

Evidence Card: Arguments Against Banning Congressional Debt Limit Increases

Team Policy Evidence Sheet

Tag Line

Banning Congress from raising the debt ceiling would cause catastrophic economic consequences and unprecedented government default

Verbal Citation

"Failing to increase the debt limit would have catastrophic economic consequences. It would cause the government to default on its legal obligations â€" an unprecedented event in American history. That would precipitate another financial crisis and threaten the jobs and savings of everyday Americans â€" putting the United States right back in a deep economic hole, just as the country is recovering from the recent recession." - U.S. Department of the Treasury, "Debt Limit", 2025

What the evidence says in context

The U.S. Treasury Department warns that failing to increase the debt limit would have catastrophic economic consequences, causing the government to default on its legal obligations in what would be an unprecedented event in American history. Such a default would precipitate another financial crisis, threatening the jobs and savings of everyday Americans. The Treasury notes that Congress has historically acted 78 times since 1960 to raise the debt limit (49 times under Republican presidents, 29 times under Democratic presidents), demonstrating the routine necessity of such actions to maintain government operations and economic stability.

Impact

Banning Congress from raising the debt ceiling would trigger an unprecedented government default with catastrophic economic consequences, including a new financial crisis that threatens jobs and savings of everyday Americans. Historical precedent shows Congress has raised the debt limit 78 times since 1960 under both Democratic and Republican administrations, highlighting the essential nature of this authority for maintaining government operations and preventing economic disaster. A constitutional amendment or law preventing debt limit increases would fundamentally undermine U.S. financial stability and global economic confidence.

Webpage or Book Title

U.S. Department of the Treasury

URL or page number

<https://home.treasury.gov/policy-issues/financial-markets-financial-institutions-and-fiscal-service/debt-limit>

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