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# 2019 STATE OF THE DEBT



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**WHAT'S OUR BUDGET  
OUTLOOK?**



# IN 2019...

TOTAL REVENUE

**\$3.5**

**TRILLION**

TOTAL SPENDING

**\$4.4**

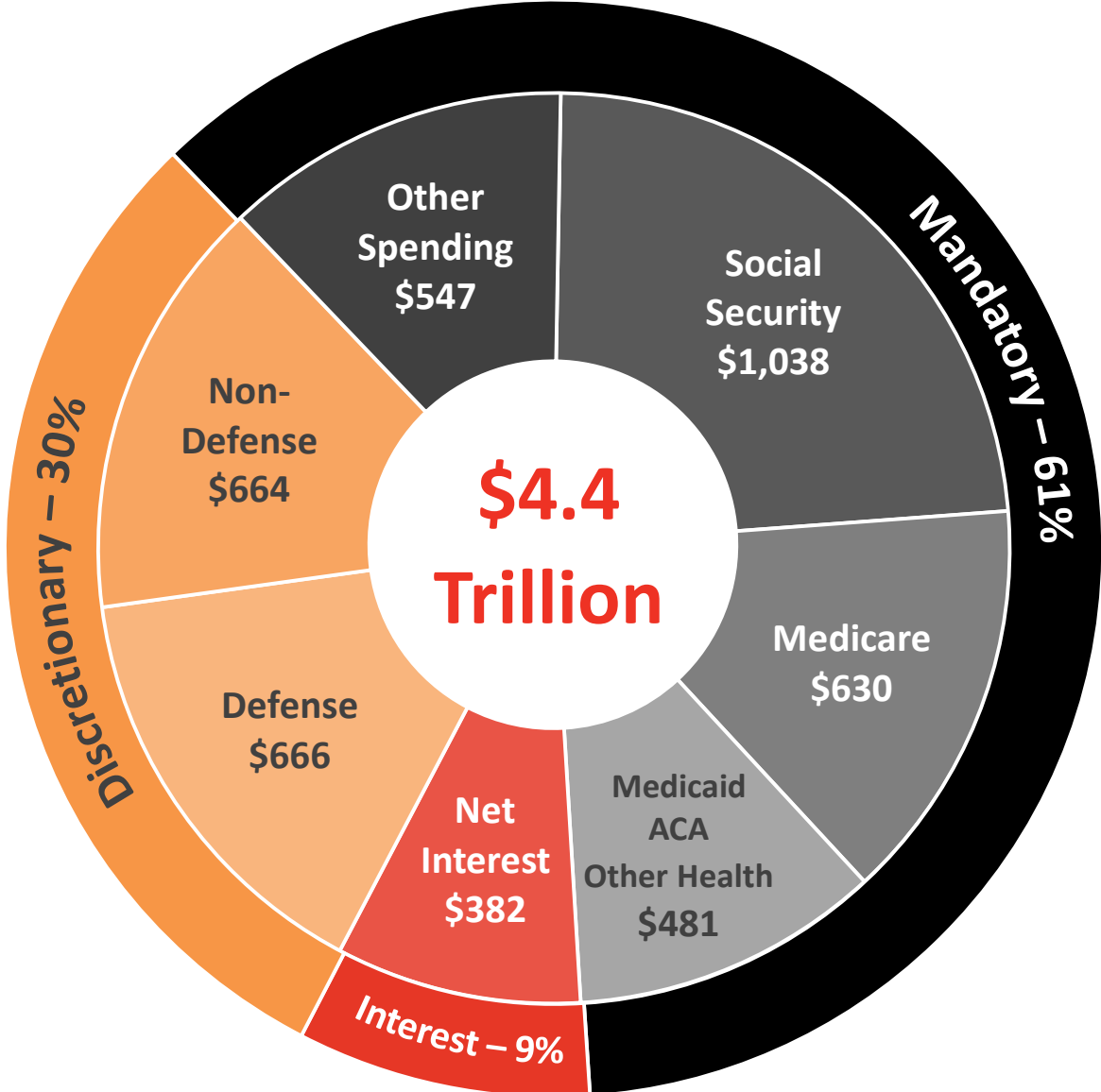
**TRILLION**

(THAT MEANS WE WILL BORROW MORE THAN \$900 BILLION.)

TODAY THE GROSS NATIONAL DEBT IS MORE THAN \$22 TRILLION

# SPENDING IN THE 2019 FEDERAL BUDGET

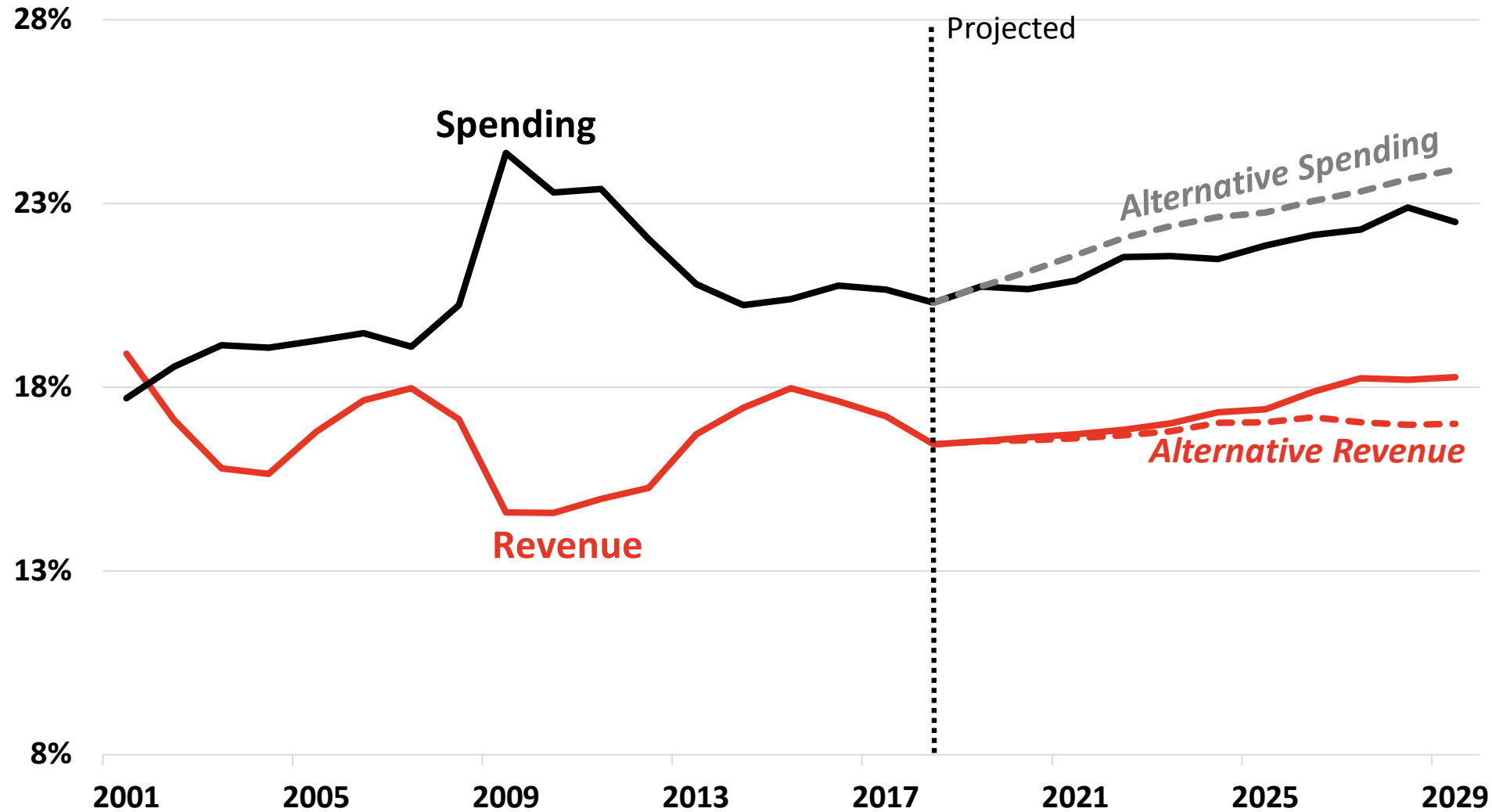
Billions



Source: Congressional Budget Office May 2019 Baseline

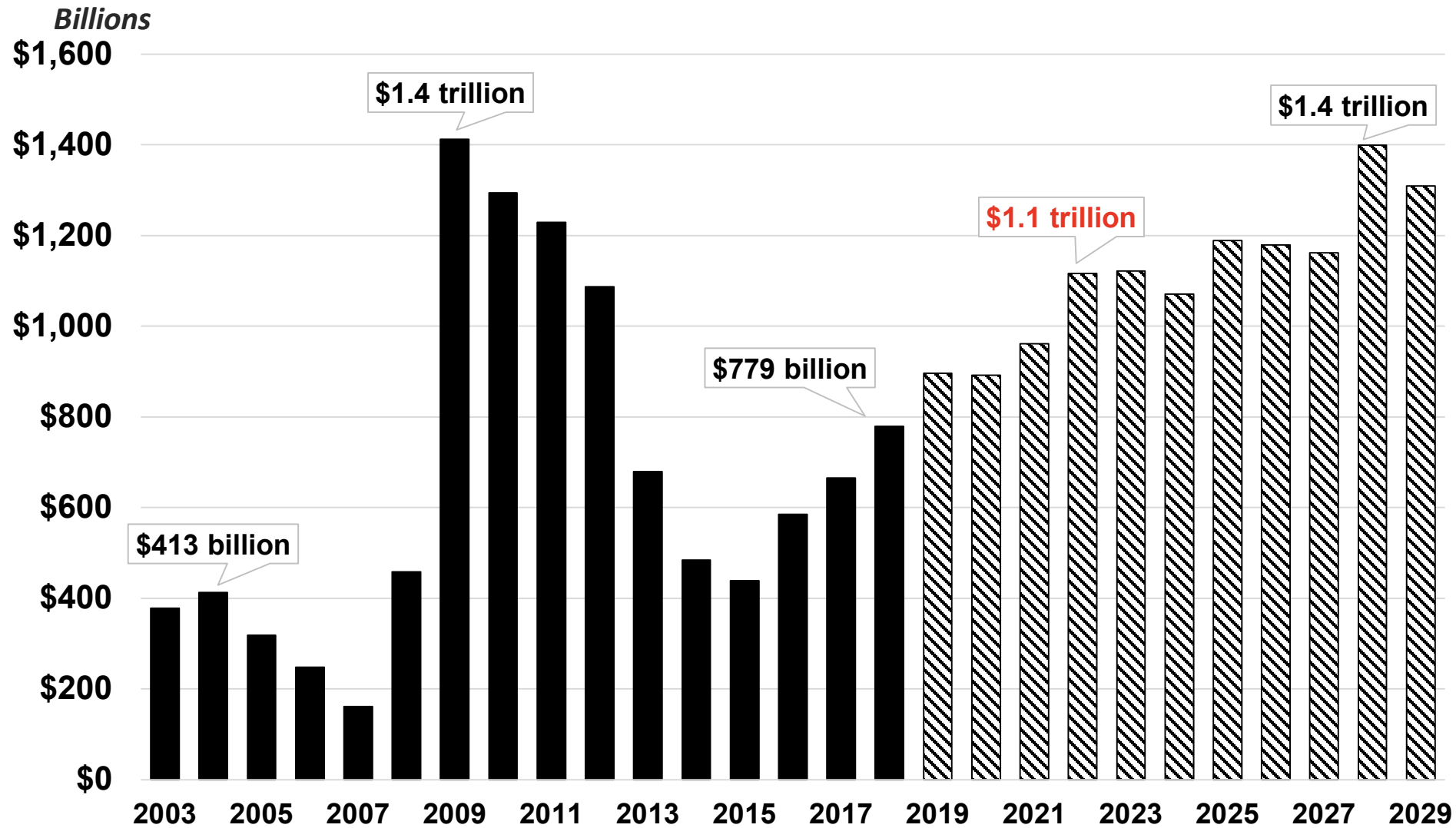
# REVENUE AND SPENDING GAP

Percent of the Economy



Source: Congressional Budget Office May 2019 Baseline

# TRILLION-DOLLAR DEFICITS RETURN BY 2022

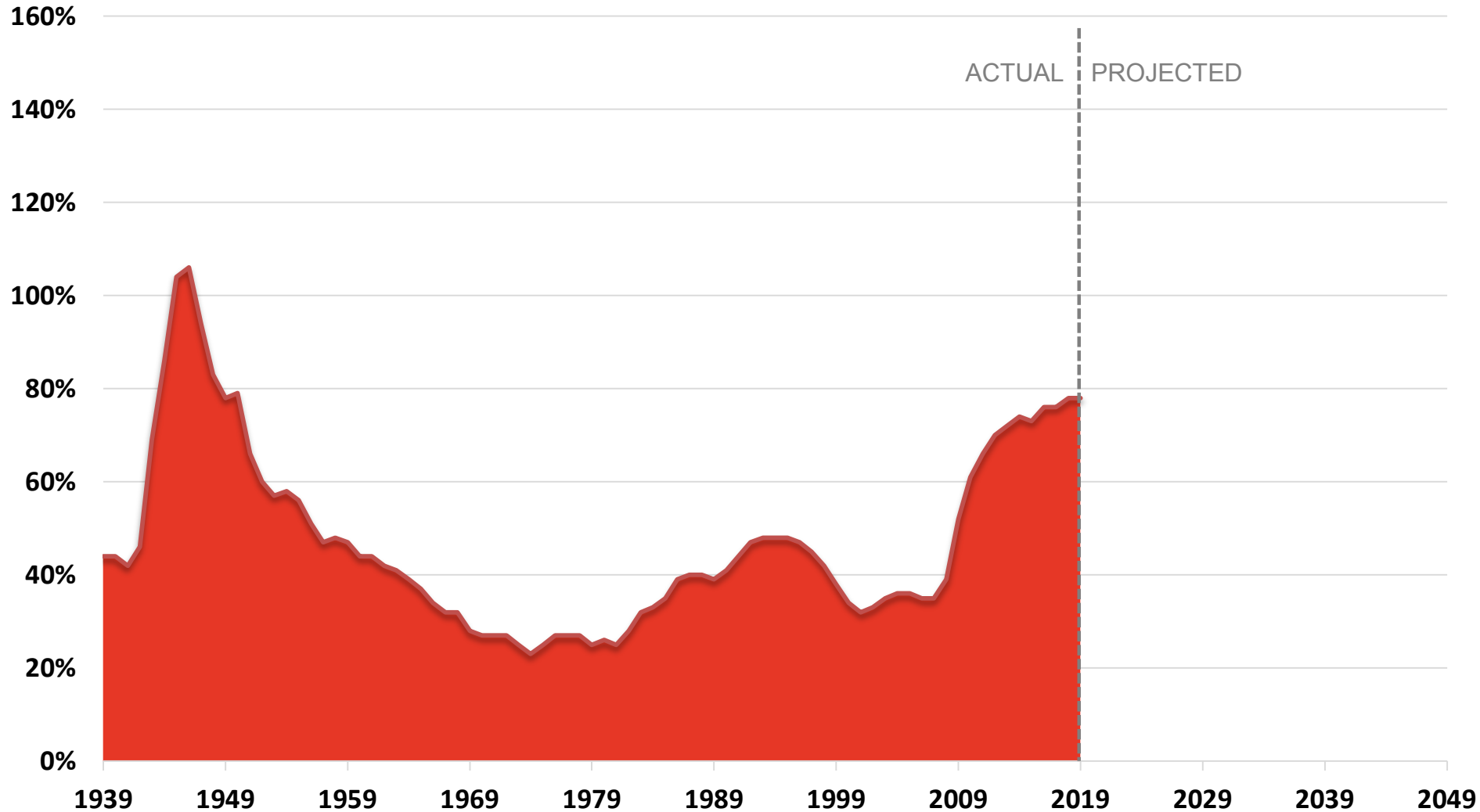


Source: Congressional Budget Office May 2019 Baseline

IN 2019...

# OUR DEBT WILL EQUAL **78%** OF GDP

Percent of the Economy



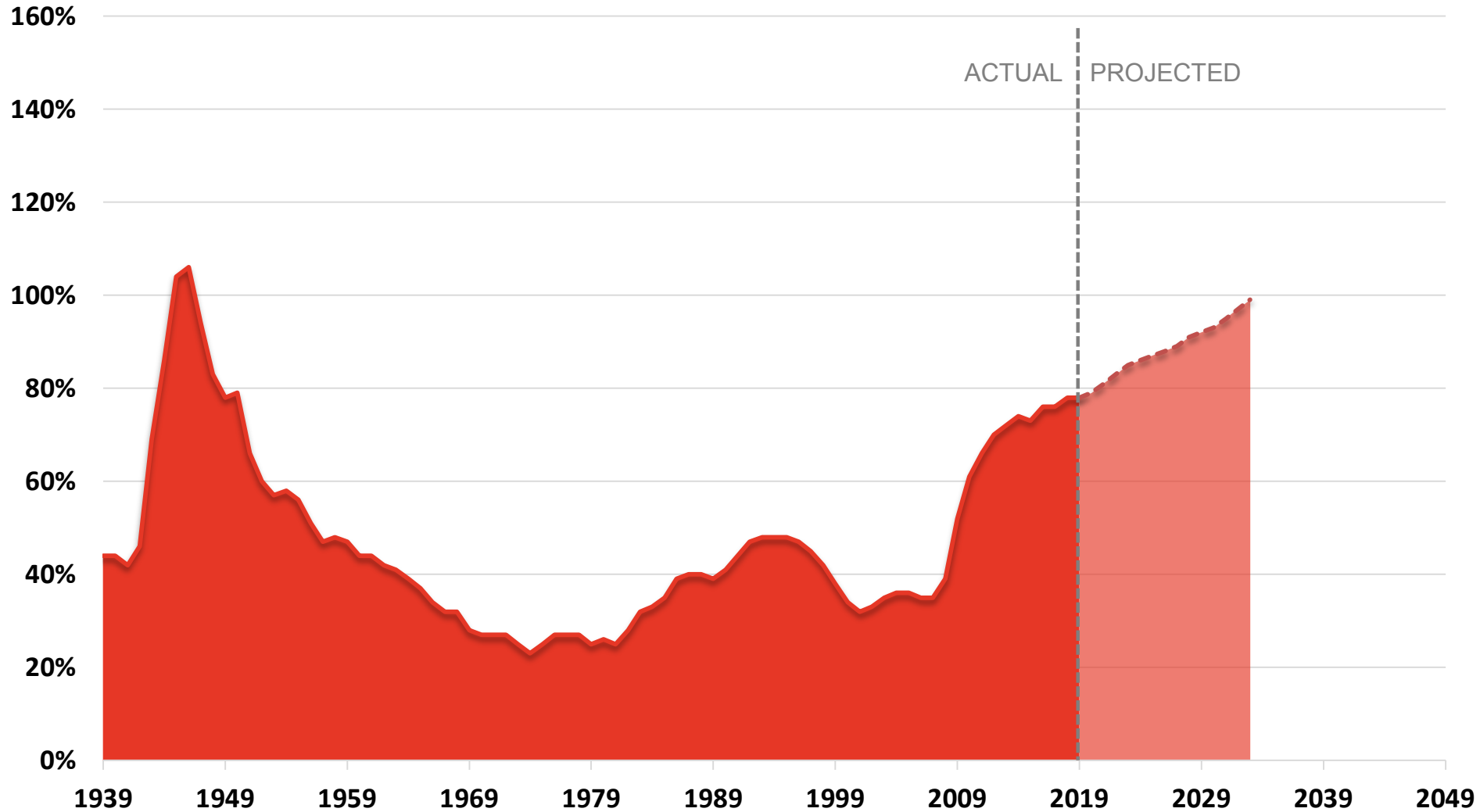
Source: OMB, CBO, CRFB Calculations.



# BY 2034...

# IT WILL RISE TO **101%** OF GDP

Percent of the Economy



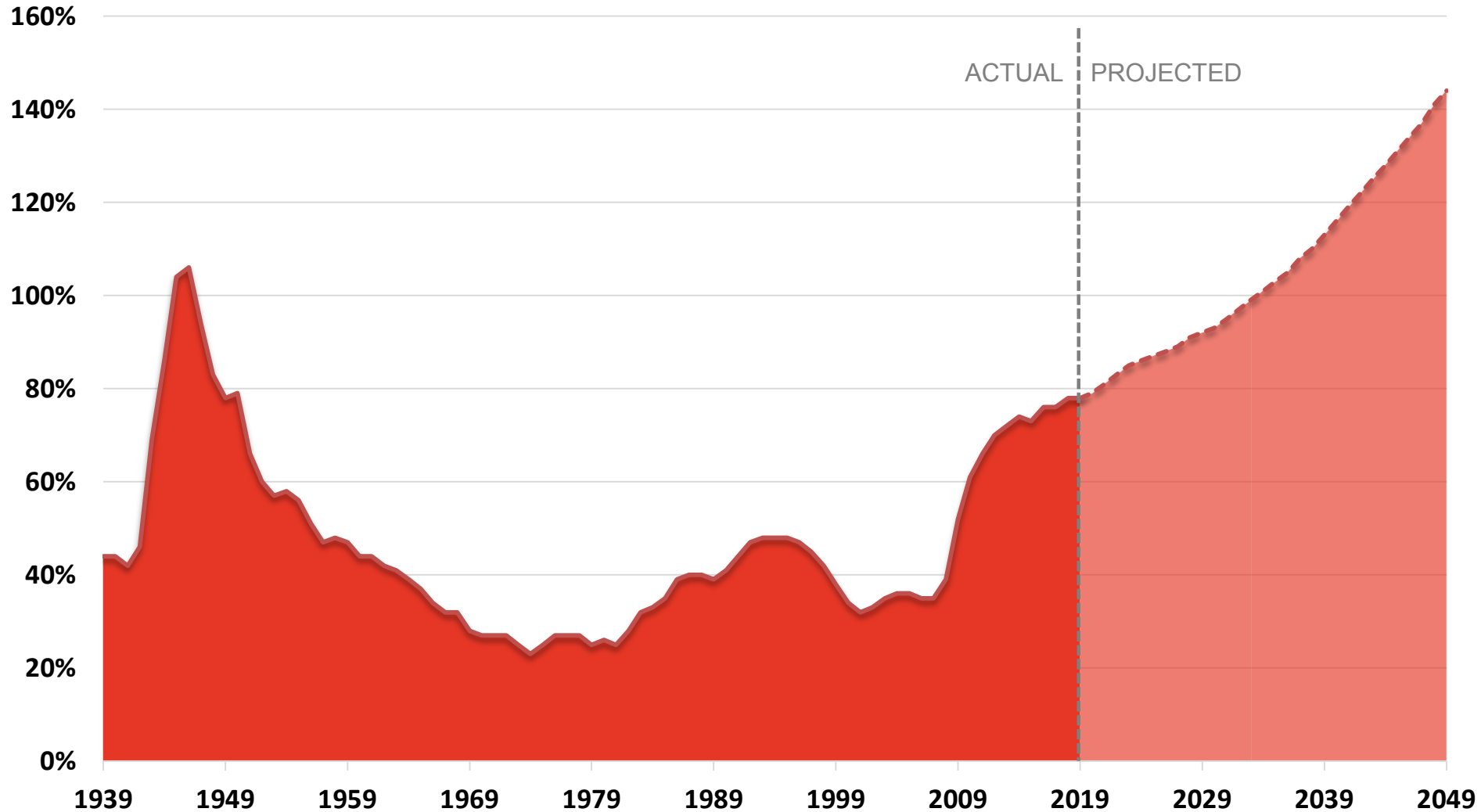
Source: OMB, CBO, CRFB Calculations.



# AFTER 2034...

# IT WILL **CONTINUE** RISING

Percent of the Economy



Source: OMB, CBO, CRFB Calculations.

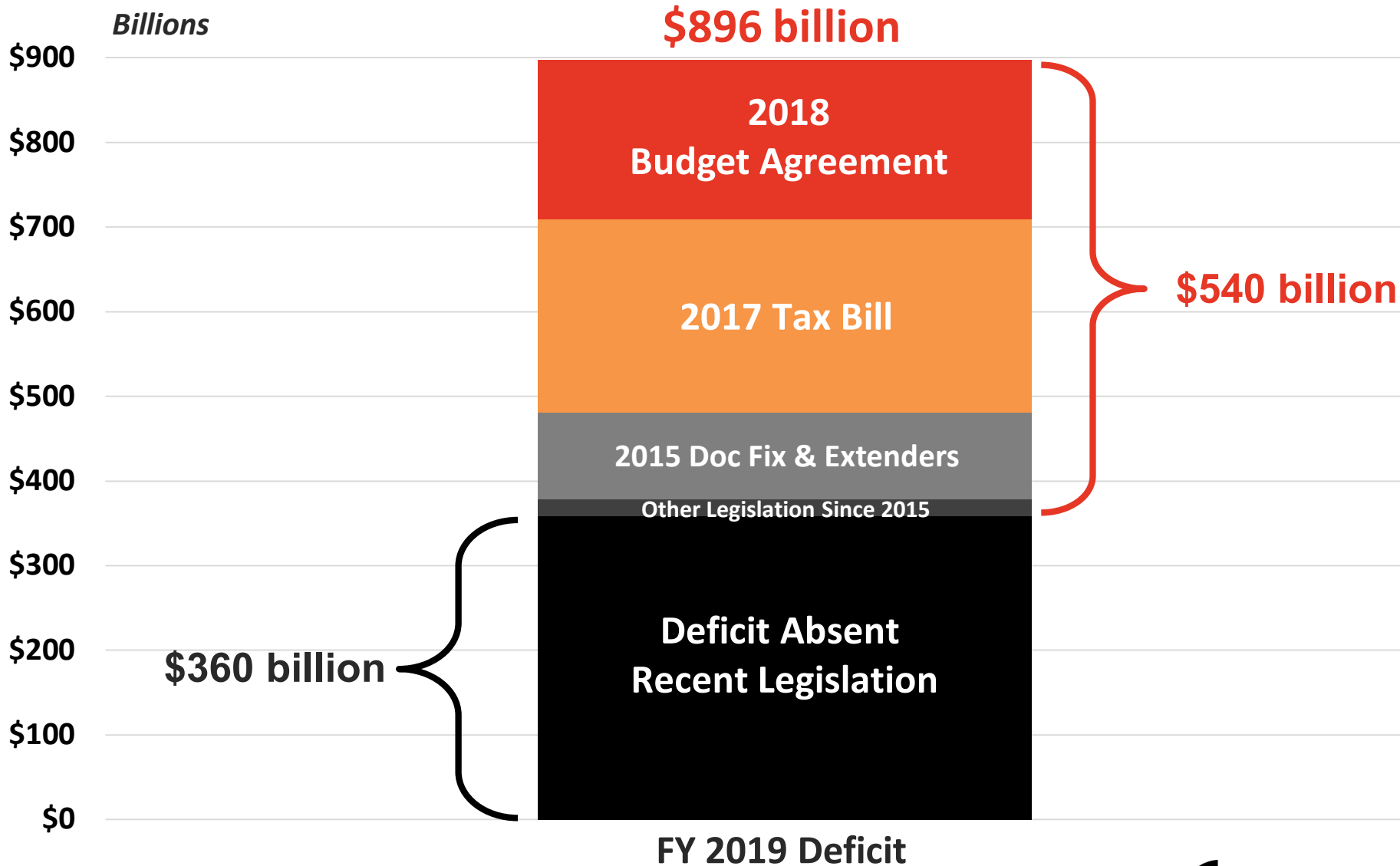


WHAT IS DRIVING

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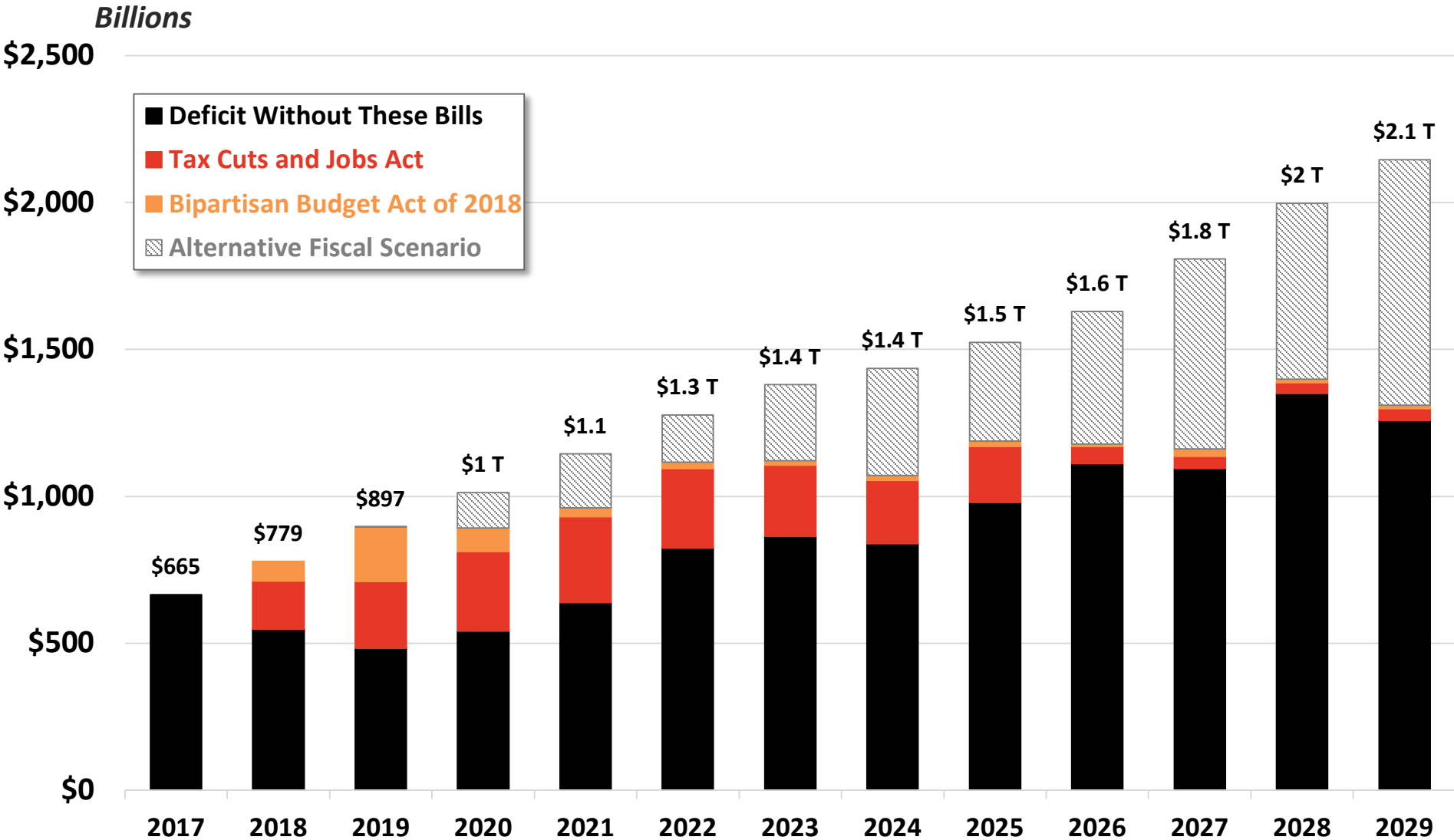
**OUR DEBT PROBLEMS?**

# 60% OF THIS YEAR'S PROJECTED DEFICIT IS DUE TO RECENT LEGISLATION



Source: CRFB calculations based on Congressional Budget Office data.

# DEFICITS COULD GET WORSE



Source: CRFB calculations based on Congressional Budget Office data.



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## WHAT WILL CAUSE OUR FUTURE DEBT TO RISE?

- AN AGING POPULATION
- GROWING HEALTH CARE COSTS
- RISING INTEREST COSTS
- INSUFFICIENT REVENUE

# A

# THE POPULATION IS AGING

1950 

(16:1)



1960 

(5:1)



2012 

(3:1)



2035 

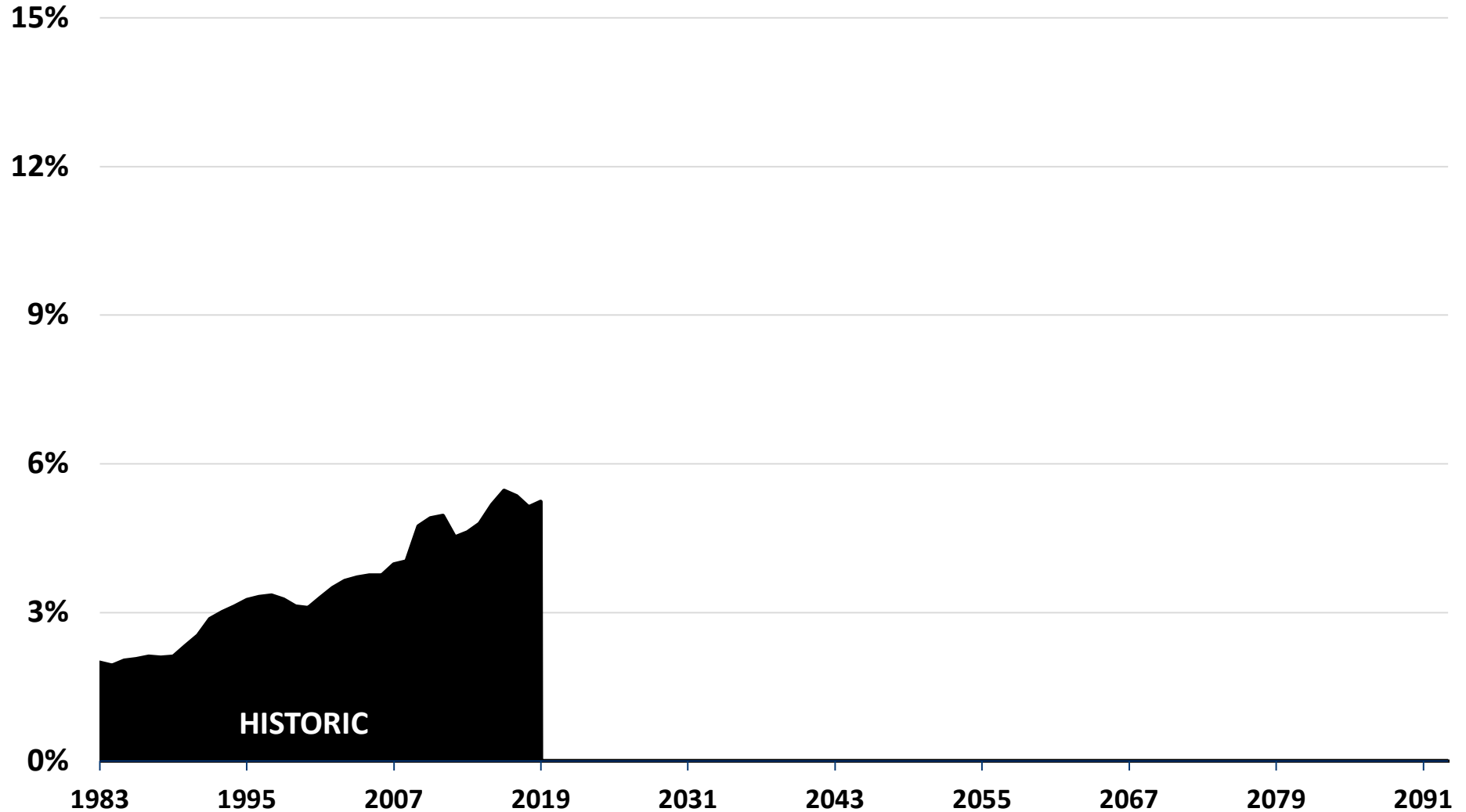
(2:1)



>> THE NUMBER OF WORKERS PER SOCIAL SECURITY RETIREE IS FALLING.

# HEALTH CARE COSTS ARE GROWING

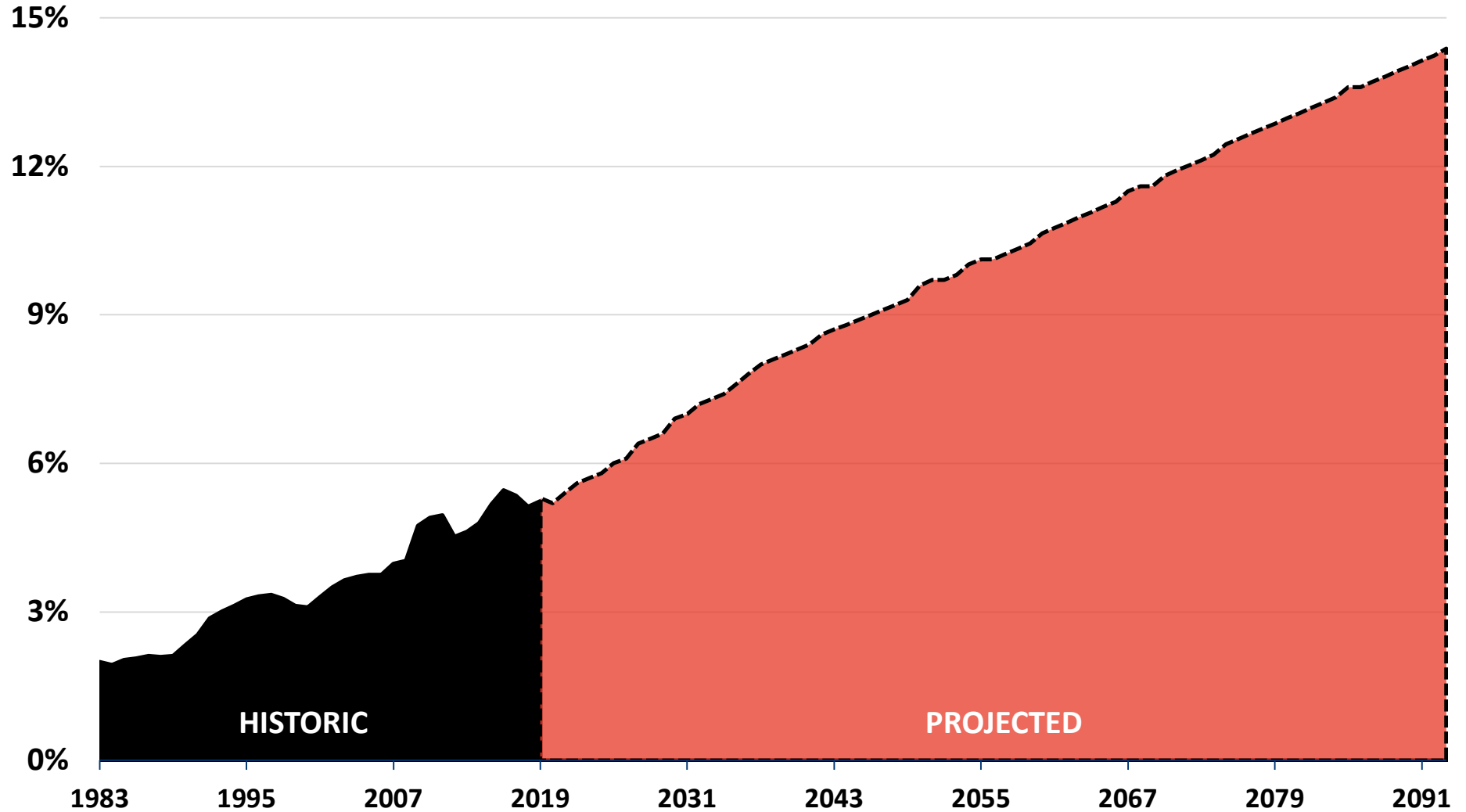
Percent of the Economy



Source: CRFB Calculations based on Congressional Budget Office data, January 2019.

# HEALTH CARE COSTS ARE GROWING

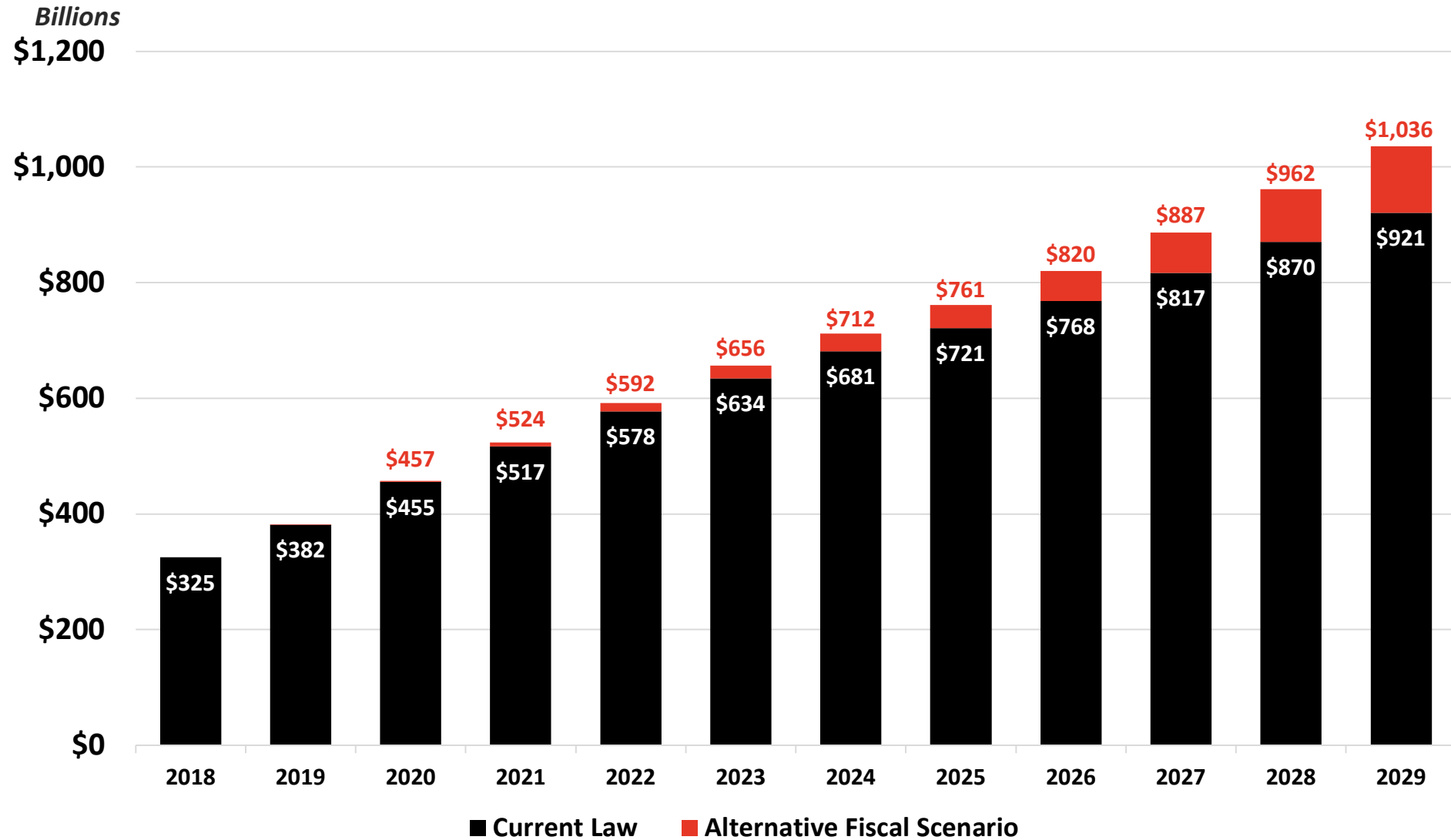
Percent of the Economy



Source: CRFB calculations based on CBO data



# INTEREST SPENDING COULD TOP **\$1 TRILLION**

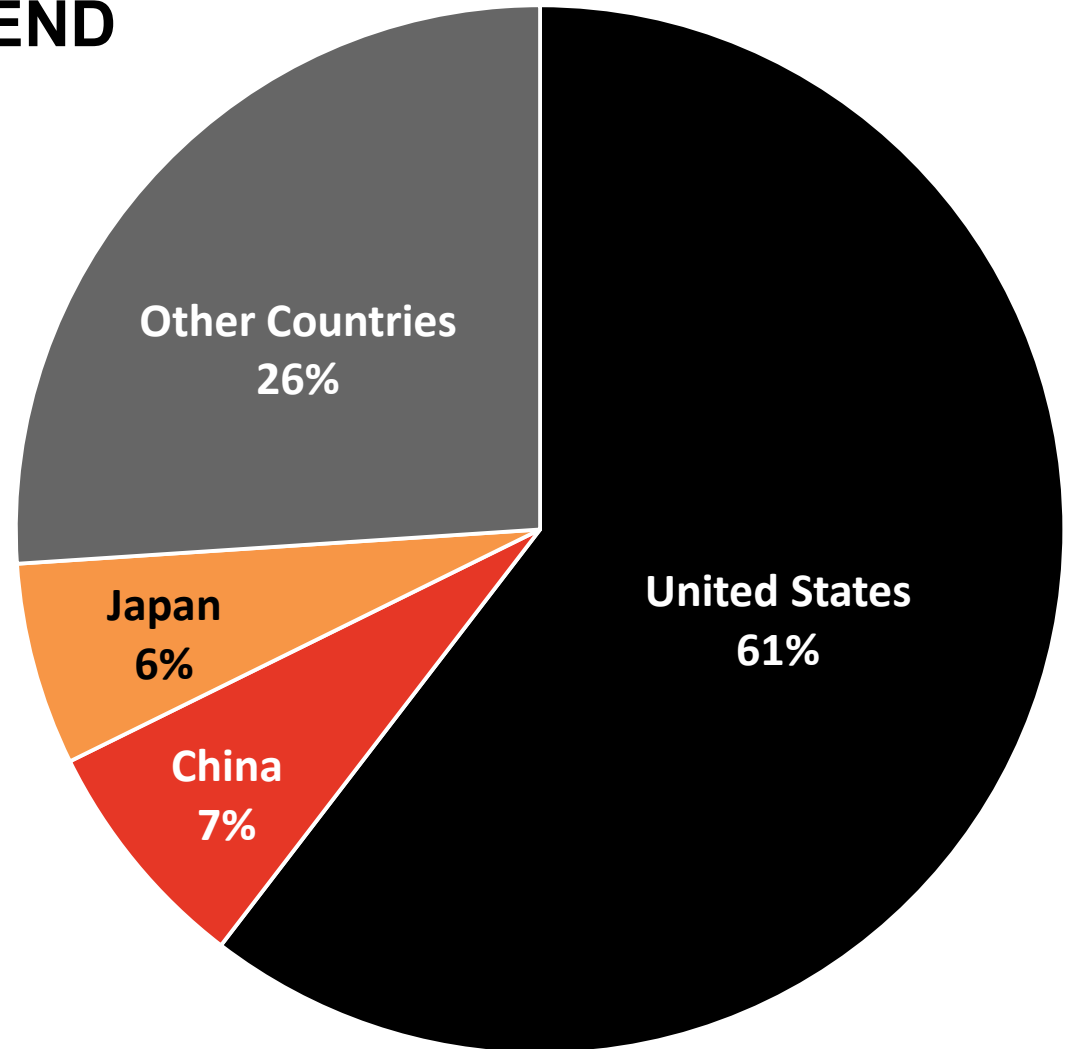


Source: CRFB calculations based on Congressional Budget Office May 2019 Baseline.

# TWO-FIFTHS OF INTEREST GOES OVERSEAS

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

MORE THAN  
**HALF** OF OUR  
DEBT IS OWNED  
BY AMERICANS.

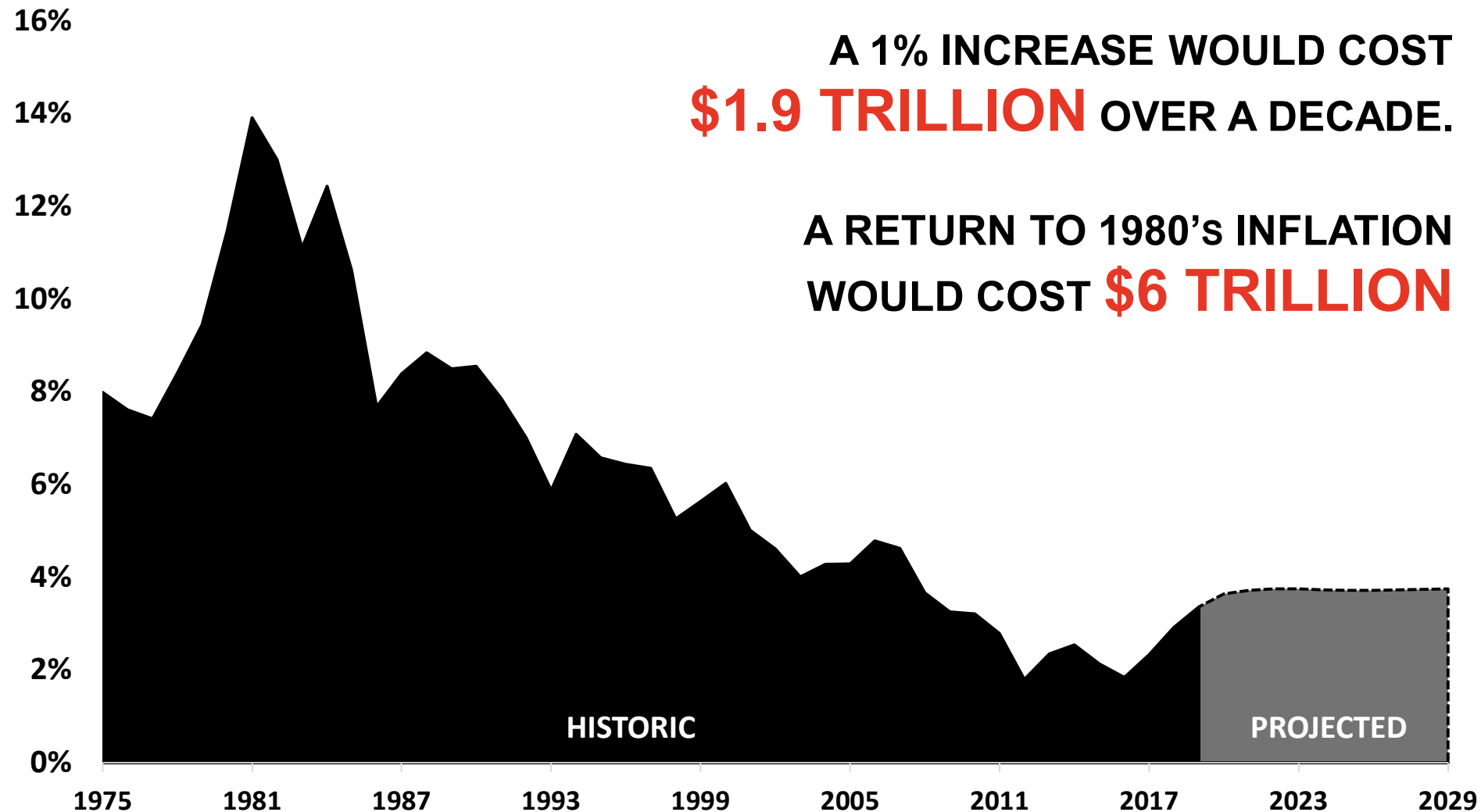


# INTEREST RATES ARE LOW

Percent Yield on 10-Year Treasury Bond

A 1% INCREASE WOULD COST  
**\$1.9 TRILLION** OVER A DECADE.

A RETURN TO 1980's INFLATION  
WOULD COST **\$6 TRILLION**

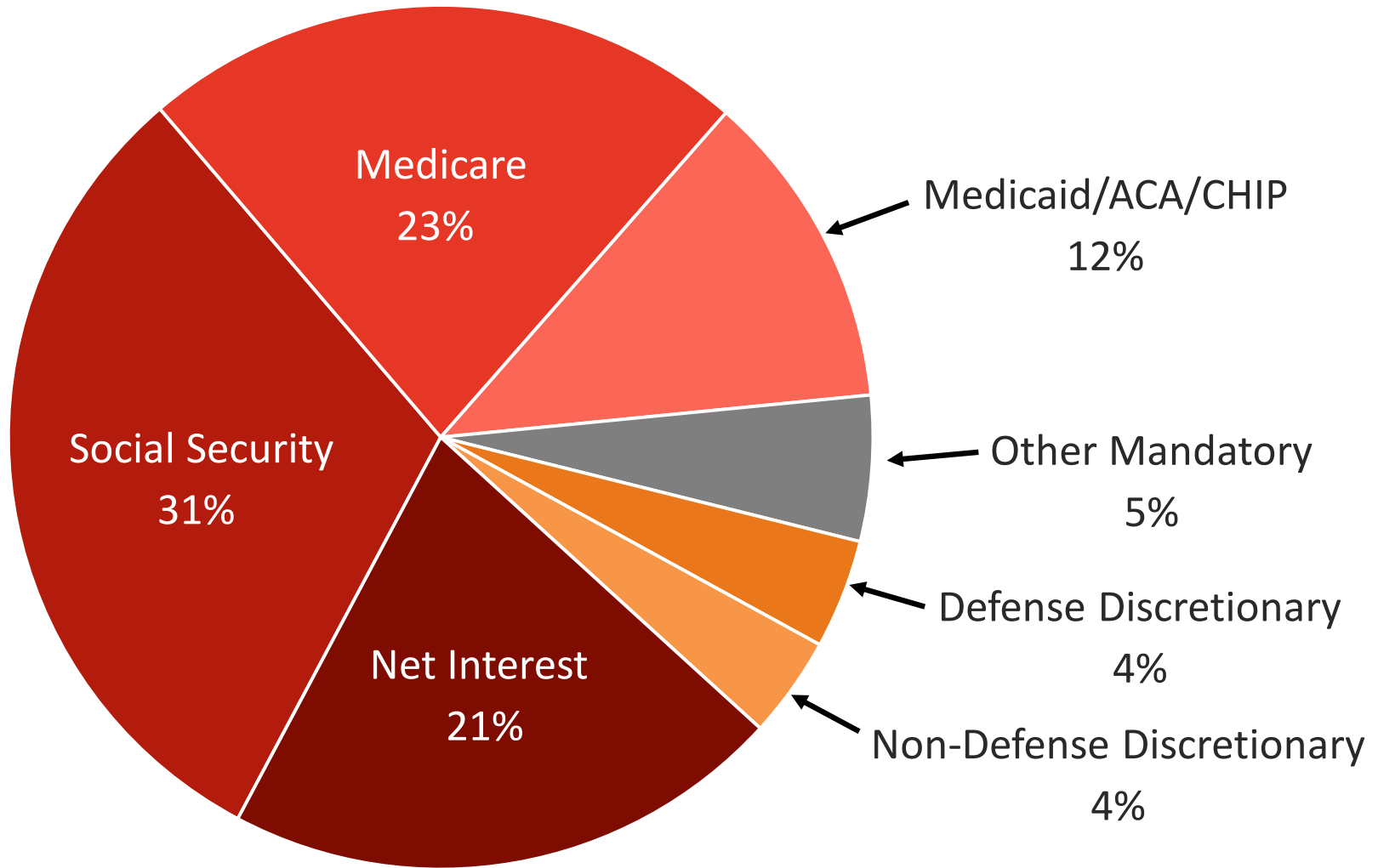


HISTORIC

PROJECTED



# SOCIAL SECURITY, HEALTH CARE, AND INTEREST EXPLAIN **87%** OF SPENDING GROWTH



## 2019-2029 Spending Growth

*Source: CRFB calculations based on Congressional Budget Office data  
Numbers may not add due to rounding.*



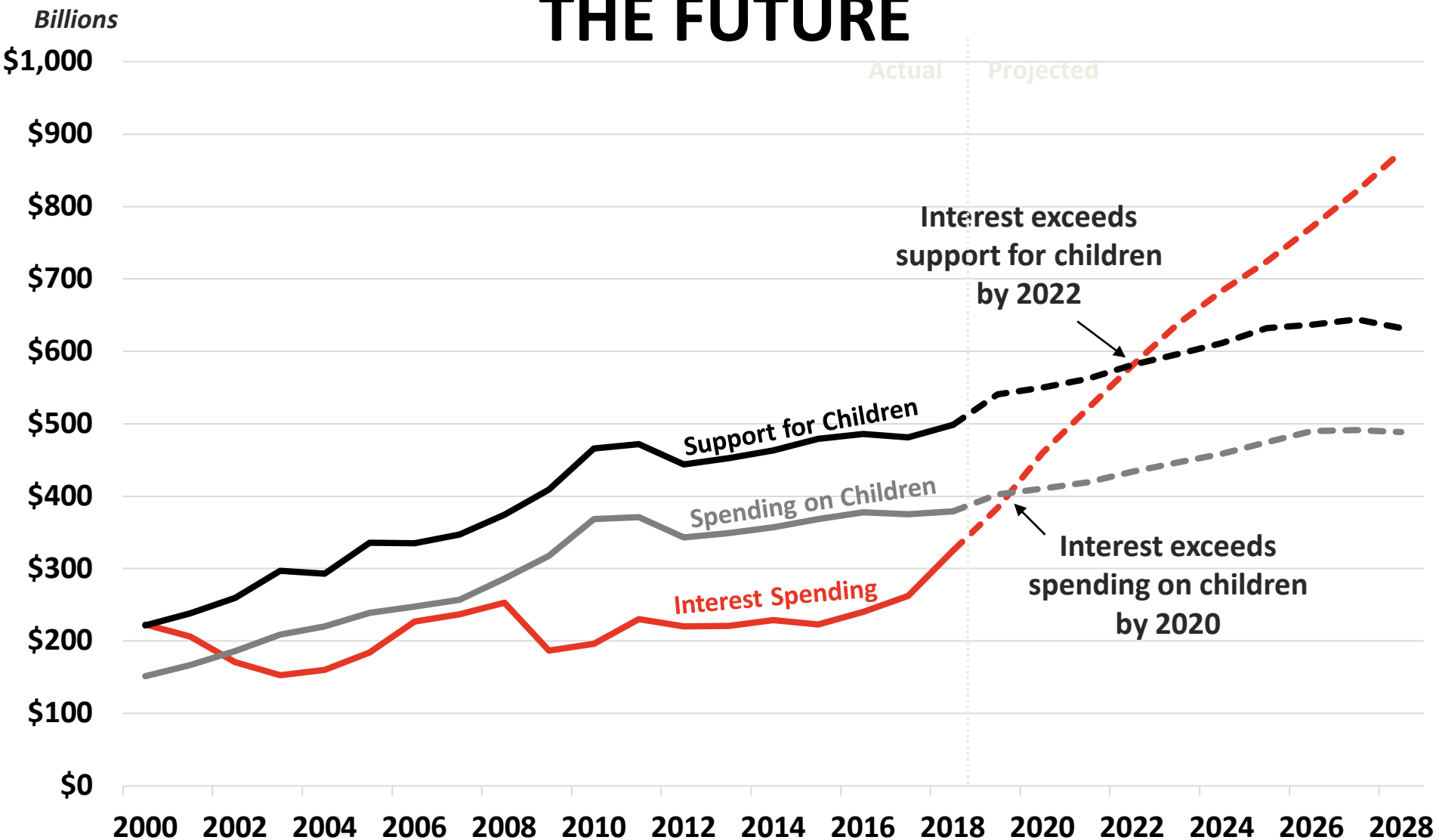
# Q

## WHAT ARE THE CONSEQUENCES OF NOT TAKING ACTION?

- **SLOWER WAGE GROWTH**
- **DECREASED BUDGET FLEXIBILITY**
- **UNPREPARED FOR A FUTURE WAR OR RECESSION**
- **HIGHER EXPOSURE TO CHANGES IN INTEREST RATES**
- **INCREASED RISK OF A FISCAL CRISIS**
- **DECREASED PRIVATE SECTOR INVESTMENTS**
- **INCREASED LIKELIHOOD OF ENTITLEMENT INSOLVENCY**

# A

# SOON WE'LL SPEND MORE ON THE PAST THAN THE FUTURE



Sources: Congressional Budget Office, Urban Institute, CRFB calculations. "Support" is spending plus tax expenditures going towards children.

# A FRAMEWORK FOR FIXING THE DEBT

- **STOP DIGGING** THE HOLE DEEPER
- **FIX** THE TAX BILL
- **DETERMINE** THE RIGHT SIZE FOR DEFENSE & NON-DEFENSE SPENDING
- **MAKE** SOCIAL SECURITY SOLVENT
- **SLOW** HEALTH CARE COST GROWTH
- **CUT** OTHER SPENDING WHERE POSSIBLE
- **RAISE** MORE REVENUE
- **GROW** THE ECONOMY



# THE LONGER WE WAIT...

...THE **OLDER** OUR POPULATION GETS

...THE **HIGHER** DEBT WILL RISE

...THE **LESS TIME** WE HAVE TO PHASE IN CHANGES

...THE **SLOWER** OUR ECONOMY WILL GROW

...AND THE **FEWER** TOOLS WE WILL HAVE TO FIX IT





# THE DEBT IS A SYMPTOM OF A BROKEN SYSTEM...

...**AVOIDS** TOUGH CHOICES

...CANNOT ACHIEVE **COMPROMISE**

...FOCUSES ON **SHORT TERM** VS LONG TERM

...REWARDS **PARTISANSHIP** OVER PROGRESS

# **We must Come Together to Fix the Debt**

## *We Want Your Input*

- **What will it take for Washington to rebuild trust from the American people?**
- **What is driving our partisan divide, and what will it take to fix it?**
- **How can we make progress on the Debt?**

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WHAT CAN YOU DO?

GET INVOLVED AND ASK  
YOUR REPRESENTATIVE &  
CANDIDATES TO **MAKE THE**  
**DEBT A TOP ISSUE.**

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## **HOW CAN YOU MAKE A DIFFERENCE?**

- **USE SOCIAL MEDIA – TELL FRIENDS AND COLLEAGUES ABOUT THE PROBLEM.**
- **WRITE AN OP-ED OR LETTER TO THE EDITOR**
- **HOST AN EVENT**
- **FIND OUT HOW YOU CAN HELP GIVE THIS PRESENTATION BY CONTACTING US.**

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## HOW CAN YOU JOIN OUR EFFORTS?

- TEXT FIX to 345345
- EMAIL [info@FixTheDebt.org](mailto:info@FixTheDebt.org) WITH THE SUBJECT “JOIN”
- USE THE SIGN IN SHEET TO BE ADDED TO OUR LIST
- GO TO [www.FixTheDebt.org](http://www.FixTheDebt.org) AND SIGN UP

# A

# ABOUT THE CAMPAIGN TO FIX THE DEBT

The Campaign to Fix the Debt Fix is a nonpartisan organization focused on educating the country about the need for fiscal reforms and supporting a grand bargain to put the debt on a sustainable path.

The campaign includes leaders from every sector, former elected and appointed local, state and federal officials, and visionary political, community and business leaders.

Fix the Debt has an important engagement role, convening groups of committed individuals at the state and local level who – individually and collectively – can influence elected officials, candidates for public office and federal policies.



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**Join** [www.fixthedebt.org](http://www.fixthedebt.org)

