



The Facts on Modern Monetary Theory (MMT)

April 1, 2019

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A fringe economic philosophy known as Modern Monetary Theory (MMT) has recently gained traction and is being used to justify massive new borrowing. While MMT is a complicated theory and is in many ways a moving target, at its core MMT argues that there is little or no cost to running large budget deficits unless the economy is experiencing high inflation. Many iterations of the theory also suggest a new paradigm whereby the federal government essentially prints money to fund its borrowing, and politicians – rather than the Federal Reserve – are charged with preventing runaway inflation.

Fortunately, mainstream economists on the left and the right have pushed back against this misguided theory:

Top Readings on MMT

- Larry Summers - [The Left's Embrace of MMT is a Recipe for Disaster](#)
- Michael Strain - [Modern Monetary Theory is a Joke That's Not Funny](#)
- Kenneth Rogoff - [Modern Monetary Theory is Smoke and Mirrors Nonsense](#)
- Paul Krugman - [What's Wrong With Functional Finance? \(Wonkish\)](#)
- James Pethokoukis - [Why MMT is an Unserious Idea for an Unserious Time](#)

Additional Critiques of MMT

- Stan Veuger - [MMT's Central Idea is Neither New Nor Helpful](#)
- Noah Smith - [Don't Be So Sure Hyperinflation Can't Hit the U.S.](#)
- Matt Bruenig - [What's the Point of Modern Monetary Theory?](#)
- Desmond Lachman - [Debt Denial is a Threat to America](#)
- Bryan Berky - [Harry Potter and the Modern Monetary Theorists' Stone](#)
- Stan Veuger - [Modern Monetary Theory and Policy](#)
- Robert Murphy - [The Upside-Down World of MMT](#)
- Desmond Lachman - [Planet Earth to Modern Monetary Theorists](#)
- Scott Summer - [Why a Hot New Idea in Economics is Actually a Bad Idea](#)
- Paul Krugman - [Running on MMT \(Wonkish\)](#)
- Paul Krugman - [How Much Does Heterodoxy Help Progressives? \(Wonkish\)](#)
- Paul Krugman - [MMT, Again](#)
- Doug Henwood - [Modern Monetary Theory Isn't Helping](#)
- Karl Smith - [The Uses and Abuses of Modern Monetary Theory](#)
- Thomas Palley - [MMT: The Emperor Still Has No Clothes](#)
- Noah Smith - [Examining an MMT Model in Detail](#)