



# The Debt Ceiling Fight and What It Means For You

A HUGHES FINANCIAL SERVICES WEBINAR

# OUR SPEAKERS



SCOTT HUGHES, CFP®, MBA, CPWA®

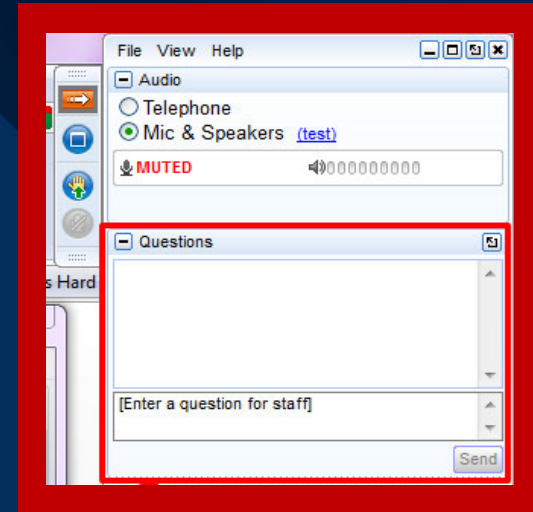
Managing Partner  
& Financial Advisor



PATRICK HUGHES, CFP®

Managing Partner  
& Financial Advisor

# Q&A HAVE QUESTIONS?

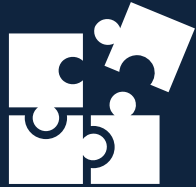




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Registered  
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financial planning  
and wealth  
management



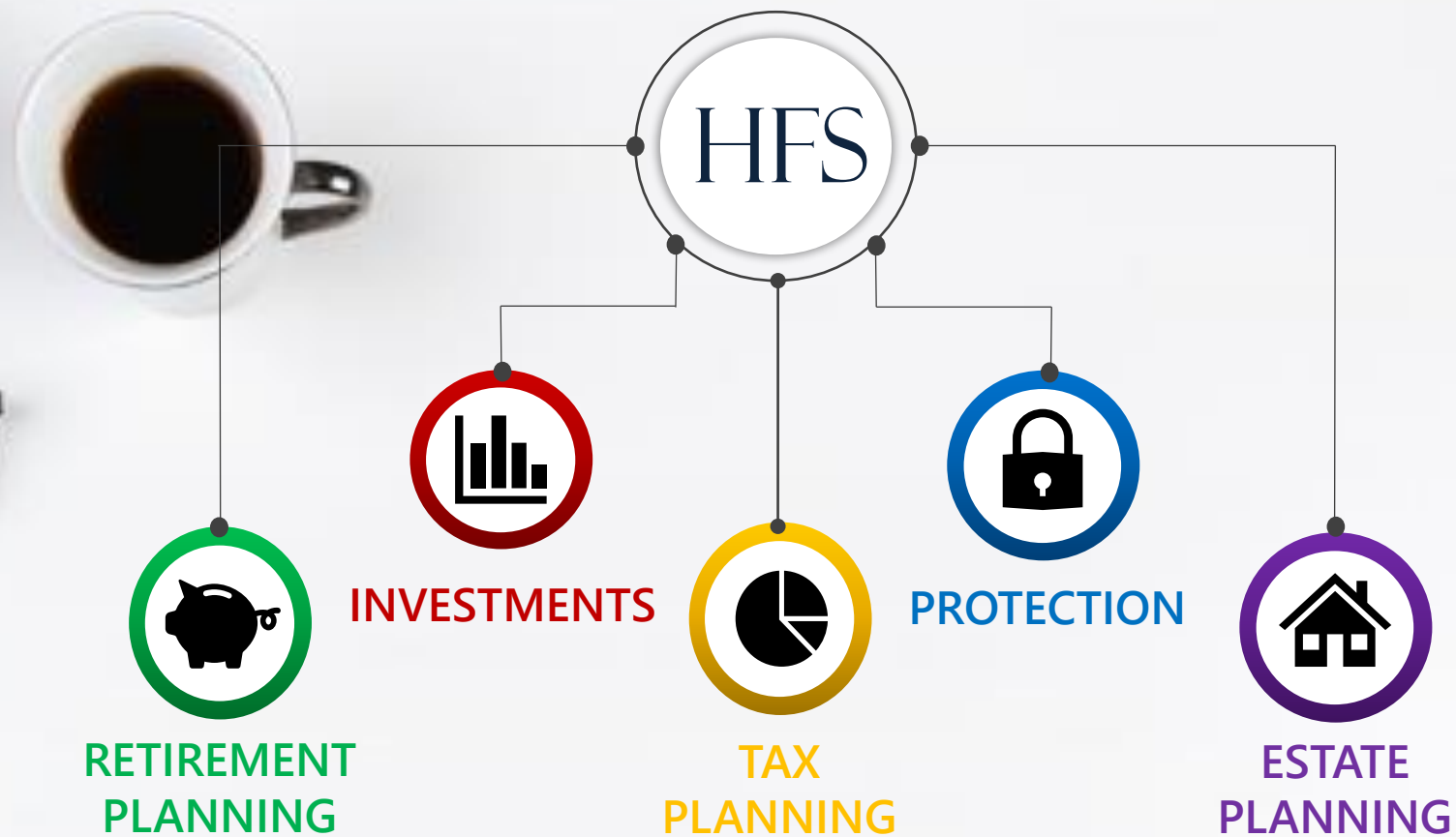
Fiduciary



Professional  
certifications,  
licenses, and  
continuing  
education for all  
team members



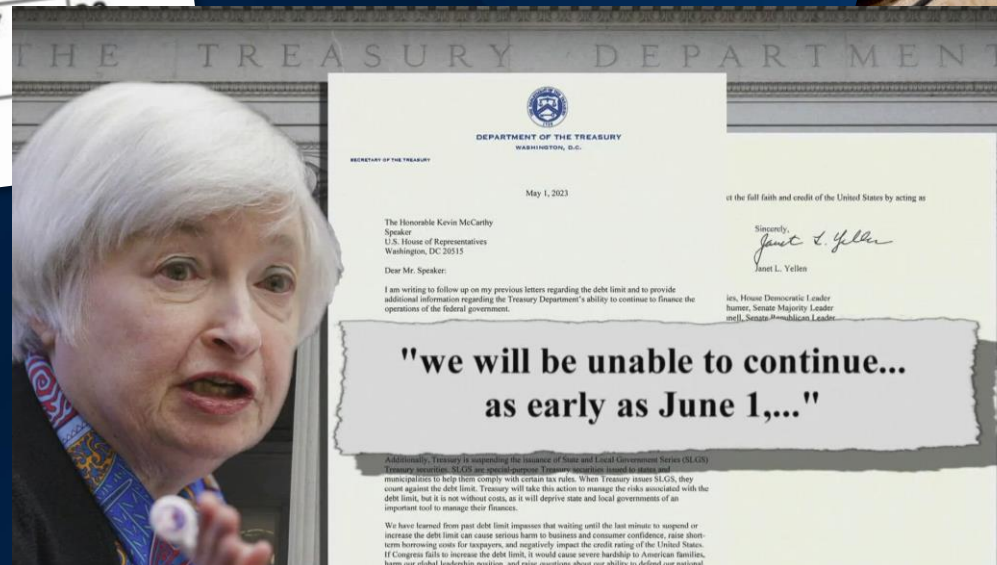
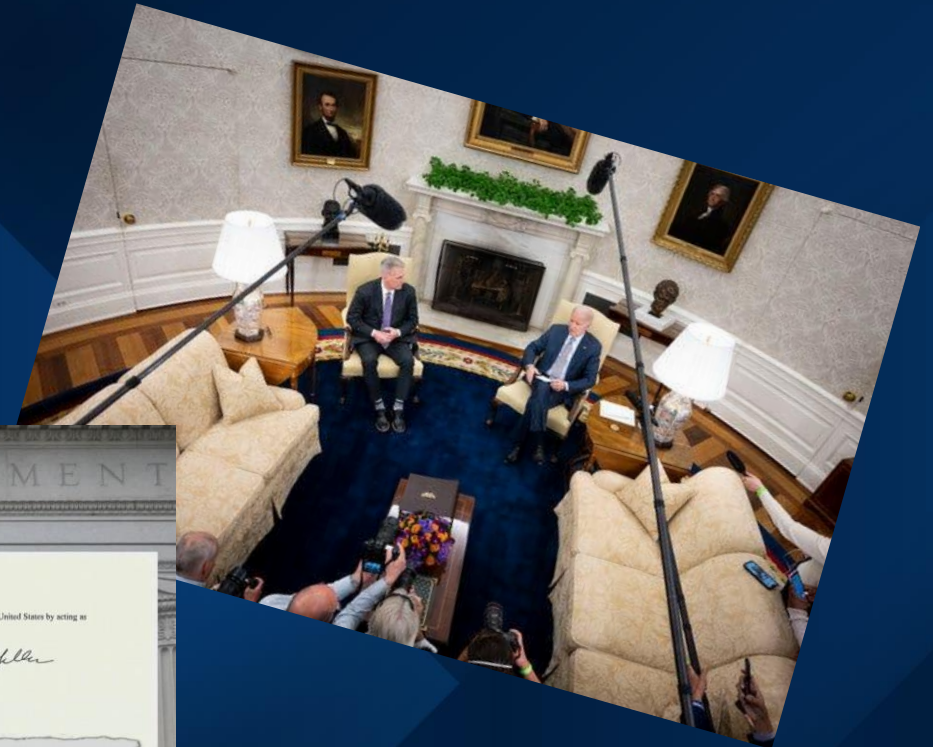
Over 115  
years  
combined  
advisor  
experience



# 5 KEY AREAS OF FINANCIAL PLANNING

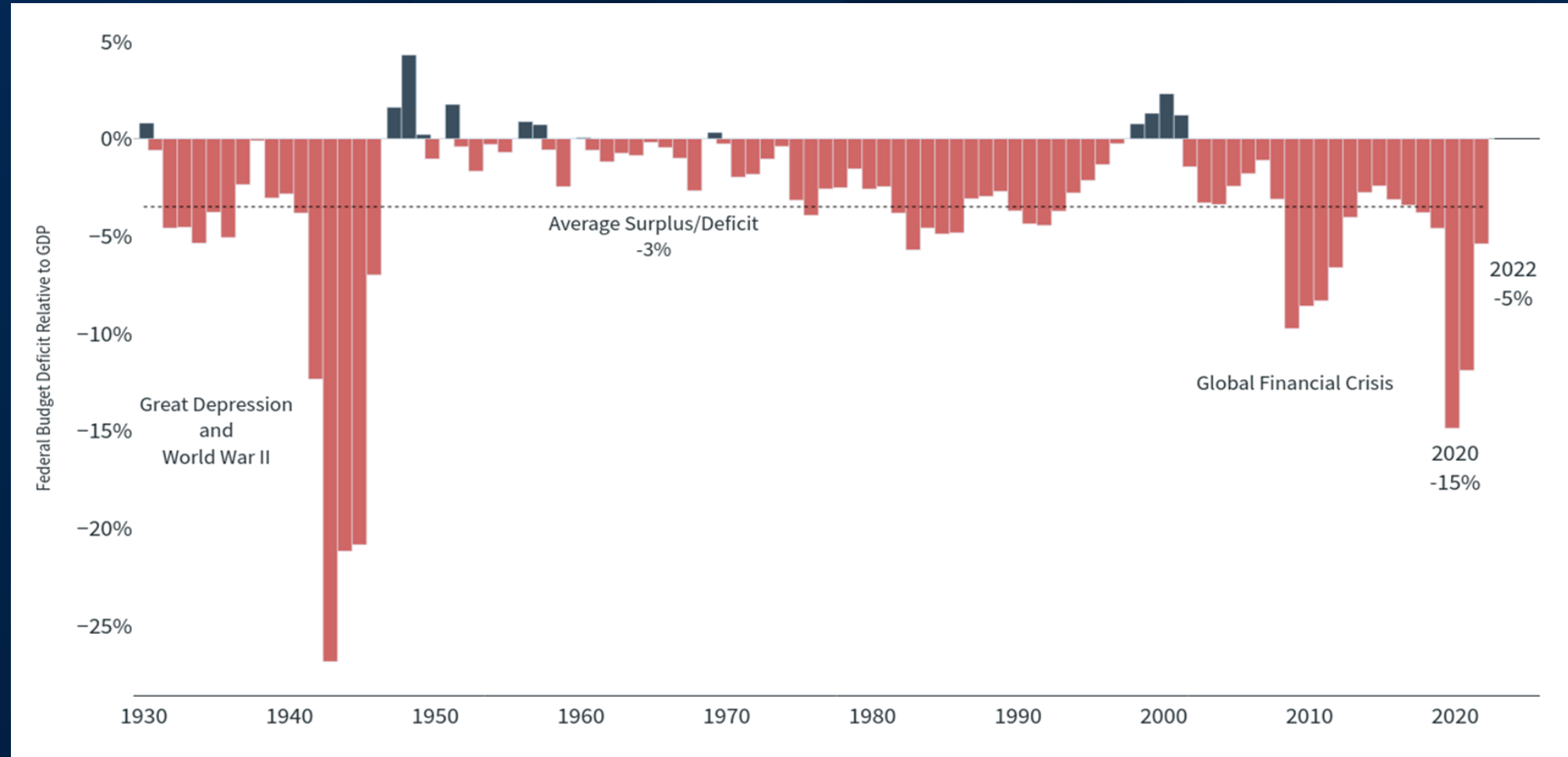
# THE DEBT CEILING FIGHT

## Current Status



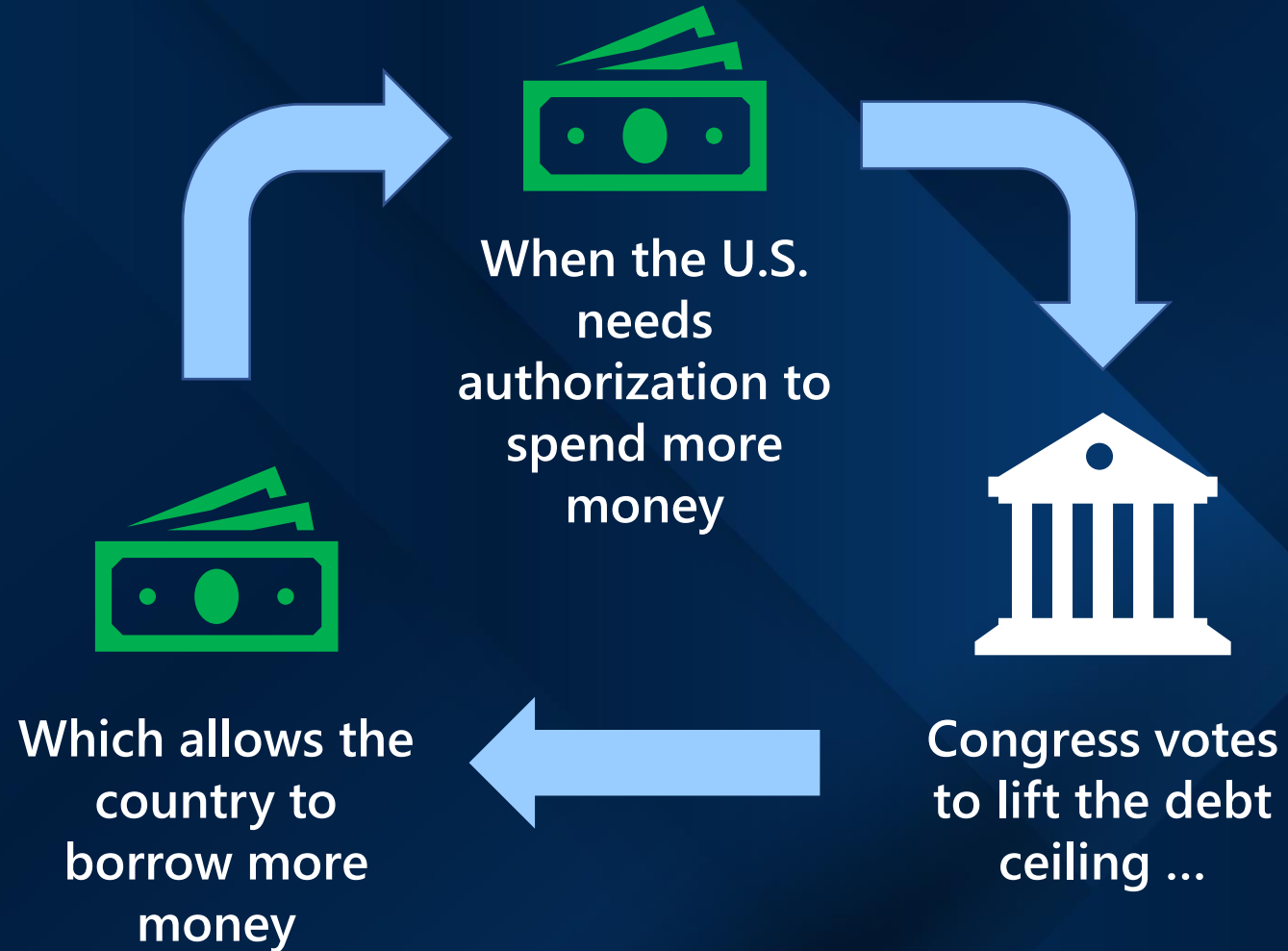
# THE DEBT CEILING FIGHT

## Federal Budget Deficit to GDP



# THE DEBT CEILING FIGHT

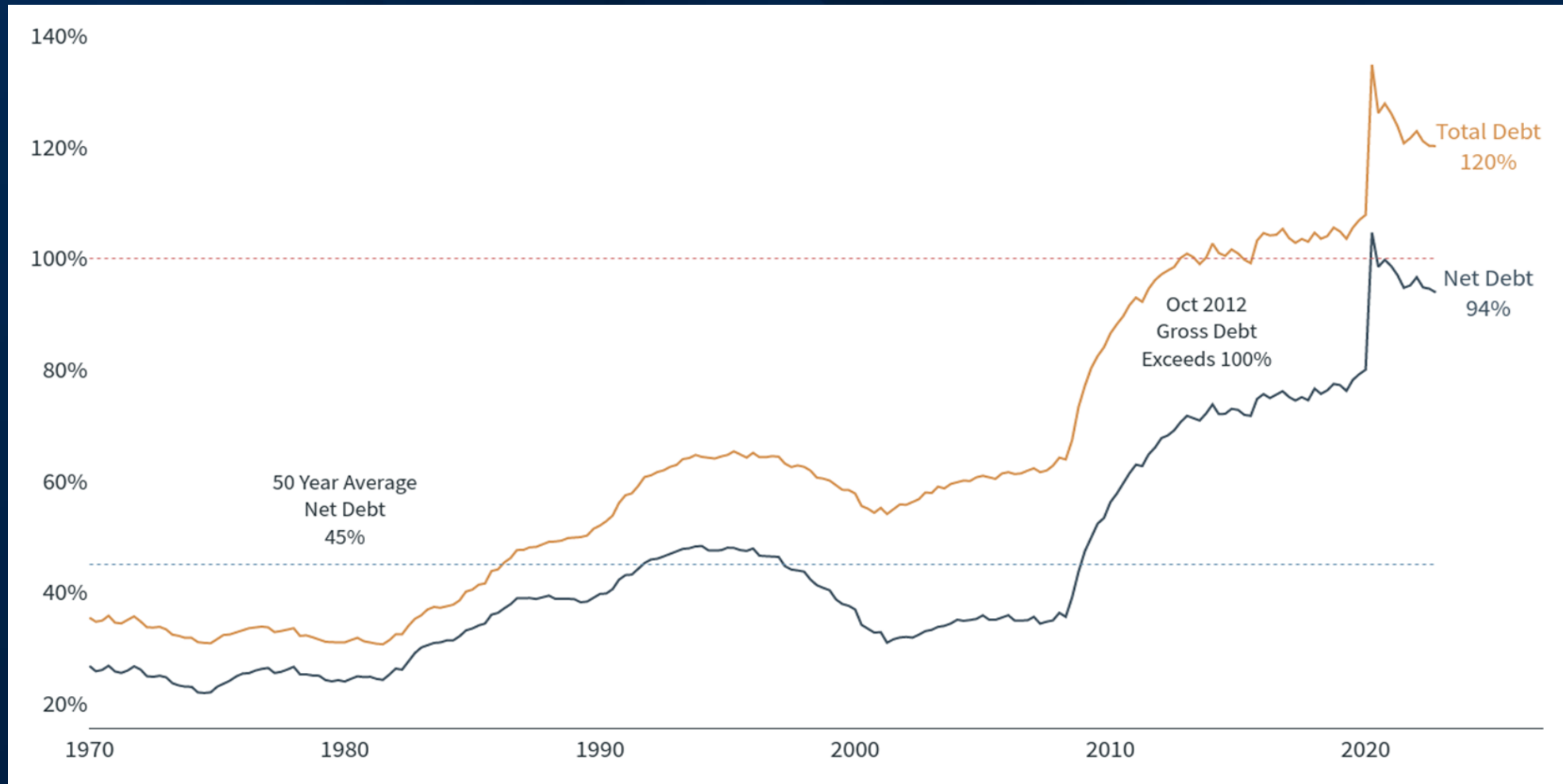
## How the Debt Ceiling Works





# THE DEBT CEILING FIGHT

## Federal Debt to GDP



SOURCE: Clearanomics, U.S. OMB; latest data point October 2022

# THE DEBT CEILING FIGHT

## History and Facts

Created by a 1917 federal law meant to help fund WWI without creating too much debt



Congress has raised the debt ceiling 102 times since WWII



2011 debt limit crisis led to first ever reduction in the federal government's credit rating, sparking weeks of market volatility



Globally, several countries – Portugal, Ireland, Italy, Greece and Spain (PIIGS) – faced significant debt issues in 2011

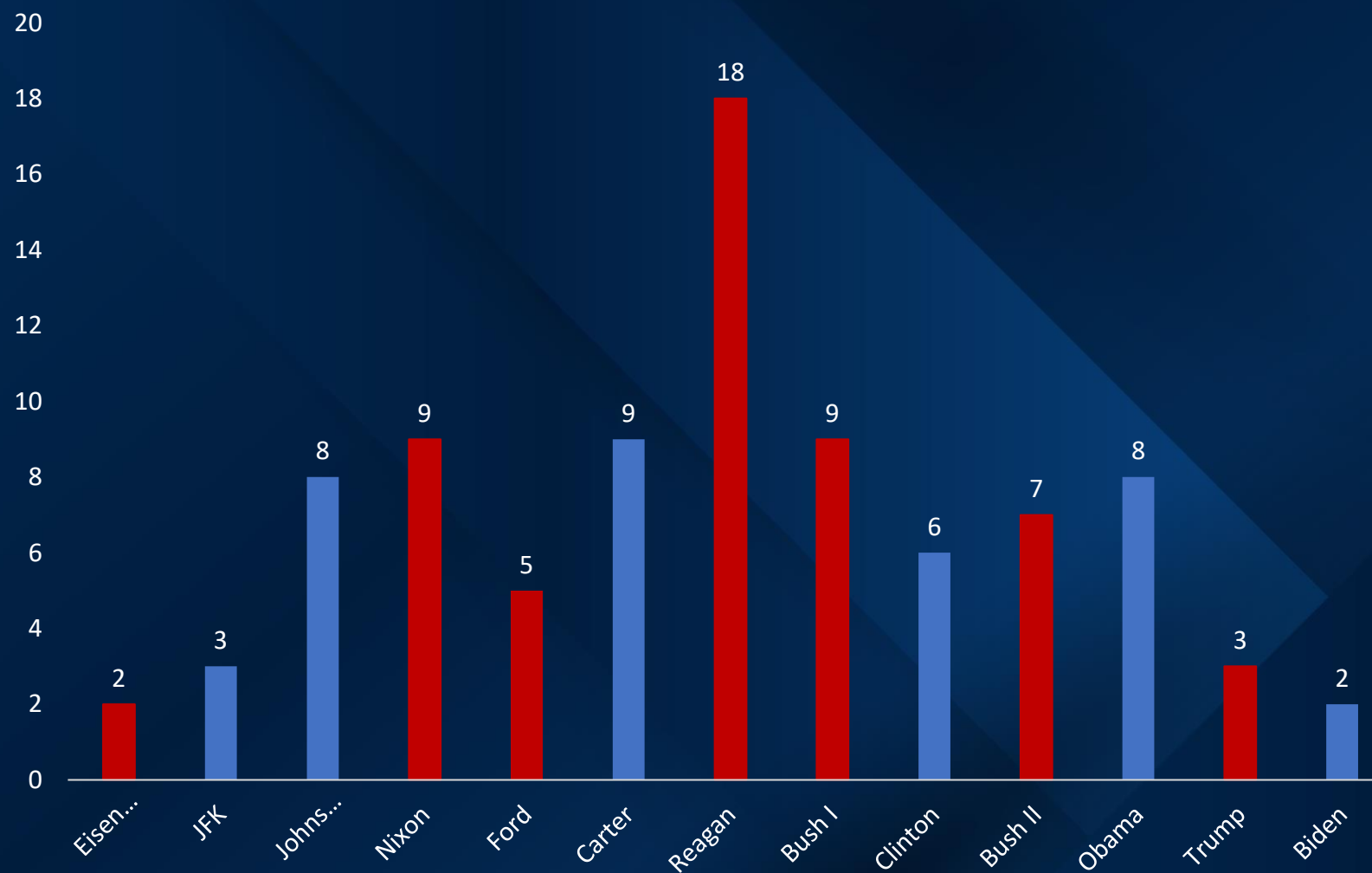


Raising the debt ceiling provides the Treasury the ability to pay for things on which the Federal government has already spent or decided to spend



# THE DEBT CEILING FIGHT

## 89 Debt Ceiling Increases Since 1959



# THE DEBT CEILING FIGHT

## Potential Paths Moving Forward

- Impossible to balance budget this year yet debt ceiling needs to be raised
- Last minute prioritization– what to pay for first
- 14<sup>th</sup> amendment likely to be challenged by Supreme Court
- Trillion dollar coin
- Kick the can down the road
- Bipartisan bill raising the debt ceiling



# THE DEBT CEILING FIGHT

## Likely Scenarios



Kick the can down the road



Compromise



Default on debt



Political theatre and media magnification

# THE DEBT CEILING FIGHT

## Likely Scenarios



Kick the can down the road



Compromise



Default on debt

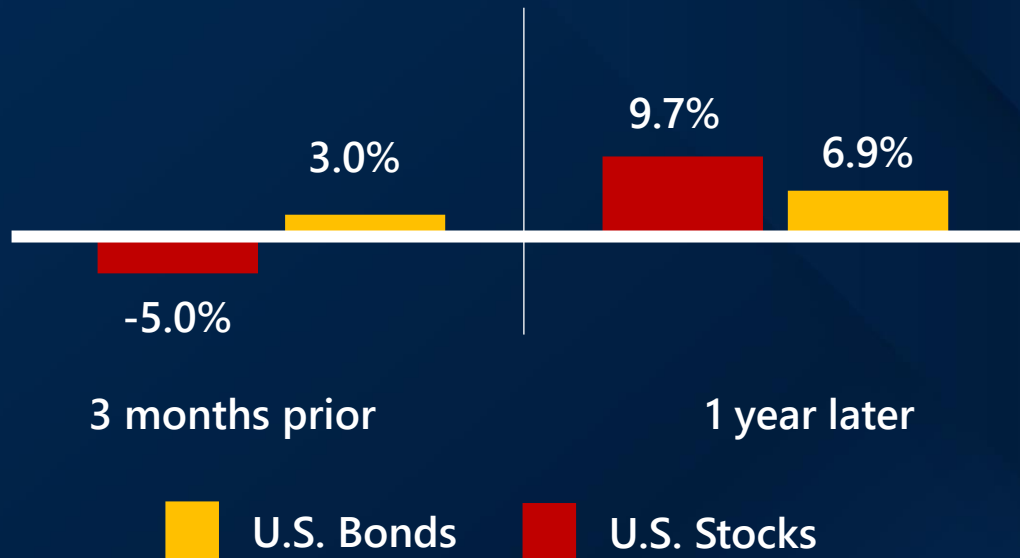


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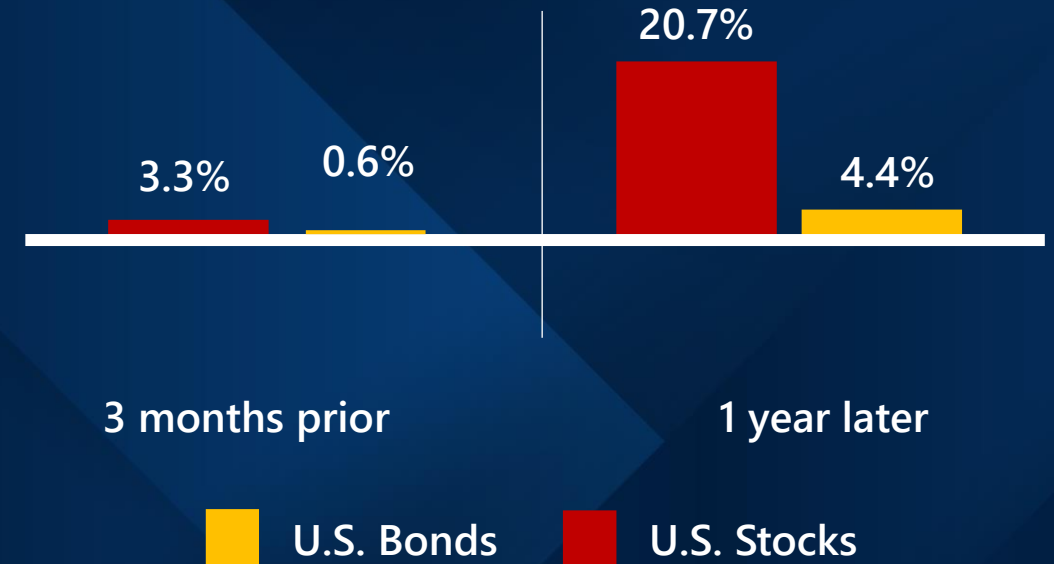
# THE DEBT CEILING FIGHT

## Market Performance Around Previous Debt Ceiling Standoffs

2011



2013



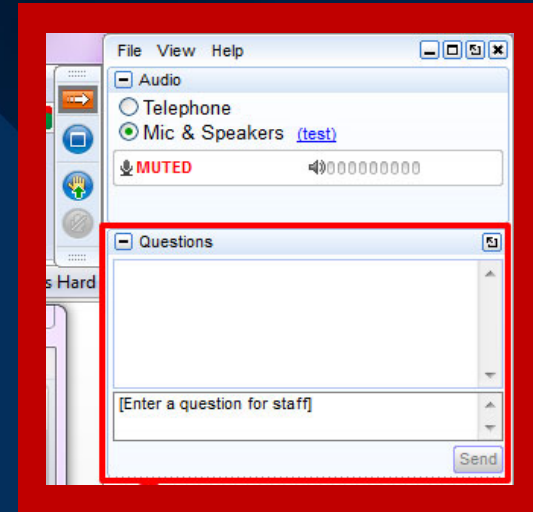
# THE DEBT CEILING FIGHT

## What Are Your Options?





# Q&A HAVE QUESTIONS?



# 2023 MIDYEAR OUTLOOK

WEDNESDAY, JUNE 7  
12:00 PM – 12:30 PM



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SOURCES: Morningstar; Blackrock Investment Institute; U.S. OMB; Clearanomicss; Carson Investment Research

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