



ROSSMOOR NEWS

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Republican Perspective

By John Littig and Steve Nieman

Your Personal Share of the National Debt - See, We Told You So

The situation is getting worse! (Of course.)

In February of 2011 we began a series of four essays on the national debt in this Republican Perspective column. We declared our October 2012 essay to be our final word on the subject. But now the debt has reached yet another milestone, and we believe it is important to recognize this: the national debt now exceeds \$17 trillion. It is not reducing, it is increasing.

The accompanying bar graph illustrates the extent and trajectory of the debt at the end of fiscal year on Sept. 30, 2013. And on Oct. 17, 2013, the debt topped \$17 trillion, which is not reflected in the bar graph.

For perspective, the debt grew by \$4.9 trillion during President George W. Bush's eight-years in office. In President Obama's first four years and eight months (through the end of fiscal year 2013), it has grown by \$6.1 trillion. That's a monthly increase of \$51 billion under Bush; \$109 billion under Obama. Clearly, the problem (assuming you agree that debt of this magnitude is a problem) is getting worse.

For 2013 itself, the rate of increase was somewhat slowed by the effects of the tax increase, the sequestration, and the approach of the debt ceiling. More significantly, the Treasury apparently artificially controlled the amount of incremental debt for the last half of the fiscal year; the debt remained essentially flat from March 2013 until the debt ceiling was raised on Oct. 17. Then, on the day the ceiling was raised, the debt jumped \$328 billion! And in the month following that spike, the debt rose \$119 billion, so the Obama administration is right back on track - more than doubling the rate of increase during the Bush years.

The Congressional Budget Office reports that the annual deficit as a percentage of GDP declined from 9.8 percent in 2009 to 4.1 percent in fiscal 2013. But that "improvement" (in the words of some) is still deficit spending. Also, it is before the Oct. 17 shocking increase. Simply slowing the rate of increase in the amount of debt is not the same as reducing the absolute amount of debt.

The striking feature of the latest CBO analysis is how much worse the situation is than in last year's analysis. Last year, the CBO projected that debt would be 52 percent of GDP by 2038. This year they project debt at 100 percent of GDP by 2038. A year ago, debt was projected to run down to zero by the 2070s; now it is projected to reach 200 percent of GDP by 2076. The primary reason for this gloomier outlook is a change to more realistic growth assumptions in this year's report.

Similarly, current payments on the debt are about 8 percent of GDP. Under the CBO's new assumptions, that share rises to 20 percent by 2026, 30 percent by 2049, 40 percent by 2072 and 50 percent by 2088. The situation is unsustainable.

When we first began reporting to you, the debt per U.S. resident, that number was \$45,294. At this writing it is \$54,272. Have you told your grandchildren about this?

In our October 2012 essay, we recommended supporting political candidates who were running as fiscal conservatives. They lost - and the debt continues to increase.

Someday, our nation is going to have to come to terms with this. Every passing day of increased debt makes the eventual day of reckoning more painful.

The problem will not get better under spend-happy politicians. But we told you that a year ago.

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