An Innovation and Competitiveness-Centered Approach to Deficit Reduction

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An innovative approach to cutting the budget deficit while also boosting growth.

The "Washington Consensus" on the federal budget process is grounded in faulty economic theory which leads to a fixation on reducing the debt and a focus on putting "everything on the table," coming at the expense of growth-inducing investments and long-term economic growth. A new approach to the budget is required to accomplish the dual goals of reducing the budget deficit and growing the economy. This report presents a series of recommendations designed to focus federal spending and tax policy on investments that promote growth while also reducing the national debt.