

## Debunking Debt Ceiling MYTHS

The federal government reached the debt limit of \$31.4 trillion on Jan. 19, 2023. Even with “extraordinary measures,” tax receipts are insufficient to cover all approved spending, and cash balances are expected to be exhausted in June 2023.

### MYTH: Raising the debt ceiling is never accompanied by spending cuts

**X FALSE:** Since 1978, Congress has increased the debt ceiling 60 times. More than half of those debt ceiling increases (52%) included additional legislation.

### MYTH: The American people want the debt ceiling raised with no spending cuts

**X FALSE:** Nearly 2/3 of Americans (65%) support reducing the deficit in exchange for raising the debt ceiling. Only 27% think Congress should raise the debt ceiling without spending cuts.

### MYTH: The current level of federal spending is sustainable

**X FALSE:** The federal government is receiving higher revenues as a share of national output than it has averaged over the preceding 50 years. The problem is that spending has gone up at an even faster, unsustainable pace in recent years. We have a spending problem, not a revenue problem, and the Biden Administration has admitted that the federal government is on “an unsustainable fiscal path.”

### MYTH: Spending cuts will require cuts to Social Security and Medicare

**X FALSE: Congress can realize meaningful spending reductions without touching Social Security and Medicare.** An America First approach would apply the realistic principle that every dollar of debt ceiling increase be accompanied by a dollar of deficit reduction. Freezing non-defense discretionary spending, cancelling student loan forgiveness, and reimposing work requirements for federal social programs can realize trillions in savings.

### MYTH: Enormous federal debt is not a threat to the Nation’s economy

**X FALSE:** Ballooning federal debt will have serious consequences for our economy. Higher taxes take money away from families looking to make their lives better and from small businesses looking to grow and expand. Additionally, the rising debt, much of it financed from abroad, reduces our ability to defend ourselves from foreign adversaries and make critical investments in America. The massive increase in federal spending over the last few decades has been accompanied by a decline in both productivity and economic prosperity.