The Fiscal Wake-Up Tour

presented by

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Social Security, Medicare, & Medicaid as a Percentage of the Federal Budget

All other Federal Spending
$1.6 Trillion

Social Security, Medicare and Medicaid
$1.15 Trillion

58%

42%

Source: Congressional Budget Office
America’s Population is Aging
Population age 65 and Over

Source: Social Security and Medicare Trustees’ Report, April 2007
Health Care Costs are Rising Faster Than the Economy

Assumes that health care cost growth continues at the average rate for the past 40 years (2.5 percentage points greater than GDP growth.)

Assumes that health care cost growth rate declines to 1.0 percentage point greater than GDP growth—consistent with the assumption used by the Medicare Trustees.

Source: Congressional Budget Office, December 2005.
Composition of Actual FY 2006 Federal Government Revenues and Outlays
(Deficit: $248 Billion)

Outlays: $2.65 trillion
Revenue: $2.41 trillion

*Includes all appropriated domestic spending such as education, transportation, homeland security, housing assistance, and foreign aid.
Source: CBO, Jan. 2007

**Includes all other mandatory spending such as military and civilian retirement and disability, supplemental security income, earned income and child tax credits, food stamps, unemployment compensation, etc., minus off-setting receipts.
Federal Spending vs. Revenues as a Percent of GDP (FY 1980-2006)

Average outlays: 21%
Average revenues: 18.3%

Source: Congressional Budget Office, August 2007 and Office of Management and Budget, 2007
Washington Needs a Fiscal Wake-Up Call From “We The People”

- The Fiscal Wake-Up Tour consists of speakers from diverse perspectives who are increasingly alarmed by the nation’s long-term fiscal outlook.

- Our mission is to cut through the usual partisan rhetoric and stimulate a more realistic public dialogue on what we want our nation’s future to look like, along with the required trade-offs.

- Elected leaders in Washington know there is a problem, but they are unlikely to act unless their constituents — We The People — demand it.
Key Points of Agreement

Members of the Fiscal Wake-Up Tour do not necessarily agree on the ideal levels of spending, taxes and debt, but we do agree on the following key points:

• Current fiscal policy is unsustainable
• There are no free lunch solutions, such as cutting waste fraud and abuse or growing our way out of the problem.
• Finding solutions will require bipartisan cooperation and a willingness to discuss all options.
• Public engagement and understanding is vital in finding solutions.
• This is not about numbers. It is a moral issue.