



Clinton and Trump will debate debt Wednesday, but neither has a plan

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Donald Trump and Hillary Clinton are scheduled to debate entitlements and the debt for 15 minutes Wednesday night, but neither candidate has proposed a plan to manage the growth of either one.

Both candidates have said their tax-and-spending plans wouldn't add to the debt any faster than currently projected.

Even if those claims were credible, they would disappoint fiscal hawks worried about the current upward trajectory of the debt and growth of spending on programs such as Social Security, Medicare and Medicaid.

Just promising not to add to the debt any faster "would make sense if we had a healthy fiscal starting point," said Maya MacGuineas, the president of the Committee for a Responsible Federal Budget, a nonprofit group that advocates lower deficits. "But what we have is an incredibly expanded debt level right now compared to what we've had in the past."

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MacGuineas' group was name-checked specifically by moderator Elaine Quijano during the vice presidential debate. Quijano noted the group's calculation that both candidates' plans would accelerate the anticipated growth in the debt and asked Democrat Tim Kaine and Republican Mike Pence if they were worried about it. Kaine and Pence mostly dodged the question.

The federal debt held by the public has roughly doubled since the 2008 financial crisis to about three-quarters of U.S. gross domestic product, and the Congressional Budget Office projects that it will grow to about 86 percent within a decade under current laws.

Down the road, the rising debt could cause a number of problems, including a potential fiscal crisis, according to the agency.

More immediately, however, the concern among budget experts is that "mandatory" spending is taking over the budget. Mandatory spending includes spending that takes place automatically, without Congress taking action, such as Social Security payments or Obamacare subsidies.

Including interest payments on the debt, such mandatory spending is up to nearly 70 percent of total federal spending and is expected to rise further in the years ahead as the baby boomers retire. That leaves little fiscal room for everything that Congress does, such as fund the Pentagon, spend on infrastructure, maintain law enforcement, run agencies and so on.

As a result, some budget experts, especially on the Right, have pushed for candidates to embrace plans to reform Social Security and Medicare to lower spending. Clinton and Trump, however, have taken such reforms off the table. Clinton has said that she would explore ways to boost Social Security benefits, raising payroll taxes on higher earners to do so if needed.

The aversion to discussing politically sensitive changes to popular programs is not necessarily the norm for the presidential race. In 2012, President Obama ran for re-election calling for a deficit reduction package of more than \$4 trillion. Mitt Romney challenged him, running on Paul Ryan's plan to reform Medicare for younger workers. Since then, the debt has grown, although the long-term debt projections have improved.

"This campaign has been harmed by the inability of any candidate to talk about any of the hard choices that will be required" to eventually address the debt, MacGuineas said.

MacGuineas blamed Trump especially for campaigning on a nearly \$6 trillion tax cut. Trump and his advisers have suggested that the tax cut would partially pay for itself by stimulating economic growth, and that promoting energy production, cutting regulations and renegotiating trade deals would make up the difference. Outside budget analysts, however, are skeptical of the campaign's numbers. At times, Trump has appeared unconcerned with the details. During the second debate, Trump suggested simply that he would bring back "energy companies" and that they would pay off the debt.

Chris Edwards, a budget expert at the libertarian Cato Institute, proposed a question for Trump for Wednesday night's debate: "Which specific federal spending would Donald Trump cut to the match the trillions of dollars of reduced revenues under his tax plan?"

Clinton, for her part, has said she would not add a "penny" to the debt, meaning that she wouldn't add to deficits faster than they are already growing.

That claim, however, doesn't stand up to scrutiny, at least not based on the mix of spending increases and tax increases Clinton has proposed. The Committee for a Responsible Federal Budget tallied up her fiscal plans and determined that she was calling for about \$1.8 trillion in new spending and only \$1.65 trillion in new taxes — short about \$150 billion over 10 years, or \$200 billion when added interest costs are factored in.

Updated analyses that incorporate the negative economic effects of Clinton's tax hikes, however, suggest that the tax increases may not bring in that much revenue, making the shortfall even bigger.