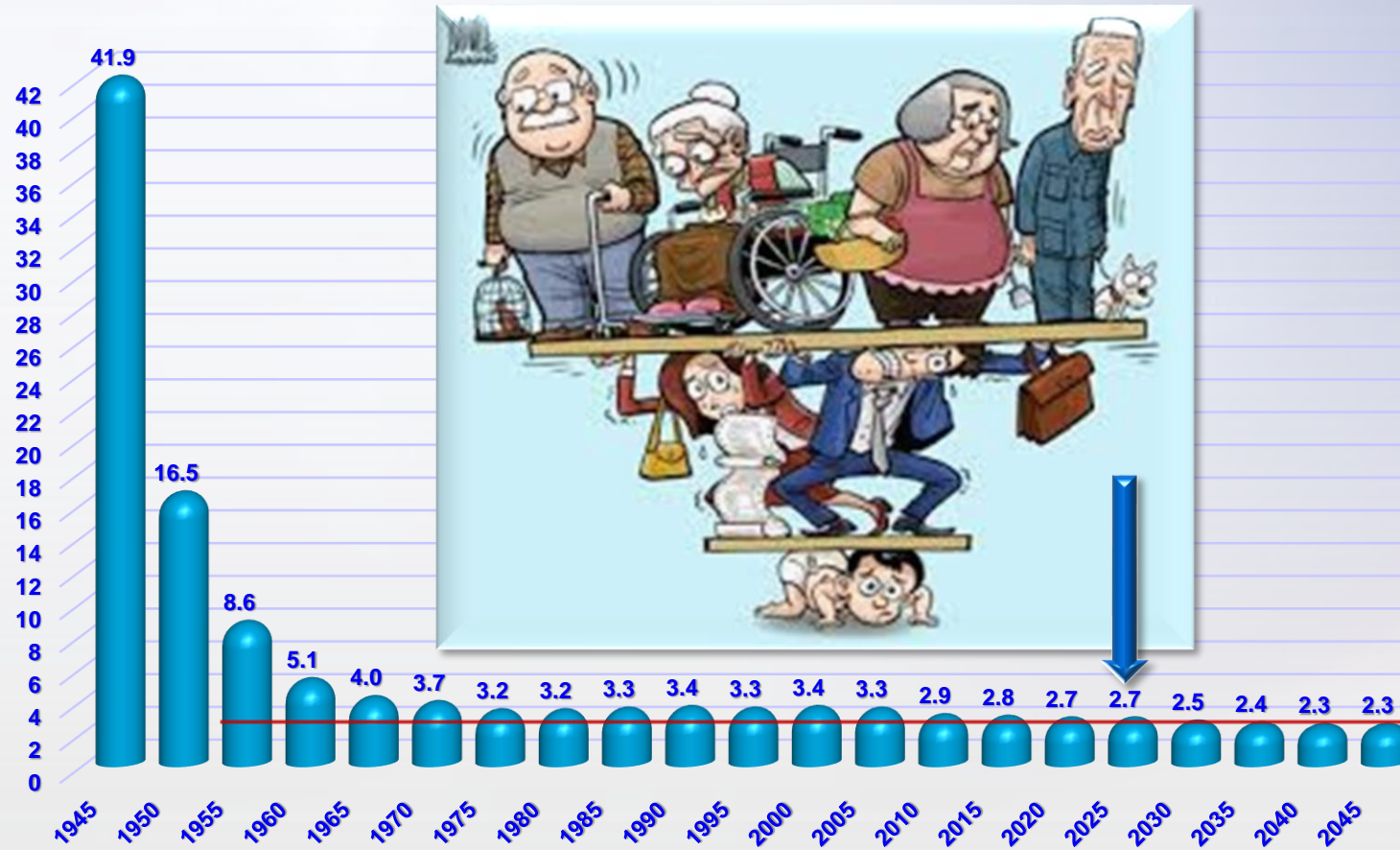
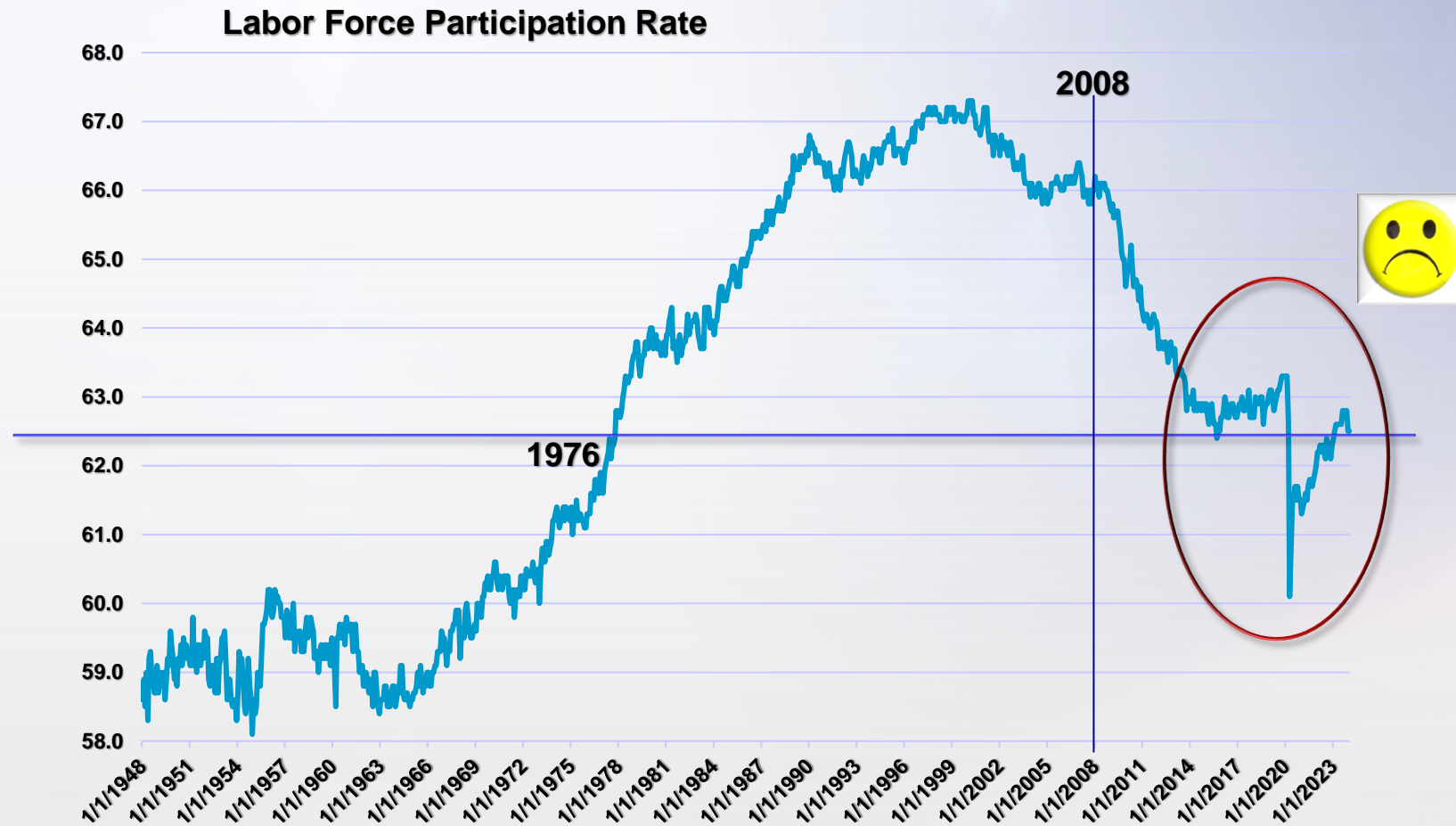


# Economic Currents Shaping America's Future

Workers per OASDI Beneficiary



# ***Economic Currents Shaping America's Future***



Source: Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/CIVPART>, 2025

# Economic Currents Shaping America's Future

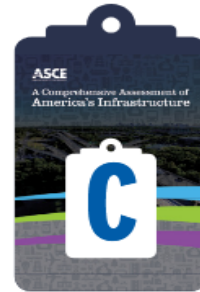
## The 2025 Report Card for America's Infrastructure



Aviation  
**D+**



Bridges  
**C**



**OVERALL  
GPA**



Broadband  
**C+**



Dams  
**D+**



Drinking  
Water  
**C-**



Energy  
**D+**



Hazardous  
Waste  
**C**



Inland  
Waterways  
**C-**



Levees  
**D+**



Ports  
**B**



Public Parks  
**C-**



Rail  
**B-**



Roads  
**D+**



Schools  
**D+**



Solid  
Waste  
**C+**



Stormwater  
**D**



Transit  
**D**



Wastewater  
**D+**



## ***Economic Currents Shaping America's Future***

- **The rest of the iceberg:**

### **Selected Obligations at Current Benefit Rates**



**\$ 44.2 tr. US National Debt** (2029 nominal dollars)

**116.7 tr. PV of Social Security**

**86.7 tr. PV of Medicare** (less premiums)

**81.5 tr. PV of Fed. Medicaid, CHIP & Other**

**33.9 tr. PV of VA Benefits**

**33.2 tr. PV of 50 State Medicaid, unfunded pension and other post-employment benefits**

**+ 4.4 tr. Cost of renovating our 50–100+ year old infrastructure.**

**\$ 400.6 tr. Obligations left to the next generation to repay,**

**when they will have half the relative collective earning power than when Medicare was started. (Dropping from 5.1 to 2.5 workers per retiree by 2030.)**

# *Economic Currents Shaping America's Future*

## Selected Obligation Analysis

### 1. What is our net worth?

Total household & NP org. net worth = \$169.4 tr. (2024)

$$\text{\$400.6} / \text{\$169.4} = \textbf{236.5\%}$$

We owe more than 2.3x our total net worth.

If we confiscated all of the wealth in the country, we could only pay for 42% of these selected obligations.

Total GLOBAL wealth = \$510 tr.

Our share is only  $\text{\$169.4} / \text{\$510} = \textbf{33.2\%}$ .

We would have to consume  $\text{\$400.6} / \text{\$510} = \textbf{78.5\%}$  of the entire world's wealth to meet our obligations (nearly 2.5x our share)!



# ***Economic Currents Shaping America's Future***

## **Selected Obligation Analysis**

### **2. How much do we make?**

\$400.6tr. In obligations divided over 132,216,000 households =

**\$3,029,662 in obligations / household.**

Median household income = \$78,309

**\$3,029,662 / \$78,309 = 39 years of income.**

The combined federal & state governments would have to **tax** away the **entire** median income of **every household** in America for the next **39 years** in order to pay off just these obligations.

Or alternatively, since under a 100% income tax all of the taxpayers would die of starvation in the first two weeks, maybe amortize over 75 years:

**50% income tax for the next 78 years** would work better.

**That's 25 years beyond the time to get the last boomer through the system...**

# Economic Currents Shaping America's Future

## Selected Obligation Analysis

That is, **we need** \$400.6 – \$169.4 = **\$231.2 tr. more wealth** than we have to meet these obligations! (That's nearly a **quarter of QUADRILLION** dollars!)

That's nearly all the wealth of Europe, China, and the entire Asia-Pacific region combined:

	<u>Wealth</u>	<u>Pop. (mm)</u>
Europe	\$104,410	742
China	84,485	1,426
Asia-Pacific	77,974	1,886
	<u>\$266,869</u>	<u>4,054</u>



Will they just hand us all of their wealth to support us in our nursing homes, while their own populations of **4.054 BILLION** people starve? **Not.....**

Source: World Bank, Credit Suisse Global Wealth Report Nov. 2023



# ***Economic Currents Shaping America's Future***

## **Selected Obligation Analysis**

↳ That 50% tax rate for the next 78 years assumes all of the tax revenues would go to nothing else but paying off just these few selected obligations...

They are expected to consume 80% of the federal budget by 2030. Crowding-out all other government services, if not cut.



# ***Economic Currents Shaping America's Future***

## **Selected Obligation Analysis**

- Do you want things like: operating our defense, schools, fire department, police, transportation, water, sanitation, criminal justice system, and the multitude of other entitlements, grants, subsidies and programs in the federal budget...
- If we want all those too, the **tax rate goes up from there...**
  - Some economists estimate an **83%+** combined federal & state tax rate to meet these demands

## *Economic Currents Shaping America's Future*

### – Observations:

- We have become the greatest debtor nation in the entire history of the world.





## *Economic Currents Shaping America's Future*

### **– Observations:**

*“... the principle of spending money to be paid by posterity, under the name of funding, is but **swindling** futurity on a large scale”*

**—Thomas Jefferson**

Source: Thomas Jefferson, Letter to John Taylor, May 28, 1816, National Archives,  
<https://founders.archives.gov/documents/Jefferson/03-10-02-0053>.



## *Economic Currents Shaping America's Future*

### **— Observations:**

*“A democracy cannot exist as a permanent form of government. It can only exist until the people discover they can vote themselves largess out of the public treasury. From that moment on, the majority always votes for the candidate promising the most benefits from the public treasury, with the result that democracy always collapses over a loose fiscal policy—to be followed by a dictatorship.”*

*— Alexander Fraser Tytler, Lord Woodhouselee*

## *Economic Currents Shaping America's Future*

### **— Observation:**

*“... first by inflation, then by deflation, the banks ... will deprive the people of all property until their children wake up homeless on the continent their Fathers conquered.”*

*—Attrib. to Thomas Jefferson (never verified)*

Source: [www.monticello.org/research-education/thomas-jefferson-encyclopedia/private-banks-spurious-quotation/](http://www.monticello.org/research-education/thomas-jefferson-encyclopedia/private-banks-spurious-quotation/)



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School of Accountancy



# Healthcare Financial Management Association Texas State Conference May 18 – 20, 2025

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