

## **The Fiscal Record of the 110<sup>th</sup> Congress**

The federal government's finances have deteriorated dramatically since January 2007. The FY 2009 budget, that Congress is working to complete, will exceed \$3 trillion for the first time in American history. The two budgets that the 110th Congress is responsible for (FY 08 and FY 09) are projected to run the *third-largest* and *largest* deficits in American history respectively. In twenty months, the national debt has increased by more than *\$1 trillion*, while the ten-year budget outlook has worsened by *\$3.4 trillion*.

### ***Record Spending Levels***

- In FY 2009, total federal spending is projected to exceed \$3 trillion for the first time in U.S. history.
- Federal spending has risen from 20.0% of GDP in 2007, to a projected 21.5% of GDP in 2009—the highest level since 1992. To put this in perspective, federal revenue has *never* exceeded 20.9% of GDP. In other words, even if the federal tax burden were to reach the highest level in American history, the federal government would *still run a deficit*.
- After enacting a \$260 billion supplemental appropriations bill earlier this year, Congress will soon consider a second “stimulus” supplemental of \$50 billion or more. Meanwhile, Democrats plan to increase spending through the regular FY 2009 appropriations process by \$72 billion or 7.7%.

### ***Record Budget Deficits***

- CBO currently projects that the deficit will be *\$407 billion* in FY 2008 (2.9% of GDP) and *\$438 billion* in FY 2009 (3.0% of GDP)—the third-highest and highest nominal deficits in American history.
- In the three years prior to the 110<sup>th</sup> Congress, the deficit declined every year, reaching \$162 billion in FY 2007—a reduction of 60% in three years. By contrast, the 110<sup>th</sup> Congress will have presided over a *170.4% increase* to the federal deficit.
- The FY 2009 budget will be the *28<sup>th</sup> consecutive budget deficit* under a Democrat-controlled Congress. It has been 40 years since a Democrat-controlled Congress enacted a balanced budget.

### ***\$1 Trillion Debt Increase in 20 Months***

- When the Democrats took over Congress, the national debt stood at \$8.7 trillion. Today, the national debt stands at \$9.7 trillion, an increase of more than *\$1 trillion* in the 20 months since the 110<sup>th</sup> Congress convened—an additional debt burden of *\$3,300 per citizen*. The national debt has increased by an average of \$1.6 billion *per day* since the Democrats took control of Congress.
- To accommodate the rising national debt, the 110<sup>th</sup> Congress has twice enacted legislation raising the debt limit. It has increased from \$8.965 trillion to \$10.615 trillion during the 110<sup>th</sup> Congress, an increase of \$1.65 trillion or 18.4%.
- According to GAO, the federal government's current unfunded liabilities are *\$52.7 trillion* or *\$455,000* per U.S. household.

### ***\$3.4 Trillion Deterioration to the Budget Outlook***

- In January 2007, the same month Democrats took control of Congress, CBO projected that the federal government would run a budget surplus of \$800 billion from 2008-2017. This month, CBO projected that over this same period, the federal government will run a \$2.6 trillion deficit. That is a *\$3.4 trillion* deterioration of the federal government's finances in 20 months.

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