

Funding the Future

Reframing the deficit

Published: January 16, 2026, 11:47 am

This is a really [good thread](#) from Stephanie Kelton:



Stephanie Kelton  @StephanieKelton

...

I promise to stop when the battle is won. Until then, here's another attempt to improve understanding and shift our broken thinking about government "deficits."

THREAD

8:03 PM · Oct 27, 2020 · Twitter for iPad

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Stephanie Kelton  @StephanieKelton · 11h

...

Replies to @StephanieKelton

First, the word deficit.  It's a terrible word because it suggests a shortfall. A deficiency. A problem.

It's none of those things.

5

46

300

↑



Stephanie Kelton  @StephanieKelton · 11h

...

But that's how we usually think of the word. Like when the announcer says, "If the Rays are going to come back and win this game, they're going to need to overcome a three-run deficit against the Dodgers."

The team with the deficit loses the game.

2

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201

↑



Stephanie Kelton  @StephanieKelton · 11h

...

We talk about Uncle Sam as if he's just another player in the economic game. He's not.

He's not playing against the rest of us. He doesn't lose anything when he's in deficit. He's the scorekeeper.

4

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↑



Stephanie Kelton  @StephanieKelton · 11h

...

The scorekeeper sits *outside* the game. He can add and subtract points that appear and disappear from OUR scorecards.

His points are called "US dollars," and he spends them into existence the same way the stadium awards points to the teams in the [#WorldSeries](#) 

3

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↑



Stephanie Kelton  @StephanieKelton · 11h

...

What we currently  label a government "deficit" is simply the difference between two numbers.

The first number tells us how many dollars Uncle Sam is adding to the game (economy).

The second number tells us how many dollars he's subtracting away (mostly via taxation).

4

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218

↑



Stephanie Kelton  @StephanieKelton · 11h

...

When he adds more dollars than he subtracts, we're told that the government's scorecard is "in deficit." But that's a meaningless concept.

The scorekeeper (like the stadium) neither has nor needs any points.

And for those who ask how I reconcile this with my call for hypothecated saving, that's easy: hypothecated saving is investment funding, and not borrowing.

Borrowing is deficit funding. Hypothecated saving is purposeful activity for a specific goal.