

PAYGO ESSENTIAL TO ACHIEVING PROGRESSIVE ISSUES

Democrats Work to Restore Fiscal Discipline, Enact PAYGO into Law

There is a common misconception that fiscal discipline is only a conservative position. In fact, PAYGO has long been supported by progressive members of Congress. They are well-represented among the more than 160 House Democrats who already co-sponsored and voted in favor of the legislation. In the 1990s, the Clinton Administration turned deficits into record surpluses due in large part to adhering to PAYGO. However, under President Bush and Congressional Republicans, PAYGO was waived and allowed to expire so that they could pass debt-financed tax cuts for the wealthy that wiped out those surpluses. Democrats understand that paying for what we buy is crucial not only to roll back deficits, but to achieve additional progressive goals for all Americans.

Why Is PAYGO Important For Progressives?

Investments that matter most to progressives – clean energy technology, affordable higher education, and health care access – require a long-term commitment. None of them are one-time payments. Unfortunately, deep deficits threaten to crowd out spending on those issues that progressives value. And when spending cuts have to happen, it's the most vulnerable Americans who are hurt. By practicing fiscal discipline today, we will ensure that we can afford to pay for our most important priorities in the future.

“Without changes in current policies, we face the prospect of rapidly growing federal deficits and debt over time that will pose a significant threat to the U.S. economy, to the standard of living of all Americans, and to the ability of the government to meet the needs of its citizens.”

– Bob Greenstein, Center on Budget and Policy Priorities, 6/18/09

Additionally, the interests of progressives will be well served by enacting PAYGO into law:

- PAYGO would apply to new entitlement and tax cuts but not to discretionary programs that are funded through the annual appropriations process and are subject to caps set out in the budget, such as funding for elementary and secondary education, Head Start, health research, environmental protection, and basic government functions.
- Mandatory programs that assist low-income Americans are also exempt from sequestration, such as Medicaid, Social Security, the Children's Health Insurance Program, and Temporary Assistance to Needy Families.
- Should Republicans come back into power, PAYGO would help prevent the reckless debt-financed tax cuts for the wealthy that were put in place under President Bush. Passage of those tax cuts was made possible by waiving PAYGO. With a PAYGO law in place, advocates of tax cuts would have to acknowledge the costs and show which popular programs they would cut to pay for them.