## Get a Pencil. You're Tackling the Deficit.

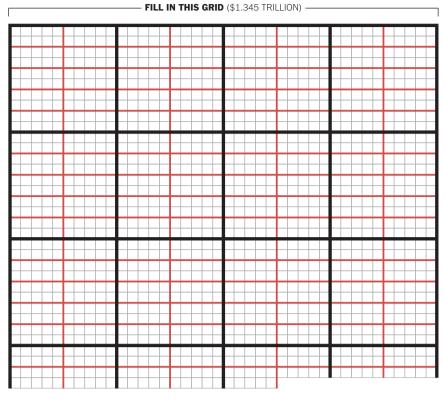
An interactive graphic (without all the costly computer equipment): just follow the instructions to right the nation's finances.

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Try to cut \$1.345 trillion from the 2030 budget. Why 2030? That's when boomers start to weigh heavily on the budget, and it's the latest year for which experts have estimated costs for budget items. Each square ( ) in the big grid below represents \$1 billion. Your job is to fill in these squares by choosing from our menu of spending cuts and tax hikes.

Below is the menu of options for plugging this \$1.345 trillion hole. Yes, we know: real-world policymakers have more moves than just these. But we are presenting options that span all major sectors of the budget and many points across the political spectrum.

> Your options come in two flavors: cutting spending and raising tax revenue. Our menu contains almost triple the cuts and revenue so you will be able to ignore



Scan the options and consider their consequences. Then start making choices.

Each option has an amount, in billions of dollars, by which it would reduce the deficit. As you make each choice, fill in that number of squares on the big grid at left. Just 1,345 squares later, presto! Problem solved.

To make it easier, estimates listed below are rounded to the nearest \$5 billion. The grid is organized the same way:





## TIPS As you fill in the boxes at left, you don't have to mimic the hikes needed to plug the deficit, configurations shown below — just get the amounts right. Also, you may want to mark off squares in two colors: one for spending some choices you don't like. cuts and one for tax revenue, to see how your choices sort out. **Spending Options Revenue Options** These total \$1.81 trillion These total \$1.955 trillion IN BILLIONS **HEALTH CARE DOMESTIC PROGRAMS AND FOREIGN AID ESTATE TAX** — Choose one or none TAX REFORM — Choose one or none \$15 Eliminate farm \$15 Enact medical \$20 Exempt first \$5 \$55 Reduce mortgage deduction subsidies malpractice reform million of estate: 35 percent tax rate and other tax breaks \$15 Cut foreign aid **\$105** Increase the for high-income **\$45** Exempt first \$3.5 in half Medicare eligibility households age to 70, from 65 million; rate of 45 \$15 Eliminate percent (2009 level **\$175** Reduce and Obama proposal) earmarks individual and corporate tax breaks, \$15 Reduce federal **\$105** Exempt first \$1 while also cutting work force by 10 million; varying tax income and rate (policy under corporate tax rates; President Clinton) net effect is to raise **\$15** Cut 250,000 \$560 Cap Medicare growth at G.D.P. taxes growth plus 1 percentage point, starting in contractors 2013. Among other things, this would crack down on many hospitals and doctors **\$15** Cut pay of with the highest costs civilian federal **INVESTMENT TAXES** — Choose one or none workers by 5 percent \$25 Raise capital-\$30 Other cuts from gains and dividends deficit panel, such as \$315 Same as previous option, but income taxes by 5 percentage and corporate tax rates are cut less, raising to national parks points on high-income budget more revenue. households (Obama proposal) \$40 Cut aid to states \$45 Raise capital-gains by 5 percent taxes on all households. Tax dividends as ordinary income. (Clinton policy) MILITARY **INCOME AND EMPLOYER TAXES** \$20 Cancel or delay **\$95** 5.4 percent surtax on income programs, like F-35 above \$1 million \$25 Reduce Navy and Air Force fleets **OTHER NEW TAXES** \$40 Reduce nuclear arsenal and \$70 Gradually rising **SOCIAL SECURITY** \$100 Have Social space-based missile tax on carbon Security payroll tax defense spending emissions (starting This analysis treats Social Security as part of apply to some at \$23 per ton of the total federal budget. Social Security is income above **\$50** Reduce active $CO_2$ \$106,800 (the projected to run a deficit by 2015 and to military personnel by exhaust its trust fund by 2037. (The deficit current wage ceiling) 200,000, to 1.3 commission treated the program separately, million. Reduce with its own deficit to close.) presence in Europe \$105 Tax on banks. and Asia weighted by size and **\$15** Tighten eligibility \$155 Gradually riskiness of holdings for disability insurance reduce tax break for \$50 Reduce employer-provided noncombat military \$55 Reduce growth health insurance. compensation and rate of initial Social overhead Security benefits for top 40 percent of lifetime earners Choose only one of the next two, or \$280 5 percent national sales tax, exempting neither option: education, charity and housing **\$80** Use alternate inflation measure, **\$150** Speed up which would slow withdrawal of cost-of-living increases Iraq/Afghanistan

**\$115** Allow

expiration of Bush

tax cuts on income

income below \$250,000

\$250 Allow expiration of Bush tax cuts on

above \$250,000

NOTES These suggested cuts would need to be implemented gradually over the next 20 years, some taking effect well before 2030 in order to keep the deficit, and thus interest payments on the national debt, at a manageable level between now and 2030. (All figures are adjusted for projected inflation and expressed in terms of 2010 dollars.) The baseline for this exercise assumes that all current policies continue, even those scheduled to expire, like the Bush tax cuts.

**ONLINE: NO PENCIL?** 

Fix the budget in an interactive graphic at nytimes/weekinreview

**\$245** Raise Social Security retirement age to 70

for Social Security

(and also increase income taxes)

**\$70** Raise Social

Security retirement

option:

age to 68

Choose only one of the next two, or neither

troops to a total of

60,000 remaining

**\$170** Speed up

Iraq/Afghanistan

troops to a total of

30,000 remaining

withdrawal of

by 2013

by 2015