

A group of cyclists is riding on a dirt path that winds through tall, green grass. The path leads towards a scenic landscape with rolling hills, trees, and a clear blue sky. The cyclists are seen from behind, moving away from the camera. The overall atmosphere is peaceful and active.

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.