

\$37.6 Trillion and Counting: What the Numbers Actually Show — and Why Nobody Can Picture Them

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Part One: A Number Nobody Can Fathom

Try this exercise. Suppose you found a way to earn \$1 million every single day — not a year, a day. No taxes, no expenses, every dollar going straight at the national debt.

How long would it take to pay off \$37.6 trillion?

About 103,000 years.

Longer than modern humans have existed as a species. If you'd started the day the last Ice Age ended, you'd still have roughly 90,000 years left to go.

That's how badly human intuition fails at this scale, so let's push the thought experiment until it feels achievable:

- To pay it off in **1,000 years**, you'd need **\$100 million a day**, every day, for a millennium.
- To pay it off in **100 years**, you'd need **\$1 billion a day**.
- To pay it off in something closer to a working lifetime, **30 years**, you'd need about **\$3.4 billion a day** — every day, with nothing else spent and no new debt added on top.

\$3.4 billion a day is roughly what a handful of the world's largest companies earn in profit — not revenue, profit — over an entire year. The federal government would need to generate that every single day and put 100% of it toward debt, for three decades straight, just to zero out what's already owed — assuming no new borrowing in the meantime, which hasn't happened in any recent year.

Why this isn't really a "pay it off" problem. No government actually retires debt this size the way a person pays off a credit card. At this scale, debt isn't erased — it's managed, through three levers: growing the economy faster than the debt grows (so the debt shrinks relative to the economy even as the dollar figure rises); keeping annual deficits below the rate of economic growth, so existing debt gets diluted over time; and continuously refinancing maturing debt rather than sitting on a static pile. The one stretch in the last 60-plus years where the U.S. pulled this off was the late 1990s, when the federal budget ran surpluses for several years and debt shrank relative to the economy even though the raw dollar figure never went to zero.

\$37.6 trillion isn't "a lot of money" the way a \$37 million lottery jackpot is a lot of money — one is comprehensible, the other genuinely isn't, for anyone. That gap between what a human mind can hold and what this number represents is worth sitting with before asking how it got here.

Part Two: How It Got Here

If you plot four numbers on top of each other since 1961 — federal debt as a share of the economy, corporate taxes as a share of the economy, individual taxes as a share of the economy, and wages as a share of the economy — you don't see a random scatter. You see a hinge. Almost everything bends at roughly the same point: the early 1980s.

Before 1980

From 1961 to 1979, the federal debt burden was actually shrinking relative to the economy — from about 52% of GDP down to roughly 32%. Corporate income taxes hovered in the 2.5%–3.7%-of-GDP range. Wages and salaries held fairly steady at 47–51% of GDP. None of these lines moved dramatically, even through Vietnam-era spending and the 1970s oil shocks — those were real disruptions, but the underlying structure absorbed them and reverted.

After 1980

Then, over a few years, several things moved together:

- **Corporate tax receipts fell by more than half** relative to GDP — from 2.48% in 1979 to about 1.01% in 1982 — and never fully recovered. Even in 2025 they sit around 1.6% of GDP, well below the 1960s norm.
- **Individual income taxes rose only slightly** as a share of GDP and became, structurally, the dominant source of federal revenue.
- **The federal debt burden reversed course**, climbing from about 31% of GDP in 1981 to 122% today.
- **Wages and salaries began a long, slow slide** — from 47.7% of GDP in 1979 to 42.1% in 2025, a drop of about 5.6 percentage points, or roughly 12% relative to where it started.

Two policy events sit right at that hinge: the 1981 tax law changes, which cut corporate tax burdens, and the SEC's 1982 adoption of Rule 10b-18, a safe harbor that made it far easier for public companies to legally repurchase their own shares on the open market.

What the Data Can and Can't Tell You

The honest caveat matters: correlation isn't causation, and the timing doesn't even fully line up. The corporate tax collapse mostly happened before Rule 10b-18 existed — driven by the 1981 tax changes, not the buyback

rule. What 10b-18 arguably did was open a new channel: once corporations had more after-tax cash and a clear legal safe harbor for repurchases, buybacks became a normalized tool of corporate finance rather than something regulators eyed with suspicion.

Whether that channel is why wages drifted down over the following four decades is a genuinely open, contested question — not something a handful of summary statistics can settle. Other forces were pushing in parallel over the same period: globalization exposed U.S. wages to international competition; automation shifted demand toward higher-skilled labor; private-sector union membership fell from roughly a quarter of the workforce in 1979 to under 7% today, reducing workers' bargaining leverage independent of any tax rule; rising employer health-insurance costs ate into what shows up as "wages" even as total compensation held up better; and income composition shifted toward capital gains and business income. A rigorous causal claim would need to isolate 10b-18 and the 1981 tax changes from all of that — the data alone doesn't do it.

The One Relationship That Isn't Ambiguous

Whatever caused what, one arithmetic fact isn't in dispute: the federal government replaced falling corporate tax revenue with borrowing, not with equivalent increases in individual taxes. Individual taxes rose only modestly (8.56% to 8.84% of GDP between 1979 and 1982, roughly 8.45% by 2025) — nowhere near enough to offset the corporate tax decline. The gap was filled by debt, which is simple accounting, not interpretation.

The Common-Sense Takeaway

Over the last 45 years, the federal government has collected a shrinking share of the economy from corporations, made up the difference by borrowing rather than taxing individuals proportionally more, and — over that same stretch — the share of the economy going to ordinary paychecks has quietly shrunk too. The result sits at \$37.6 trillion today: a number so large that even an almost cartoonish daily payment of \$1 million barely dents it over a human lifetime.

Nobody can prove from this data alone that one policy caused the wage decline, and the late 1990s surplus years prove the trajectory was never inevitable. But the pattern is real and durable enough, across nine presidencies and both parties, to be treated as a serious structural question — not a coincidence, and not a story with one villain.

Sources: U.S. Treasury/OMB and FRED historical debt series; Congressional Budget Office historical budget tables; Bureau of Economic Analysis/FRED for GDP, wages, and tax receipts as shares of GDP; U.S. Securities and Exchange Commission for Rule 10b-18. Historical economic data are subject to revision.

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