U.S. Debt Default Clock

A visualization of the 12 factors indicating the U.S. government's proximity to default.

FOR IMMEDIATE RELEASE Thursday June 25, 2026

Debt Default Clock Moves to Two Minutes to Midnight — Closest to Midnight in the Clock's History

Sixty-six cents of every dollar the government now borrows goes to pay interest on debt it already owes

WASHINGTON, D.C. — The Debt Default Clock Review Committee today moved its Debt Default Clock from three minutes to midnight to two minutes to midnight, the closest the Clock has ever stood to the point the Committee calls a national fiscal crisis.

The Clock works like a warning gauge. "Midnight" is the moment the country's finances tip into a crisis serious enough to disrupt the broader economy and the market for U.S. government bonds — the point past which a true default, the government failing to make a scheduled payment it owes, becomes nearly unavoidable. The fewer minutes left on the Clock, the closer the country stands to that line.

Driving the latest move is a number the Committee says ordinary Americans can grasp without a degree in economics: for every new dollar the federal government borrows today, roughly 66 cents goes straight to paying interest on debt it has already run up. Interest has now become one of the largest single items in the federal budget, trailing only Social Security and Medicare, and is on track to exceed the nation's defense spending.

"The country is increasingly borrowing simply to pay the interest on what it already owes. When two-thirds of every new dollar borrowed disappears into interest payments, you are no longer financing the future — you are financing the past. That is the warning this Clock is sounding," said Chairman of the Debt Default Committee Baker Spring.

The Committee judges the nation's finances against twelve straightforward yes-or-no tests covering spending, debt, interest costs, and economic growth. A fiscal crisis arises when the government fails at least 10 of the 12. It is now failing eight — and the Committee warns that one of the few remaining safeguards is expected to give way as interest costs keep climbing, pushing the Clock still closer to midnight.

The Committee stressed that the trajectory is not yet fixed. A change of course — slowing spending growth, strengthening economic growth, and bringing borrowing under control — can move the Clock back from the brink. But absent such a change, the warnings will only grow louder.

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About the Debt Default Clock

The Debt Default Clock is a public education tool that translates the federal government's fiscal condition into a single, easily understood measure of how close the nation is to a debt crisis. It assesses the budget against twelve objective tests drawn from official Congressional Budget Office projections.

Media Contact: Daniel Perrin, cell: 202-271-3959