

## APPENDIX II SUMMARY OF ESTIMATES

### ANALYTICAL CONSULTATION

The proposal, *A Roadmap for America's Future*, was prepared using analysis by the Republican Staff of the Committee on the Budget, U.S. House of Representatives.

Currently, there is no single governmental entity capable of providing comprehensive analysis of a plan of this scope and nature. The Congressional Budget Office [CBO], for instance, provides analysis to the Committee on the Budget on spending bills, but does not currently have the capacity to score a proposal as far-reaching as this one. Similarly, the Social Security and Medicare actuaries provide estimates of their programs, but it is not their mission to provide estimates outside their areas of expertise.

As a result, the Republican Staff of the Committee on the Budget has spent more than a year consulting with the experts in their respective fields to develop credible analysis and estimates for this proposal. In general, the committee staff described in detail the workings of the plan with the respective experts and derived estimates based upon extensive consultation. The government agencies consulted in preparing this analysis are the CBO, the Centers for Medicare and Medicaid Services, the Social Security Administration, and the Department of the Treasury.

These estimates and the interactions that necessarily exist among the proposals were then further analyzed by committee staff to ensure accuracy. Projections were made using current conventions and scoring – that is, without attempting to incorporate various macroeconomic “feedback” effects that are known to exist but are difficult to quantify reliably. Again, the current government methodology for scoring these types of proposals relies on “static” analysis, which does not capture such positive feedback effects.

### ANALYTICAL METHODOLOGY

The proposal started with CBO's long-term budget projections – published in *The Long-Term Budget Outlook* in December, 2007 – and used CBO's “Alternative Fiscal Scenario” for a comparison of what occurs under current budget policies. CBO describes this scenario in the report as “one interpretation of what it would mean to continue today's underlying fiscal policy.” CBO explains: “This scenario deviates from CBO's baseline even during the next 10 years because it incorporates some changes in policy that are widely expected to occur and that policymakers have regularly made in the past.”

*A Roadmap for America's Future* overlays its spending and revenue assumptions on top of CBO's Alternative Fiscal Scenario to estimate primary spending, interest, deficits or surpluses, and debt held by the public over the next 75 years. These estimates are all made as percentages of gross domestic product [GDP].

## ASSUMPTIONS

Although more detailed programmatic assumptions may be found elsewhere in this report, the following general assumptions are used in deriving estimates used by *A Roadmap for America's Future*.

- The economic assumptions used in this analysis are from CBO's long-term projections.
- "Other spending" is estimated to grow above CPI, but is not estimated to grow as a fixed percent of GDP.
- Medicaid spending is estimated to grow at a rate equal to a blended medical inflation rate with an upward adjustment that is equivalent to the growth in the population. It is not estimated to grow as a fixed percent of GDP.
- Interest and debt estimates are derived using a 100 year debt matrix calculator provided by CBO and measured from an Alternative Fiscal Scenario that held revenue constant in all years.

**Table A2-1: Summary of Estimates for A Roadmap for America's Future**  
(in percentages of gross domestic product)

Calendar Year	Outlays						Primary Spending	Revenue	Deficit (-) Surplus (+)
	Social Security	Medicare	Medicaid	Other Non-Interest	Interest	Total		Total	Total
2007	4.3%	2.7%	1.4%	9.8%	1.7%	19.9%	18.2%	18.7%	-1.2%
2008	4.3%	2.8%	1.5%	9.8%	1.7%	20.1%	18.4%	17.8%	-2.3%
2009	4.3%	3.3%	1.5%	9.1%	1.7%	19.9%	18.2%	18.3%	-1.6%
2010	4.3%	3.4%	1.5%	8.9%	1.7%	19.8%	18.1%	18.3%	-1.5%
2011	4.4%	3.5%	1.5%	9.1%	1.7%	20.0%	18.4%	18.5%	-1.5%
2012	4.5%	3.6%	1.4%	8.9%	1.6%	20.1%	18.5%	18.5%	-1.6%
2013	4.6%	3.7%	1.4%	8.8%	1.7%	20.2%	18.5%	18.5%	-1.7%
2014	4.6%	3.8%	1.4%	8.7%	1.6%	20.1%	18.5%	18.5%	-1.6%
2015	4.6%	3.8%	1.4%	8.6%	1.7%	20.1%	18.4%	18.5%	-1.6%
2016	4.7%	3.9%	1.4%	8.5%	1.7%	20.2%	18.5%	18.5%	-1.7%
2017	4.8%	4.1%	1.4%	8.4%	1.7%	20.3%	18.6%	18.5%	-1.8%
2018	5.0%	4.1%	1.4%	8.2%	1.7%	20.4%	18.7%	18.5%	-1.9%
2019	5.0%	4.4%	1.3%	8.1%	1.7%	20.5%	18.8%	18.5%	-2.0%
2020	5.1%	4.5%	1.3%	8.0%	1.7%	20.7%	19.0%	18.5%	-2.2%
2021	5.7%	4.7%	1.3%	7.9%	1.8%	21.5%	19.7%	18.5%	-3.0%
2022	5.8%	4.7%	1.3%	7.8%	2.0%	21.7%	19.7%	18.5%	-3.2%
2023	6.0%	4.9%	1.3%	7.8%	2.1%	22.0%	20.0%	18.5%	-3.5%

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**Table A2-1: Summary of Estimates for A Roadmap for America's Future (continued)**

2024	6.1%	5.1%	1.3%	7.7%	2.2%	22.3%	20.2%	18.5%	-3.8%
2025	6.2%	5.1%	1.3%	7.7%	2.2%	22.5%	20.3%	18.5%	-4.0%
2026	6.3%	4.9%	1.3%	7.6%	2.3%	22.3%	20.1%	18.5%	-3.8%
2027	6.4%	5.0%	1.3%	7.6%	2.4%	22.6%	20.3%	18.5%	-4.1%
2028	6.4%	5.1%	1.3%	7.5%	2.6%	22.9%	20.3%	18.5%	-4.4%
2029	6.4%	5.2%	1.3%	7.4%	2.8%	23.1%	20.3%	18.5%	-4.6%
2030	6.5%	5.3%	1.3%	7.3%	2.9%	23.2%	20.3%	18.5%	-4.7%
2031	7.1%	5.3%	1.3%	7.2%	3.0%	23.9%	20.9%	18.5%	-5.4%
2032	7.1%	5.4%	1.3%	7.1%	3.0%	23.9%	20.9%	18.5%	-5.4%
2033	7.1%	5.4%	1.3%	7.1%	3.2%	23.9%	20.8%	18.5%	-5.4%
2034	7.0%	5.4%	1.3%	7.0%	3.2%	23.9%	20.7%	18.5%	-5.4%
2035	7.1%	5.4%	1.3%	6.9%	3.3%	24.0%	20.7%	18.5%	-5.5%
2036	7.0%	5.5%	1.2%	6.9%	3.6%	24.2%	20.6%	18.5%	-5.7%
2037	7.0%	5.4%	1.2%	6.8%	3.8%	24.2%	20.4%	18.5%	-5.7%
2038	6.9%	5.4%	1.2%	6.7%	3.9%	24.3%	20.3%	18.5%	-5.8%
2039	6.9%	5.4%	1.2%	6.7%	4.0%	24.1%	20.1%	18.5%	-5.6%
2040	6.8%	5.4%	1.2%	6.6%	4.1%	24.1%	20.0%	18.5%	-5.6%
2041	7.4%	5.3%	1.2%	6.6%	4.3%	24.7%	20.5%	18.5%	-6.2%
2042	7.2%	5.3%	1.2%	6.5%	4.3%	24.5%	20.2%	18.5%	-6.0%
2043	7.2%	5.2%	1.2%	6.4%	4.5%	24.5%	20.0%	18.5%	-6.0%
2044	7.1%	5.2%	1.2%	6.4%	4.6%	24.4%	19.9%	18.5%	-5.9%
2045	7.0%	5.1%	1.2%	6.3%	4.6%	24.3%	19.6%	18.5%	-5.8%
2046	6.8%	5.1%	1.2%	6.3%	4.8%	24.2%	19.4%	18.5%	-5.7%
2047	6.8%	5.1%	1.2%	6.2%	4.9%	24.2%	19.4%	18.5%	-5.7%
2048	6.6%	5.1%	1.2%	6.2%	4.9%	24.0%	19.1%	18.5%	-5.5%
2049	6.5%	5.1%	1.2%	6.1%	5.1%	24.0%	18.9%	18.5%	-5.5%
2050	6.4%	5.1%	1.2%	6.1%	5.3%	24.0%	18.7%	18.5%	-5.5%
2051	6.3%	5.0%	1.2%	6.0%	5.3%	23.8%	18.5%	18.5%	-5.3%
2052	6.2%	5.0%	1.2%	6.0%	5.3%	23.6%	18.4%	18.5%	-5.1%
2053	6.1%	5.0%	1.2%	5.9%	5.2%	23.4%	18.2%	18.5%	-4.9%
2054	5.9%	5.0%	1.2%	5.9%	5.3%	23.3%	18.0%	18.5%	-4.8%
2055	5.8%	5.0%	1.1%	5.8%	5.4%	23.2%	17.8%	18.5%	-4.7%
2056	5.7%	5.0%	1.1%	5.8%	5.4%	23.0%	17.6%	18.5%	-4.5%
2057	5.5%	5.0%	1.1%	5.8%	5.5%	22.9%	17.4%	18.5%	4.4%
2058	5.4%	5.0%	1.1%	5.7%	5.5%	22.7%	17.2%	18.5%	-4.2%
2059	5.3%	5.0%	1.1%	5.7%	5.6%	22.7%	17.1%	18.5%	-4.2%

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2060	5.2%	5.0%	1.1%	5.6%	5.5%	22.4%	16.9%	18.5%	-3.9%
2061	5.0%	5.0%	1.1%	5.6%	5.5%	22.2%	16.7%	18.5%	-3.7%
2062	4.9%	5.0%	1.1%	5.5%	5.4%	22.0%	16.6%	18.5%	-3.5%
2063	4.7%	5.0%	1.1%	5.5%	5.4%	21.8%	16.4%	18.5%	-3.3%
2064	4.6%	5.0%	1.1%	5.5%	5.5%	21.7%	16.2%	18.5%	-3.2%
2065	4.4%	5.0%	1.1%	5.4%	5.6%	21.5%	15.9%	18.5%	-3.0%
2066	4.4%	5.0%	1.1%	5.3%	5.5%	21.2%	15.7%	18.5%	-2.7%
2067	4.3%	5.0%	1.1%	5.1%	5.3%	20.8%	15.5%	18.5%	-2.3%
2068	4.4%	5.0%	1.1%	5.0%	5.1%	20.5%	15.5%	18.5%	-2.0%
2069	4.4%	5.0%	1.1%	4.8%	4.9%	20.1%	15.3%	18.5%	-1.6%
2070	4.3%	5.0%	1.1%	4.7%	4.9%	19.9%	15.0%	18.5%	-1.4%
2071	4.3%	4.9%	1.1%	4.5%	4.8%	19.7%	14.8%	18.5%	-1.2%
2072	4.3%	5.0%	1.1%	4.4%	4.9%	19.6%	14.7%	18.5%	-1.1%
2073	4.3%	5.0%	1.0%	4.2%	4.9%	19.4%	14.5%	18.5%	-0.9%
2074	4.3%	4.9%	1.0%	4.1%	4.8%	19.2%	14.4%	18.5%	-0.7%
2075	4.2%	5.0%	1.0%	4.0%	4.7%	18.9%	14.2%	18.5%	-0.4%
2076	4.2%	4.9%	1.0%	3.8%	4.5%	18.5%	14.0%	18.5%	0.0%
2077	4.1%	4.9%	1.0%	3.7%	4.3%	18.0%	13.8%	18.5%	0.5%
2078	4.2%	4.9%	1.0%	3.6%	3.8%	17.5%	13.7%	18.5%	1.0%
2079	4.2%	4.9%	1.0%	3.4%	3.7%	17.3%	13.5%	18.5%	1.2%
2080	4.1%	5.0%	1.0%	3.3%	3.5%	16.9%	13.4%	18.5%	1.6%
2081	4.1%	5.0%	1.0%	3.2%	3.2%	16.5%	13.3%	18.5%	2.0%
2082	4.1%	5.0%	1.0%	3.1%	2.9%	16.0%	13.1%	18.5%	2.5%

Source: Committee on the Budget, U.S. House of Representatives, based on consultation with the Congressional Budget Office, the Centers for Medicare and Medicaid Services, the Social Security Administration, and the Department of the Treasury.

## CONCLUSIONS

In modeling and analyzing the *Roadmap* proposal, CBO found that it was fiscally sustainable and economically beneficial. CBO's account, delivered to the Ranking Member of the Committee on the Budget on 19 May 2008, included the following statement: "The target path provided by the committee staff would be economically sustainable. . . . The economy would be considerably stronger under the target path than it would be under the Alternative Fiscal Scenario. By 2060 (the last year for which it is possible to simulate the effects of the alternative fiscal policy using the textbook growth model), real GNP per person under the target path would be about 85 percent higher than that under the Alternative Fiscal Scenario." (Letter from CBO Director Peter R. Orszag to Congressman Ryan, 19 May 2008)