



Source: Office of Management and Budget, President's Budget FY 2010 and FY 2012
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Yesterday, the president released the proposed federal budget for fiscal year 2012. This year's budget comes after a year of federal spending financed by continuing resolution, with spending for fiscal year 2011 held at 2010 levels. Under the new budget, spending will reach \$3.7 trillion in fiscal year 2012; this follows an estimated \$3.8 trillion in spending this fiscal year – the highest level of spending in United States' history.

The President's 2012 Budget Proposal projects that this record spending will be accompanied by continuing deficits and growing debt throughout the decade. If we keep to this course, debt held by the public will swell to 77% of GDP by 2021.

This week, Mercatus Center Senior Research Fellow Veronique de Rugy focuses on one critical metric in the budget: deficits incurred. The chart compares projected deficits under the President's Budget for fiscal year 2012 (in red) with deficits projected in this same document just two years ago, during the deepest trough of the recession (in blue). These numbers are arresting; in just two years' projections, projected deficits between 2011 and 2019 have *increased* by \$1.5 trillion.

Despite a nominal commitment to fiscal reform, the president's budget calls for *even greater spending* than occurred fiscal year 2010. This spending will result in a projected net deficit of \$1.6 trillion, the highest level of deficit in United States' history.

Veronique de Rugy [blogs the new budget](#) at The Corner.

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