

Debt Across Generations

Economics

Whether borrowing shifts a burden to those not yet born.

The considerations.

Argues burden is shifted

Future taxes service the debt

Consumption today, payment tomorrow

Crowding out of productive investment

Interest costs constrain future budgets

Argues it is overstated

Assets built also pass to the future

Domestically held debt is owed internally

Growth can outpace the interest cost

Underinvestment also burdens the future

Borrowing to build an asset that lasts fifty years matches the cost to those who benefit. Borrowing to fund current spending does not.