Jackie and I affirm Resolved: The United States Federal Government should prioritize reducing the federal debt over promoting economic growth.

Contention 1 is diverting investment.

Tully 2019 for Fortune writes that

> **The U.S. must issue gigantic volumes of Treasury** bills and **bonds to fund the deficits, and many investors** and companies **purchase those** safe **securities instead of channeling that money into [productive business investment]** entrepreneurial ventures, or providing private enterprises with fresh capital for new plants and data centers.q22322ss

This is because the University of Pennsylvania finds in 2015 that

> **when government bond sales grow,** forcing the government to pay higher yields to attract investors, **corporations must pay higher yields [on their bonds]** as well **to compete, making financing and investment more expensive. As a result, corporations issue fewer bonds.**

which is why a 2015 Congressional Budget Office Report writes that

> All told, CBO estimates that **when** the **federal** deficit and **borrowing go[es] up by one dollar,** private saving increases by 43 cents and inflows of foreign capital rise by 24 cents. Those two offsets to the crowding-out effect result in a net **[domestic investment] decline[s by]** of **33 cents** in domestic investment in the long run,

The impact is wage growth.

Without investment, companies do not have the capital to expand, which is why Marc Goldwein from the Center for a Responsible Federal Budget concludes that

> **If lawmakers continue to add to the debt** in many of the ways that they have recently as in the Alternative Fiscal Scenario (AFS) – and debt reaches 156 percent of GDP by 2040 – CBO estimates **the economy would shrink by** an additional 5 percent, or roughly **7 percent [and wages would drop by $6,000 per person by 2040]** in total.

Contention 2 is Recession Roulette.

The St. Louis Federal Reserve writes that

the reality is that recessions happen. They are a natural and inevitable part of the economic cycle.

This is why MarketWatch contextualizes in 2017 that

Opinion: Next recession will hit during Trump's first two years

> The last recession started in 2007 and ended in 2009. The one before that started and ended in 2001. The two previous recessions ran from 1990 to 1991 and from 1981 to 1982. In these cases, **[since 1981] the time between the end of one recession and the start of another** was **[is] about eight years** on average.

During a recession, the US spends money or reduces taxes–a policy known as stimulus–to increase economic demand. The ability to do this is known as "fiscal space."

Bernstein 2018 from the Washington Post contextualizes that

> **Fiscal space is** trickier, because it's not bound by zero. It's **bound largely by politics** ...It's that **policymakers simply won't [pass much stimulus]** do much of it **when they're staring down debt-to-GDP levels well above average**. But at least in countries such as ours that can handily finance their debt and control their currency, **this reluctance reflects political, not economic, constraints.**

There are two reasons a higher debt hurts our ability to combat recessions.

First, smaller stimulus.

Aaron 2018 of Brookings writes that

> **[in 2009]** Even so, **Congress was so uneasy about [increasing the debt]** boosting spending or cutting taxes to fight the effects of financial meltdown **that the Obama administration asked for a smaller anti-recession program [worth $800 billion]** in 2009 **[even though, according to the Fiscal Times in 2012, advisors pushed for a $1.2 trillion package]** than internal advisors thought desirable. And as soon as the economy began to recover, a sort of deficit mania took hold. Fiscal stimulus ended, and the recovery slowed to a tortured crawl. **Were a recession to occur [now], deficits would approach or even exceed $2 trillion a year** as tax collections fall and spending triggered by rising unemployment rises. This flood of red ink [which] would cause elected officials to worry—and even panic—about rising debt. Whether or not such fears would be well-founded, they would be genuine and widespread. **Frightened legislators would be loath to enact even well-considered short term recession-fighting measures** out of fears that doing so would push up deficits and debt even more.

Efforts by politicians to downsize the 2008 stimulus package, according to Fieldhouse of the EPI in 2013,

If this amount could instead have been spent on productive stimulus, it could have created roughly 750,000 jobs. In short, just luring the minimal GOP votes needed to pass ARRA in the Senate **likely kept it from supporting or creating nearly a million more jobs than it did.**

Second, premature spending cuts.

Hatzius 2018 for Goldman Sachs writes that

even if lawmakers would not hesitate to provide stimulus during a downturn, **[high levels of debt could cause a]** the **push to stabilize debt [immediately] after the next recession** ends **[that] could slow the subsequent recovery. This** dynamic **occurred** to some extent **following the Great Recession: [after the passage of the 2008 stimulus package] some lawmakers pushed for immediate spending cuts** that were eventually reversed, though they should have put in place more gradual, lasting, and longer-term deficit reduction.

Unfortunately, Greenstone 2013 from Brookings finds that

> **the sequestration [cuts enacted shortly after the recession]** could **[were projected to]** reduce overall GDP growth in the United States by 0.6 percentage points and **cost the economy 750,000 jobs** by the end of 2013.

Because of these two reasons, Bernstein 2018 argues that this is why a 2017 study by Christina Romer of UC Berkeley finds that

> **countries with** fiscal space (**low debt ratios**) **apply anti-recessionary** fiscal **policy much more aggressively than countries [with high debt ratios]** without fiscal space. And it makes a big difference: "**[After a recession] [a debt ratio of 27% will result in a]** the **fall in GDP [of]** with fiscal space is **just 1.4 percent. [A debt ratio of 96% will result in a]** The **fall in GDP** following a crisis without fiscal space **[of]** reaches a maximum **of 8.1 percent.**"

The impact is global poverty.

By slowing the creation of jobs, we lengthen a recession. Critically, longer recovery times are especially devastating for developing countries, as a 2009 article by Oxfam found that in developing countries, **100 people are pushed into poverty every minute by economic crisis.**

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Forbes estimates in September 2018 that

> **National debt is now 105% of GDP.** The IMF predicts that **among rich nations, only the U.S. will increase its debt-to-GDP ratio in the next five years, the wrong direction during an economic expansion.**

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US paying a lot in interest

For all of fiscal 2018, net interest on the public debt rose by $62 billion to about $371 billion, according to the CBO's preliminary numbers. That's a 20 percent jump.
As a percentage of GDP, interest payments are likely to be the highest since the Great Recession, The Washington Post reported.
"Interest costs are the fastest-growing part of the federal budget," Michael Peterson, head of the nonprofit Peterson Foundation, told the Post. "Over the next decade, interest costs will total nearly $7 trillion, rising to become the third-largest 'program' in the federal budget."

But a new study suggests that without the stimulus — and, more crucially, without bank bailouts and the Federal Reserve's intervention — things would have been much, much worse. Princeton economist Alan Blinder and Moody's Analytics' Mark Zandi estimate, in a paper for the Center on Budget and Policy Priorities, that without these policies:

- The recession would have lasted twice as long.
- The economy would have shrunk by nearly 14 percent, not 4 percent.
- Unemployment would have peaked at nearly 16 percent, not 10 percent.
- More than 17 million jobs would have been lost, around twice the actual number.
- In 2015, there would still be 3.6 million fewer jobs and 7.6 percent unemployment.

High debt reduces this fiscal space for two reasons.

First, it limits the US's ability to finance large stimulus packages.

The Peterson Foundation finds in 2018 that
Indeed, **one reason why the United States was able to recover from the Great Recession more quickly than other countries was because our debt was fairly low — at 35 percent of GDP — before the financial crisis began**. As a result, U.S. policymakers had considerable flexibility in addressing the crisis. **If debt had been significantly higher at the start of the crisis as it is now, it would have been difficult to respond.**

c1) saving obamacare

obamacare - provided 20 million more people with insurance

individual mandate tax repealed - Under the Affordable Care Act, the so-called individual mandate required nearly all Americans to have some form of health insurance coverage or face a tax penalty. The tax penalty for the individual mandate is set to be eliminated completely starting Jan. 1, 2019, as a result of the Tax Cuts and Jobs Act introduced last year.

the requirement helped keep health insurance costs low by requiring younger people with fewer medical bills to sign up for insurance. Those customers were needed to help offset the expenses accrued by older, and sicker, customers. Without the mandate, these people argue, young people would avoid buying insurance, and insurance costs would rise.

repealed for some economic growth bullshit - here's a source saying marco rubio said it would hurt economic growth - same article also discusses 2012 SCOTUS case calling individual mandate a "tax"

as a result, obamacare is running out of $$ -

c1) social security

ss funded through payroll tax -
both parties looking to increase the federal debt -
    republicans looking at repealing the payroll tax "to increase economic growth"
dems want to increase benefits
that increases the federal deficit
if we don't increase the payroll tax, ss will become insolvent by 2034 and benefits will be cut by 23% automatically (idk what the warrant behind this is)
this hurts people! - without social security, 22.1 million people would be pushed into poverty