

Talking Points

Bringing the Federal Deficit Under Control

The Long-term Federal Budget Outlook

- **Current laws could stabilize our long-term fiscal situations within a few years; however, this would occur by raising taxes sharply and by cutting spending on popular programs like Medicare.**
- **These changes would be very unpopular; therefore, the Congressional Budget Office (CBO) believes Congress is unlikely to carry out these provisions.**
- **If policymakers continue to defer most tough budgetary choices, as during the last decade, future budget deficits and government debt will rise rapidly to levels never before experienced in the United States causing major consequences, pushing up interest rates and raising the risk of a future financial crisis. However, there still is time to stabilize our long-run budget position.**

Bringing Future Deficits Under Control

- **We know that we have to control spending and generate revenues sufficient to meet government obligations.**
- **Many detailed plans are available to control future deficits. For example, the Bowles-Simpson Deficit Commission said they need to cut mandatory and discretionary spending, control health-care costs, reform tax code, and enhance progressivity of taxes and benefits.**
- **There is public support for shared sacrifice to bring budget deficit problems under control. Majority of the public feels that federal taxes should go up and federal spending should be cut.**