

# The Deficit Myth: Why We Should Stop Worrying About Debt And Learn To Love The Federal Reserve

*'The tools we desperately need to build a safe future for all.  
Read it - then put it to use'* NAOMI KLEIN

## *The* **DEFICIT MYTH**



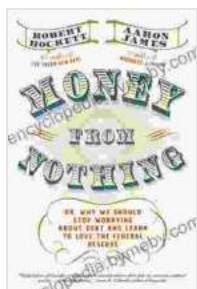
*Modern Monetary Theory and  
How to Build a Better Economy*

**STEPHANIE  
KELTON**

The Deficit Myth is a book by Stephanie Kelton, an economist and professor of economics and public policy at Stony Brook University. The

book argues that the US government can afford to run large budget deficits without any negative consequences, and that we should stop worrying about the national debt. Kelton's analysis is based on the Modern Monetary Theory (MMT), which is a school of economic thought that emphasizes the role of government spending in creating money and inflation.

Kelton argues that the national debt is not a problem because the US government can always create more money to pay it off. She also argues that budget deficits do not lead to inflation, as long as the government is not spending more money than the economy can produce.



## Money From Nothing: Or, Why We Should Stop Worrying About Debt and Learn to Love the Federal

**Reserve** by Aaron James

★★★★☆ 4.9 out of 5

Language	: English
File size	: 4284 KB
Text-to-Speech	: Enabled
Enhanced typesetting	: Enabled
X-Ray for textbooks	: Enabled
Word Wise	: Enabled
Print length	: 333 pages
Screen Reader	: Supported



The Deficit Myth has been praised by some economists for its clear and concise explanation of MMT. However, other economists have criticized the book for being overly simplistic and for ignoring the potential risks of running large budget deficits.

Despite the controversy, *The Deficit Myth* is a valuable contribution to the debate over the national debt. Kelton's analysis provides a fresh perspective on the issue and challenges the conventional wisdom that we need to worry about budget deficits.

### **Main Arguments of *The Deficit Myth***

1. The US government can afford to run large budget deficits without any negative consequences.
2. The national debt is not a problem because the US government can always create more money to pay it off.
3. Budget deficits do not lead to inflation, as long as the government is not spending more money than the economy can produce.

### **Criticisms of *The Deficit Myth***

1. The book is overly simplistic and ignores the potential risks of running large budget deficits.
2. Kelton's analysis is based on MMT, which is a controversial school of economic thought.
3. The book does not provide a clear plan for how to reduce the national debt.

*The Deficit Myth* is a valuable contribution to the debate over the national debt. Kelton's analysis provides a fresh perspective on the issue and challenges the conventional wisdom that we need to worry about budget deficits. However, the book is also controversial, and some economists have criticized it for being overly simplistic and for ignoring the potential risks of running large budget deficits.

Ultimately, whether or not you agree with Kelton's arguments, The Deficit Myth is a must-read for anyone who wants to understand the debate over the national debt.

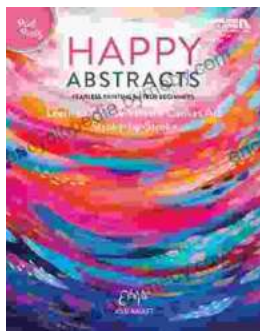


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