

Proudly Welcomes...

The Fiscal Wake-Up Tour
with
Comptroller General David Walker
United States Government Accountability Office

Tuesday, September 11, 2007, Los Angeles

TODAY'S TOPIC

Walker on the long-term US budget outlook

"...our current financial condition is worse than advertised. Our long-term fiscal outlook is both imprudent and unsustainable. Improvements in information and processes are needed and can help. Meeting our long-term fiscal challenge will require tough choices, bi-partisan cooperation and compromise. The time for action is now!"

SPEAKER BIOGRAPHIES

David M. Walker became the seventh Comptroller General of the United States and began his 15-year term when he took his oath of office on November 9, 1998. As Comptroller General, Walker is the nation's Chief Accountability Officer and head of the US Government Accountability Office (GAO).

Before his appointment as Comptroller General, Walker had extensive executive-level experience in both government and private industry. Between 1989 and 1998, he worked at Arthur Andersen LLP, where he was a Partner and Global Managing Director of the human capital services practice based in Atlanta, Georgia.

Walker currently serves as Chair of the US Intergovernmental Audit Forum and as Chair of the principals of the US Joint Financial Management Improvement Program. He is also a founder and principal of the US Joint Auditing Standards Coordinating Forum.

Walker is a certified public accountant. He has a BS degree in accounting from Jacksonville University and a Senior Management in Government Certificate in public policy from the John F. Kennedy School of Government at Harvard University.

Robert L. Bixby is Executive Director of The Concord Coalition, a nonpartisan, grassroots organization dedicated to fiscal responsibility. Bixby was named Executive Director of The Concord Coalition in 1999, after serving as the organization's Policy Director, National Field Director, and in other capacities since 1992. He frequently represents Concord's views on budget and entitlement reform policy at congressional hearings and in the national media.

Bixby has a bachelor's degree in political science from American University in Washington, DC, a juris doctorate from George Mason University School of Law in Arlington, VA., and a master's degree in public administration from the John F. Kennedy School of Government at Harvard University. Prior to his work with The Concord Coalition, Bixby practiced law and served as the Chief Staff Attorney of the Court of Appeals of Virginia.

Alison Acosta Fraser is Director of the Roe Institute for Economic Policy Studies where she oversees Heritage Foundation research on a wide range of domestic economic issues including federal spending, taxes, energy and environment, retirement savings and regulation.

Before joining Heritage in 2003, Fraser was Deputy Director of the Oklahoma Office of State Finance where she directed economic research and developed tax and fiscal policy recommendations for then-Governor Frank Keating. Prior to that, she was a Budget Manager for Orange County, California, where she developed recommendations for bankruptcy recovery.

Isabel V. Sawhill is a Senior Fellow at The Brookings Institution, where she formerly held the position of Vice President and Director of Economic Studies, among other duties.

Her expertise lies in the areas of children, education, the federal budget, poverty and inequality, social welfare policy, and teen pregnancy. Prior to joining The Brookings Institution, Sawhill worked at the Urban Institute, the National Commission for Employment Policy, and the Association for Public Policy Analysis and Management. Sawhill also served as an Associate Director in the Office of Management and Budget during the first term of the Clinton Administration. Sawhill founded the nonprofit organization The National Campaign to Prevent Teen Pregnancy and serves on multiple other nonprofit boards.

US NATIONAL DEBT

History

The United States has been in debt since its inception. Debts incurred during the American Revolutionary War and under the Articles of Confederation led to the first yearly reported value of \$75,463,476.52 on January 1, 1791. Over the following 45 years, the debt grew, briefly contracted to zero on January 8, 1835 under President Andrew Jackson but then quickly grew into the millions again.

The first dramatic growth spurt of the debt occurred because of the Civil War. The debt was just \$65 million in 1860, but passed \$1 billion in 1863 and had reached \$2.7 billion following the war. The debt slowly fluctuated for the rest of the century, finally growing steadily in the 1910s and early 1920s to roughly \$22 billion as the country paid for involvement in World War I.

The buildup and involvement in World War II brought the debt up from \$51 billion in 1940 to \$260 billion following the war. After this period, the debt's growth closely matched the rate of inflation until the 1980's, when it began to skyrocket. Between 1980 and 1990, the debt more than tripled.

Facts

- Current debt estimates: Debt Held by the Public - \$5.09 trillion, Intergovernmental Holdings – \$3.91 trillion, Total Public Debt Outstanding – \$9 trillion.
- Every three months Treasury securities are auctioned off and buyers submit bids in the form of the interest rate they're willing to accept.
- At the end of 2006, foreign holdings of Treasury debt were \$2.223 trillion, which was 44% of the total debt held by the public.
- The People's Republic of China holds the most US debt, ending the first quarter of 2007 with over \$1.2 trillion in total foreign reserves, of which about \$420.2 billion are US Treasury securities.
- The country holding the second most US debt is Japan which held \$612.3 billion at the end of the first quarter of 2007.
- The national debt is commonly called the United States public debt, gross federal debt or US government debt and it is the amount of money owed by the United States federal government to creditors who hold US debt instruments.
- The Bureau of the Public Debt divides the national debt into two main categories: debt held by the public, and intragovernmental holdings.