

For Immediate Release

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Official National Debt Is Grossly Underrated ***NCPA Brief: Actual Fiscal Gap Is \$211 Trillion and Growing***

DALLAS (Sept. 7, 2011) — The country faces a rapidly growing fiscal gap that is actually fifteen times larger than the \$14 trillion “official” debt, according a [new report](#) from the National Center for Policy Analysis (NCPA).

“We face a terrible fiscal crisis that our leaders are systematically ignoring. They are balancing the wrong budget and consequently, doing far too little too late,” said NCPA Senior Fellow and brief author [Laurence J. Kotlikoff](#).

“Congress and the president have been focusing on the short-term deficit molehill, not the long-term fiscal gap mountain, in their recent spat over the debt ceiling,” said Kotlikoff. “Their agreement was just a continuation of postwar policy, which is best characterized as fiscal child abuse. This policy has involved incurring enormous unofficial debt and using fraudulent deficit accounting to keep these huge bills facing our children off the books.”

“Projections for the fiscal gap should take into consideration the difference between the government’s official debt plus discretionary spending and the amount of taxes current and future citizens will pay,” he added.

“The deficit is not a well-defined economic concept,” said Kotlikoff. “It depends on how we label government receipts and payments and those labeling choices are arbitrary. The fiscal gap *is* well defined. It measures, in present value, all the future spending obligations, official and unofficial, net of all future taxes. Changing the labels doesn’t change the fiscal gap.”

Kotlikoff calculates that the fiscal gap is now \$211 trillion and growing. “With the retirement of the baby boomer generation, millions will turn to Uncle Sam for Social Security, Medicare and Medicaid benefits — roughly \$40,000, on average, per beneficiary per year, in today’s dollars. Unless we engage in radical reform, the fiscal gap will grow exponentially and totally destroy our children’s economic futures.”

Text: [America’s True Debt – The Fiscal Gap](#) or <http://www.ncpa.org/pub/ib101>

Editors Note: NCPA Senior Fellow and brief author Laurence Kotlikoff is available for interviews.

The National Center for Policy Analysis (NCPA) is a nonprofit, nonpartisan public policy research organization, established in 1983. We bring together the best and brightest minds to tackle the country’s most difficult public policy problems — in health care, taxes, retirement, small business, and the environment. [Visit our website today](#) for more information.