

Macro Roundup Article

Headline: [Chartbook: From Riches to Rags: Causes of Fiscal Deterioration Since 2001](#)

Article Link: <https://www.crfb.org/papers/chartbook-riches-rags-causes-fiscal-deterioration-2001>

Author(s)	Marc Goldwein
Publication	Committee For A Responsible Federal Budget
Publication Date	February 02, 2024

Tweet: Deficits have grown by 7.5% of GDP since 2001. @MarcGoldwein notes 2/3 of the increase is higher spending, mainly on health care and retirement.

Summary: Can we get out of this mess the way we got into it? We could revert to pre-2001 law, but we can't change the past. A lot of the costs were temporary (wars, COVID relief, TCJA). Pre-2001 law means way higher taxes for everyone – higher rates, smaller credits, more taxpayers, ¼ of taxpayers on AMT. Pre-2001 law means no Medicare drug benefit, big military cuts, no homeland security dept, big domestic cuts, etc. We could revert to pre-2001 levels, but with more seniors & higher health costs, per-person Social Security & Medicare benefits would have to be cut dramatically. Taxes would have to go up >15% a big tax hike.

Related Articles: [From Riches to Rags: Causes of Fiscal Deterioration Since 2001](#) and [Living with High Public Debt](#) and [Olivier Blanchard on Debt Explosions](#)

Primary Topic: Fiscal Deficits

Topics: Fiscal Deficits, Fiscal Policy, Government Spending, Op-Ed/Blog Post, Politics, Taxation

Permalink: <https://www.edwardconard.com/macro-roundup/deficits-have-grown-by-7-5-of-gdp-since-2001-marcgoldwein-notes-2-3-of-the-increase-is-higher-spending-mainly-on-health-care-and-retirement?view=detail>

Featured Image Link: <https://www.edwardconard.com/wp-content/uploads/2024/02/Higher-Health-and-Retirement-Spending-CRFB.png>