
Welcome Remarks: 2016 Fiscal Summit

Pete Peterson

OPENING THE Foundation’s seventh-annual Fiscal Summit, Founder and Chairman Pete Peterson drew attention to the nation’s long-term fiscal outlook, which remains on an unprecedented and dangerously unsustainable path. Peterson noted that America faces a long-term mismatch between spending and revenues, yet too many policymakers have an “obsessive focus on the short term.”

With our national debt projected to rise to “unthinkable” levels in coming decades, Peterson argued for a comprehensive plan to address our long-term fiscal challenges. Absent such a plan, he said, we risk America’s economic future and the opportunities available to the next generation of Americans.

Since establishing the nonpartisan Foundation in 2008, Peterson has led its work to raise awareness of America’s long-term fiscal challenges, and to find solutions to help build a growing, thriving economy.

Over the past seven years, the Fiscal Summit has become the premier annual gathering focused on addressing our nation’s long-term debt and economic future. Since debuting in 2010, the Fiscal Summit has convened respected voices from across the political spectrum, and has been a key part of the Foundation’s work to build consensus and support for putting America on a sustainable long-term fiscal path.



Pete Peterson
*Founder and Chairman,
Peter G. Peterson Foundation*



Opening Remarks: Leadership for a Secure Future

Michael A. Peterson

FOUNDATION PRESIDENT and CEO Michael A. Peterson outlined the day's theme, setting the stage for a discussion of the Summit, titled "Leadership for a Secure Future." Peterson highlighted the fact that security for Americans means many things, including fiscal security, economic security, and national security. "The truth is," he said, "a stable fiscal foundation is essential to all of these things," because a growing, thriving economy and strong, smart national defense rely upon a sustainable budget outlook.

Assessing our fiscal condition, Peterson noted that while deficits are down from the highs of the Great Recession (\$1.4 trillion in 2009), they are beginning to rise. "This year, unfortunately, we're at a turning point, because the era of shrinking deficits has now come to an end," he said, adding that by 2022, America is projected to be "back to trillion dollar-plus deficits once again."

Peterson emphasized, however, that the real threat to our future lies in the decades ahead, as our nation's debt is projected to reach 131 percent of GDP in 25 years under current law, or 175 percent under less optimistic assumptions. Peterson called these levels unsustainable and dangerous.

Putting the discussion in the context of an election year, Peterson noted that if the next president were to serve two terms, by the end of his or her second term, "interest expense would be the third-largest program in the federal budget."

This growing interest, Peterson argued, takes a toll on economic growth. Rising interest costs, he said, threaten to "crowd out investments like education, research and development, and infrastructure," which hurts our competitiveness. Moreover, growing debt also takes capital away from private investments, hurts confidence in the economy, and risks the essential safety net.

Looking globally, Peterson cautioned that rising debt has the potential to diminish our leadership role in the world. "Unchecked, our growing debt would damage our economic leadership, military posture, and strength as a nation," he said, emphasizing the strong connection between our fiscal health and our national security.

Peterson closed on an optimistic note, saying while these challenges are serious, many solutions exist to put our country on a more sustainable fiscal path—thereby ensuring a more secure future for all Americans.

Michael A. Peterson
*President and Chief Executive Officer,
Peter G. Peterson Foundation*

