

Macro Roundup Article

Headline: 84 Percent of Spending Growth Will Come from Health, Social Security, and Interest

Article Link: <https://www.crfb.org/blogs/84-percent-spending-growth-will-come-health-social-security-and-interest>

Author(s)	CRFB Staff
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Tweet: Transfer payments such as health care and retirement spending, and interest costs make up 84% of the projected spending growth over the next decade. @BudgetHawks

Summary: Budget deficits are projected to grow from \$1.7 trillion in Fiscal Year (FY) 2023 to \$2.6 trillion by 2034 according to the Congressional Budget Office's latest projections. Nominal spending will rise from \$6.4 trillion this year to \$10.1 trillion by FY 2034. Net interest costs will more than double from \$870 billion this year to \$1.6 trillion by 2034, after costs nearly doubled between 2020 and 2023. Interest on the debt is the fastest growing part of the budget and will be the second largest government expenditure this year, surpassing both defense and Medicare. Of the projected increase in nominal spending this decade, interest alone will make up 21 percent (\$758 billion), Social Security will make up 28 percent (\$1.0 trillion), and health care will make up 35 percent (\$1.3 trillion). The remaining 16% is split between defense, nondefense discretionary spending, and all other mandatory spending such as the Supplemental Nutrition Assistance Program, Supplemental Security Income, and veterans' benefits.

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Primary Topic: Fiscal Deficits

Topics: Fiscal Deficits, Fiscal Policy, Government Spending, Op-Ed/Blog Post, Politics

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