The Debt Limit Standoff Could Harm Millions Of Americans Who Rely On Critical Federal Services And Thwart Record-Low Unemployment By Sparking A Recession

SUMMARY: After the U.S. hit its debt limit in mid-January 2023, Treasury Secretary Janet Yellen warned of "'catastrophic'" economic consequences that could harm "'millions Of Americans,'" including military servicemembers and seniors.

Once the Treasury department exhausts its extraordinary measures to avoid default, economic harm could "quickly mount" and trigger a recession, freeze credit markets, and potentially force millions of American workers—who enjoyed a 50-year low unemployment rate as of January 2023—into joblessness, all while federal response efforts would be "immobilized."

Interrupted federal payments—even if they are only delayed amid Treasury efforts to avoid full default—could harm tens of millions of Americans who rely on Social Security, Medicare, Medicaid, veterans care, low-income food and housing assistance, mail, national security, and other critical services:

- **Social Security:** Interrupted payments could harm nearly 66 million Social Security Beneficiaries, who on average rely on the program for over half of their household income, millions of whom rely on the program as their "sole means of support," and many of whom rely on other forms of federal assistance.

- **Medical Assistance:** Interrupted payments could hinder medical care for tens of millions of Americans, including over 60 million on Medicare, 75 million on Medicaid, over 9 million veterans, and nearly 7 million children in the Children's Health Insurance Program.

- **Food Assistance:** Interrupted payments could constrain food access for tens of millions of Americans, including 42 million Americans in the Supplemental Nutrition Assistance Program (SNAP) and 30 million children benefiting from the Federal School Lunch Program.

- **National Security:** Interrupted payments could undermine national security, potentially affecting the salaries of about 1.4 million active-duty personnel and other military spending including equipment maintenance and procurement, counter-terrorism, and intelligence measures.

- **Other Critical Federal Services:** A debt standoff could interrupt "critical day-to-day services" including mail and air traffic control and about 4.3 million federal workers could face uncertainty over their paychecks.

After The U.S. Hit Its Debt Limit In Mid-January 2023, Treasury Secretary Janet Yellen Warned Of "'Catastrophic'" Economic Consequences That Could Harm "'Millions Of Americans,'" Including Military Servicemembers And Seniors.

In Mid-January 2023, The Treasury Department Began Undertaking "Extraordinary Measures" To Avoid A Debt Default After The Debt Limit Was Reached—These Measures Are Expected To Be Exhausted Between July And September 2023.

After The U.S. Treasury Reached Its Debt Limit In Mid-January 2023, Treasury Secretary Janet Yellen Announced The Agency Would Begin Taking "'Extraordinary Measures'"—"Behind-The-Scenes Accounting Maneuvers"—To Maintain Federal Government Funding. "In a letter to House Speaker Kevin McCarthy on Thursday, Treasury Secretary Janet Yellen announced that the agency will start taking 'extraordinary measures' now that the US has reached its $31.4 trillion debt limit. But the nation is not yet at the debt ceiling crisis point that could tank the financial markets, suspend Social Security payments to senior citizens, hurt the economy and cause other chaos." [CNN, 01/19/23]

- **Extraordinary Measures Are "Behind-The-Scenes Accounting Maneuvers That The Treasury Department Can Take To Give Congress Time To Increase Or Suspend The Limit Before The US Has To Default On Its Debts." "**That's what the so-called extraordinary measures are designed to temporarily avoid. And while they might sound dire, they are mainly behind-the-scenes accounting maneuvers that the Treasury Department can take to give Congress time to increase or suspend the limit before the US has to default on its debts." [CNN, 01/19/23]

In February 2023, The Congressional Budget Office (CBO) Projected The Treasury Department's Use Of Extraordinary Measures Would Be Exhausted "Between July And September 2023—That Is, In The Fourth Quarter Of The Current Fiscal Year." "The Congressional Budget Office projects that, if the debt limit remains unchanged, the government's ability to borrow using extraordinary measures will be exhausted between July and September 2023—that is, in the fourth quarter of the current fiscal year." [Congressional Budget Office, February 2023]

The CBO Did Note Its Projection Could Be Inaccurate Due To The "Timing And Amount Of Revenue Collections And Outlays," With Extraordinary Measures Possibly Being Exhausted Before July 2023. "The projected exhaustion date is uncertain because the timing and amount of revenue collections and outlays over the intervening months could differ from CBO's projections. In particular, income tax receipts in April could be more or less than CBO estimates. If those receipts fell short of estimated amounts—for example, if capital gains realizations in 2022 were smaller or if U.S. income growth slowed by more in early calendar year 2023 than CBO projected—the extraordinary measures could be exhausted sooner, and the Treasury could run out of funds before July." [Congressional Budget Office, February 2023]

The CBO "Will Issue A New Debt Limit Outlook In April [2023] After Tax Collections." "CBO will issue a new debt limit outlook in April after tax collections, office Director Phillip Swagel said Wednesday afternoon." [USA Today, 02/15/23]

Treasury Secretary Janet Yellen Said It Would Be "'Catastrophic'" If The U.S. Defaulted, Hindering Federal Payments "'To Millions Of Americans, Including Our Military Families And Seniors Who Rely On Social Security.'"

Treasury Secretary Janet Yellen Said It Would Be "'Catastrophic'" If The U.S. Defaults On Its Debt, Making It "'Unlikely That The Federal Government Would Be Able To Issue Payments To Millions Of Americans, Including Our Military Families And Seniors Who Rely On Social Security.'" "Treasury Secretary Janet Yellen thinks she can use extraordinary measures to pay the bills until June 5. If the U.S. defaults, it would be 'catastrophic,' she said Tuesday at a National Association of Counties conference in Washington. 'On top of that, it is unlikely that the federal government would be able to issue payments to millions of Americans, including our military families and seniors who rely on Social Security,' Yellen said." [USA Today, 02/15/23]

The White House Has Stated That The "Basic Functions Of The Federal Government" Would Be Hindered, Affecting National Defense, National Parks, The Public Health System, And "Countless" Other Functions. "The basic functions of the Federal government—including maintaining national defense, national parks, and countless others—would be at risk. The public health system, which has enabled this country to react to a global pandemic, would be unable to adequately function." [The White House, 10/06/21]

- **"Critical Day-To-Day Services" Including Mail Delivery, Consular Services, And Air Traffic Control Could Be Affected.** "Other critical day-to-day services would also be under threat, including the operation of our national parks, mail delivery, consular services in other countries (which support American residents abroad), and air traffic control—which could potentially ground passenger and cargo planes." [The White House, 10/06/21]

Delayed Treasury Payments Could Cause Uncertainty For About 4.3 Million Federal Employees Confronted With Delayed Wages And Payments. "More and more people would feel economic pain because of delayed payments. Take just a few examples: Social Security beneficiaries seeing delays in their payments could face trouble with expenses such as rent and utilities; federal, state, and local agencies might see delays in payments that interrupt their work; federal contractors and employees would face uncertainty about how long their payments would be delayed. Those and other disruptions would have enormous economic and health consequences over time." [The Brookings Institution, 01/25/23]

- **There Were An Estimated 4.3 million Federal Workforce Personnel As Of June 2022. Including About 1.4 Million Uniformed Military Members.** "According to the Office of Personnel Management (OPM), the federal workforce is composed of an estimated 2.1 million civilian workers." [Congressional Research Service, 06/08/22]

Table 3. Total Federal Employment

(as measured by full-time equivalents)

Description	2021 Actual	2022 Estimate	2023 Estimate	Change: 2022 to 2023 FTE	Change: 2022 to 2023 Percent
Executive Branch Civilian					
All Agencies, Excluding Postal Service	2,183,067	2,206,257	2,288,566	82,309	3.6%
Postal Service[a]	580,736	566,431	560,217	-6,214	-1.1%
Subtotal, Executive Branch Civilian	2,763,803	2,772,688	2,848,783	76,095	2.7%
Executive Branch Uniformed Military					
Department of Defense[b]	1,406,795	1,394,943	1,371,769	-23,174	-1.7%
Department of Homeland Security (USCG)	41,493	42,510	42,967	457	1.1%
Commissioned Corps (DOC, EPA, HHS)	6,302	6,345	6,438	93	1.4%
Subtotal, Uniformed Military	1,454,590	1,443,798	1,421,174	-22,624	-1.6%
Total, Executive Branch	4,218,393	4,216,486	4,269,957	53,471	1.3%
Legislative Branch[c]	31,645	34,516	35,240	724	2.1%
Judicial Branch	33,041	33,775	34,556	781	2.3%
TOTAL	**4,283,079**	**4,284,777**	**4,339,753**	**54,976**	**1.3%**

[Congressional Research Service, 06/08/22]

Once Extraordinary Measures Are Exhausted, Economic Harm From A Default Could "Quickly Mount" And Trigger A Recession, Freeze Credit Markets, And Potentially Force Millions Of American Workers—Who Now Enjoy A 50-Year Low Unemployment Rate—Into Joblessness, All While Federal Response Efforts Would Be Highly Constrained.

If The Debt Limit Binds And Federal Obligations Are Not Paid, Economic Harm Could "Quickly Mount" And Trigger A Recession—Even A "Best-Case Scenario" Of A Short-Term Default Would Cause "Sustained" Economic Damage And "Severe" Harm Even If The U.S. Continues To Pay Principal And Interest On Its Debt.

If The Debt Limit Binds And The U.S. Does Not Pay Its Obligations, "The Negative Economic Effects Would Quickly Mount And Risk Triggering A Deep Recession." "Once again, the debt ceiling is in the news and a cause for concern. If the debt ceiling binds, and the U.S. Treasury does not have the ability to pay its obligations, the negative economic effects would quickly mount and risk triggering a deep recession." [The Brookings Institution, 01/25/23]

- **The U.S. Has "Never Intentionally Defaulted On Its Obligations" Due To The Debt Limit.** "The credit of the United States is built on centuries of stability and responsibility. This country has never intentionally defaulted on its obligations because of the debt limit." [The White House, 10/06/21]

Although There Is "An Enormous Amount Of Uncertainty Surrounding The Speed And Magnitude" Of Economic Damage Caused By A Debt Default, Even A "Best-Case Scenario" Of A Short-Term Default Would Result In "Sustained" Damage To The Economy. "The economic effects of such an unprecedented event would surely be negative. However, there is an enormous amount of uncertainty surrounding the speed and magnitude of the damage the U.S. economy will incur if the U.S. government is unable to pay all its bills for a time—it depends on how long the situation lasts, how it is managed, and the extent to which investors alter their views about the safety of U.S. Treasuries. An extended impasse is likely to cause significant damage to the U.S. economy. Even in a best-case scenario where the impasse is short-lived, the economy is likely to suffer sustained—and completely avoidable—damage." [The Brookings Institution, 01/25/23]

There Could Be "Severe" Economic Consequences Even If The Federal Government Continues To Make Principal And Interest Payments After The Debt Limit Binds. "While greatly uncertain, the effects of allowing the debt limit to bind could be quite severe, even assuming that principal and interest payments continue to be made. If instead the Treasury fails to fully make all principal and interest payments—because of political or legal constraints, unexpected cash shortfalls, or a failed auction of new Treasury securities—the consequences would be even more dire." [The Brookings Institution, 01/25/23]

A Debt Default Would Have "Serious And Protracted Financial And Economic Effects," Threatening A Recession, A "Credit Market Freeze," And Falling Stock Markets.

A Debt Default Would Have "Serious And Protracted Financial And Economic Effects," Affecting Financial Markets And Raising The Costs Of Consumer Loans, Including Mortgages And Auto Loans. "Furthermore, a default would have serious and protracted financial and economic effects. Financial markets would lose faith in the United States, the dollar would weaken, and stocks would fall. The U.S. credit rating would almost certainly be downgraded, and interest rates would broadly rise for many consumer loans, making products like auto loans and mortgages more expensive for families who are subject to interest rate changes or taking out new loans." [The White House, 10/06/21]

The Broad Economic Effects Of A Debt Default Could "Trigger A Recession And A Credit Market Freeze That Could Hurt The Ability Of American Companies To Operate." "These and other consequences could trigger a recession and a credit market freeze that could hurt the ability of American companies to operate." [The White House, 10/06/21]

A Default Would "Likely Cause Credit Markets Worldwide To Freeze Up And Stock Markets To Plunge." "A default would send shock waves through global financial markets and would likely cause credit markets worldwide to freeze up and stock markets to plunge." [The White House, 10/06/21]

A 2021 Moody's Analysis Projected That A 4-Month Default Could Increase Unemployment To Nearly 9%, Comparable To The 10% Unemployment Rate During The Great Recession.

In 2021, Moody's Analytics Projected That A 4-Month Default Could Result In Unemployment Rising To Nearly 9% And Cause A Loss Of Almost 6 Million Jobs. "Projections in a recent report released by Moody's are even more dire, suggesting that under a prolonged 4-month default, real GDP would fall by 4 percent, unemployment would rise to almost 9 percent, and the U.S. economy would lose nearly 6 million jobs." [The White House, 10/06/21]

- **The Great Recession Resulted In Unemployment Rising To 10% And A Loss Of Almost 9 Million Jobs.** "For context, during the two years of the Great Recession, real GDP fell by 4.3 percent, unemployment rose to 10 percent, and the economy lost almost 9 million jobs." [The White House, 10/06/21]

- **January 2023: The U.S. Unemployment Rate Was 3.4%, The "Lowest It's Been Since 1969."** "The U.S. labor market started 2023 on a high note. The economy added 517,000 jobs, according to the Labor Department, far exceeding the 187,000 jobs the Dow Jones had anticipated. Among the Bureau of Labor Statistics' findings for the month was also the market's historically low unemployment rate of 3.4% or 5.7 million people. That's the lowest it's been since 1969." [CNBC, 02/03/23]

A 2013 Projection Found That A Month-Long Default Could Increase Unemployment For Two To Four Years. "In the United States specifically, past simulations by the Federal Reserve and the Peterson Foundation that look at the possible month-long default in 2013 suggested that unemployment would increase and remain elevated for at least two to four years afterwards." [The White House, 10/06/21]

If The Debt Limit Binds, The Treasury Department Would Have To Cut Its Outlays By About 20% To Make Interest Payments And As The Economy Slows, Federal Spending Would Have To Be Cut With "Increasing Severity" As Tax Revenues Fall.

If The Debt Limit Binds, Treasury's Non-Interest Outlays Would Have To Be Cut By About 20% A Month Because The Government Would Have To Pay Interest Of About 20 Cents Of Every Dollar Of Non-Interest Spending. "If the debt limit binds, and the Treasury were to make interest payments, then other outlays will have to be cut in an average month by about 20%. That would be necessary because over this period as a whole, the Congressional Budget Office expects close to 20 cents of every dollar of non-interest outlays to be financed by borrowing." [The Brookings Institution, 01/25/23]

As The Economy Slows And A Recession Looms, Tax Revenues Would Likely Fall And The Federal Government Would Have To Cut Non-Interest Spending "With Increasing Severity." "Given that those disruptions would likely occur when the economy is growing slowly and perhaps contracting, the risk that the crisis would quickly trigger a deep recession is heightened. Moreover, tax revenues, the only resource the

Treasury would have to pay interest on the debt, would be dampened, and the federal government would have to cut back on non-interest outlays with increasing severity." [The Brookings Institution, 01/25/23]

The Federal Government Would Be "Immobilized" From Providing Emergency Relief, Like It Did In The 2008 Financial Crisis And The Pandemic.

The Federal Government Would Be "Immobilized In Responding To The Very Economic Crisis A Default Would Likely Create" And Would Not Be Able To Implement The Relief It Provided In Past Crises, Such As The 2008 Financial Crisis And The COVID-19 Pandemic. "Compounding the damage of a default is the fact that the Federal government would be immobilized in responding to the very economic crisis a default would likely create. It would likely not be able to implement relief of the type that proved so vital to helping families during past economic crises, and more recently, during the coronavirus pandemic. Instead, the Federal government could only stand back, helpless to address the economic maelstrom." [The White House, 10/06/21]

The 2011 Debt Ceiling Crisis Sparked Higher Interest Rates For Consumer Loans Even Though Default Was Ultimately Averted.

There Were Serious Economic Effects From The 2011 Debt Ceiling Crisis Even Though Default Was Ultimately Avoided, Including Higher Rates For Mortgages, Auto Loans, Personal Loans, And Other Consumer Financial Products.

In The 2011 Debt Ceiling Standoff, In Which Default Was Avoided, "Market Risk Measures Rose Persistently" And Consumer And Small Business Optimism Fell. "In the run-up to and aftermath of the 2011 debt ceiling crisis—where the country ultimately avoided a default—market risk measures rose persistently, and measures of consumer confidence and small business optimism weakened." [The White House, 10/06/21]

For Two Months Following The 2011 Debt Ceiling Standoff, Mortgage Rates Rose By 0.7 To 0.8 Percentage Points, Increasing Interest Payments By As Much As $30,000 For A Family With A $250,000 30-Year Fixed Rate Mortgage. "Mortgage rates rose by between 0.7 and 0.8 percentage point for two months after that year's debt ceiling crisis passed, and only declined slowly thereafter. For a family taking out a $250,000 30-year fixed-rate mortgage, an extra 0.8 percentage point means more than $30,000 in additional interest payments over the life of the loan." [The White House, 10/06/21]

For Months After The 2011 Crisis, Interest Rates For "Auto Loans, Personal Loans, And Other Consumer Financial Products Also Rose." "Rates for auto loans, personal loans, and other consumer financial products also rose in the wake of the 2011 crisis,[5] and these increases often lasted for months." [The White House, 10/06/21]

Interrupted Federal Payments—Even If They Are Only Delayed Amid Treasury Efforts To Avoid Full Default—Could Harm Tens Of Millions Of Americans Who Rely On Social Security, Medicare, Medicaid, Veterans Care, Low-Income Food And Housing Assistance, Mail, National Security, And Other Critical Services.

The Treasury Department Is Likely To Use A Plan It Developed In The 2011 Debt Ceiling Standoff That Includes Paying Interest On Securities As They Came Due And Delaying Payments For All Other Obligations Until A Full Day Of Federal Obligations Could Be Paid.

During A Similar Debt Ceiling Standoff In 2011, The Treasury Department Had A Contingency Plan That It Is Likely To Use Now To Avoid Debt Default By Paying Interest On Treasury Securities As They Come Due. "One cannot predict how Treasury will operate when the debt limit binds, given that this would be unprecedented. Treasury did have a contingency plan in place in 2011 when the country faced a similar situation, and it seems likely that Treasury would follow the contours of that plan if the debt limit were to bind this year. Under the plan, there would be no default on Treasury securities. Treasury would continue to pay interest on those Treasury securities as it comes due." [The Brookings Institution, 01/25/23]

- **Under The Contingency Plan, Treasury Would Have Paid The Principal Of Securities As They Mature By Auctioning New Securities In Order To Not Increase The Overall Debt.** "And, as securities mature, Treasury would pay that principal by auctioning new securities for the same amount (and thus not increasing the overall stock of debt held by the public)." [The Brookings Institution, 01/25/23]

Under The Contingency Plan, Treasury Would Have Delayed Payment For All Other Obligations Until It Raised Enough Cash To Pay A Full Day's Obligations So It Would Not Have To "Pick And Choose" Which Payments To Make To "Agencies, Contractors, Social Security Beneficiaries, And Medicare Providers." "Treasury would delay payments for all other obligations until it had at least enough cash to pay a full day's obligations. In other words, it will delay payments to agencies, contractors, Social Security beneficiaries, and Medicare providers rather than attempting to pick and choose which payments to make that are due on a given day." [The Brookings Institution, 01/25/23]

Treasury Secretary Janet Yellen Has Said That Her Department Does Not Have The Systems To Prioritize Debt Payments And That "'Treasury Systems Have All Been Built To Pay Our Bills [...] And Not To Prioritize One Form Of Spending Over Another.'" "Yellen said Friday that any failure to pay a government bill would constitute a debt default, insisting that her department doesn't have the 'systems' to prioritize debt payments. [...] 'I will also say that Treasury systems have all been built to pay our bills, to pay all of our bills when they are due and on time and not to prioritize one form of spending over another.'" [Axios, 01/20/23]

Interrupted Treasury Payments Could Harm Nearly 66 Million Social Security Beneficiaries, Who On Average Rely On The Program For Over Half Of Their Household Income, Millions Of Whom Rely On The Program As Their "Sole Means Of Support," And Many Of Whom Rely On Other Forms Of Federal Assistance.

About 66 Million Social Security Beneficiaries Could Have Trouble Meeting Their Expenses, Including Rent And Utilities, If The Federal Government Has To Delay Payments Through The Program. "More and more people would feel economic pain because of delayed payments. Take just a few examples: Social Security beneficiaries seeing delays in their payments could face trouble with expenses such as rent and utilities; federal, state, and local agencies might see delays in payments that interrupt their work; federal contractors and employees would face uncertainty about how long their payments would be delayed. Those and other disruptions would have enormous economic and health consequences over time." [The Brookings Institution, 01/25/23]

- **As Of 2022, There Were Nearly 66 Million Social Security Beneficiaries, Including Old-Age And Survivors Insurance Recipients And Disability Insurance Recipients:**

Number of beneficiaries receiving benefits on December 31, 1970-2022

Year	Total	Old-Age and Survivors Insurance			Disability Insurance
		Total	Retired workers and dependents	Survivors	Disabled workers and dependents
[...]					
2022	65,994,457	57,153,724	51,293,070	5,860,654	8,840,733

[Social Security Administration, accessed 02/17/23]

In 2015, Social Security Was The "Sole Means Of Support" For About 12 Million Americans. "In 2020, almost 50 million residents received retirement benefits through Social Security, and 6 million received survivors benefits. In 2015, around 12 million people relied on Social Security as their sole means of support." [The White House, 10/06/21]

Households Receiving Social Security Benefits Rely On The Program For Over Half Of Their Household Income. "Among households receiving any Social Security benefits, those benefits make up more than half of household income on average. And yet, if we default, these Americans may not receive their Social Security payments on time, or even at all." [The White House, 10/06/21]

The Average Retired Social Security Beneficiary Relies On Almost $1,600 In Benefits Per Month. "As shown in Figure 1, the average retired Social Security recipient counts on receiving almost $1,600 per month." [The White House, 10/06/21]

Many Americans Benefit From Multiple Federal Programs—For Example, "A Typical Married Elderly Couple Relies On More Than $4,800 A Month Just From Social Security And Medicare." "Moreover, many benefit from different Federal programs at once. Consider the impact of the Federal government not fulfilling its obligations on three illustrative American families: an elderly couple, a veteran living alone, and a young family with two children. All of them benefit from the Federal government in a myriad of ways. For instance, as seen below, a typical married elderly couple relies on more than $4,800 a month just from Social Security and Medicare, not to mention other programs they qualify for." [The White House, 10/06/21]

Interrupted Treasury Payments Could Hinder Medical Care For Tens Of Millions Of Americans, Including Over 60 Million In Medicare, 75 Million In Medicaid, Over 9 Million Veterans, And Nearly 7 Million Children In The Children's Health Insurance Program.

There Are Over 60 Million Americans Enrolled In Medicare, 75 Million In Medicaid, And Nearly 7 Million Children Rely On Children's Health Insurance Program (CHIP) Coverage. "Health coverage during a pandemic would also be in doubt. Over 60 million people across America are on Medicare, 75 million are enrolled in Medicaid, and almost 7 million children receive coverage through the Children's Health Insurance Program (CHIP)." [The White House, 10/06/21]

Over 9 Million Veterans Rely On Federal Physical And Mental Care. "A default threatens veterans' programs as well, with over 9 million veterans relying on physical and mental care, in addition to other supports." [The White House, 10/06/21]

- **A Single Veteran With No Dependents And A 50% Disability Rating Relies On About $900 Per Month In Federal Benefits And Veterans With Higher Disability Ratings And Dependents Receive Even More.** "For a single veteran with a 50 percent disability rating and no dependents, the average disability benefit is around $900 per month; veterans with families or with greater disability ratings receive more." [The White House, 10/06/21]

Interrupted Treasury Payments Could Constrain Food Access For Tens Of Millions Of Americans, Including 42 Million Americans In The Supplemental Nutrition Assistance Program (SNAP) And 30 Million Children Benefiting From The Federal School Lunch Program.

In 2021, 42 Million Americans Were Enrolled In The Supplemental Nutrition Assistance Program (SNAP) And 30 Million Children Benefited From The Federal School Lunch Program:

Table 1. Number of participants by government program

Program	Number of Participants
Supplemental Nutrition Assistance Program (SNAP)	42 million people
Child Tax Credit (CTC)	60 million children
Housing Assistance	10 million people
Financial Aid	11 million students[1]
School Lunch Program	30 million children

[The White House, 10/06/21]

Interrupted Treasury Payments Could Undermine National Security, Potentially Affecting The Salaries Of About 1.4 Million Active-Duty Personnel And Other Military Outlays Including Equipment Maintenance And Procurement, Counter-Terrorism, And Intelligence Measures.

The Federal Government Pays The Salaries Of About 1.4 Million Active-Duty Military Personnel. "There are many other functions of the Federal government that we often take for granted and that would be in peril after a default. For example, the Federal government keeps our country safe by paying the salaries of 1.4 million active duty military personnel and their families." [The White House, 10/06/21]

The Federal Government's Other Military Outlays Include "Maintenance Of Equipment, The Procurement Of Supplies, And Other Support Activities." "The deployment of personnel, the maintenance of equipment, the procurement of supplies, and other support activities would risk being frozen after a default, hampering the defense of the country at a time when there are ample threats to national security." [The White House, 10/06/21]

Counter-Terrorism And Intelligence Measures Could Be Undermined By A Default. "The same holds for expenses related to counter-terrorism and intelligence measures, which could leave America more vulnerable to potential threats." [The White House, 10/06/21]

A Debt Standoff Could Interrupt "Critical Day-To-Day Services" Including Mail And Air Traffic Control And About 4.3 Million Federal Employees Could Face Uncertainty Over Their Wages.

"Critical Day-To-Day Services" Including Mail Delivery, Consular Services, And Air Traffic Control Could Be Affected By A Debt Standoff Or Default. "Other critical day-to-day services would also be under threat, including the operation of our national parks, mail delivery, consular services in other countries (which support American residents abroad), and air traffic control—which could potentially ground passenger and cargo planes." [The White House, 10/06/21]

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There Were An Estimated 4.3 million Federal Workforce Personnel As Of June 2022. Including About 1.4 Million Uniformed Military Members. “According to the Office of Personnel Management (OPM), the federal workforce is composed of an estimated 2.1 million civilian workers.” [Congressional Research Service, 06/08/22]