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**CRFB Reacts to the CBO's Long-Term Budget Outlook
June 25, 2009**

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Today, the Congressional Budget Office released its Long-Term Budget Outlook, with tax and spending projections over a 75-year window that are considerably worse than previous projections. As with previous reports, CBO concludes the federal budget is on an unsustainable path, with ever-rising debt reaching untenable levels.

"For years, we've been warning that the budget was out of balance over the long-term and we should act while there was still time," said Maya MacGuineas, President of the Committee for a Responsible Federal Budget. "Well guess what? Time is quickly running out. We're drowning in unprecedented levels of red ink and there is no plan to fix the situation."

Under its baseline scenario, CBO projects deficits will briefly drop below 2 percent of GDP next decade before rising to above 5.5 percent in 2035, 8 percent in 2050, and over 19 percent by the end of the 75-year window. Under their "Alternative Fiscal Scenario," which makes policy assumptions consistent with current practices, deficits would never drop below 4 percent of GDP, would hit 15 percent by 2035, and would surpass 45 percent of GDP by the end of the 75-year period. Unfortunately, given current political sentiment, the second scenario appears far more likely.

This outlook is considerably worse than previous projections, with the 75-year fiscal gap increasing from 6.9 percent of GDP to 8.1 percent of GDP since the December 2007 Long-Term Outlook.

"Having spent over a decade worrying about budget deficits, I can quite honestly say that things have never looked as bad as they do now. We need to be focused on slowing spending and finding better ways to raise revenue, not on cutting taxes and introducing new entitlement programs," said MacGuineas. "We can either make these hard choices now, on our own terms, or we can make them in a panic on the heels of a full-blown fiscal crisis."

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