

What is the relationship between debt rescheduling and income inequality?

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The [Center for Regulatory Effectiveness](#) has concluded that the United States government is on an irreversible path to [bankruptcy](#).

In its opinion the primary choice is whether the nation adopts the conventional policy of printing more currency which leads to hyper-inflation or instead takes immediate steps to develop an action plan for restructuring the US national debt.

In doing so special recognition should be accorded to the degree of income inequality in the US. We finally identified a [study](#) published nearly three decades ago which addresses our concern in that it concludes that: *“Our most striking finding is that higher income inequality is a significant predictor of a higher probability of debt rescheduling in a cross-section of middle-income countries.”*

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