than federal debt.

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## DEFICITS

- Annual deficits never fall back to pre-COVID levels, totaling **\$16.3 trillion** over the next decade.
- Deficits average **4.6 percent of GDP**, which is **24 percent above** the 50-year average.
- By contrast, the FY 2025 House Republican Budget would **balance in 10 years**, with **\$10.4 trillion lower deficits** compared to the President's budget.



## SPENDING

- Ten-year spending totals \$86.6 trillion or **24.4 percent of GDP**, which is **16 percent above** the 50-year average.
- Proposed FY 2025 spending is **\$7.3 trillion**, which is **\$444 billion** or **7 percent above** the height of the pandemic in FY 2021.
- As a share of the economy, federal spending has only previously been higher during World War II and Covid.
- Annual spending is equivalent to **\$66,000** per American household.
- By contrast, the FY 2025 House Republican Budget would spend **\$15.1 trillion less** over ten years, with federal spending **averaging 19.4 percent of GDP** (8 percent below the 50-year average).



## MANDATORY SPENDING

- Mandatory spending would grow from **\$5.1 trillion** in 2024 (73 percent of the federal budget) to **\$8.3 trillion** in 2034 (80 percent of the federal budget).
- Net interest spending will amount to **\$12.2 trillion** (3.4 percent of GDP) over the next decade. This is the **highest level** in American history, both in nominal terms and as a share of the economy.
- Over ten years, Biden’s budget proposes to spend **\$2.5 trillion more** on interest payments on the debt than for national defense.
- By 2034, interest payments on the debt will be **more than quadruple** such spending before Biden took office.
- By contrast, the FY 2025 House Republican Budget would **reduce** interest costs by **\$2.7 trillion** over ten years compared to CBO’s baseline, spending **\$2.5 trillion** less than the President’s budget.

## DISCRETIONARY SPENDING

- Discretionary spending would grow from **\$1.9 trillion** in 2024 (27 percent of the federal budget) to **\$2.1 trillion** in 2034 (20 percent of the federal budget).
- Defense spending would fall to 9.7 percent of the federal budget and 2.4 percent of GDP—both are historic lows.

## COMPARISON TO FY24 BUDGET PROPOSAL

- Compared to last year’s budget, the FY 2025 budget proposes over ten years: **\$4.4 trillion** more spending and **\$5.1 trillion** more revenue.