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Expansion of Global Debt:

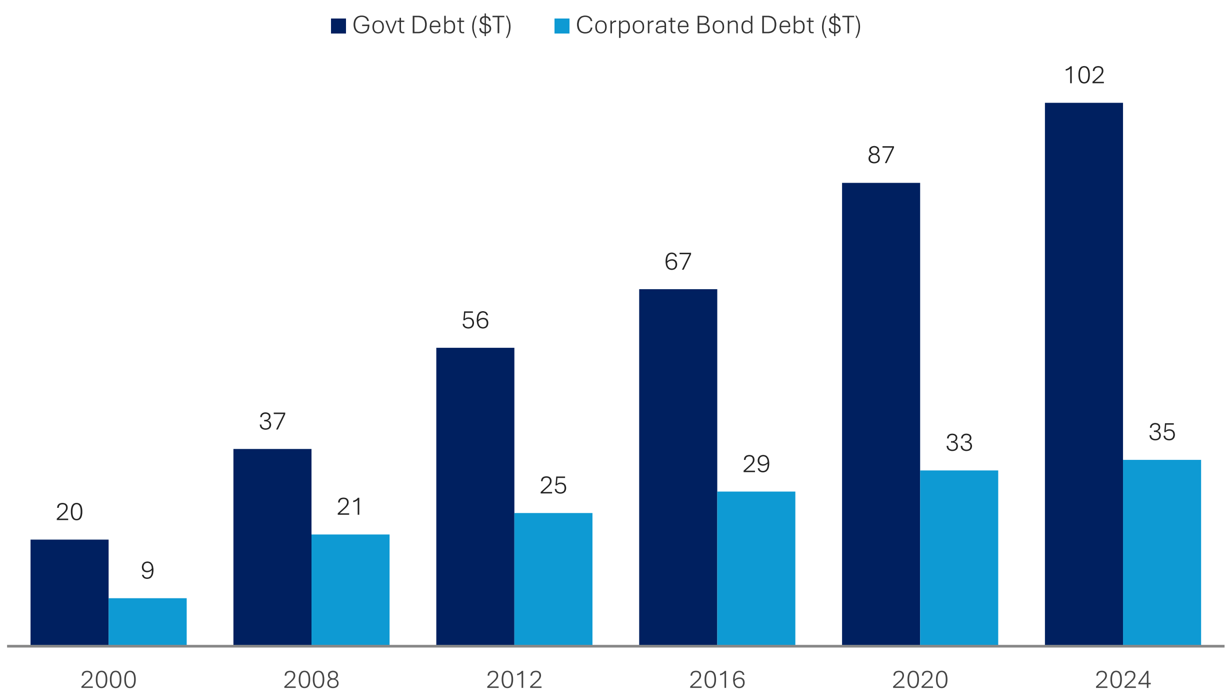
RIA Briefing

July 2026

GLOBAL DEBT GROWTH

The structural expansion of government and corporate debt

Global debt has grown from roughly $80 trillion in 2000 to $318 trillion in 2024 - a 4x expansion in a single generation. Two structural forces drove this: government borrowing that accelerated through successive crisis cycles (dot-com, GFC, COVID), and a corporate debt surge enabled by a decade of zero interest rate policy. Both trends are now colliding with higher-for-longer rates, raising refinancing risk, fiscal crowding-out, and credit quality deterioration across the debt stack.



$318T Total global debt 2024 (IIF)	**$102T** Global govt debt 2024 (IMF/UNCTAD)	**$35T** Corporate bond debt 2024 (OECD)	**53%** IG corporate issuance now BBB-rated (OECD)

INVESTMENT IMPLICATIONS FOR RIAs

Rate sensitivity. Nearly 45% of OECD sovereign debt and roughly one-third of all corporate bond debt will mature by 2027 (OECD 2025), forcing rollover at materially higher yields. Duration risk is now a structural budget issue.

Credit quality erosion. 53% of investment-grade corporate issuance is now BBB-rated - up from 25% in 2000. A recessionary shock could cascade into mass fallen-angel downgrades, pressuring HY spreads and liquidity.

Fiscal crowding-out. Governments absorbing ever-larger bond supply displaces private capital and keeps term premia structurally elevated - a headwind for long-duration fixed income that advisors must price into model portfolios.

Portfolio construction. Real assets, floating-rate private credit, and inflation-linked instruments gain appeal vs. nominal long bonds in a world of persistent fiscal deficits and compressing debt sustainability buffers.

Sources: IIF Global Debt Monitor, Feb 2025; UNCTAD World of Debt 2025; IMF Global Debt Database 2025; OECD Global Debt Report 2025. Govt debt 2000/2008/2012/2016 are IMF GDD-based estimates.

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