

Is the U.S. just as indebted as Greece?

Statistics suggest that the U.S. has 27 times more people than Greece, 24% more national debt on average per person, and 34 times more national debt in total.

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The warm weather of May has been greeted with protests and anger on the streets of Athens. Greece has been told, and Greeks have seen, that there are facts to face: their country of 11 million inhabitants has national debt equal to 113% of its GDP. [1]

Where do many Greeks place the blame? Yes, the Greek state is not trusted, some politicians told the people what they wanted to hear and then did something else, some investors prepared to profit if the economy went down, some European Union authorities in Brussels conveniently failed to notice, and some wealthy Greeks took their money elsewhere. [2]

Yet, there are signs that many Greeks blame themselves. They admit they were only too happy to pay bills without taxable receipts, and opinion polls still favor Prime Minister Papandreou, who leads with the message "Let's turn the crisis into an opportunity." [2]

And let everybody also face this fact: it is a lucky and smart people who inhabit and develop one of the most beautiful places on earth, at a crossroad of cultures, the territory of Greece.

Now, do we know any other peoples similarly indebted, similarly to blame for their current situation, similarly ready to take responsibility and similarly lucky and smart?

Hypothesis: we Americans are another such people. Let us look at the situation of the United States.

Is the U.S. just as indebted as Greece? Yes and no.

Yes, in the sense that the White House warns that the U.S. will have national debt, by the end of 2010, equal to 94% of its GDP. [3] If the U.S.'s 94% is not quite Greece's 113%, it is very close.

Yes, in the sense that the indebtedness of even just parts of the U.S. is now being compared to the indebtedness of all of Greece. The chairman of JP Morgan Chase recently warned that American investors should be more worried about the risk of default of the state of California than of Greece. [4]

And yes, in the sense that an American Democratic congressman recently recognized that "if we don't change course, [Greece] will happen here" [5], and an American Republican

senator went so far as to predict a U.S. “financial meltdown” and complimented China for showing alarm about U.S. national debt. [6]

But no, the U.S. is not indebted similarly to Greece, in the sense that the U.S. is 300 million people while Greece is only 11 million.

There is a huge difference in the size of the two populations, and there is a huge difference in the size of the two national debts.

According to the latest U.S. Bureau of Economic Analysis estimate, the GDP of the U.S. is \$14.6T. [7] At the end of 2010, if the U.S. is indebted as predicted to 94% of this GDP, that will work out to \$13.6T of national debt.

If the U.S. population is 300 million, and one attempts to allocate the U.S. national debt equally to all Americans, that works out on average to \$45,433 of national debt per person.

By one recent estimate, the GDP of Greece is \$357B. [8] If Greece is indebted to 113% of this GDP, that works out to \$403.4B of debt. If Greece’s population is 11 million, that works out on average to \$36,673 of national debt per person.

Country	People	National Debt	
		Per Individual	Total
U.S.A.	300M	\$45,433	\$13 630 000 000 000
Greece	11M	\$36,673	\$403 410 000 000

Table 1. Statistics suggest that the U.S. has 27 times more people than Greece, 24% more national debt on average per person, and 34 times more national debt in total.

If these statistics are accurate, it follows that the U.S. has 27 times more people than Greece, each on average with 24% more national debt, and 34 times more national debt altogether.

We can ask ourselves: which country’s debt has the bigger potential to cause economic turmoil? If we say that Greece is a “threat” to go bankrupt, what do we have to say about the U.S.?

So, is the U.S. just as indebted as Greece? What would be the dangers of ignoring facts that suggest that the U.S. may be more indebted than Greece?

We already know that we Americans are lucky to inhabit, and smart to develop, our beautiful country. Are there signs that many of us Americans, like many Greeks, are ready to take responsibility for our national debt?

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