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ELECTION YEAR FISCAL POLICIES COULD POSES LONG-TERM THREAT TO U.S. ECONOMY, NEW LEVY INSTITUTE STUDY SUGGESTS

ANNANDALE-ON-HUDSON, N.Y.—For the past few months economic reports are beginning to show consistent evidence, including solid jobs growth, that the U.S. economy is ???. A new report from The Levy Economics Institute of Bard College agrees that that the short-run factors affecting investment and consumption have improved markedly in the past six months. As for the sustainability of this pattern, however, the Levy scholars warn that an election-year fiscal policy that continues tax cuts and fails to cut the budget deficit could provide too much stimulus to the economy, exacerbating long-run factors such as debt burdens, and sending the economy into recession in 2005.

In their public policy brief, *The Sustainability of Economic Recovery in the United States: the Risks to Consumption and Investment*, Institute Professor of Economics Philip Arestis and independent financial analyst Elias Karakitsos argue

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Public Policy Brief 77, *The Sustainability of Economic Recovery in the United States: the Risks to Consumption and Investment*

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