In 2019...

**Total Revenue**
$3.5 Trillion

**Total Spending**
$4.4 Trillion

(That means we will borrow about $900 billion.)

Today the gross national debt is more than $22 trillion.
Permanent Trillion-Dollar (Plus) Deficits By 2020

Source: Congressional Budget Office August 2019 Baseline
Trump Entered Office With High Debt

Sources: Congressional Budget Office, Office of Management and Budget
Debt Levels Will Nearly Double in 30 Years

All-Time Record Debt Level: 106%

CBO Baseline 105% in 2034

Alternative Fiscal Scenario 107% in 2031

199%

152%

Source: CRFB Calculations Based on CBO August 2019 Baseline data
Self Inflicted Harm

![Bar chart showing the amount of deficit absent legislation from 2019 to 2021.](chart)

Sources: Congressional Budget Office, CRFB calculations

CRFB.org
Social Security, Health Care, and Interest Explain 80% of Spending Growth

2019-2029 Spending Growth

Source: CRFB calculations based on Congressional Budget Office August 2019 Baseline data
Numbers may not add due to rounding.
Where Does The Federal Government’s Money Come From?

Individual income and payroll taxes cover two-thirds of government spending.

In 2019, more than one-fifth of the government’s spending will be financed by deficits.

- Individual Income: $1,698
- Payroll: $1,247
- Deficit: $960
- Corporate Income: $228
- Other: $278

Billions

Source: Congressional Budget Office, August 2019 budget projections.
Who Pays Federal Taxes?

The top 20% of households paid in 2016 almost 70% of the nation’s taxes. The top 1% paid one quarter.

Percentage of all federal taxes paid, by household income

Source: Congressional Budget Office, “The Distribution of Household Income, 2016”. Published 2019
Tax Expenditures aren’t part of the budget that Congress passes every year, but are similar to government spending programs. Think about it: $1,000 given out in Pell grants and $1,000 given out through education tax credits will both give $1,000 to students.

If they were counted as a normal part of the budget, tax expenditures would be a quarter of spending.

Sources: Congressional Budget Office, August 2019 budget projections, Joint Committee on Taxation, “Estimates Of Federal Tax Expenditures For Fiscal Years 2018-2022”, 2018
Aging Demographics

1950: (16:1)

1960: (5:1)

2012: (3:1)

2035: (2:1)

Source: 2016 Social Security Trustees Report
Interest Spending is Fastest Growing Line Item

Source: CRFB calculations based on Congressional Budget Office August 2019 Baseline.
Two-Fifths of Interest Goes Overseas

IN 2019, WE WILL SPEND $382 BILLION ON INTEREST.

ROUGHLY $150 BILLION WILL BE PAID TO FOREIGNERS

- United States: 61%
- China: 7%
- Japan: 6%
- Other Countries: 26%

Source: Congressional Budget Office, Treasury Department, January 2019.
A Budget on Auto-pilot

Billions

Mandatory – 61%

Social Security $1,038
Medicare $636
Medicaid $479
Net Interest $479
ACA Other Health $372
Interest – 9%

$4.4 Trillion

Discretionary – 30%

Non-Defense $662
Defense $670
Other Spending $555

Source: Congressional Budget Office August 2019 Baseline
## U.S. Largest Projected Increase in Debt

### Change in Debt-to-GDP 2019-2024

<table>
<thead>
<tr>
<th>Country</th>
<th>Change in Debt-to-GDP 2019-2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portugal</td>
<td>-16%</td>
</tr>
<tr>
<td>Ireland</td>
<td>-12%</td>
</tr>
<tr>
<td>Germany</td>
<td>-9%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>-7%</td>
</tr>
<tr>
<td>Iceland</td>
<td>-10%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>-10%</td>
</tr>
<tr>
<td>Belgium</td>
<td>-6%</td>
</tr>
<tr>
<td>Austria</td>
<td>-6%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>-6%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>-6%</td>
</tr>
<tr>
<td>Taiwan</td>
<td>-5%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>-5%</td>
</tr>
<tr>
<td>Latvia</td>
<td>-4%</td>
</tr>
<tr>
<td>Australia</td>
<td>-4%</td>
</tr>
<tr>
<td>Canada</td>
<td>-3%</td>
</tr>
<tr>
<td>Israel</td>
<td>-3%</td>
</tr>
<tr>
<td>Finland</td>
<td>-3%</td>
</tr>
<tr>
<td>France</td>
<td>-2%</td>
</tr>
<tr>
<td>Sweden</td>
<td>-2%</td>
</tr>
<tr>
<td>Denmark</td>
<td>-2%</td>
</tr>
<tr>
<td>Spain</td>
<td>-2%</td>
</tr>
<tr>
<td>Japan</td>
<td>1%</td>
</tr>
<tr>
<td>Korea</td>
<td>2%</td>
</tr>
<tr>
<td>Italy</td>
<td>6%</td>
</tr>
<tr>
<td>United States</td>
<td>11%</td>
</tr>
</tbody>
</table>

*Source: International Monetary Fund World Economic Outlook, April 2019.*
We Can’t Grow Our Way Out

Long-Term (Final Year) Annual Real GDP Change

<table>
<thead>
<tr>
<th>Agency</th>
<th>GDP Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMF</td>
<td>1.4%</td>
</tr>
<tr>
<td>Goldman Sachs</td>
<td>1.8%</td>
</tr>
<tr>
<td>CBO</td>
<td>1.8%</td>
</tr>
<tr>
<td>Federal Reserve</td>
<td>1.8%</td>
</tr>
<tr>
<td>Moody’s</td>
<td>2.0%</td>
</tr>
<tr>
<td>Blue Chip</td>
<td>2.0%</td>
</tr>
<tr>
<td>OMB</td>
<td>2.8%</td>
</tr>
<tr>
<td>Needed to Fix the Debt</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

Sources: CBO, OMB, Federal Reserve, Blue Chip, Goldman Sachs, Moody’s, IMF, and CRFB calculations.
Note: Long-term rate is either defined by estimating organization or the last year of the estimating organization’s projection period.
Rising Debt Will Reduce Income Per Person

Per-Person Income (Real GNP Per-Capita) in 2049 [Debt % of GDP]

- **Falling Debt** [42% of GDP]: $99,500
- **Stable Debt** [92% of GDP]: $97,000
- **Current Law** [144% of GDP]: $94,000
- **AFS** [219% of GDP]: $90,500

Source: Congressional Budget Office June 2019 Long Term Budget Outlook
Some Consequences of Rising Debt

• **Economic Effects**
  • Less private sector investment
  • Slower economic and wage growth
  • Higher Interest Rates on loans for households and businesses

• **Budget Effects**
  • Higher government interest payments displace other priorities

• **Harder to Respond to a Crisis**
  • If we borrow more now, there will be less room to borrow in a war, recession, or national emergency

• **Missed Opportunities**
  • Higher debt means less resources for education, infrastructure, supports for low-income families, or funding for basic research that can help grow the economy and improve our standard of living.

• **Generational Unfairness**, asking our kids to pay for their parents

• **Eventual Fiscal Crisis** if changes are not made
374 Debate Questions, No Debt

**Debate Mini Study**

15: The number of hours of Democratic debates.

15: The number of different debate moderators.

22: The number of candidates who have participated in at least one debate.

374: The total number of questions asked at the debates so far.

0: The number of questions asked about rising national debt, $1 trillion deficits, or saving Social Security.

$636,347,603: The amount the federal government has spent on interest to service the debt in the 15 hours that candidates have debated.

$1,643,835,616: The amount the national debt has increased in the 15 hours that candidates have debated.
A Framework for Fixing the Debt

- **Lead a National Conversation on the Debt.**
- **Pay for Your Agenda.** New spending programs and policies should be offset with taxes or spending cuts to avoid adding to the debt.
- **Cut Wasteful and Low Priority Spending.** Cutting programs that don’t work or don’t serve an important public purpose could help reduce debt.
- **Recommend Cutting Tax Loopholes and Preferences.** We spend $1.5 trillion through the tax code, and hundreds of billions more through tax evasion, tax avoidance, and loopholes.
- **Reducing Health Care Costs.** Improving how we pay for and deliver health care can reduce costs without reducing coverage or quality of care.
- **Identify New Revenue Sources.** New ideas like taxing carbon, data, financial transactions, inheritance, or sugary drinks could help fund government.
- **Pledge to Save Social Security.** New tax revenue, changes to future benefits, or both will be needed – and changes must begin soon so they can be phased in fairly.
- **Fixing the Broken Budget Process.** After the most recent government shutdown, the public has woken up to the reality that the budget process is broken. Americans would welcome efforts to end the madness in Washington.
Debt Symbolizes a Broken System

...AVOIDS TOUGH CHOICES

...CANNOT ACHIEVE COMPROMISE

...FOCUSES ON SHORT TERM VS LONG TERM

...REWARDS PARTISANSHIP OVER PROGRESS
It's time for us to engage in a conversation about how to make healing our fractured nation a top national priority – FixUs at 33777
OUR GOAL
Make healing our fractured nation and fixing our broken political system a *top national priority that our leaders cannot ignore.*

OUR CORE PRINCIPLES
- Healing our divided nation is the defining challenge of our time
- Extremism on both sides of the political divide have led America into a deepening crisis
- A revitalized citizenry is the key to fixing our broken political system and preparing our nation to face the serious challenges ahead
- We value compromise over conflict, discussion over divisiveness, and progress over partisanship
- Americans share a common destiny; working together we can secure a future of freedom, justice and prosperity for future generations
When I walked out of the Pentagon after 28 years in uniform, I never thought I’d say this, but what is going on politically in America today is a far graver threat than any our nation faced during my career, including the Soviet Union. And it’s because this threat is here and now, right at home, and it’s coming from within us. I guess the irony of being a great nation is the only power who can bring you down is yourself.

- Colonel Mark Mykleby, USMC (Retired)
(Source: The New York Times 10/2/18)
OUR NATION IS AT A CROSSROADS

PRESIDENT GEORGE WASHINGTON

FOUR GREATEST THREATS

- Hyper-Partisanship
- Foreign Intervention in Domestic Affairs
- Fiscal Irresponsibility
- Absence of Civic Education
### America Faces Daunting Challenges

#### Losing Faith in Institutions

- **78%** of Americans believe it's important that Republicans and Democrats work together.
- **19%** think they're doing a good job of it.

<table>
<thead>
<tr>
<th>Trust in...</th>
<th>Essential to live in a democracy?</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Presidency</td>
<td>72% of those born in 1930s think so... compared to <strong>30%</strong> of millennials (those born since 1980)</td>
</tr>
<tr>
<td>Congress</td>
<td>is down 54%</td>
</tr>
<tr>
<td></td>
<td>is down 81%</td>
</tr>
</tbody>
</table>

(Source: Pew & World Economic Forum)
Members of the Exhausted Majority are considerably more ideologically flexible than members of other groups. While members of the “wing” groups (on both the left and the right) tend to hold strong and consistent views across a range of political issues, those in the Exhausted Majority tend to deviate significantly in their views from issue to issue.

- More in Common, 10/18

(Source: More in Common)
A STUDY OF AMERICA’S POLARIZED LANDSCAPE

MORE IN COMMON SURVEY

Progressive Activists
8%
Younger, highly engaged, secular, cosmopolitan, angry

Traditional Liberals
11%
Older, retired, open to compromise, rational, cautious

Passive Liberals
15%
Unhappy, insecure, distrustful, disillusioned

Politically Disengaged
26%
Young, low income, distrustful, detached, patriotic

Moderate
15%
Engaged, civic-minded, middle-of-the-road, pessimistic, Protestant

Traditional Conservatives
19%
Religious, middle class, patriotic, moralistic

Devoted Conservatives
6%
White, retired, highly engaged, uncompromising, patriotic

(Source: More in Common)
OUR NATION IS AT A CROSSROADS

CONSEQUENCES OF THE CURRENT PATH

- Paralysis in Washington on critical issues
- Policy instability and uncertainty
- Vulnerable to foreign influence
- Rising public discord and unrest
- Disenchantment with government and democracy
87% of Americans say political polarization is threatening our way of life

**ECONOMIC**
- Growing economic disparities
- Anxiety over rapid economic changes in technology, globalization, and the gig economy
- Frustration over lack of upward mobility
- System viewed as “rigged” or “corrupt”

**POLITICAL**
- Politicians incented not to solve problems, due to gerrymandered districts, partisan primaries, etc.
- Increased money in politics skews the system
- Congressional rules encourage partisanship
- Ideological polarization of parties

**SOCIAL & CULTURAL**
- Fragmented and polarized media and social media environment
- Persistent racial, ethnic, and geographic divides
- Rising social isolation and decline of religious and civic institutions
- Declining civility and civil discourse

(Source: AP/NORC)
THE GOOD NEWS
A MOVEMENT IS BLOSSOMING

Efforts devoted to:

Supporting candidates and elected officials who have committed to working in a bipartisan manner to solve problems

Reforming the incentives of our political system, including but not limited to:
- Redistricting reform
- Electoral and primary reform
- Ballot access changes
- Campaign finance reform

Advancing bipartisan economic policies to address the structural trends contributing to economic anxiety

Promoting cultural and societal changes, including:
- More civility in political and public discourse
- Enhanced civic engagement and education
- New or improved media platforms to give voice to the ideologically homeless
A GROUNDSWELL OF EFFORTS

Affinity partners:
ABRAHAM LINCOLN

“
It is not ‘can any of us imagine better?’ but, ‘can we all do better?’

- Annual Message to Congress, December 1, 1862
JOIN FixUS

Sign up by texting FixUS to 33777 or going to www.FixUSNow.org and receive opportunities to:

★ Help identify and learn about our political problems & possible fixes

★ Join discussions about these issues with like-minded Americans (in person event, online, teleconferences)

★ Connect you with organizations and efforts trying to heal our divides

★ Engage your local community on these issues (via letters to the editor, hosting events, and recruiting others to join)
View this and other slide decks at