

Saving Surpluses Best Strategy for Long-term Growth

“Forgoing national saving to avoid any public investment in private assets would potentially entail significant costs in terms of future output... saving the projected off-budget surplus, the projected Hospital Insurance surplus, and one-third of the projected on-budget surplus between 2002 and 2011 would raise real GDP by roughly \$200 billion in 2012... Our nation’s capital stock by the end of 2011 would be well over \$2 trillion higher than if we failed to save any of the projected surplus.”

**Peter Orszag – President, Sebago Associates
testimony before the Senate Budget Committee**

February 7, 2001