





#### < Working Papers

# Recent Evidence on Budget **Deficits and National Savings**

James M. Poterba & Lawrence H. Summers

SHARE X in f X 6 Y %













**WORKING PAPER 2144** 

DOI 10.3386/w2144

ISSUE DATE February 1987

This paper examines the recent United States experience with sustained budget deficits and concludes that the events of the last five years cast significant doubt on the proposition that the timing of taxes does not affect national savings. Rather than raising private saving, the recent deficits have if anything coincided with reduced saving and increased consumption. These findings suggest that realistic analysis of fiscal policies must recognize that consumers are liquidity constrained and/or myopic.

Download a PDF

Information on access

Acknowledgements and Disclosures	~
Citation and Citation Data	~

## **Published Versions**

"Finite Lifetimes and the Effects of Budget Deficits on National Saving." From Journal of Monetary Economics, Vol. 20, No. 2, pp. 369-391, (September 1987).

## Related

TOPICS Macroeconomics

PROGRAMS Monetary Economics

**Economic Fluctuations and Growth** 

**Public Economics** 

## More from the NBER

In addition to working papers, the NBER disseminates affiliates' latest findings through a range of free periodicals — the NBER Reporter, the NBER Digest, the Bulletin on Health, and the Bulletin on Entrepreneurship — as well as online conference reports, video lectures, and interviews.



# Martin Feldstein Lecture, Summer Institute 2025 **The Fiscal Future**

N. Gregory Mankiw, Harvard University and NBER July 10, 2025

#### 2025, 17th Annual Feldstein Lecture, N. Gregory Mankiw," The Fiscal Future"

FELDSTEIN LECTURE

PRESENTER: N. GREGORY MANKIW

N. Gregory Mankiw, Robert M. Beren Professor of Economics at Harvard University, presented the 2025 Martin Feldstein...



Methods Lecture, Summer Institute 2025
Uncovering Causal Mechanisms:
Mediation Analysis and
Surrogate Indices

Raj Chetty, Harvard University and NBER Kosuke Imai, Harvard University July 24, 2025

<u>2025, Methods Lecture, Raj Chetty and Kosuke Imai, "Uncovering Causal Mechanisms: Mediation Analysis and Surrogate Indices"</u>

PRESENTERS: RAJ CHETTY & KOSUKE IMAI

SlidesBackground materials on mediationImai, Kosuke, Dustin Tingley, and Teppei Yamamoto. (2013). "Experimental Designs...



International Trade and Macroeconomics, Summer Institute 2025

### Panel on The Future of the Global Economy

Oleg Itskhoki, Harvard University and NBER Paul Krugman, City University of New York and NBER Linda Tesar, University of Michigan and NBER July 8, 2025

### 2025 International Trade and Macroeconomics, "Panel on The Future of the Global Economy"

PANEL DISCUSSION

PRESENTERS: OLEG ITSKHOKI, PAUL R. KRUGMAN & LINDA TESAR

Supported by the Alfred P. Sloan Foundation grant #G-2023-19633, the Lynde and Harry Bradley Foundation grant #20251294...

National Bureau of Economic Research

Contact Us
1050 Massachusetts Avenue
Cambridge, MA 02138
617-868-3900
info@nber.org
webaccessibility@nber.org

HOMEPAGE

Accessibility Policy Diversity Policy Privacy Policy

**FOLLOW** 











© 2025 NATIONAL BUREAU OF ECONOMIC RESEARCH. ALL RIGHTS RESERVED.