

News Release

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New CED Report: *Time to Face Up: The Growing Urgency for Tackling our Nation's Debt*

Washington, D.C., April 26, 2018...In fiscal year 2020, the budget will record the first \$1 trillion deficit since the financial crisis of the last decade. Furthermore, the federal government's debt to the public is now projected to exceed the nation's collective income in 2028, reaching a debt-to-GDP ratio over 100 percent. In a [new report](#), the Committee for Economic Development of The Conference Board (CED) recommends bipartisan strategies to constrain the exploding public debt. [Time to Face Up: The Growing Urgency for Tackling our Nation's Debt](#) outlines key areas that Congress should focus on to stop growing deficits.

"Policymakers must commit to addressing the deficit without allowing politics to forestall this needed meaningful reform," said Joseph Kasputys, Chairman and CEO of Economic Ventures, LLC.

"If Washington cannot agree to bend the debt-burden curve downward, then we will not be able to achieve a responsible budget posture. The business community presents this approach and demands that our policymakers take action to reduce the deficit," said Mike Archbold, Former CEO of GNC Holdings.

CED believes that deficit reduction that stops the debt from growing faster than the economy is the absolute minimum standard of fiscal responsibility for the Congress and the president at this time. Realistically, a budget remedy of that magnitude must be nonpartisan. Resolving the budget problem requires touching every element of the budget, including items that are strongly favored by one party or another.

"The fiscal health of our nation depends on proactive leaders making the hard choices now to ensure a safe and prosperous future for the nation," said Bernard Bailey, Chairman and CEO of Authentix.

To help reduce the deficit and promote economic growth, CED recommends Congress to focus on three main areas in which budget savings are crucial:

- **Health care.** Health care costs are growing faster than any other operating programs, with the greatest growth in Medicare. Medicare suffers from adverse demographics including an aging population and lower birthrates, compounded strongly by "excess cost growth" in the delivery of care to each individual beneficiary. CED believes that a more market-based system is the only sustainable approach. Providing refundable tax credits to each household and allowing people to choose plans that deliver high-quality care would achieve cost-responsible consumer choice among competing health care plans, and would reduce costs.

- **Social Security.** Lawmakers should enact a combination of steps that include providing greater support to low-income seniors, altering the earnings formula to reduce benefits modestly for early retirees, and ensuring that the Social Security tax base keeps up with overall income growth. We should establish a goal for the Social Security program so that its cash reserve will cover one year of total benefits within seventy-five years. This would reestablish the “pay-as-you-go” rationale that has served us so well in the past.
- **Revenue.** Revenue must be an important part of deficit reduction, especially since the economic growth benefits of the 2017 tax cut act are not likely to offset the revenue loss. CED has recommended true tax reform that has an objective to maintain as much as possible of the positive growth incentive of the 2017 tax cuts, while reducing or even eliminating their revenue cost.

“By the time world financial markets react to the deficit problem, the crisis will already have reached the point of no return. A thoughtful budget solution needs the support of both political parties to achieve adequate deficit reduction,” said Pete Selleck, former chairman and president of Michelin.

The nation has courted fiscal crisis for far too long and we have come to a point where the momentum of debt growth is sufficient to damage our country irreparably. CED implores our elected officials to face up to the building crisis that many of those leaders acknowledge—but only behind closed doors. We are running out of time to arrest the steadily mounting debt that puts our nation at a greater fiscal risk with each passing year. Without bipartisan action soon, a financial disaster may fall on us all with full force at any time—and we will only have ourselves to blame.

“Fiscal responsibility is not a Republican or Democratic issue, it's an American issue that affects the lives of all hardworking citizens. If policymakers don't act now, they may not have the chance to act in the future,” concludes Bowman Cutter, Senior Fellow and Director at The Roosevelt Institute.

View the new CED report, *Time to Face Up: The Growing Urgency for Tackling Our Nation's Debt*, [here](#), along with an executive summary.

ABOUT THE COMMITTEE FOR ECONOMIC DEVELOPMENT:

Founded in 1942, the Committee for Economic Development of The Conference Board (CED) is a nonprofit, nonpartisan, business-led public policy organization that delivers well-researched analysis and reasoned solutions to our nation's most critical issues. CED's work is grounded on seven core principles: sustainable capitalism, long-term economic growth, efficient fiscal and regulatory policy, competitive and open markets, a globally competitive workforce, equal economic opportunity, and nonpartisanship in the nation's interest. Learn more at www.ced.org