

U.S. national debt surpasses 39 trillion amid Iran war and rising government spending - The HinduBusinessLine

Clipped from: <https://www.thehindubusinessline.com/news/world/us-national-debt-surpasses-usd-39-trillion-amid-iran-war-costs/article70759707.ece>

Experts warn rising debt will increase borrowing costs, lower wages, and make goods more expensive.

The national debt surpassed a record USD 39 trillion on Wednesday, a milestone that comes just weeks into the U.S.-Israeli war in Iran.

The unprecedented figure highlights competing administration priorities, from passing a massive tax law and boosting defense spending and immigration enforcement to chipping away at the debt itself — the latter of which Donald Trump promised to do as both a candidate and as president.

The Government Accountability Office outlines some of the impact of rising government debt on Americans — including higher borrowing costs for things like mortgages and cars, lower wages from businesses having less money available to invest, and more expensive goods and services. Advocates for a balanced budget also warn that **the long-term trend of borrowing more and paying more in interest will force Americans to face tougher fiscal tradeoffs ahead.**

Michael Peterson, chair and CEO of the nonprofit Peter G. Peterson Foundation, created to raise awareness of America's long-term fiscal challenges, said in a statement that “we must recognize this alarming rate of growth and the significant financial burden we are putting on the next generation.” **The trajectory of the rising costs is also a concern.** The federal debt has surged under both Republican and Democratic presidents, most recently fueled by wars, large-scale pandemic spending and tax cuts.

The U.S. national debt hit USD 38 trillion five months ago — and USD 37 trillion two months before that.

“At the current growth rate, we will hit a staggering USD 40 trillion in national debt before this fall's elections,” Peterson said. **“Borrowing trillion after trillion at this rapid pace with no plan in place is the definition of unsustainable.”** White House economic adviser Kevin Hassett estimated on Sunday that **the war in Iran had cost the U.S. more than USD 12 billion so far.** It is unclear when the war will end.

Representatives from the White House and Treasury Department did not immediately respond to an Associated Press request for comment on the debt milestone Wednesday.

Published on March 19, 2026
