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**Americans Tackle the Debt**  
*Assessing the Results of CRFB's Budget Simulator*

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While lawmakers' efforts to reach an agreement on the "super committee" and the so-called "grand bargain" have so far been unsuccessful, Americans have quietly been showing the way to getting the national debt under control.

In 2010, the Committee for a Responsible Federal Budget (CRFB) launched the online "[Stabilize the Debt](http://crfb.org/stabilizethedebt)" budget simulator, empowering the public to learn more about the changes necessary to control the nation's rising debt and providing a platform from which to make their choices heard. Today, CRFB is launching a new and improved version of the simulator, with additional options reflecting the current debate. As always, the simulator can be accessed and used at <http://crfb.org/stabilizethedebt>.

Since the initial release in May 2010, over a quarter of a million people have used the simulator. The sheer number of participants who have engaged with CRFB's online simulator illustrates the depth of public interest in deficit reduction and the seriousness of Americans when it comes to understanding the need to make hard fiscal choices.

Policymakers in Washington could learn a great deal from their constituents when it comes to tackling the national debt. Among our findings were the following:<sup>1</sup>

- About **4 percent** of users relied exclusively on spending cuts, **2 percent** relied exclusively on revenue increase, and the remaining **94 percent** reduced the deficit through some combination of spending and revenue changes.

- Partisan support for various options did not necessarily reflect what is reported in the media. For example, **71 percent** of Democrats supported raising the retirement age, and **82 percent** of Republicans supported letting at least some of the 2001/2003/2010 tax cuts expire.
- **80 percent** of the sample successfully stabilized the debt at **60 percent** of GDP by the end of the decade.

Unlike public opinion polls that measure the preferences of respondents in a vacuum, with little context regarding the effect those choices will have on the fiscal outlook, the CRFB simulator underscores the fact that politically easy options do little to reduce the national debt. For example, while the elimination of outdated programs (88 percent in favor) and earmarks (82 percent) were the most popular choices of our users, they combine to generate merely \$120 billion in savings through 2018. Seeing how little those choices moved the debt needle, users were forced to make tougher choices in order to achieve a stable budget.

We hope that policymakers can learn from the results of the budget simulator and work across party lines to enact a comprehensive debt reduction plan this year.

## Budget Simulator Results

As CRFB launches the latest version of the simulator, it is revealing to review the deficit-reducing and deficit-increasing choices that users have selected. The data, voluntarily submitted by more than 8,000 participants from October 2010 through January 2012, offers some intriguing insight into which deficit reduction measures Americans might be willing to accept when they understand the gravity of the situation and how much it will take to put the country on sound fiscal footing.

**Fig. 1: Top Ten Choices Users Were Most Likely to Select**

| Policy Options   | % All Users | % Democrats Supporting | % Independents Supporting | % Republicans Supporting |
|--|-------------|------------------------|---------------------------|--------------------------|
| Eliminate outdated programs                                      | 88%         | 90%                    | 87%                       | 89%                      |
| Cut earmarks in half   | 82%         | 77%                    | 83%                       | 87%                      |
| Decrease troop levels  | 81%         | 85%                    | 81%                       | 72%                      |
| Include all new state and local workers in Social Security       | 77%         | 76%                    | 76%                       | 82%                      |
| Reduce ship building   | 75%         | 80%                    | 74%                       | 66%                      |
| Raise national retirement age to 68                              | 74%         | 71%                    | 74%                       | 82%                      |
| Grow discretionary spending with inflation                       | 74%         | 62%                    | 77%                       | 86%                      |
| Enact medical malpractice reform                                 | 74%         | 72%                    | 73%                       | 82%                      |
| Reduce tax gap   | 74%         | 80%                    | 71%                       | 69%                      |
| Weapon systems cuts  | 73%         | 85%                    | 70%                       | 57%                      |
| Repeal LIFO accounting and eliminate oil and gas tax preferences | 72%         | 79%                    | 71%                       | 63%                      |

Also of interest are which measures had bipartisan consensus and which were more partisan in nature. While it is no surprise that Democrats and Republicans have different views on a number of deficit reduction policies, there were also many policies about which users from both parties expressed similar views.

**Fig. 2: Similarities and Differences Between Democrats and Republicans**

| Policy Options  | % All Users | % Democrats Supporting | % Independents Supporting | % Republicans Supporting |
|---|-------------|------------------------|---------------------------|--------------------------|
| <b>Most Similar Support Between Democrats and Republicans*</b>  |             |                        |                           |                          |
| Eliminate outdated programs                                     | 88%         | 90%                    | 87%                       | 89%                      |
| Increase user fees across the board                             | 53%         | 57%                    | 52%                       | 54%                      |
| Reduce farm subsidies   | 70%         | 73%                    | 69%                       | 68%                      |
| Include state and federal workers into Social Security          | 77%         | 75%                    | 76%                       | 82%                      |
| Index tax code to a more accurate measure of inflation          | 53%         | 57%                    | 51%                       | 49%                      |
| <b>Least Similar Support Between Democrats and Republicans*</b> |             |                        |                           |                          |
| Enact carbon tax or cap-and-trade system                        | 62%         | 79%                    | 59%                       | 36%                      |
| Rescind unused stimulus (ARRA) funds                            | 65%         | 48%                    | 70%                       | 84%                      |
| Establish a public option                                       | 66%         | 80%                    | 63%                       | 47%                      |
| Create surtax on income above \$1 million                       | 68%         | 81%                    | 66%                       | 49%                      |
| Freeze average unemployment benefits at 2009 levels             | 59%         | 46%                    | 61%                       | 77%                      |

\*For options selected by at least 50 percent of users.

Nearly all simulator users supported eliminating or reducing various outdated programs contained in the President’s proposed terminations and reductions, regardless of political party. There tended to be little disagreement between Democrats and Republicans on reducing farm subsidies, including all new state and local government workers in Social Security, increasing user fees across the board, and using a more accurate measure of inflation for indexing elements of the tax code. Using a more accurate measure for other inflation-indexed programs, such as for Social Security benefits, also scored highly.

Still, our results show distinct intraparty preferences among Democrats, Republicans and Independents in terms of the types of fiscal levers each group was most likely to rely on to control rising debt.

- **Democrats** favored options that raised revenues and reduced the number or value of various tax expenditures to reduce the debt. Democrats did not select very many savings options from the domestic and economic spending category, but still had significant savings from spending cuts.

- **Republicans**, on the other hand, relied on much more savings from spending programs, especially in federal health care programs, Social Security, and domestic spending programs. However, increased revenues and reduced tax expenditures also contributed significantly to Republican users' overall savings.
- **Independents** generally showed an even greater mixture of savings stemming from spending cuts and revenue increases than either Republicans or Democrats. In the areas of defense, Independents opted for a greater amount of savings than either Democrats or Republicans.

\* \* \* \* \*

The simulator illustrates that when presented with a true picture of the budget situation, Americans respond by making difficult choices. Unlike their representatives in Washington, a majority of Americans are able to find savings across all areas of the budget and reduce the debt substantially.

CRFB will continue to share the results to inform the fiscal policy debate, and encourages you to give the updated "[Stabilize the Debt](#)" budget simulator a try and to share it with your friends and colleagues.

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<sup>1</sup> While these results are highly informative for policymakers, they do not represent a scientific poll.