FISCAL SUMMIT 2019

BUILDING AMERICA'S FUTURE

PRESENTED BY THE PETER G. PETERSON FOUNDATION

CHARTS

JUNE 11, 2019

WASHINGTON, D.C.

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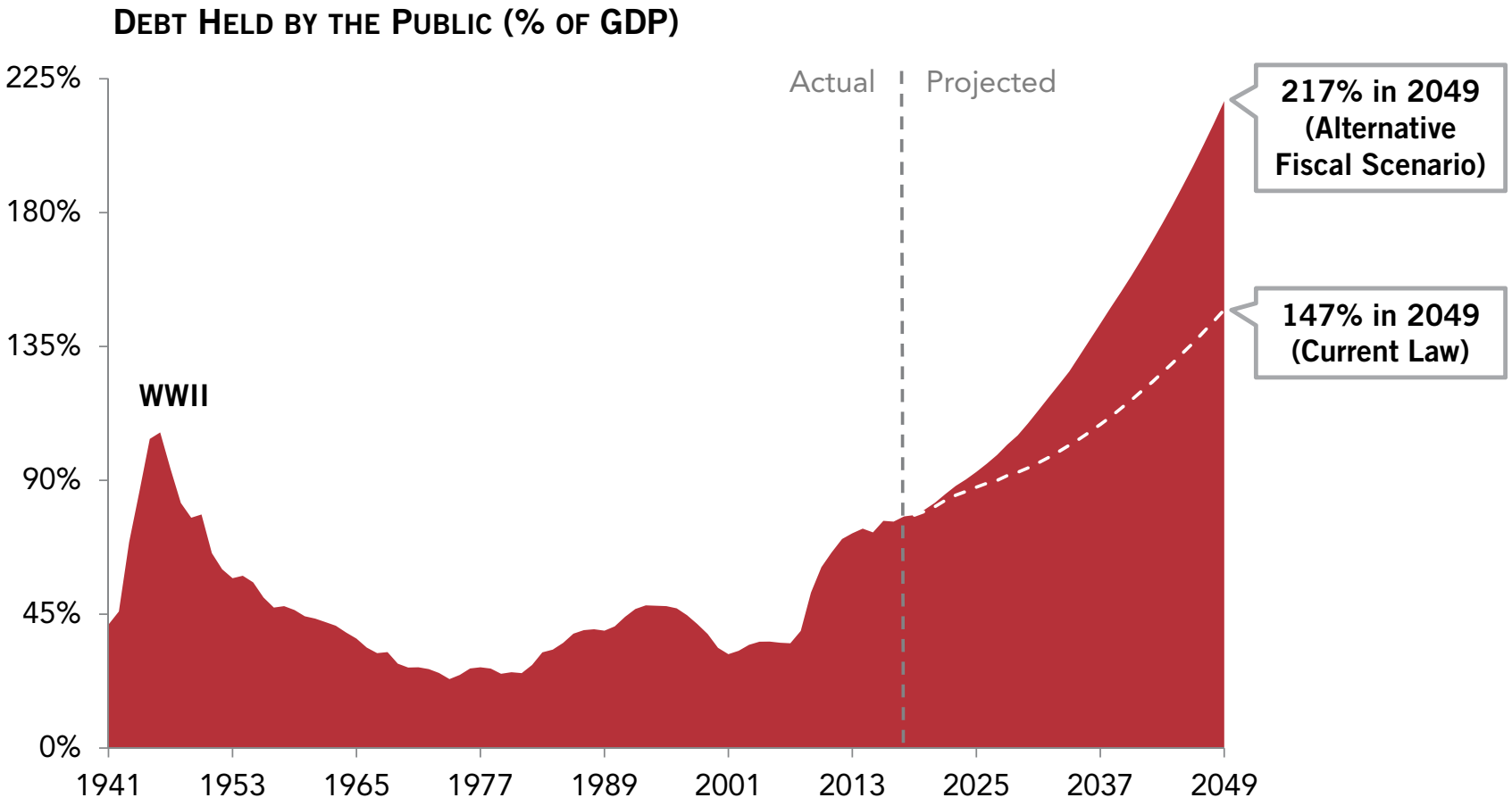
Federal debt is on an unsustainable path



SOURCE: Congressional Budget Office, *The Budget and Economic Outlook: 2019 to 2029*, January 2019.
NOTE: The AFS reflects the Alternative Fiscal Scenario for 2019–2029 in CBO's *Budget and Economic Outlook: 2019 to 2029* (January 2019) and PGPF calculations for 2030–2049 based on CBO's *The Long-Term Budget Outlook Under Alternative Scenarios for Fiscal Policy* (August 2018) and *The 2018 Long-Term Budget Outlook* (June 2018).

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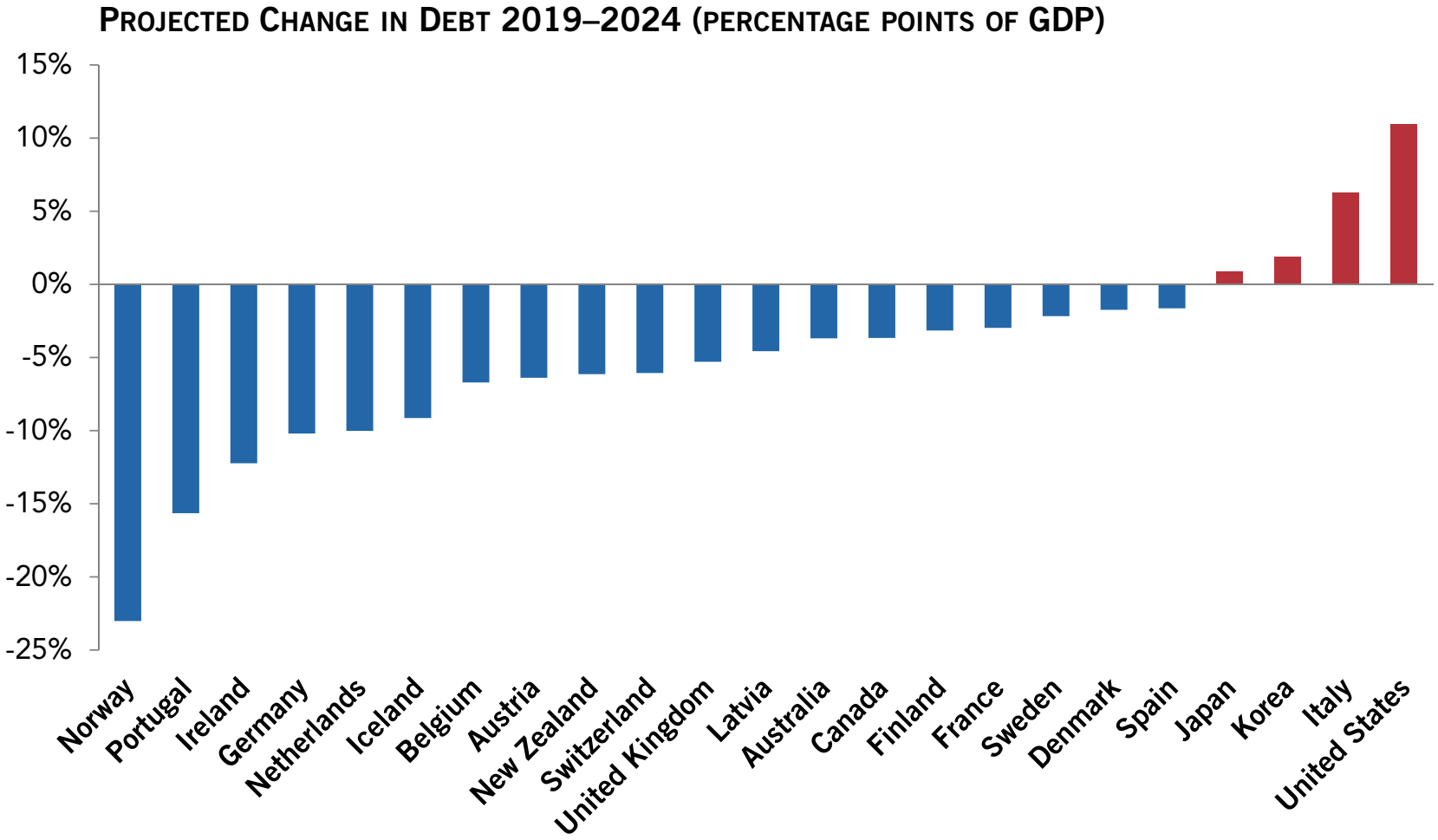
Debt in the United States is on pace to grow faster than any other advanced economy



SOURCE: International Monetary Fund, *World Economic Outlook*, April 2019.

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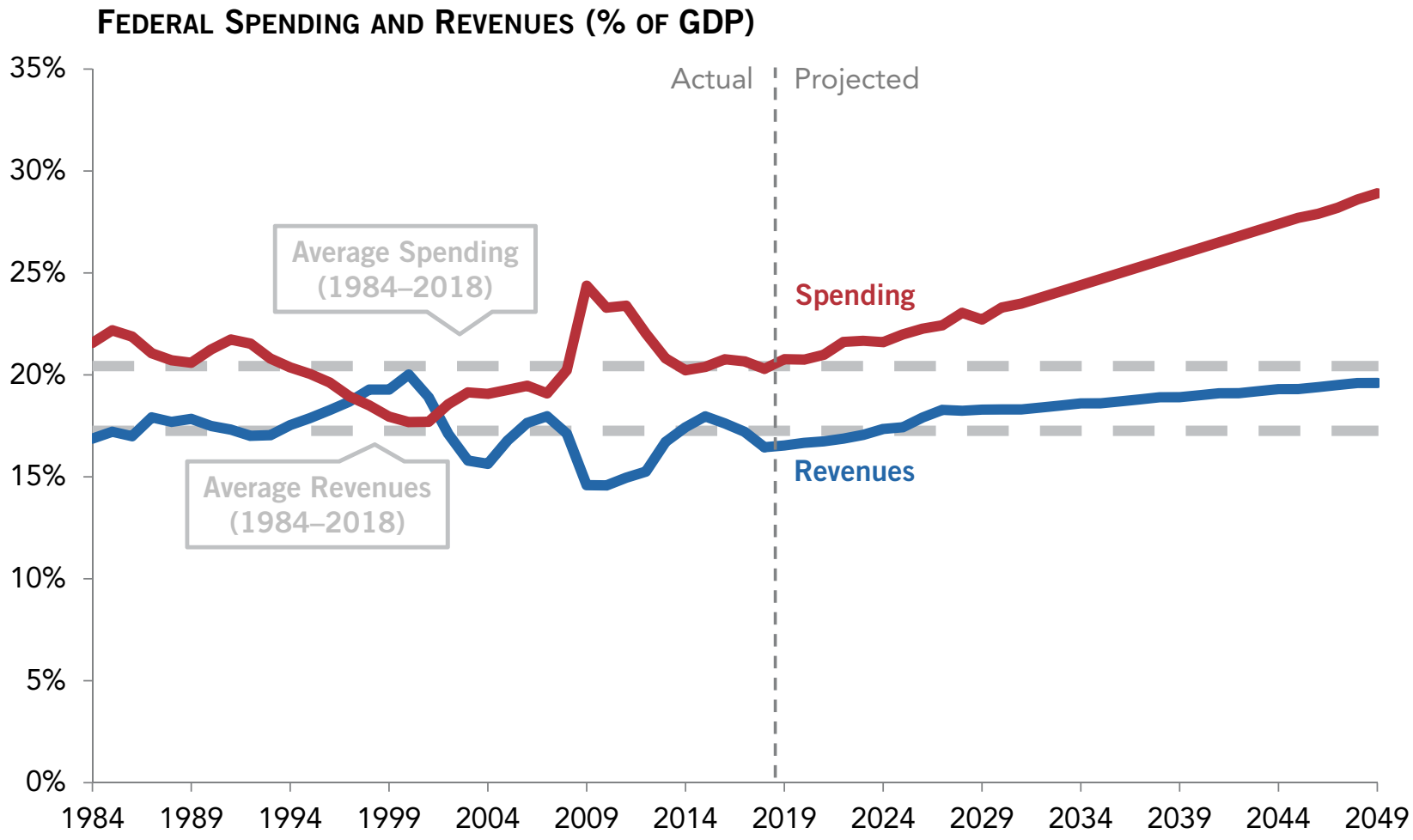
The growing debt is caused by a structural mismatch between spending and revenues



SOURCE: Congressional Budget Office, *The Budget and Economic Outlook: 2019 to 2029*, January 2019.

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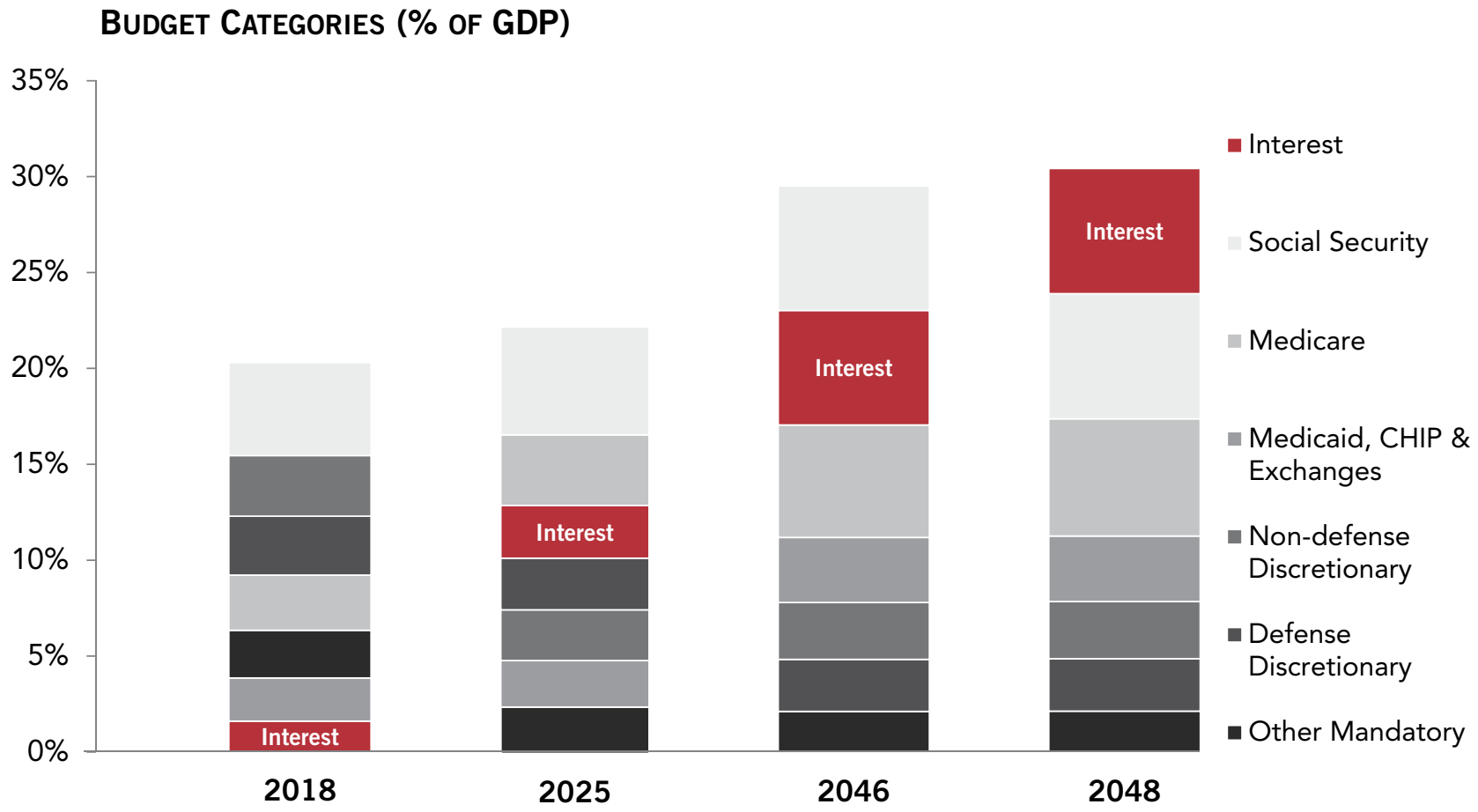
Interest costs are the fastest growing category of the budget



SOURCES: Congressional Budget Office, *The 2018 Long-Term Budget Outlook*, June 2018; Congressional Budget Office, *Updated Budget Projections: 2019 to 2029*, May 2019; and PGPF calculations based on CBO data.
NOTES: Medicare spending is net of premiums and payments from the states. In 2048, net interest costs would about equal Social Security. Years 2018 and 2025 use *Updated Budget Projections: 2019 to 2029* while 2046 and 2048 use *The 2018 Long-Term Budget Outlook*.

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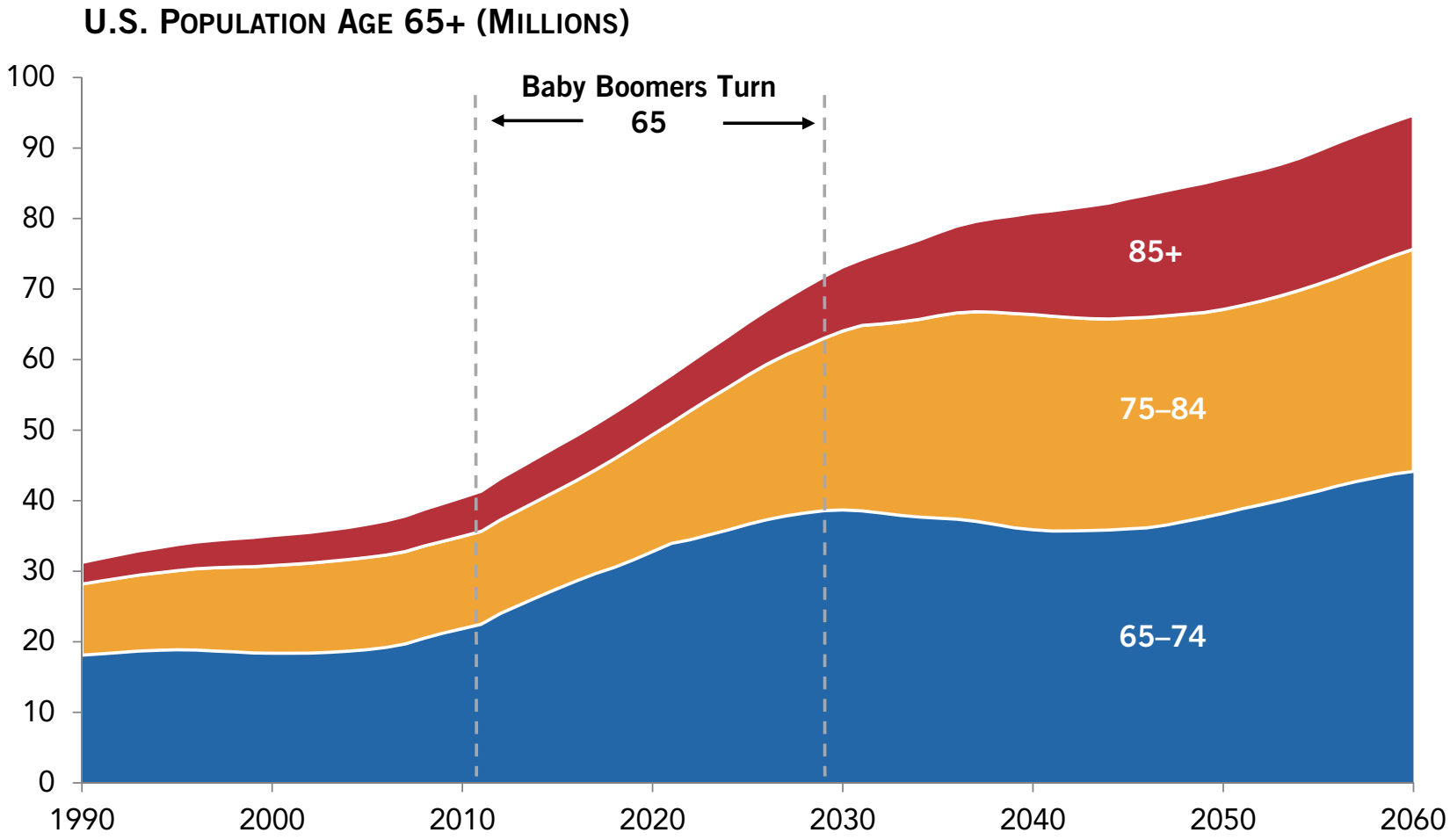
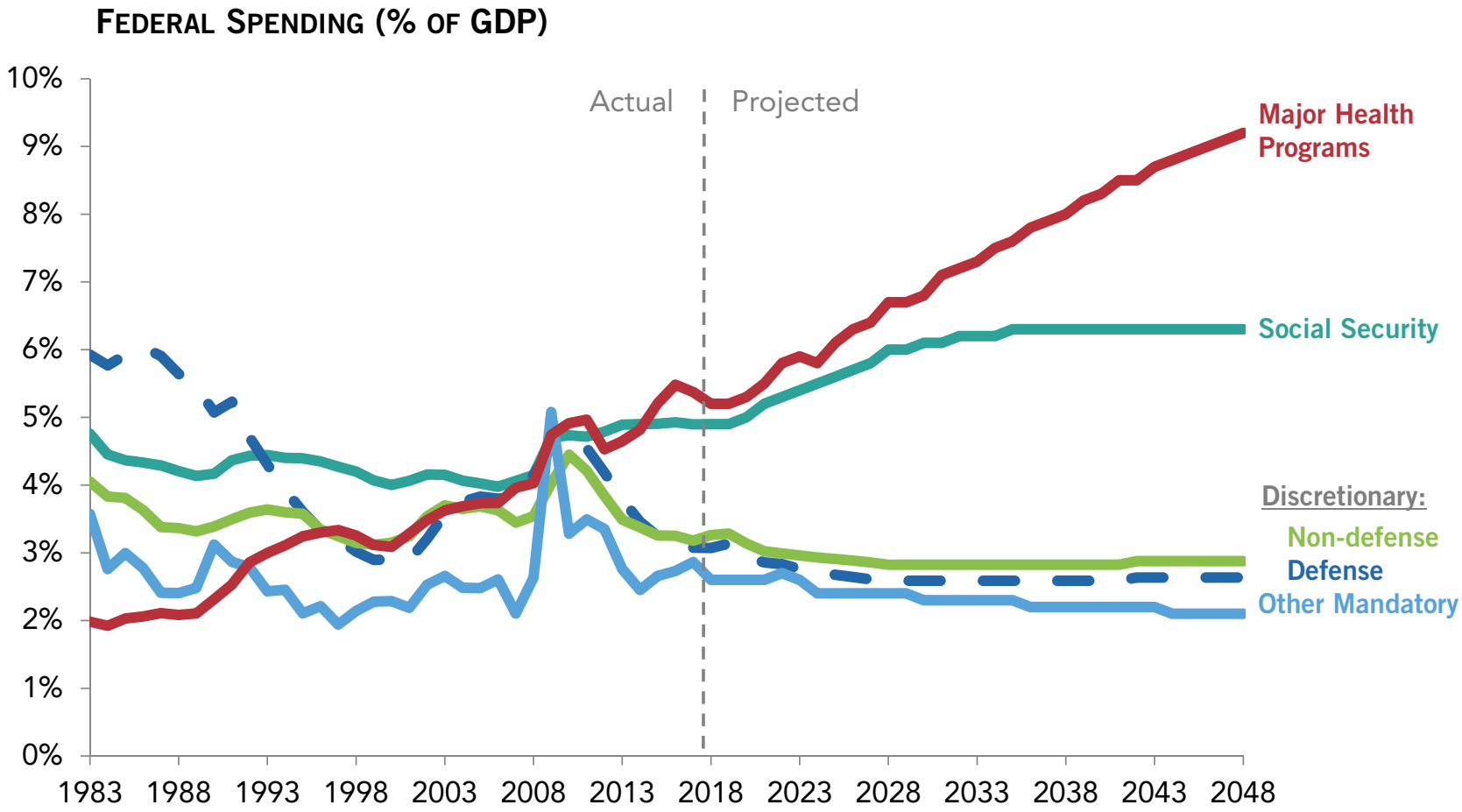
The elderly population is growing rapidly and living longer



SOURCES: U.S. Census Bureau, *National Intercensal Estimates*; *2016 Population Estimates*, June 2017; and *2017 National Population Projections*, September 2018.

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



SOURCES: Congressional Budget Office, *The 2018 Long-Term Budget Outlook*, June 2018; *The Budget and Economic Outlook: 2018 to 2028*, April 2018; and PGPF calculations based on CBO data.
NOTE: Major health programs include Medicare (net), Medicaid, Children's Health Insurance Program (CHIP), and the health exchanges.

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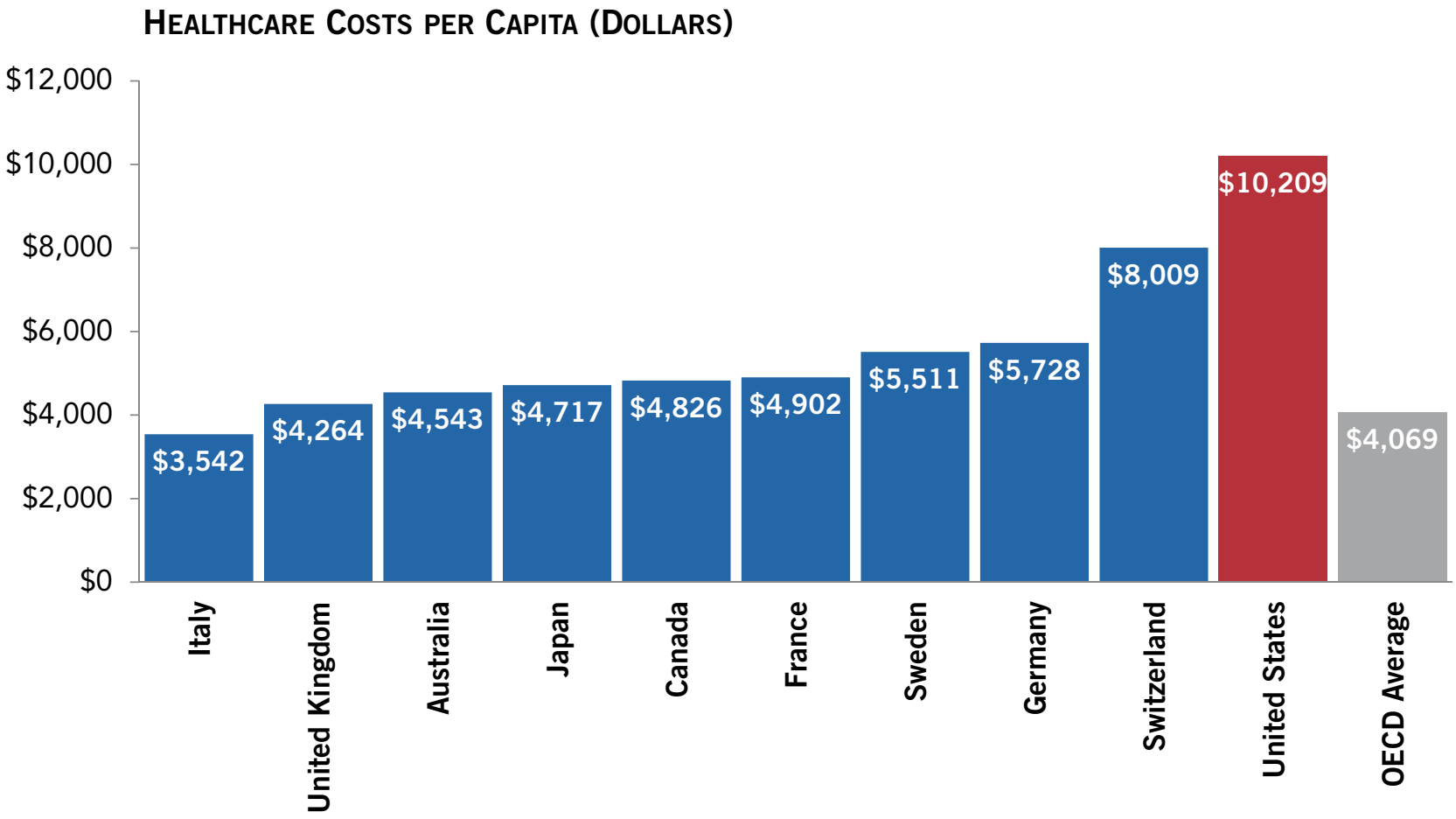
United States per capita healthcare spending is more than twice the average of other developed countries



SOURCE: Organisation for Economic Co-operation and Development, *OECD Health Statistics 2018*, June 2018.
NOTES: Data are for 2017 or latest available. Chart uses purchasing power parities to convert data into U.S. dollars.

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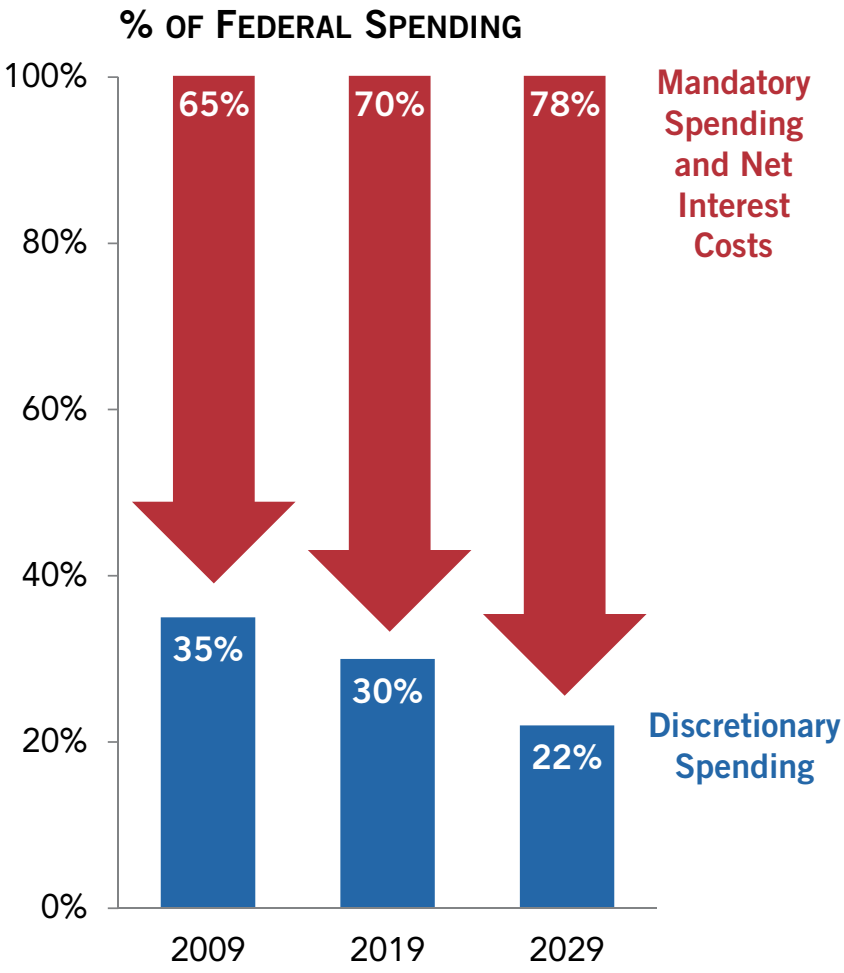
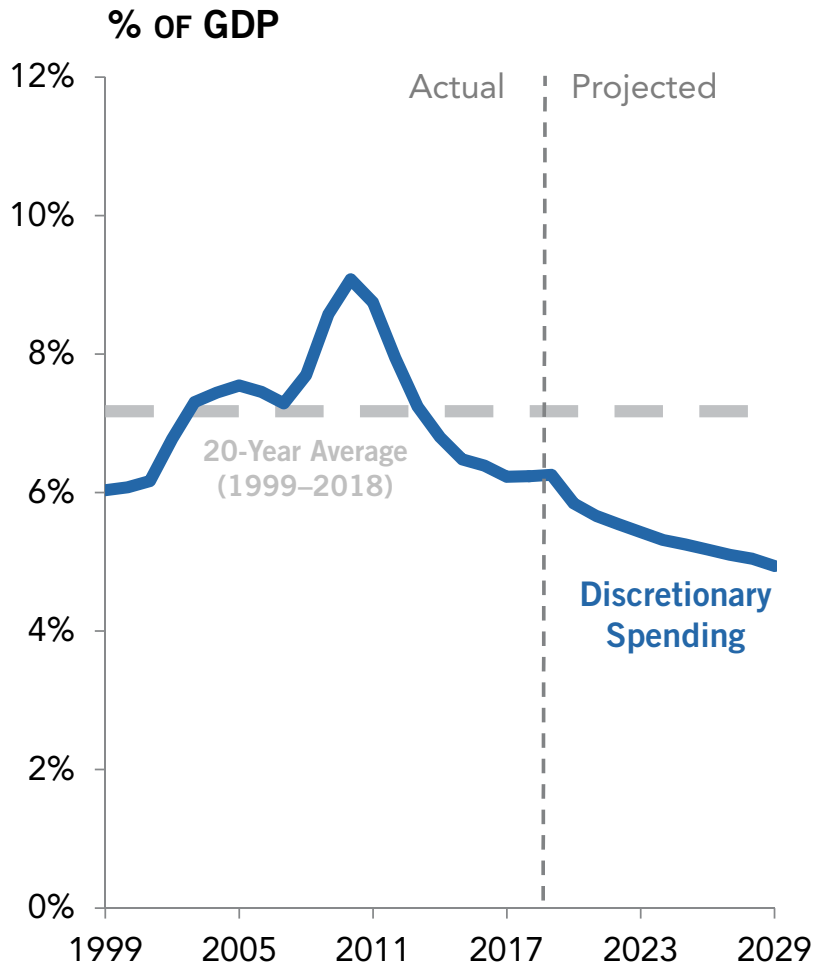
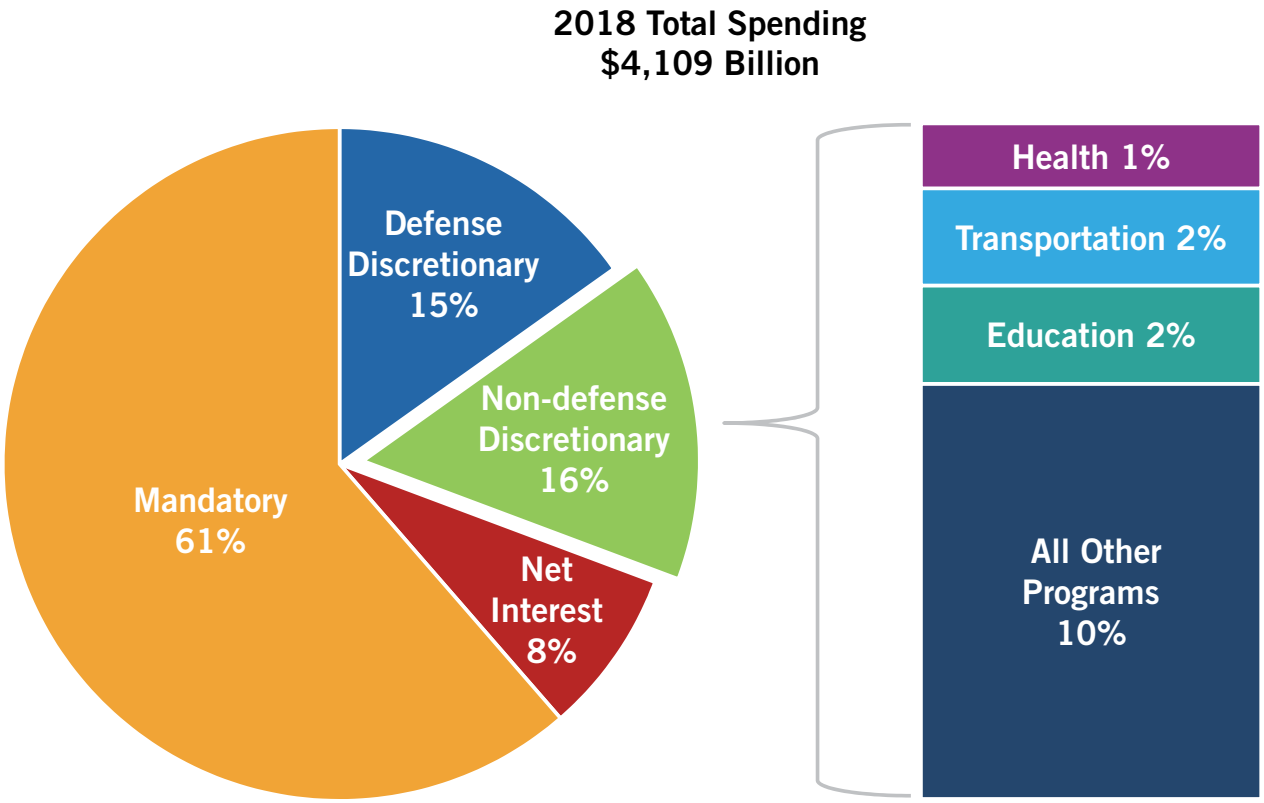
Discretionary spending is projected to fall well below its historical average





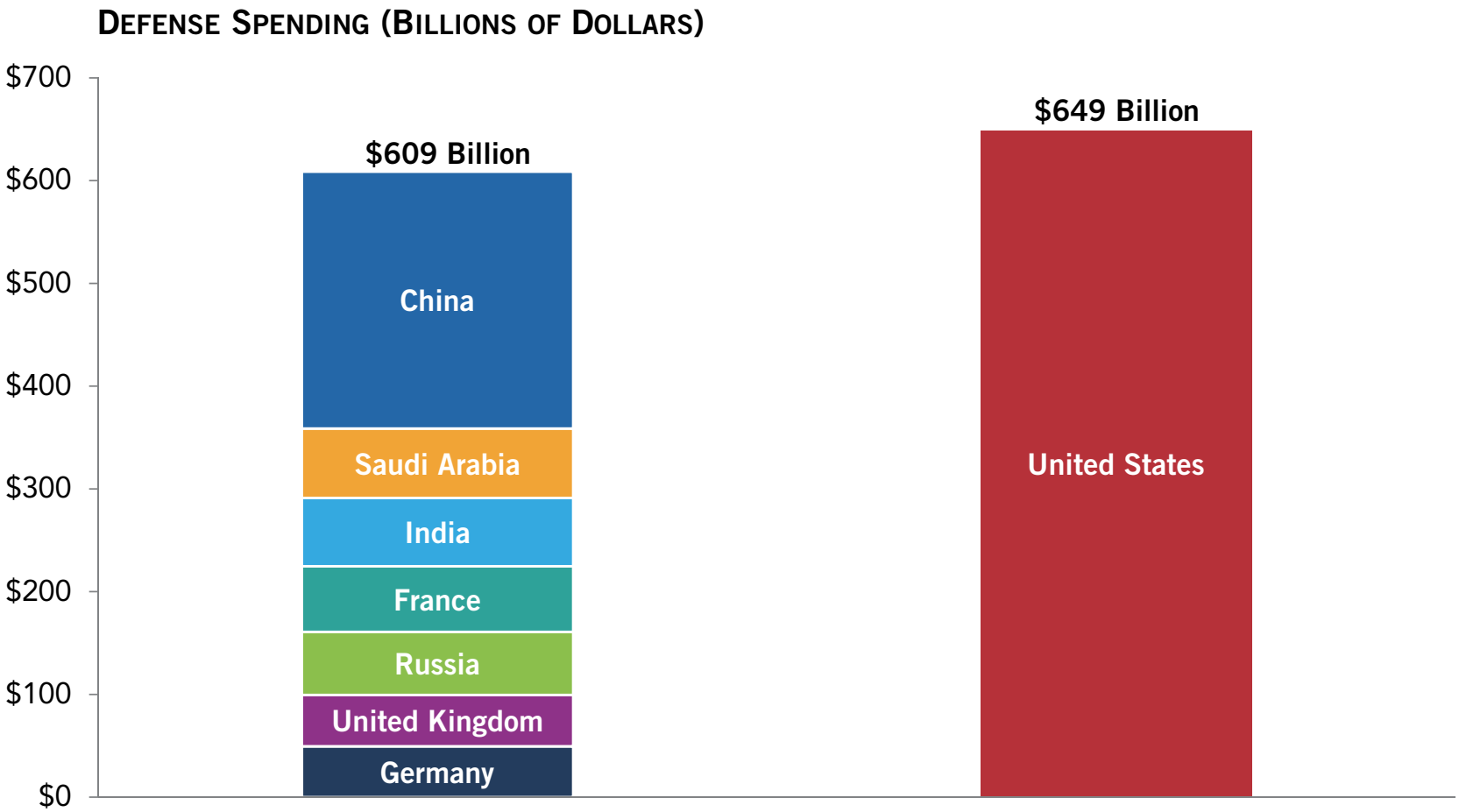
SOURCE: Congressional Budget Office, *Updated Budget Projections: 2019 to 2029*, May 2019.

Non-defense discretionary programs include spending for investments



SOURCE: Office of Management and Budget, *Budget of the United States Government: Fiscal Year 2020*, March 2019.
NOTES: Discretionary health programs include National Institutes of Health, Centers for Disease Control and Prevention, and Indian Health Service. Numbers may not sum due to rounding.

The United States spends more on defense than the next seven countries combined



SOURCE: Stockholm International Peace Research Institute, *SIPRI Military Expenditure Database*, April 2019.
NOTES: Figures are in U.S. dollars, converted from local currencies using market exchange rates. Data for the U.S. are for fiscal year 2018, which ran from October 1, 2017 through September 30, 2018. Data for the other countries are for calendar year 2018.

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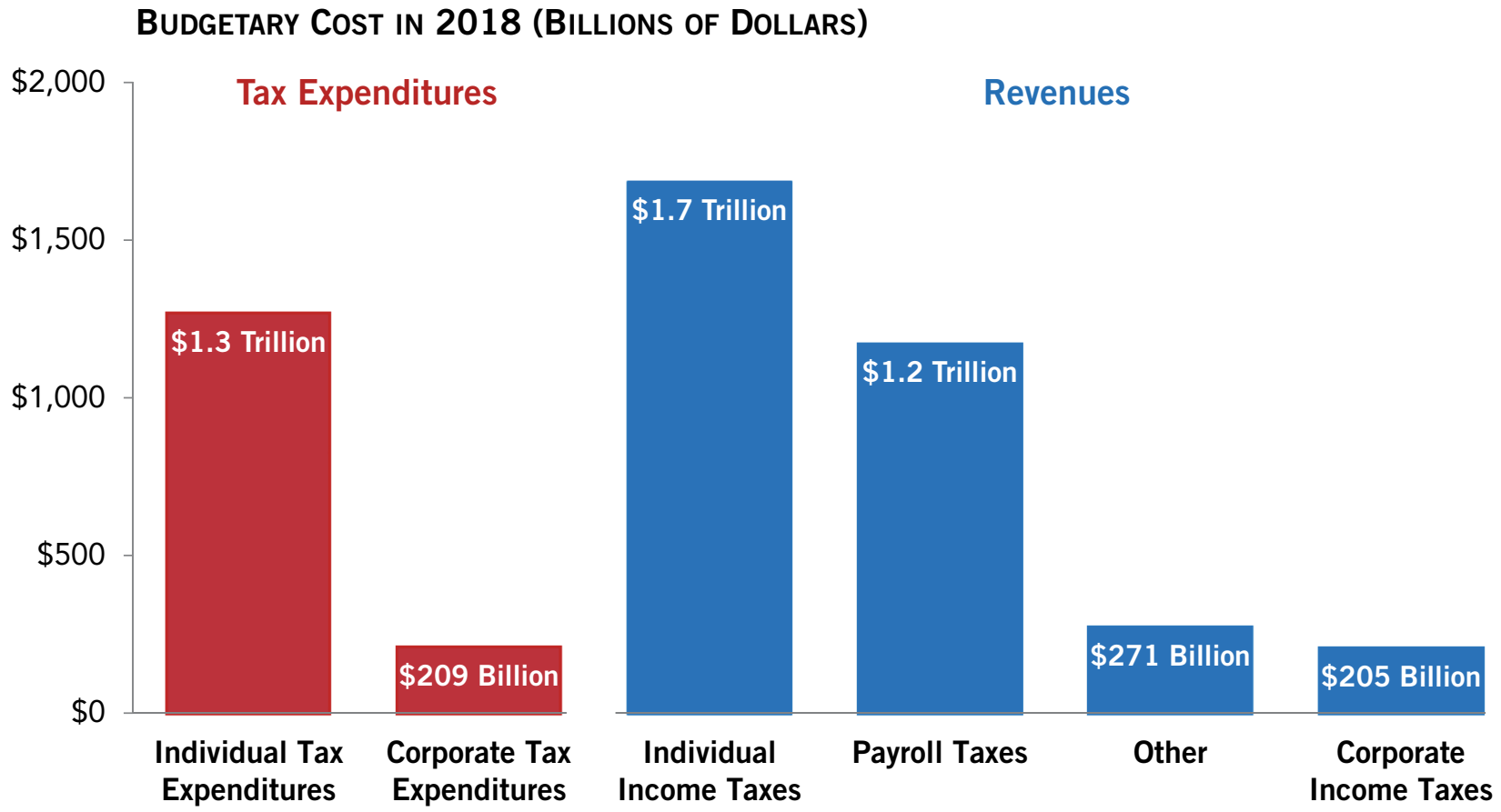
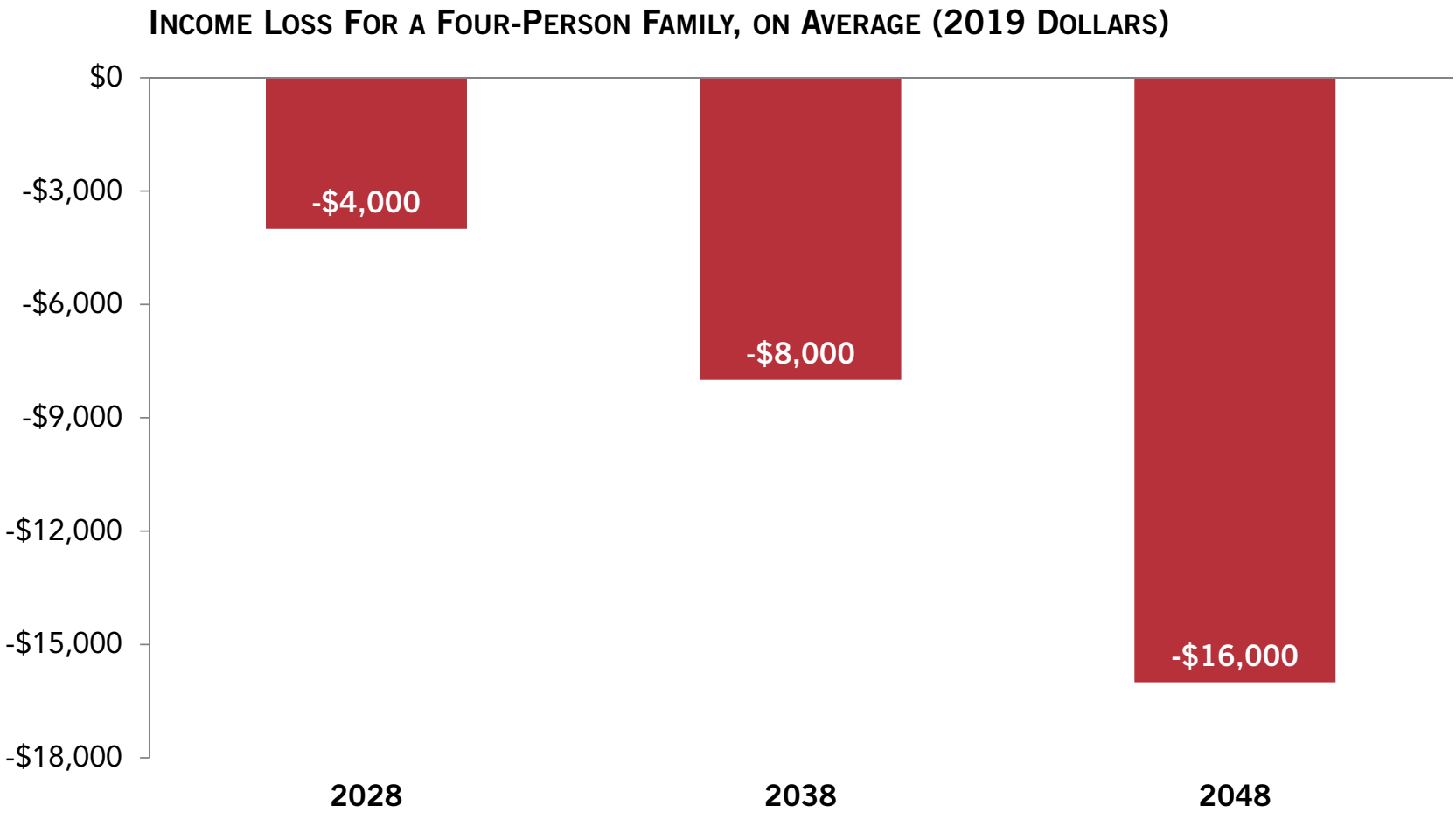
Tax expenditures reduce collected revenues



SOURCES: Congressional Budget Office, *Updated Budget Projections: 2019 to 2029,* May 2019; and The Joint Committee on Taxation, *Estimates of Federal Tax Expenditures for Fiscal Years 2018–2022*, October 2018.
NOTE: Tax expenditures are deductions, credits, exclusions, deferrals, exemptions and preferential rates. The estimates for tax expenditures do not account for any interactive effects of combining various provisions.

The growing federal debt would reduce family incomes substantially



SOURCE: Congressional Budget Office, *The Deficit Reductions Necessary to Meet Various Targets for Federal Debt*, August 2018.
NOTE: The income measures are based on CBO's projections of real gross national product per person. The income loss is the difference between the income level if debt rises as it does under current law and the income level if debt remains near its current share of gross domestic product.

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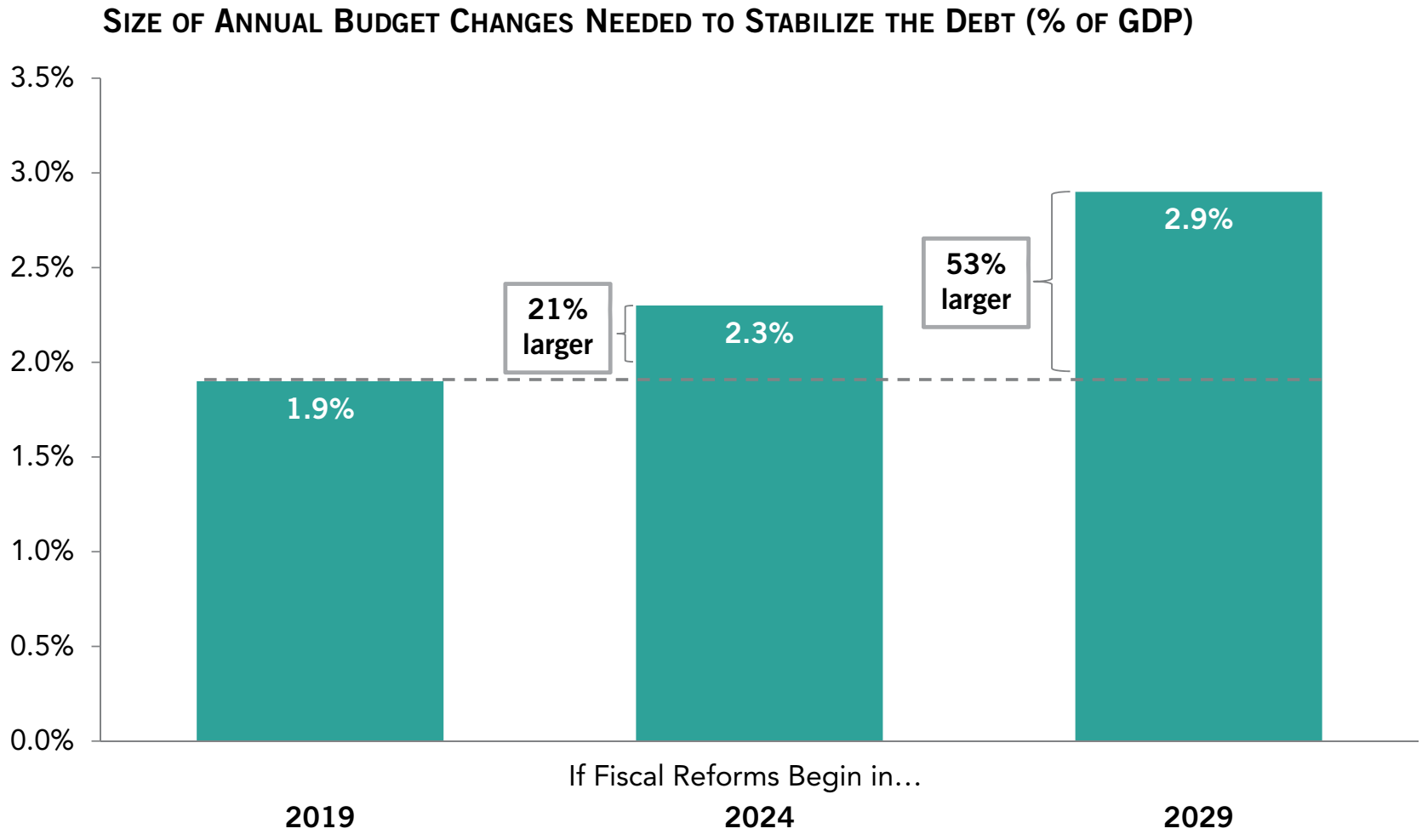
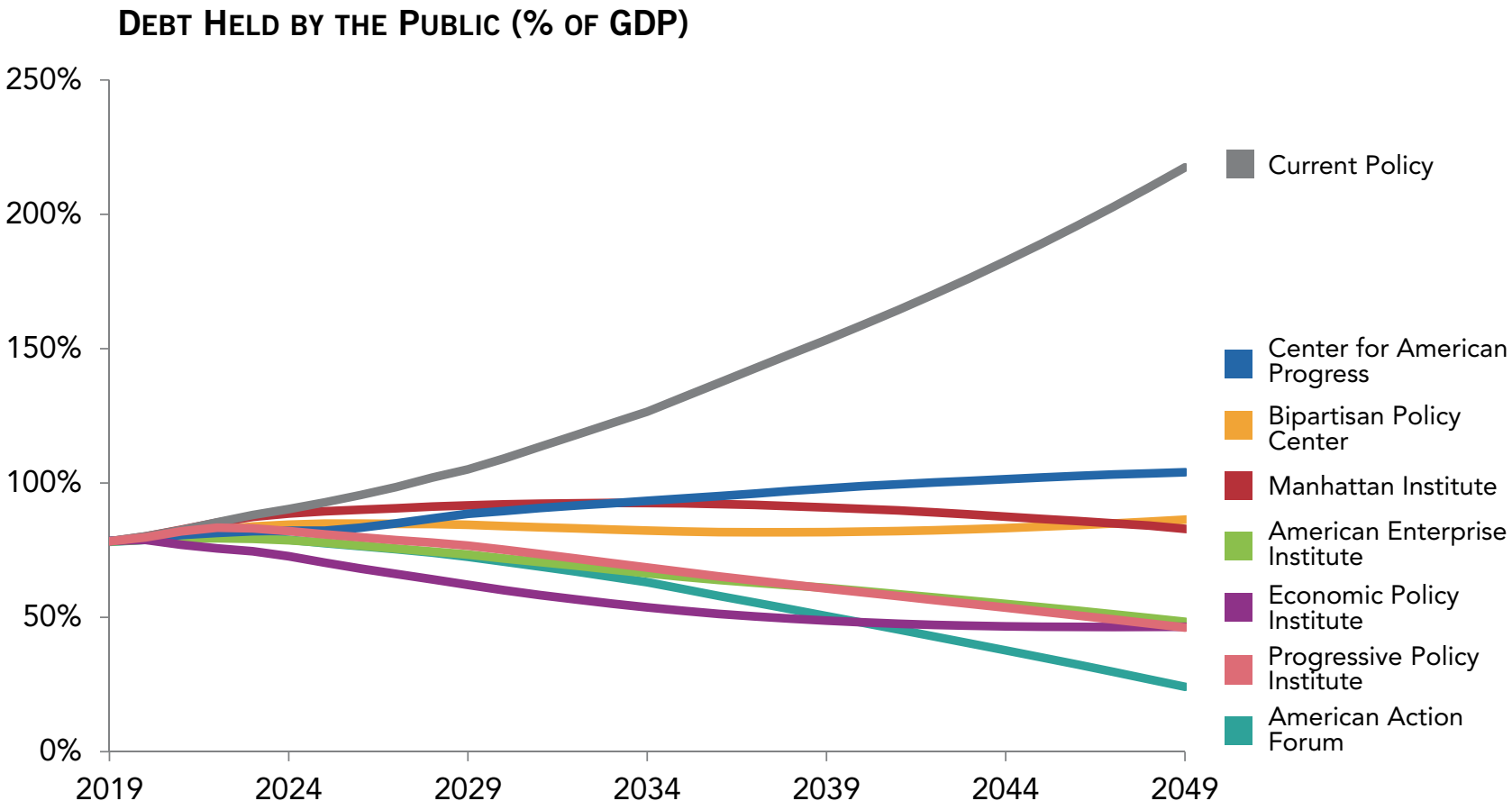
Waiting to act raises the cost of stabilizing the debt



SOURCE: Congressional Budget Office, *The 2018 Long-Term Budget Outlook*, June 2018.

Solutions Initiative 2019: Projected federal debt



SOURCE: Peter G. Peterson Foundation, *Solutions Initiative 2019*, June 2019.
NOTE: Current Policy reflects the Alternative Fiscal Scenario for 2019–2029 in CBO's The *Budget and Economic Outlook: 2019 to 2029* (January 2019) and PGPF calculations for 2030–2049 based on CBO's *The Long-Term Budget Outlook Under Alternative Scenarios for Fiscal Policy* (August 2018) and *The 2018 Long-Term Budget Outlook* (June 2018).

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