THE DOMINOES OF DEFA Deficit rises Increase in cost of 2015 Decrease in pecrease in tax revenue 684,480 federal jobs lost safety net **GDP** decreases 1% 401(K) Cost of a holders A new mortgage credit increases lose \$13,319 crunch \$18,678 Interest U.S. dollar Mortgage on debt increases S&P 500 rates rise special 575 billion drops 6.3% Status per year Treasury bond rates rise 0.5% Treasury bond rates rise 0.5% **S&P 500 drops 6.3%** Treasury bond rates rise 0.5% Terry Belton, "The Domino Effect of a US Treasury Technical Default," Research Note, J.P. Morgan, April 19, 2011, p. 5, Available at: http://thehill.com/images/stories/blogs/on_the_money/morgan.pdf; See also Lori Montgomery and Brady Dennis, "Treasury quietly plans for failure to raise debt ceiling," The Washington Post, April 26, 2011. Accessed May 2, 2011. Available at: http://www.washingtonpost.com/business/economy/treasury-quietly-plansfor-failure-to-raise-debtceiling/2011/04/21/AFmo5PtE_story.html; See also United States, Government Accountability Office, "Debt Limit: Market Responses to Recent Impasses Underscores Need to Consider Alternative Approaches," Report, July 2015, p. 16. Accessed October 15. 2013. Available at: http://www.gao.gov/assets/680/671286.pdf "How S&P's warning could actually help U.S. debt," Associated Press, April 24, 2011. Accessed October 20, 2015. Available at: http://www.foxnews.com/us/2011/04/24/sps-warning-actually-help-debt/. U.S. U.S. dollar loses special status defaults Tanner Daniel and David Brown, "Pound. Dollar. Renminbi? What China's Push to Globalize its Currency Means for the United States," Report, Third Way, October 5, 2015, Available at: <a href="http://www.thirdway.org/report/pound-dollar-renminbi-what-chinas-dollar-renminbi-what-dollar-renminbi-what-dollar-renminbi-what-dollar-renminbi-what-dollar-renminbi-what-dollar-renminbi-what-dollar-renminbi-what-dollar-renminbi-what-dollar-renminbi-what-dollar-renminbi-what-dollar-renminbi-what-dollar-renminbi-what-dollar-renwinbi-what-dollar-renwinbi-what-dollar-renwinbi-what-dollar-renwinbi-what-dollar-renwinbi-what-dollar-renwinbi-what-dollar-renwinbi-what-dollar-renwinbi-what-dollar-renwinbi-what-dollar-renwinbi-what-dollar-renwinbi-what-dollar-renwinbi-what-dollar-renwinbi-what-dollar-renwinbi-what-dollar-renwin on debt 684,480 jobs lost Independent Calculation; See also United States, Department of Labor, Bureau of Labor Statistics, "Table A-1: Employment status of the civilian population by sex and age," Economic News Release, October 02, 2015. Accessed on October 15, 2015. Available at: http:// GDP decreases 1%; Mortgage rates rise 0.5% Terry Belton, "The Domino Effect of a US Treasury Technical Default," Research Note, J.P. Morgan, April 19, 2011, pgs. 5-6, Available at:

third way

Based on information from the Third Way Report "The Dominoes of Default, 2015" available at: http://thirdway.org/report/the-dominoes-of-default-2013. For more about Third Way, please visit our website at www.thirdway.org. Infographic by Bill Rapp.