

## 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>

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**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: 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>

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