

The Great Demographic Reversal: Ageing Societies, Waning Inequality, and an Inflation Revival

By

C.A.E. Goodhart

Financial Markets Group, London School of Economics

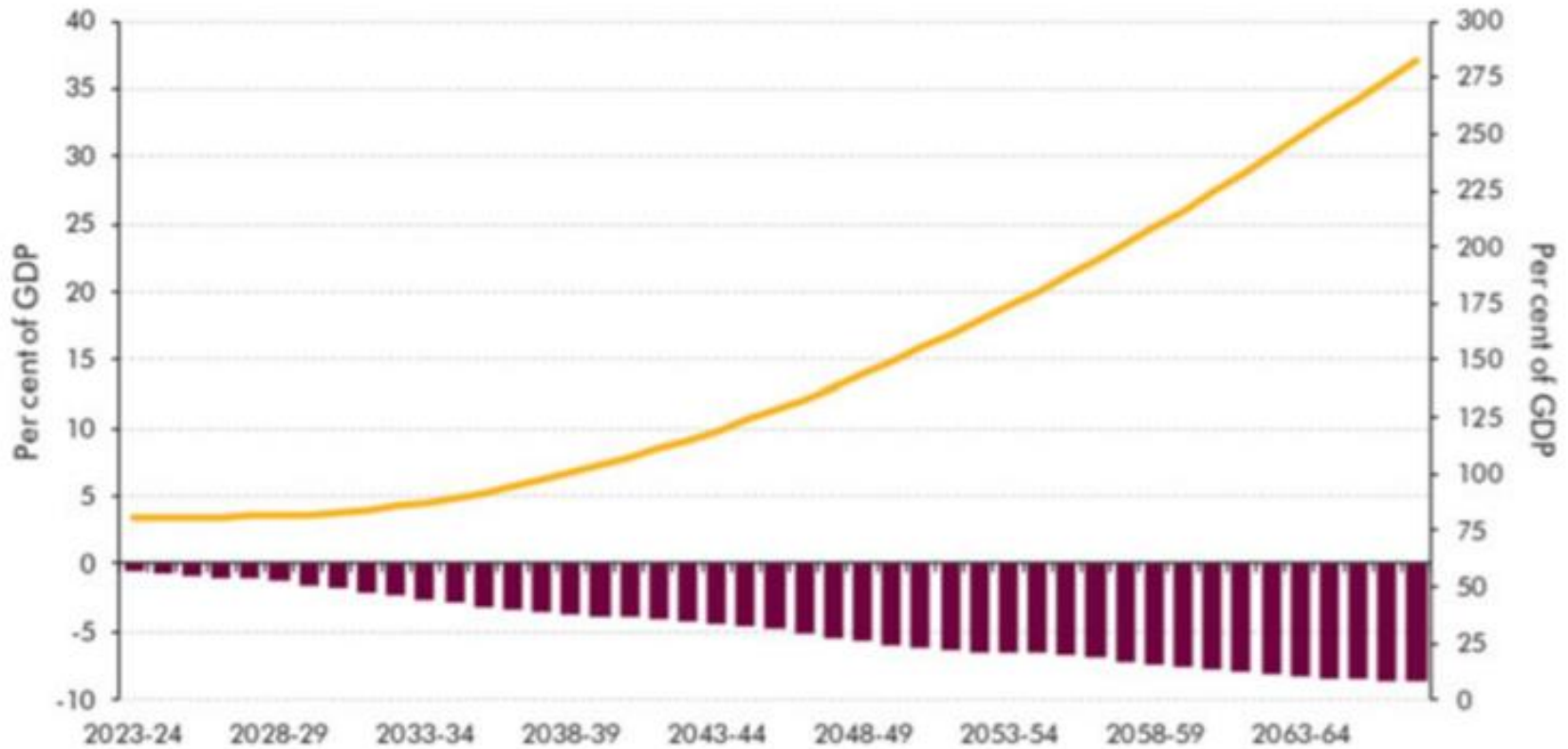
and

Manoj Pradhan

Talking Heads Macroeconomics

Figure 1: Ageing will lead to a massive rise in deficits and borrowing

Baseline projections of the primary balance and PSND



Source: OBR

Figure 2: Unlike War-time Debt, Age-Related Debt Will Not ‘Normalize’

Federal Debt Held by the Public

Percentage of Gross Domestic Product



High and rising federal debt would reduce national saving and income, boost the government's interest payments, limit lawmakers' ability to respond to unforeseen events, and increase the likelihood of a fiscal crisis.

Figure 3: Corporate issuance in 2020 has set a new record by 3Q20 already

US NFC Liabilities and Net Issuance

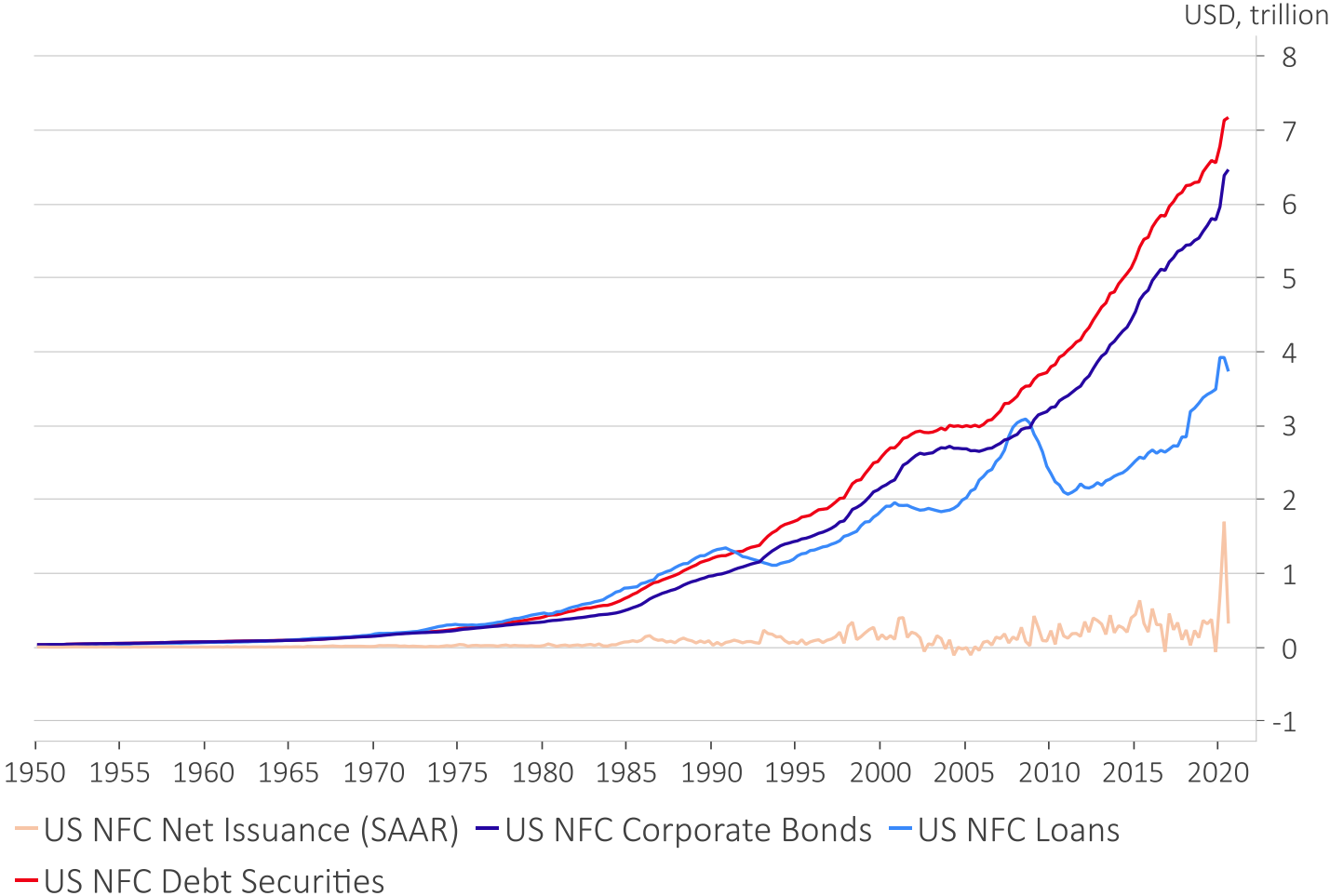


Figure 3: Corporate issuance in 2020 has set a new record by 3Q20 already

