AS CONGRESS AND A NEW ADMINISTRATION EXPLORE MAJOR REFORMS, THE NATIONAL DEBT IS THE ONE ISSUE THAT AFFECTS ALL OTHERS.

At $19 trillion and growing, the national debt threatens our economy and weakens our ability to address our most important budget priorities. The debt is already at its highest level since 1950 and in just over a decade, interest on the national debt will be our third largest federal “program.” America’s rising debt must be a central part of the 2017 policy discussion, because addressing it is essential for us to meet the most pressing challenges of a changing economy.

**ECONOMIC GROWTH**

“Large and growing federal debt ... would hurt the economy and constrain future budget policy.”

—CONGRESSIONAL BUDGET OFFICE

GROWING FEDERAL DEBT HAS A DIRECT IMPACT ON FAMILY INCOMES. INCOME LOSS FOR A 4-PERSON FAMILY, ON AVERAGE (2017 DOLLARS)

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$2,000</td>
<td>$8,000</td>
</tr>
<tr>
<td>2017</td>
<td>$8,000</td>
<td>$16,000</td>
</tr>
</tbody>
</table>

**HEALTHCARE**

Healthcare is the major driver of projected growth in spending over the long-term.

**SOCIAL SECURITY**

The Social Security trust funds will be depleted by 2034.

SOCIAL SECURITY SURPLUSES/DEFICITS (% OF GDP)

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Projected</th>
<th>Total Deficit</th>
<th>Trust Fund Depleted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td></td>
<td></td>
<td>2.8 TRILLION</td>
<td></td>
</tr>
</tbody>
</table>

**TAX REFORM**

GOALS: Promote economic growth Reduce complexity Increase transparency and fairness Improve our fiscal outlook

Many economists recommend eliminating some or all tax expenditures — or tax breaks — which total more than we spend on Social Security, Defense, or Medicare.

**INVESTMENTS IN OUR FUTURE**

The interest on our debt is crowding out key investments in our economy—such as spending on education, R&D, and infrastructure.

**EDUCATION, R&D, & INFRASTRUCTURE**

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Spending</th>
<th>Interest Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-2015</td>
<td>2.6%</td>
<td>1.4%</td>
</tr>
<tr>
<td>2027</td>
<td>4.0%</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

**NATIONAL SECURITY**

“The single biggest threat to our national security is our debt.”

—ADMIRAL MIKE MULLEN, FORMER CHAIRMAN OF THE JOINT CHIEFS OF STAFF

“Our national security is fundamentally linked to the fiscal sustainability of our federal budget.”

—THE COALITION FOR FISCAL AND NATIONAL SECURITY "STRENGTH AT HOME AND ABROAD,” 2016

**GOALS:**

- Promote economic growth
- Reduce complexity
- Increase transparency and fairness
- Improve our fiscal outlook

**BUDGETARY COST IN 2015 (BILLIONS OF DOLLARS)**

- **All Tax Expenditures**: $1.5 TRILLION
- **Social Security**: $882 BILLION
- **Defense**: $583 BILLION
- **Medicare**: $540 BILLION

**FACTS:**

- **Federal Spending (% of GDP):**
  - 2027: 2.6%
  - 2037: 4.0%
  - 2047: 6.2%

**SOCIAL SECURITY SURPLUSES/DEFICITS (% OF GDP)**

- **Actual**: 2.8 TRILLION
- **Projected**: 2.8 TRILLION
- **Trust Fund Depleted**: 2034

**GOVERNMENT SPENDING (% OF GDP)**

- **Social Security**: $882 BILLION
- **Medicare**: $540 BILLION
- **Defense**: $583 BILLION

**FEDERAL EXPENDITURES (% OF GDP)**

- **All Tax Expenditures**: $1.5 TRILLION
- **Social Security**: $882 BILLION
- **Defense**: $583 BILLION
- **Medicare**: $540 BILLION

**THE GOOD NEWS IS THAT THERE ARE MANY SOLUTIONS. TO LEARN MORE, VISIT PGPF.ORG**