

America's most boring nightmare

di Megan McArdle

Ever gotten so deep in credit card debt that you stopped opening the bills because it felt hopeless and looking at the numbers simply stressed you out? If not, I congratulate you on your thrift and prudence. But a lot of people have reached that point, as you will discover if you spend much time on personal finance forums.

If you are someone who pays off your credit card every month, it can be hard to understand why anyone would just stop opening their bills. Sure, it is hard to contemplate your financial problems. But contemplation, however unpleasant, is not what is most stressful about being deep in debt. The really stressful part is when your creditors cut off your lines of credit, foreclose on your house, or force you into bankruptcy. The only way to avoid that crisis is to confront the problem head-on.

So why don't they? Rather than offering pop psychology, I have a question for you: When was the last time you devoted serious attention to the national debt?

Many readers will click away at this point, if they haven't already checked out at the headline. The national debt is so big and so incredibly boring! At best, reading about the debt feels like eating some highly nutritious vegetable you don't care for. At worst, it feels overwhelming. What can you do about it, anyway? All it does is make you depressed.

You see where I'm going with this. The nation is in a hole, and if it's going to climb out, Americans need to take a hard look at the bill that is rapidly coming due, rather than stuff the notices in a drawer and try to forget they're there.

The debt held by the public is roughly [\\$31.6 trillion](#), and it recently [surpassed 100 percent](#) of the gross domestic product. In other words, if we wanted to pay it off next year, we'd have to stop consuming anything and turn everything we produce, from

apples to zippers, over to our creditors. Sure hope you remembered to stock up the chest freezer, or it's going to be a very hungry year.

Thankfully, we do not actually have to pay off the debt next year. In fact, we don't have to pay it off at all. A nation with a healthy economy can sustain a modicum of debt, and even modest budget deficits, essentially forever. As long as the debt isn't too high, the deficits aren't too outrageous, and the economy keeps growing, inflation and economic growth will keep the national debt-to-GDP ratio within healthy bounds.

Alas, the United States is well past that point. The outsize debt was barely sustainable even with the abnormally low interest rates between the 2008 financial crisis and the pandemic. But with 30-year Treasury yields at their [highest level](#) in almost two decades, it is not. Interest costs alone exceeded 3 percent of GDP in 2025, more than the government spent on Medicaid or defense. That has helped push the annual budget deficit to [almost \\$2 trillion](#), or 5.8 percent of GDP. Unless something is done, those numbers will get even worse as the boomers finish retiring and entitlements eat more and more revenue.

There is only one way this kind of profligacy can end: in a fiscal crisis that forces Congress and the president to hike taxes and cut spending, very probably at the worst possible time, when the economy is already nose-diving for some other reason. And here's the thing: Everyone knows this. There's a reason you yawn when you're asked to think about the national debt — it's because you've heard this all a zillion times before. This slow-moving disaster has been on the horizon for decades. We've all decided not to think about it until we make landfall on whatever hellscape we're approaching.

Americans have plenty of ways to deflect attention from the unpleasantness ahead. For those of a certain sanguine frame of mind, it's preferable to yawn and turn to something more diverting. Alternatively, we can start an argument about something else that seems vaguely related but actually isn't.

For example: Is it even possible to have a fiscal crisis in a nation that prints its own currency? (Yes.) Or: Which party caused this terrible state of affairs? This article probably would have gotten more clicks if I'd blamed Republican tax cuts or runaway Democratic spending. Unfortunately, the boring truth is that most of the debt was

accumulated during the fiscal responses to the financial crisis and the pandemic. The problem is that neither party is willing to impose the fiscal discipline needed to pay down the debt now that those crises are over, because there's no way to do that without touching the highly popular entitlements that have driven the increasingly [unsustainable deficits](#).

But this cannot go on forever, and as the great economist [Herbert Stein once said](#), “If something cannot go on forever, it will stop.” The only choice the nation has is how it will stop — a gradual tapping of the fiscal brakes, until things are back under control, or a continued acceleration until a devastating crash becomes inevitable. But if we want politicians to take that first option, we voters must focus our attention and force them to confront the problem before us.