



### Bipartisan Concern Growing About Our National Debt October 3, 2024

The national debt is on an upward, unsustainable path, projected to exceed its record as a share of the economy – set just after World War II – in just three years. [Since 2001](#), the federal government has gone from a budget surplus to borrowing nearly \$2 trillion per year, while interest payments on the national debt are soon expected to exceed \$1 trillion annually.

The issue has garnered increased attention in recent months with a growing chorus of voices on the left, right, and center taking seriously the risks posed by unsustainable borrowing. Below, you will find a sampling of just a few of the remarks made by public officials and private citizens raising alarm about the state of the debt and urging action on tackling this problem soon.

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**Federal Reserve Chair Jerome Powell** has made multiple comments in recent months urging action on the debt. In an [interview](#) with CBS's "60 Minutes," Powell said:

*"It's probably time, or past time, to get back to an adult conversation among elected officials about getting the federal government back on a sustainable fiscal path..."*

*We're effectively -- we're borrowing from future generations. And every generation really should pay for the things that it, that it needs."*

Powell made similar warnings during the [ECB Forum on Central Banking](#) in Sintra, Portugal:

*"The level of debt we have is not unsustainable, the path that we're on is unsustainable, that's completely non-controversial. I would have thought this is something that should be a top-level issue... it should be a real focus going forward, is how do we get back to a sustainable path, because you can't run these kinds of deficits in really good economic times for very long."*

**JPMorgan Chase CEO Jamie Dimon** has expressed concern about the effect of the growing national debt on the markets and urging action, including in a May [interview](#) with Sky News:

*"Any country can borrow money and drive some growth, but that may not always lead to good growth... I think America should be quite aware that we have got to focus on our fiscal deficit issues a little bit more, and that is important for the world."*

**The International Monetary Fund** called attention to the deficit situation in the United States as part of its [Article IV Concluding Statement](#) in June:

*"The U.S. economy has proven itself to be robust, dynamic, and adaptable to changing global conditions... Nonetheless, the fiscal deficit is too large, creating a sustained upward trajectory for the public debt-GDP ratio."*



**Treasury Secretary Janet Yellen** has made a number of public comments on the growing risks of the national debt given the rise in interest payments on the debt, including remarks in a [sit-down interview](#) with Bloomberg's David Gura in Austin:

*"I think that deficits need to be brought down to the point where the interest costs on the debt remain manageable, and they remain manageable over the long run."*

**Bank of America CEO Brian Moynihan** recently called for addressing the debt in an [interview](#) with Axios:

*"We need our eyes and stomach aligned as a country. We've got to balance the budget like anybody, any company, any person, any household."*

**Blackrock CEO Larry Fink** addressed rising deficits in a July [interview](#) with CNBC:

*"We have rising deficits, no one is spending enough time talking about deficits... the U.S. deficit is the largest in the world, growing at the fastest rate in the world, and we need to be finding ways of minimizing the role of the deficits on the economy, on interest rates, on inflation..."*

Members of the **Bipartisan Fiscal Forum (BFF)**, a group of both Democratic and Republican Members of Congress working together to raise the alarm about our nation's fiscal future, penned a [letter](#) to Congressional leadership urging a focus on the debt in the coming appropriations discussions:

*"While we may disagree on how exactly to fix the debt, we all agree that fiscal flexibility to respond to crises when they arise is a national priority and vital to our security. So, we urge you to continue working to find bipartisan ways to reduce our national debt."*

In addition, five members of the BFF took to the House floor for a [special-order hour](#) on September 24 to highlight the danger posed by our mounting national debt and fiscal challenges:

*"I speak very directly of our federal budget and, in particular, its unsustainable, crippling federal deficit and debt. This silent but accelerating crisis threatens all of us, not only these generations, but generations into the future. This crisis is all of a fiscal crisis, an economic crisis, a social crisis, and a security crisis."*

- Rep. Ed Case (D-HI)

*"To put it in historical perspective, as a share of our economy, the last time the debt was this high was at the end of World War II. Last year, the federal government spent more than \$6 trillion and racked up a deficit of \$1.7 trillion, the third highest annual deficit in our country's history."*

- Rep. Glenn Grothman (R-WI)



*“Speaking of national security, I want to be clear: Our economic security is absolutely directly tied to our ability to defend ourselves and to lead on the global stage. The more that we borrow, the more we depend on foreign creditors, and the less flexibility that we have in making decisions that are in our national interests.”*

- Rep. Chrissy Houlahan (D-PA)

*“In addition to the debt threatening to bankrupt our nation’s promises to seniors, to fueling inflation-causing interest payments, the national debt also slows economic growth. It drives up interest rates and leaves us less prepared for emergencies, whether it is a COVID-like emergency, a military-like emergency, or a natural disaster emergency.”*

- Rep. Bill Huizenga (R-MI)

*“Today, our gross national debt exceeds \$35 trillion. Our budget deficit is expected to reach \$1.9 trillion this year. Spending on interest payments just to service our debt will surpass what we spend on Medicare and national defense each, individually. This is the grave reality of our fiscal situation.”*

- Rep. Blake Moore (R-UT)

**Editorial boards** of major national publications have expressed concern about the nation’s fiscal trajectory and putting the issue front-of-mind for their readers. For example, in May [The Financial Times](#) published an editorial noting that “a failure to acknowledge the US debt problem puts growth and stability on the line,” and concluding:

*“Sooner or later policymakers need to engage in bipartisan efforts to think seriously about how America funds itself responsibly. If not, panicked bond traders may force them to.”*

In early July, [Bloomberg](#) published an editorial concluding that neither presidential candidate (at the time, President Biden and former President Trump) were making the debt an issue in the election:

*“As a recent [report](#) from the Congressional Budget Office shows, the nation’s debt will soon exceed 106% of GDP, yet another record. Neither candidate seems willing to state the obvious: America’s current fiscal path leads to disaster.”*

[The Washington Post](#) wrote an editorial explaining just how bad the debt situation has become on a bipartisan basis and why urgent action is needed:

*“Bipartisan neglect of the debt would be excusable if the underlying problem were somehow solving itself, but the [opposite is true](#). The nation’s debt as a share of economic output is on track to surpass its record in the wake of World War II by 2027 and skyrocket from there.”*

**Congressional Budget Office Director Phillip Swagel**, in an [interview](#) on CNBC’s “Squawk Box” in late July, spelled out the number of fiscal challenges in the near future, including government interest payments and looming trust fund insolvency:



*“You know, the near-term danger is rising interest payments. That interest payments are nearly \$900 billion this year, which is more than defense discretionary spending, and it’s set to rise. Rates are not skyrocketing, but they are higher than in the past, and we have more debt. And so there is rising interest payment, and then by the end of the ten-year budget window, we have the Social Security trust fund exhausted and the Medicare trust fund exhausted just after that.”*

**Organisation for Economic Co-operation and Development Secretary-General Mathias Cormann** noted the importance of addressing debt and spending in a changing global bond market earlier this year when the group released a [global debt report](#) on bond markets in a high-debt environment:

*“Government spending needs to be more highly targeted, with an increased focus on investments in areas that drive productivity increases and sustainable growth. Market supervisors need to monitor closely both debt sustainability in the corporate sector and overall exposures in the financial sector.”*

A number of ideologically diverse thought leaders have expressed concerns about the debt, highlighting the wide range of voices adding to the conversation. **American Enterprise Institute’s Michael Strain** recently published an [opinion piece](#) in Project Syndicate:

*“The national debt is one of the most pressing issues facing the US and, if left unchecked, could trigger a fiscal crisis in which the erosion of investor confidence precipitates a large increase in interest rates. This would lead to volatile equity markets and even higher interest payments for the federal government. Likewise, a ballooning deficit could lead to an abrupt rise in expected inflation, putting pressure on the US Federal Reserve to hike interest rates.”*

**Moody’s Analytics’ Mark Zandi** warned that a debt crisis is “here” in an [interview](#) with Yahoo Finance:

*“Some economists think the debt crisis budget hawks have been predicting for years has finally arrived. Moody’s Analytics chief economist Mark Zandi [recently told Yahoo Finance](#) “we’re here” when asked if the public debt crisis has finally arrived. “I worry at some point we may see a freezing up of the Treasury market,” Zandi said.”*

Professional associations and organizations alike have raised the alarm by calling for a fiscal commission to deal with the nation’s mounting debt in a bipartisan and politically-insulated way. More than 15 such trade groups wrote a [letter](#) to Congressional leadership early this year calling for a commission:

*“Efforts to truly improve our budget outlook will require leadership from both political parties and will need to put all parts of the budget and tax code on the table. Rather than waiting for another looming default or threat of a shutdown, a bipartisan commission can help facilitate agreement on thorny fiscal issues without undermining our nation’s economic strength.”*