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THE FISCAL ROADMAP PROJECT

*These are Not Ordinary Times-
We Need a Fiscal Roadmap to Show the Way*

The Fiscal Roadmap Project was created to help policymakers navigate the serious economic and fiscal challenges facing the country.

Currently, fiscal policy is being shaped in a haphazard way: bailing out a firm here, letting another firm go bankrupt there; attaching conditions to a company bailout, writing a check to another company without strings attached. These are not ordinary times.

Borrowing has ballooned to unimaginable levels. A \$1 trillion deficit—more than twice the previous record—now appears to be a conservative estimate for fiscal year 2009. The debt is already over \$10 trillion. And to paraphrase President-elect Obama, economic conditions will probably get worse before they get better.

Yet as bad as things seem today, the future looks bleaker. The projected rapid growth in spending—driven primarily by the aging of the population and health care cost growth—will put this country's fiscal and economic health in permanent jeopardy. If not brought under control or paid for with new revenue, this growth will turn trillion dollar deficits from an exception to the norm.

Confronting the current crisis will require sensible stabilization and stimulus measures to strengthen the economy. Determining the size, timing, and composition of the right fiscal package will not be easy. A well thought out plan will be critical for reassuring the markets. Moreover, experts will have to develop improved financial sector regulations to try to prevent similar problems in the future.

But the importance of the immediate crisis should not be an excuse to ignore future challenges. Unless we address the coming fiscal imbalances brought about by excessive borrowing and commitments, we will most certainly pass on a considerable burden to our children and the U.S. economy may not be able to reclaim its competitiveness.

Meeting our current and future economic and fiscal challenges will require the continued development of new ideas, the facilitation of a public conversation, and the political will to make hard choices

We will need a fiscal roadmap to show us the way.