

The Deficit Myth

Henry George School of Social Science

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Week 6 (May 23 2022) Discussion Questions

Chapter 7: The Deficits That Matter

- Provide a brief description of each of the social deficits which Kelton describes in this chapter:
 - Jobs
 - Savings
 - Health care
 - Education
 - Infrastructure
 - Climate
 - Democracy

Chapter 8: Building an Economy for the People

- Explain Kelton's distinction between the descriptive and prescriptive sides of Modern Money Theory.
- Explain the distinction between the discretionary and non-discretionary parts of the federal budget.
- What would it mean for Congress to start budgeting like a currency issuer rather than a currency user?
- Explain how a federal Job Guarantee would function as an automatic stabilizer.
- Kelton writes, "Budgeting through an MMT lens would have us replace the artificial budget constraint that tells us to live within our *financial* means with [an] inflation constraint that tells us to live within our *biological and material* means." (256) Discuss.