

A Campaign for Fiscal Responsibility

An Interview with Maya MacGuineas,
President, Committee for a Responsible Federal Budget

EDITORS' NOTE In addition to her current post, Maya MacGuineas is the Director of the Fiscal Policy Program at the New America Foundation. She testifies regularly before Congress and has published broadly, including articles in *The Washington Post* and *Financial Times*. MacGuineas has worked at *The Brookings Institution* and on *Wall Street*. As a political independent, she has advised numerous candidates for office from both parties and works regularly with members of Congress on health, economic, tax, and budget policy. She serves on the boards of a number of national, nonpartisan organizations. She received her *Masters in Public Policy* from the *John F. Kennedy School of Government* at *Harvard University*.



Maya MacGuineas

ORGANIZATION BRIEF *The Committee for a Responsible Federal Budget* (crfb.org; CRFB) is a bipartisan, nonprofit organization committed to educating the public about issues that have significant fiscal policy impact. Composed of some of the nation's leading budget experts, CRFB runs a number of ongoing projects including *US Budget Watch*, the *Moment of Truth Project*, the "Go Big" initiative, and a new campaign to pass a plan to fix the debt.

What is the mission for CRFB and how has it evolved?

Thirty years ago, some of the departing members of Congress felt that fiscal responsibility had been lost in the process of legislating and they wanted to create a group of members and budget experts who played inside of policy-making to encourage their former colleagues to be more fiscally responsible in budgeting.

The way the committee works has changed over the past few years in that deficits and debt are now a top-tier political issue, though there is no clear resolution of the issue. It's a different job when you're trying to get people to pay attention to the issue than when there is widespread understanding that the problems exist and you are trying to help policy-makers get something done.

So we're now closer to the politics of it and it's more of a campaign that we're involved in rather than just being an impartial arbiter of

the numbers, which is the role we've played in the past.

Is it tough to be optimistic when there is so much polarization in Washington?

It seems our ability to govern on hard issues is broken. The willingness to make the tough choices required and for both sides to compromise isn't there yet.

But the optimism I feel comes from spending a good deal of time with the members of Congress from both parties in the House and Senate who want to solve this problem; there are many more of them than people realize.

Would you give a brief overview of the Moment of Truth Project and the "Go Big" initiative?

The Moment of Truth came out of the Simpson-Bowles Commission, whose policy recommendations touched all parts of the budget and reflected core values of both Republicans and Democrats. Their ability to come up with something that both Tom Coburn and Dick Durbin could sign onto represented one of the first real political achievements and compromises in this area in a long time.

So we decided to keep that commission alive in a different form called the Moment of Truth, which is a project of refining the policies and building more political support for it, as well as building more awareness through public education for this kind of a comprehensive deal. Once you have a game-changer, which is what Simpson-Bowles is, the last thing you want to do is lose momentum. We have just tried to fill in more policies and political support, and more of an outside game to help that.

The "Go Big" effort was created because after that, we were concerned that the objective of the super committee to save \$1 trillion to \$1.5 trillion was the wrong approach in that to do something really hard, you need to be able to see the upside of having done it. If you save \$1 trillion to \$1.5 trillion, you still have a huge fiscal problem on your hands. So you go through the tough choices that save that money and the headline the next day is still, the U.S. faces major political problems; you have not created a win for the people courageous enough to back that.

So we thought it was politically easier to get a big deal – \$4 trillion or \$5 trillion in place – where everybody compromised and everything

was on the table, and would fix the budget and social security, and get Medicare on the right path. It would create a tax reform that raised more revenues but in a way that was good for the economy by lowering rates and eliminating many tax breaks.

"Go Big" stuck because it is an idea that makes sense. We need to find a solution that is big enough to fix the problem because nobody wants to go through this exercise year after year.

How important is it to get private sector business leaders engaged in your efforts?

The debt ceiling debacle woke up a lot of business leaders. Last fall, we had a dinner for 15 or 20 CEOs and members of Congress focused on getting business leaders involved in talking about the necessary fiscal reforms. It was a rare productive conversation, out of which came our CEO Fiscal Leadership Council. I've spent more time with business leaders than ever before because they play a critical role in this.

Getting a debt deal should matter more to businesses than almost anybody else, because getting this right is critical to their economic performance over the long run. The fact that we are budgeting in two-month increments is not okay.

Many of these leaders have stepped up to elevate this issue and their acts will become more significant when there is a real debt deal to pass.

Now a lot of business leaders are talking about this issue more than their own quarterly earnings. They have great platforms and employee networks, and they can reach members of Congress by explaining to them that one of the best things we can do for companies and industry is to get a multiyear debt deal in place – one that is consistent with economic growth and that enhances competitiveness.

Building this council has also given me a chance to work with people who get things done.

What are you focused on for the future?

Hopefully, we'll get a debt deal, but there are a lot of things we need to do, like obtaining more solid research on fiscal policy. So I have thoughts of how to expand the work we do by building a fiscal institute that would commission and build more research in this area. I'd like to get the policy makers from state, local, and federal governments and business leaders together once a year and have a platform for better research and connect that to policy. ●