

## **OBAMA'S BUDGET SEEKS \$2 TRILLION MORE IN SPENDING AND DEFICITS THAN LAST YEAR**

Last year, President Obama swept into office on a promise to confront tough choices -- and then released a budget proposing the largest debt-and-spending spree in American history. With Washington having committed itself to more government than its taxpayers could realistically afford, basic fiscal responsibility suggests that the President scale back his expensive proposals. Instead, this year's budget is even more fiscally irresponsible, says the Heritage Foundation.

Over the 10 years in which both budgets overlap (FY 2010-2019), this year's budget would spend an additional \$1.7 trillion and run up an additional \$2 trillion in budget deficits. In fact, this year's proposal shows annual budget deficits as much as 49 percent larger than last year's proposal -- raising the debt by an additional 6 percent of gross domestic product (GDP) over the same period. It is a spending spree that will drive up both taxes and deficits, says Heritage.

In addition, the President's budget would:

- Permanently expand the federal government by nearly 3 percent of gross domestic product (GDP) over 2007 pre-recession levels.
- Raise taxes on all Americans by more than \$2 trillion over the next decade (counting health care reform and cap and trade).
- Raise taxes for 3.2 million small businesses and upper-income taxpayers by an average of \$300,000 over the next decade.
- Borrow 42 cents for each dollar spent in 2010.
- Run a \$1.6 trillion deficit in 2010 -- \$143 billion higher than the recession-driven 2009 deficit.
- Leave permanent deficits that top \$1 trillion in as late as 2020 and double the publicly held national debt to over \$18 trillion.

Before the recession, federal spending totaled \$24,000 per U.S. household. President Obama would hike it to \$36,000 per household by 2020 -- an inflation-adjusted \$12,000-per-household expansion of government. Even the steep tax increases planned for all taxpayers would not finance all of this spending: The President's budget would add trillions of dollars in new debt, says Heritage.

Source: Brian M. Riedl, "Obama's Budget Seeks \$2 Trillion More in Spending and Deficits Than Last Year," Heritage Foundation, WebMemo No. 2787, February 1, 2010.

For text:

<http://www.heritage.org/Research/Budget/wm2787.cfm>