

Sovereign Fiscal Responsibility Index (SFRI)

The SFRI is a measurement of a country's fiscal fitness and sustainability. It was determined based on three factors: fiscal space, fiscal path and fiscal governance. Fiscal space is the amount of original debt, as a percentage of the size of a country's economy, a country could theoretically issue before a fiscal crisis is imminent. Fiscal path is a projection of the country's future level of debt. Fiscal governance is a value based on a country's fiscal rules, fiscal transparency and fiscal enforceability. The table below shows countries and their overall ranking.

1	Australia	18	Mexico
2	New Zealand	19	Israel
3	Estonia	20	Slovenia
4	Sweden	21	Austria
5	China	22	Finland
6	Luxembourg	23	France
7	Chile	24	Spain
8	Denmark	25	Germany
9	United Kingdom	26	Belgium
10	Brazil	27	Italy
11	Canada	28	United States
12	India	29	Hungary
13	Poland	30	Ireland
14	Netherlands	31	Japan
15	Norway	32	Iceland
16	Slovak Republic	33	Portugal
17	Korea	34	Greece

About CAI

Hon. David M. Walker, former U.S. Comptroller General, is the founder and CEO of the Comeback America Initiative. CAI has a capable staff and a prestigious Board of Directors and Advisory Council comprised of leaders from all three sectors of the economy and various political affiliations.

Mission

To promote fiscal responsibility and sustainability by engaging the public and assisting key policymakers on a non-partisan basis in order to achieve solutions to America's fiscal imbalances.

Vision

Keep America great and the American Dream alive for future generations.

Values

Transformation—Integrity—Results

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True State of our Federal Finances

The U.S. government continues to dig itself into a deeper financial hole, and a U.S. debt crisis is likely unless transformational spending and tax reforms are implemented. The U.S. is not exempt from the laws of prudent finance. We must take steps to put our financial house in order, before the markets force us to.

Our current fiscal policy results in mortgaging our nation's future without investing in it, leaving our children, grandchildren and future generations to suffer the consequences. This is irresponsible, unethical and immoral.

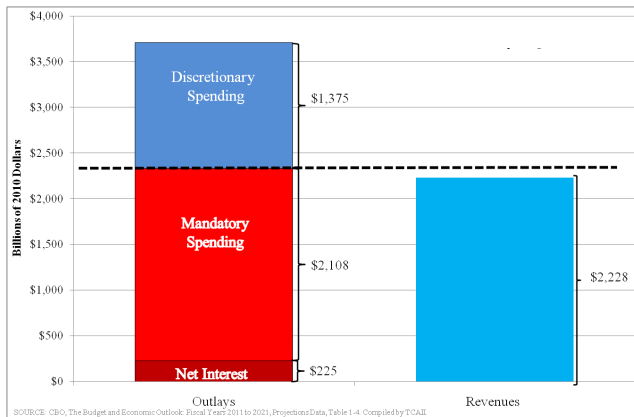
If our mounting debt burdens are not addressed then America's position in the world, along with its economic growth, job opportunities, our standard of living and national security will suffer over time.

It's clear that the greatest threat to America's future may be our own fiscal irresponsibility. And yet, how we address this challenge raises key ethical and moral questions.

"The most serious threat to the United States is not someone hiding in a cave in Afghanistan or Pakistan, but our own fiscal irresponsibility."

-Hon. David M. Walker, March 2007

Current Fiscal Gap 2011



In Billions

2010

Outlays

- Discretionary Spending \$1,375
(e.g., defense, education, transportation)
- Mandatory Spending \$2,108
(e.g., Social Security, Medicare, Medicaid)
- Net Interest \$225

Revenues \$2,228

The Federal Government is currently spending about \$4 billion more a day than it takes in. Even if we eliminated all discretionary spending in fiscal 2011, the Federal Government would have a \$105 billion annual deficit, or about \$2 billion a week.

Source: Congressional Budget Office

Individual Impact

The trillions of dollars in federal deficits, debt and unfunded obligations are hard to comprehend. The below translates these figures into per person and per household amounts. These amounts are in addition to any mortgage, credit card, car, student loans and other debt you may have.

Per Person

Rounded to Nearest Hundred

Estimated Fiscal 2011 Deficit	\$4,500
Total Federal Debt as of June 30, 2011	\$46,300
Federal Financial Hole as of September 30, 2010	\$199,400

Per Household

Rounded to Nearest Hundred

Estimated Fiscal 2011 Deficit	\$12,200
Total Federal Debt as of June 30, 2011	\$125,500
Federal Financial Hole as of September 30, 2010	\$536,300

2011 Disclosure Social Security and Medicare

Federal Financial Hole

As of September 30, 2010 the U.S. government had over \$2.8 trillion in assets. However, these assets are far short of total federal explicit liabilities and unfunded social insurance obligations.

In Trillions	2010
Explicit Liabilities	\$16.4
• Publicly Held Debt	\$9.1
• Military & Civilian Pensions & Retiree Health	\$5.7
• Other Major Fiscal Exposures	\$1.6
Commitments & Contingencies	\$2.1
Social Insurance Obligations	\$43.1
• Future Social Security Benefits	\$8.0 ¹
• Future Medicare Benefits	\$35.1 ¹
♦ Future Medicare Part A Benefits	\$7.3
♦ Future Medicare Part B Benefits	\$20.6
♦ Future Medicare Part D Benefits	\$7.2
Total	\$61.6

Note 1: The new Social Security and Medicare numbers as of January 1, 2011 are \$9.0 trillion and \$37.0 trillion, respectively, per the 2011 Trustees' Report.

SOURCE: The Department of Treasury, 2010 Financial Report of the United States Government. Medicare numbers are based on the Office of the Chief Actuary's alternative cost estimate, which can be found in the applicable Medicare Trustees' Reports.