

## Increases in the US National Debt

Dollars in Millions

President	Year Ending	Total Debt	\$ Increase	% Increase
End of Ford Administration	1976	653,544		
End of Carter Administration	1980	930,210	276,666	42%
End of Reagan Administration	1988	2,684,392	1,754,182	189%
End of G.H.W. Bush Administration	1992	4,177,009	1,492,617	56%
End of Clinton Administration	2000	5,662,216	1,485,207	36%
End of G.W. Bush Administration	2008	10,699,805	5,037,589	89%
<b>Debt Increases Due to the Great Recession</b>				
Last Full Year of Bush Administration	2008	10,699,805	1,470,628	
Obama Administration - end of years	2009	12,311,350	1,611,155	
	2010	14,025,215	1,713,865	
	2011	15,125,899	1,229,622	
Total Increase, Obama Administration	2011	15,125,899	4,554,642	41%

This table presents the facts about the growth of the US National Debt. The numbers used here are for calendar years, rather than fiscal years, to more closely correspond to the terms of Presidential Administrations.

### Key Points:

- The National Debt increased dramatically during Republican Administrations.
- Debt Increased 189% during Reagan Administration.
- It increased by over \$5 trillion during Bush Administration, or 89%.
- Recent Debt increases are almost entirely due to Bush tax cuts and the Great Recession.
- The Debt increase in last full year of the Bush Administration was \$241 billion more than under Obama in 2011.
- Republicans have rejected all proposals to reduce the annual deficit by ending tax breaks for the very wealthy.

## **National Debt Increased Dramatically During Republican Administrations**

Republicans now seem to be obsessed with the level of the National Debt, and it has become a favorite target of the Tea Party faction and their representatives in Congress. The Republican concern about the National Debt is a recent phenomenon that arose only after the election of President Obama.

During the Reagan Administration the National Debt rose by 189%, the largest percentage increase since World War II, at a time when there were no major wars or deep recessions. The debt increase was due primarily to cuts in tax rates.

During the G.W. Bush Administration the National Debt increased from \$5,662 billion at the end of the Clinton Administration, to \$10,700 billion at the end of 2008, an increase of over \$5,000 billion, or 89%.

Republicans have not explained why the Debt increases during the Reagan and Bush Administrations were acceptable, but the increases under the Obama Administration are completely unacceptable.

## **Recent Increases in National Debt Due to Bush Tax Cuts & the Great Recession**

In the last full calendar year of President Clinton's Administration, the Federal government had a surplus, and the National Debt was reduced by 2%. Then the Republicans took over, enacted large tax reductions heavily favoring the wealthy, while increasing spending, and began the long, dramatic increase in annual deficits. Two major wars were undertaken, causing large increases in military spending, without any increases in taxes to pay for it. Other Federal programs continued to grow, and a new prescription drug entitlements program was enacted, without any offsetting tax increases or spending cuts.

And then the bottom fell out of the economy in late 2007, resulting in a deficit of \$1,471 billion in calendar year 2008, the last full year of the Bush Administration.

The Obama Administration inherited this mess. The Great Recession reduced tax revenues and increased automatic spending programs such as unemployment compensation and Medicaid. Rather than cut spending, which would have deepened the recession, the President proposed and Congress passed some tax cuts for the middle class and modest spending increases to help end the recession and minimize the pain for those most severely impacted.

From the start of 2009 to the end of 2011, the Debt increased by an annual average of \$1,475 billion, almost exactly the same as the Debt increase in the last full year of the Bush Administration. And the Debt increase in 2011 was \$1,230 billion, significantly less than the Debt increase in the last full year of the Bush Administration.

## **Republicans Reject Ending Tax Breaks for the Very Wealthy**

In 2011 the President proposed ending some tax breaks for the very wealthy, to help reduce the deficit, but the Republicans in Congress blocked that action. Although Republicans appear to be obsessed with the National Debt, they are more interested in protecting the privileged tax rates of their billionaire supporters.

The Republican complainers seem to be unaware that the National Debt is the result of accumulated annual budget deficits. They appear to believe that they can prevent an increase in the Debt by just setting an arbitrary ceiling, rather than making the hard decisions to decrease spending and increase revenues in order to end the annual budget deficits. Of course the Republicans in Congress know better, and are just playing political games with the debt ceiling.

