
Is America Going Broke?

Videos:

“Why The U.S. Can’t Go Broke”

<https://www.youtube.com/watch?v=mmuysv17T9M> (9:17 minutes)

“Ticking Time Bomb: Social Security & Medicare Are Broke”

<https://www.youtube.com/watch?v=bzmmD4ucXjU> (4:35 minutes)

Guide:

The questions below will help students achieve a better understanding of the arguments made on either side of a contentious topic. Because these questions often touch upon statements made briefly in the videos, we recommend reading the questions before watching each video.

Students are encouraged to take notes during the videos, and it may be helpful for students to break into groups, each taking responsibility for only a few questions, before coming together for discussion.

Analysis Questions:

1. What are the opposing ideas in these two videos?
2. According to the AJ+ video, what is the biggest difference between the government being in debt and an individual being in debt?
3. John Stossel said that social security and Medicaid won’t run out of money “as long as there are a lot of you paying into the system and not too many of us taking things out.” What did he mean by this?
4. In the AJ+ video, Stephanie Kelton said: “Every deficit is good for someone.” What did she mean by this?
5. John Stossel said that both parties promise that Medicaid and social security won’t go away. Why do both parties promise this? Why are Medicaid and social security supported by both parties while other entitlements are not?
6. In the AJ+ video, Mohammad Alsaafin said: “Inflation is the actual limit to how much the government can spend.” What did he mean by this?
7. In the Stossel video, we saw footage of French protests over the raising of the retirement age to 64, which is lower than America’s retirement age. Did it surprise you to see that reaction? Should Americans be protesting the U.S. retirement age? Why/Why not?
8. Mohammad Alsaafin said that two ways the government can counter inflation are raising interest rates and raising taxes. How would this affect citizens? Would it be positive or negative? Why?

9. John Stossel said: “But even if the government took all the wealth from every billionaire, it wouldn’t come close to covering America’s coming bankruptcy.” Does this information impact your opinion of how much we should tax the rich? If so, how?
10. Stephanie Kelton said that inflation can be countered by government investment in education and infrastructure to “increase productivity and increase the economy’s potential output, so that you actually end up with a bigger bucket over time.” Does this argument make sense? If it’s true, why do we have an inflation problem?
11. John Stossel predicted that the government would end up printing money to cover its debts. This option was also a major part of the AJ+ video. Did the two videos have different opinions of printing money? If so, how?
12. The AJ+ video featured a clip of Margaret Thatcher saying: “There is no such thing as public money. There is only taxpayers’ money.” What did she mean by this?
13. John Stossel suggested that the U.S. could privatize retirement savings. What does “privatize” mean in this context?
14. Mohammad Alsaafin said: “When the government wants to spend, that money is made instantly. It doesn’t wait for taxes. We saw that recently, when the U.S. congress wrote trillions of dollars into existence by passing major COVID relief bills without raising taxes.” Did the COVID relief have any negative impact on the economy? If so, what was it?
15. Did these two videos share any common ground? Were there any points on which they agreed? If so, what were they?
16. Should one of the arguments we heard carry more weight than the other? If so, which one? Why?
17. Are you concerned about inflation? Has it affected you and your family? If so, how?
18. Did you have an opinion on this topic before watching these videos? If so, what was it? Has your opinion changed? If so, how? What did you learn from these videos that affects your views on this topic?
19. What else would you like to learn about this topic?
20. For more on the topic of inflation, see these Both Sides of the Issue pairings:
Stimulus and Inflation: <https://stosselintheclassroom.org/both-sides-stimulus-and-inflation/>
Inflation Revisited: <https://stosselintheclassroom.org/both-sides-inflation-revisited/>