

Trump's Budget Bill Sparks Debt Fears, Dollar Weakens

July 6, 2025

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As former President Donald Trump proudly celebrated the passage of his so-called Big Beautiful Budget Bill through Congress, financial experts and critics alike are sounding alarms about the growing burden of U.S. debt and what it might mean for the country's economic future.

The bill, which promises significant tax cuts and increased spending, is expected to add at least \$3 trillion to the already staggering \$37 trillion national debt. This mounting figure is

causing some to question just how much more the United States can continue to borrow from international lenders.

One of the more vocal critics is Elon Musk, a former ally of Trump, who described the plan as a “disgusting abomination.” His harsh words reflect wider unease over the scale and sustainability of America’s borrowing.

Why does this matter? The U.S. government routinely spends more than it collects in revenue, making borrowing essential to cover the shortfall. But as the debt grows, so do the doubts about whether investors will continue to lend freely, and on what terms.

Signs of these doubts are already appearing in the financial markets. The U.S. dollar, which for decades has been a symbol of global economic strength, has weakened noticeably this year, falling 10% against the British pound and 15% against the euro. This decline indicates waning confidence from international investors and traders.

Another important signal comes from the “yield curve,” which compares interest rates on long-term versus short-term government loans. Recently, the yield curve has steepened, suggesting that investors are demanding higher returns for lending money over the long haul. This reflects growing concern about the United States’ ability to manage and repay its increasing debt burden.

Interestingly, even though the Federal Reserve, the U.S. central bank, has been slower to cut interest rates compared to the European Union and the United Kingdom, the dollar has still weakened. Normally, higher interest rates attract more investors to a currency, pushing its value up. But the dollar’s recent drop shows that worries about the country’s finances may be outweighing this effect.

So, what does this mean for everyday Americans and the broader global economy? Rising debt and a weaker dollar can lead to higher borrowing costs over time, potentially increasing the price of everything from mortgages to government services. It also raises questions about the long-term financial health of the U.S., which plays a central role in the world’s economy.

While the Big Beautiful Budget Bill may have won cheers in Washington, it has reopened a difficult conversation about fiscal responsibility, economic strategy, and how to balance growth with sustainable debt levels. For now, the world is watching closely to see how these

financial challenges unfold and whether the U.S. can maintain its economic strength in the years ahead.

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