

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our Subscriber Agreement and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com.

<https://www.wsj.com/articles/federal-deficit-widened-to-a-record-249-billion-last-month-11670871622>

ECONOMYECONOMIC DATA

Federal Deficit Widened to a Record \$249 Billion Last Month

Spending rose in November from a year earlier as tax receipts dropped



The U.S. Treasury spent 53% more on borrowing costs this November than it did last November.

PHOTO: ERIC LEE FOR THE WALL STREET JOURNAL

By *Andrew Duehren* [Follow](#)

Dec. 12, 2022 2:00 pm ET

WASHINGTON—The monthly federal deficit was a record-setting \$249 billion in November, \$57 billion wider than the same month last year, as Republican control of the House puts the government's finances back in the political spotlight.

The federal government spent \$501 billion last month, a \$28 billion increase to a record high, while tax revenue dropped by \$29 billion compared with last November, with the government collecting \$252 billion. Adjusting for calendar differences in last year's tax receipts, government tax revenue dropped \$13 billion compared with last November, the Treasury Department said Monday.

The deficit narrowed sharply last fiscal year, which ended Sept. 30, as broad fiscal support during the Covid-19 pandemic ended. At the same time, rapid economic growth also helped power record-level tax revenues, contributing to the smaller deficit.

Both those trends are on track to end this fiscal year. Government spending won't again drop precipitously as Congress has stopped approving huge, one-time aid programs. As the Federal Reserve rapidly raises interest rates to combat the highest inflation in decades, a slowing economy could also result in lower tax receipts going forward.

The Fed's tightening is also expected to create higher borrowing costs for the government. The Treasury spent 53% more on borrowing costs this November than it did last November.

With Republicans set to assume control of the House next year, the federal government's finances could once again become a political flashpoint. Some Republicans have said they could refuse to raise the nation's borrowing limit without an agreement on broad cuts to the federal budget, including potentially Social Security and Medicare.

Such a debate could bring the U.S. to the brink of defaulting on its debt, a feature of clashes between Republicans and Democrats during the Obama presidency. During the Trump era, Republicans largely let go of their concerns about government spending and reached multiple agreements with Democrats to raise the borrowing limit without imposing deep spending cuts.

Write to Andrew Duehren at andrew.duehren@wsj.com