

PREPARED REMARKS

Good afternoon and thank you all for being here for today's hearing on the Nation's fiscal outlook. I am grateful to the witnesses who took the time to testify today.

Today's hearing will discuss a topic that we prefer to shy away from seriously addressing – our nation's runaway debt and deficit issues.

When it comes to our health, we make choices that aren't so easy. We choose to exercise when we want to relax, and we choose to eat healthy when we'd prefer to splurge. But, these things promote our health and fitness, and it's worth it for our overall well-being.

Similarly, if we want to be strong as a nation, we must monitor our fiscal position and keep our revenues in balance with our spending.

Unfortunately, we have become fiscally soft and flabby.

CBO expects debt to rise to 107% of GDP in 2023, which would be the highest in our nation's history. They also project that debt held by the public will be equal to 195% of GDP in 2050, if all goes well.

Meanwhile, the Highway, Medicare, and Social Security trust funds are on a glide path to insolvency. All are expected to be depleted by 2031.

CBO's long-term report says to get us back just to 2019 levels by 2050 would require some combination of spending cuts and tax increases amounting to \$2,700 per person per year. The longer we wait the worse it gets. So, this is not going to be an easy fix.

The current coronavirus pandemic reminds us that we live in an impermanent and unpredictable world. Even in our country's relatively short history, we have seen powerful nations decline. Most recently, we saw the Soviet Union go from the first nation to put a satellite in space to collapse in a little over 30 years. I'll note that that's the time frame of the long-term CBO report.

I am not saying that the United States is like the Soviet Union or that debt led to its downfall. Instead, I'm saying that the unthinkable happens all the time. We should not be so arrogant as to think our current position will last forever.

Since World War 2, the United States has become the greatest economic power in history. We have used this power to maintain a long period of relative global peace. As part of our success, we have enjoyed the benefits of a prosperous economy and a dominant position in foreign affairs.

I worry that we take our status for granted. One way we show our complacency is by spending without thinking about the future. We are wasting our inheritance.

History assures us nations rise and fall. To face threats, we need to stay lean and strong. I think we all agree that our children and grandchildren will face new and unprecedented challenges. Surely, one contribution we can make to the next generation is to not put them in a financial bind.

Right now, we are in a unique situation, and I have advocated for additional fiscal stimulus. Most other members of this body have as well. Our failure to pass another relief package has much more to do with politics and priorities than a willingness to spend.

Whether or not another relief package gets passed, we will spend trillions in coronavirus relief this year – a number so massive we can hardly fathom. None of it is paid for. So, there is disagreement on exactly how much should be spent, but Congress is not being stingy.

When it comes to our current fiscal situation, there's plenty of blame to go around. I hope this will not devolve into a discussion of who's more at fault. That is not a productive conversation. Nothing will get done without collaboration and give and take.

I've seen recent polling that suggests people want to see action to reign in the national debt. But, I think we all know that actually addressing this challenge involves tough choices and tradeoffs. There is no easy answer. That's why it's something we have to lead on in Congress.

The first step is to acknowledge the problem. Some in the public square have made the argument that deficits do not matter.

I hope to hear details from the witnesses about the scope of what we're up against and a frank appraisal of the consequences of not acting.

Thank you all for being here today and I will now turn to Senator Hassan for her opening statement.