

A M E R I C A N A C T I O N
F O R U M

Balanced: 2028

**AAF's Budget Proposal To Address the
Debt & Secure A Brighter Economic
Future**



As part of the Peterson Foundation's Solution Initiative, the American Action Forum developed a "scoreable" policy proposal to set the federal budget on a sustainable, long-term path.

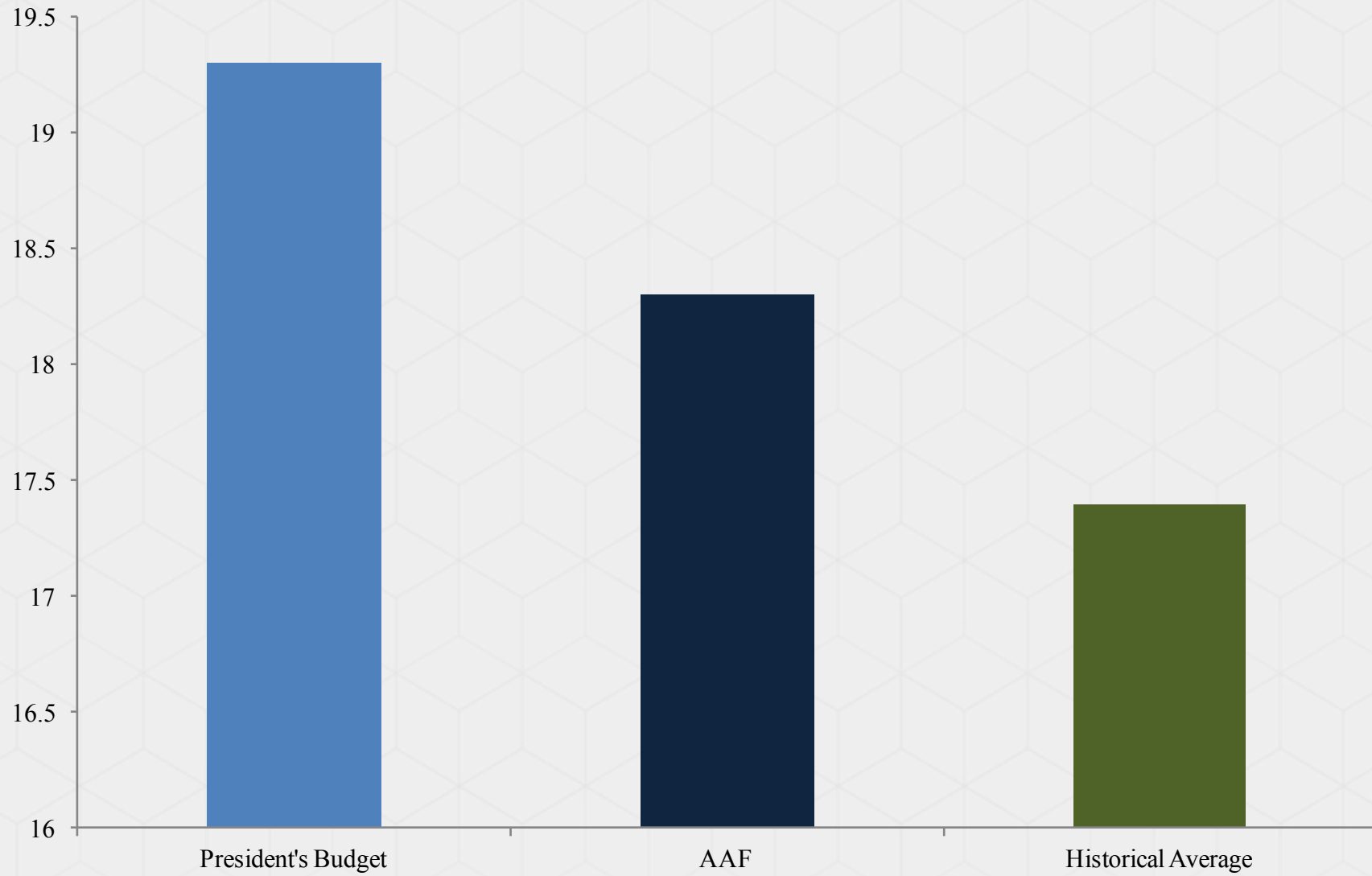


Balanced: 2028, AAF's Solution, Focuses on 3 Key Policy Recommendations

1. Tax Reform

- Our tax code is **over 100 years old**. Yet, it has only been reformed a handful of times.
- **Balanced: 2028** would implement a progressive consumed-income tax code. Our proposal raises adequate revenue to fund the nation's priorities, while boosting long-term economic growth by 6 percent.

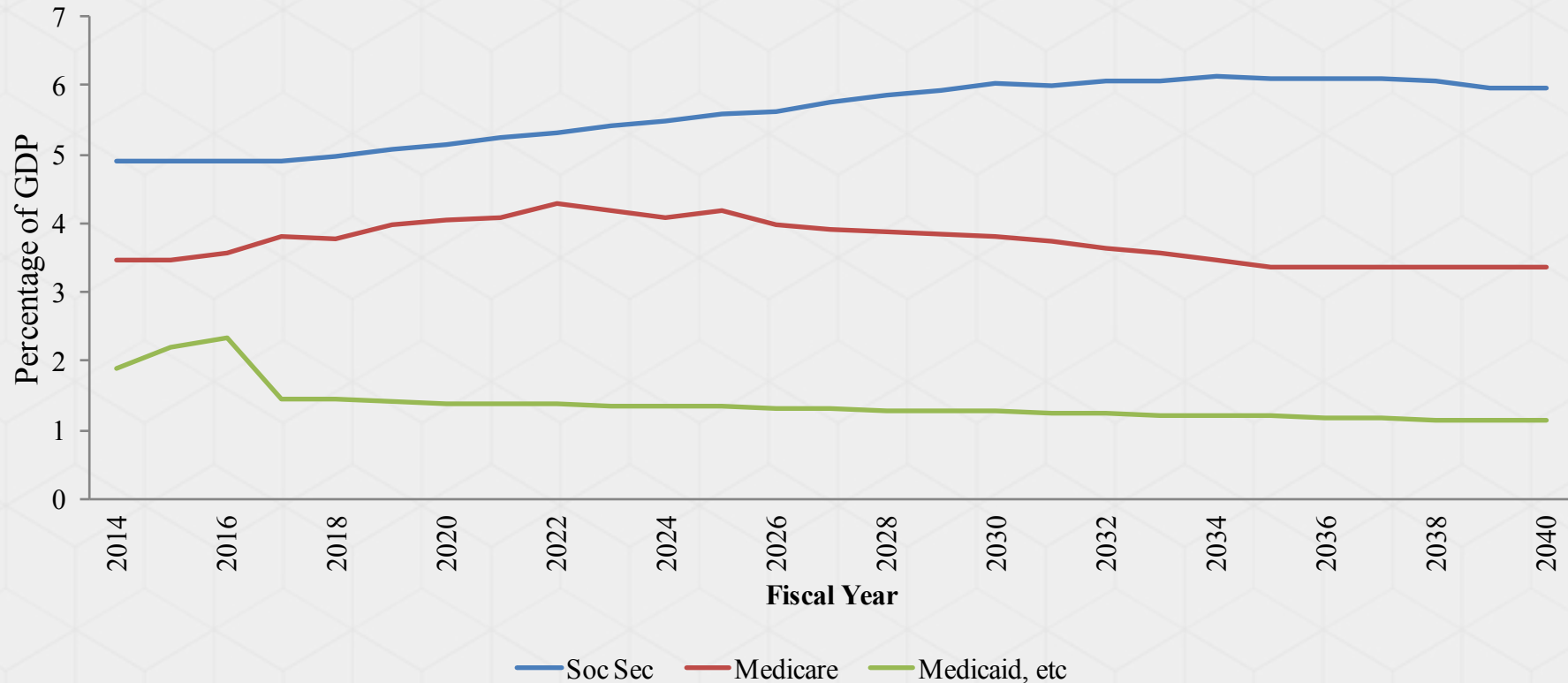
Projected Revenue Under AAF's Balanced: 2028



2. Entitlement Reform

- We address the structural imbalances in entitlement programs, including fixing the imminently bankrupt Disability Insurance program. Our reforms place entitlement programs on a stronger financial footing.

**Mandatory outlay categories as percentages of GDP
(baseline plus proposals)**



3. Immigration Reform

- **Balanced:** 2028 would use immigration as an economic policy tool. Fundamental immigration reform that refocuses on economic goals would help with population and labor force growth, and thus economic growth as a whole.

Economic benefits include:



GROWTH

Raise the pace of economic growth by **nearly 1%**.



INCOME

Raise average income by **\$1,500**.

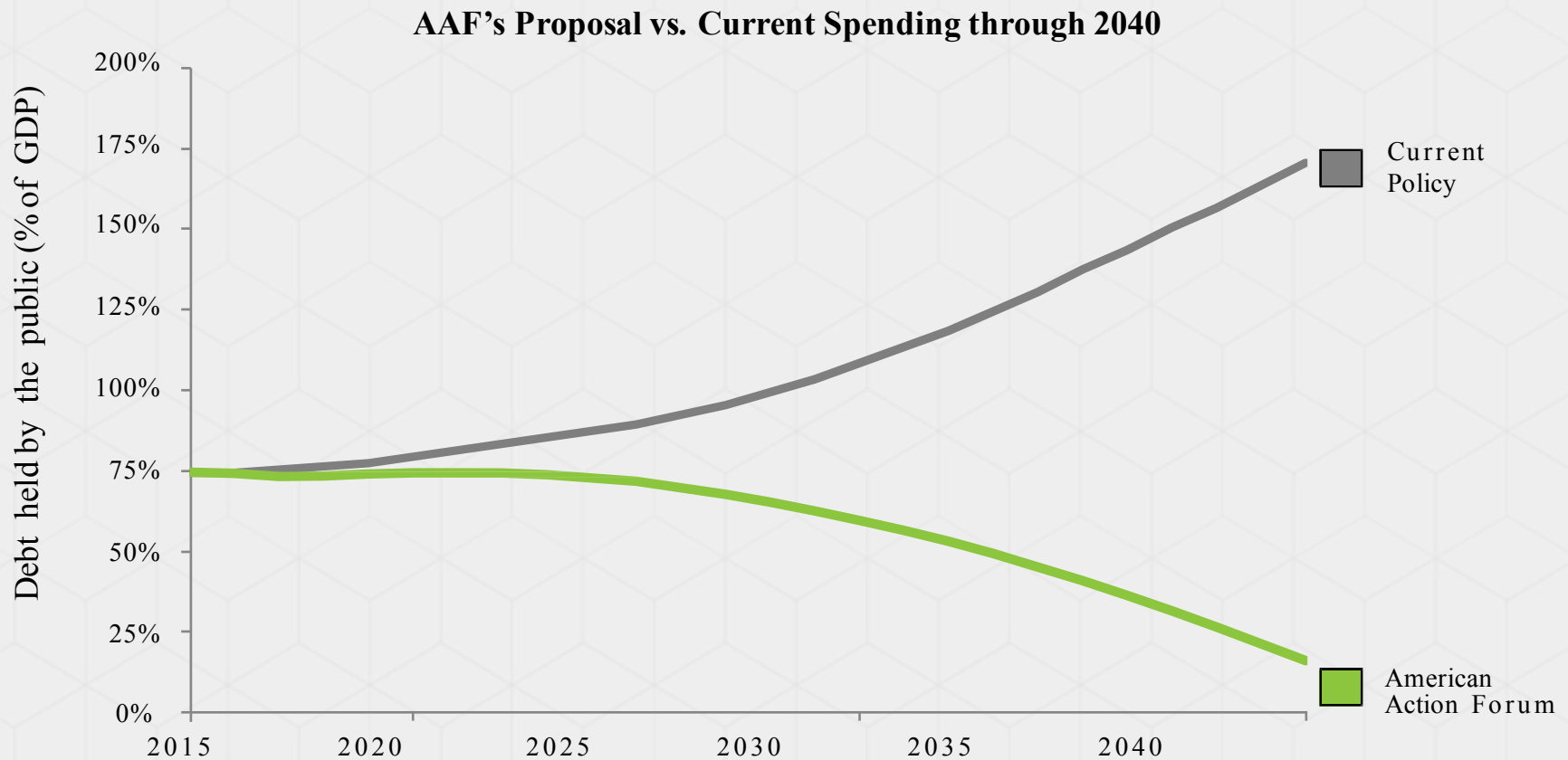


DEFICIT

Reduce the federal deficit by **\$2.7 trillion**.

The AAF Solution balances the budget by 2028 and significantly improves the fiscal health of the U.S.

Take a look at the charts below:

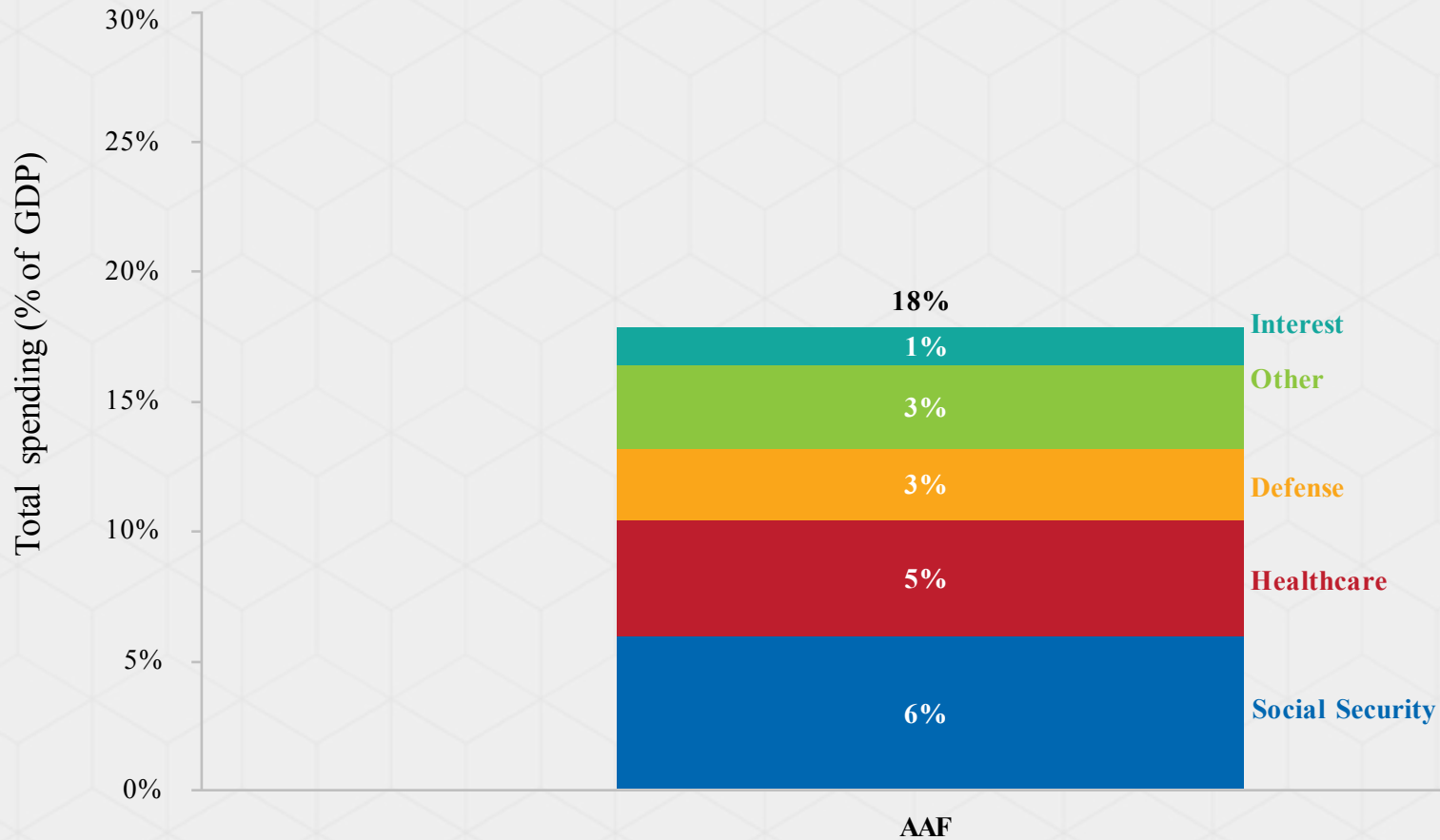


SOURCE: Peter G. Peterson Foundation, *Solutions Initiative III*, May 2015. See pgpf.org/solutions-initiative-iii for more details.

NOTE: Current policy is defined as the alternative fiscal scenario without economic feedback from CBO's *2014 Long-Term Budget Outlook*.



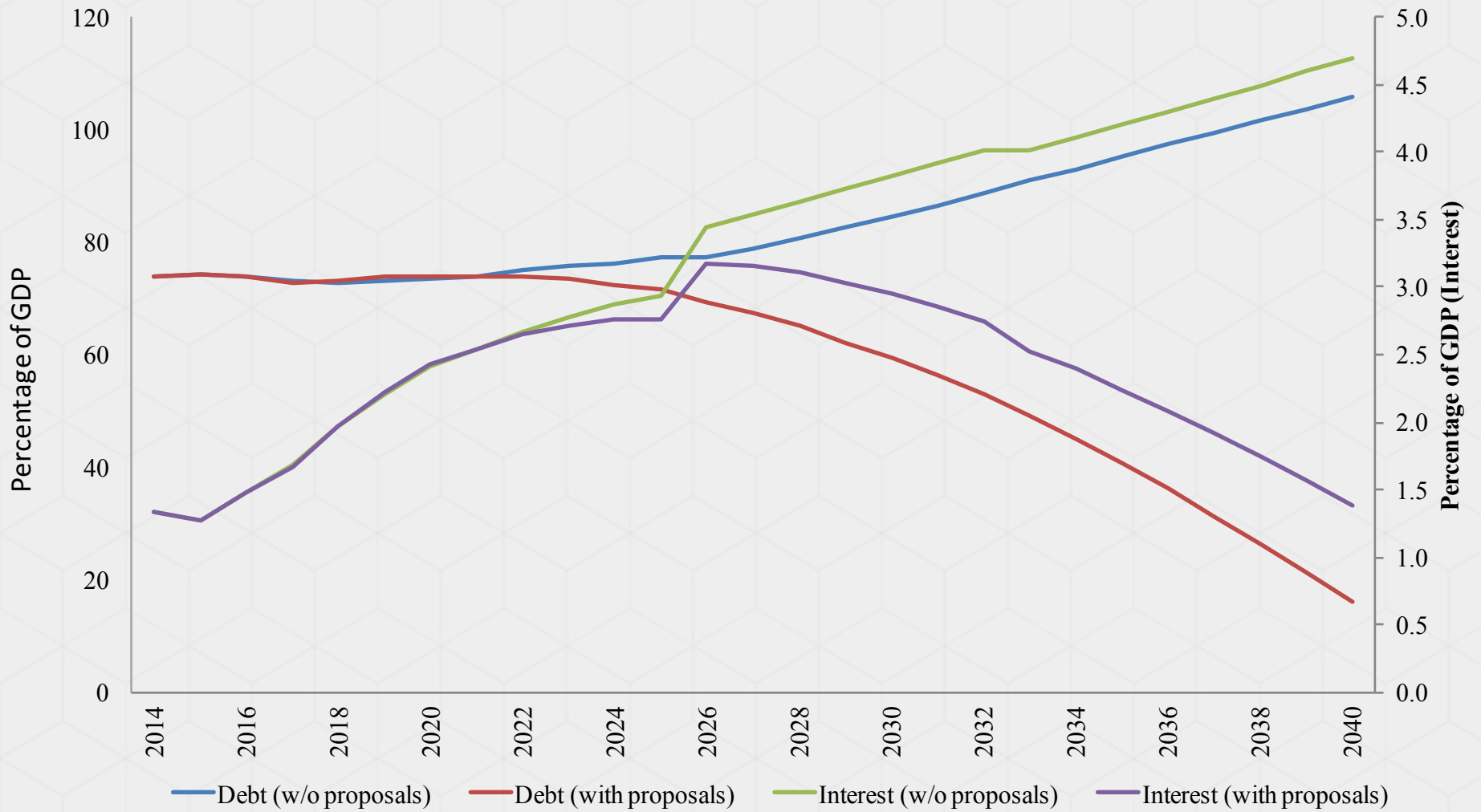
Composition of Projected Federal Spending in 2040 under AAF's Proposal



SOURCE: Peter G. Peterson Foundation, *Solutions Initiative III*, May 2015. See pgpf.org/solutions-initiative-iii for more details. NOTE: Other includes nondefense discretionary and other mandatory spending. Numbers may not sum to totals due to rounding.



AAF's Proposal vs Current Policy: Debt and Net Interest



AAF's Proposal vs Current Policy: Receipts and Outlays

