

A strong state of the union will require a strong approach to addressing high and rising national debt. Instead of ignoring the problem, our leaders must confront the situation and find ways to finance the future responsibly. Here's a look at the State of the Debt.

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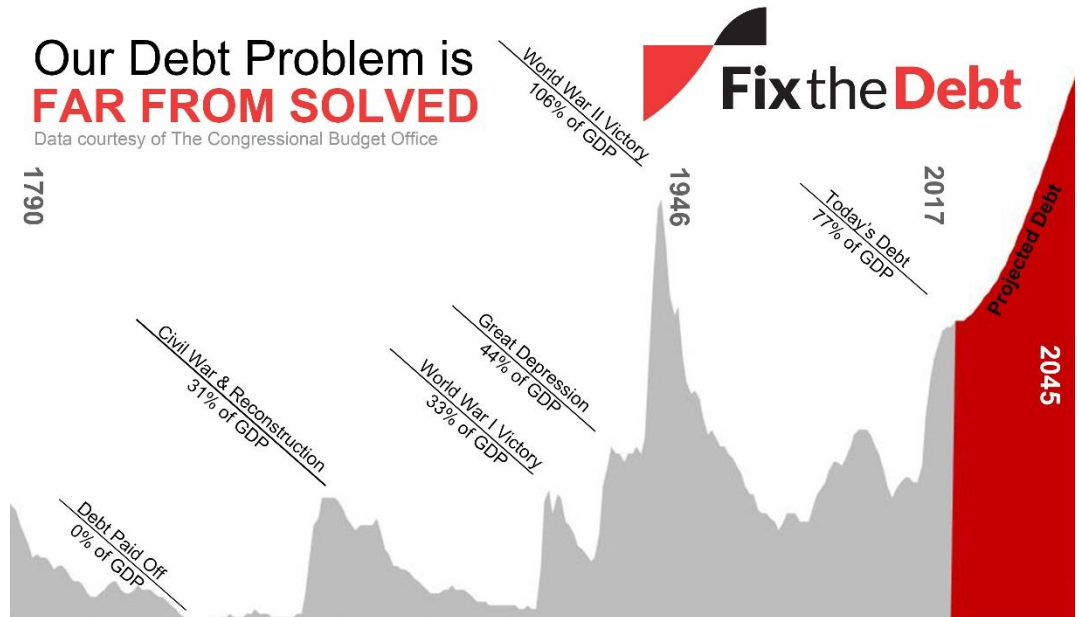
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- The debt is at record levels.** The gross national debt is approaching \$20 trillion. Meanwhile, the debt held by the public, which is the gross debt minus what the government owes itself, is at a post-World War II era high as a share of the economy at 77 percent. Only President Truman came into office with debt at a higher share of the economy.
- The situation will only get worse without action.** Trillion-dollar federal deficits will return by 2022 and continue rising. Debt is expected to grow by \$11 trillion more over the next decade, reaching 91 percent of the economy. And it will rise continuously thereafter, exceeding the World War II record high of 106 percent by 2035.
- We literally are paying dearly for inaction.** Even with low interest rates, interest on the debt is the fastest growing major part of federal spending. Interest spending is forecast to nearly triple in dollar terms and double as a share of the economy over the next decade. And one out of every eight dollars will go towards interest payments by 2030.
- Health care and retirement costs are driving the growth of the debt.** The aging of our society was once considered a long-term problem, but it is no longer in the long term. The baby boomers are now beginning to retire, which is causing health care and Social Security spending to skyrocket. The result is more than two-thirds of government spending (and growing) is essentially on autopilot. It is estimated that 70 percent of the spending growth over the next decade will come from Social Security, Medicare, and interest on the debt.
- Rising debt will make it harder to build a brighter future.** Growing national debt will slow the economy, wage growth, and job creation, and crowd out important public and private investments. It will also make it harder to respond to unforeseen challenges like a recession and make a fiscal crisis more likely. Learn more [here](https://www.fixthedebt.org).