

SENATE BUDGET COMMITTEE

KENT CONRAD, CHAIRMAN

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STATEMENT BY SENATE BUDGET COMMITTEE CHAIRMAN KENT CONRAD (D-ND) ON CBO JANUARY 2009 BUDGET AND ECONOMIC OUTLOOK

“CBO’s deficit projections are jaw-dropping. This is one of the worst budget forecasts I have seen in my lifetime. President-elect Obama is being handed an absolute fiscal disaster.

“CBO is now showing a deficit of approximately \$1.2 trillion in 2009, more than two-and-a-half times last year’s record deficit. And notably, CBO’s estimate does not include the cost of the economic recovery package being considered. CBO’s ten-year outlook confirms that with current policies we will see record deficits for years to come. And over the long-term, the combination of the retiring baby boom generation, rising health care costs, and inadequate revenues will make matters even worse – exploding deficits and debt to clearly unsustainable levels.

“Our economy has been in recession for more than a year now and the downturn is likely to last longer than any since the Great Depression. We must act quickly to pass an economic recovery package that will create jobs and jumpstart economic growth. While it is understandable that this package will worsen our near-term budget picture, we should not enact provisions that will exacerbate our long-term deficits and debt.

“And as we address our economy, it is vital that we simultaneously take steps to put our budget back on a sound long-term fiscal path. That is why I have proposed linking the economic recovery package to the creation of a bipartisan process designed to tackle our long-term budget imbalance. Our nation’s economic future will remain at risk until we confront this long-term challenge.”

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