

Macro Roundup Article

Headline: [Interest Rates Remain Near Record Highs](#)

Article Link: <https://www.cfrb.org/blogs/interest-rates-remain-near-record-highs>

Author(s)	CFRB Staff
Publication	Committee For A Responsible Federal Budget
Publication Date	October 06, 2023

Tweet: According to a @BudgetHawks analysis, if long-term interest rates remain at their current level, interest will be the second-largest expense by 2026.

Summary: Interest was already the fastest-growing part of the budget. Assuming these higher rates, interest costs would exceed defense spending by 2025 and exceed the net cost of Medicare by 2026. Under this scenario, interest would reach a record share of the economy within three years, at which point it would become the second-largest federal program. Although most of our national debt was issued when interest rates were low, that debt is quickly rolling over into a high-rate debt environment, and further borrowing continues. Without corrective action, interest costs could total more than \$13 trillion over the next decade and \$1.9 trillion per year by 2033. Related: Increase in Treasury Auction Sizes in 2024 and Interest Expense: A Bigger Impact on Deficits than Debt and Living with High Public Debt

Primary Topic: Fiscal Deficits

Topics: Financial Markets, Fiscal Deficits, Fiscal Policy, GDP, Op-Ed/Blog Post

Permalink: <https://www.edwardconard.com/macro-roundup/according-to-a-budgethawks-analysis-if-long-term-interest-rates-remain-at-their-current-level-interest-will-be-the-second-largest-expense-by-2026?view=detail>

Featured Image

Link: <https://www.edwardconard.com/wp-content/uploads/2023/10/Interest-Rates-.png>