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The American Experiment: How Debt, Division, Social Pain, and Political Dysfunction Threaten the Nation

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Social Pain and Energy Vampires: The Crisis of American Democracy

As a financier, my focus is never political—far from it; I prefer to allow the numbers to speak for themselves as we focus on identifying the financial and economic reasons why our nation is impacted by imprudent fiscal, legislative, and economic policies that threaten our future.

In American history, periods of profound division have often tested the resilience of the nation's democratic foundations. Today, the United States faces a similar crucible, with escalating polarization and institutional paralysis threatening the very essence of our democratic experiment.

Democracy is being challenged by President Trump's executive orders that push the limits of executive power, raising fundamental questions about the balance of authority, the rule of law, and the strength of democratic institutions.

Congress's role within the balance of power is at the heart of this challenge. Once a prudent, stable, and robust branch of government, Congress has increasingly become a partner to the President rather than an independent check on executive authority. Instead of exercising its constitutional responsibility to legislate, oversee, and serve as a counterbalance, it has become deeply polarized and, in many cases, deferential to executive influence—whether through partisan loyalty, gridlock, or the erosion of institutional norms.

Modern neuroscience reveals that social pain—the distress arising from rejection, exclusion, or humiliation—activates the same neural pathways as physical pain. In the political realm, this translates into entrenched divisions, where grievance and perceived victimization fuel cycles of conflict rather than compromise.

The political polarization in the US is no longer just a battle of policies—it has become deeply psychological, rooted in emotions like identity, grievance, and perceived injustice. Neuroscience helps explain why: when people feel politically excluded or attacked, their brains react as if experiencing physical pain. This leads to entrenched divisions, emotionalized decision-making, and a reluctance to compromise as individuals and groups become more reactive than rational.

At the heart of this dysfunction are energy vampires—political actors, media outlets, and influencers who thrive on division, outrage, and perpetual crisis. These figures, whether on the left or right, profit from the emotional turmoil of their audiences, exacerbating resentment, deepening ideological silos, and making meaningful governance nearly impossible. The legal and political battles are not just legal disputes but flashpoints for a deeper societal divide. Some supporters view these challenges as persecution, reinforcing their sense of exclusion from the political system. Meanwhile, critics see these legal battles as a test of whether democratic institutions can hold leaders accountable, raising a critical question about the future of governance in America.

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American democracy risks entering a perpetual crisis, where governance becomes secondary to the spectacle of conflict; the United States was founded upon principles of liberty and pluralism. Yet, since 2007, a troubling pattern has emerged: Congress has repeatedly failed to pass a regular budget, resorting instead to temporary resolutions that perpetuate governmental uncertainty. The budget's 17-year consecutive impasse is not merely a procedural hiccup but a manifestation of a deeper institutional malaise exacerbated by individuals who thrive on discord—aptly termed "energy vampires."

Energy Vampires: Architects of Political Chaos

Throughout history, there have been figures who, consciously or not, derive power from sowing conflict and drama, draining the collective energy essential for societal progress. In contemporary American politics, leaders, commentators, or media personalities flourish in polarized environments, fragmenting the electorate and fostering a climate of relentless tension.

The Congress, once bastions of deliberation and compromise, now echoes with ideological extremism. On one flank, Marjorie Taylor Greene, Matt Gaetz, and Jim Jordan have leveraged obstructionist tactics to derail funding agreements, frequently pushing the government to the brink of shutdown. Gaetz, in particular, led the rebellion that ousted Speaker Kevin McCarthy in 2023, plunging the House into weeks of chaos amid crucial budget negotiations—an effort driven partly by his defiance of bipartisan compromise and a personal ethics investigation he was facing. Similarly, Senator Ted Cruz orchestrated the 2013 government shutdown over opposition to the Affordable Care Act, and the Freedom Caucus has consistently resisted bipartisan budget deals even when negotiated by Republican leadership, underscoring the broader challenge.

Conversely, within the Democratic Party, stalwarts such as Alexandria Ocasio-Cortez and her progressive allies, including Ilhan Omar, Ayanna Pressley, and Rashida Tlaib, known as "The Squad," have maintained rigid stances on issues like public spending, financial regulation, and foreign policy. Their unwavering positions have thwarted bipartisan legislation such as the \$1.2 trillion infrastructure bill, arguing it fell short of their progressive aspirations despite benefiting millions of Americans.

These divisions have transformed Congress into a battlefield of ideological purity, supplanting the spirit of good governance.

The Impact of Social Pain on Democracy

The chronic experience of social pain bears deleterious consequences. Psychiatrist Marian Rojas Estapé elucidates that prolonged stress disrupts cerebral chemistry, leading to an overproduction of cortisol, which impairs memory, weakens the immune system, and hampers rational decision-making. Politically, this translates to a populace fatigued and more susceptible to radical viewpoints, diminishing the capacity for empathetic discourse.

This phenomenon has precipitated a surge in voter radicalization, fueled by social media and news outlets that prioritize outrage over objective reporting. A stark illustration of this was the January 6, 2021, assault on the Capitol, where throngs, convinced of electoral malfeasance, acted out of ire and profound mistrust in democratic processes.

The ramifications of this crisis extend beyond the political arena. In 2000, partisan animosity was notably lower than in recent years. A Pew Research Center study found that only about a quarter of both Democrats (23%) and Republicans (26%) held a "very unfavorable" view of the opposing party at that time. By 2022, or twenty-two years later, 62% of Democrats and 63% of Republicans perceived the opposing party as threatening the nation's well-being. This rise in hostility highlights the deepening political divide in the United States.

The Budgetary Impasse: A Symptom of Systemic Ailment

Since 2007, or for 17 consecutive years, the US Congress has consistently failed to enact budgets within prescribed timelines, necessitating short-term resolutions that avert governmental shutdowns but fail to address underlying and mounting fiscal challenges.

The roots of this dysfunction are shown in extreme polarization with energy vampires in Congress, politicians prioritizing personal branding over national welfare, and agreements to bolster their public personas. The other is structural dysfunction with leadership crises, since 2007, the House of Representatives has witnessed six leadership changes and multiple attempts to unseat congressional leaders, undermining stability.

The deepening political paralysis is no longer just an ideological struggle—it shapes the nation's future with real and mounting consequences.

As of February 6, 2025, the US Debt rose to \$36.22 trillion, up from \$23.42 trillion five years ago, and since 2007, it grew from \$8.78 trillion **or 312.52%**, as short-term politics override fiscal responsibility. Trust in government is eroding, with citizens and businesses facing economic uncertainty as dysfunction becomes the norm. America's global influence is fading as allies question its stability and adversaries exploit its internal divisions.



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US Public Debt to US Real GDP February 2000 to February 2025 Total debt rising 312.53% to \$36.22 Trillion



The Evolution of U.S. Debt-to-GDP Ratio: Economic Shifts from 2000-2024

The systemic ailment of the US is best viewed by evaluating the debt-to-GDP ratio from 2000 on as it is more than just a financial metric; it mirrors each era's economic and political decisions. It tells the story of economic expansions and contractions, fiscal responsibility and excess, crises and recoveries. Over the past twenty-four years, the US has navigated through globalization, technological revolutions, wars, financial crises, and a historic pandemic, leaving an indelible mark on its national debt.

From the budget surpluses to the Great Recession and COVID-19, the US has experienced fiscal discipline and stimulus-driven growth cycles. Today, as the nation faces rising interest costs and a shifting economic

landscape, understanding the historical trajectory of the debt-to-GDP ratio offers crucial insights into the sustainability of US economic policy.

From 2000, in the Post-9/11 Wars, the US has spent \$8.18 trillion in wars, including operations in Afghanistan, Pakistan, and Iraq, and with \$183 billion in funding for Ukraine, which represented 22.6% of the US Total Debt.

2000-2008: Economic Expansion and Fiscal Discipline to Tax Cuts and Increased Spending

- **2000 – 33.27%:** Historic low debt-to-GDP ratio; U.S. achieves budget surpluses.
- **2001 – 52.44%:** Recession and tax cuts reduce revenues.
- **2002 – 53.86%:** Post-9/11 military spending drives debt higher.
- **2003 – 56.25%:** Wars in Iraq and Afghanistan increase deficits.
- **2004 – 56.66%:** Medicare Part D expands federal obligations.
- **2005 – 56.54%:** Hurricane Katrina relief efforts raise spending.
- **2006 – 55.47%:** GDP growth stabilizes debt increase.
- **2007 – 55.66%:** Pre-financial crisis period of steady borrowing.
- **2008 – 63.82%:** Global financial crisis triggers massive bailouts.

2009-2016: Great Recession Aftermath and Recovery Efforts

- **2009 – 75.84%:** Stimulus spending spikes debt levels.
- **2010 – 84.96%:** Unemployment benefits and slow recovery worsen debt.
- **2011 – 89.55%:** Budget Control Act aims to curb deficit growth.
- **2012 – 93.65%:** Persistent deficits slow economic progress.
- **2013 – 95.32%:** Sequestration cuts implemented to reduce spending.
- **2014 – 95.45%:** Modest growth helps stabilize the debt ratio.
- **2015 – 95.96%:** Bipartisan budget agreements balance fiscal policies.
- **2016 – 97.93%:** Slow GDP growth prevents debt reduction.

2017-2021: Tax Reforms and Economic Expansion

- **2017 – 97.02%:** Tax Cuts and Jobs Act reduces federal revenues.
- **2018 – 98.45%:** Increased military and discretionary spending.
- **2019 – 100.12%:** Debt surpasses GDP for the first time since WWII.
- **2020 – 124.73%:** COVID-19 relief packages lead to historic debt surge.

2021-2024: Pandemic Response and Economic Recovery

- **2021 – 118.89%:** Economic recovery begins; some stimulus programs end.
- **2022 – 110.39%:** Inflation and job growth help reduce the debt burden.
- **2023 – 122.3%:** Federal infrastructure and social spending increase debt.
- **2024 – 124.3% (projected):** Rising interest costs and fiscal policy debates shape the economic outlook.

Is Change Feasible?

The trajectory of the US debt-to-GDP ratio reflects economic cycles and the nation's ability—or inability—to enact meaningful fiscal reforms. Addressing the mounting debt requires more than just economic growth; it demands a shift in governance that prioritizes long-term stability over short-term political gains.

The current political landscape thrives on division, incentivizing gridlock over consensus. Without a recalibration of priorities, debt levels will continue to rise, constraining the nation's economic flexibility and amplifying vulnerabilities in times of crisis.

To develop a sustainable path forward, three fundamental shifts are necessary:

1. **Governance Centered on Solutions, Not Spectacle**
2. **Regulation of Media Algorithms that Exacerbate Polarization**
3. **Education for Economic and Civic Literacy**

The erosion of fiscal discipline may not trigger an immediate collapse, but its slow, compounding effects will weaken America's global standing and economic resilience.

The choice is clear: we must embrace responsible governance and economic stewardship or risk a future where financial constraints dictate national policy, leaving little room for growth, innovation, or crisis management.

As Stanford economist **Thomas Sowell** aptly observes, **“Much of the social history of the Western world over the past three decades has been a history of replacing what worked with what sounded good”**.



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