

Macro Roundup Article

Headline: [There Is No "Stealth Fiscal Stimulus"](#)

Article Link: <https://theovershoot.co/p/there-is-no-stealth-fiscal-stimulus>

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Tweet: The increase in the US federal deficit has been driven by higher net interest costs, lower remittances to the Treasury from the Federal Reserve, and lower capital gain income. @M_C_Klein

Summary: The U.S. federal budget deficit has widened by about 3-4pp of GDP since the start of 2022. The downturn in revenues is mostly attributable to the plunge in capital gains tax receipts after the windfall of 2021/2022, as well as the collapse in dividends paid by the Federal Reserve to the Treasury. Meanwhile, the increase in outlays is almost entirely attributable to the surge in interest payments on Treasury debt. Related: Net Interest Payments On External US Debt and The Budget and Economic Outlook: 2023 to 2033

Primary Topic: Business Cycle

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

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