

A Nation in Debt: How Can We Pay the Bills?

FORUM RESULTS

On December 1, Public Life Foundation of Owensboro hosted a public forum on one of the most pressing issues of our time: A Nation in Debt: How Can We Pay the Bills?



Who participated?

Fifty local residents participated in the dialogue and deliberation; 43 participated in the polling.

Sixty-four percent of the participants were male; 36 percent were female.

Only two percent of the participants were under 30 years of age. Forty-eight percent were 65 or older, and 43 percent were between 46 and 64. Seven percent were between 31 and 45 years of age.

Fifty-two percent of the participants live in the city of Owensboro. Forty percent live in Daviess County outside Owensboro. Seven percent live outside the county.

Source of Information

Participants received an issue booklet that provided background material, data, trends, and three options for addressing the issue. Within each option, six strategies and tradeoffs were included. The booklets – and the video complement – were prepared by the National Issues Forum, a private, nonprofit, nonpartisan organization through the financial support of the Kettering Foundation.

Format

Participants were randomly assigned seats to improve the likelihood that they would be exposed to diverse perspectives. Following the introductions and ground rules, participants watched a video that touched on the key points included in the issue booklet. Each table featured a trained facilitator and a recorder. There were three discussion periods associated with each option, strategies and tradeoffs. This was followed by an open forum and polling through the use of electronic keypads.

When the forum concluded, participants were handed an action checklist that listed ways for them to continue to learn. There were sample resources including websites as well as how to contact elected officials to share their views.



Option 1: Agree to Make Sacrifices Now

What might be done:

- *We should not pass this burden onto the next generation. Raise taxes and cut spending.*
- *Increase the retirement age and the taxable maximum for Social Security.*
- *Increase tax rates across the board instead of borrowing more money.*
- *Impose a national sales tax and eliminate tax breaks.*
- *Reduce defense spending, farm subsidies and more.*

Random comments captured by the recorders:

- How does a sovereign nation declare bankruptcy?
- We've let government go too far—we need to go back to the constitution.
- If we raise taxes, they will spend it on what they want.
- Could we balance the budget without raising taxes?
- How will it affect life styles if we cut defense spending?
- We will need better internal controls of spending?
- Much waste in defense spending.
- Cap Social Security.
- Need to phase in higher Social Security.
- Medicaid – too much spending – people who don't need it shouldn't receive it.
- Need more monitoring of Medicaid program.
- The government needs to know that it is okay to have debt.
- Raise retirement age.
- Make across the board cuts.
- Everyone receiving welfare must be held accountable and be drug tested.
- No taxes raised.
- Tax system that generates more revenue as the economy grows.

Option 2: Strengthen Checks and Balances

What might be done:

- *Make systemic changes to increase fiscal responsibility.*
- *Pass a balanced budget amendment.*
- *Reinstate a pay-as-you-go policy for any new expenditure.*
- *Require a sunset review on programs and agencies.*
- *Ban earmarks.*

Random comments captured by the recorders:

- Couldn't run our government with it.
- Wouldn't work strictly, but would have a positive influence.
- Would never work.
- Privatizing would be a better option.
- Should abolish earmarks.
- Eliminate government programs that don't work—earmarks as well.
- Student loans---structured from a private perspective.
- When is enough enough?

- Passing balanced budget amendment is rhetorical—for talk only.
- Balanced budget must include defense spending.
- Some programs go on and on when there is no constituency.
- A lot of these programs are fueled by lobbying.
- Congress should have a little bit of play money. Make them small—a “slush” fund.
- We want to limit earmarks.
- We need to raise taxes.
- A lot of things need to be run by the government. Private entities will add another layer.

Option 3: Invest in Growth First

What might be done:

- *The federal government can grow the economy and spur job creation through spending and tax policy.*
- *Increase the federal research credit.*
- *Expand tuition assistance and loan programs to increase science and engineering graduates.*
- *Reduce the corporate tax rate.*
- *Reduce or suspend payroll taxes for new businesses.*
- *Incent corporations to spend more on research and development.*

Random comments captured by the recorders:

- Couldn't run our government with it.
- We are transitioning into a technological society from agri/manufacturing; growth and research is a necessity.
- Education is TOP. We better be getting on with educating our kids.
- Go for it.
- Cut payroll taxes.
- Investment should be localized.
- Stimulus---too much chance for competition.
- Would have been better if it was for all infrastructure.
- Federal Research Credit—playing favorites.
- Tax breaks should be permanent.
- Payroll Tax Holiday—rather than lower taxes, lower the overall rates.
- Consumption Tax—TN and TX do not have income taxes

Comments submitted from those who were unable to attend:

The answer is common sense. Everyone must take a cut. Every department, agency and entitlement must take some form of cut.

We must determine which departments/ agencies are still needed and which must be shut down and the employees transferred or retired.

Entitlements are the number one reason for the debt and must be reined in.

Freeze-all spending at 2011 level and cut 1 percent a year for several years.

Cut all federal cabinets 10 percent, except defense by 20 percent.

Reduce the tax rate on small businesses >500 employees to zero.

Allow all Bush tax cuts to expire.

Eliminate all itemized deductions except for charities and primary residence only.

Open up onshore/offshore areas for oil exploration and production, also gas.

Free of dependence of oil from unstable rogue government and create hundreds of thousands of good paying jobs.

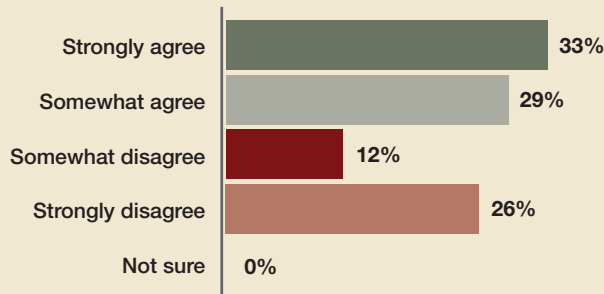
Amend executive orders to freeze the issue of any new EPA regulations.



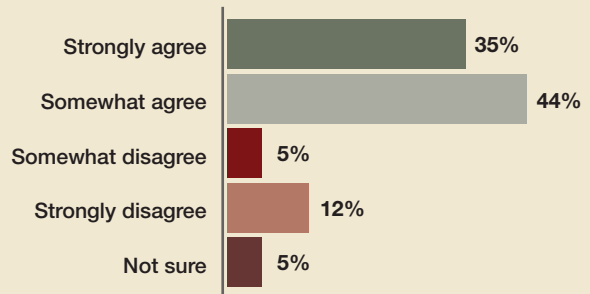
Polling

Before participants were asked to come to judgment on this issue, they benefited from information included in the issue booklet and video, plus the perspective of others from an open forum and three small group discussion periods. (Polling questions were developed by the National Issues Forum.)

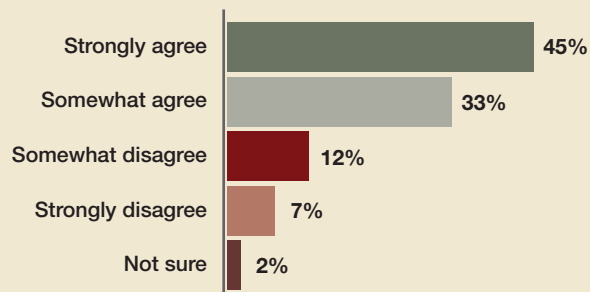
The only realistic way to deal with our budget problems is by raising taxes and cutting spending?



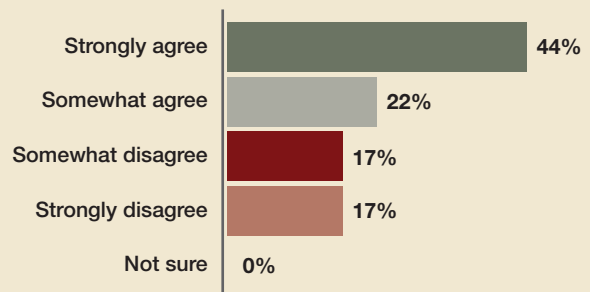
Investing in the research and development of innovative new technologies would spur growth and produce more tax revenues in the long term.



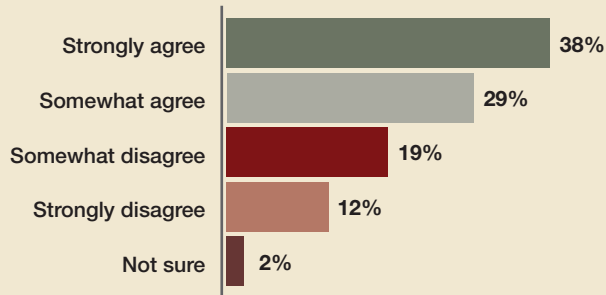
Americans demand more benefits from the federal government than the country can afford.



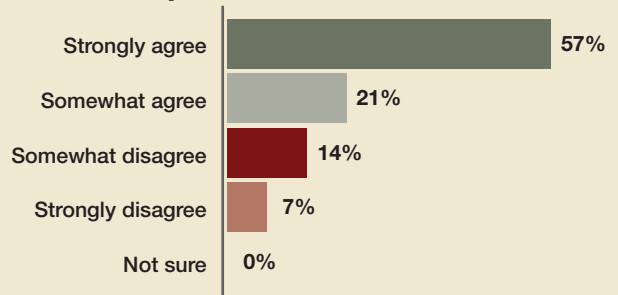
Deep, across-the-board spending cuts would threaten the nation's economic recovery.



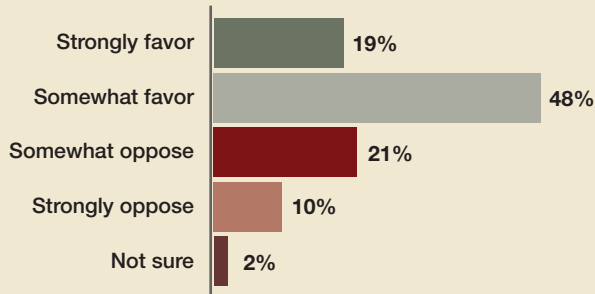
We need laws and procedures that compel legislators to balance the budget.



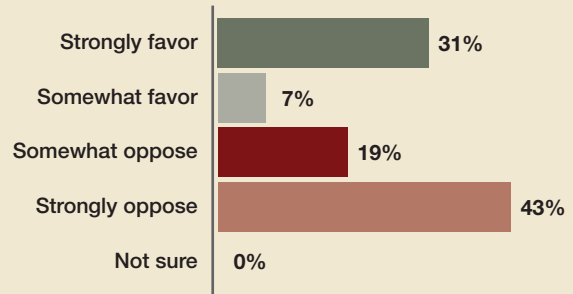
Elected officials lack the political will to help balance the budget by tackling the unsustainable growth of popular entitlement programs, such as Social Security and Medicare.



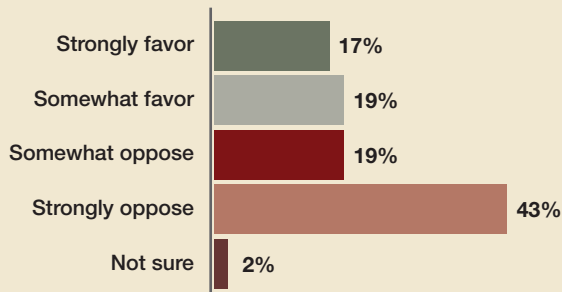
Federal and state governments should establish “sunset” dates requiring periodic review of all programs and agencies, EVEN IF this means that those who run them would spend more time justifying their existence and less time doing their jobs.



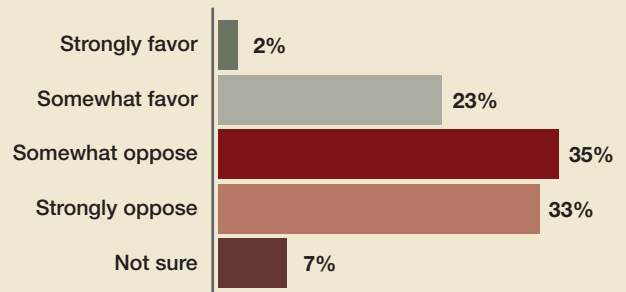
We should amend the Constitution to require a balanced federal budget, EVEN IF most economists agree that running a deficit is sometimes what the country needs.



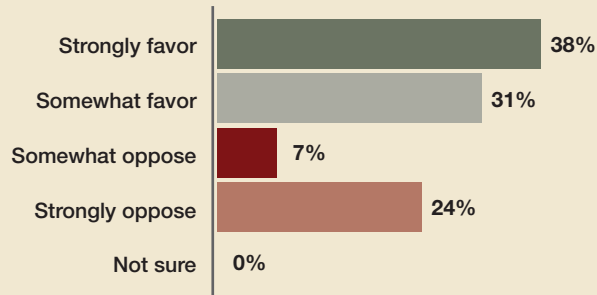
We should reduce the tax deduction for mortgage interest and health-care expenses, EVEN IF that would increase taxes on already hard-pressed middle-class families.



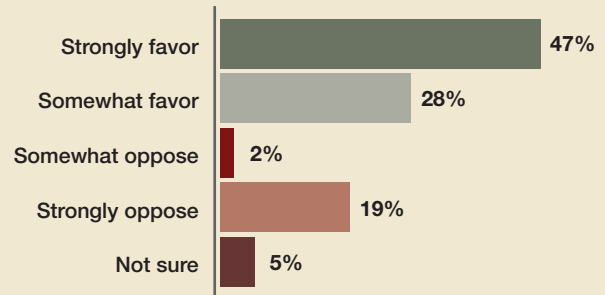
We should increase tariffs on imported goods to protect U.S. jobs, EVEN IF this invites retaliation and could, in the end, start a trade war or costs jobs in U.S. companies that export goods.



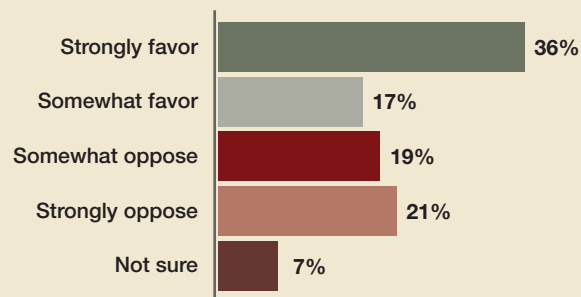
Congress could reduce payroll taxes for new businesses for two years, EVEN IF that adds to the deficit in the short run.



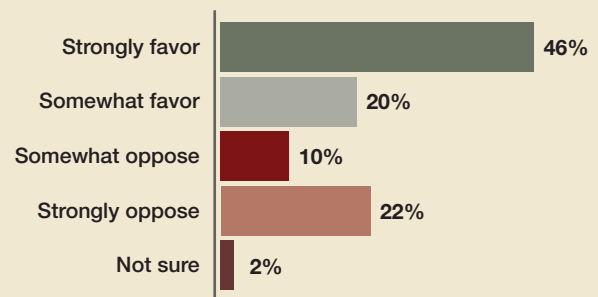
We should cut military spending, EVEN IF this would make us less capable of responding to threats in an increasingly volatile world.



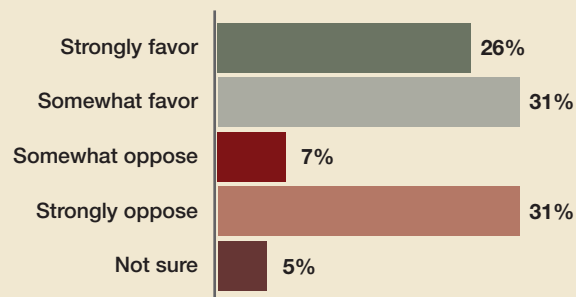
We should reduce corporate tax rates, EVEN IF this would reduce federal government revenues.



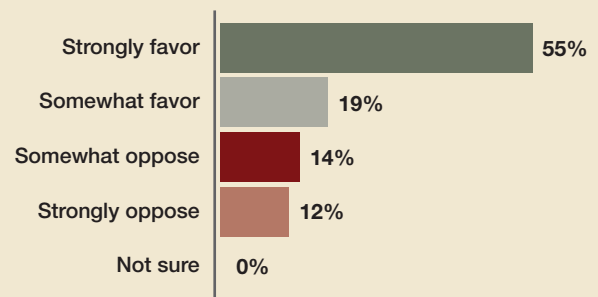
We could raise tax rates for the wealthiest families, EVEN IF this would lead to less investment in enterprises that create much needed jobs.



We could invest in research and development to spur competitiveness in global markets, EVEN IF many economists believe such investment would be more efficient if it came from the private sector instead of the government.



Legislators should ban all earmarks, EVEN IF this reduces or eliminates funding for thousands of badly needed local projects.



I have enjoyed this forum.

