

Debt, Growth, and Reality

Carmen Reinhart and Kenneth Rogoff, Harvard University, April 30, 2013

Our papers on public debt and growth, which came after our [2009 book](#), explore the long-term secular growth consequences of very high public debt.¹ This work does not advocate macroeconomic austerity in the face of a deep financial crisis. Indeed, those papers would not have been released by the National Bureau of Economic Research had they made a policy prescription of *any* kind.

In other venues, we both supported aggressive monetary and fiscal stimulus to counteract the crisis. We were out front discussing sharing losses through write-downs of debt, such as on senior bank and sovereign obligations, instead of unconditional bailouts.

"The challenge for the Congress and the Administration is to put the federal budget on a sustainable long-run path that promotes economic growth and stability without unnecessarily impeding the current recovery." Those are not our exact words. The quote comes from Federal Reserve Chairman Ben Bernanke earlier this year. This has always anchored our policy advice, an anchoring in reality informed by history and scholarship.

We publicly supported the bipartisan Simpson-Bowles proposals to reform fiscal policy and to stabilize debt over the longer term. We still do. We are proud of the help we gave the bipartisan commission by testifying because we firmly believe that the only viable solution to our problems is to be found at the center of the spectrum. Others disagree. Our democracy empowers this freedom of views but it does not give license to distort facts.

As to the facts, scholars understand that our 2010 paper on debt and growth in the Papers and Proceedings of the American Economic Review was a snapshot of our research program. Another take on the topic was published in 2012 in the [Journal of Economic Perspectives](#) (with Vincent Reinhart). The newer and much more complete paper incorporates more refined and more complete historical data going back to 1800. It improves the methods and ideas of our first effort and comes to the same general conclusion as the 2010 paper. To cite the earlier one and not the later is retrograde in research.

Both papers use our [original debt/GDP database](#) that has been available online in convenient and thoroughly documented form for over two years on our data website. Before that, they were posted on Carmen Reinhart's University of Maryland website. The data have been downloaded by scores of scholars, including University of Massachusetts researchers, who graciously acknowledge us. Where clarification or other issues have arisen from the posted data, we have answered countless email inquiries from scholars and students over the past few years. We have done this in as timely a manner as the overwhelming demand permitted.² We regard highly visible and public claims that we have not shared these data as slanderous.

¹ For a short tour of some of our scholarly contributions on the topic since publication of the book, see the working papers of the National Bureau of Economic Research numbered 15639, 15795, 16168, 16334, 16893, and 18015.

² One blogger at the time referred to the NBER paper as "...an extremely valuable resource..." that he will be keeping "...ready to hand for years to come." See <http://krugman.blogs.nytimes.com/2010/03/12/debt-and-transfiguration/>