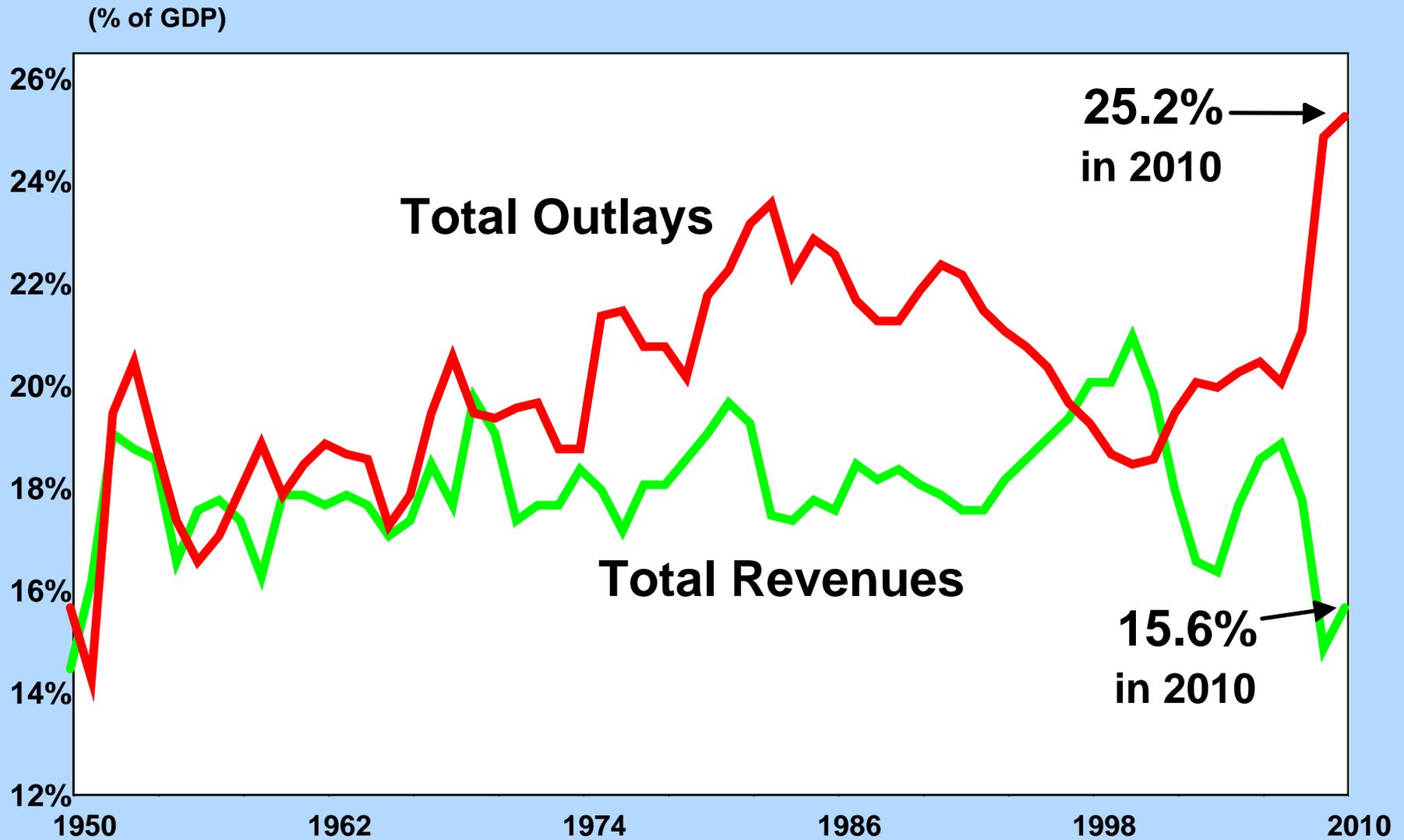
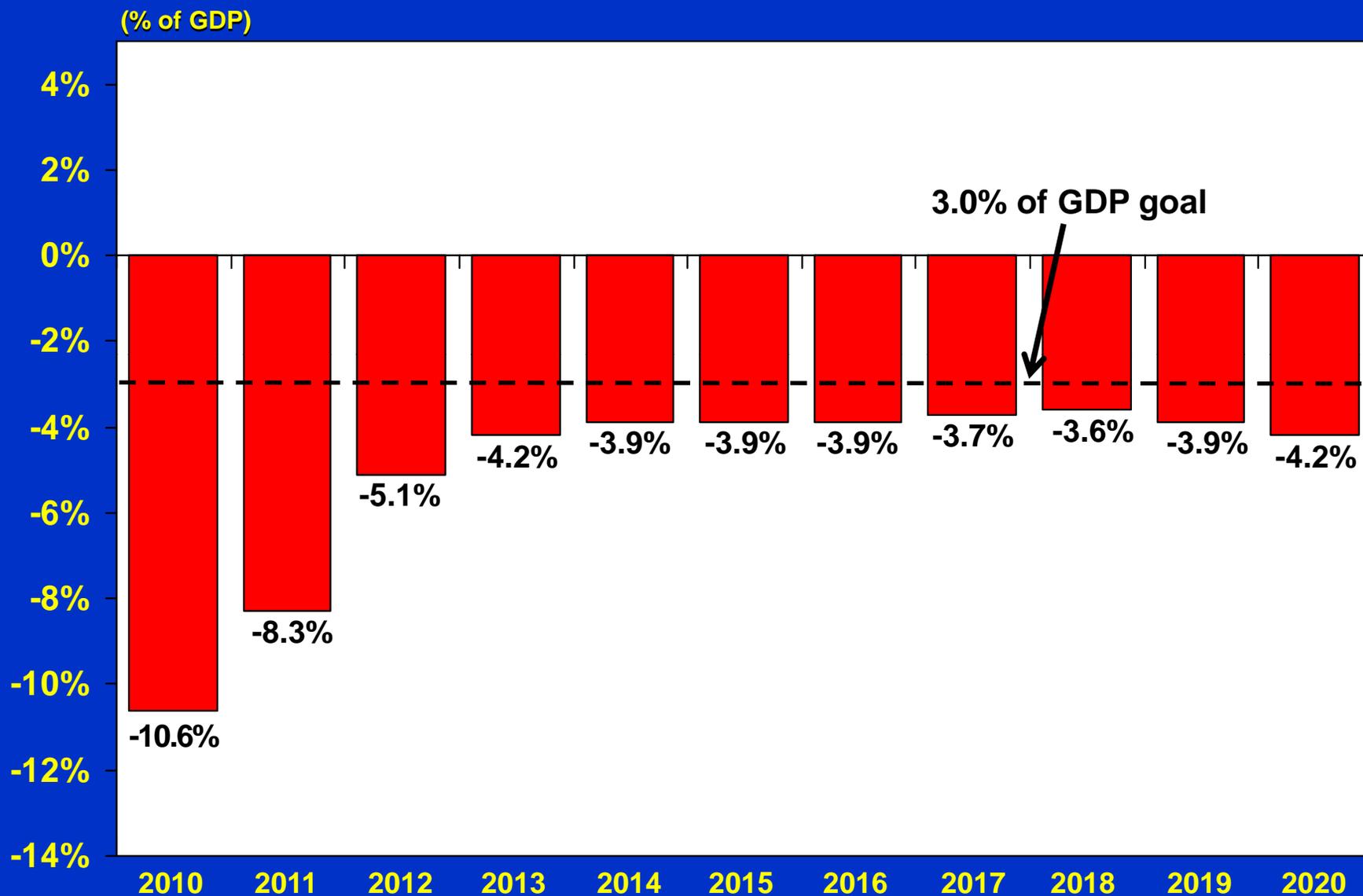


# Spending and Revenues



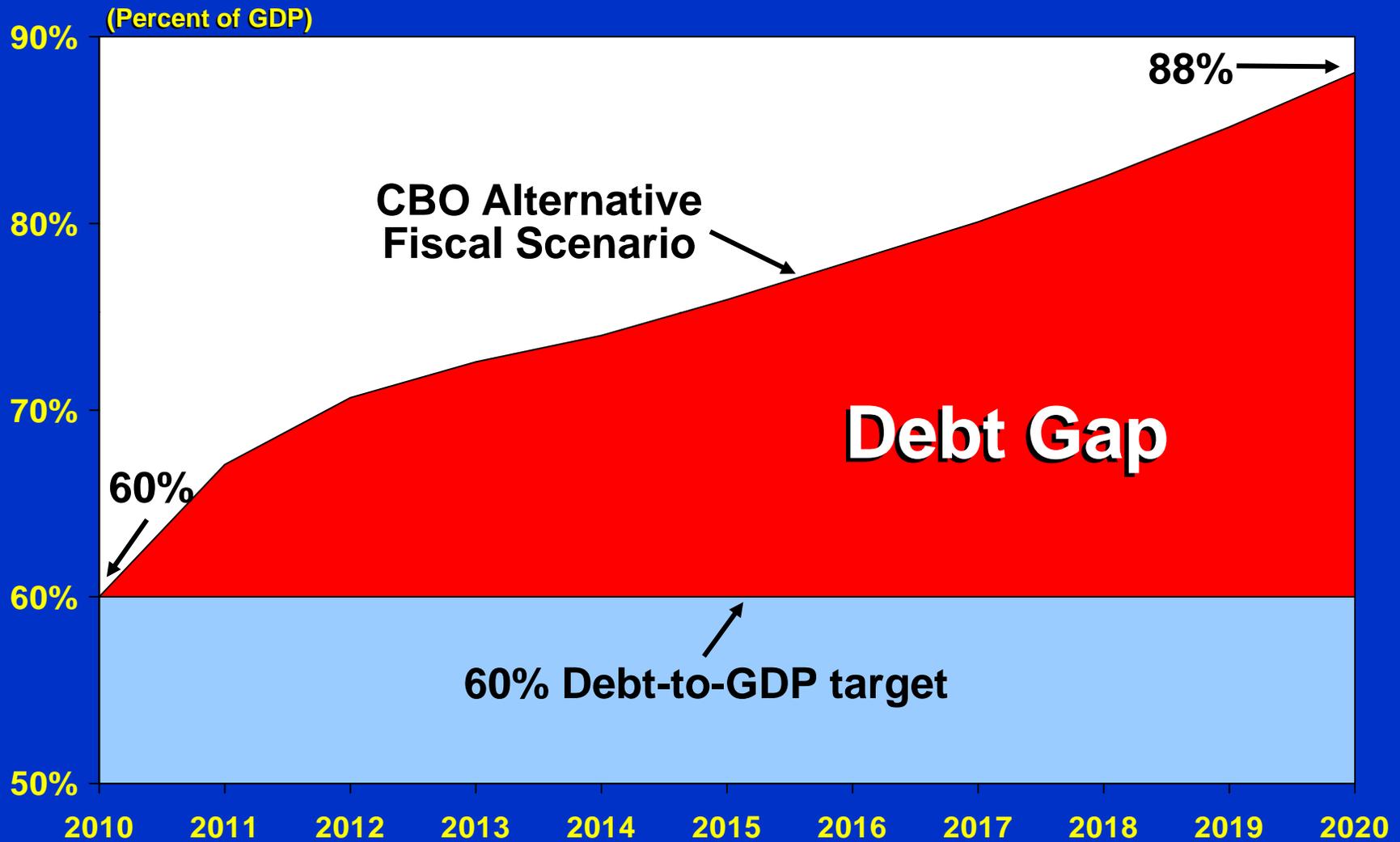
Sources: OMB, CBO

# Deficit as Percent of GDP Under Obama Budget



Source: President Obama's FY 2011 Budget

# Gap Between Projected Debt and Target for Fiscal Sustainability



Sources: CBO, *The Budget and Economic Outlook: Fiscal Years 2010 to 2020* (January 2010); Petersen-Pew Commission on Budget Reform, *Red Ink Rising, A Call to Action to Stem the Mounting Federal Debt* (December 2009); Committee on the Fiscal Future of the United States, *Choosing the Nation's Fiscal Future* (January 2010).

# Summary of Fiscal Sustainability Plans

Organization	Goal	Target Date	Debt-to-GDP	Deficit in Target Year
Petersen-Pew Commission on Budget Reform	Stabilize debt-to-GDP at 60% and reduce over longer term	2018	60%	<1%
Committee on the Fiscal Future of the United States	Stabilize debt-to-GDP at 60%	2022	60%	1.9%
Center for American Progress	Overall Budget Balance	2020	65%	0%
Center on Budget and Policy Priorities	Stabilized debt-to-GDP	2019	70%	3%

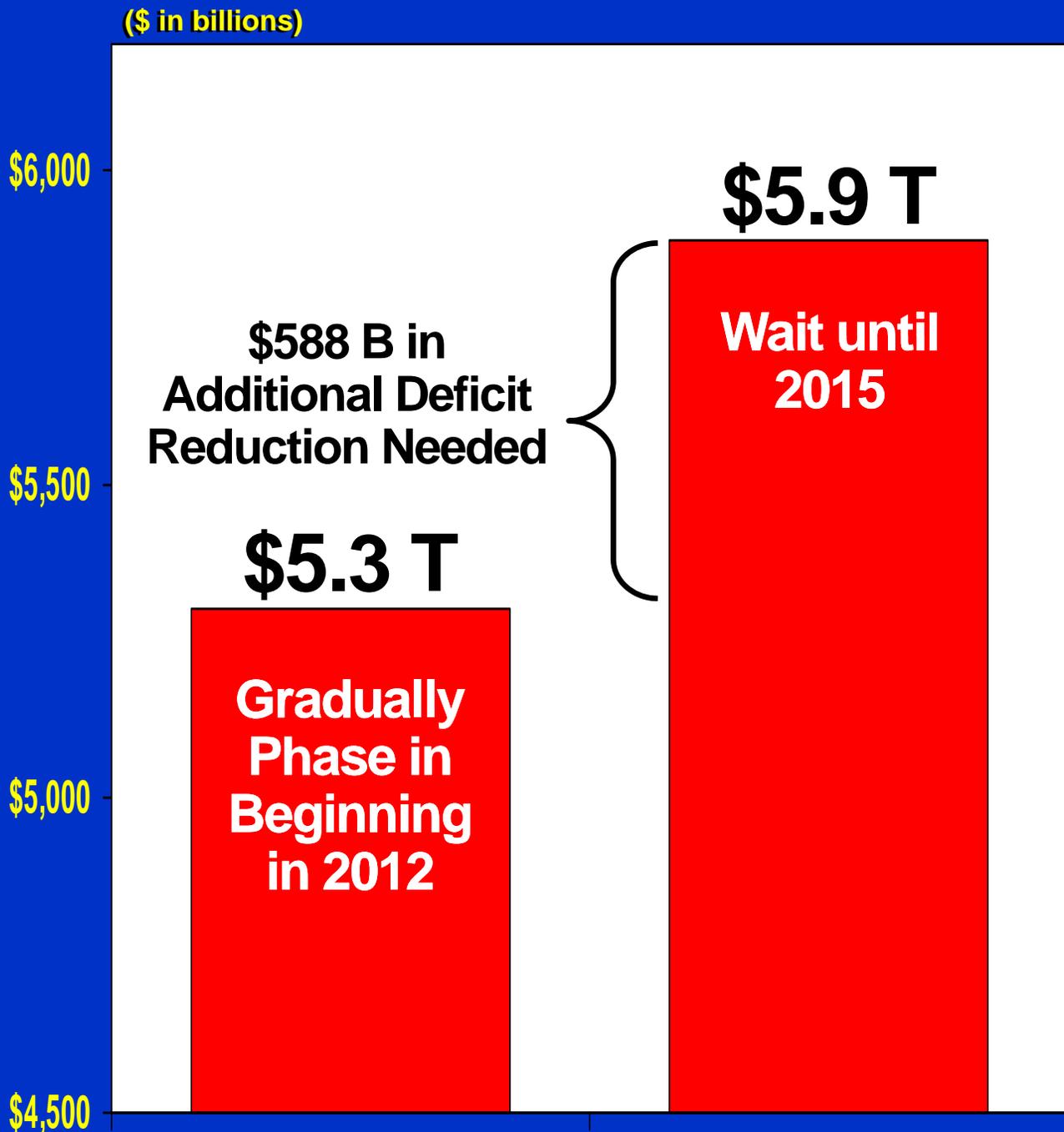
**Source:** Petersen-Pew Commission on Budget Reform, *Red Ink Rising, A Call to Action to Stem the Mounting Federal Debt* (December 2009); Committee on the Fiscal Future of the United States, *Choosing the Nation's Fiscal Future* (January 2010); Center for American Progress, *A Path to Balance* (December 2009); and Center on Budget and Policy Priorities, *The Right Target: Stabilize the Federal Debt* (January 2010).

# **Peterson-Pew Commission on Budget Reform**

## ***Six-Step Plan for Achieving Fiscal Sustainability***

- **Commit immediately to stabilize debt at 60% of GDP by 2018**
- **Develop a specific and credible debt stabilization package in 2010**
- **Begin to phase in policy changes in 2012**
- **Review progress annually and implement an enforcement regime to stay on track**
- **Stabilize debt by 2018**
- **Continue to reduce the debt as a share of the economy over the longer term**

# Deficit Reduction Needed to Reach 60% Debt-to-GDP Target in 2020



Source: Staff calculations using data from Congressional Budget Office, *The Budget and Economic Outlook: Fiscal Years 2010 to 2020* (January 2010).  
Note: Cumulative deficit reduction; debt held by the public.

# Budget and Economic Leaders on Unsustainable Budget Outlook

## Geithner

“...[O]ur deficits are unsustainable...”

- Treasury Secretary Timothy Geithner  
Testimony before Senate Budget Committee  
February 4, 2010

## Elmendorf

“...[T]he federal budget is on an unsustainable path...”

- CBO Director Douglas Elmendorf  
Testimony before Senate Budget Committee  
July 16, 2009

## Orszag

“...[T]he path that we are on is unsustainable...”

- OMB Director Peter Orszag  
Testimony before Senate Budget Committee  
March 10, 2009

## Bernanke

“...[W]e cannot allow ourselves to be in a situation where the debt continues to rise... which leads to an unsustainable situation.”

- Federal Reserve Chairman Ben Bernanke  
Testimony before House Budget Committee  
June 3, 2009

## Paulson

“...[I]t’s clearly unsustainable.”

- Former Treasury Secretary Henry Paulson  
Testimony before House Budget Committee  
February 13, 2008

## Walker

“We are on an imprudent and unsustainable long-term fiscal path...”

- Former-GAO Comptroller General David Walker  
Testimony before Senate Budget Committee  
January 11, 2007

## Greenspan

“...[T]he federal budget is on an unsustainable path...”

- Former Federal Reserve Chairman Alan Greenspan  
Testimony before Senate Budget Committee  
April 21, 2005