

# US Federal Deficits or Surpluses from FY 1981-2021, and the Presidents in Office During Those Times

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# US Federal Deficits or Surpluses from FY 1981-2021

- The four Republican presidents since 1980 (Ronald Reagan, George H.W. Bush, George W. Bush, Donald Trump) increased the federal deficit during their time in office.
- The two Democratic presidents since 1980 (Bill Clinton, Barack Obama) decreased the federal deficit.
- The biggest deficit increase among presidents since 1981 occurred under George W. Bush: 1,204% increase from FY 2002-2009.
- The biggest deficit increase among presidents since 1981 occurred under George W. Bush: 1,204% increase from FY 2002-2009.
- Trump's final budget ended on September 30, 2021, with a deficit of \$2.77 trillion.

## I. Executive Summary

This report looks at the federal deficit or surplus during presidential administrations from 1981 to 2021 by fiscal year, which runs from October 1 through September 30 of each year.

Presidents are sworn into office on January 20 of the year following a presidential election. During the 8.3 months between inauguration on January 20 and a new president's first budget going into effect on October 1, a president is operating under the budget approved by his or her predecessor.

The charts below show the change in the federal deficit or surplus from the previous president until the end of the incoming president's final deficit surplus.

**Conclusion:** By looking at the federal deficit or surplus based on fiscal year, the data in this report show all four Republican presidents since 1980, with our methodology, increased the federal deficit during their time in office: Ronald Reagan had a 94% increase, George H.W. Bush had a 67% increase, George W. Bush had a 1,204% increase, and Trump had a 317% increase.

Both Democratic presidents since 1980 decreased the federal deficit while in office: Bill Clinton had a 150% decrease to end his presidency with a federal surplus of \$128 billion, and Barack Obama decreased the deficit by 53%.

### **Note:**

The numbers and chart in this report are raw numbers without any subjective analysis or theories examining them. However, much can exist beneath the surface of the numbers, and good people can and probably will argue over what they mean or indicate. For example, there may be important and unexpected events a president might have nothing to do with, such as a global economy dislocation, a pandemic, having one or both houses of Congress in the opposing political party's hands, the actions of a prior administration, or being a lame duck president who feels compelled to sign or approve a budget for reasons other than simple agreement with it.

Even still, because each of the presidents listed below served long enough to face such economic, social, political geopolitical and other issues, the numbers below might also be considered as they appear.

## **II. Background**

### **A. Calendar Year vs. Fiscal Year**

While the calendar year runs from January 1 through December 31, the federal government's fiscal year (FY) runs from October 1 of one calendar year through September 30 of the next year. Fiscal years are labeled by the calendar year in which they end. For example, FY 2021 ran from October 1, 2020 through September 30, 2021.<sup>1</sup>

### **B. Federal Deficit and Surplus**

The federal deficit is the amount by which government spending (aka outlays) exceeds the amount of revenue in a fiscal year. For example, in FY 2021, the government spent \$6.82 trillion and took in \$4.05 trillion in revenue, resulting in a federal deficit of \$2.77 trillion.<sup>2</sup> When the government has more revenue than outlays, a surplus is created.

The government is able to spend more than it makes by borrowing money to cover the deficit. The total amount borrowed at any point in time is the national debt. On February 1, 2022, the national debt surpassed \$30 trillion.<sup>3</sup>

### **C. Budget Process**

Each February, the president submits a budget request to Congress that reflects his or her recommendations for federal spending and tax policy priorities in the next fiscal year. The House and Senate Budget Committees take the president's budget into consideration while creating budget resolutions that go to the floor for amendments and votes. The budget resolution is supposed to be complete by April 15, but in practice can be approved later or not at all (in which case each chamber sets its own budget target or the resolution from the prior year remains in place).<sup>4</sup>

Around late May, Congress begins work on legislation for any changes in the level of mandatory spending as well as 12 appropriations bills that set discretionary spending for the upcoming fiscal year.<sup>5</sup> The budget is complete when the president has signed the appropriations bills into law.<sup>6</sup>

If a budget has not been adopted by midnight on September 30, the government has to shutdown, which means all non-essential functions stop until funding for the new fiscal year is authorized.<sup>7</sup> A shutdown can be averted by passing a stop-gap "continuing resolution" law until the appropriations bills are finalized.<sup>8</sup>

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<sup>1</sup> USAGov, "Budget of the U.S. Government," [usa.gov](https://www.usa.gov) (accessed October 21, 2021)

<sup>2</sup> DataLab, "Deficit," [datalab.usaspending.gov](https://datalab.usaspending.gov) (accessed March 24, 2022)

<sup>3</sup> Alan Rappeport, "U.S. National Debt Tops \$30 Trillion as Borrowing Surged Amid Pandemic," [nytimes.com](https://www.nytimes.com), February 1, 2022

<sup>4</sup> Center on Budget and Policy Priorities, "Policy Basics: Introduction to the Federal Budget Process," [cbpp.org](https://www.cbpp.org), April 2, 2020

<sup>5</sup> US Department of Education, "Budget Process in the U.S. Department of Education," [ed.gov](https://www.ed.gov), January 19, 2017

<sup>6</sup> ACE, "A Brief Guide to the Federal Budget and Appropriations Process," [acenet.edu](https://www.acenet.edu) (accessed March 24, 2022)

<sup>7</sup> Committee for a Responsible Federal Budget, "Q&A: Everything You Should Know About Government Shutdowns," [crfb.org](https://www.crfb.org), September 23, 2021

<sup>8</sup> Executive Office of the President Office of Management and Budget, "Section 10 - Overview of the Budget," [whitehouse.gov](https://www.whitehouse.gov), August 2021

Conflicting spending priorities between the House and the Senate or between Congress and the president can delay the approval of appropriations bills. For example, in 2013, the House and Senate failed to pass a spending bill in time due to a disagreement over Obamacare, causing the government to shut down for 16 days.<sup>9</sup> In 2016, a 35-day partial government shutdown occurred when Congress would not authorize the \$5.7 billion that President Trump wanted for a border wall between the US and Mexico.<sup>10</sup>

Although the September 30 deadline for approving appropriations bills has not always been met, as shown in the examples above, the following information will assume that annual budgets run on the fiscal year for the sake of simplicity.

### **III. Comparing Deficits under Recent Presidents**

The prevailing perception has long been that Democrats prefer big government spending on services and increased taxes, while Republicans favor small government with less spending and lower taxes.<sup>11, 12</sup> Much has been written, discussed, and argued on the subject of which modern presidents were the most profligate spenders and which have been the most budget conscious.

That is a difficult if not impossible question to answer because of the various factors that might impact spending at any given time. There may be important and unexpected events outside a president's control that could substantially affect a presidential budget. Such events could include a global economy dislocation, a pandemic, having one or both houses of Congress in the opposing political party's hands, the previous actions of a prior administration, or being a lame duck president who signs or approves a budget for reasons other than agreement with it.

Presidents are sworn into office on January 20 of the year following a presidential election. During the 8.3 months between inauguration on January 20 and the first new president's first budget going into effect on October 1, a president is operating under the budget approved by his or her predecessor.

To try to isolate the spending of presidents from Ronald Reagan through Donald Trump, this report compares the federal deficit or surplus at the start of a president's first budget (October 1 of the first year in office) to the federal deficit or surplus after that president's final budget (September 30 the year after he left office). This shows how much the deficit changed under the budgets approved by each president.

For example: Ronald Reagan was elected president on November 4, 1980, and was sworn in as president on January 20, 1981. His predecessor's final budget (FY 1981) ran through September 30, 1981. Therefore, 8.3

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<sup>9</sup> David A. Fahrenthold and Katie Zezima, "For Ted Cruz, the 2013 Shutdown Was a Defining Moment," [washingtonpost.com](http://washingtonpost.com), February 16, 2016

<sup>10</sup> Steve Holland and Richard Cowan, "Backing down, Trump Agrees to End Shutdown Without Border Wall Money," [reuters.com](http://reuters.com), January 25, 2019

<sup>11</sup> David Siders, "Why Democrats Stopped Stressing Over Big Spending," [politico.com](http://politico.com), May 10, 2021

<sup>12</sup> Jeffrey M. Jones, "Americans Revert to Favoring Reduced Government Role," [news.gallup.com](http://news.gallup.com), October 14, 2021

months, or 254 days, had elapsed between Reagan's inauguration on January 20, 1981, and the start of his first budget on October 1, 1981 (FY 1982).

The last budget of Jimmy Carter, Reagan's predecessor, ended on September 30, 1981, with a deficit of \$79 billion dollars (see Chart I below). The deficit of the final budget that Ronald Reagan signed (FY 1989), from October 1, 1988 to September 30, 1989, was \$153 billion. Therefore, according to our methodology set out above, Ronald Reagan increased the federal deficit by \$74 billion (\$153B-\$79B), an increase of 94% (\$74B divided by \$79B for the percent change).

### A. Federal Deficit by Presidential Administration

Chart I shows the federal deficit or surplus that a president inherited from his predecessor (column B), and the federal deficit or surplus after the president's final budget, which ended on September 30 of the year after he left office (column C). Note that an outgoing president's budget is in place for the first 8.3 months of an incoming president's first year in office, because federal budgets run on the fiscal year rather than calendar year.

For example, Ronald Reagan inherited a \$79 billion deficit from his predecessor, Jimmy Carter. Reagan's final budget deficit of \$153 billion was a 94% increase in the federal deficit.

Bill Clinton's first budget started with a \$255 billion deficit from George W. Bush. At the conclusion of Clinton's final budget, the US had a \$128 billion surplus, a 150% decrease in the federal deficit.

Note that the numbers below have not been adjusted for inflation. \$1 billion in 1981 would be \$3.12 billion in 2022 dollars. This is calculated as the CPI today (283.7) divided by the CPI in 1981 (90.9) times \$1 billion.

**Chart 1: Federal Deficit by Presidential Administration<sup>13</sup>**  
[\$ in Billions]

	A. President (Inauguration Date)	B. Deficit or Surplus Inherited from Previous President	C. Deficit or Surplus at the End of Final Budget	D. Total Increase or Decrease in Deficit from First Budget to Final Budget	E. Percent Increase or Decrease in Deficit from First Budget to Final Budget	F. Fiscal Years of the President's Budgets (10/1/xx- 9/30/xx)
1	Ronald Reagan (1/20/1981)	-\$79 (as of 9/30/1981)	-\$153 (as of 9/30/1989)	\$74	94%	FY 1982-1989
2	George H.W. Bush (1/20/1989)	-\$153 (as of 9/30/1989)	-\$255 (as of 9/30/1993)	\$102	67%	FY 1990-1993

<sup>13</sup> The beginning and ending deficit (or surplus) numbers come from Chart 3 on pages 7-8 of this report.

## Chart 1: Federal Deficit by Presidential Administration<sup>13</sup>

[\$ in Billions]

	A. President (Inauguration Date)	B. Deficit or Surplus Inherited from Previous President	C. Deficit or Surplus at the End of Final Budget	D. Total Increase or Decrease in Deficit from First Budget to Final Budget	E. Percent Increase or Decrease in Deficit from First Budget to Final Budget	F. Fiscal Years of the President's Budgets (10/1/xx- 9/30/xx)
3	Bill Clinton (1/20/1993)	-\$255 (as of 9/30/1993)	\$128 (as of 9/30/2001)	\$383	150%	FY 1994-2001
4	George W. Bush (1/20/2001)	\$128 (as of 9/30/2001)	-\$1,413 (as of 9/30/2009)	\$1,541	1,204%	FY 2002-2009
5	Barack Obama (1/20/2009)	-\$1,413 (as of 9/30/2009)	-\$665 (as of 9/30/2017)	\$748	53%	FY 2010-2017
6	Donald Trump (1/20/2017)	-\$665 (as of 9/30/2017)	-\$2,772 (as of 9/30/2021)	\$2,107	317%	FY 2018-2021

### B. Federal Deficits and Surpluses from 1981 through 2021

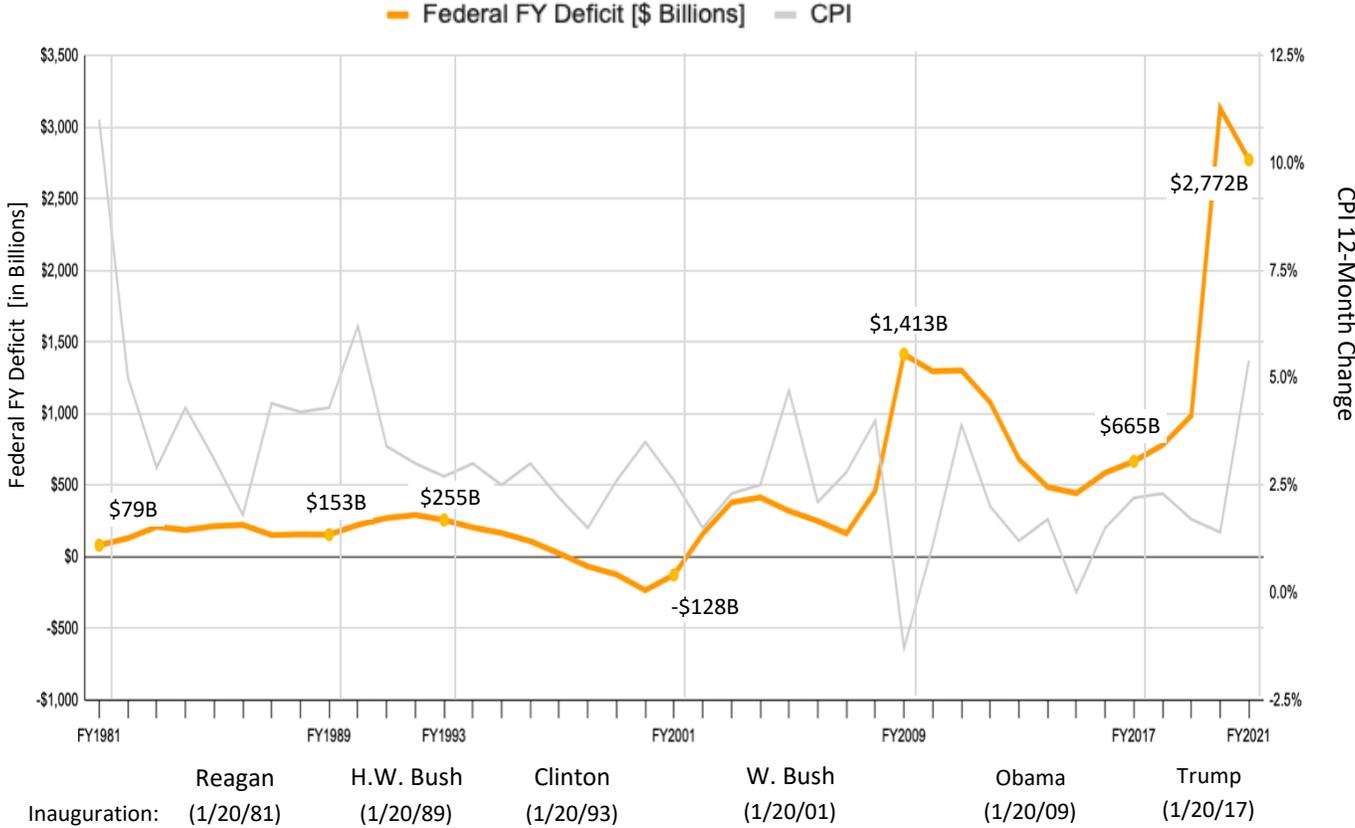
Chart 2 shows the federal deficit or surplus in orange across presidential administrations from Ronald Reagan through Donald Trump. A vertical line marks the fiscal year that ended one final president's budget and began the next administration's first budget, showing where each president began and ended with the federal deficit.

The Consumer Price Index (CPI) 12-month change, a measure of the average change in prices for goods and services, is shown in grey. According to the Bureau of Labor Statistics (BLS), "The CPI is the most widely used measure of inflation and is sometimes viewed as an indicator of the effectiveness of government economic policy."<sup>14</sup> A sudden increase in CPI might indicate inflation, and big drops might signal deflation.<sup>15</sup>

<sup>14</sup> US Bureau of Labor Statistics, "Consumer Price Index Frequently Asked Questions," bls.gov (accessed October 22, 2021)

<sup>15</sup> BLS notes that volatile food and oil prices could make the CPI an unreliable indicator of inflation and deflation. Source: US Bureau of Labor Statistics, "Consumer Price Index for All Urban Consumers: All Items in U.S. City Average," fred.stlouisfed.org (accessed November 15, 2021)

**Chart 2: Federal FY Deficit [\$ Billions] and CPI 12-Month Change**



**C. Gross Domestic Product (GDP), Federal Deficit/Surplus, Cumulative Federal Debt, and CPI 12-Month Change by Fiscal Year**

Chart 3 lists some economic indicators by fiscal year, starting with FY 1981 (10/1/1980-9/30/1981) to show the numbers that Reagan inherited from Jimmy Carter. The chart ends with FY 2021 (10/1/2020-9/30/2021), Trump’s final annual budget.

**Chart 3: Federal FY GDP, Deficit, Cumulative Debt 1981-2020**

A. Fiscal Year <sup>16</sup>	B. GDP <sup>17</sup> [\$ Billions]	C. Federal FY Deficit (Surplus) <sup>18</sup> [\$ Billions]	D. Deficit / GDP	E. Cumulative Federal Debt <sup>19</sup> [\$ Billions]	F. Debt / GDP	G. CPI 12-Month Change <sup>20</sup>
1981	\$3,133	\$79	2.5%	\$995	32%	11.0%
<b>Reagan:</b>						
1982	\$3,313	\$128	3.9%	\$1,137	34%	5.0%
1983	\$3,536	\$208	5.9%	\$1,372	39%	2.9%
1984	\$3,949	\$185	4.7%	\$1,565	40%	4.3%
1985	\$4,265	\$212	5.0%	\$1,817	43%	3.1%
1986	\$4,526	\$221	4.9%	\$2,121	47%	1.8%
1987	\$4,768	\$150	3.1%	\$2,346	49%	4.4%
1988	\$5,139	\$155	3.0%	\$2,601	51%	4.2%
1989	\$5,555	\$153	2.7%	\$2,868	52%	4.3%
<b>H.W. Bush:</b>						
1990	\$5,899	\$221	3.7%	\$3,206	54%	6.2%
1991	\$6,093	\$269	4.4%	\$3,598	59%	3.4%
1992	\$6,416	\$290	4.5%	\$4,002	62%	3.0%
1993	\$6,775	\$255	3.8%	\$4,351	64%	2.7%
<b>Clinton:</b>						
1994	\$7,177	\$203	2.8%	\$4,643	65%	3.0%
1995	\$7,560	\$164	2.2%	\$4,921	65%	2.5%
1996	\$7,951	\$107	1.4%	\$5,181	65%	3.0%
1997	\$8,451	\$22	0.3%	\$5,369	64%	2.2%
1998	\$8,931	(\$69)	-0.8%	\$5,478	61%	1.5%
1999	\$9,479	(\$126)	-1.3%	\$5,606	59%	2.6%
2000	\$10,118	(\$236)	-2.3%	\$5,629	56%	3.5%
2001	\$10,527	(\$128)	-1.2%	\$5,770	55%	2.6%
<b>W. Bush:</b>						
2002	\$10,834	\$158	1.5%	\$6,198	57%	1.5%
2003	\$11,284	\$378	3.3%	\$6,760	60%	2.3%
2004	\$12,026	\$413	3.4%	\$7,355	61%	2.5%
2005	\$12,834	\$318	2.5%	\$7,905	62%	4.7%
2006	\$13,638	\$248	1.8%	\$8,451	62%	2.1%
2007	\$14,291	\$161	1.1%	\$8,951	63%	2.8%
2008	\$14,743	\$459	3.1%	\$9,986	68%	4.0%
2009	\$14,432	\$1,413	9.8%	\$11,876	82%	-1.3%

<sup>16</sup> Federal Fiscal Year: Starting 10/1/xx and ending 9/30/xx+1

<sup>17</sup> Quarterly GDP, seasonally adjusted annual rate; nearest 10/1/XX data. Source: Bureau of Economic Analysis, "Gross Domestic Product," bea.gov (accessed August 3, 2021)

<sup>18</sup> Federal deficit (or surplus), not seasonally adjusted; Frequency: Annual, by Fiscal Year. Source: Federal Reserve Bank of St. Louis, "Federal Surplus or Deficit," fred.stlouisfed.org (accessed August 3, 2021)

<sup>19</sup> Total Public Debt, quarterly, not seasonally adjusted. Source: Federal Reserve Bank of St. Louis, "Federal Debt: Total Public Debt," fred.stlouisfed.org (accessed August 3, 2021) Total Public Debt, quarterly, not seasonally adjusted.

<sup>20</sup> CPI 12-Month change calculated as (Ending year October CPI - Beginning year October CPI) / (Beginning year October CPI). Source: US Bureau of Labor and Statistics, "CPI for All Urban Consumers (CPI-U)," data.bls.gov (accessed August 18, 2021)

**Chart 3: Federal FY GDP, Deficit, Cumulative Debt 1981-2020**

A. Fiscal Year <sup>16</sup>	B. GDP <sup>17</sup> [\$ Billions]	C. Federal FY Deficit (Surplus) <sup>18</sup> [\$ Billions]	D. Deficit / GDP	E. Cumulative Federal Debt <sup>19</sup> [\$ Billions]	F. Debt / GDP	G. CPI 12-Month Change <sup>20</sup>
<b>Obama:</b>						
2010	\$14,839	\$1,294	8.7%	\$13,529	91%	1.1%
2011	\$15,404	\$1,300	8.4%	\$14,764	96%	3.9%
2012	\$16,057	\$1,077	6.7%	\$16,051	100%	2.0%
2013	\$16,604	\$680	4.1%	\$16,719	101%	1.2%
2014	\$17,336	\$485	2.8%	\$17,794	103%	1.7%
2015	\$18,106	\$442	2.4%	\$18,120	100%	0.0%
2016	\$18,582	\$585	3.1%	\$19,539	105%	1.5%
2017	\$19,317	\$665	3.4%	\$20,206	105%	2.2%
<b>Trump:</b>						
2018	\$20,369	\$779	3.8%	\$21,462	105%	2.3%
2019	\$21,224	\$984	4.6%	\$22,669	107%	1.7%
2020	\$21,000	\$3,132	14.9%	\$26,902	128%	1.4%
2021	\$22,030	\$2,772*	12.6%	\$30,226	137%	5.4%

\*2021 FY Deficit released as an estimate on 10/28/21

## IV. Conclusion

This report looked at the federal deficit or surplus based on fiscal year over the 40 years from October 1, 1982 to September 30, 2021.

All four Republican presidents since 1980 increased the federal deficit during their time in office: Ronald Reagan had a 94% increase, George H.W. Bush had a 67% increase, George W. Bush had a 1,204% increase, and Trump had a 317% increase.

The two Democratic presidents since 1980 decreased the federal deficit: Bill Clinton had a 150% decrease to end his presidency with a federal surplus of \$128 billion, and Barack Obama decreased the deficit by 53%.

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