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CRFB Reacts to CBO's Long-Term Budget Outlook September 17, 2013

Today, the Congressional Budget Office (CBO) released new long-term budget projections, which show that despite the recent progress lawmakers have made, our long-term debt problems remain far from solved. In its new Long-Term Budget Outlook, CBO projects that the debt will rise from 73 percent of GDP today to 100 percent of GDP by 2038 and twice the size of the economy by 2075. Projections would be even worse if policymakers were to repeal sequestration or extend certain expiring provisions.

"Today's report confirms exactly what we have been warning -- that the debt is on an unsustainable long-term trajectory," said Maya MacGuineas, President of the Committee for a Responsible Federal Budget. "However you cut the numbers, we are on a path we simply cannot afford and will eventually need to come to terms with the growing costs of Social Security, Medicare, and Medicaid."

CBO's projections show that any improvement in the country's fiscal position in the next few years, due the economic recovery and short-term deficit reduction measures like sequestration, will be short lived. Under CBO's projections, debt will begin to rise as a share of the economy after 2018 and continue to grow indefinitely.

CBO's outlook provides further evidence that lawmakers should use the upcoming fiscal debates to enact a comprehensive fiscal plan to reprioritize spending, reform the tax code, and put the debt on a clear downward path as a share of the economy.

"It is time for lawmakers to look at the tough choices that are before them and work toward a bipartisan agreement," said MacGuineas. "Jumping from crisis to crisis with one short-term solution after another is not going to change the skyrocketing trajectory of our debt. Instead of focusing on the next month and the next election, policymakers should focus on the next decade and the next generation."