



Ten years of work addressing  
America's fiscal challenges  
to secure a healthy,  
growing economy.



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# LETTER FROM THE CHAIRMAN & CEO

**FEBRUARY 2019**

In 2008, the Peter G. Peterson Foundation was established with the goal of preserving the American Dream for the next generation. My father saw our high and rising debt as a transcendent threat to our future economy – posing a risk to every American, and our leadership role in the world.

As we look back on the first decade of our work, our impact and reach have grown, but the challenge remains. And our commitment has never been stronger.

The United States' fiscal challenge is the most predictable crisis in history. That's because it is driven by entirely foreseeable trends: a large baby boom generation that is living longer, relying on the most expensive and inefficient healthcare system in the world, combined with a tax code that fails to generate sufficient revenue to pay for what we have promised our citizens. Put these factors together, and you are left with a nation in an unsustainable position, forced to borrow from its future to fund its present.

How does the Foundation make progress on such an important and complex problem? We bring people and ideas together. We are a convener, a consensus builder, a solutions finder, and a trusted resource for policymakers and citizens. We educate and engage millions of Americans to increase awareness and accelerate action on our growing national debt, through a deep portfolio of activities, partnerships and grants. Our work includes timely research and analysis, innovative and multi-faceted campaigns, and coalition-building to advance policy solutions and gather diverse voices from across the political spectrum and across America.

Further, recognizing that healthcare performance plays an essential role in defining America's fiscal outlook and future economy, our Foundation has built a dedicated effort focused on improving the delivery of care. In 2014, we launched the Peterson Center on Healthcare, which is working to transform U.S. healthcare into a high-performance system by finding, validating and accelerating the adoption of proven solutions that improve quality and lower the cost of care.

Addressing our nation's fiscal outlook has never been more urgent. At \$22 trillion, the national debt is already dangerously high. This year our federal budget deficit is projected to add nearly \$1 trillion more to the debt. Worse yet, we have just entered an era in which, absent policy changes, our daunting demographics will grow the deficit every single year as far as the eye can see. This is the definition of unsustainable.

And the result of this irresponsible path can easily be seen in our nation's fastest growing government "program": interest costs. Over the next ten years, we will spend a staggering \$7 trillion in interest costs. Next year we will spend more on interest than we do our kids. A few years after that, interest costs will exceed what we spend on national defense. To maintain our strength as a nation, we simply can't spend more on our past than on our future.

Why does it matter? Because our high and rising debt does real damage to our future, reducing capital for public and private investment, endangering our flexibility to deal with crises or emergencies, weakening the safety net, and diminishing economic opportunities for Americans. Put simply, our fiscal outlook has negative ramifications for Americans from every state, generation and political party.

Unfortunately, hyper-partisanship in Washington continues to stand in the way of meaningful progress on these non-partisan realities. In fact, recent tax and spending legislation have added trillions more in red ink, only making matters worse. The sooner we address these challenges, the easier the task will be.

Sadly, my father passed away in 2018 at the age of 91. I will be forever grateful for having him as a role model, and for the opportunity to work alongside him at the Foundation over the past decade. His spirit, energy and tenacity continue to inspire us every day.

My father and I built an organization that is poised for growth, and the first ten years of the Peterson Foundation are just the beginning. To meet the magnitude of these critical challenges, our resources, commitment and impact will expand significantly in the years ahead, as we strive for a more secure and prosperous economy with widely-shared opportunity. Our nation's future is at stake, and our kids and grandkids deserve better.

With a dedicated staff and committed partners, we are just getting started in our mission to restore the American dream that my father was so fortunate to have lived.

A handwritten signature in black ink that reads "Michael Peterson".

Michael A. Peterson  
Chairman and Chief Executive Officer

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# OUR FOUNDER

**PETER G. PETERSON**

**1926 – 2018**

**“We have a moral obligation to future generations to build a dynamic, growing American economy that is defined by opportunity, mobility and prosperity.”**

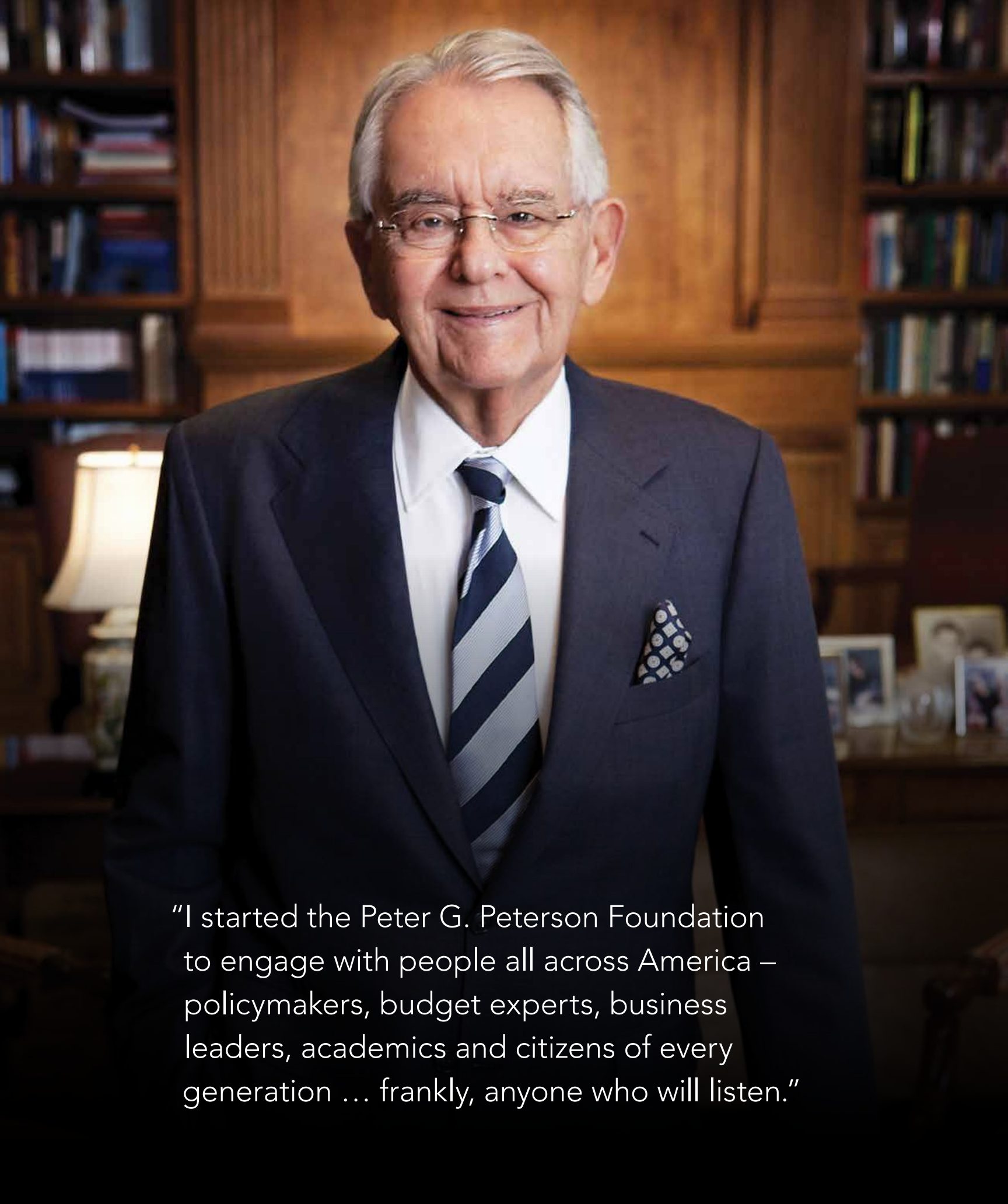
Pete Peterson traced the roots of his character and work ethic back to his birthplace of Kearney, Nebraska. A first-generation American, Pete was born during the Great Depression to Greek immigrant parents who arrived in this country with little education, only a few words of English, and just pennies in their pockets.

His family operated the quintessential Greek diner – the Central Café – which stayed open for literally 24 hours a day, 365 days a year, for 25 straight years. This example taught Pete important lessons about the value of hard work, responsibility and, importantly, saving for the future.

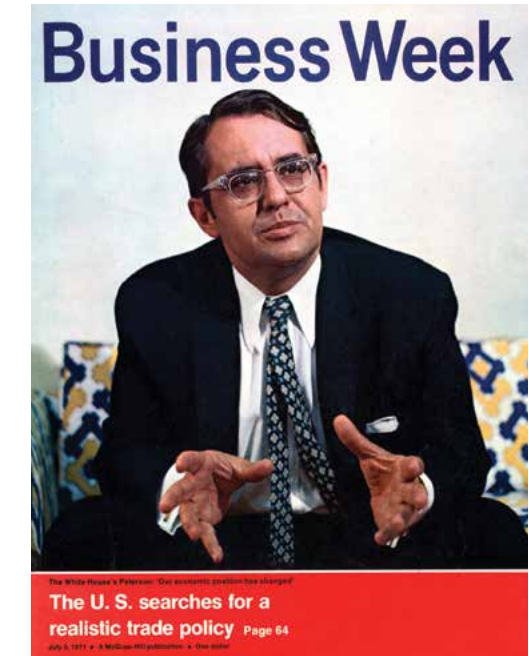
These lessons stayed with Pete throughout his life, driving his passion to ensure that future generations have the same opportunity to live the American Dream that he did. He saw the rapidly growing national debt as a threat to opportunity, and with good reason.

Across Pete’s distinguished and far-reaching career – which included significant accomplishments across public service, business and philanthropy – he was a relentless advocate for fiscal responsibility. An author of eight books and dozens of articles, as well as a frequent public speaker, Pete committed himself to educating and persuading voters and policymakers alike about the need to recognize and prepare for America’s coming demographic challenges.

At a fundamental level, Pete saw the nation’s fiscal outlook as a threat to the long-term future of America. In 2008, Pete launched the Peter G. Peterson Foundation because, he said, “nothing less than the American Dream itself was at stake.”

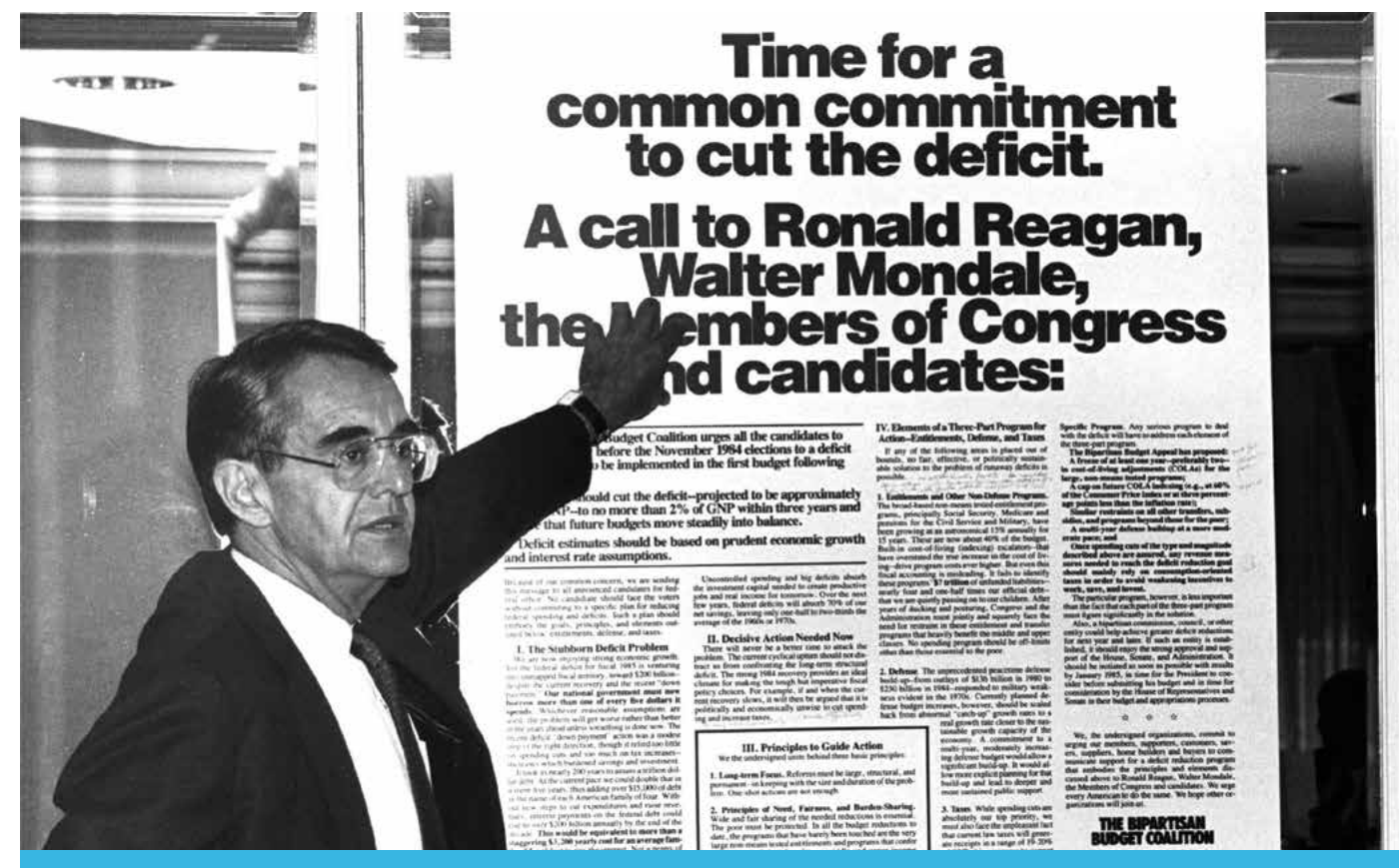


In 1972, Pete became the United States Secretary of Commerce.



Pete, as Assistant to the President for International Economic Affairs in 1971. (Used with permission of Bloomberg L.P. Copyright©2017. All rights reserved.)

"I started the Peter G. Peterson Foundation to engage with people all across America – policymakers, budget experts, business leaders, academics and citizens of every generation ... frankly, anyone who will listen."



Always the ad man, Pete leveraged the media to pressure presidential candidates and Congress to address the deficit in 1984.

“History teaches us that good ideas can come from unexpected sources and that lasting legislative solutions are generally those that are built on a solid bipartisan, or even non-partisan, foundation.”



Pete was a prolific writer who penned eight books and many articles.



Pete with his wife, Joan Ganz Cooney, a Director of the Peterson Foundation.



Pete and Michael Peterson together at the 2016 Fiscal Summit.



For Pete, the Fiscal Summit was a nonpartisan platform where policymakers and influential leaders could come and share big ideas.

**“WHILE RESTORING AMERICA’S FISCAL HEALTH MAY BE AN UPHILL BATTLE, I LEARNED FROM MY PARENTS THAT, IN AMERICA – IF YOU WORK HARD ENOUGH – ANYTHING IS POSSIBLE. KNOWING THIS, I HAVE EVERY CONFIDENCE THAT, LONG AFTER I AM GONE, THE PETERSON FOUNDATION WILL CONTINUE TO CHAMPION OUR NATION’S BEST POSSIBLE ECONOMIC FUTURE AND HELP MAKE IT A REALITY.”**

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# STATE OF FISCAL

The United States is on an unsustainable and dangerous fiscal path. Our nation's debt is at historically high levels and projected to rise dramatically, posing a significant risk to our economy and to every American's future.

Our debt challenge isn't based on politics or partisanship – it's the simple math of spending more than we take in. America has 73 million baby boomers retiring and living longer, a highly inefficient healthcare system, and a tax code that fails to generate sufficient revenues. These factors combine to pose real threats to our future, from lower productivity and reduced public and private investment to a higher likelihood of fiscal crises, weakening of our safety net, and diminishing economic opportunities for Americans.

The vast majority of American voters recognize these dangers and believe that addressing our nation's debt should be a priority in Washington. Most elected officials say that they agree. Yet the problem remains unaddressed.

The good news is that viable solutions exist that can reverse our fiscal course and reduce the harm of our current trajectory. But the longer we wait to take action, the more difficult and painful it will be to tackle the problem. Now is the time to chart a better path and create the conditions for sustained economic growth and prosperity into the future.

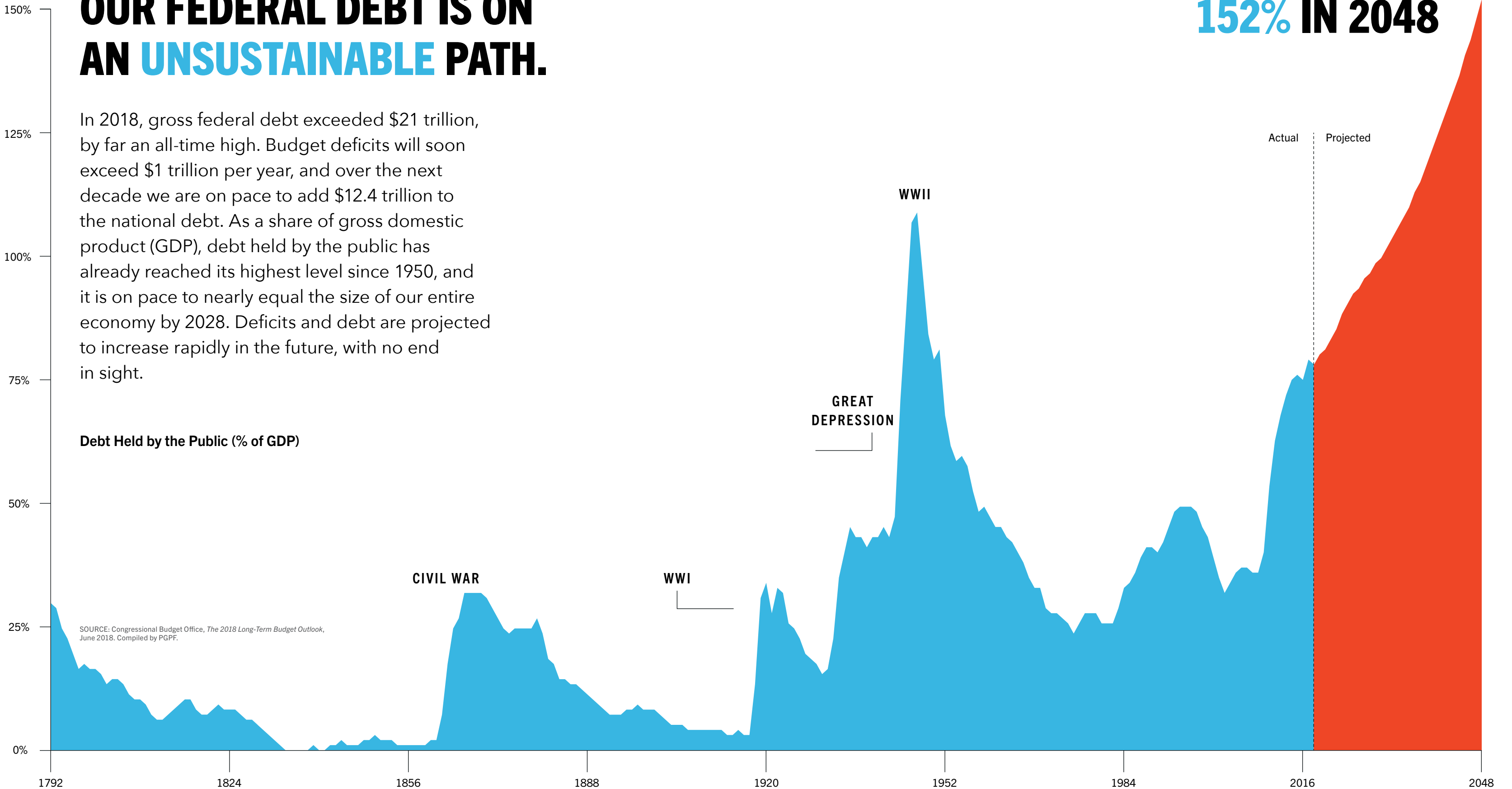
# OUR FEDERAL DEBT IS ON AN UNSUSTAINABLE PATH.

In 2018, gross federal debt exceeded \$21 trillion, by far an all-time high. Budget deficits will soon exceed \$1 trillion per year, and over the next decade we are on pace to add \$12.4 trillion to the national debt. As a share of gross domestic product (GDP), debt held by the public has already reached its highest level since 1950, and it is on pace to nearly equal the size of our entire economy by 2028. Deficits and debt are projected to increase rapidly in the future, with no end in sight.

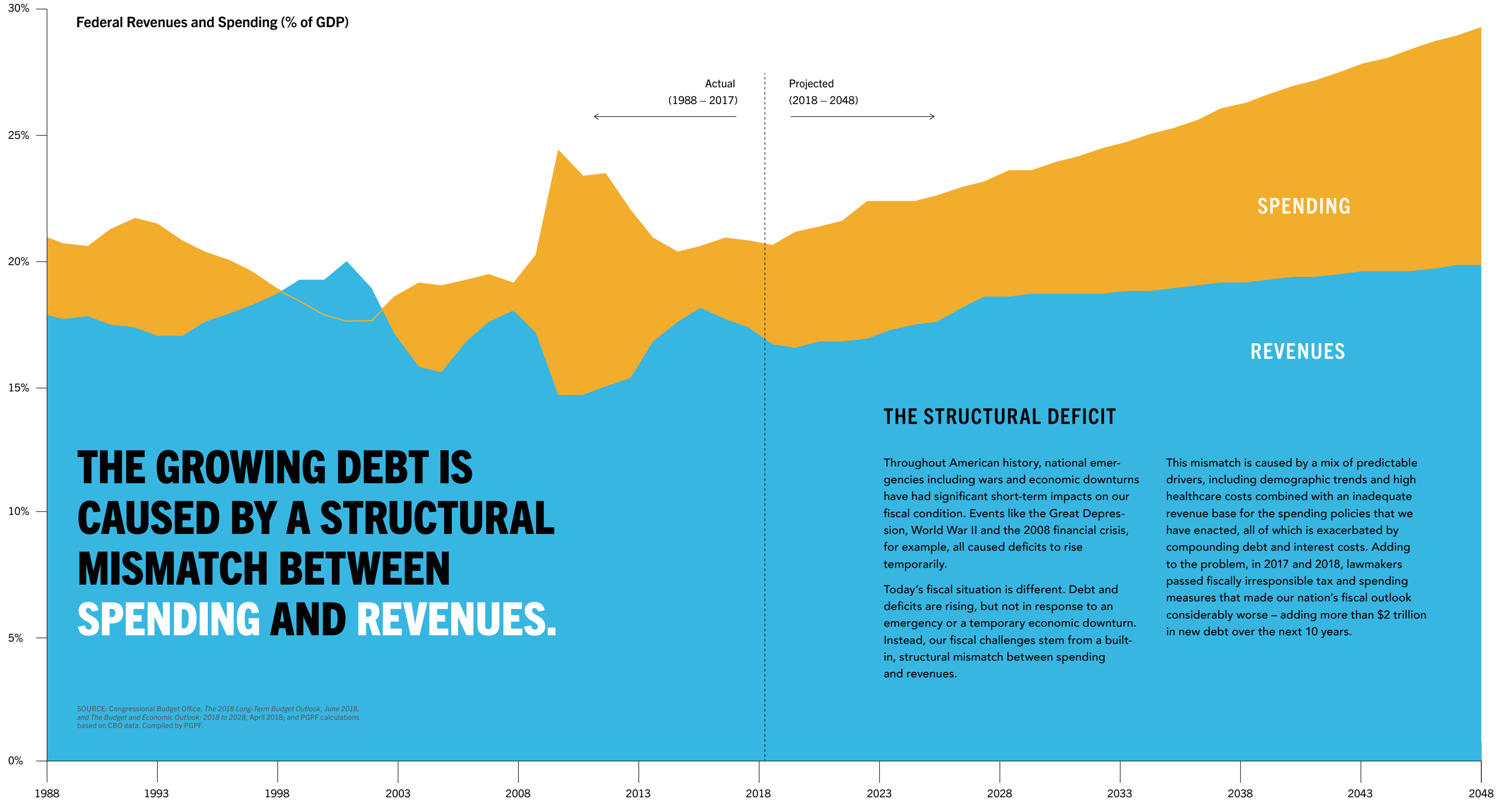
Debt Held by the Public (% of GDP)

SOURCE: Congressional Budget Office, *The 2018 Long-Term Budget Outlook*, June 2018. Compiled by PGPF.

## 152% IN 2048

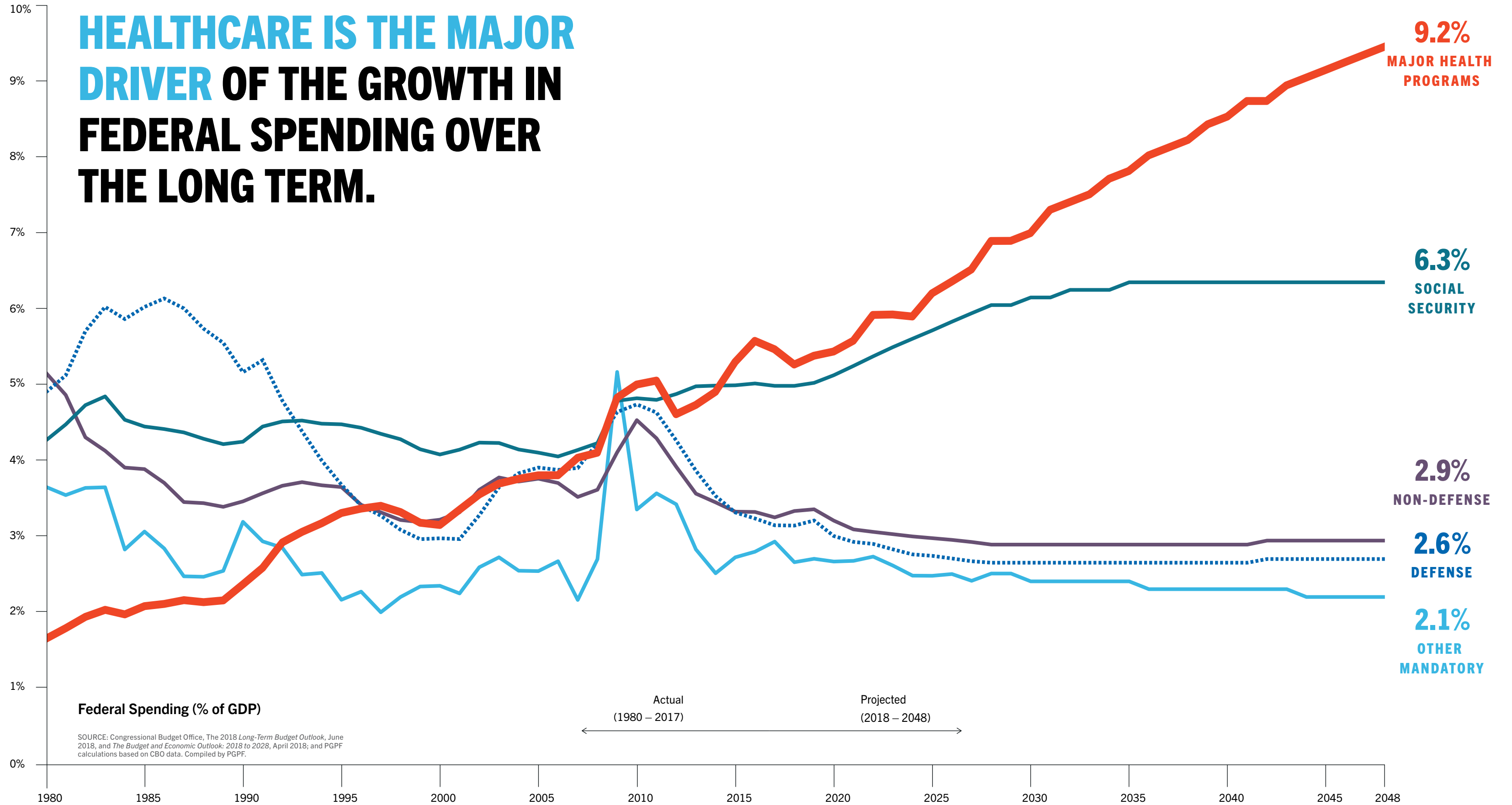






**THE GROWING DEBT IS CAUSED BY A STRUCTURAL MISMATCH BETWEEN SPENDING AND REVENUES.**

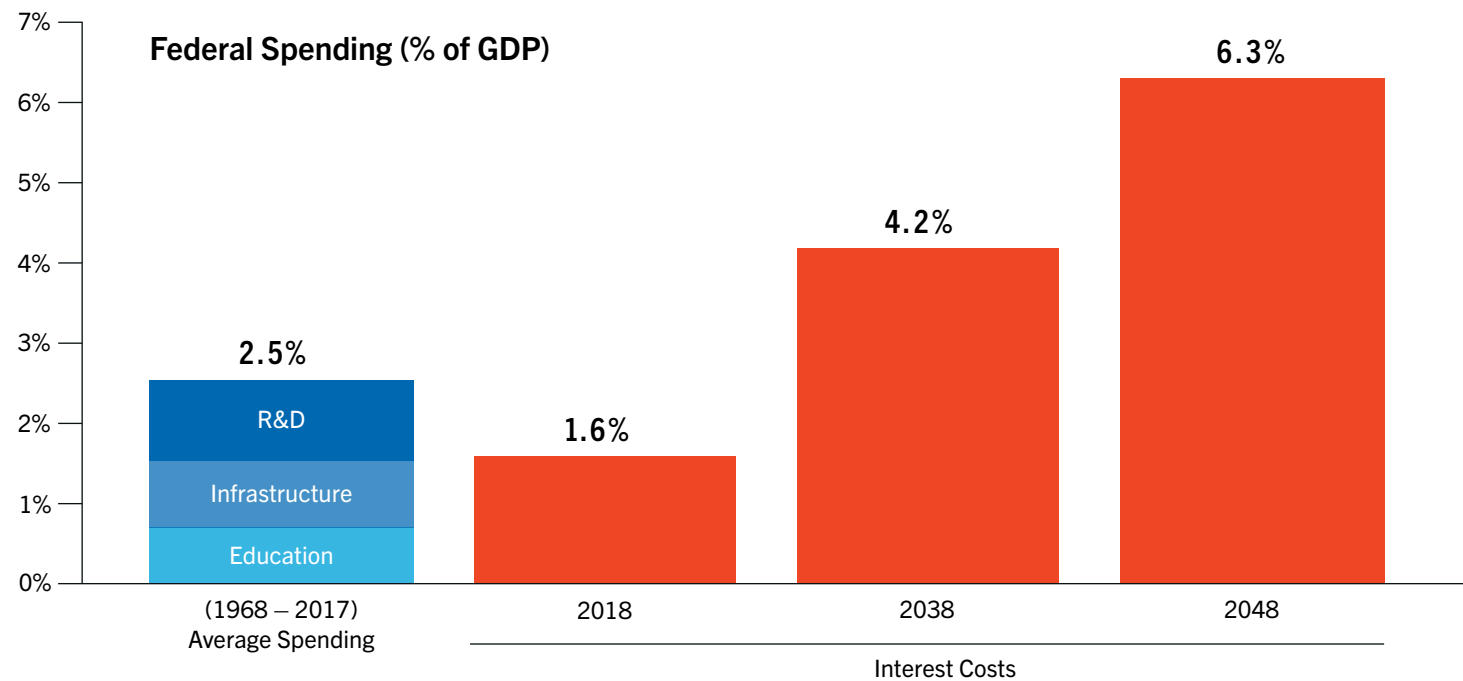
# HEALTHCARE IS THE MAJOR DRIVER OF THE GROWTH IN FEDERAL SPENDING OVER THE LONG TERM.



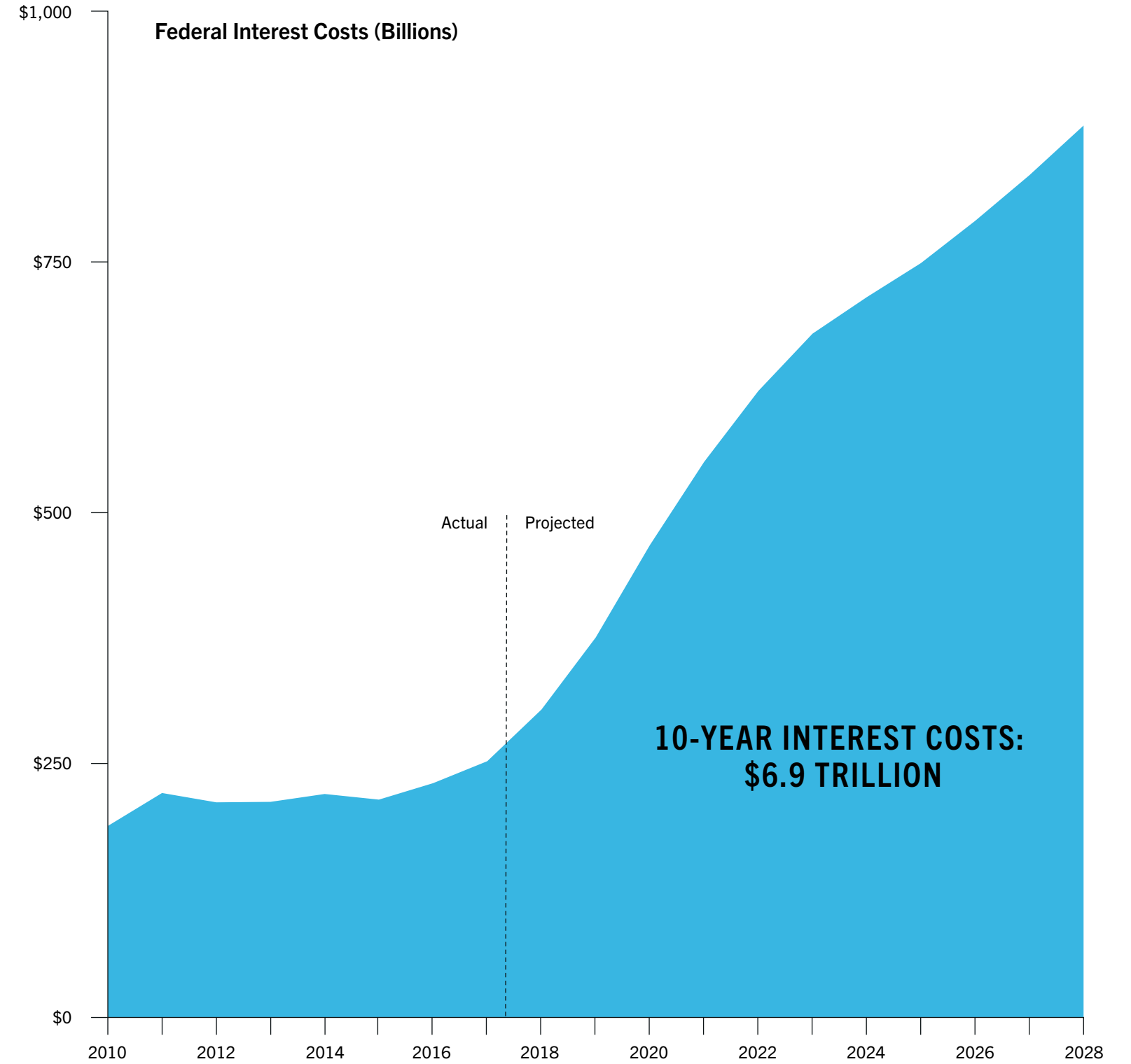
Federal Spending (% of GDP)

SOURCE: Congressional Budget Office, The 2018 Long-Term Budget Outlook, June 2018, and The Budget and Economic Outlook: 2018 to 2028, April 2018; and PGPF calculations based on CBO data. Compiled by PGPF.

# BY 2048, INTEREST COSTS ARE PROJECTED TO BE MORE THAN TWICE WHAT THE FEDERAL GOVERNMENT HAS HISTORICALLY SPENT ON R&D, INFRASTRUCTURE AND EDUCATION, COMBINED.



SOURCE: Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2019*, February 2018; Congressional Budget Office, *The 2018 Long-Term Budget Outlook*, June 2018. Compiled by PGPf. NOTE: Infrastructure excludes defense.



SOURCE: Congressional Budget Office, *An Analysis of the President's 2019 Budget*, May 2018, and *The Budget and Economic Outlook: 2018 to 2028*, April 2018. Compiled by PGPf.

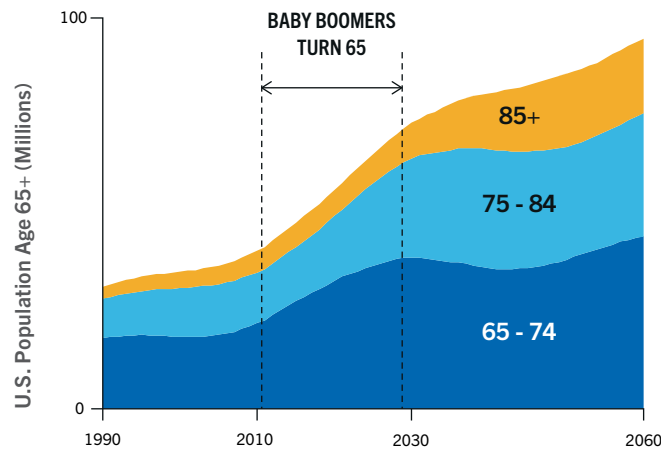
## KEY DRIVERS OF DEBT

### Demographics

The Baby Boom generation – 73 million strong – has already begun to leave the workforce and access federal healthcare and retirement programs. Today, and every day for the next 11 years, roughly 10,000 baby boomers will celebrate their 65th birthday. Over the next 35 years, the number of people 65 and older will climb by 35 million, an increase of 67%. Not only will the number of older Americans increase, but they are also expected to live longer in retirement due to significant improvements in life expectancy.

These trends mean that the government will spend more for the important programs that serve this growing population of older Americans, including Social Security, Medicare and Medicaid. In fact, these trends are the essence of our nation’s fiscal challenge: spending on Social Security and the major health programs accounts for 100% of the increase in federal non-interest spending over the long term, relative to the size of the economy.

#### The elderly population is growing rapidly and living longer



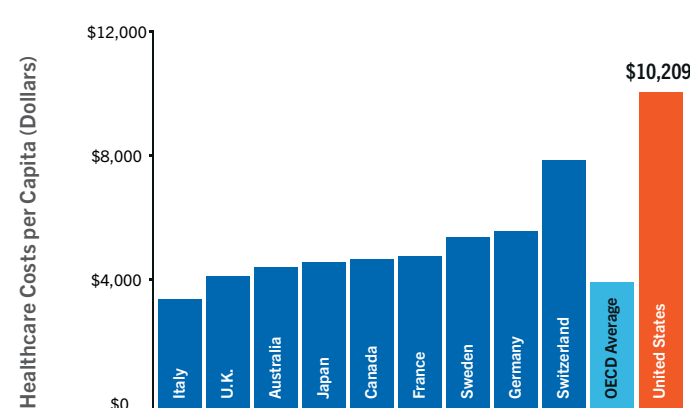
SOURCE: U.S. Census Bureau, *National Intercensal Estimates and 2017 National Population Projections*, September 2018. Compiled by PGPF.

### Healthcare Costs

Overall spending on U.S. healthcare totals a staggering \$3.7 trillion, or 18% of the economy. Despite spending more than \$10,000 per capita, health outcomes in the U.S. are no better, and are in some cases worse, than other advanced nations. While healthcare costs have grown less rapidly in recent years, they are projected to keep rising – faster than inflation, wages or the overall economy.

This combination of an inefficient healthcare system with our aging population creates a “perfect storm” of challenges for the U.S. economy, as seniors, who consume more healthcare than younger Americans, are entering retirement at historically high rates, living longer in retirement, and accessing the most expensive and inefficient healthcare system among advanced economies.

#### U.S. per capita healthcare spending is more than twice the average of other developed countries



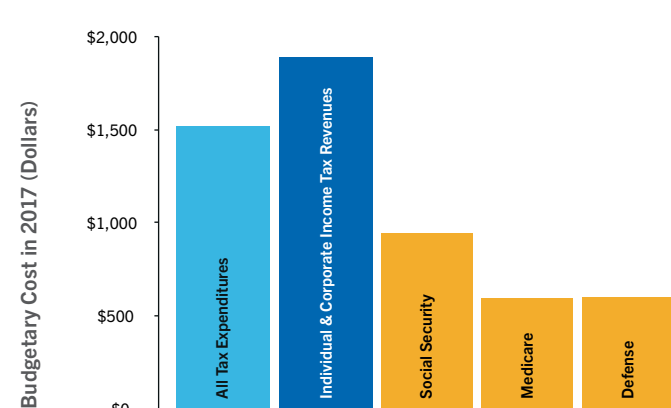
SOURCE: Organisation for Economic Co-operation and Development, *OECD Health Statistics 2018*, June 2018. Compiled by PGPF.

### Inadequate Revenues

It would be one thing if our tax code were designed to fund all the promises we’re making. But it’s not. The U.S. tax system does not generate enough revenue to cover the spending policymakers have chosen. Even though there are many options to choose from that would increase revenue, lawmakers have failed to tap new sources that would pay for their priorities.

Our tax code is also overly complex, confusing, inefficient and unfair. For example, it remains riddled with tax expenditures, or “tax breaks,” that provide financial benefits to specific activities and groups, but not others. These tax breaks – which total \$1.5 trillion annually – are a lot like government spending in disguise, and they increase annual deficits. They also create market distortions that are damaging to economic growth and productivity.

#### Tax expenditures are large in comparison to other parts of the budget



SOURCE: Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2019*, February 2018; and the Joint Committee on Taxation, *Estimates of Federal Tax Expenditures for Fiscal Years 2017-2021*, May 2018. Compiled by PGPF.

### What Is a Trust Fund?

“Trust fund” implies a secure source of funding. However, a federal trust fund is not a traditional “fund”— it is an accounting mechanism used to track inflows and outflows for specific programs.

“Trust funds are the ultimate oxymoron: they aren’t funded and can’t be trusted.”

— PETE PETERSON

For example, Social Security took in surplus revenue in the past, however, the funds were actually spent on other programs during those years. The “trust fund” accounted for this by tracking it as “Government Account Series” securities – effectively an IOU to ourselves. Today, the Social Security program is running a deficit, and the federal government is forced to borrow to fund the program – the same as if there was no trust fund at all.

Although many are under the impression that trust funds guarantee sustainability, ultimately, trust funds are not separate from the rest of the federal budget and these programs depend on our broader fiscal sustainability. To ensure the long-term strength and solvency of important programs like Medicare and Social Security, we must address our nation’s mounting debt and deficits.

## WHY DEBT MATTERS

# “WHAT DOES THIS MEAN FOR ME?”

Put simply, a stable fiscal foundation is essential for a strong and prosperous American economy. Rising debt matters because it harms our economy and threatens the opportunities available to every American, today and in the future.

A nation saddled with debt will have less to invest in its own future, as higher interest costs crowd out important public investments that can fuel economic growth – areas like education, research and development, and infrastructure. In fact, interest costs are the fastest-growing part of the federal budget, and are projected to climb from \$315 billion in 2018 to \$914 billion by 2028. Over the next decade, interest will total nearly \$7 trillion, rising to become the third largest federal “program.” Remarkably, by 2020 we will spend more on interest than on children.

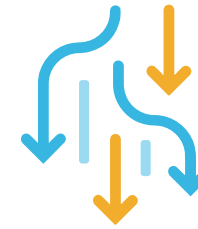
Growing federal debt also diminishes the amount of private capital for investment, which reduces income over time. It shrinks business and consumer confidence and lowers certainty. Our growing debt pushes up interest rates, which makes it harder for Americans to afford college, buy a home or start a business. And it also depresses wages: if we fail to improve our fiscal outlook, a four-person family, on average, could see its income reduced by \$16,000 annually in 30 years.

Our fiscal security is also closely linked to our national security and our ability to maintain a leading role in the world. As a result of our fiscal irresponsibility, the United States stands alone as the only advanced economy in the world whose debt-to-GDP ratio is anticipated to rise over the next five years. As debt grows, not only are we more beholden to creditors around the globe, but we have fewer resources to invest in strength at home. By 2023, the Congressional Budget Office (CBO) projects that the United States will spend more on interest than on national defense.

Additionally, dangerously high debt not only makes a fiscal crisis more likely, it leaves policymakers with less flexibility to deal with unexpected events, such as significant recessions, wars or natural disasters.

And, importantly, America’s debt imperils the safety net and the most vulnerable in our society. If our government does not have the resources and the stability of a sustainable budget, these essential programs, and those who need them most, are put in jeopardy.

## THE IMPACT OF HIGH AND RISING DEBT



**LOWER PRODUCTIVITY, CERTAINTY AND ECONOMIC OPPORTUNITY**



**CROWDING OUT OF PUBLIC AND PRIVATE INVESTMENTS, WHICH WILL REDUCE FUTURE ECONOMIC GROWTH**



**LESS FISCAL FLEXIBILITY TO RESPOND TO UNFORESEEN CHALLENGES**



**HIGHER LIKELIHOOD OF A FISCAL CRISIS IN THE UNITED STATES**



**SPENDING MORE ON INTEREST THAN ON CHILDREN BY 2020**



**REDUCTION IN 4-PERSON FAMILY INCOME BY \$16,000 IN 2048**



**THE U.S. IS THE ONLY ADVANCED ECONOMY WITH RISING DEBT-TO-GDP.**

Change in Debt, 2017 – 2023 (% of GDP)

SOURCE: International Monetary Fund, *World Economic Outlook*, April 2018. Compiled by PGPF.

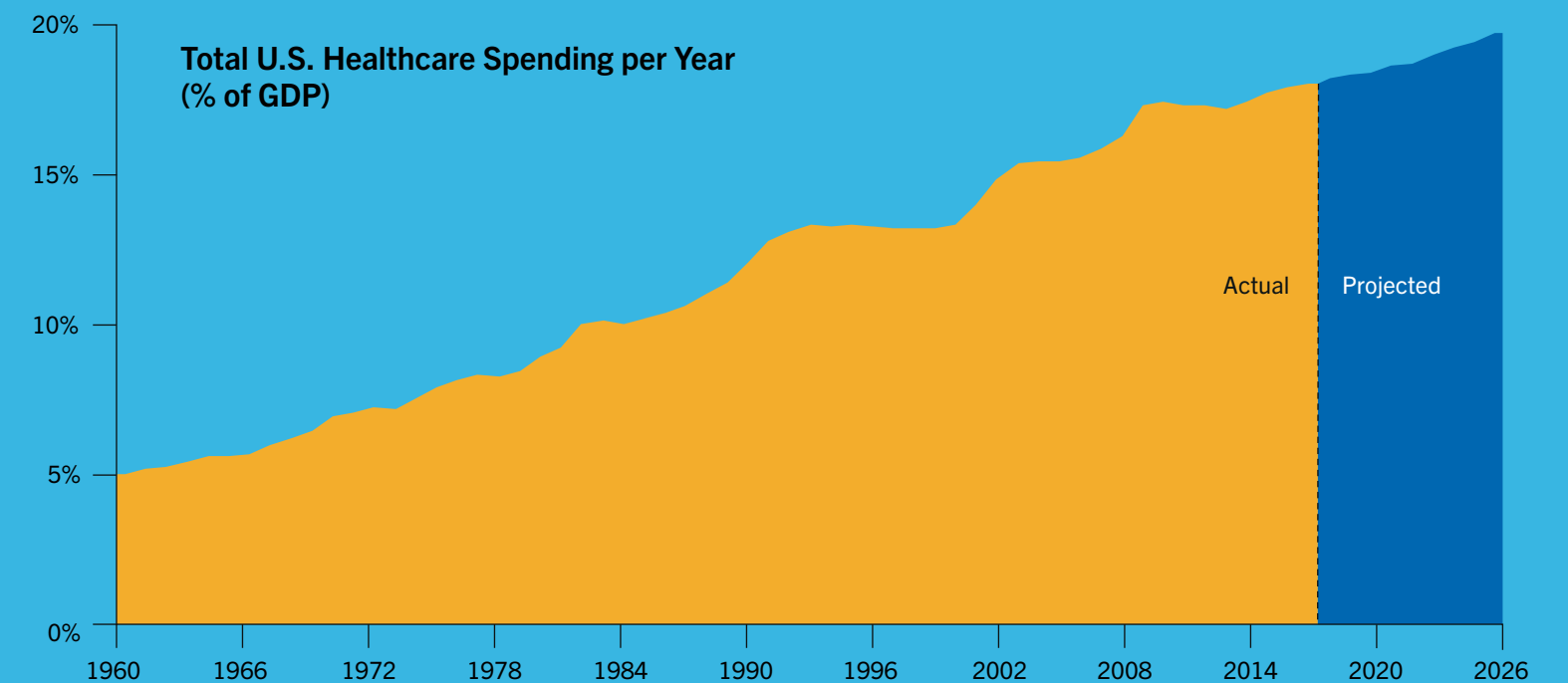
## HEALTHCARE: OUR CENTRAL FISCAL AND ECONOMIC CHALLENGE

By definition, addressing America’s fiscal and economic challenges means addressing the future of healthcare in this country. Rising healthcare costs are a key driver of our fiscal imbalance – accounting for 70% of the increase in federal mandatory spending over the long term relative to the size of the economy.

An expensive healthcare system that delivers poor outcomes threatens our health, undermines our economy and strains the federal budget. At a total expenditure of approximately \$3.7 trillion, or 18% of the national economy, the U.S. healthcare system is the most expensive in the world. Yet our health outcomes are worse than those of many other nations.

An inefficient healthcare system leaves our economy less competitive, reducing incomes and leaving fewer resources for productive activities that drive growth and innovation. This spending crowds out important public investments in our future like education, research and infrastructure.

Recognizing the significant economic and fiscal impacts of rising healthcare costs, the Foundation launched the Peterson Center on Healthcare in 2014. The Center is working to transform U.S. healthcare into a high-performance system by finding innovative solutions that improve quality and lower costs and then accelerating their adoption on a national scale. Read more on page 75.



SOURCE: Centers for Medicare and Medicaid Services, *National Health Expenditure Data*, February 2018. Compiled by PGPF.

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## THE PATH FORWARD

By any reasonable definition, the fiscal path we are on is unsustainable and dangerous, threatening the future we all want for our nation. Despite clear warning signs, policymakers have been unwilling to make responsible choices.

But there is a better path forward.

A sustainable long-term fiscal outlook will give our economy the best chance to succeed, creating conditions that encourage growth. A stable path enables an environment with greater access to capital, increased public and private investment, enhanced confidence, and a solid safety net. These factors, in turn, create a more vibrant economy, with rising wages and greater productivity and opportunity for Americans.

Many policy options exist to reduce America's long-term debt and lay a stronger foundation for future economic growth. Comprehensive plans generally phase in changes slowly to give people time to plan, and to avoid sudden economic shocks. While some plans would rely more on spending reductions and others more on tax increases, a combination of both would be more likely to receive bipartisan support and, therefore, would be more durable.

At the Peterson Foundation, we are actively working to bring our leaders and all Americans together around solutions for a growing, healthy economy and a sustainable fiscal outlook.



# OUR WORK

PETER G. PETERSON FOUNDATION

Building a vibrant American economy requires a strong fiscal foundation. Since 2008, the Peterson Foundation has worked to increase awareness of America's key fiscal challenges and to advance solutions that put our nation on a more sustainable fiscal path.

As a non-partisan and non-profit organization, we work across party lines with policy experts, elected leaders and the general public. Our mission is to bring people together around a shared vision for a strong and sustainable fiscal and economic future with rising incomes, abundant opportunities and widely-shared prosperity for the next generation.

The Foundation undertakes a range of activities, partnerships and grants to educate and engage our nation's leaders and the public in order to secure a better fiscal and economic path forward.

## RESEARCH & ANALYSIS

To help explain the fiscal challenge itself and illuminate the way forward, we produce timely research and analyses, adding depth and insight to the policy conversation.

## EDUCATING & ENGAGING

We inspire and empower Americans with innovative campaigns that increase awareness, mobilize young people and drive a thoughtful national dialogue around sustainable fiscal and economic policies.

## ADVANCING SOLUTIONS

America's fiscal challenges are serious, but they are also solvable. We build bipartisan coalitions to develop and advance common sense solutions that cut through entrenched partisan lines.

## CONVENING

We provide a platform for leading thinkers and policymakers to have constructive, substantive discussions – including through our signature annual event, the Fiscal Summit.



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OUR WORK

# RESEARCH & ANALYSIS

Information and ideas are a central part of a viable and effective policy dialogue. Achieving a more sustainable and responsible fiscal trajectory for our nation requires that policymakers – and the public – have a solid grasp of the fiscal facts and why they matter.

The Peterson Foundation produces research and analyses describing and illuminating our fiscal challenge and the way forward. We are an unbiased source of information, presenting key facts and adding insights about fiscal, economic and budget policy developments. We generate timely and substantive resources, including charts, analyses, primers, explainers, blog posts, infographics and more.

We also partner with and provide grants to respected organizations to support fiscal and economic research and advance new ideas from experts across the political spectrum.



Pete Peterson had a lifelong enthusiasm for using charts and graphs as visual aides to communicate complex information. In 1971, during his tenure as Assistant to the President for International Economic Affairs, Pete authored a report for President Nixon entitled "The United States in the Changing World Economy," and charts were heavily featured. The president was so thrilled with the analysis, that he asked Pete to present it to the rest of his advisors.

## OUR CHARTS

Peterson Foundation charts have been a signature part of our work since the Foundation's earliest days. As an enthusiastic advocate for the power of data visualization, Pete Peterson was a pioneer in using charts to explain and clarify complex fiscal, budgetary and economic concepts – from the White House to Wall Street. He brought to this Foundation the firm belief that making the fiscal challenge understandable is essential for developing and building consensus around solutions.

Today, the Peterson Foundation's charts are widely shared, conveying accurate information in a compelling way to a range of key audiences. Consistently updated to reflect the latest data and projections, our chart library tells the fiscal story of our nation's past, present and future, with 138 charts and counting.

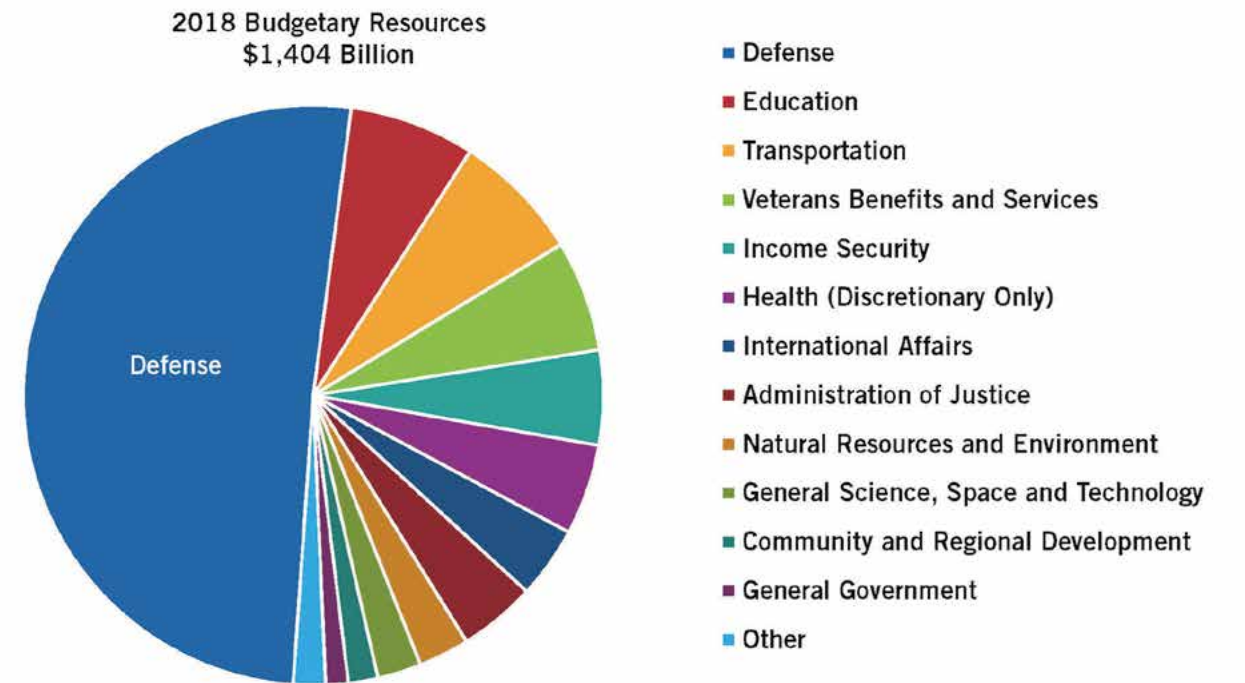
### Analysis

The Foundation routinely translates key fiscal reports, budgets and benchmarks released by government agencies and organizations – providing timely, unbiased insights on dense but critically important information. Analysis is provided on key fiscal events and benchmarks, including:

- CBO: The Budget and Economic Outlook
- CBO: The Long-Term Budget Outlook
- OMB: President's Budget
- Trustees Reports on Social Security and Medicare
- Bureau of the Fiscal Service: Monthly Treasury Statements
- Census data releases



### Discretionary spending funds a wide range of programs

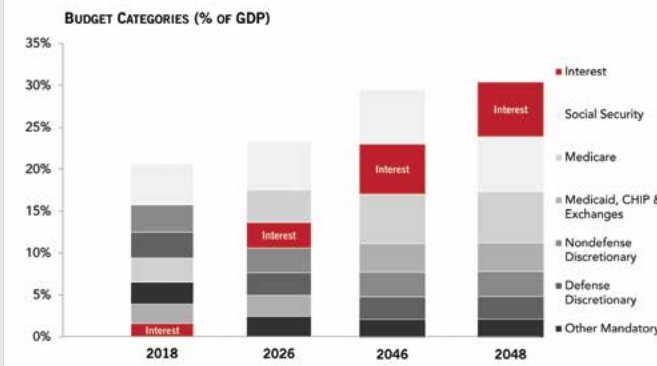


SOURCE: Congressional Budget Office, *The Budget and Economic Outlook: 2019 to 2029*, January 2019. Compiled by PGPF.  
 NOTE: Health (discretionary only) includes the National Institutes of Health, the Centers for Disease Control and Prevention, veterans healthcare, and administrative costs for Medicaid.  
 © 2019 Peter G. Peterson Foundation PGPF.ORG



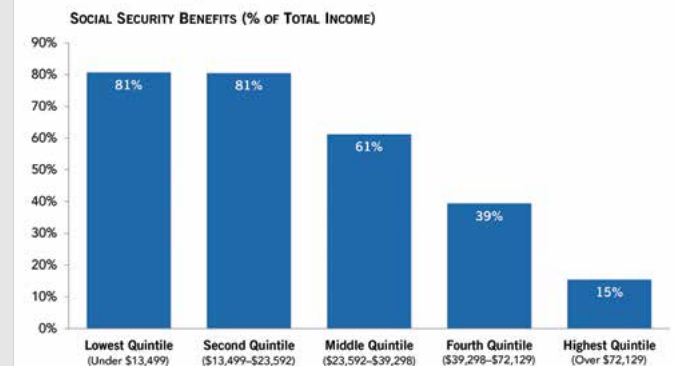
Jon Stewart used our defense chart on "The Daily Show" in a 2014 story about proposed cuts to the defense budget. It remains our most viewed and downloaded chart. (Courtesy of Comedy Central/Viacom Media Networks)

### Interest costs are the fastest growing category of the budget



SOURCE: Congressional Budget Office, *The 2018 Long-Term Budget Outlook*, June 2018; and PGPF calculations based on CBO data. Compiled by PGPF.  
 NOTE: Medicare spending is net of premiums and payments from the states. In 2048, net interest costs would about equal Social Security.  
 © 2018 Peter G. Peterson Foundation PGPF.ORG

### Low-income seniors rely on Social Security benefits for a major share of their retirement income



SOURCE: Social Security Administration, *Income of the Population 55 or Older*, 2014, April 2016. Data are for 2014. Compiled by PGPF.  
 NOTE: A quintile is one-fifth of the population.  
 © 2018 Peter G. Peterson Foundation PGPF.ORG

## PRIMERS & INFOGRAPHICS

Fiscal policy can be complex and daunting for casual observers to understand. Our primers, explainers and infographics break down complicated issues to elevate ideas and reach new audiences. Creative and informative pieces on defense spending, healthcare costs and tax reform, for example, seek to improve understanding and awareness of policies that affect every American.

### HOW DOES THE NATIONAL DEBT AFFECT THE ECONOMY?

There are many factors that contribute to a growing, thriving economy, and one of the most important is having a strong fiscal foundation — a federal budget with spending and revenues that are generally in balance.

## A STRONG FISCAL FOUNDATION SUPPORTS A FAVORABLE ECONOMIC ENVIRONMENT WITH POSITIVE CONDITIONS INCLUDING:

- INCREASED ACCESS TO CAPITAL
- MORE PRIVATE INVESTMENT
- MORE RESOURCES FOR PUBLIC INVESTMENTS

## WHAT IS THE DEBT LIMIT?

The debt limit is the maximum amount of money the U.S. Treasury can borrow. Increasing the debt limit allows the Treasury to borrow funds to pay for government obligations that have already been incurred as the result of laws & budgets approved by the President and Congress.

### WHY IT'S IMPORTANT NOW

Legislation enacted in February 2018 suspended the debt limit through

**MARCH 1, 2019**

At that point, the Treasury will likely have enough cash and "extraordinary measures" to fund obligations through summer 2019.

### WHAT IS THE IMPORTANCE OF RAISING THE DEBT CEILING?

If lawmakers do not increase the debt ceiling,

**WE RISK DEFAULTING ON AMERICA'S FINANCIAL OBLIGATIONS.**

With spending limited to incoming revenue, the federal government could be forced to delay paying its bills. Worries about the government's credit worthiness would likely cause interest rates to rise and increase the cost of borrowing.

### FINDING A RESPONSIBLE PATH FORWARD

Policymakers have come together repeatedly over the years to avoid default, no matter which party is in power, a total of

**86 TIMES SINCE THE BEGINNING OF 1959**

## HEALTHCARE SPENDING IN THE U.S.

IMPROVING OUR HEALTHCARE SYSTEM IS CRITICALLY IMPORTANT TO OUR NATION'S LONG-TERM ECONOMIC AND FISCAL WELL-BEING.

### TOTAL HEALTHCARE SPENDING (PUBLIC & PRIVATE) IS PROJECTED TO RISE TO ONE-FIFTH OF THE ECONOMY BY 2025

UNITED STATES PER CAPITA HEALTHCARE SPENDING IS MORE THAN **2X** THE AVERAGE OF OTHER DEVELOPED COUNTRIES

Country	Healthcare Costs Per Capita
USA	\$10,207
EUROPEAN AVERAGE	\$4,849
SWITZERLAND	\$8,009
GERMANY	\$5,728
SWEDEN	\$5,511
FRANCE	\$4,992
CANADA	\$4,826
JAPAN	\$4,717
AUSTRALIA	\$4,543
U.K.	\$4,264
ITALY	\$3,542

### YET, AMERICA'S HEALTH OUTCOMES ARE GENERALLY NO BETTER THAN THOSE OF OUR PEERS, AND IN SOME CASES ARE WORSE

- LIFE EXPECTANCY AT BIRTH: USA vs LATVIA, USA vs JAPAN
- INFANT MORTALITY: USA vs ICELAND
- UNMANAGED ASTHMA: USA vs ITALY
- UNMANAGED DIABETES: USA vs ITALY
- SAFETY DURING CHILDBIRTH: USA vs CANADA, USA vs POLAND

RIISING HEALTHCARE COSTS CONTRIBUTE TO OUR NATIONAL DEBT,

## WHICH IS AT ITS HIGHEST SINCE 1950

KEY PROGRAMS AFFECT MILLIONS OF AMERICANS

- 59 MILLION** ENROLLED IN MEDICARE AS OF 2018
- 74 MILLION** COVERED UNDER MEDICAID AND CHIP
- MORE THAN ONE-THIRD** OF AMERICAN CHILDREN ARE COVERED BY MEDICAID OR THE CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP)

MANY ANALYSTS BELIEVE THAT THERE ARE SUBSTANTIAL OPPORTUNITIES FOR THE U.S. TO MAINTAIN OR IMPROVE OUR HEALTH OUTCOMES, BUT AT LOWER COST.

**PETERSON CENTER ON HEALTHCARE**  
FOR MORE ON INNOVATIVE HEALTHCARE SOLUTIONS VISIT: [PETERSONHEALTHCARE.ORG](http://PETERSONHEALTHCARE.ORG)

**PETER G. PETERSON FOUNDATION**  
TO LEARN MORE ABOUT THE POLICY OPTIONS VISIT: [PGPF.ORG/HEALTHCARE](http://PGPF.ORG/HEALTHCARE)



## US 2050

In 2017, the Foundation launched US 2050, a major research project aimed at answering the question, “What will America look like at mid-century?” A joint initiative of the Peterson Foundation and the Ford Foundation, US 2050 examines and analyzes the multiple demographic, economic, societal and fiscal trends that will shape the nation in the decades ahead.

So far, the project has supported 31 research papers authored by leading scholars and experts in the areas of demographics, poverty, labor economics, macroeconomics, political science and sociology. Taking a cross-disciplinary approach, US 2050 is creating a comprehensive view of our fiscal and economic future, exploring the implications for the social and financial well-being of Americans.

This unique body of research seeks to add long-term perspective to the public debate about the complex challenges that lie ahead for America in order to help policymakers and the public prepare for the future.

# US 2050



## US 2050 Advisory Board

- **Charles Blahous**, Mercatus Center
- **Heather Boushey**, Washington Center on Equitable Growth
- **Camille Busette**, Brookings Institution
- **Susan Collins**, University of Michigan
- **Robert Doar**, American Enterprise Institute
- **Maria Fitzpatrick**, Cornell University
- **Andra Gillespie**, Emory University
- **Bradley Hardy**, American University
- **Doug Holtz-Eakin**, American Action Forum
- **Mark Hugo Lopez**, Pew Research Center
- **Ronald Mincy**, Columbia University
- **Alicia Munnell**, Boston College
- **Molly Reynolds**, Brookings Institution
- **Louise Sheiner**, Hutchins Center on Fiscal and Monetary Policy
- **Margaret Simms**, Urban Institute
- **Karl Smith**, Niskanen Center
- **Michael Strain**, American Enterprise Institute
- **David Wessel**, Hutchins Center on Fiscal and Monetary Policy

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## OUR WORK

# EDUCATING & ENGAGING

In our democratic society, citizens have an essential role to play in establishing a functioning government that implements effective policies to sustain and strengthen the nation. That is why it is critical to remind and engage leaders and citizens alike about the important connection between our national debt and our future economy and prosperity.

The Peterson Foundation designs and implements innovative campaigns nationwide that illustrate and humanize the need to get our fiscal house in order. Our education and engagement initiatives raise awareness and understanding of the national debt, demonstrate broad public support for fiscal sustainability, provide critical background and context to policymakers and voters, and inspire young people to take action to build a vibrant economic future.

Many Americans live their daily lives unaware that our national debt is growing at an unsustainable rate that threatens our future prosperity and the country that our children and grandchildren will inherit. To build a movement for change, we engage in innovative strategies and campaigns to bring citizens into this critical national conversation.



## ADVERTISING

Since 2008, the Peterson Foundation has launched national advertising campaigns at key moments in the policy debate to remind voters and lawmakers of what's at stake. These campaigns have included television, print, radio and digital advertising centered on timely issues like fiscally responsible tax reform and the economic gains that are possible if we address our debt.



2009

### “ICEBERG”

The Foundation’s first integrated television, print and radio awareness campaign encouraged the Obama Administration to create a bipartisan commission tasked with making sensible recommendations to address our nation’s long-term fiscal challenges. Ads ran in the *Wall Street Journal*, the *Washington Post*, the *New York Times* and during national Sunday shows.



2011

### PRESIDENTIAL PRIMARY DEBATE SPONSORSHIP

During the Bloomberg/Washington Post Republican Presidential Debate on the Economy in New Hampshire, the Foundation ran a series of informational ads featuring children who highlighted salient budget facts and the unsustainable future they face if today’s leaders take no action.

2008

### The Time for Leadership is Now: Letters to the Presidential Candidates and the American People

New York Times print campaign

2010



### “OweNo” featuring Hugh Jidette for President

Nationwide television and digital campaign

2012

### Coalition for Fiscal and National Security

*Washington Post*, *Wall Street Journal*, and *New York Times* print campaign

2013

### “Let’s Get Started”

Nationwide digital and print campaign



2016

**“ASK FOR A PLAN”**

This integrated campaign engaged voters and candidates in a conversation about America’s fiscal and economic future. Television, digital and print ads, media partnerships and social media engagements depicted how the national debt affects investments in important sectors of the American economy and called for candidates to offer plans to solve the problem. Launched in January 2016, the ads initially focused on early-voting states and then aired nationwide leading up to the presidential election that November.

2017

**“TAX REFORM SHOULD GROW THE ECONOMY”**

In 2017, as lawmakers debated changes to our tax system, the Foundation launched a significant nationwide advertising campaign emphasizing that any proposal should grow the economy, not the debt. The campaign included a 30-second TV spot that aired during Sunday shows and across cable news nationwide, as well as digital and social media components aimed at highlighting the need for fiscally responsible tax reform.

We should give our kids  
a stronger economy.  
**Not more debt.**

Americans work hard. What if we could keep more of what we earn? Trillions of dollars going back to taxpayers might sound good to some. But if we add more to our national debt of \$20 trillion and growing, our kids and grandkids will get stuck with the bill.  
**We should grow the economy, not the debt.**

**PETER G. PETERSON FOUNDATION**  
pgpf.org

2014



**“More”**

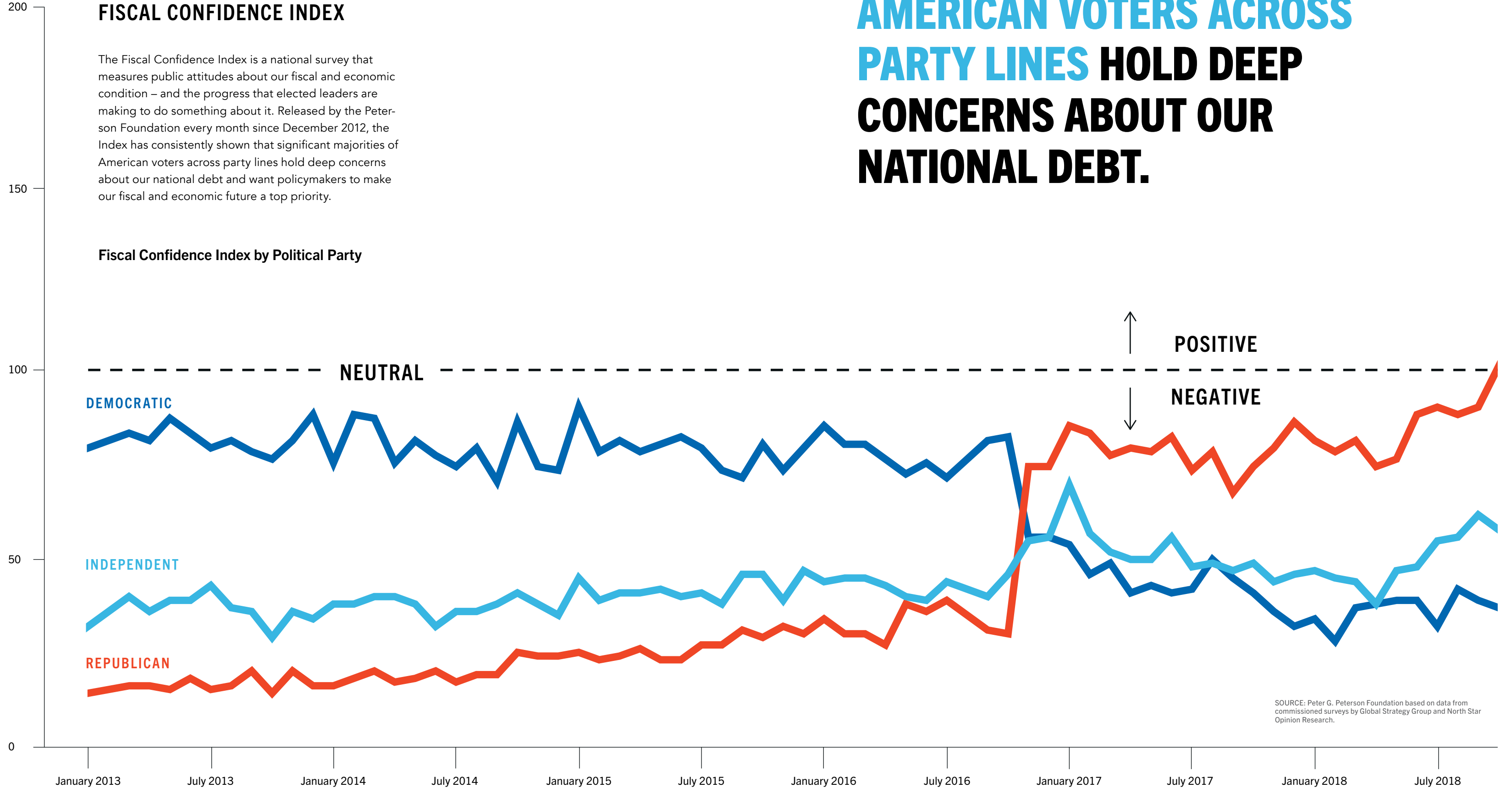
Nationwide television campaign airing on Sunday shows and cable news channels

## FISCAL CONFIDENCE INDEX

The Fiscal Confidence Index is a national survey that measures public attitudes about our fiscal and economic condition – and the progress that elected leaders are making to do something about it. Released by the Peterson Foundation every month since December 2012, the Index has consistently shown that significant majorities of American voters across party lines hold deep concerns about our national debt and want policymakers to make our fiscal and economic future a top priority.

# AMERICAN VOTERS ACROSS PARTY LINES HOLD DEEP CONCERNS ABOUT OUR NATIONAL DEBT.

Fiscal Confidence Index by Political Party

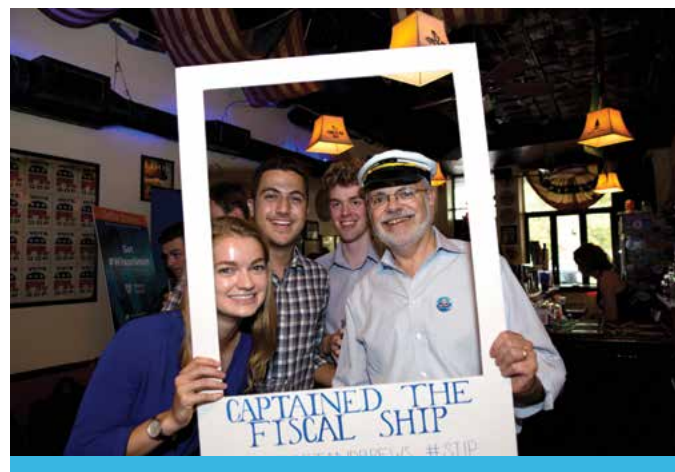


SOURCE: Peter G. Peterson Foundation based on data from commissioned surveys by Global Strategy Group and North Star Opinion Research.



## THE FISCAL SHIP

The *Fiscal Ship* is an award-winning online game that entertains and challenges users to put the federal budget on a sustainable course while meeting goals for government. Produced by the **Hutchins Center at the Brookings Institution** and the Serious Games Initiative at the **Woodrow Wilson Center** with support from the Peterson Foundation, the Hewlett Foundation and the Richard Lounsbery Foundation, the interactive game uses up-to-date budget data and projections to guide users through a series of tax and spending decisions, revealing the many solutions to improve the fiscal outlook.



500,000+  
games played



## I.O.U.S.A.

Released in November 2008, *I.O.U.S.A.* is an eye-opening documentary that played a major role in increasing public awareness about America's fiscal challenges in the Foundation's earliest days. With investment from the Foundation to produce, market and distribute the film, *I.O.U.S.A.* opened in more than 300 theaters, reaching new audiences and expanding national understanding of America's debt.



## REACHING THE NEXT GENERATION

Pete Peterson often cited theologian Dietrich Bonhoeffer's belief that the ultimate test of a moral society is the kind of world it leaves to its children. Pete believed it was a civic obligation to take action on what he called our "unaddressed, unprecedented and unsustainable national debt" in order to preserve the American Dream for future generations.

This strong conviction runs through all of the Peterson Foundation's work, but especially in our programs aimed at engaging young people – who have the most to gain, or lose, in the debate over America's fiscal future.



ABOVE: Students from Texas State University, San Marcos participate in My Two Cents Day in 2017. BELOW: Michael Peterson recognizes students from SUNY Old Westbury as winners of the 2018 Up to Us Competition.

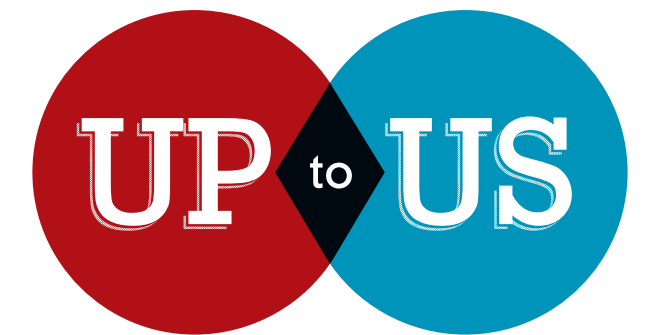


Students from the 2017 Up to Us team at the University of California, Irvine.



### UP TO US

Launched in 2012, Up to Us is a rapidly growing, non-partisan movement of young people dedicated to addressing our fiscal challenges and preserving economic opportunity for the future. At colleges and universities across the country, students in the program participate in a competition to educate and engage their peers on the risks presented by America's unsustainable national debt and the ways to fix it. These young activists recognize that when it comes to securing their future opportunities, they have no better advocates than themselves. A partnership of the Peterson Foundation, **Net Impact** and the **Clinton Global Initiative University**, Up to Us has grown from a pilot program on 10 college campuses to a national initiative that has reached more than 225,000 students on over 400 campuses in all 50 states.



**225,000+**  
students reached

**480+**  
college campuses



## FISCAL LITERACY

We are strong believers in the necessity of an educated population, and fostering fiscal literacy is a key way to build an engaged citizenry to unify the country behind sustainable public policy. Since 2009, we have supported **Columbia University Teachers College** and the **Council for Economic Education** to develop and disseminate a research-based, inquiry-driven curriculum for high school students nationwide. Since its launch in 2012, the curriculum has directly reached more than 7,000 teachers who have educated several hundred thousand students.

**400,000+**  
students educated

**7,000+**  
teachers trained

**“IT IS THIS NEXT GENERATION  
THAT HAS THE MOST TO GAIN,  
AND THE MOST AT STAKE, IN  
HOW WE BUILD OUR FISCAL  
AND ECONOMIC FUTURE.”**

— PETE PETERSON

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## OUR WORK

# ADVANCING SOLUTIONS

The Foundation identifies, develops and builds support for original, constructive policy solutions by bringing together leading thinkers and policymakers representing a range of viewpoints. By engaging policy organizations across the political spectrum, we cultivate comprehensive plans to stabilize our fiscal imbalance by addressing the entire budget.

We also build bipartisan groups – from large coalitions to small working groups – to help identify and advocate for solutions in targeted areas including tax reform, budget process reform and national security. We support like-minded fiscal organizations to help amplify and echo the ways to address the debt.

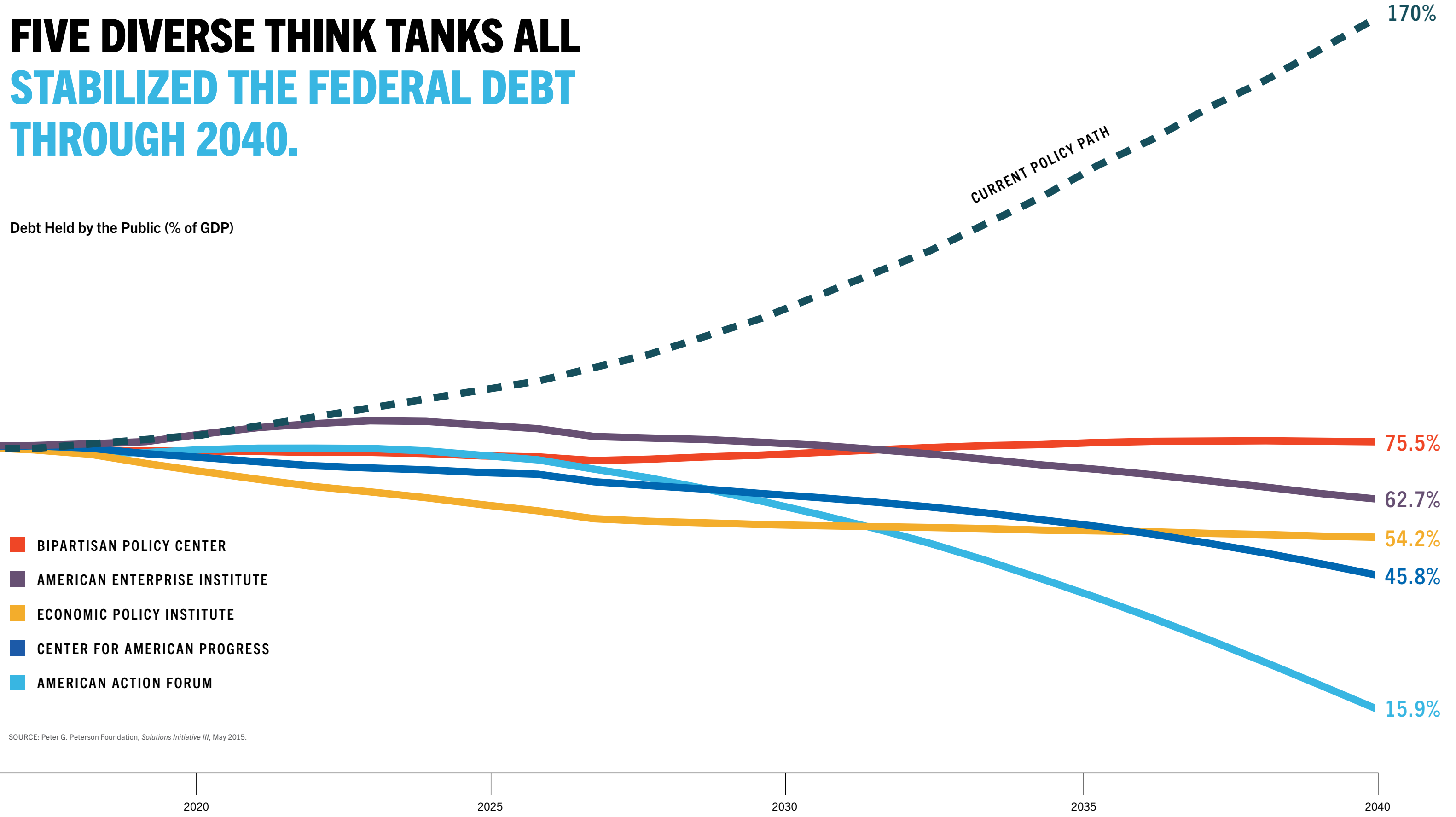
Putting our debt on a sustainable path won't be easy – but the good news is that we have many viable solutions and partners willing to mobilize.

While our fiscal challenges are serious, they are also solvable. Unlike other challenges we face around the world, our budget is entirely under our control, and a range of solutions are on the table.



# FIVE DIVERSE THINK TANKS ALL STABILIZED THE FEDERAL DEBT THROUGH 2040.

Debt Held by the Public (% of GDP)



SOURCE: Peter G. Peterson Foundation, Solutions Initiative III, May 2015.

## SOLUTIONS INITIATIVE

In 2011, the Peterson Foundation launched the Solutions Initiative, an ongoing project that convenes policy organizations from across the ideological spectrum to develop plans to achieve fiscal sustainability. This unique effort demonstrates the range of viable options available to policymakers, as each organization puts forward specific policy proposals, with estimates of their budgetary impact, to set the federal budget on a sustainable, long-term path for prosperity and economic growth.

Importantly, every participating organization has chosen to reduce the federal debt – an important bipartisan recognition of the fact that our current debt trajectory is unsustainable. In fact, 100% of the plans from the participating organizations would successfully put the nation on a sustainable fiscal path.

Of course, each individual plan put forward in the Solutions Initiative reflects the policy priorities of the respective organizations. Taken together, the plans demonstrate that many comprehensive solutions exist, providing a blueprint for lawmakers to chart a better course for America – one with less debt, faster economic growth, broader prosperity, and enhanced economic opportunity and mobility.

Across three separate phases – in 2011, 2012 and 2015 – the Solutions Initiative has produced 16 comprehensive, detailed plans to stabilize the budget. A fourth phase is underway for 2019 to reflect solutions that address the current fiscal outlook, including additional reforms needed following recent tax and spending decisions that have only made our fiscal matters worse.

### Composition of Budget Levels in 2040 (% of GDP)

	Revenues	Spending
AAF	22.3%	17.8%
AEI	21.2%	22.5%
BPC	21.3%	24.3%
CAP	23.2%	22.6%
EPI	23.5%	25.4%

Source: Solutions Initiative III, May 2015.

## SUPPORTING FISCAL PARTNERS

As part of our commitment to building public consensus for action on the debt, the Foundation has provided significant support to a number of grassroots and fiscal policy organizations dedicated to securing our nation’s fiscal and economic future. These partner organizations complement and amplify our work to engage voters and policymakers across the nation.



Maya MacGuineas and our partners at the Committee for a Responsible Federal Budget have become a trusted resource for insightful analysis of fiscal issues.



Pete Peterson, Paul Tsongas and Warren Rudman launching the Concord Coalition in 1992.



The **Committee for a Responsible Federal Budget (CRFB)** is a non-partisan, non-profit organization committed to educating the public on issues with significant fiscal policy impact. With leadership from the nation’s top budget experts, CRFB produces detailed fiscal policy analysis and spearheads a number of effective outreach and education initiatives including Fix the Debt, which recruited more than 80 CEOs to lobby Congress for bipartisan solutions to the national debt.

Founded in 1992 by Pete Peterson, Senator Paul E. Tsongas and Senator Warren B. Rudman, **The Concord Coalition** is a grassroots voice for fiscal responsibility. The dedicated team at the Coalition works around the country to empower citizens to take action against unsustainable fiscal policies. More than 25 years after its founding, The Concord Coalition remains a respected participant in the nation’s fiscal policy debates and a valuable resource for citizens, lawmakers and the media.

## BUILDING CONSENSUS

Many top experts agree on the critical importance of the fiscal challenge and are willing to come together to address it. The Foundation has convened several coalitions of distinguished leaders representing a range of viewpoints. These high-level, bipartisan groups put forward original solutions, principles and research, working to cut through longstanding political and policy hurdles by demonstrating broad consensus around big ideas.



As Congress debated pending budget sequestration in 2012, Admiral Mike Mullen, USN (Ret.), announced the launch of the Coalition for Fiscal and National Security at an event in Washington, D.C.

### COALITION FOR FISCAL AND NATIONAL SECURITY

Pete Peterson's work at the White House, as well as decades of leadership at the Council on Foreign Relations, instilled in him a deeply held belief in the fundamental link between America's fiscal and national security. In 2012, the Foundation created the Coalition for Fiscal and National Security, a bipartisan group of highly distinguished and respected leaders in defense, economic and national security policy who have served during eight Presidential administrations (both Democratic and Republican) and as leaders in Congress. The Coalition, chaired by Admiral Mike Mullen, is united around the belief that economic growth, and the sustainable fiscal policies that promote it, must be at the root of our nation's global leadership and national security.

# “THE SINGLE GREATEST THREAT TO OUR NATIONAL SECURITY IS OUR DEBT.”

— ADMIRAL MIKE MULLEN

### Coalition for Fiscal and National Security

- **Mike Mullen**, *Chairman*  
Former Chairman, Joint Chiefs of Staff
- **Madeleine Albright**, Former Secretary of State and Ambassador to the United Nations
- **James Baker**, Former Secretary of State and of the Treasury
- **Michael Chertoff**, Former Secretary of Homeland Security
- **Bob Gates**, Former Secretary of Defense and Director of the Central Intelligence Agency
- **Stephen Hadley**, Former National Security Advisor
- **Chuck Hagel**, Former Secretary of Defense
- **Lee Hamilton**, Former Representative from Indiana's 9th District
- **Michael Hayden**, Former Director of the National Security Agency and Director of the Central Intelligence Agency
- **Henry Kissinger**, Former Secretary of State and National Security Advisor
- **Janet Napolitano**, Former Secretary of Homeland Security
- **Sam Nunn**, Former Chairman of the Senate Committee on Armed Services
- **Paul O'Neill**, Former Secretary of the Treasury
- **Leon Panetta**, Former Secretary of Defense, Director of the Central Intelligence Agency and the Office of Management and Budget
- **Hank Paulson**, Former Secretary of the Treasury
- **Tom Ridge**, Former Secretary of Homeland Security
- **Brent Scowcroft**, Former National Security Advisor
- **George Shultz**, Former Secretary of State and of the Treasury and Director of the Office of Management and Budget
- **Paul Volcker**, Former Chairman of the Federal Reserve
- **John Warner**, Former Chairman of the Senate Committee on Armed Services
- **Bob Zoellick**, Former United States Trade Representative

## PETERSON-PEW COMMISSION

The Peterson-Pew Commission on Budget Reform convened the nation’s preeminent fiscal and budget experts to make recommendations for how best to strengthen the budget process in order to bring stability and sustainability to the nation’s finances. The Commission, a joint project with the Pew Charitable Trusts, released two influential reports detailing reforms and recommendations to stabilize the national debt. The first report, *Red Ink Rising*, was released in December 2009 and outlined a six-step plan to stabilize the federal debt. *Getting Back in the Black* (2010) built on the earlier report, laying out a detailed set of reforms including fiscal targets and enforcement mechanisms.

## STIMSON CENTER

In 2017, the Foundation supported the establishment of the Defense Advisory Committee (DAC), a 17-member bipartisan panel of former high-ranking military officers, former national security policymakers and distinguished academics. The DAC released a series of reports examining the connection between America’s fiscal health, economic strength and national security. The group put forward recommendations for meeting budget targets while maintaining U.S. power and national security in an evolving international environment. The DAC remains influential in developing a bipartisan consensus on national security in an era of rising deficits and new global threats.



## Congressional Testimony

At key moments during the debate over the fiscal future, both Michael and Pete Peterson have provided expert testimony before congressional committees about the threat posed by our growing national debt and the benefits to our economy of changing course.



*Pete Peterson testifies before the House Budget Committee in 2008.*

In 2008, the Foundation's first year, Pete Peterson testified before Congress about the nation's deteriorating fiscal health.



*Michael Peterson testifies before the Senate Budget Committee in 2015.*

In October 2015, Michael Peterson testified before the Senate Committee on the Budget as members considered improvements to the federal budget process. He highlighted how shortcomings in the budget process can stand in the way of responsible policymaking, and outlined three key areas of budget reform that could help lawmakers focus on fiscal solutions: extending the 10-year “budget window,” requiring lawmakers to set medium- and long-term fiscal goals, and strengthening enforcement measures.

“We have a long-term fiscal challenge that could do great harm to our nation’s economy and role in the world. We know the causes. And we know the range of solutions. All it takes is leadership, commitment, honesty and cooperation.”

— MICHAEL PETERSON



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## OUR WORK

# CONVENING

For fiscal solutions to be durable, they need to include ideas, input and support from across the ideological spectrum and from a variety of sources. The fiscal challenge involves all areas of our budget and our essential priorities as a nation – to solve it in an enduring way, we need to come together.

This value of inclusion and collaboration is reflected in all of the Foundation's work, and particularly in our role as a convener of people and ideas. We bring together influencers and policymakers from across the ideological spectrum to find common cause and develop common-sense reforms.

From our signature annual conference, the Fiscal Summit in Washington, D.C., to timely events around the country at key political and policy moments, our goal is to give voice to constructive, substantive and policy-focused discussions on what's needed to restore America's future.



**“THE FOUNDATION’S ANNUAL  
SPRINGTIME FISCAL SUMMIT IS  
NOW A MUST ATTEND EVENT.”**

— NATIONAL JOURNAL

## FISCAL SUMMIT

The Fiscal Summit is the premier annual gathering dedicated to addressing America's fiscal challenges and improving our economic future. Since its debut in 2010, the Fiscal Summit has united on one stage leaders from across the political and ideological spectrum, offering a high-profile, non-partisan platform for substantive discussion.

This day-long conference in Washington, D.C., places America's fiscal challenges in the context of the overall policy debate and political environment. As a non-partisan platform, the Fiscal Summit has a way of bringing together people from across the ideological spectrum. Speakers have included leaders from the highest levels of government, business and academia, interviewed by the nation's preeminent journalists.



Senator John McCain (R-AZ) at the 2017 Fiscal Summit

**“THE FOUNDATION’S ANNUAL FISCAL SUMMIT IS RAPIDLY BECOMING A WHO’S WHO OF SERIOUS THINKERS ON THIS TOPIC.”**

— PHILANTHROPY ROUNDTABLE

Dana Bash (CNN) and Senator Joe Manchin (D-WV)



George Stephanopoulos (ABC News), former Senator Alan Simpson, Philadelphia Mayor Michael Nutter and Jay Fishman





Secretary of the Treasury Timothy Geithner at the 2012 Fiscal Summit



Secretary of the Treasury Steve Mnuchin at the 2017 Fiscal Summit



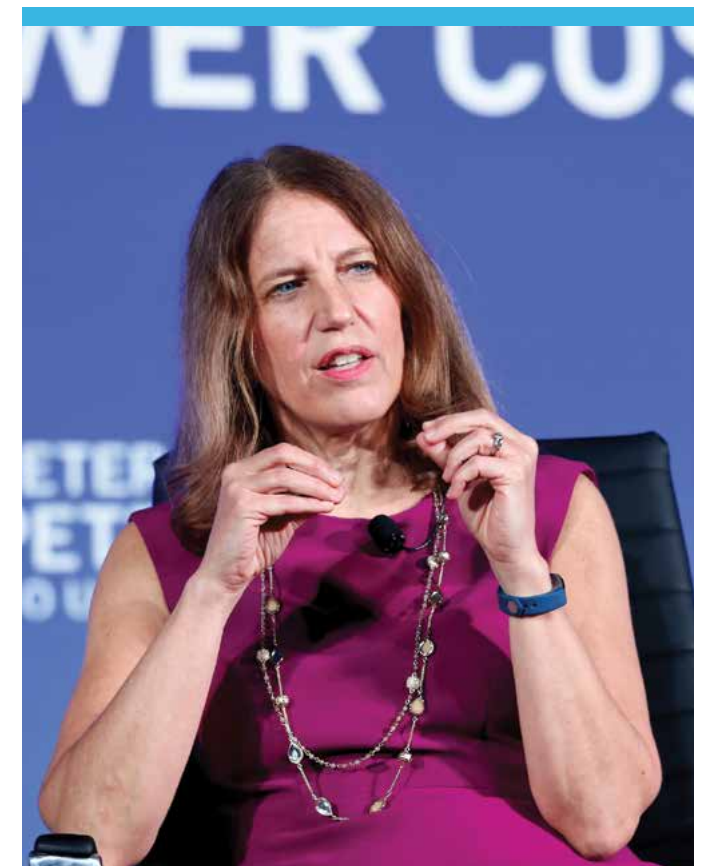
Tamron Hall (MSNBC), Bill Gates and former President William Jefferson Clinton



### Fiscal Summits

- 2010: America's Challenge and a Way Forward
- 2011: Solutions for America's Future
- 2012: America's Case for Action
- 2013: Facing the Future
- 2014: Our Economic Future
- 2015: Opportunity for America
- 2016: Leadership for a Secure Future
- 2017: Rising Debt in a Changing Economy
- 2018: Debt Matters

RIGHT: Former Secretary of Health and Human Services, Sylvia Mathews Burwell at the 2017 Fiscal Summit  
LEFT: Michael Peterson and Atul Gawande





Gwen Ifill (NewsHour), Alice Rivlin, Larry Mishel, Representative Paul Ryan (R-WI) and Neera Tanden at the 2010 Fiscal Summit



Chuck Todd (NBC) and Representative Patty Murray (D-WA)



Judy Woodruff (NewsHour), Senators Saxby Chambliss (R-GA), Mark Warner (D-VA), Mike Crapo (R-ID) and Dick Durbin (D-IL)



Leslie Stahl (CBS) and Erskine Bowles at the 2010 Fiscal Summit



Former Chairman of the Federal Reserve Alan Greenspan at the 2015 Fiscal Summit

## ON THE HILL

As part of the Foundation's ongoing efforts to ensure that the fiscal implications of current legislation are always front and center for policymakers, the Foundation hosts in-depth, news-making conversations and events. Through partnerships with media organizations such as POLITICO, CNN and Bloomberg, the Foundation is able to bring together a bipartisan mix of the nation's most important fiscal leaders for lively and in-depth analysis of the latest policy and political developments on Capitol Hill.



Senator Mitch McConnell (R-KY) with Jake Sherman (POLITICO) and Anna Palmer (POLITICO)



Representative Nancy Pelosi (D-CA)



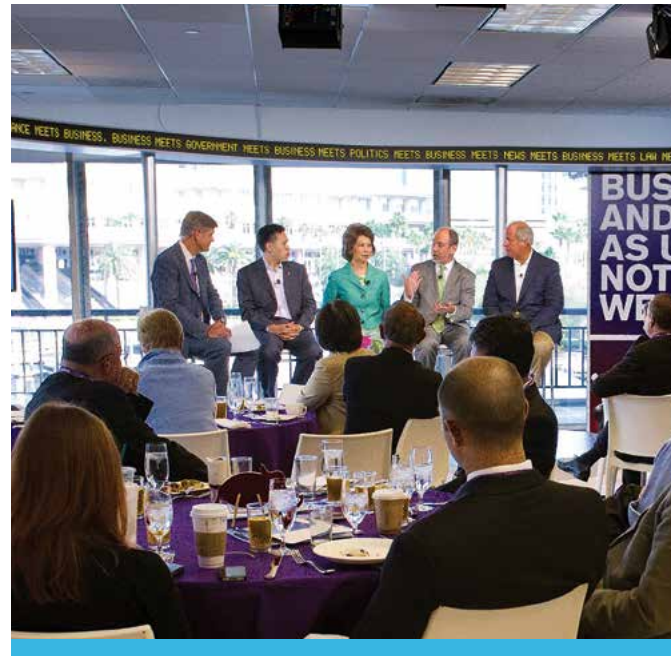
Representative Marsha Blackburn (R-TN), former Senator Kent Conrad and Bill Gale



Former Chair of the U.S. Federal Deposit Insurance Corporation, Sheila Bair

## AT THE DEMOCRATIC AND REPUBLICAN NATIONAL CONVENTIONS

During the 2012 and 2016 presidential elections, the Foundation brought together policy experts, civic and business leaders, and elected officials at the national conventions to discuss the implications of America’s fiscal challenges for the economy within the context of the election. In 2012, in partnership with Bloomberg L.P., the Foundation hosted “Fiscal Thursdays” at both the Republican and Democratic National Conventions in Tampa, FL, and Charlotte, NC. Four years later, we teamed up with POLITICO for events in early-voting states Iowa and New Hampshire as well as at each party’s convention in Cleveland, OH, and Philadelphia, PA. These POLITICO Caucus events featured experts in politics and policy as well as key community and party leaders to discuss the impact of fiscal issues on the primary races.



The Peterson Foundation’s Fiscal Thursday at the 2012 Republican National Convention included Peter Cook (Bloomberg News), Lanhee Chen, former Secretary of Labor Elaine Chao, Doug Holtz-Eakin and former Representative Vin Weber



Ben White (POLITICO), Alan Krueger, former Secretary of the Treasury Larry Summers, and Neera Tanden at the 2016 Democratic National Convention

## BEYOND THE BELTWAY

Over the past decade, the Foundation has traveled across the country to engage Americans in conversations about the national debt and how they want the issue addressed by leaders in Washington. In 2010, the Foundation held a series of innovative community discussions in 20 cities across the country to gather recommendations to address our long-term fiscal challenges.

Conducted by the non-partisan organization AmericaSpeaks, these town halls provided a platform for thousands of citizens to find common ground and have their preferences heard by policymakers. Since then, we’ve held additional events with media partners in Iowa, South Carolina, Texas, New Hampshire, New York and other states to educate, engage and empower the people whose lives are affected by our growing debt.



“Economy and the Election” event in Manchester, New Hampshire, in 2016



Participants discussing budget reform at an AmericaSpeaks town hall in 2010

**“I LEARNED THAT WHILE OUR PERSPECTIVES MAY BE DIFFERENT, OUR PROBLEMS ARE THE SAME. I ALSO LEARNED THAT WE ARE ALL IN THIS TOGETHER.”**

—AMERICASPEAKS PARTICIPANT

## FEATURED GRANTS AND PARTNERSHIPS (2008 – 2018)

### FISCAL POLICY

#### *The Cost of Crisis-Driven Fiscal Policy*

A **Macroeconomic Advisors** report, authored by Joel Prakken, quantified the economic costs of operating the government from fiscal crisis to fiscal crisis, concluding that crisis-driven government directly harmed the American economy by increasing the unemployment rate by 0.6%, the equivalent of 900,000 jobs. (2013)

#### *Educating Employees*

The Paystub Education Project, an initiative of **The Conference Board**, is a website designed to be shared by employers with their employees, connecting federal finances with employees' personal finances through explanations of how paystub line items are linked to the federal budget. (2016 – 2017)

#### *Encouraging Fiscal Research*

Through post-doctoral fellowships, the **National Bureau of Economic Research** enables young scholars to work on topics related to fiscal policy, encouraging new PhDs to enter the field of public economics and undertake new research on fiscal issues. (2015)

#### *Global Public Debt*

A study by the **Peterson Institute for International Economics** evaluated emerging economies over the next 25 years, concluding that if government debt grows as projected, interest rates will rise and crowd out productive investments and lower the rate of economic growth. (2008)

#### *Truth and Integrity in State Budgeting*

This ongoing **Volcker Alliance** initiative examines state and local budgeting and fiscal practices by grading all 50 states on their budget performance using metrics such as transparency and annual budget processes. (2014 – 2018)

### THE ECONOMY

#### *Investing in Competitiveness*

**The George W. Bush Institute**, along with a bipartisan panel of scholars and economic experts, analyzed the economic strength of North America and assessed potential threats to its future competitiveness, warning that “debt burdens will crowd out investment, raise interest rates and slow economic growth.” (2016)

#### *Understanding the Sharing Economy*

The **Aspen Institute** examined ways in which the changing nature of work is affecting workers and employers and the resulting implications for public policy, including how workers receive training, tap employment-related benefits and pay taxes. (2016, 2018)

#### *Understanding the Pay Gap*

The **Economic Policy Institute** completed a series of research reports on wage gaps by race and gender in the United States and developed policy responses to address inefficiencies and other factors that can hinder individual outcomes and overall economic growth. (2015)

#### *Ensuring Financial Stability*

The **Yale University** Program on Financial Stability's mission is to create, disseminate and preserve knowledge about financial crises, including the development of fiscal, monetary and regulatory measures to aid governments in the prevention, management and resolution of financial crises. (2017)

### TAX POLICY

#### *Expanding Analytic Capabilities*

**Urban-Brookings Tax Policy Center** has developed the capability to examine potential effects of proposals over a 20-year time horizon, analyzing impacts on both the revenue and spending side of the budget and exploring the macroeconomic (dynamic) effects of tax reform. (2014 – 2018)

#### *Reforming the Corporate Income Tax*

A bipartisan team of tax policy experts from **American Enterprise Institute** and **Urban-Brookings Tax Policy Center** examined the U.S. corporate tax code and proposed options for reform, concluding that inefficiencies and misaligned incentives distorted economic decision-making and harmed growth. (2014)

### NATIONAL SECURITY

#### *A More Flexible Military*

**Bipartisan Policy Center** assembled a 25-member task force to assess U.S. defense personnel systems and identify specific steps to modernize the systems, including changes to provide for a more engaged, sustainable and technically proficient force for the future. (2017)

#### *Building Leadership Networks*

**The Nuclear Threat Initiative** conducts a country-by-country assessment of security conditions of nuclear materials and partners with key stakeholders in the international community to improve nuclear security policies, prevent nuclear terrorism and promote technical exchanges and understanding. (2018)

### HEALTHCARE

#### *Healthcare Cost Containment*

**Center for American Progress** developed new policy recommendations on ways to contain healthcare costs. Examples include recommendations to improve the value and efficiency of Medicare's system for paying physicians, reforms to strengthen antitrust policy in response to hospital consolidations that increase healthcare costs, and proposing a system in which physician licenses are recognized across state lines in order to promote telemedicine and decrease costs. (2010 – present)

#### *Improving Healthcare Access*

**American Enterprise Institute** and **Ethics and Public Policy Center** brought together ten scholars to generate specific recommendations for a market-based healthcare system, including reforms for private insurance, Medicare and Medicaid and proposed tax credits for households without access to employer coverage. (2015)

### YOUNGER GENERATIONS

#### *Investing in Our Kids*

As spending for interest costs, Social Security and healthcare programs grow, spending on kids and other vital investments in our future are crowded out. **The Urban Institute's** Kids' Share project highlights this trend and projects that spending on children will continue to decline as a share of the federal budget over the coming decade. (2017)

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# OUR WORK

## PETERSON CENTER ON HEALTHCARE

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### SPREADING & SCALING HIGH-PERFORMANCE HEALTHCARE

There are already many great examples of high-performance care – we just need to replicate them. Rather than serving as an inventor of new approaches, we seek what already works. We focus on finding, validating and scaling models proven to deliver higher-quality care and lower costs.

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### FOSTERING AN ENVIRONMENT FOR IMPROVEMENT

Recognizing that context matters, we focus on a broad portfolio of work to improve the environment for productive, lasting change – including monitoring performance more closely, increasing data transparency and building coalitions of key stakeholders.

In many ways, healthcare represents the single greatest issue for our nation's fiscal and economic future. To make meaningful progress on America's fiscal outlook and build a growing economy, we must address the performance of the U.S. healthcare delivery system.

From a federal budget standpoint, healthcare is far and away the key driver of spending. In fact, healthcare accounts for approximately 70% of the growth in federal mandatory spending over the long term.

Moreover, healthcare presents its own major economic challenge, as rising healthcare costs lower wages, hurt competitiveness, and threaten our ability to invest in education and other critical drivers of a prosperous future.

At a total spend of approximately \$3.7 trillion, or 18% of the national economy, the U.S. healthcare system is the most expensive in the world. However, our health outcomes are worse than those of many other nations. Americans often endure unnecessary, ineffective or even harmful treatments, lowering the quality of their lives.

But healthcare is different from other fiscal challenges because it can't be solved with new budget policy in Washington alone. In order to address this problem, we need to improve the overall performance of how care is provided across this country. We need to deliver better outcomes at lower cost.

Recognizing the urgent need to change course and the scale and unique nature of this challenge, the Peterson Center on Healthcare was established in 2014, with an initial commitment of \$200 million from the Peterson Foundation.

Our Center's work is driven by a simple strategy: find and validate the proven solutions that already exist and accelerate their adoption on a national scale. We work with a range of partners to foster a healthier environment for change, with better incentives, transparency and understanding.



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OUR WORK

# SPREADING & SCALING HIGH- PERFORMANCE HEALTHCARE

Both within and outside of the U.S., there are many examples of high-performance healthcare being practiced every day.

We are a resource and partner for those who want to do the same. The Peterson Center on Healthcare takes a comprehensive, innovative approach to spreading and scaling high-performance healthcare solutions. We identify and validate proven models and facilitate their adoption on a national scale.



The Peterson Center on Healthcare is dedicated to making higher-quality, more affordable healthcare a reality for all Americans. The organization is working to transform U.S. healthcare into a high-performance system by finding innovative solutions that improve quality and lower costs and accelerating their adoption on a national scale. The Center collaborates with stakeholders across the healthcare system and engages in grant-making, partnerships and research.

## TRANSFORMING PRIMARY CARE

Just as patients do every day, we decided to start with the primary care doctor. Primary care is the bedrock of a high-performing healthcare system. It is the first point of access, and is closely connected to 80 – 90% of an individual's health needs over the course of a lifetime. Improving primary care delivery can be a critical leverage point for achieving widespread increases in the quality and affordability of healthcare.



### Identifying Attributes of High-Performance Primary Care

In 2014, the Center provided a grant to **Stanford University's Clinical Excellence Research Center (CERC)** to find what works – identifying and validating attributes of primary care shown to deliver quality care at significantly lower costs. Analyzing insurance claims data on cost and a range of quality measures, the Stanford researchers found the great outliers – those 5% of practices that rank in the top quartile on *both* quality and per capita costs – and then studied those practices to identify the specific attributes that distinguish them from their peers.



Stanford's pioneering work, published in the November 2017 *Annals of Family Medicine*, demonstrated that some small, local primary care practices, as well as those that are part of integrated health systems, are achieving outstanding results. These exemplary practices are notable for higher quality outcomes, satisfied patients and high-functioning care teams.

## Translating Research into Implementation

To translate Stanford's research into action, the Center has begun to help implement these high-performance approaches in other primary care practices.

Working with three initial practices over two years, the Center has performed its own research in how to replicate this high-performance model, gaining valuable insights on issues such as engagement and ownership; prioritization and sequencing; and data collection, tracking and reporting. We also worked in partnership with experts on primary care practice transformation, including how to engage patients and families with **Families USA** and the **National Partnership for Women and Families**.

The Center's team has translated the 12 key strategies identified in its research into 125 individual action steps and embedded them into a practice transformation ser-

vice that organizes the process from A to Z. Recognizing the need for digital solutions to drive scale, the Center is developing its own proprietary software – Practice Coach – which includes an innovative suite of project management, data visualization and networking tools to facilitate the transformation process.

The next phase of our work will begin to transform primary care practices at a wider scale. The Center is focused on a regional approach that will engage all local healthcare stakeholders – including elected leaders, employers, insurers and providers – to build a movement for change. By going deep within a few regions, we hope to demonstrate and showcase significant impact, which will drive demand from other regions across the country.



The Peterson Center on Healthcare working with a primary care practice.

## SERVING HIGH-NEED PATIENTS

The U.S. healthcare system too often fails those who need it most. High-need patients suffer from a range of significant health and social issues, often requiring a complex combination of care. Unfortunately, the care received by this population varies widely in quality and outcomes, despite the fact that it is delivered at considerable cost – it is estimated that just 5% of the U.S. population incurs approximately 50% of the nation’s total health expenditures.

**5% OF THE U.S. POPULATION INCURS APPROXIMATELY 50% OF THE NATION’S HEALTH EXPENDITURES.**

## Understanding the High-Need Population

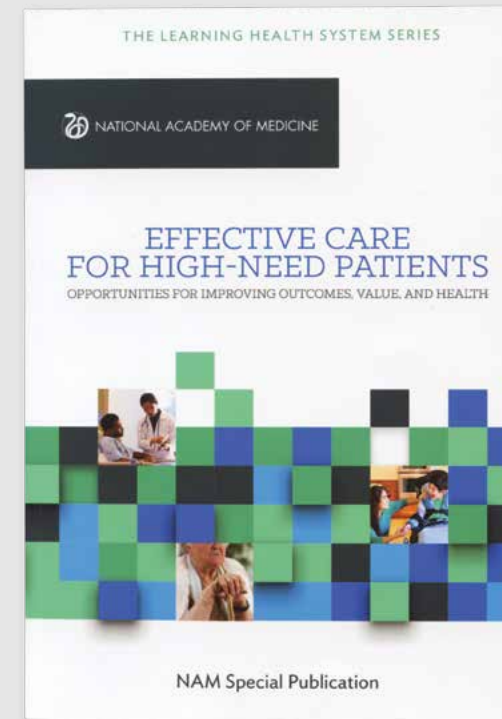
In 2015, we began a partnership with the Harvard T.H. Chan School of Public Health, the National Academy of Medicine, and the Bipartisan Policy Center to better understand the high-need patient population, research evidence-based care-delivery models, and identify policy constructs to support their scale at a national level.

### HARVARD T.H. CHAN SCHOOL OF PUBLIC HEALTH

#### Analysis of Healthcare Utilization and Costs for Individuals Dually Eligible for Medicare and Medicaid

By analyzing claims data for the highest 10% of spending by dually eligible Medicare-Medicaid patients, this research informed better understanding of the high-need patient segments, including: the non-elderly disabled, the frail elderly, those with major complex chronic conditions, those with minor complex chronic conditions, those with simple chronic conditions, and the relatively healthy.

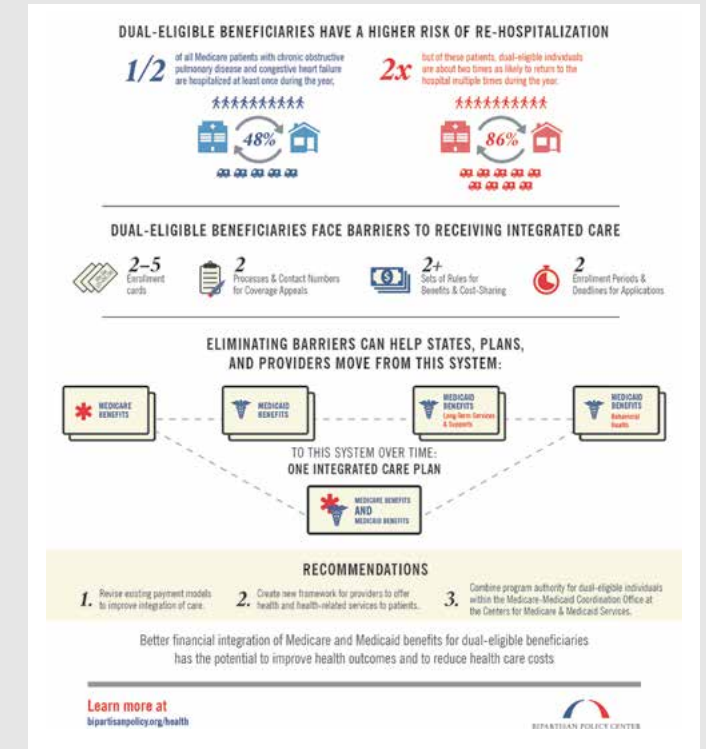
More granular analysis of patient characteristics, sociodemographic data, and preventable spending by care setting between high-cost and low-cost subgroups revealed where interventions can potentially improve quality outcomes and lower costs among the high-need segments. The Harvard analysis was published in the October 2018 *Annals of Internal Medicine*.



### NATIONAL ACADEMY OF MEDICINE

#### Effective Care for High-Need Patients: Opportunities for Improving Outcomes, Value and Health

To engage stakeholders and advance insights on how to improve care delivery for the high-need patient population, the National Academy of Medicine appointed an expert planning committee and convened three workshops held in 2015 and 2016. The resulting publication, “Effective Care for High-Need Patients: Opportunities for Improving Outcomes, Value, and Health,” summarizes lessons learned from high-need population segments, the care-delivery models and attributes that meet their needs, the policies and infrastructure necessary to facilitate the uptake of high-performance healthcare, and the research still needed.



### BIPARTISAN POLICY CENTER

#### Delivery System Reform: Improving Care for Individuals Dually Eligible for Medicare and Medicaid

Adopting proven care delivery models depends on patients’ access to both clinical and non-clinical services with minimal burden. In 2016, the Bipartisan Policy Center developed detailed policy recommendations to mitigate barriers that individuals who are dually eligible for Medicaid and Medicare often face in receiving integrated care. The recommendations included reforms to payment models to better integrate clinical and non-clinical services, a new framework for providers to offer a broader array of services to patients, and streamlined program authority to serve dually eligible individuals.



## Joining Forces

### THE SIX-FOUNDATION COLLABORATIVE BETTER CARE PLAYBOOK

In 2016, the Center joined The Commonwealth Fund, the John A. Hartford Foundation, the Milbank Memorial Fund, the Robert Wood Johnson Foundation and The SCAN Foundation in a collaborative to accelerate the adoption of promising care models for high-need patients among organizations that participate in value-based reimbursement.

The Collaborative commissioned the **Institute for Health-care Improvement** to develop the Better Care Playbook, offering resources and solutions to address the needs of patients with complex needs. The Playbook provides the business case for healthcare leaders to invest in the implementation of segmentation strategies and high-performing care models for high-need patients. It also serves as a resource to guide policymakers and payers as they adjust current rules and regulations to support the spread of effective practices.



## Identifying & Accelerating Effective Models

The Center has several grants underway to identify models and principles of effective care delivery for high-need patients. Based on the findings of these projects, the Center will work with the grantees to design, develop and disseminate protocols and tools to inform improvement efforts across the U.S.

### CAMDEN COALITION OF HEALTHCARE PROVIDERS

Camden Coalition is working with Health Quality Partners to accelerate the adoption of the proven Advanced Preventive Care (APC) model. The APC model has been shown to decrease mortality (by 22%), reduce hospitalizations (by 25%) and lower healthcare costs (by 10%) among chronically ill, older adults. In addition to studying more efficient ways to incorporate APC into patient care, this initiative will develop an evaluation framework to test the newly designed systems for replication and scaling.

### BROWN UNIVERSITY

Leveraging its extensive national database of administrative claims data, Brown is examining exemplary hospital systems across the U.S. to identify features of high-performance care delivery. With a focus on post-acute care and hospital transitions, the project will find and validate effective strategies to improve quality outcomes and lower the costs of healthcare for the growing population of high-need Medicare patients.

### STANFORD UNIVERSITY'S CLINICAL EXCELLENCE RESEARCH CENTER (CERC)

High performance primary care practices for older adults will be identified within three key segments: frail, major complex/chronic and dual eligible (Medicare/Medicaid) beneficiaries. Through qualitative site visits and surveys across both high- and average-performers, CERC will identify attributes of care that are correlated with better outcomes and lower cost.



## MINIMIZING OVERUSE

### ARIADNE LABS

Hospital overuse is a serious threat to Americans' health and a major contributor to overspending in U.S. hospitals each year. With support from the Center beginning in 2017, Ariadne Labs has designed a change management solution for labor and delivery units to reduce unnecessary Cesarean sections – a discrete, targetable area of over-treatment. The Center is working with Ariadne Labs on ways to apply the design principles underpinning its interventions to other drivers of hospital overuse.

### HARVARD T.H. CHAN SCHOOL OF PUBLIC HEALTH

Unnecessary medical services are a source of harm and inefficiency within the U.S. healthcare system. The Center worked with the Harvard T. H. Chan School of Public Health to examine whether the overuse of low-value services (as identified by the Choosing Wisely Campaign) varied by type of payer, benefit design and patient characteristics. Researchers analyzed claims data to identify variations between the commercially insured and Medicare populations, and explored the impact of insurance benefit design on the use of low-value services. These analyses were published in *Health Services Research* and the *American Journal of Managed Care*.



## PROMOTING PATIENT ENGAGEMENT

### NORTHWESTERN UNIVERSITY

Through a new partnership with Northwestern University, the Center is working to empower patients by better aligning treatment decisions with patient goals. Shared-decision making (SDM), in which patients and physicians collaborate on making healthcare decisions, is increasingly recognized as an effective way to improve quality outcomes while reducing costs associated with interventions that are not commensurate with patient goals. To support wider implementation of SDM, Northwestern will develop patient- and clinician-facing dashboards to integrate, manage and monitor outcomes that matter most to patients. The initiative will focus on advanced cancer and chronic kidney disease.



## HOSPITAL OVERUSE IS A SERIOUS THREAT TO AMERICANS' HEALTH.

### OPEN NOTES

Increasing patient access to actual clinical notes can boost patient engagement by encouraging greater understanding of health status and involvement in treatment plans. In partnership with the Cambia Health Foundation, the Gordon and Betty Moore Foundation, and the Robert Wood Johnson Foundation, the Center is supporting OpenNotes to expand access to transparent clinical notes to 50 million patients across the United States – a tenfold increase from what was previously available. OpenNotes is also conducting research to better understand how transparent clinical notes affects quality outcomes and cost of care.

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OUR WORK

# FOSTERING AN ENVIRONMENT FOR IMPROVEMENT

In addition to scaling high-performance innovations, it is critical to develop the healthcare sector's overall receptivity for new ideas to improve performance and effectiveness.

To help make it easier for pioneering transformation efforts to take root, the Center creates and sponsors efforts to develop resources and tools for healthcare stakeholders across the system – including states, purchasers and payers – to inform their decision-making. These efforts include building employer coalitions, advancing data transparency and availability, and directly sponsoring the creation of a disruptive, non-profit drug manufacturer.



**WE CANNOT  
IMPROVE WHAT  
WE DO NOT  
MEASURE.**

## MONITORING HEALTHCARE PERFORMANCE

We cannot improve what we do not measure. Monitoring and reporting on the value proposition of healthcare at the national level increases public awareness of whether our investment in healthcare is reflected by outcomes. Moreover, it provides key insights on how and why healthcare performance changes over time, and can increase demand for practical solutions to improve the value of healthcare.

# ANNUAL HEALTHCARE SPENDING ROSE BY NEARLY \$1 TRILLION BETWEEN 1996 AND 2013.

## INSTITUTE FOR HEALTH METRICS AND EVALUATION

In 2016, the Center awarded a grant to the University of Washington’s Institute for Health Metrics and Evaluation (IHME) to conduct an in-depth analysis of the past and future drivers of U.S. health expenditures. The research, published in the November 2017 *Journal of the American Medical Association*, revealed that healthcare spending rose by nearly \$1 trillion between 1996 and 2013. IHME’s study found that changes in both the price and the intensity of care – by far, the biggest contributors to spending growth – led to a 50% spending increase, while a growing and aging population also drove spending increases.

## PETERSON-KAISER HEALTH SYSTEM TRACKER

Developed in partnership with the Kaiser Family Foundation (KFF), the Peterson-Kaiser Health System Tracker provides clear, current and detailed information on trends, drivers and issues that affect the performance of the healthcare system. Launched in 2014, the Tracker includes a dashboard of health system performance metrics that deliver insights on the quality and cost of healthcare and where new investments could have the greatest impact. KFF also conducts original analyses and publishes issue briefs to inform key stakeholders on timely issues related to drivers of healthcare performance. Since its launch, the Tracker has received over one million views of its content, which includes briefs, chart collections, videos and an interactive tool.

**Peterson-Kaiser Health System Tracker**

**Health System Dashboard**

How well is the U.S. health system performing? Explore a variety of indicators of health spending, quality of care, access, and health outcomes. For more, see our [brief](#) and [tutorial video](#).

SHARE

Health Spending | Access & Affordability | Health & Wellbeing | Quality of Care

**Quality of Care**  
The U.S. health system has improved on measures of providing safe, recommended care with appropriate short-term outcomes, but not as quickly as comparable countries.

**APPROPRIATE TREATMENT**  
**Preventable hospital admissions**  
Among adults, the rate of potentially avoidable hospitalizations has declined over time.  
■ All Conditions ■ Acute ■ Chronic

**HEALTH SYSTEM CAPACITY**  
**Physicians per capita**  
The U.S. has fewer doctors than most comparable countries.

**TREATMENT OUTCOMES**  
**30-day mortality following certain admissions**  
Mortality rates within 90 days after hospital admission have decreased slightly for some conditions.

**PATIENT SAFETY**  
**Hospital-acquired conditions**  
The number of hospital acquired infections occurring at U.S. hospitals has decreased.  
**-21%**  
from 2010 to 2015

**PREVENTIVE SERVICES**  
**Immunization rates**  
Recently, the percent of children receiving recommended doses of vaccines has fluctuated slightly.

[View All Indicators](#)

A PARTNERSHIP OF  
**PETERSON CENTER ON HEALTHCARE** **KFF**  
Kaiser Family Foundation

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## IMPROVING CARE FOR PATIENTS WITH SERIOUS ILLNESS

Approximately 25% of Medicare spending occurs in the last year of life alone, and improvements can be made to better deliver person-centered care to these critical patients. The Center has a long-standing partnership with the **Coalition to Transform Advanced Care (C-TAC)**, which has developed a multi-stakeholder network of more than 140 national and regional organizations, and is committed to improving serious illness care through policy and advocacy work, family caregiver support, and efforts within states and communities.

## IMPROVING DATA TRANSPARENCY

Data transparency is a necessary component of a functioning healthcare market. Readily available information on price and quality is essential to foster the development of performance-based care delivery.

In 2018 the Center launched a new partnership – the Rhode Island Healthcare Cost Trends Project – with the **State of Rhode Island** and **Brown University** to analyze spending data from the state’s all-payer claims database (APCD) to improve healthcare performance throughout the state. Using findings from this analysis, the project is working with multiple stakeholders – including payers, providers, employers and patients – to assess cost drivers, identify opportunities to improve outcomes and lower costs of care and establish a target for future healthcare cost growth. The Rhode Island Healthcare Cost Trends Project will include exploration of how greater transparency around provider performance can be leveraged to improve healthcare purchasing decisions and care-delivery reforms in a model that can be replicated across the nation.

## PROVIDING BEST PRACTICES TO STATES

With support from the Center, the **National Governors Association** and the National Academy of Medicine identified the most promising state-based innovations to improve healthcare performance. The non-partisan online resource, “Health Care Transformation Resources for State Leaders,” highlights specific ways states have transformed their healthcare systems. Areas of focus include leveraging data, linking physical and behavioral health, combating heroin and prescription drug abuse, improving rural health and workplace planning, and adopting new models to improve how healthcare is delivered and paid for.

## HELPING EMPLOYERS BECOME MORE EFFECTIVE PURCHASERS OF HEALTHCARE

Approximately 50% of Americans receive healthcare coverage through employment-based plans, making employers an important leverage point for system-wide improvement.

In March 2016, the Center began a partnership with **Catalyst for Payment Reform (CPR)** to develop tools for employers to become more effective purchasers of healthcare. CPR has developed purchasing guides and case studies that profile successful programs, and launched online courses and topical webinars to enhance engagement. Through the project, CPR has established learning collaboratives made up of employers and experts to discuss solutions to the most pressing barriers to purchasing high-performance healthcare. In the next phase of its work, CPR will focus on meeting increased demand for actionable healthcare performance data and improving understanding of value-based strategies.

## ADDRESSING SHORTAGES AND HIGH PRICES OF LIFE-SAVING MEDICATIONS

To address the critical risks posed to patients from chronic shortages and rising prices of life-saving generic medications, the Center committed \$10 million to help establish **Civica Rx**, a new not-for-profit generic drug company. The Center joined with the Laura and John Arnold Foundation, the Gary and Mary West Foundation and 19 U.S. hospital systems – representing approximately 750 U.S. hospitals – to stabilize the supply of essential medications by ensuring affordability and availability. As members of the Civica Rx Board of Directors, the three foundations will work to further support and safeguard the company’s non-profit, social welfare mission to provide affordable, essential generic drugs to ensure a predictable supply and competitive marketplace. Upon launch, the company identified 14 hospital-administered drugs as its initial focus, and the first products are expected to be released as early as 2019.



CIVICA





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# ABOUT US



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## PETERSON CENTER ON HEALTHCARE

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- **Gail Wilensky**, Senior Fellow, Project Hope
- **Ronald A. Williams**, Former Chairman and CEO, Aetna



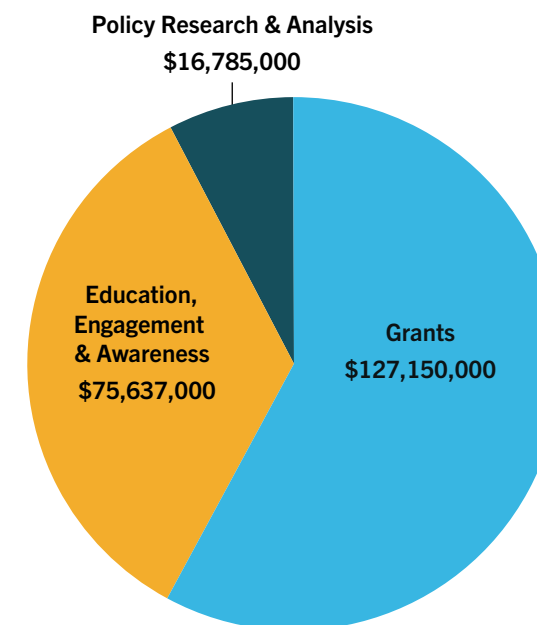
## FINANCIALS

In 2008, Pete Peterson established the Foundation with a \$1 billion commitment to help make the American Dream available to every citizen. Since its inception, Foundation program expenditures have focused on three primary areas: grants and grantmaking; education, engagement and awareness; and policy research and analysis. The Foundation has consistently worked alongside trusted partners, as well as through our own initiatives and research, to raise awareness of our nation's fiscal challenges, spur action and advance solutions.

In 2014, the Foundation established the Peterson Center on Healthcare with an initial \$200 million commitment, with the mission to make higher-quality, more affordable healthcare a reality for all Americans.

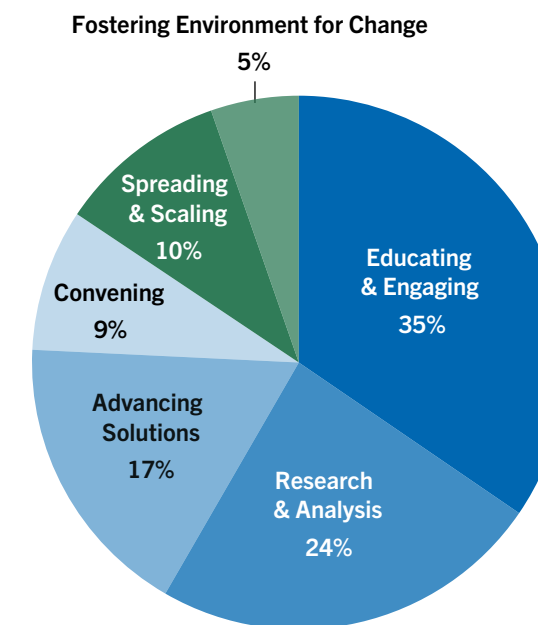
As of March 31, 2018, the Foundation's unrestricted assets totaled \$873 million. From 2008 to 2018, the Foundation's total expenditures were \$253.9 million, including \$219.6 million in program expenditures and \$34.3 million in supporting services.<sup>1</sup>

### Total Program Expenditures: \$219,572,000





2008 – 2018

### Grants by Activity Type



2008 – 2018

<sup>1</sup> The Foundation's fiscal year ends March 31. Annual financial statements for FY 2016 – 2018 were audited by KPMG. Annual financial statements for FY 2009 – 2015 were audited by Mitchell & Titus, LLP, a member firm of Ernst & Young Global Limited. Supporting services includes human resources, legal, accounting and other administrative expenses.

 Peter G. Peterson Foundation  
 Peterson Center on Healthcare

## GRANTEES (2008 – 2018)

### PETER G. PETERSON FOUNDATION

- Altarum Institute
- America's Promise – The Alliance for Youth
- American Action Forum
- American Enterprise Institute
- American Society for Public Administration
- AmericaSpeaks
- The Aspen Institute
- The Atlantic Monthly Group
- Be the Change
- Bill, Hillary, and Chelsea Clinton Foundation, Clinton Global Initiative
- Bipartisan Policy Center
- Brookings Institution
- Business Executives for National Security
- Center for American Progress
- Center for Practical Bioethics
- Center for Strategic and International Studies
- Coalition to Transform Advanced Care
- The Center for the Study of the Presidency and Congress
- Center on Budget and Policy Priorities
- Coalition for Integrity
- Columbia University, *Columbia Journalism Review*
- Comeback America Initiative
- Committee for a Responsible Federal Budget
- Committee for Economic Development of The Conference Board
- The Common Good Institute
- Concord Coalition
- Corporation for the Advancement of Policy Evaluation
- Council for Economic Education
- Economic Policy Institute
- Emory University, Institute for Advanced Policy Solutions
- Ethics and Public Policy Center
- Foreign Policy Association
- The Franklin and Eleanor Roosevelt Institute, Roosevelt Institute Campus Network
- The Fund for Public Advocacy
- George W. Bush Foundation
- Henry J. Kaiser Family Foundation
- The Henry L. Stimson Center
- The Heritage Foundation
- Hope Street Group
- Hudson Institute
- Independent Sector
- Institute for Healthcare Improvement
- Manhattan Institute for Policy Research
- Mercatus Center
- Mobilizing America's Youth
- NABE Foundation of the National Association for Business Economics
- The National Academy of Public Administration Foundation
- National Academy of Sciences, National Academy of Medicine
- National Academy of Social Insurance

- National Association of Latino Elected
- National Bureau of Economic Research
- National Governors Association Center for Best Practices
- National Tax Association, Tax Institute of America
- Net Impact
- Network for Teaching Entrepreneurship
- New America Foundation
- Nuclear Threat Initiative
- Partnership for Public Service
- Peter G. Peterson Institute for International Economics
- Posse Foundation
- Progressive Policy Institute
- Project HOPE
- ProPublica
- Public Agenda
- Research Foundation of the City University of New York, State Budget Crisis Task Force
- Rice University, James A. Baker III Institute for Public Policy
- State of the USA
- Teachers College, Columbia University
- Transatlantic Futures
- University of New Hampshire School of Law, Warren B. Rudman Center for Justice, Leadership & Public Service
- Urban Institute
- Urban Institute, Tax Policy Center
- Volcker Alliance

- WNET
- Woodrow Wilson International Center for Scholars
- Yale University, Yale School of Management

### PETERSON CENTER ON HEALTHCARE

- Beth Israel Deaconess Medical Center
- Brandeis University, Council on Health Care Economics and Policy
- Brown University, School of Public Health
- Catalyst for Payment Reform
- Coalition to Transform Advanced Care
- Dartmouth College, Dartmouth Institute for Health Policy & Clinical Practice
- Harvard University, Harvard T.H. Chan School of Public Health
- Henry J. Kaiser Family Foundation
- Institute for Healthcare Improvement
- Institute for Patient- and Family-Centered Care
- National Academy of Sciences, National Academy of Medicine
- National Governors Association Center for Best Practices
- National Quality Forum
- Northwestern University
- Project HOPE
- Stanford University, Clinical Excellence Research Center
- University of Washington Foundation, Institute for Health Metrics and Evaluation



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