

PART I: WHAT IS U.S. DEBT?

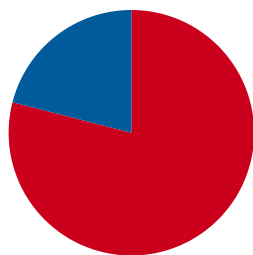


The national debt is the amount of money the federal government borrowed to cover the outstanding expenses incurred over time. A budget deficit occurs in any fiscal year when the government incurs costs beyond its revenue. To alleviate this deficit, the federal government borrows money by selling various types of marketable securities, including Treasury bonds, bills, notes, floating rate notes, and Treasury inflation-protected securities. The national debt is the amount owed and interest on these securities to investors. If a budget deficit occurs year after year, the national debt increases

Owners and portions of the National Debt are categorized into two types

(Data as of 2023 - Source):

INTRAGOVERNMENTAL DEBT (21%) - Held by the Federal Reserve and other government agencies



PUBLIC DEBT (79%) - Held by the public: individual investors, institutions, and foreign governments

Current U.S. Debt as of June 13, 2024 (Source)

\$34,702,935,789,016

Quick Facts



During the Peak of the COVID-19 pandemic (From Q4 of 2019 to Q2 of 2020), the Debt increased by **14.11%** from **\$23.2 trillion to \$26.5 trillion** and from the start of COVID until 2024 has increased by **49.17%** (Source)



Over the last 100 years, US Federal Debt increased from **\$403 billion in 1923** to **over \$33 trillion in 2023** (Source)



In 2023, the U.S. had a net expense of **\$659 billion** in interest payments (Source)



The ratio of the United States National Debt to its Gross Domestic Product (GDP) is **123%** (Source)



The Top 10 Holders of public U.S. Debt (as of 2023) are:

- | | |
|-------------------|-----------------------|
| 1. Japan | 6. Switzerland |
| 2. China | 7. The Cayman Islands |
| 3. United Kingdom | 8. Canada |
| 4. Belgium | 9. Ireland |
| 5. Luxembourg | 10. Taiwan |



The Congressional Budget Office predicts that the national debt held by the public will **grow by \$21.2 trillion over the next decade**, from **\$27.1 trillion today** to **\$48.3 trillion by the end of 2034** (Source)

Consumer and Corporate Debt (as of 2023)

Consumer Debt
\$17.1T
(Source)

Domestic Financial Sector Debt
\$19.6T
(Source)

Domestic Non-Financial Sector Debt
\$21.1T
(Source)

What are Treasuries?

U.S. Treasuries are debt securities issued by the U.S. Department of the Treasury to finance the national debt and other government expenditures. Often considered one of the safest investments for an investor because they are backed by the "full faith and credit" of the U.S. government (Source)

- ➔ **Types of Treasuries (Source):** Treasury Bills (T-Bills), Treasury Notes (T-Notes), Treasury Bonds (T-Bonds), Treasury Inflation-Protected Securities (TIPS) & Floating Rate Notes (FRNs)
- ➔ **How are Treasuries Issued? (Source)** A process that includes competitive and non-competitive bidding at monthly auctions
- ➔ **History of U.S. Debt:** In the last 50 Years, the U.S. has only ever run a surplus **four times from the years 1998-2001**. Before 1998, the U.S. had run a deficit for 29 years, with the last surplus occurring in 1969. Now, the U.S. has been experiencing a deficit for the last 23 years, from 2002 to the present