

INTEREST PAYMENTS ON THE DEBT OUTPACE MOST COUNTRIES' GDPs

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December 3, 2025

Our national debt is over [\\$38.4 trillion](#).

Every dollar of deficit spending is a tax on future generations, who will have to pay for today's irresponsible decisions by policymakers.

Interest Spending Grows Beyond Reason

As our national debt grows, so do the mandatory interest payments the country must make to service that debt.

These interest payments have exploded beyond what the country spends on other major categories, including defense and major health programs.

The [fiscal year \(FY\) 2024 spending](#) on interest was \$1.13 trillion – overtaking total actual FY 2024 defense spending of \$954 billion, actual FY 2024 Medicaid spending of \$618 billion, and actual FY 2024 Medicare spending of \$1.09 trillion.

The U.S. Department of the Treasury pegs fiscal year 2025 interest payments at [\\$1.22 trillion](#). This equates to \$9,200 per household.

Our interest payments comprised 13% of total outlays in FY 2024. As autopilot spending eats up more of the budget year after year, the interest payment portion also increases, while the discretionary portion – what Congress actually votes on annually – shrinks.

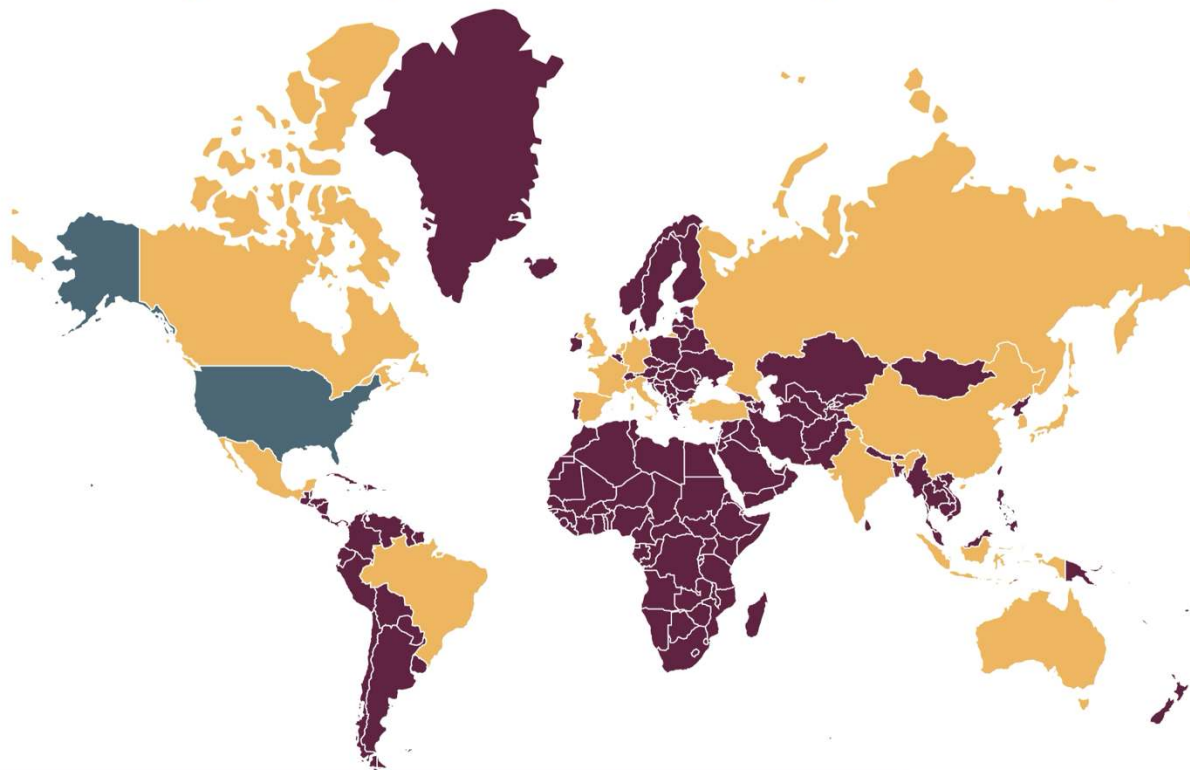
And the cost of our debt is rising exponentially as federal spending continues to spiral out of control.

U.S. Spends More on Interest than Most Countries' Entire GDPs

To provide perspective, the majority of countries on the planet are smaller than just our interest payments. There are only 16 countries in the world – other than the United States itself – with gross domestic products (GDPs) greater than our interest payments.

We are forcing future generations to cover the interest on our borrowing to such a degree that the payments are essentially equal to the size of Saudi Arabia's entire economy. This is unsustainable.

FY 2025 Interest Payments on the U.S. Debt Outpace GDPs Globally



Legend:

■ Countries with GDP ≤ \$1.220 trillion. ■ Countries with GDP > \$1.220 trillion. ■ Reference country.

Note 1: This map reflects annual GDP and annual interest payments on the U.S. national debt.

Note 2: Saudi Arabia's GDP is approximately equal to the interest payments on the U.S. national debt.



Source: IMF data combined with author's analysis.

What Congress Can Do

Our debt is out of control because our spending is beyond reason. The ballooning interest is just one very expensive symptom.

Congress would be wise to adjust spending down and exert more fiscal restraint in upcoming budget and appropriations legislation.

Additionally, Congress should use a second reconciliation package to reduce the deficit by making meaningful reforms to autopilot programs, which account for 60% (73% when including interest payments) of the federal budget.