

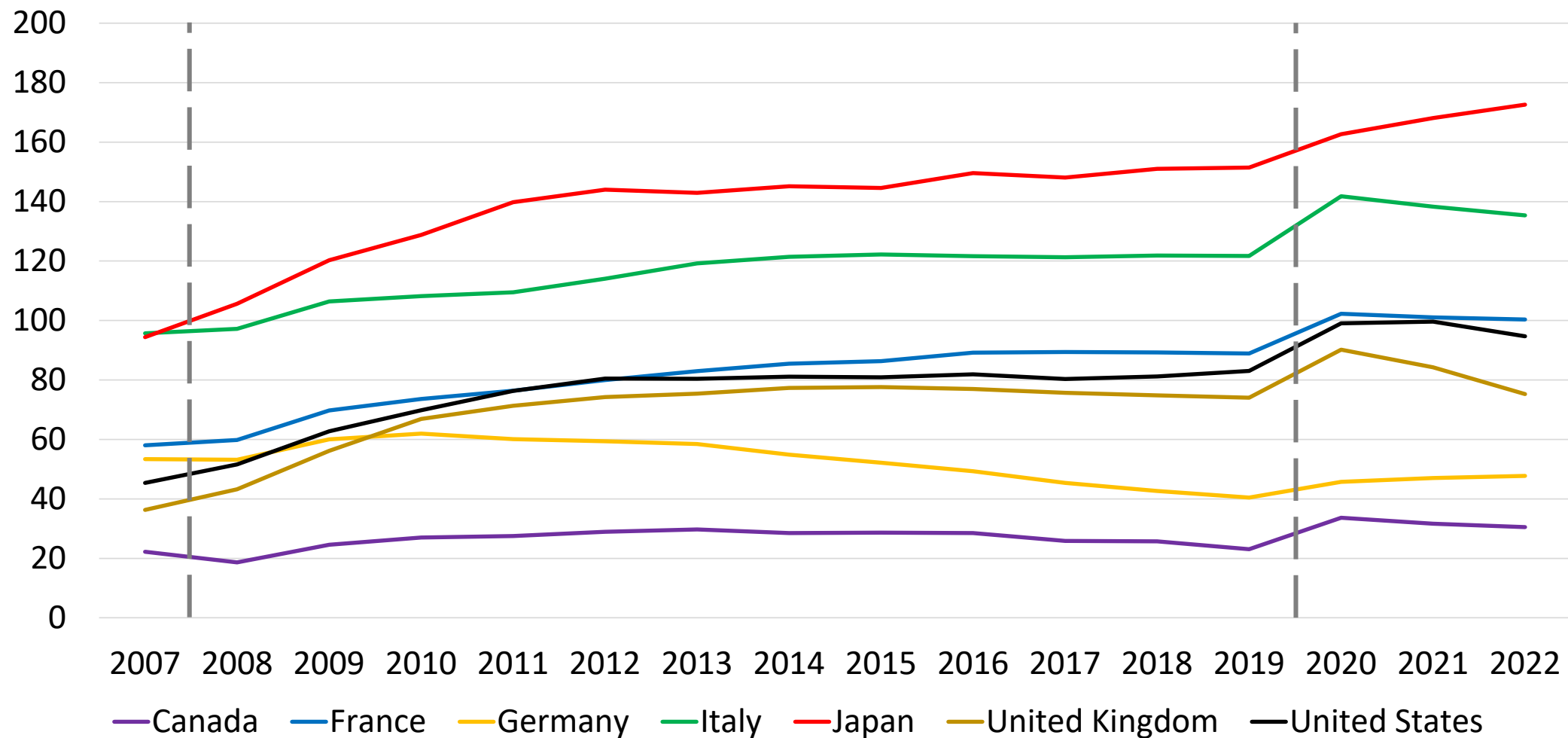


Post-Pandemic Fiscal Policy

Alan J. Auerbach

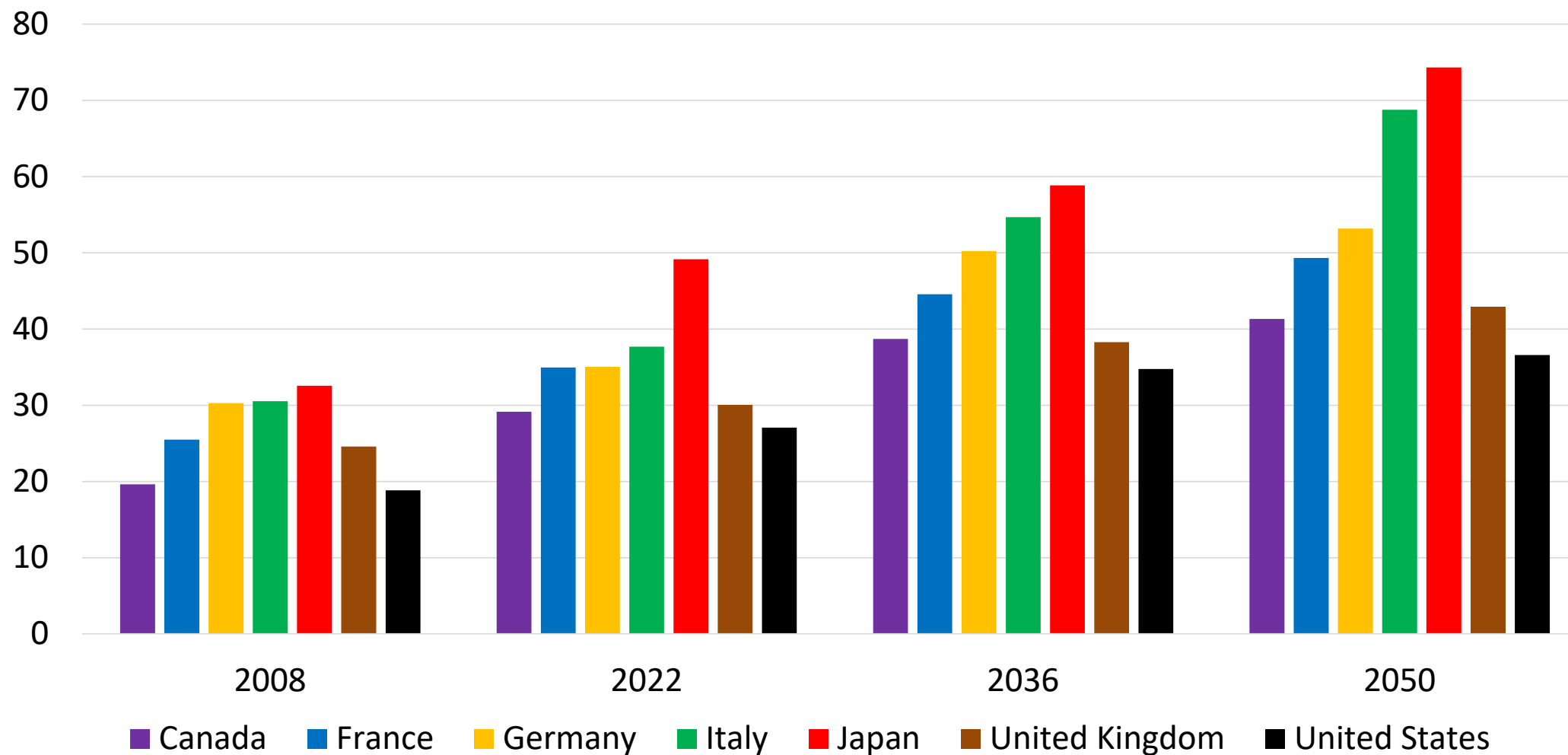
December 15, 2022

Net Debt-GDP Ratios, G-7 Countries



Source: IMF World Economic Outlook Database (Oct. 22)

Old Age Dependency Ratios, G-7 Countries



Source: World Bank

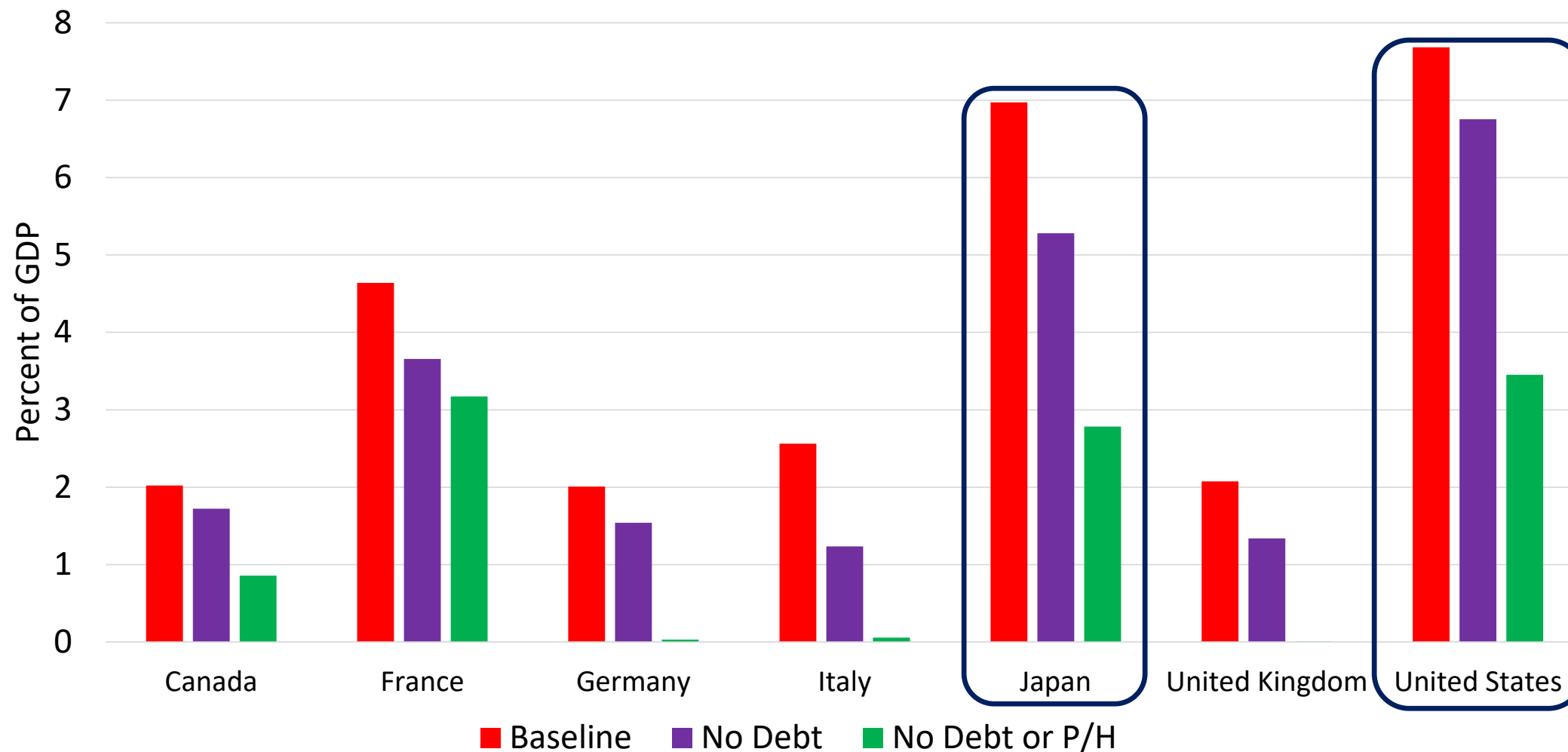
Spending Growth, Relative to GDP



	Pension Spending Change 2021-30	Net PV, Pension Spending Change, 2021-50	Health Care Spending Change 2021-30	Net PV, Health Care Spending Change, 2021-50
Canada	0.8	17.3	1.0	38.8
France	0.6	4.9	0.9	36.2
Germany	1.0	29.0	0.7	35.0
Italy	1.7	36.7	0.5	25.5
Japan	-0.9	4.9	1.6	52.0
United Kingdom	0.3	12.6	1.6	62.1
United States	0.7	17.2	3.5	130.7

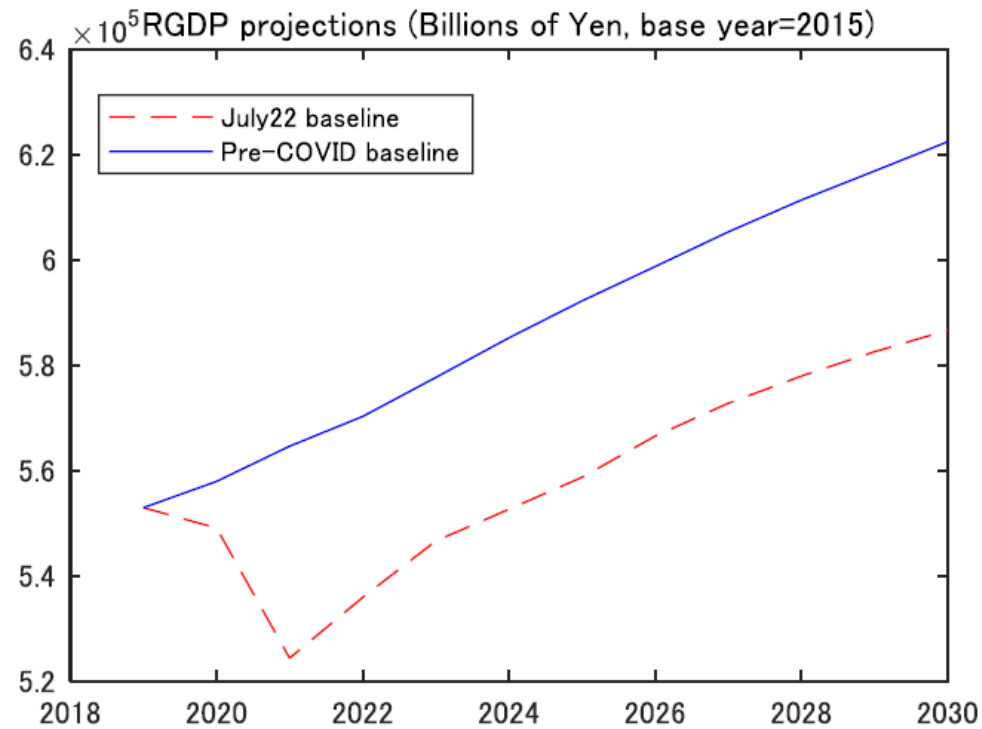
Source: IMF Fiscal Monitor Methodological and Statistical Appendix (October 2022)

Fiscal Gaps (through 2050), G-7 Countries



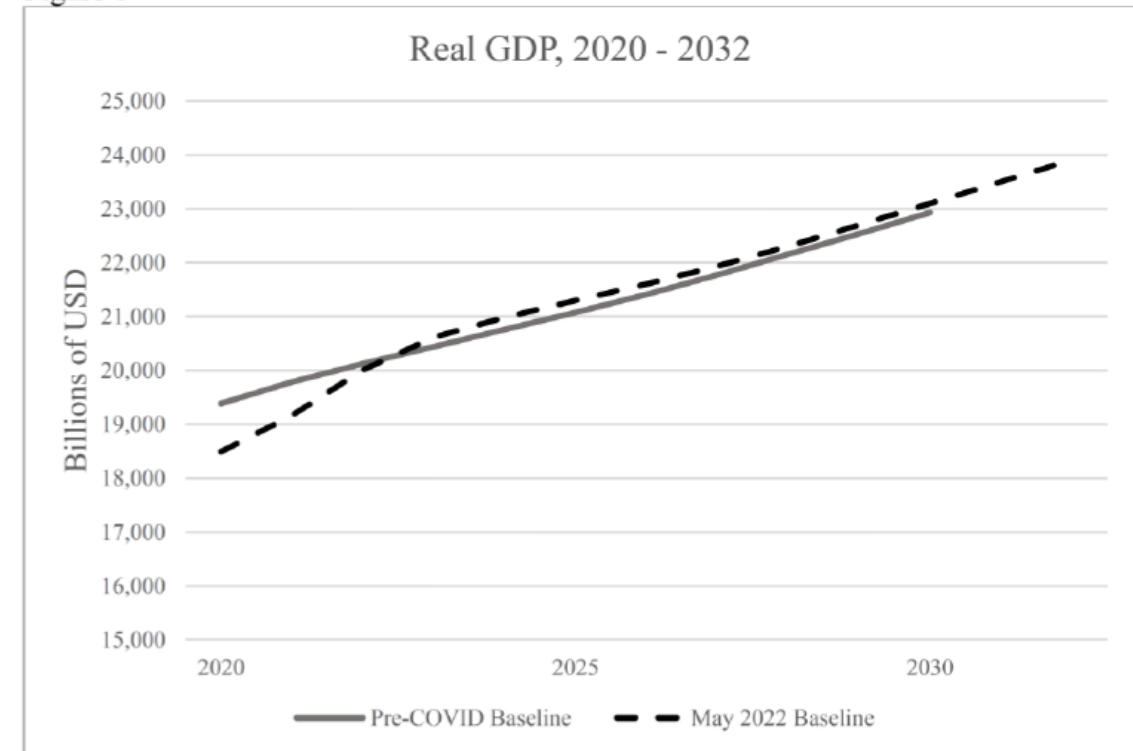
Source: IMF Fiscal Monitor data and own calculations

Japan cannot count on strong economic growth to improve fiscal health



JPN: CAO projections

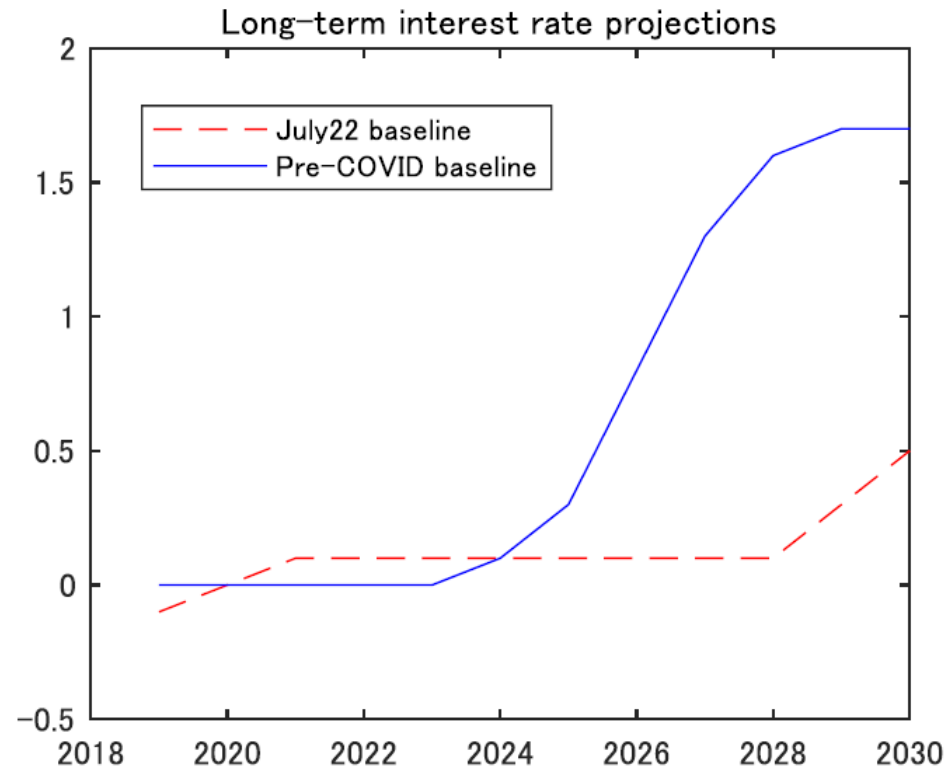
Figure 1



Source: CBO (2020a, 2022)

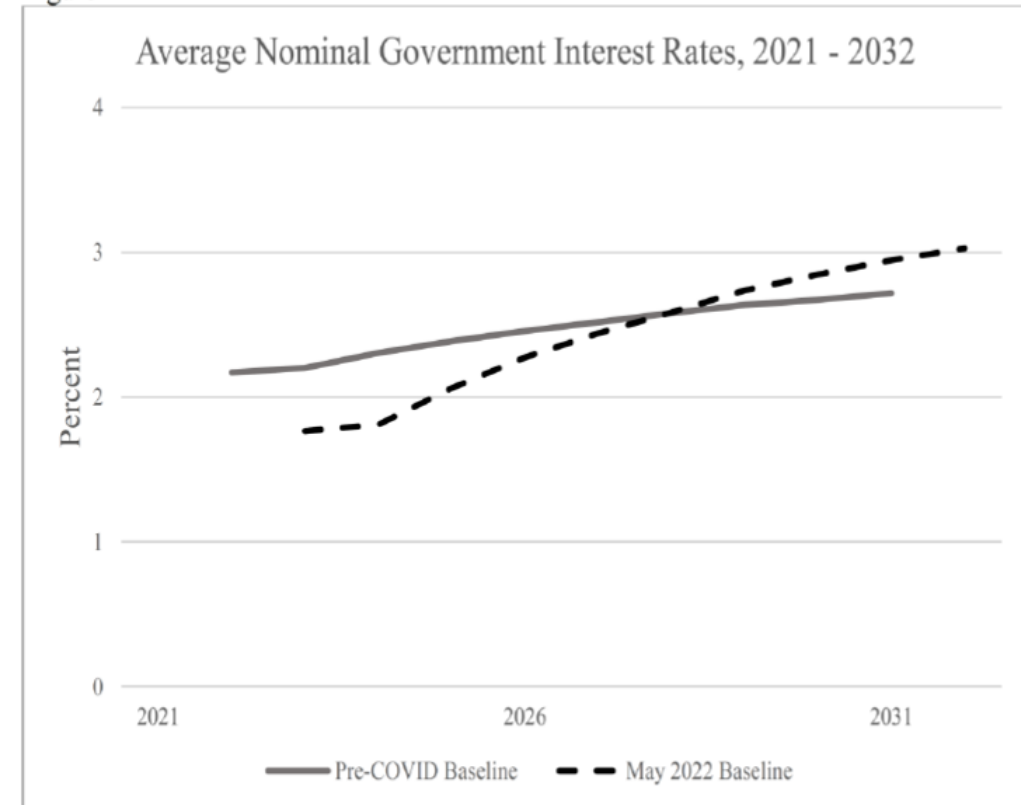
US: Auerback and Gale (2022)

Nominal long-term nominal interest rate is a policy variable in Japan



JPN: CAO projections

Figure 2



Source: CBO (2020a, 2022) and authors' calculations

US: Auerback and Gale (2022)

Conclusions