

# [How national debt affects your wallet assignment](https://assignbuster.com/how-national-debt-affects-your-wallet-assignment/)

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In the times we live in today, National Debt can really put a dent in your wallet. “ The national debt is the amount of money owed by the U. S. Government to its creditors, which may include private individuals, corporations, banks, and other financial institutions as well as foreign governments” (Gale Encyclopedia). National debt is basically the result of the government spending more money than it takes in in revenue.

This means that the larger the budget deficit is, the larger that the cantonal debt will be (The Bannock Bank). National debt has been in our country dating all the way backing to the mid sass’s (Gale Encyclopedia). The United States started their debt back in the sass’s at seventy-five million dollars. The government is now at a number of seventeen trillion dollars in national debt. By the time it takes to finish reading this paper our country will be in an additional one billion dollars more in debt.

This debt has to be paid somehow and the government gets us to pay them money in many ways such as higher interest rates, slower economic growth, higher axes, higher inflation, and more (Adkins). They use these manipulations so they can utilize the money to slowly pay back the United States’ National Debt. The government is doing what you call “ massive public spending”. This money Is going towards construction of governmental funds like new roads, social security, government buildings, and a lot more. This has really led our country to not be able to economically expand at the rates that we should be.

Everyone In this country really needs to realize what we are going through so our citizens can start to make better decisions from a voting standpoint. Our people are Just too generous and vote on whomever without thinking about the long-term effects on the Issues the politician endure. National Debt keeps growing and growing and we keep paying all of this money to pay back the debt for a lot of things that we don’t even use. Anyone that earns an Income and pays taxes are all contributing to the paying back of the government through spending.

People need to be aware of where our taxes are going and start to realize that they are the ones making this country the way It Is. Once we can get everyone to realize that, we can start to make some changes and get this entry going on the right track. Today we understand that the federal government has the ability to expand Its own Income through borrowing, printing, and tax Increases (Britannica). All of these acts are what put us Into even more debt. We need to stop buying Into these government officials and their Ideas of funding and really only use money on things that we absolutely cannot live without.

If we laminate some of the expenses that we are paying for, maybe we can be on the way to a better economy In the United States. “ Eleven Tanat ten notational deed a t NAS recently grown Taster than ten sloe AT ten American population, it is fair to wonder how this growing debt affects average individuals” (Adkins). Today, the United States spends money in a variety of ways including Federal Courts, highway construction, Medicaid, military, social security, etc. (Handled). The government has spent so much money and most of it is borrowed from China.

We owe China Just about five trillion dollars. As the number keeps rising so will our taxes and other everyday payments we have to make will increase so we can slowly pay back our debt. One major way of how the government makes us pay for the repaying of our amounts national debt is through them increasing our taxes. The citizens of the United States in the past years have voted for certain politicians that want an overabundance of issues like Social Security and Medicare to the point where our country is now so far in debt.

The people really need to start taking voting a lot more seriously from a tax standpoint and not as much of the “ helping other people” standpoint. Our citizens are not thinking enough about the long-term affects of voting on certain politicians that were set out to do things that have bad long-term effects. Most Americans would go vote for these politicians and all these things that they were saying sounding really nice, but not thinking at all what this could all lead to. Now that our national debt has gotten so high, around 2012 our taxes got significantly higher.

I feel that next time people go and vote toward another long- term entitlement program that has been set out by a certain politician, they need to think about how they will be paying a lot more in taxes in the long run. People continue to complain about all these taxes that we are paying but then they need to o back and realize that we are the ones that voted for those politicians that said they were going to do these certain issues. Voters really need to Just think about every possible long-term effect that these issues have before you choose to vote for these certain politicians.

Whenever politicians say that they want to bring something in to help the people, you need to realize who it is affecting and that no matter if its you or not, you will be paying for it through taxes, higher interest rates, and many other ways (Adkins). I feel as if the people need to really tune in and keep up with hat politicians are saying and what they want to do before you go to the polls and vote for anyone. If people know more about what is going on then they will be making better informed decisions when voting. When people make more logical decisions, better outcomes occur.

Another very big key factor that our citizens are going through to pay back the debt is through higher inflation. The reason we receive higher inflation is because the government prints more money so they can use it to buy more things that they cannot afford. “ By printing more money, the government triggers inflation which leads to a huge hit on the U. S. Dollar, and by the extension, the middle class, primarily in the form of higher commodity prices (such as oil and gas) and higher prices on consumer staples including beef, bread, and milk” (O’Connell).

Higher inflation is really affecting the citizen’s pockets by the old term of “ supply and demand” (O’Connell). This massive public spending that the federal government has really put some pressure on supply and demand. This has occurred due to the continuous weakness of consumer and corporate spending. Inflation is very harmful to consumers Decease It makes people not want to spend wanly can lead too lower tankard of living (Handled). Even savers will be affected from inflation because if the inflation outpaces yields on their certificates, the saver will be losing money.

Inflation definitely plays a big part because a lot of bad things such as having a lower standard of living, too much money in circulation and not enough product, and savers losing their money can really lead to the United States being in really bad shape (Adkins). This country is so far in debt that the value of our United States dollar is now on deck of being affected. Since the government has spent so much money and is so far n debt, it is now starting to impact the value of what our U. S. Dollar is worth. Why?

Our country relies on foreign investments to fund more than fifty percent of its debt, but now that our country is so far in debt these investors wont be so wanting of these bonds anymore (Handled). The reason being is because that we are so far in debt to the point where soon the value of the dollar will go down and these investors wont be interested anymore. The country is going to have to raise the interest rates. This means that we will still have these investors investing but now we consumers will even be affected. “ Interest rates on U. S.

Treasury bonds serve as the benchmark for many consumer products, including mortgages, car loans, credit cards, and student loans” (Handled). These expenses are considered public debt. “ Public debt, obligations of governments, particularly those evidenced by securities, to pay certain sums to the holders at some time” (Britannica). Treasury bonds serve as basically all of our highest expenses that most citizens’ struggle paying for the most. With these rates going up, many citizens are going to struggle severely with paying for these very important necessities. The huge debt in our country really affects you and the country as a whole.

The national debt has brought this country to having a lot slower economic growth and weaker Job markets. If our interest rates keep ramping up, then we are going to be more focused on that rather than trying to grow on an economic standpoint. The government will then have to focus on their budget going more toward their interest payments and not to things like building or maintaining roads, or providing tax incentives for small businesses. The higher that the country is in debt, the slower our entry will grow economically. The government still continues to spend lots of money.

Now that it is getting more expensive to do that, they will have to cut benefits, pull back, and cut transfer payments. Doing this will slow the economy down and also the Job market which is not positive for anyone. Government spending currently accounts for a quarter of economic activity in the United States (Adkins). Just think about how much the government actually spends on things that we use, and the prices keep going through the roof and eventually we will have to cut way back, imagine how this will effect the economy then. There are so many people in this country that are being affected by the enormous national debt.

I got a chance to sit down with my father and he is highly opposed to our national debt. I asked my dad how he thinks he is affected by national debt and he simply answered, “ Overall I have less money in my pocket due to the government taking money from me to pay for its debt through taxes” (Lombardi). My father has been paying taxes for thirty-eight years. I asked my dad when it started becoming more AT an Issue Ana nee responses, “ Starting In tout 2 ten government really started to tax more because our country needed help paying back money because of so much government spending” (Lombardi).

He talked a lot about how our government is in a lot of debt due to the military. He feels that if we never would have went into these “ pointless” wars we wouldn’t be nearly in the debt that we are in now. The wars cost multi billions of dollars and rarely problems are solved. My dad said, “ If we never had gone into wars we would not be nearly as far in debt as we are now and would most likely saved millions of dollars” (Lombardi). I also asked my ether what he thinks the government should do so they don’t have to be taking out of our wallets so much.

He responded, “ l feel that the government needs to reduce spending and also stop focusing on things like welfare. ” He feels as if things like welfare should not even be funded for because these people those are on there are mostly consisting of lazy people that don’t even care to look for work. My dad really feels as if the things like welfare and Medicare should be harder to get and needs to be to the point where it’s harder to get and need of legitimate excuse. My dad mostly s about on my side on behalf of getting the economy back on track.

He said, “ We need to have citizens be more aware of where our money is going because if you know and keep up with what politicians are doing and the long-term effects on the issues that they endure, then we can all make the best choices and get great people into office” (Lombardi). I feel that more people should definitely be more aware of what is going on in this country and what our taxes are going toward. I feel this way because most people in the United States are Just paying for their taxes when they really don’t even know here their money is going toward or why.

I feel that once people are more educated on what is going on, maybe we can start making better overall decisions such as who we vote for any office, what issues we vote on, etc. I feel like once more people know what is going on, and start to think logically from a cheaper tax standpoint, we can maybe start to get people really thinking in the right direction and have this country going on the right route of a efficient economy. This country spends so much money and the number increases by billions of dollars everyday. There are so many things that can be cut back on in this country to t least start to lower this rate of debt.

There are so many citizens out there that Just need to realize that we are the ones that are making this debt so high. We need to address everyone and bring to their attention that we are the ones doing this. Once everyone understands this people will be making better decisions at the polls. Doing this will make a huge difference and we will be so much closer having this country in more of an efficient economic progress and also decreasing the national debt by unbelievable numbers. It is scary to realize how much debt we are actually in.

If you loud imagine one billion dollars, which is one thousand millions, then imagine one thousand billions, which makes a trillion, and then multiply that one trillion by seventeen. That number is so huge that it is mind-boggling. We owe China itself about five trillion dollars. If we were to not pay China back this money and default, we would be in the most severe depression of all time and it would take decades for our country to recover. Although it is unlikely to happen we are still at a high risk of rates going way up and the value of the dollar going way down which is why people need o realize want Is going on Ana take action. Our mall Toots needs to De to erasers what is going on and why we are in so much debt. This would make unbelievable changes to our economy because people will be making smarter choices and the people are what changes things and has the most effect on the country. The best thing that you can do for this country is to follow along with current events such as what is going on in the economy and what politicians are saying. This way we are making better decisions by knowing what these people have to offer and voting on he best things that can be done for our country.