

Macro Roundup Article

Headline: [Interest Costs Will Leapfrog Medicare and Defense This Year](#)

Article Link: <https://www.crfb.org/blogs/interest-costs-will-leapfrog-medicare-and-defense-year>

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Tweet: According to the new @USCBO numbers, in 2024 the US will spend more on interest than on defense or Medicare. Interest on the debt is the fastest-growing part of the budget. @BudgetHawks @MarcGoldwein

Summary: Net interest payments will exceed both defense and Medicare spending this year, in Fiscal Year (FY) 2024, according to new projections from the Congressional Budget Office (CBO). That will make interest the second largest government expenditure. Net interest has been exploding over the past few years, with payments rising from \$223B in 2015 to \$352B in 2021 before nearly doubling to \$659B in 2023. In 2024, CBO projects net interest will total \$870B, a near-record 3.1% of GDP. Spending on interest already topped the Medicaid budget and all spending on children last year. At a projected \$870B, interest will surpass total spending on national defense (\$822B) in 2024 and grow well beyond the defense budget over time. Interest costs will also slightly exceed net Medicare spending (\$851B) this year and remain in line with Medicare costs in future years. That would make interest the second largest line item in the budget after Social Security.

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Primary Topic: Fiscal Deficits

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

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