

# The U.S. May Be Broke, But the NYT is Loaded

☒ Many, many years ago, people knew the basics about managing their budget. For example, housing should cost approximately 25% of your income. In other words, responsible adults figured out how much income they had every month and then figured out how much they had in expenses. At the end of the month, you hoped you'd be in the black and not in the red.

Well, things have changed and we're a far cry from this type of rational budgeting on a personal level and as a nation. Too many people today want what they want and they want it now. In that old-fashioned budget I mentioned above, there would be a spot for "savings." But today, the almighty credit card rules and people would rather pay \$10.00 a month into the next decade for that latest toy rather than saving up for it.

It's not surprising that so many people are way over their heads in debt. For example, a good friend of mine rents a townhome and his landlord just informed him that it's in foreclosure! Apparently, the owner is running \$1,000 a month in the red. I have to say to myself, what kind of numbnut buys an investment property and doesn't cover all his expenses with the income? I have to guess the landlord can't refinance because the value is less than the mortgage, thanks to some screwy mortgage he got when he bought the townhome.

Now comes an editorial in the NYT which answers the Republicans "hollow cry" that "we're broke" as a Nation. According to the NYT, "it's all obfuscating nonsense – a scare tactic employed for political ends. A country with a deficit is not necessarily any more 'broke' than a family with a mortgage or a college loan." I had to read that sentence at least three times because I couldn't believe it.

With a few bumps along the road in my much earlier years, my household has operated in the black all my life. I balance my checkbook every month to the penny. That being said, I'm not Suze Orman, an economist, an accountant, or a politician, so I asked a brilliant friend of mine to explain the nation's crises to me in simple terms. He wrote me the following:

The proposed budget for this year is \$3.6 trillion. The deficit is \$1.5 trillion or 42% of the budget.

More important, the deficit is yearly and keeps adding to the national debt total. When we buy a house, for most of us, the amount owed decreases each year. The total amount owed by the federal government increases each year and will soon be at an amount that is equal to the GDP of the country.

When we buy a house, we expect the value will go up because we're acquiring an asset. The money the federal government spends is, for the most part, current expenditures.

The debt is a debt of all Americans. It is on top of our personal debt.

The total US debt is approximately \$14.2 trillion. [\$45,720 per person]

The total US personal debt is approximately \$16.2 trillion [\$52,018 per person]

Therefore, the total debt per person is approximately \$97,738.

And the numbers keep changing by the minute.

When my head stopped spinning and I had an opportunity to let this all sink in, I can't imagine how our country "is not necessarily any more 'broke' than a family with a mortgage or college loan." There's plenty of blame to go around and you can sit around and argue all day long how we got into this mess. At this point, I don't care; the numbers are frightening.

I have no idea what the editorial board of the NYT is smoking, but they're not living in the real world. They should check out the U.S. debt clock and see the real numbers – it's eye-opening only until your eyes glaze over.

As usual, I don't get the NYT, but if you do, God bless you.