



The Committee for a Responsible Federal Budget

CRFB Statement on the President's FY 2016 Budget February 2, 2015

PRESIDENT

MAYA MACGUINEAS

DIRECTORS

BARRY ANDERSON

ERSKINE BOWLES

CHARLES BOWSHER

KENT CONRAD

DAN CRIPPEN

VIC FAZIO

WILLIS GRADISON

WILLIAM HOAGLAND

JIM JONES

LOU KERR

JIM KOLBE

DAVE MCCURDY

JAMES MCINTYRE, JR.

DAVID MINGE

MARNE OBERNAUER, JR.

JUNE O'NEILL

PAUL O'NEILL

BOB PACKWOOD

LEON PANETTA

RUDOLPH PENNER

TIM PENNY

PETER PETERSON

ROBERT REISCHAUER

ALICE RIVLIN

CHARLES ROBB

MARTIN SABO

ALAN K. SIMPSON

JOHN SPRATT

CHARLIE STENHOLM

GENE STEUERLE

DAVID STOCKMAN

JOHN TANNER

TOM TAUKE

LAURA TYSON

GEORGE VOINOVICH

PAUL VOLCKER

CAROL COX WAIT

DAVID M. WALKER

JOSEPH WRIGHT, JR.

The following is a statement from Maya MacGuineas, president of the Committee for a Responsible Federal Budget:

“With debt levels at a post-war record high and the economic recovery finally starting to take hold, we needed the President to use this opportunity to begin tackling the drivers of our growing debt. While his budget is strong in paying for his new initiatives, it does too little to get control of the long-term debt, which is a dismaying lost opportunity.

“The national debt is on course to grow rapidly as a result of rising health costs, an aging society and growing interest payments. This budget does practically nothing to address Social Security’s huge shortfall, even though the disability trust fund is projected to run out within two years and the old-age trust fund in less than two decades. And while the budget does reduce health spending some, Medicare, Medicaid, and Social Security will still all grow by 75 percent over the next decade under this budget. Furthermore, interest payments will grow from less than \$230 billion this year to nearly \$800 billion by 2025.

“To his credit, the President should be strongly commended for adhering to pay-as-you-go principles by fully paying for all of his new initiatives, a principle that will be critical in the upcoming year. Yet the budget barely reduces debt as a share of GDP even under its own projections, which may prove optimistic if history is any indication. In other words, debt will remain higher than any time other than around World War II.

“In the end, failing to address the drivers of the debt will ultimately undermine the President’s other priorities. The focus on promoting investment today will do little good if our massive debt is choking the investments of tomorrow. And the desire to strengthen middle-class families can’t be fulfilled if Social Security and Medicare remain on a path to insolvency with huge across-the-board cuts looming in the future.

“Although the more severe consequences of rising debt will be in the future, every year we wait makes the problem bigger, narrows our choices for addressing it, reduces the lead time we can give families and businesses to plan and adjust, and increases the risk that we will not act in time.



“The President should use his bully pulpit to explain our debt problems to the public, not declare them solved. The right time to address our fiscal challenges is now, when short term-term deficits have subsided and before they again grow too high. While others will declare this budget “dead on arrival” we are far more concerned about the level of “debt on arrival” and hope the President will work with Congress to put our nation on a more sustainable path.”

###

For more information, contact Communications Director Jack Deutsch deutsch@crfb.org