



# EVALUATING THE BIDEN ADMINISTRATION'S BUDGET PROPOSALS

James Carter | March 10, 2023

The Biden Administration submitted its fiscal year 2024 budget proposal on March 9. We can evaluate if the new budget puts **Americans First** by looking at 11 key questions

## DOES THE BIDEN ADMINISTRATION'S FISCAL YEAR 2024 BUDGET...

...cut federal spending?

**No.**

President Biden's third budget proposes to increase federal spending by \$1.852 trillion over ten years relative to the current law baseline. This is in addition to the nearly \$5 trillion increase during the first two years of the Biden Administration.

For every dollar of non-defense discretionary spending, the FY24 budget proposes to cut, it increases entitlement spending by \$24.90.

...avoid raising taxes?

**No.**

The president's FY24 budget includes a \$4.7 trillion tax increase. As President Biden recently said, "I want to make it clear. I'm [gonna raise some taxes.](#)" (Truer words were never said.)

...deliver robust economic growth?

**No.**

According to the president's FY24 budget estimates, economic growth in the years ahead would stall at little more than 2% annually compared to historical norms of over 3%. Even this tepid growth rate is optimistic because the budget's policy proposals would further undermine U.S. economic growth, not bolster it.

...reduce the federal budget deficit?

**Not really.**

The Biden Administration may claim (again) that it is meaningfully reducing the deficit, but the purported \$2.8 trillion deficit reduction represents a mere 14% reduction in the 10-year deficit. Meanwhile, over the past nine months, the projected FY23 budget deficit jumped 43%!

## DOES THE BIDEN ADMINISTRATION'S FISCAL YEAR 2024 BUDGET...

**...put the federal government on the road to a balanced budget?**

**No.**

Not even close.

**...trim the hundreds of billions of dollars the federal government spends annually on federal interest payments?**

**Not really.**

Interest payments on the federal debt are surging. They were up 35% last year and another 35% this year! President Biden's budget would trim interest outlays by a mere 3%.

**...prioritize resources for national defense?**

**Debatable.**

President Biden proposes a \$210 billion decrease in defense discretionary spending over 10 years.

**...rein in America's unsustainable entitlement spending?**

**No.**

The administration's FY24 budget increases spending on entitlements by \$2.49 trillion over 10 years.

**...save Social Security from insolvency?**

**No.**

The president's FY24 budget [does not propose](#) any changes to prevent Social Security from becoming insolvent. Doing nothing is the equivalent of supporting a 23% cut in Social Security benefits because, as the Congressional Budget Office [reported last December](#): "In 2034, Social Security revenues are projected to equal 77 percent of the program's scheduled outlays, resulting in a 23 percent shortfall. Thus, CBO estimates that Social Security benefits would need to be reduced by 23 percent in 2034."

**...save Medicare from insolvency?**

**Yes...but only on paper.**

The president's FY24 budget proposes a sizeable tax increase that stands no chance of becoming law.

Moreover, the proposed tax increase on income above \$400,000 is not indexed for inflation, so, over time, more and more Americans would be subject to the tax increase.

**...offer policies designed to keep U.S. employers competitive internationally?**

**No.**

The FY24 budget calls for a massive tax increase on corporations and pass-throughs alike. The Biden Administration estimates corporate income tax revenue would jump 56% under the president's proposed tax policies.