



Why Economic Sustainability Depends on A Balanced Budget Amendment

The National Debt Has Become a Staggering Burden

The United States is more than [\\$22 trillion](#) in debt. If divided equally among American taxpayers, each would owe an amount in excess of \$182,000. Further, projections indicate that our federal government plans to increase national liability by another \$11 trillion over the next ten years. Looking forward, we can also anticipate another \$100 trillion in future unfunded liabilities. These include interest on the national debt, pensions for federal employees and the costs of Social Security, Medicare and Medicaid. That represents nearly [\\$1 million in liability](#) for each household in America.

America's National Credit is at Risk

According to the [IMF's 2019 forecast](#) for the world's 39 most economically advanced countries, the United States has the fifth highest level of projected debt to GDP, at 106.7%. The increasing trajectory of U.S. debt is also a concern. In 2018, the IMF [reported](#), "public debt ratios are forecasted to come down in all advanced economies, except for one [The United States]." Attempting to deal with debt by printing money risks hyperinflation like that suffered in [Germany](#) after World War I. National default produces chaos like that recently witnessed in [Greece](#).

Rising Interest Costs Foretell a Cycle of Increasing Debt

With projected annual federal budget deficits at around a trillion dollars, interest rates become a dangerous wildcard. According to the [CBO's](#) extended baseline projections, "net outlays for interest more than triple in relation to the size of the economy over the next three decades, exceeding all discretionary spending by 2046." With expanding debt being financed through increased treasury sales at yields high enough to attract new investment, interest rates are likely to be pressured upward, requiring more borrowing to finance a debt completely out of control.

Debt Levels Threaten National Security

America's debt-weakened budgetary position is limiting U.S. military preparedness. In the 2019 Index of U.S. Military Strength, a Heritage Foundation [study](#) concluded that, "As currently postured, the U.S. military is only marginally able to meet the demands of defending America's vital national interests." According to former chairman of the Joint Chiefs of Staff, [Admiral Mike Mullen](#), "...the single, biggest threat to our national security is our debt."

A Balanced Budget Amendment Could Rescue America's Failing Entitlement Programs

According to the 2019 [Report](#) of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Fund, Social Security costs will surpass total income in 2020. Further, they estimate that for the combined Trust Funds to remain solvent, payroll tax would have to be permanently increased to 15.1% and benefits reduced by 20% for seniors who become eligible in 2019 and beyond. Intelligent fiscal rules proposed through a balanced budget amendment could create constitutional protections for the benefits Americans have earned and the programs that sustain our country's most vulnerable.

A BBA Could Restore a Sustainable Economic Future for America

The U.S. Congress has not been able to impose meaningful spending limits by simple statute. Whether majorities were Republican or Democrat, the national debt has grown, steadily, for the last [sixty years](#). The Swiss, by contrast, adopted a constitutional fiscal limit they call the "[Debt Brake](#)" in 2001, which slowed total spending growth to about 2% per year. Subsequently, Switzerland has surpassed the U.S. in per-capita GDP, and while debt has risen dramatically across the world's advanced nations, Swiss debt has declined without raising taxes. In 2010, the [CBO](#) projected that over seventy-five years, the implementation of similar fiscal rules in the U.S. would result in the quadrupling of real potential gross national product per person (from \$40,000 to over \$160,000), the preserving of reformed entitlement programs for future generations, and the elimination of America's national debt.