

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

MEMORANDUM

To: Members of the Committee on Financial Services

From: FSC Majority Staff

Date: December 17, 2018

Re: December 20, 2018, Full Committee Hearing entitled “The Peril of an Ignored National Debt”

The Committee on Financial Services will hold a hearing entitled “The Peril of an Ignored National Debt” at 10 a.m. on Thursday, December 20, 2018, in Room 2128 of the Rayburn House Office Building. This will be a one-panel hearing and will include the following witnesses:

- Dr. Douglas Holtz-Eakin, President at American Action Forum
- Mr. Brian Riedl, Senior Fellow, Manhattan Institute
- Dr. Jared Bernstein, Senior Fellow, Center on Budget and Policy Priorities
- Ms. Maya MacGuineas, President, Committee for a Responsible Federal Budget

This hearing will examine how Congress can put spending on a sustainable and more productive path for current and future generations. For decades, federal tax collections have steadily averaged 18 percent of Gross Domestic Product (GDP) while discretionary spending has steadily decreased. Entitlement spending, however, has been increasing at an accelerating pace over the same period. Deficits reflect a spending problem, not a revenue problem. America’s debt has grown faster than that of Greece, Italy, or Japan since 2000, and our nation cannot sustain rapidly increasing deficits.

Today, Social Security and Medicare account for more than 40 percent of federal expenditures, and this outsized share of government spending will grow much bigger still as cost increases outpace U.S. economic growth through the mid-2030s. Continuing with large and growing deficits will, before too long, require sharp tax increases. But trying to solve the problem by increasing taxes comes with an incredibly high cost – that is, by effectively cutting take-home pay, tax increases weaken work-incentives and shrink economic opportunity.