As Public Debt Burden Approaches Record Highs, CED Calls for Comprehensive Plan to Get America’s Fiscal House in Order

Washington, DC, February 20, 2020... Today’s booming economy and low employment rates are overshadowing a mounting threat to the US economy: the proliferating public debt. Unprecedented annual deficits are piling up debt faster than the economy is growing, according to a new Solutions Brief, *US Fiscal Health: Is There Life After Debt?* from the Committee for Economic Development of The Conference Board (CED).

The brief warns that, today, the US faces the most serious fiscal threat in its modern history. The Congressional Budget Office projects that the federal budget deficit will rise from nearly $1 trillion in fiscal year 2019 to $1.7 trillion in fiscal year 2030. As a result, the public debt will soar from 79.2 percent to 98.3 percent of the GDP, the highest level since 1946 in the immediate aftermath of World War II.

While revenues are running lower than the average historically, the costs of health care and Social Security are driving up the nation’s expenses. These costs are exacerbated by the nation’s aging population, the brief finds. To turn the rising debt tide, policymakers must take serious action – beyond the scope of past remedies. This includes curbing the costs of health care and Social Security while increasing revenues.

“Without reasoned solutions, the rising debt will erode the nation’s wealth, reduce investment and productivity, and rob funding from education, infrastructure and research that help fuel our economy,” said CED President Lori Esposito Murray. “Fixing the nation’s debt must be a public priority in order to advance Americans’ collective prosperity.”
The new CED brief calls for policymakers to follow these recommendations:

- Reform the health care system by implementing affordable consumer choice among competing private health care plans to cover all Americans, and incentivize providers to deliver quality, affordable care.
- Reform the US income tax by following the model of the *1986 Tax Reform Act* to raise revenue by eliminating tax preferences, including those for capital income, and reducing tax rates to encourage economic efficiency.
- Refinance Social Security – the largest cost driver in the budget after health care – to recognize longer-living healthy seniors while providing greater protection for the least well-off.
- Budget diligently to ensure adequate funds for national defense and domestic investments necessary to support a growing economy.
- First negotiate a maximum acceptable level of debt as a percentage of the GDP, and then hammer out the policy steps to stop the growth of debt before it reaches that point.

The new CED brief, *US Fiscal Health: Is There Life After Debt?* can be read [here](#).

**About the 2020 Solutions Briefs**
The 2020 Solutions Briefs are part of a series focused on non-partisan, reasoned solutions in the nation’s interest. To be released over the next several months, they will address the central challenges we face in order to provide prosperity for all Americans.

**About CED**
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