

Why does the american government have a large debt

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The government of the United States of America borrows money by selling U. S. Treasury Bonds. This is a common practice. Most countries in the world are in debt. The problem with the debt of the United States is that it has grown so large, so quickly. Just ten years ago it appeared as though the United States might actually be debt free (Montgomery). Some things happened that prevented this from occurring.

One change that occurred in the United States is the taxes for the richest Americans and corporations were actually cut during the George W. Bush administration. This was done because the economy was growing at a very rapid pace. The government had plenty of revenue coming in, so the thinking was that cutting taxes would help stimulate the economy even more. These tax cuts are causing problems now because revenue is down and no one in the government has the courage to raise the taxes back to where they were.

Another problem causing the debt is entitlement programs. Social Security, Medicare and Medicaid are three government programs that provide pensions and medical coverage for the elderly and poor. These programs are going to soon need more money than ever before because of the Baby Boomer generation. Fewer workers are currently paying into these funds and more are drawing money out. The Government will need to change the way these programs work if they are to reduce the national debt.

A final reason the United States is in debt is warfare. President Bush and the Republican controlled congress started two wars, one in Iraq and one in Afghanistan, and never set money aside in the budget or raised taxes to pay for them. All of this money was borrowed, leading to a huge national debt.

Work Cited

Montgomery, Lori. " On the Way To a Surplus, a \$12 Trillion U. S. Detour." The Washington Post 1 May 2011: A1-A18. Print.