

U.S. Debt Now Surpasses 2010 GDP

Posted By [Patrick Tyrrell](#) On August 5, 2011 @ 9:00 am In [Entitlements,Featured](#) | [15 Comments](#)

The U.S. Treasury Department came out today ^[1] with its Debt Position and Activity Report for July. The news is bleak.

With the additional \$238 billion the Treasury immediately borrowed when the debt ceiling was raised on August 2, total current debt now exceeds 2010 gross domestic product (GDP) for the entire United States.

Debt at these levels is why Moody's and Standard & Poor's is concerned enough to be considering a downgrade ^[2] of their credit ratings on U.S. debt.

Debt as of July 31 totaled \$14.342 trillion. That was made up of \$9.756 trillion held by the public and \$4.587 trillion the U.S. government owes itself (intergovernmental borrowing, largely from the Social Security and Medicare trust funds to the general fund). GDP—the value of all of the goods and services produced in the United States—in 2010 was \$14.5265 trillion ^[3]. With the Treasury's additional borrowings of \$238 billion so far in August, the total of all debt outstanding has now increased to \$14.5807 ^[4]. That's \$54.2 billion more than average 2010 U.S. GDP, the last year for which we have final estimates on GDP from the U.S. Department of Commerce.

This is a noteworthy event. It is going to be a very long time before the politicians in Washington are able to pay this debt back with interest. They should at least not be borrowing more. One wonders how they would like to mark this new milestone on the road to economic ruin. They can't hide it. Maybe they will want to pass out Dumbo dolls to commemorate the \$14.5807 trillion elephant in the room.

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URLs in this post:

[1] out today: http://www.treasurydirect.gov/govt/reports/pd/pd_debtposactrpt_1107.pdf

[2] considering a downgrade: <http://www.foundry.org/2011/04/19/what-the-sps-warning-on-spending-means-for-america/>

[3] \$14.5265 trillion: http://bea.gov/newsreleases/national/gdp/2011/pdf/gdp2q11_adv.pdf

[4] now increased to \$14.5807: <https://www.fms.treas.gov/fmsweb/viewDTSFiles?dir=w&fname=11080200.pdf>