



# Demoralization in 1 easy step

spend like there's no tomorrow



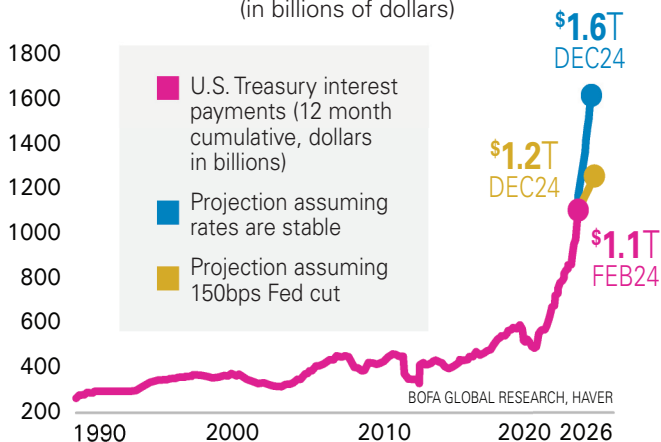
**-\$35 TRILLION-**  
**DEBTOR**  
unrepentant · compulsive  
unsustainable · untethered

**RUNAWAY FEDERAL DEBT** ”  
DESTABILIZES RESIDENT  
INCOMES, INTERFERES WITH  
HOUSING PRODUCTION AND  
DEPRESSES APARTMENT RENTS

PRO IN THE KNOW

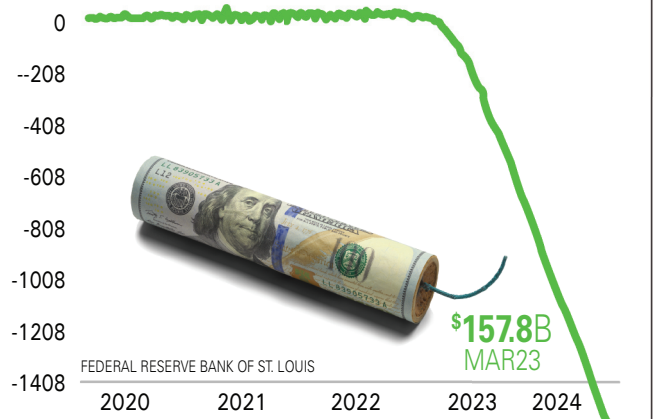
## U.S. interest payment scenarios

U.S. payments and rate projections  
(in billions of dollars)



## Rush to subdue inflation pushes Federal Reserve into loss

Fed profit and loss



U.S. debt interest payments have **more than doubled** over the last decade amid non-stop government spending



**\$1T**  
annual interest on America's record **\$34 trillion in debt** (2023) exacerbated by high interest rates

**\$1T**  
the debt the nation is incurring **every 100 days** or \$3.6T/annually

**(\$114.3B)**  
Federal Reserve operations net negative income (2023) down from 2022 (\$58.8 billion)—the result of the fed aggressively raising the federal funds rate

**result**  
The agency's rapidly increasing the federal funds rate (spring, 2022) upended central bank finances

### How low can we go?

Growth is down, debt and inflation are up, but earnings matter. The market is up because earnings are growing. The market is anticipating delayed Fed cuts. Barring geopolitical events, this can serve to mute other negative impacts.

#### stagflation

The economy looks more like the 1970s than we've ever seen before, said JP Morgan's CEO Jamie Diamond

#### recession<sup>2</sup>

Both the 1980 and 1981-82 recessions were triggered by tight monetary policy in an effort to fight mounting inflation

#### 1993

President Bill Clinton's first budget act in 1993 raised taxes further, pushing the top rate to 39.6 percent

**Prices continue to rise** while the economy cools and talk of stagflation circles. Inflation has already drained the economy. How much worse can it get? We only need to look to history.

#### 1970s

Stagflation brought double digit unemployment, double digit inflation and set interest rates at nearly 20 percent

#### 1990s

President George H.W. Bush signed a bipartisan deficit reduction deal that, among other things, increased the top income tax rate to 31 percent from 28 percent

#### 1998

Deficits fell sharply through the 1990s and flipped into a surplus in 1998



**(\$12.4T)**  
\$37,100 per American

The projected federal government spend over the next decade on interest alone



**\$30B**

increase in funding for the Federal Deposit Insurance Corp. to cover the regional banking crisis in 2023—a major contributor to the deficit increase

**75%**

**^75%**  
the federal deficit increase due to interest costs by 2034 (CBO forecast)

SOURCE: FED POSTS RECORD LOSS OF \$114.3BILLION IN 2023, MICHAEL S. DERBY; FEDERAL RESERVE; INTEREST PAYMENTS ON THE NATIONAL DEBT WILL SOON BE THE LARGEST FEDERAL EXPENDITURE, JON MILLITIMORE, FEE; STATISTA