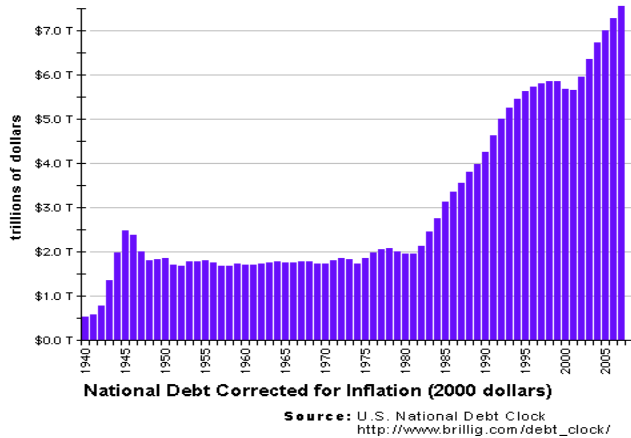


Why the US was Downgraded

Posted At : January 26, 2012 3:37 PM | Posted By : Michael Smith

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This does help explain the recent downgrade of US government debt. And makes it clear that continuing to add to the national debt is not a sustainable idea.

This is the best analogy I have seen for a while! This rather brilliantly cuts thru all the political doublespeak we get.

Why the U.S. was downgraded:

* U.S. Tax revenue: \$2,170,000,000,000

* Fed budget: \$3,820,000,000,000

* New debt: \$ 1,650,000,000,000

* National debt: \$14,271,000,000,000

* Recent budget cuts: \$ 38,500,000,000

Let's now remove 8 zeros and pretend it's a household budget:

* Annual family income: \$21,700

* Money the family spent: \$38,200 (much of it interest on existing credit card debt!)

* New debt on the credit card: \$16,500

* Outstanding balance on the credit card: \$142,710

* Total budget cuts: \$385

Got It!