

2021 POLICY GUIDES

National Debt

As of August 2021, the national debt has climbed to over \$28.5 trillion, approximately \$84,803 per citizen or \$225,309 per U.S. taxpayer. According to USdebtclock.org, the federal debt-to-GDP (gross domestic product) ratio is now 128.34%, compared to 52.61% in 1960, 34.62% in 1980 and 56.97% in 2000. The previous high was 106.1% in 1946.

The national debt is a result of yearly budget deficits. In fact, since 1970, the federal government only had a budget surplus in four years: 1998, 1999, 2000 and 2001. Also contributing to the yearly deficit is an incremental increase in annual mandatory spending and interest on the debt. Interest on the debt is approaching \$400 billion at current rates.

The debt is owed to domestic and international creditors. About 22% is held by the federal government and includes money borrowed from other areas such as Social Security and Medicare trust funds and various pension and retirement funds. The remaining 78% is held by foreign governments, banks, investors and mutual funds, the Federal Reserve and others.

Later this year, Congress will again be asked to raise the debt ceiling, or to increase the amount the U.S. can borrow. Congress is also debating infrastructure spending and raising revenue through tax increases. Next year, we will start rewriting the next farm bill, which typically costs over \$400 billion every five years. Addressing the escalating national debt will take leaders willing to make tough or unpopular decisions.

Current AFBF policy speaks of the importance of controlling the national debt while it also includes program areas with costs, including farm bill programing; improvements to roads, bridges, and broadband; research investments; and disaster assistance. At the same time, current AFBF policy also supports a balanced federal budget.

Questions to Consider

1. Is controlling the national debt still a priority for Farm Bureau?
2. What is Farm Bureau's role in the national debt discussion?
3. Can Farm Bureau continue to advocate for programs and policies with a cost without supporting tax increases or tax base expansion?

Current AFBF Policy

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Comment/Question