CED Issues Statement on Soaring Federal Deficit

New York, NY, April 13, 2023...Today, Dr. Lori Esposito Murray, President of the Committee for Economic Development, the public policy center of The Conference Board (CED), released the following statement in response to the latest analysis by the Congressional Budget Office (CBO):

While lawmakers are making little progress in addressing the exorbitant national debt, the federal budget deficit grew to $1.1 trillion through the first six months of fiscal year 2023—more than doubling the $430 billion shortfall from the same period in 2022.

CBO's analysis also shows that interest paid on the public debt jumped by $90 billion (or 41 percent). This signals that the national debt crisis is intensifying as interest rates rise and recession looms. Rising debt service costs will consume the discretionary budget, crowding out all other priorities; cause higher interest rates and borrowing costs for both the public and private sectors; weaken investment; and erode Americans’ standard of living.

The nation cannot afford to lose any more time to take action. Most immediately, bipartisanship must prevail: Congress needs to come together to raise or suspend the debt ceiling to avert a fiscal and economic disaster for the country, particularly at this time when the economy is fragile. Linked to that decision should be the establishment of a bipartisan commission on fiscal reform and debt reduction. An urgent and determined course of action must be undertaken without delay. The longer lawmakers wait to take action, the greater the challenge will become.

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CED has released a Solutions Brief: Debt Matters: A Road Map to Reduce the US Debt Burden to 70% of GDP. It includes a tool kit for debt reduction that allows you to create different scenarios to achieve a 70 percent ratio of debt-to-GDP (which is a sustainable ratio) by adjusting the tax rate and outlay cuts.

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About CED
The Committee for Economic Development (CED) is the public policy center of The Conference Board. The nonprofit, nonpartisan, business-led organization delivers well-researched analysis and reasoned solutions in the nation’s interest. CED Trustees are chief executive officers and key executives of leading US companies who bring their unique experience to address today’s pressing policy issues. Collectively they represent 30+ industries, and over 4 million employees. www.ced.org

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