

THE INDEBTED KINGDOM



**What you need to know
about the national debt**

Thomas Jefferson - "I place economy among the first and most important virtues, and public debt as the greatest of dangers to be feared."

William Pitt the Younger - "Let the public debt be considered as a common enemy, and let every means be employed to reduce it to a proper standard."

Emile Zola - "When the state is drowning in debt, the citizens' prosperity will eventually drown as well."



For decades, successive governments have paid lip-service to the importance of keeping a handle on the public finances. Just as their constituents have to carefully manage their own budgets, monitoring carefully what comes in and how much they are spending, politicians know that they too are expected to treat the nation's budget with a similar level of respect.

Ever since the TPA was founded in 2004, we have been reminding them of this responsibility. Unfortunately, most have chosen short term gain at the price of long term pain. As a result our debt is spiralling catastrophically out of control, with debt interest payments alone now accounting for tens of billions of pounds of government spending every year.

For too long our policymakers have ignored the scale of the problem, preferring to kick the can down the road, but the nation's finances are now reaching a breaking point.

It's time to get serious about the national debt.

Rory McGregor
Chairman, TaxPayers' Alliance

Definitions and size of debt, debt interest and deficit

£2.5 trillion

national debt in 2023-24

Total amount the public sector owes, excluding
public sector banks and the Bank of England

£102 billion

debt interest payments in 2023-24

The cost of servicing public sector debt

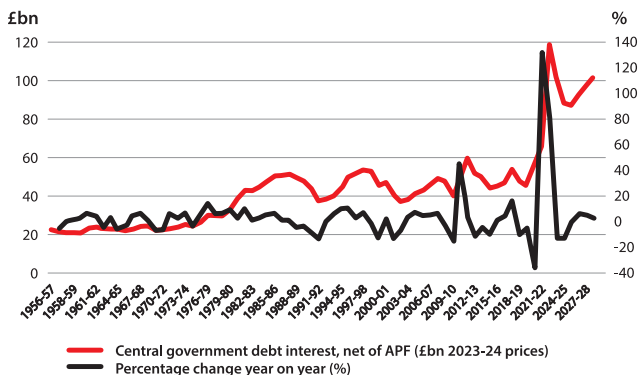
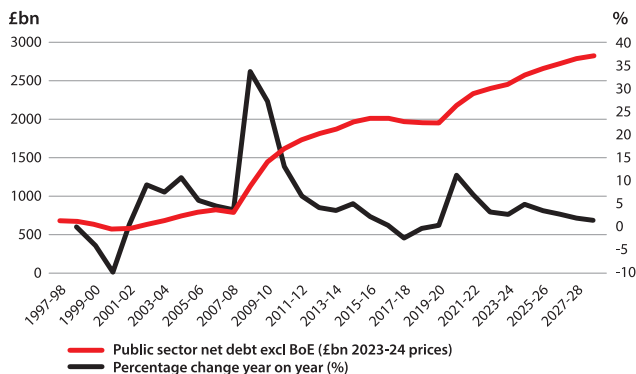
£125 billion

deficit in 2023-24

The 'budget deficit' is incurred when spending exceeds
revenue which adds to public sector debt

SOURCE: OBR

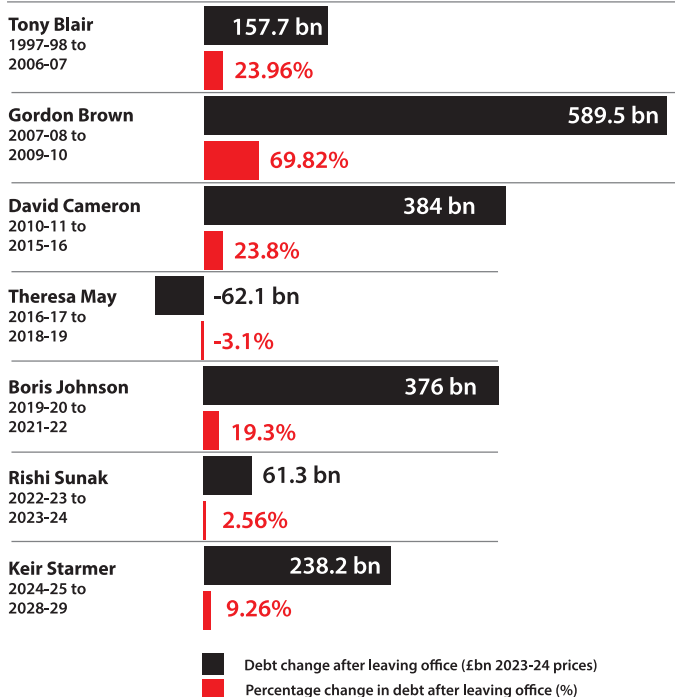
UK debt and debt interest over time



SOURCE: OBR

Change in national debt by Prime ministers

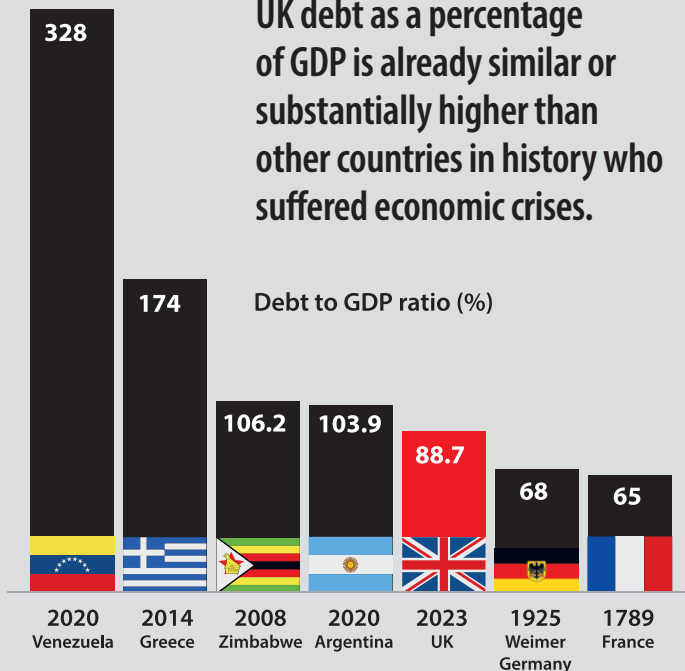
Prime minister & financial years as PM



SOURCE: OBR

Countries with highest debt to GDP ratios

UK debt as a percentage of GDP is already similar or substantially higher than other countries in history who suffered economic crises.



SOURCE: ONS


Government debt

MYTHS

- 1. Modern monetary theory (MMT) advocates that the national debt is money the government put into the economy and didn't tax back.**
- 2. Reducing the deficit can be extremely harmful and cause a recession since deficit spending is what builds people's savings.**
- 3. MMT argues that the government can never run out of money because it can always create more of it.**

FACTS

1. The more the government borrows through deficit spending the more it increases the national debt, potentially driving inflation.
2. The larger the national debt, the more money has to be used to simply pay off the interest on that debt.
3. Countries which control their currency can create more of it but in excess this can lead to hyperinflation where the currency no longer holds value.

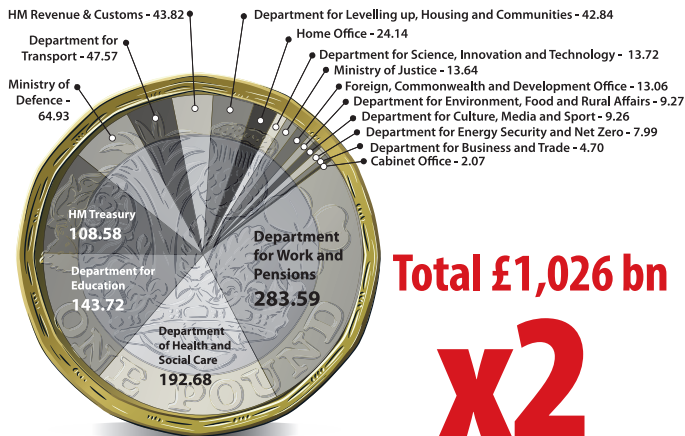
A photograph of a loaf of bread on a wooden surface. A small brown card is placed in front of the bread, displaying the text 'Daily Bread' and '£25.00' in white cursive script. The background is blurred, showing more bread loaves.

Daily Bread
£25.00

The national debt is = to...

The national debt is more than two times
the size of the total planned spending of all
government departments in 2023-24

Government department spend (£ bn)



SOURCES: HOUSE OF COMMONS LIBRARY, OBR

The national debt is = to...

It would take someone with average earnings

70,171,324
years to pay off the current
UK national debt

this means they would
have to start working
when dinosaurs
existed just to pay
off the national
debt in 2024



SOURCE: ONS

**The national debt
is = to...**

**In £1 coins the national
debt weighs more than**

**330 aircraft
carriers**



The national debt is = to...

The national debt is
equal to paying for
**every pint
consumed
in the UK for
67 years**



The national debt is = to...

If the national debt was
**£1 coins laid down
next to each other**
it would wrap



times around the earth



**The national debt
interest is = to...**

82,473

average households

**Entire lifetime
tax contributions**

**to pay off the debt interest
in just 2023-24**

SOURCE: TAXPAYERS' ALLIANCE



**The national debt
interest is = to...**

The debt interest
could buy

**13 billion
bottles
of wine**

which could fill

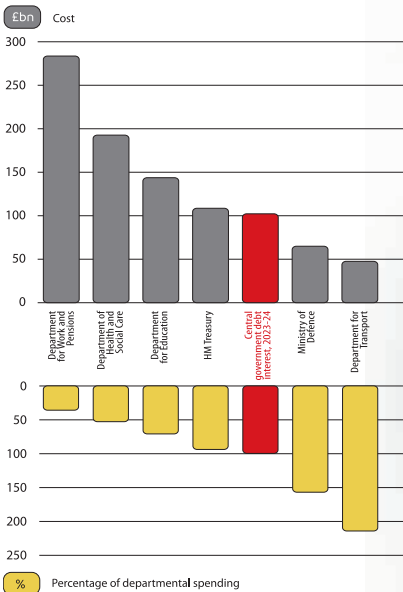
3,904

olympic sized
swimming pools

The national debt interest is **=** to...

Debt interest is the **5th largest** spending area by the government compared to government department spending.

Government department spending



SOURCE: HOUSE OF COMMONS LIBRARY

The national debt interest is = to...

Debt interest in 2023-24

If you were to stack

£1 coins

on top of each

other, they

would almost

reach the

moon

SOURCE: THE ROYAL MINT

**The national debt
interest is = to...**

The debt interest for 2023-24
would be enough to

**build the
Burj Khalifa**

the world's tallest building

105 times



Real national debt headline figure and explanation

The national debt is only the figure the government recognises using their accounting measures, when we take account of other government liabilities which will need to be paid for the real national debt soars to

£12.1 trillion

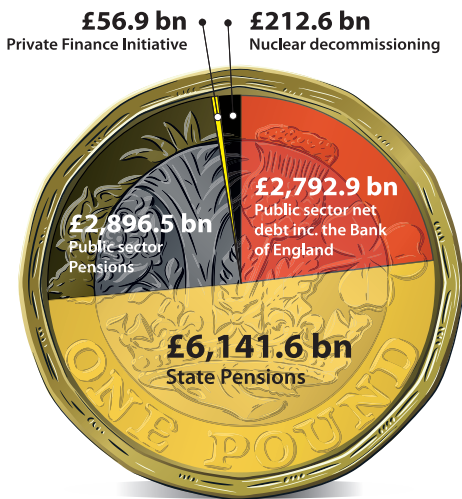
The real national debt is four times the size of the UK economy, this equates to

£430,332 per household or

£180,534 per person

Real national debt broken down by each substantive part of it

Other liabilities which aren't accounted for
in the national debt, showing the estimated
UK real national debt in 2024-25



Total £12,100.5 bn

SOURCE: TAXPAYERS' ALLIANCE

In the time it takes to read
this booklet the national debt
increased by

£1,446,406*




For further details please visit
<https://debt-clock.org>

*based on average reading time of 238 words per min.

Full sources details go to
www.taxpayersalliance.com/theindebtedkingdom

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cutting waste and speaking up for
British taxpayers

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