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1 minute and 30 seconds

KELLY O'GRADY: So, another thing that happened Wednesday was U.S. national debt hit $40 trillion. And you can actually see, this is a live clock on the screen of the national debt. It is ticking up dollar by dollar, as I speak, and you hear $40 trillion, and you think, okay, that's big.

GAYLE KING: Yes.

O'GRADY: But how big?

KING: Yes.

[ON-SCREEN HEADLINE: National Debt Hits $40 Trillion]

O'GRADY: It is bigger than the largest economy in the world, which is the U.S. economy.

VLADIMIR DUTHIERS: Mmhmm.

O'GRADY: We are roughly $33 trillion when it comes to GDP, but the thing is that the national debt has doubled since 2017, so this problem is becoming worse, and if you think about it, though, there's plenty of — of blame to go around, because this has a bipartisan —

DUTHIERS: It's not. It's bipartisan.

O'GRADY: — problem, right?

KING: Yeah.

DUTHIERS: It sounds like a big number, and it is a staggering number, but the real concern, of course, Kelly, is the trajectory, right? The trajectory is —

O'GRADY: Yes.

DUTHIERS: — right now, we're running huge deficits just in a relatively strong economy, and the interest on that $40 trillion is an insane amount.

O'GRADY: Well —

KING: So, who do we blame? There's always somebody that —

O'GRADY: Right. Republicans —

DUTHIERS: Neither party has shown any appetite to rein in spending.

O'GRADY: — Republicans willing to do tax cuts that they had to borrow for. Democrats have increased spending. There has [sic] been wars. There has been COVID. There's been the interest rate. When you think about that $40 trillion, it is an accumulation over decades of the government spending more —

DUTHIERS: That's right.

O'GRADY: — than it had and not being willing to cut. What does it mean for us at home?

KING: Yes.

O'GRADY: Your mortgage rates can go up.

DUTHIERS: Right.

O'GRADY: And we look at potentially default as a country, which there's plenty of people in the administration that are worried about that. You hear Bessent working with Japan. I know we kind of hear these headlines, or what does it mean? It's that they're worried about the debt.

DUTHIERS: Yeah.

KING: And that's a good reason.

O'GRADY: Mmhmm.

DUTHIERS: They're not — they're not trying to rein in the spending or bring in higher revenues to change that number.