

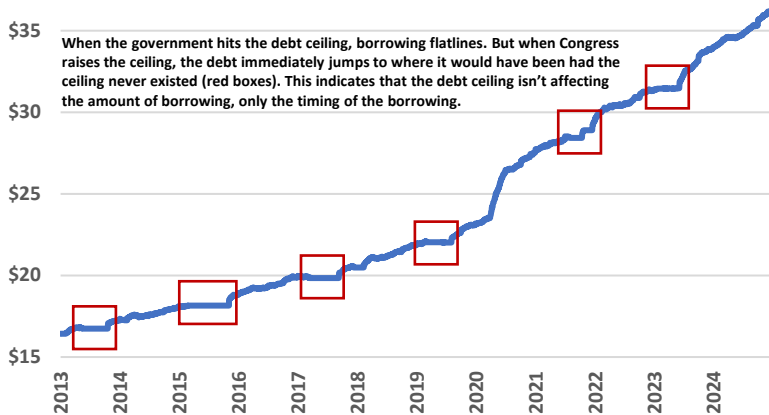
Economic & Market Watch Intelligence Brief

Briefing

- Federal current receipts include all sources of income for the federal government excluding capital transactions (e.g., receipts of loan repayments, asset sales). Federal current receipts have grown an average of 6% per year since 1970. From 2012 through 2024, tariffs comprised 1.6% of current receipts. In 2025, they averaged 4.9% (**Figure 1**).
- Gross federal debt is the total amount of money the federal government has borrowed. This has risen from 35% of gross domestic product (GDP) in 1970 to over 120% today. Debt increases in October tend to be larger because the government's fiscal year starts October 1 (**Figure 2**).
- The debt-to-GDP ratio is useful for comparing government debts across countries (**Figure 3**). By this metric, Sudan and Japan have the highest government debts, each at almost 2.5 times the size of their economy. Brunei, Kuwait and Turkmenistan have the lowest debts, each at less than 5% the size of their economy. But, as the government does not own GDP, this ratio is less meaningful for evaluating the government's fiscal solvency. A more relevant measure is debt-to-receipts. In 1970, the U.S. federal government's debt was twice the size of its annual receipts. Today, the government's debt is almost seven times its annual receipts. That level is higher than it was after each of the World Wars and after the Civil War.

Chart of the Week

Federal Debt (Trillions)



Commentary

The debt ceiling is a limit on the total amount of debt the federal government may have outstanding at any given time. But since Congress both decides how much to borrow and sets the debt ceiling, the debt ceiling is much less like a credit card limit and much more like a New Year's resolution.

When the government hits the debt ceiling, it risks having to shut down. While threats (and realities) of shutdowns make for good headlines, hitting the debt ceiling is quite common. Since it first instituted a debt ceiling in 1940, Congress has raised or suspended the ceiling more than 100 times. On average, that's once every 10 months.

As can be seen with the current budget impasse, hitting the debt ceiling causes a government shutdown. Mandatory spending continues, but most federal employees are not allowed to work and do not receive paychecks. However, they typically receive their missed pay retroactively when the shutdown ends. Consequently, the debt ceiling doesn't prevent the government from borrowing so much as alter when it borrows. When the ceiling is raised following a shutdown, the debt jumps to the level at which it would have been had the shutdown never occurred (**Chart of the Week**).

Snapshots

Figure 1. Federal Current Receipts by Source (Trillions)

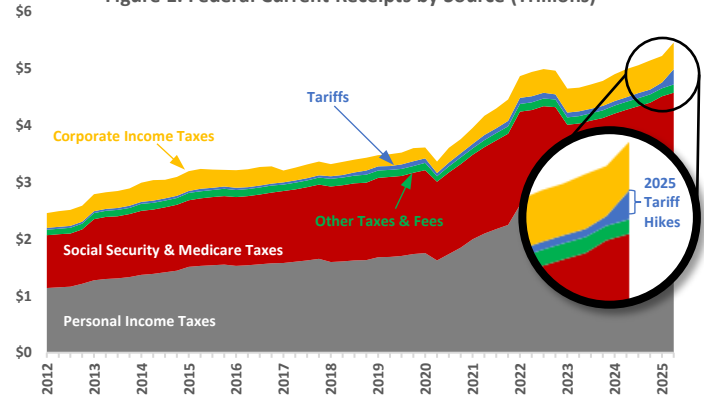


Figure 2. Gross Federal Debt (Trillions)

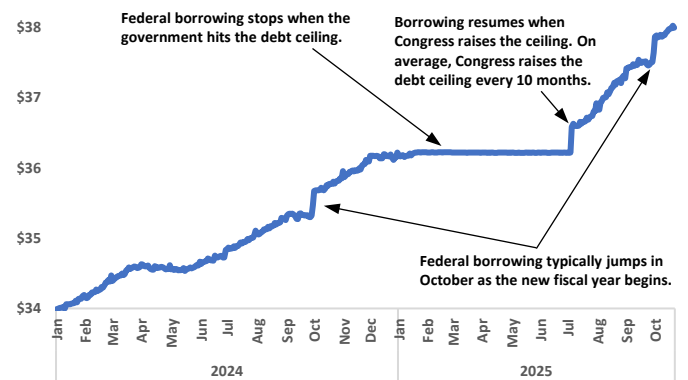
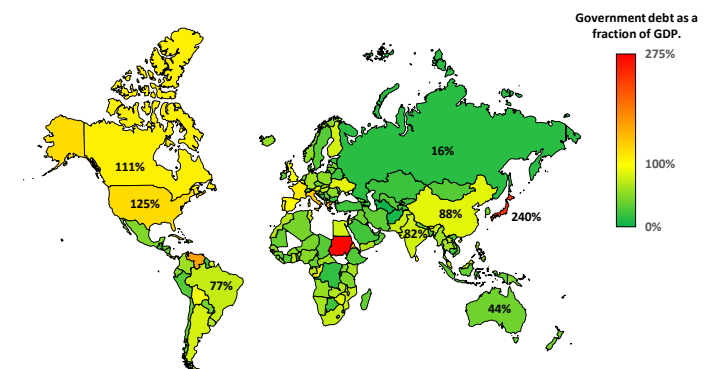


Figure 3. Debt-to-GDP Ratios



The Economic & Financial Research Team



John Suter, VP



Antony Davies, Director



Sam Kem, Sr. Analyst

Email: EconomicResearch@nrucfc.coop

Economic & Market Watch Dashboard

Key Indicators

INTEREST RATES¹

		2025		2026		
	Current	Q4	Q1	Q2	Q3	Q4
Fed Funds Target ² (%)	4.25	3.75	3.50	3.25	3.00	3.00
SOFR (%)	4.24	3.62	3.42	3.29	3.20	3.16
2Y UST (%)	3.50	3.41	3.37	3.35	3.33	3.32
5Y UST (%)	3.62	3.63	3.62	3.63	3.63	3.63
10Y UST (%)	4.01	4.10	4.09	4.10	4.10	4.09
30Y UST (%)	4.59	4.65	4.64	4.65	4.64	4.60

ECONOMY

		2025		2026		
	Current	Q4	Q1	Q2	Q3	Q4
PCE Inflation (YoY %)	2.7	3.0	2.7	2.5	2.4	2.3
CPI Inflation (YoY %)	3.0	3.1	2.9	3.1	2.9	2.6
Real GDP (QoQ %)	3.8	1.3	1.7	2	2	2
Unemployment (%)	4.3	4.5	4.6	4.6	4.5	4.5
Consumer Spending (QoQ %)	2.5	1.2	1.5	1.9	1.9	2
Industrial Production (YoY %)	0.9	1.4	0.9	1.0	1.2	1.5

Equities & Currency

	Current	Year ago
DJIA	47,424	42,388
Nasdaq	23,527	18,567
S&P 500	6,848	5,824
US Dollar Index	\$1,212.35	\$1,261.86

Commodities

	Current	Year ago
Crude Oil (Per Barrel)	\$61.59	\$67.38
Natural Gas (Per MMBtu)	\$3.33	\$2.86
Coal (Per Short Ton)	\$10.41	\$14.45
Gold (Per Ounce)	\$4,039.80	\$2,744.40
Corn (Per Bushel)	\$4.28	\$4.11
Soybean (Per Bushel)	\$10.64	\$9.74

Industry

	Current	Year ago
Natural Gas Storage (Billion Cubic Feet)	3,808	3,774
U.S. Daily Power Consumption (MWh)	10,476,153	10,602,149
World Container Index (Per 40ft)	\$1,746	\$3,216

¹ Unless otherwise indicated, forecasts are from the Blue Chip Professional Forecasters.

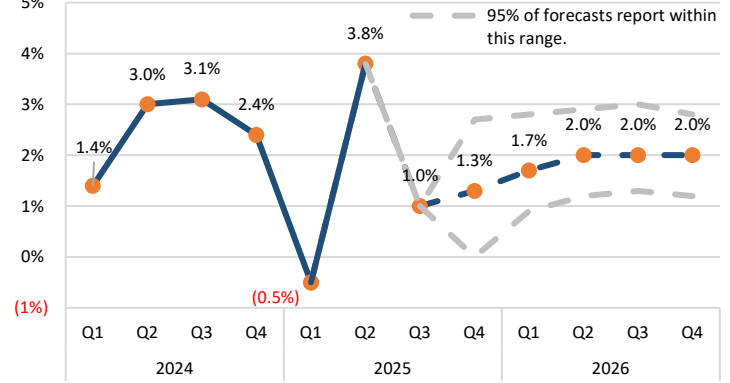
² Target rate forecast is based on futures market contracts.

Source: Blue Chip Financial Forecasts, Trading Economics, Moody's Analytics, Statista, Trading Economics, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, U.S. Energy Information Administration, U.S. Treasury Department, Federal Reserve Bank of Atlanta, Federal Reserve Bank of New York, Federal Reserve Bank of St. Louis, International Monetary Fund, World Bank, University of Michigan, The Conference Board.

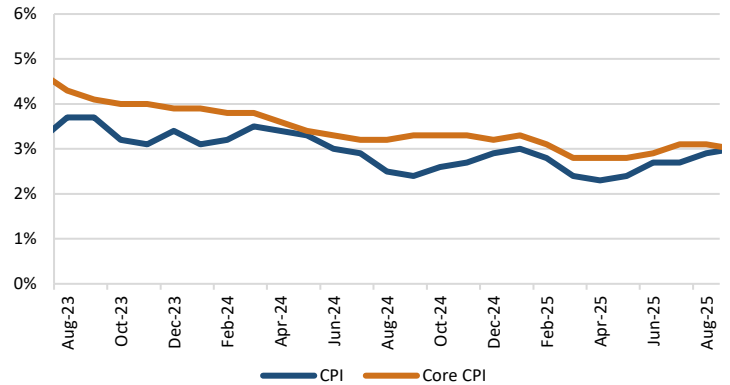
Disclaimer: These materials are being provided to you as a service to our members for informational purposes only, and are not advice or recommendations of any kind. By receiving these materials, you agree not to share the materials outside of you cooperative, that CFC is not providing any representation or warranty regarding the information in these materials, and that CFC is not responsible for the consequences of any decisions made or actions taken in reliance on these materials. SOFR and EFFR are subject to the Terms of Use posted at [newyorkfed.org](https://www.newyorkfed.org). The New York Fed is not responsible for publication of SOFR or EFFR by CFC, does not sanction or endorse any particular republication, and has no liability for your use.

Forecasts

Real GDP Growth Trend



Headline vs. Core Inflation



10-Year US Treasury vs. Fed Funds Trend

