November 21, 2013

Americans’ Blueprint for a Budget Resolution

If lawmakers listened to Americans, this is what they would do.

By Mattea Kramer

Lawmakers are failing the basic task of managing our nation’s finances. Yet if they listened to the American people, they would pass a smart long-term budget plan by taking these actions on key issues.

Secure Social Security

Polls routinely indicate that Americans want Social Security strengthened, with 82 percent choosing to preserve Social Security benefits even if it means raising taxes. Simple changes to the program would achieve this end. **Lawmakers can eliminate the taxable maximum so a larger portion of wages are subject to Social Security taxes, instead of wages only up to $113,700.**

Close Tax Loopholes

**Sixty-five percent** of Americans want corporations and the wealthiest 2 percent to pay more in taxes. Currently the tax code is packed with hundreds of costly tax breaks that disproportionately benefit the well-off. **Lawmakers can close or modify these tax breaks, including the tax break that allows corporations to defer taxes on offshore profits (at a cost to the Treasury of **$42 billion** in 2013), and the tax break for capital gains (**$83 billion**) which overwhelmingly benefits the top earners.**

Reduce Military Spending

Americans on average want to reduce military spending by **18 percent**. Meanwhile, military experts across the political spectrum have found that the Pentagon budget could be cut substantially without sacrificing security, as many costly weapons programs are obsolete or mismatched for 21st-century threats. **A bipartisan task force found $1 trillion in savings over 10 years – twice as large as sequestration’s across-the-board cuts to the military – by making smart strategic choices.**

Contain Health Care Costs

The health care system and its high cost topped **Americans’ list** when they were asked what is the most important issue facing the country. Estimates suggest a **third** of health care spending in this country is wasted in a system of uncoordinated, fee-for-service care. But it doesn’t have to be that way. For example, some **primary-care organizations have moved to “bundled payments,” in which doctors are paid for their overall care of a patient rather than each test and procedure. Organizations that made such changes reduced costs by **15 to 20 percent** without compromising quality. Medicare is pilot-testing such changes with promising results, and Massachusetts lawmakers have already passed landmark legislation that will usher in this new form of payment. Federal lawmakers can begin to lay the groundwork now for this change on a national scale.