

# US debt surpasses \$23 trillion for first time

The federal government's outstanding public debt has surpassed \$23 trillion for the first time in history, according to data from the Treasury Department released on Friday.

Growing budget deficits have added to the nation's debt at a speedy rate since President Trump took office. The debt has grown some 16 percent since Trump's inauguration when it stood at \$19.9 trillion. It passed \$22 trillion for the first time just 10 months ago.

Of the \$23 trillion figure, just under \$17 trillion was in the category of debt held by the public, which is a more useful gauge of the debt the government has to pay down, and the number typically used in calculating the nation's debt burden. The other \$6 trillion comes from loans within government bodies.

Still, the \$23 trillion figure marks a milestone.

"Reaching \$23 trillion in debt on Halloween is a scary milestone for our economy and the next generation, but Washington shows no fear," said Michael A. Peterson, CEO of the fiscally conservative Peter G. Peterson Foundation.

"Piling on debt like this is especially unwise and unnecessary in a strong economy," he added.

High levels of debt can push up borrowing costs and interest rates, "crowd out" private borrowing and weigh down budgets. In the 2019 fiscal year, for example, the government had to devote \$376 billion just to pay the interest on the debt, equivalent to nearly half the defense budget, and more than the amount spent on the combined costs of education, agriculture, transportation and housing.

The deficit for 2019 came in just under \$1 trillion, at \$984 billion, and is only expected to grow in the coming years.

While the main drivers of spending are mandatory programs such as Social Security, Medicare, and anti-poverty programs, major legislation has grown the deficit considerably since Trump came to office.

The 2017 GOP tax law was estimated to cost \$1.9 trillion over a decade, while bipartisan deals to boost defense and domestic spending ramped up outlays each year.

Reference: US Debt Clock <https://www.usdebtclock.org/>

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Source:

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