# Comparisons of deficit reduction plans

## Deficit reduction in 2015 compared to the president's 2010 budget

The Center for American Progress recently released its plan for achieving primary balance by 2015. Our plan takes its place next to at least five others offered by various think tanks and commissions around Washington. This table compares the overall amount and makeup of the deficit reduction offered by these six plans, using 2015 as the comparison year.

The CAP plan spreads the deficit reduction evenly, with $127 billion in spending cuts and $127 billion in new revenue. The average spending level under all six plans is 22.4 percent of GDP, which is 0.2 points lower than CAP's plan. The average revenue level is 20.1 percent, 0.3 points higher than CAP's plan.

### Overall federal spending and revenue levels in 2015

Values are expressed as a share of GDP

| | Obama budget | Bowles/Simpson | Rivlin/Domenici | Schakowsky | MacGuineas/Galston | EPI | CAP 50-50 Plan |
|---|---|---|---|---|---|---|---|
| Spending | | | | | | | |
| Mandatory | 13.1% | 12.8% | 12.8% | 13.0% | 12.6% | 13.1% | 13.0% |
| Discretionary | 7.2% | 6.3% | 6.4% | 6.5% | 6.5% | 8.0% | 6.8% |
| **Total spending** | **23.1%** | **21.8%** | **22.0%** | **22.3%** | **22.0%** | **23.9%** | **22.6%** |
| Revenue | | | | | | | |
| **Total revenue** | **19.0%** | **19.3%** | **20.7%** | **21.2%** | **19.6%** | **20.0%** | **19.8%** |
| Primary deficit | 1.4% | -0.3% | -1.5% | -1.8% | -0.4% | 1.1% | 0% |
| Overall deficit | 4.1% | 2.5% | 1.3% | 1.0% | 2.4% | 3.9% | 2.8% |

Note: Total spending and overall deficit level assume net interest payments of 2.8 percent of GDP for all plans. This amount could change based on when and how the various deficit reduction plans are phased in.

### The details

Values are in billions of dollars; Positive numbers indicate deficit reduction, negative numbers indicate deficit increases

| | Bowles/Simpson | Rivlin/Domenici | Schakowsky | MacGuineas/Galston | EPI | CAP 50-50 Plan |
|---|---|---|---|---|---|---|
| Spending cuts | | | | | | |
| Social Security | 8 | 6 | 0 | 15 | 0 | 10 |
| Health | 35 | 42 | 17 | 44 | 0 | 0 |
| Other mandatory | 19 | 7 | 8 | 30 | 0 | 11 |
| Tax expenditures | 55 | 184 | 55 | 140 | 33 | 35 |
| Discretionary | 163 | 140 | 119 | 115 | -149 | 71 |
| **Total spending cuts** | **280** | **379** | **199** | **344** | **-117** | **127** |
| Revenue increases | | | | | | |
| Off budget | 12 | 9 | 154 | -55 | 73 | 76 |
| On budget | 18 | 152 | 229 | -40 | 95 | 51 |
| **Total new revenue** | **30** | **161** | **383** | **-15** | **168** | **127** |
| **Total unified deficit reduction** | **310** | **540** | **582** | **329** | **51** | **255** |
| Share from spending cuts | 90% | 70% | 34% | 105% | -228% | 50% |
| Share from revenue increases | 10% | 30% | 66% | -5% | 328% | 50% |

Note: The MacGuineas/Galston paper only gives numbers for 2020, so the values shown here are estimates of their proposal's 2015 effects.

### Budget primer

Definition of terms in the chart

- **Mandatory spending** is what Congress does not have to reappropriate each year. This includes Social Security, Medicare, and Medicaid.
- **Discretionary spending** is what Congress must reappropriate each year through the ordinary budget process, about half of which is defense spending.
- The **primary deficit** is the difference between total revenues and total spending, except for interest payments on the debt. The president's fiscal commission was given the goal of eliminating the primary deficit by 2015.
- **Off-budget revenue** refers to receipts that go into the Social Security trust fund.
- The **unified deficit** is the overall budget deficit, including Social Security.