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**CRFB Stabilize the Debt Simulator – Highlights of Initial Results
July 8, 2010**

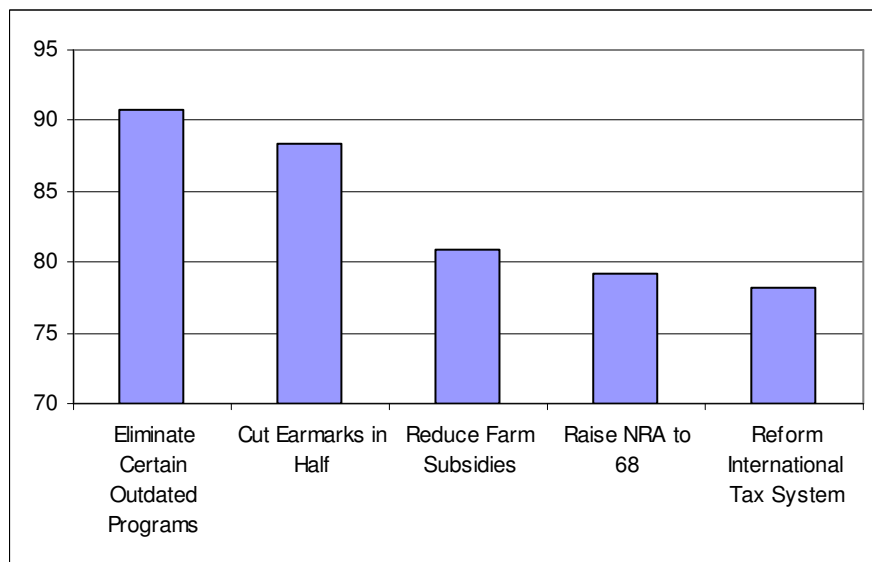
In May of 2010, the bipartisan Committee for a Responsible Federal Budget unveiled the “Stabilize the Debt” online budget simulator. The simulator is designed to educate the public and policymakers about what will be required to put the United States on a sustainable fiscal path and give them an opportunity to share their preferences.

Since its release, the interest in the simulator has been remarkable; with over 60,000 visits. Over 3,000 participants submitted their results and demographic information to be shared with policymakers. The preliminary data provides an essential snapshot of the choices that Americans are willing to support.

Five Most Popular Simulator Budget Choices

1. Eliminate certain outdated programs (91%)
2. Cut earmarks in half (88%)
3. Reduce farm subsidies (81%)
4. Raise the normal retirement age for Social Security to 68 (79%)
5. Reform the international tax system (78%)

Fig. 1: Most Popular Options Among All Users (Percent Supporting)

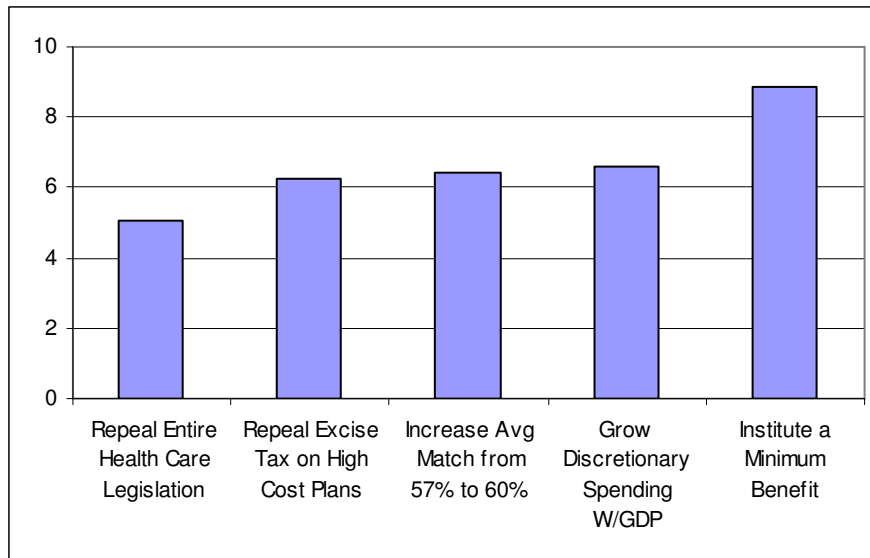


Much can also be learned from the options that simulator users did not choose. The two least popular options involved the health care reform legislation passed earlier this year.

Five Least Popular Simulator Budget Choices

1. Repeal the entire health care reform bill passed earlier this year (5%)
2. Repeal the excise tax on high-cost employer-sponsored health care plans (6%)
3. Increase the average federal Medicaid match to states from 57 percent of costs to 60 percent (6%)
4. Grow discretionary spending with GDP (7%)
5. Institute a minimum Social Security benefit (9%)

Fig. 2: Least Popular Options Among All Users (Percent Supporting)



Not surprisingly, users who self-identified as Democrats or Republicans diverged in their support for some high-profile proposals.

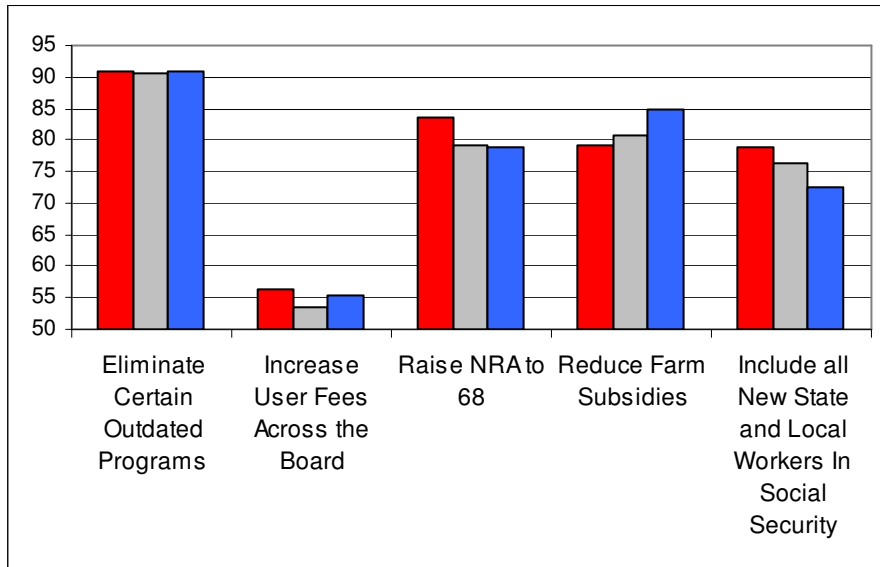
Five Most Contentious Budget Choices Between Democrats and Republicans

1. Enact carbon tax (cap and trade) (85% D, 21% R)
2. Repeal health care legislation, but keep cuts to Medicare and Medicaid (4% D, 63% R)
3. Cancel missile defense system (77% D, 21% R)
4. Cancel TARP and rescind unused stimulus funds (35% D, 90% R)
5. Reduce food stamps to 2008 levels (32% D, 86% R)

While Republicans and Democrats intensely disagree on some highly-charged measures, there appears to be wide consensus on a range of ideas. The broad support for modest

changes to Social Security – raising the retirement age and including new state and local workers – portends that agreement can be reached on reform that strengthens the long-term finances of the program while also contributing to improving the overall budget outlook.

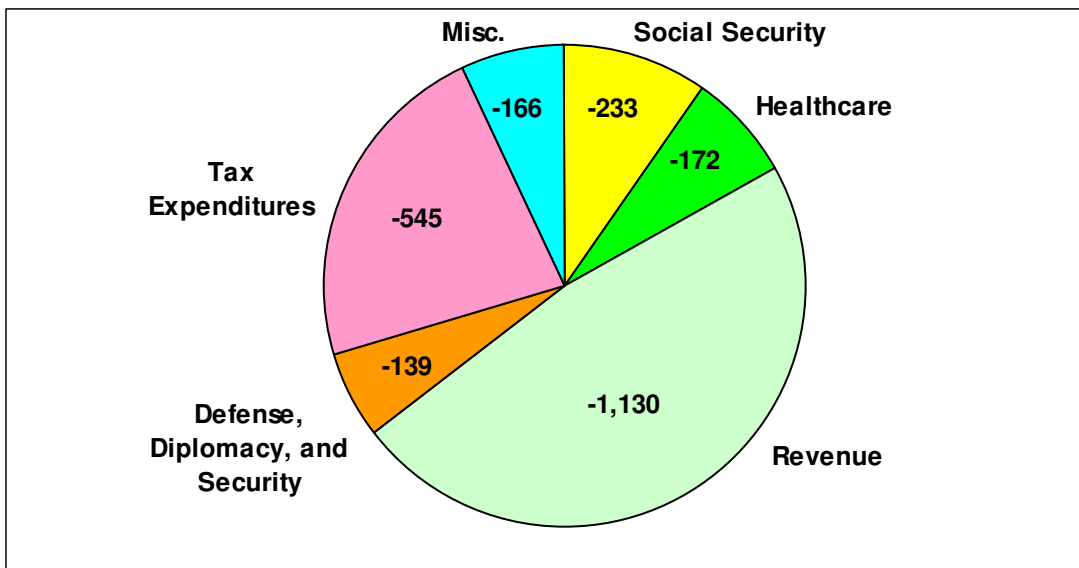
Fig. 3: Least Divide Between the Two Parties (Percent Supporting)
 (Red = Rep., Blue = Dem., Gray = All users)



NRA = Normal Retirement Age

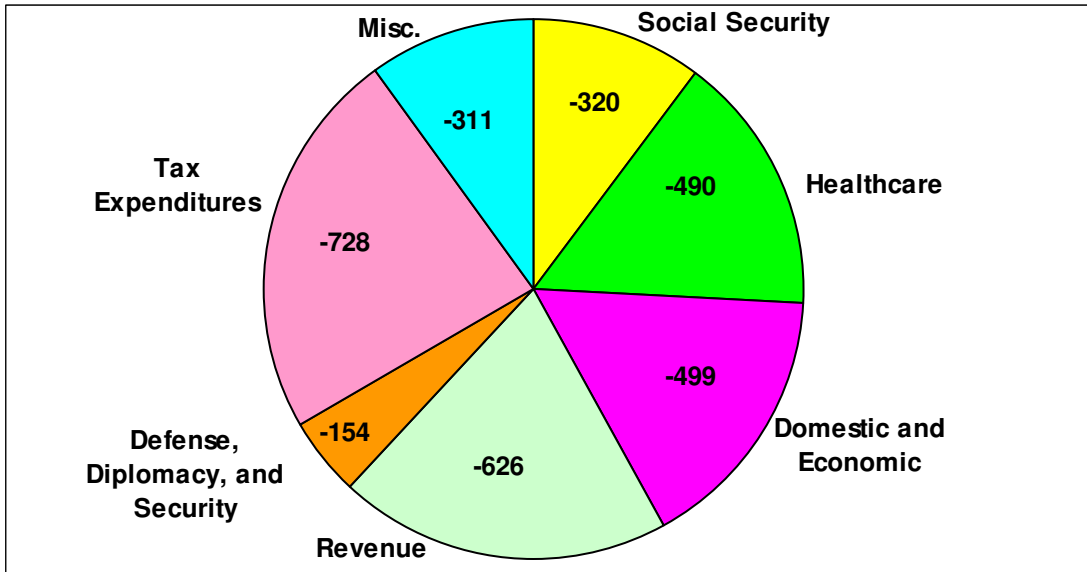
Additional analysis reveals where users of each party found their savings. The difference among the parties is telling.

Fig. 4: Debt Reduction by Category for Democratic Users (\$ Billions)



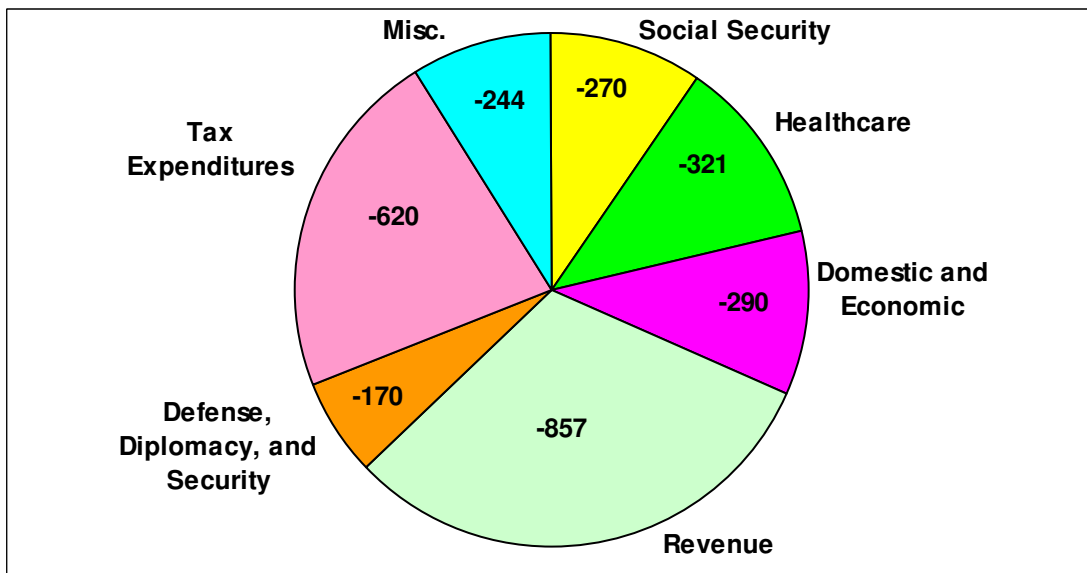
Democrats favored changes in revenues and tax expenditures to reduce the debt. They did not, on average, save in the Domestic Social and Economic Spending category, which is why it is not present in the chart.

Fig. 5: Debt Reduction by Category for Republican Users (\$ Billions)



On the other hand, Republicans found significant savings in the Domestic/Economic area. Notably, they also found more savings in tax expenditures than Democrats did.

Fig. 6: Debt Reduction by Category for Independent Users (\$ Billions)



Those that identified themselves as Independents tended to choose a middle course. In most categories the debt reduction achieved by Independents fell between those of Democrats and Republicans. The one exception was Defense, Diplomacy and Security, where Independents outpaced both parties.

The “Stabilize the Debt” simulator challenges the user to stabilize U.S. debt at 60 percent of GDP by 2018. Seventy-eight percent of the sample achieved that target. The positive response to the simulator and the high success rate indicate that Americans are embracing the need for a fiscal goal to guide budget decisions.

A refrain in Washington has been that while the solutions for dealing with the debt are available, the political will is simply not there to make the changes. The reaction to the “Stabilize the Debt” budget simulator indicates that the public is willing to take on these challenges and politicians need to follow suit.

The “Stabilize the Debt” budget simulator is quickly becoming an important tool in informing the debate on deficits and debt in the U.S. It can be accessed at <http://crfb.org/stabilizethedebt>.