CED Issues Statement on the CBO 2022 Long-Term Budget Outlook

New York, NY, July 29, 2022...Dr. Lori Esposito Murray, President of the Committee for Economic Development of The Conference Board (CED), released the following statement on the Long-Term Budget Outlook released Wednesday by the Congressional Budget Office (CBO):

“CBO’s projections have once again showed that our long-run fiscal trajectory is unsustainable. CBO projects that debt will grow from 98 percent of GDP to 185 percent over the next 30 years, and that debt service payments by the Treasury will more than quadruple as a share of the economy, reaching 7.2 percent of GDP and threatening every item of discretionary spending.

CED has long urged policymakers to address our significant fiscal challenges urgently. The debt incurred during and prior to the pandemic makes us more vulnerable to rising interest rates. Now, interest rates are rising, increasing the debt service burden in real time as Treasury borrowing is rolled over at higher rates.

CED solutions to our fiscal crisis include:

• A fundamentally reformed health care system based on cost-responsible consumer choice among private health care plans;
• Eliminating tax preferences for particular sources or uses of income to make the tax code simpler and fairer and yield additional revenues with the lowest possible tax rates;
• Enactment of a full set of annual appropriations bills to exercise oversight and identify inefficiencies and potential savings;
• Ensuring that future legislation is fully paid for without costs hidden by budget gimmicks and finding sources for additional revenues to meet the challenges of an aging workforce; and
• Adapting a credible plan to pay back the pandemic debt over the coming decades with a dedicated funding mechanism. CED also recommends considering the establishment of a successor to the National Commission on Fiscal Responsibility and Reform (the “Bowles-Simpson Commission”), or even an empowered legislative vehicle like the “super-committee” used in 2011.

These CBO projections show that, if we do not adopt these solutions, our government risks a cycle of high interest, high deficits, and high debt service payments, and generations will devote an increasing share of their livelihood to paying for past choices.”

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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, over a trillion dollars in revenue, and over 4 million employees. www.ced.org
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