



## US deficit could top \$1T in 2019

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Despite strength in the U.S. economy, government spending has shown few signs of slowing.

In a midyear review released this week, the White House Office of Management and Budget forecast that the federal deficit would exceed \$1 trillion this year.

It would be the first time since the four years following the Great Recession that the deficit reached that level.

The latest projection is actually \$91 billion lower than what was forecast in March. That figure was revised down as a result of an increase in tax receipts and a decrease in mandatory and net interest spending, according to the administration.

These figures come even as the U.S. economy shows continued signs of strength. In the first quarter of the year, the economy grew at a pace of 3.1 percent. The unemployment rate is still hovering near its lowest level in decades.

Periods of economic strength often allow the government to rein in spending.

Chris Edwards, director of tax policy studies at the Cato Institute and editor of [www.DownsizingGovernment.org](http://www.DownsizingGovernment.org), told FOX Business that unless Congress enacts "major reforms," the deficit will most likely continue to rise.

Edwards added that Trump's budget shows the "explosive path of federal spending," while the federal debt is the highest in the nation's peacetime history when compared with GDP.

"The new Trump debt projections look scary, but we'll probably be hit by surprises that make the outlook even worse," Edwards said. "The build-up of federal government debt ... could trigger a global economic crisis."

The national debt passed \$22 trillion earlier this year, which is the largest amount ever.

During his 2016 campaign, President Trump promised to eliminate the nation's debt.

Meanwhile, there are ongoing discussions on Capitol Hill to increase spending – coupled with negotiations to raise the debt ceiling.