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**CRFB Reacts to Mid-Session Review
September 1, 2011**

Today, the Office of Management and Budget (OMB) released its Mid-Session Review. Since the budget was released in February, many policy changes have been adopted, and the President himself released an updated “budget framework.” The Mid-Session Review now assumes the Super Committee will succeed in finding \$1.5 trillion in savings, the upper-income tax cuts will expire, the discretionary caps are adhered to, and the wars are drawn down. Accordingly, OMB projects that debt would stabilize at about 70 percent by 2021. The Administration claims “These policy changes would be sufficient to put debt on a declining path as a share of the economy and would therefore place the budget in a fiscally sustainable position.”

“These projections bank on a lot of savings not yet in place, and even then, the debt is too high,” said Maya MacGuineas, president of the Committee for a Responsible Federal Budget.

According to the CRFB Realistic Baseline, using data from the Congressional Budget Office and our own assumptions about reasonable policy extensions, the debt is likely to reach 81 percent of GDP by 2021. If the Super Committee were to double its savings target to \$3 trillion, however, the debt could fall to about 69 percent of GDP. If it were to triple its savings target, debt could reach roughly 63 percent of GDP by 2021.

“All eyes are now on the Super Committee to come up with a credibly multi-year plan to fix the budget,” added MacGuineas. “There are a plethora of debt reduction plans that have been released, and one only needs to take a quick glance at them to see all the commonalities among them. Let’s hope the Super Committee not only lives up to its mandate, but far exceeds it.”

See CRFB’s blog, *The Bottom Line*, for further analysis of the budget and economic assumptions within the Mid-Session Review.