

Cut, Cap, and Balance

Economists agree that the U.S. will face a major debt crisis within the next few years. Erskine Bowles, the top Democrat on President Obama's debt commission, calls this "the most predictable economic crisis in history."

One-time spending cuts will not be enough to avert the coming crisis. Neither will toothless promises of cuts 10 years from now. Only permanent changes will do. The answer is spending cuts now, enforceable spending caps, and Congressional passage of a Balanced Budget Amendment to the Constitution – Cut, Cap, and Balance.

As proposed by the Republican Study Committee, [Cut, Cap, and Balance](#) entails:

- **Cut** – Immediate spending cuts to reduce the deficit by half next year. According to March projections from the Congressional Budget Office, this would require spending cuts of approximately \$380 billion in the 2012 fiscal year.
- **Cap** – Statutory, enforceable caps that bring spending into line with average revenues at 18% of GDP. Reps. Kingston and Mack have each introduced legislation that would ratchet total federal spending down to 18% of GDP over the course of 5-6 years.
- **Balance** – House and Senate passage of a Balanced Budget Amendment to the Constitution that includes a spending cap at 18% of GDP and a supermajority requirement for tax increases. The House Judiciary Committee and all 47 GOP Senators have endorsed Balanced Budget Amendments along these lines.

In an On Message, Inc. survey of 1,000 likely voters nationwide, large majorities support:

- Cutting next year's deficit in half through spending cuts. (Favored 69%-20%)
- Capping federal spending to no more than 18% of GDP. (Favored 66%-17%)
- A Balanced Budget Amendment to the Constitution. (Favored 81%-13%)

The survey also found that Americans support a supermajority requirement to raise taxes (Favored 60%-30%).

Asked to choose between the three publicly proposed options for raising the debt limit:

- **49% chose Cut, Cap, and Balance.**
- 21% chose \$2-3 trillion in cuts for a \$2 trillion debt limit increase.
- 9% chose a blank-check debt limit increase with no spending cuts.

Getting the country back on track will also require a stronger economy. But in the face of higher taxes, inflation, interest rates, and regulation, many companies aren't taking the risk of new hires or opportunities. By preventing the coming debt crisis, Cut, Cap, and Balance will rebuild private sector confidence and help businesses see reasons to hire once more.

Thousands of Americans and dozens of Representatives and Senators have taken the Cut, Cap, and Balance Pledge, promising to oppose any debt limit increase without substantial spending cuts, enforceable caps on spending, and Congressional passage of a Balanced Budget Amendment that also limits spending and requires a supermajority for tax increases.