

February 26, 2019

Dear Senators and Representatives,

The undersigned organizations urge Congress to pass the companion resolutions introduced by Senator David Perdue and Representative Andy Biggs, which accurately recognize the significant threat posed by America's mounting national debt. We encourage the administration, congressional leadership and members of both parties to unite to address this systemic threat to our economy and secure our nation's future.

As stated in the resolutions, our debt is "unsustainable, irresponsible, and dangerous." Eclipsing \$22 trillion this month, every American alive today now "owes" over \$67,000 toward the national debt. The crisis shows no sign of abating. Trillion dollar deficits are again on the horizon. Congressional Budget Office (CBO) projections paint an even bleaker picture. Increases in revenue will pale in comparison to spending increases in years to come, leading to record-obliterating deficits and debt.

In a 2018 analysis, the CBO projected that federal outlays would increase 341% by 2048. A federal budget of \$18.1 trillion that year would yield an estimated deficit of nearly \$4.7 trillion. Our present trajectory would lead to more than \$98 trillion in debt held by the public (not including intragovernmental debt), with a publicly-held debt to gross domestic product ratio of 152%.

On our current path, by 2026, debt service will be the third largest item in the U.S. budget. By 2048, debt service will consume one-fifth of all U.S. spending. This will place significant downward pressure on important discretionary spending priorities and further jeopardize mandatory spending programs relied upon by our most vulnerable populations. As it stands, both Medicare and Social Security already face looming insolvency dates in 2026 and 2034, respectively.

The growth of the national debt will likely lead to higher interest rates that will reduce the amount of private capital available to start or expand businesses, make borrowing for purchasing a home, car or consumer goods more expensive for citizens, suppress wages, and create greater wealth inequality. As respected military and intelligence officials from across the spectrum have repeatedly emphasized, the potentially destabilizing impact of our debt poses the greatest threat to our national security—more than any external threat.

Our nation did not arrive at this fiscal crossroad overnight, or because of a single political party. For too long we have shirked the regular order, budgeted by crisis, and spent without regard for consequence. There is shared responsibility and a shared opportunity, to stop finger pointing and can kicking, and cross political divides to tackle one of the most consequential issues of our time. It starts with a simple step—admitting there is a problem. We can do that by passing these resolutions.

Americans know there is a problem and have an appetite to solve it. Polling by the Peter G. Peterson Foundation found that eight in ten voters believe the President and Congress should spend more time addressing the national debt. Nearly three-quarters of voters (71%) agree that the national debt should be a top-three priority, including 69 percent of Democrats, 79% of Republicans and 68% of independents. In a 2018 Gallup poll, 77% of respondents said they worried about budget deficits a "great deal" (51%) or a "fair amount" (26%).

We call on leaders in both parties to take a first step by passing these resolutions, and then work toward responsible bipartisan fiscal reforms that set us on a path to financial security, protecting the promise of our country for the most vulnerable among us and for generations to come. The time to act is now.



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