

FISCAL IN



WITH THE 2018 MIDTERM ELECTIONS APPROACHING, THE NATION'S FISCAL CHALLENGES
REMAIN A CRITICAL ISSUE FOR AMERICA'S FUTURE.

FEDERAL DEBT IS ON AN UNSUSTAINABLE PATH

DEBT HELD BY THE PUBLIC (% OF GDP)



\$21 TRILLION AND RISING.

Gross national debt exceeds \$21,000,000,000,000. As a percentage of the economy, debt held by the public is at its highest level since 1950, and it's growing rapidly.

THE NATIONAL DEBT IS A BIPARTISAN PRIORITY FOR VOTERS.

Nearly three-quarters of voters (71%) agree that the national debt should be a top-three priority for the country, including 69 percent of Democrats, 68 percent of Independents and 79 percent of Republicans.

THE RETURN OF TRILLION DOLLAR

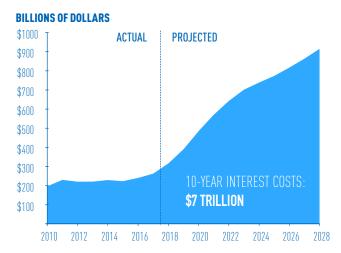
DEFICITS. As early as next year, the annual deficit could exceed \$1 trillion and continue rising higher, with no end in sight. In fact, over the next ten years, the U.S. is on pace to borrow \$12.4 trillion.

INTEREST COSTS SKYROCKETING.

Interest costs are the fastest growing part of the federal budget, projected to increase from \$315 billion in 2018 to \$914 billion by 2028. Over the next decade interest costs will total nearly \$7 trillion, rising to become the third largest "program" in the federal budget.

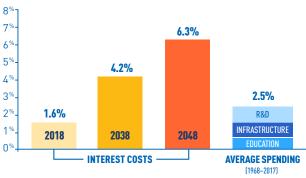
INTEREST COSTS

ARE PROJECTED TO RISE SHARPLY



CROYD OUT PRIORITIES AMERICANS CARE ABOUT

FEDERAL SPENDING (% OF GDP)



PAYING FOR OUR PAST, NOT INVESTING IN THE FUTURE.

Higher interest costs threaten to crowd out investments in areas that are important to America's economic future, including education, infrastructure and R&D. Debt also reduces the amount of private capital for investments, which reduces growth and wages.

LESS FLEXIBILITY TO RESPOND TO

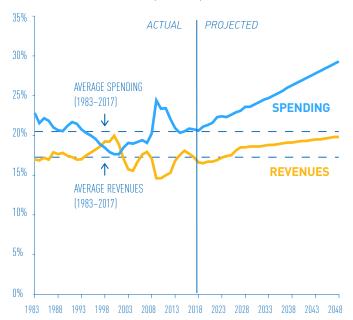
CRISES. Dangerously high debt not only makes a fiscal crisis more likely, it leaves policymakers with much less flexibility to deal with unexpected events, such as a significant recession, wars or natural disasters.

RISING DEBT = LOWER INCOMES.

America's growing debt will translate into lower incomes. A 4-person family, on average, would see their income reduced by \$16,000 in 30 years if we do not improve our fiscal outlook. Stagnating wages and disparities in income and wealth are concerning trends. The federal government should not allow budget imbalances to harm Americans.



FEDERAL REVENUES & SPENDING (% OF GDP)



PROTECTING THE SAFETY NET.

Our unsustainable fiscal path threatens important safety net programs like Social Security, Medicare, and Medicaid. If our government does not have sufficient resources, these essential programs, and those who need them most, could be put in jeopardy.

A SOLID FISCAL FOUNDATION LEADS TO ECONOMIC GROWTH AND

PROSPERITY. Putting our nation on a sustainable fiscal path creates a positive environment for growth, opportunity, and prosperity. With a strong fiscal foundation, the nation will have increased access to capital, more resources for private and public investments, improved consumer and business confidence, and a stronger safety net.

MANY SOLUTIONS EXIST! The good news is that there are plenty of solutions to choose from. Policy organizations from across the political spectrum have developed specific proposals that successfully stabilize debt as a share of the economy over the long term.

THE SOONER WE ACT, THE EASIER THE PATH. It makes sense to get started soon. According to CBO, we would need annual spending cuts or revenue increases (or both) totaling 1.9 percent of GDP in order to stabilize our debt. If we wait five years, that amount grows by 21 percent. If we wait ten years, it grows by 53 percent. Like any debt problem, the sooner you start to address it, the easier it is to solve.

The 2018 election is an important opportunity for voters and candidates to talk about America's fiscal and economic future. Learn more at pgpf.org.

