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Balanced Approach Needed to Address Long Term Deficits when Economy Sufficiently Recovers

Temporary Current Deficits Create Demand to Blunt Effects of Downturn

JACKSON – In partnership with the Foundation for the Mid-South and America Speaks, the Mississippi Economic Policy Center is co-hosting a national discussion on the federal budget. As discussions begin, several key points serve as important background:

- Long term deficits are unsustainable and pose significant challenges to the nation’s economy;
- Current deficits are necessary and create demand to provide economic relief during downturns;
- Actions to address long term deficits through spending cuts and tax increases should only be taken once the nation’s economy has recovered sufficiently to handle them;
- Long term deficit reduction actions should take into account people’s ability to pay and not make low-income families worse off;
- Long term deficit reduction actions must be balanced implementing cost savings in discretionary spending, a slowdown in the rise of health care costs and revenue increases.

“The long term fiscal health of our nation matters to Mississippi – probably more so than in any other state. As we engage in discussions around the federal budget, it is important to explore balanced responses that address long term problems once the nation’s economy has sufficiently recovered from the worst recession since the Great Depression,” said Ed Sivak, Director of the Mississippi Economic Policy Center.

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About MEPC

The Mississippi Economic Policy Center is an independent, nonpartisan initiative that undertakes rigorous and timely analysis on issues that affect the economic and social well being of working families and low-wealth Mississippians. MEPC is managed by the Enterprise Corporation of the Delta (ECD), a regional financial institution and community development intermediary dedicated to strengthening communities, building assets and improving lives in economically distressed areas across the Mid South.