U.S. and Utah Debt Policy: A Study in Contrasts

Part One: U.S Debt History
Federal Debt in 2021 dollars (billions)

Source: U.S. Department of Treasury
U.S. Debt by Presidential Administration

- Reagan
- H.W. Bush
- Clinton
- Bush
- Obama
- Trump

Sources:

Kem C. Gardner Policy Institute
Federal Expenditures: Defense vs Social Programs

1960
- 40% Defense
- 52% All other
- 1% Health
- 2% Welfare
- 5% Pensions

2020
- Welfare, 24% ($1.8T)
- All other, 16% ($1.2T)
- Defense, 13% ($1.0T)
- Health, 26% ($2.0T)
- Pensions, 21% ($1.6T)

Source: worldpopulationreview.com/countries/countries-by-national-debt
Why Has the National Debt Grown So Large?

- Responses to Wars, Recessions, Pandemics
- Federal Spending Shift and increases in Social Programs
- Neither expenditures Coming with Tax Increases
- Expenditures paid for by borrowing
U.S. and Utah Debt Policy: A Study in Contrasts

Part Two: Utah Debt History
Short History of Utah Debt

First – 1911, $1 million
Second – 22 years later
Next four over 47 years – $313 million
Next two issued in 1997-98 - $1.4 billion
2001-2021 - $8.2 billion

Bonding now an acceptable source of revenue to most legislators and governors and a regular part of state public finances
General Obligation Bond Ratings by State, 2021

Source: S&P Global
Summary

Debt Totals
- Utah G.O Debt - $7.5 billion
- Federal Debt stands at $30 trillion

Utah State Debt: Why so well respected?
- Constitutional Debt Limit
- Constitutional requirement to balance budget annually
- One-time projects

Utah Part of a federal system
- Ongoing grants to states
- *American Rescue Plan of 2021*
U.S. Debt held by the Public as a Percent of GDP, 1790–2021