



## COMMITTEE FOR A RESPONSIBLE FEDERAL BUDGET

May 1, 2019

Dear Speaker Pelosi,

As our country's large national debt keeps compounding, we urge you to offset the costs of all new initiatives so the budget forecast does not deteriorate further.

Budget deficits are ballooning, rising from \$439 billion in 2015 to roughly \$900 billion this year. The national debt is higher as a share of the economy than any time other than just after World War II, and it is on course to exceed these levels within 20 years. Our exploding debt threatens slower income growth, rising interest costs, less capacity to deal with the next recession, and an increased risk of fiscal crisis.

While it may not be possible to stem this rising debt overnight, we request that you abide by the pay-as-you-go (PAYGO) principle. This principle is simple: if something is worth doing, it is worth paying for.

The PAYGO principle is a pillar of responsible governance. It was vital to bipartisan efforts to control deficits—and ultimately to balancing the budget—in the 1990s. PAYGO ensures that the highest priorities supplant lower priorities, rather than testing the limits of the national credit card.

Legislators are bound by PAYGO under House and Senate rules and the Statutory Pay-As-You-Go Act. These rules and laws, however, are only as powerful as Congress' willingness to respect and enforce them.

We strongly encourage you to offset any new spending or tax cut with reductions in current spending or new revenue. Doing so won't be easy, but it is crucial for sound governance and our nation's fiscal future.

Sincerely,

Maya MacGuineas

President, Committee for a Responsible Federal Budget