

Federal Budget: Fix It Before A Crisis

Donald Marron

Abstract

In a contribution to the CNNMoney.com, Donald Marron discusses the urgent need to reverse the federal deficit and reform the tax code.

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America faces trillions of dollars in deficits in coming years. But Congress has been reduced to funding the government three weeks at a time so it can fight over mere billions.

Why is Congress spending so much time and effort on so little money? Are those billions bigger than they appear because cuts today will carry forward into further cuts tomorrow? Is today's skirmishing part of a larger political strategy to rein in our deficits?

Maybe.

But I think good old-fashioned human psychology is a bigger factor. Congress faces the same time-management challenge that plagues me and, I suspect, you. The urgent crowds out the important.

Productivity guru Stephen Covey popularized the "important versus urgent" distinction, showing how we should spend our time versus how we do.

People spend too much time on "waste" and "distraction," immersed in unimportant issues. Waste and distraction can be fun, of course, and are welcome in small doses. Charlie Sheen's rantings about his "tiger blood" are entertaining. And no one should berate President Obama for filling out his NCAA bracket. But let's hope he didn't spend too much time on it.

Today Congress faces a different problem. It seems stuck in the realm of "crisis and necessity," to use Covey's terms. Unless lawmakers pass yet another spending bill, many agencies will run out of money on April 8. Unless Congress increases the debt limit, America will be unable to pay some of its bills.

Urgent and important, these issues demand congressional attention. As Samuel Johnson might have said, nothing focuses the mind like the prospect of a government shutdown and subsequent hanging by the voters.

And therein lies the problem. America faces much larger fiscal challenges — a broken tax code and an unsustainable build-up of debt. But these exceptionally important challenges aren't urgent. Neither has a deadline. And so they languish, prompting commission reports and congressional hearings but little action.

Budget watchers often lament that we won't fix our budget until struck by an actual fiscal crisis -- skyrocketing interest rates or a failed Treasury auction. Indeed, some experts sometimes seem to be wishing for such a crisis so that long-run budget issues finally become urgent.

Let's hope it doesn't come to that. Rather than wait for (or cheer on) an actual crisis, we have a better option: leadership. The art of leadership is getting people to pay heed to what's important, even when it isn't urgent. President Obama, for example, enacted his health reform legislation one year ago because he pushed for it, not because it was politically urgent.

We need the same leadership on budget issues and tax reform. Our elected leaders must make time to address our long-run challenges, even as they address the urgent problems of the day. The Senate's bipartisan "Gang of Six" has taken an important first step, working together to turn the recommendations of the president's fiscal commission into draft legislation.

But more leadership is needed. That's why 64 senators — 32 Democrats and 32 Republicans -- wrote to Obama last week urging him to take the lead in deficit-reduction discussions in which everything would be on the table: discretionary spending, entitlement programs and tax reform.

Let's hope the president takes the senators up on this request. He is in a unique position to elevate the budget debate from day-to-day urgency mode to the realm of leadership, where it belongs.

Commentary: Donald Marron is the director of the Urban-Brookings Tax Policy Center and a former acting director of the Congressional Budget Office.

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