

## Macro Roundup Article

**Headline:** [Does America Have Too Much Debt?](#)

**Article Link:** <https://www.nytimes.com/2023/01/24/opinion/us-d.ebt-deficit-economy.html>

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**Tweet:** .@paulkrugman argues that the run-up in debt in the aftermath of the financial crisis and pandemic is likely a better outcome than the counterfactual where debt wasn't incurred.

**Summary:** My preferred measure — because it avoids some distortions associated with recessions — is debt as a percentage of potential G.D.P., an estimate of what the economy could produce at full employment. The big rise in debt from 2007 to the late 2010s was actually justified by economic events, and any attempt to avoid that rise would have done more harm than good by slowing our recovery even further. Did we borrow too much money? Probably not. During the economic crises of Covid and the Great Recession, adding to the debt was more than justified.

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**Primary Topic:** Fiscal Deficits

**Topics:** Business Cycle, Fiscal Deficits, Fiscal Policy, GDP, Op-Ed/Blog Post

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