



US at 250 - Why has the US been so successful and can it continue?

To mark the 250th anniversary of the US Declaration of Independence, in a special Deutsche Bank Research Institute report (link [here](#)), we look at how the US emerged as a global superpower, and why it's likely to remain one despite new challenges.

First, we assess how the US went from being a comparatively small country to the world's pre-eminent global power. These reasons range from the US' natural advantages, like favourable geography, to factors like its institutional stability and risk-tolerant capital markets.

We then consider the challenges that threaten US outperformance. China's rapid growth means the US faces its biggest rival since its own emergence as the world's dominant power. China's rise also coincides with several other issues: the rules-based international system that the US helped create is under immense strain; the reserve currency status of the US Dollar is under pressure; and the country's public debt-to-GDP ratio is set to hit new records in the coming years.

Finally, we look at why the US is likely to sustain its outperformance, thanks to a collection of reinforcing advantages. In fact, the US has consistently emerged from challenging periods successfully, be that after the Great Depression, the malaise of the 1970s, and again around the GFC and its aftermath. We conclude with a few lessons for investors and for the rest of the world.

For the full note, see our special report [here](#) on the Deutsche Bank Research Institute website.

[Henry Allen](#)

Macro Strategist
+44-20-754-11149

[Peter Sidorov, CFA](#)

Senior Economist
+1-585-615-0253

[Camilla Siazon](#)

Research Analyst
+44-77-876-06467

[Jim Reid](#)

Global Head of Macro and Thematic Research
+44-20-754-72943



Appendix 1

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David Folkerts-Landau

Group Chief Economist and Global Head of Research

Pam Finelli
COO and Head of Fixed
Income Research

Steve Pollard
Global Head of Company
Research and Sales

Jim Reid
Global Head of Macro and
Thematic Research

Tim Rokossa
Head of European
Company Research

Matthew Barnard
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Global Head of
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Vice-Chair of Research

Nilendra de-Mel
Head of APAC & Middle
East Product
Development

International Production Locations

Deutsche Bank AG

Deutsche Bank Place
Level 16
Corner of Hunter & Phillip
Streets
Sydney, NSW 2000
Australia
Tel: (61) 2 8258 1234

Deutsche Bank AG

Equity Research
Mainzer Landstrasse 11-17
60329 Frankfurt am Main
Germany
Tel: (49) 69 910 00

Deutsche Bank AG

Filiale Hongkong
International Commerce
Centre,
1 Austin Road West, Kowloon,
Hong Kong
Tel: (852) 2203 8888

Deutsche Securities Inc.

1-3-1 Azabudai
Azabudai Hills Mori JP Tower
Minato-ku, Tokyo 106-0041
Japan
Tel: (81) 3 6730 1000

Deutsche Bank AG

21 Moorfields
London EC2Y 9DB
United Kingdom
Tel: (44) 20 7545 8000

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1 Columbus Circle
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Filiale Singapur
One Raffles Quay, South
Tower,
Singapore 048583
Tel: +65 6423 8001