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September 12, 2025

The Honorable Jodey Arrington
Chairman
Committee on the Budget
U.S. House of Representatives
204 Cannon House Office Building
Washington, DC 20515

Dear Representative Arrington:

Thank you for inviting the Joint Economic Committee (JEC) to provide views and estimates of the Budget of the U.S. Government for Fiscal Year 2026. Pursuant to Section 301(d) of the *Congressional Budget Act of 1974*, this letter transmits policy recommendations consistent with the goals of the *Employment Act of 1946*. We provide an economic evaluation of the Budget, analyze the programs driving Federal debt and deficits, and propose solutions to achieve long-term growth.

Our main points are summarized as follows:

- The rapid expansion of public debt as a share of the economy represents a pressing risk for the United States. Growing deficits erode investor confidence, crowd out private and public investment, and push up borrowing costs, weakening economic growth. A range of economic forecasters project long-run real GDP growth between only 1.8 and 2.0 percent.

- Healthcare accounted for over one-quarter of Federal spending in FY2024 and continues to grow more quickly than other categories. Policymakers should focus on realigning incentives to cure underlying diseases to alter healthcare cost projections.

- The nation's demographics pose a great challenge: Americans are aging and leaving the workforce while the fertility rate is not high enough to effectively replace them. Modernizing the U.S.' immigration policies will benefit the system and reduce deficits.

- Increasing output per worker is also critical to addressing economic challenges driven by demographic shifts. However, bottlenecks created by government intervention inhibit productivity gains that would otherwise bolster innovation and growth.

- Recent pro-growth tax and regulatory policies are a critical first step, but more can be done to stimulate employment and economic growth.

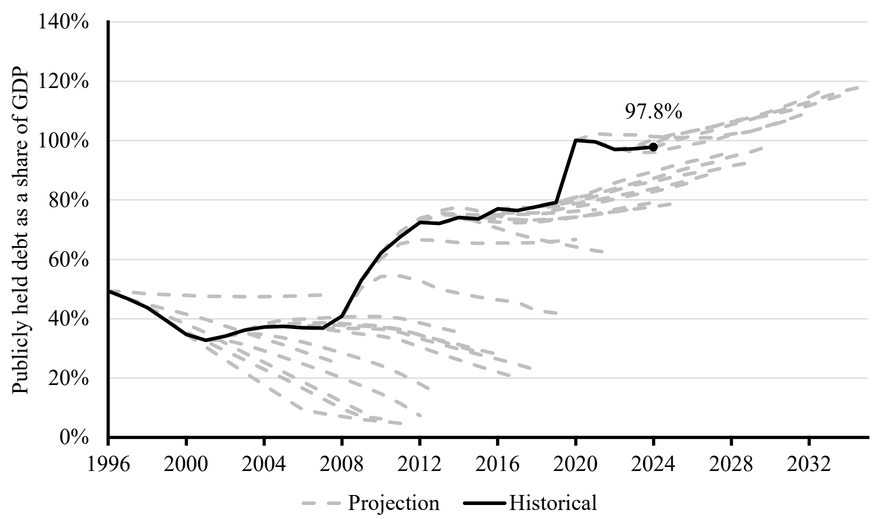
Growth of the Federal debt

The growth of the public debt as a share of GDP is the primary existential threat to the United States. While risks are mitigated by the country's exceptional borrowing privilege and a robust secondary market, medium- and long-term challenges are inevitable, as debt levels are not projected to stabilize. Policymakers should address the growth of debt as a share of the economy by prioritizing growth and enacting fiscal reforms.

As debt as a share of the economy rises, investor confidence erodes, contributing to higher long-term interest rates on new debt.[1] Simultaneously, growing deficits crowd out both private and public investment, further suppressing economic growth.[2] Slower growth combined with higher interest payments will, in turn, exacerbate debt as a share of the economy.

Projections of the deficit generally use the existing legal and economic environment at the time the projection is made. This means that most projections assume no major shocks to the system, nor do they incorporate the deficit impact of policies later enacted. However, history shows that during downturns, falling incomes and counter-cyclical policies consistently drive deficits higher.[3] As a result, public debt projections are more likely to underestimate future debt levels—even under assumptions of "normal" economic conditions. Indeed, the Congressional Budget Office (CBO) has consistently underestimated actual debt levels.

Figure 1: Debt-to-GDP Projections Compared to Historical



Source: Congressional Budget Office[4]

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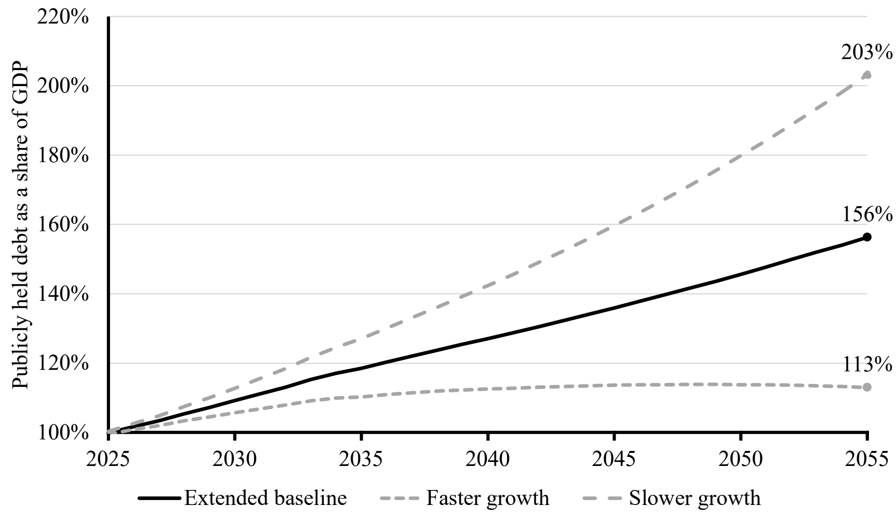
[1] Andre R. Neveu and Jeffrey Schafer, "Revisiting the Relationship Between Debt and Long-Term Interest Rates," Congressional Budget Office working paper 2024-05 (December 2024), https://www.cbo.gov/system/files/2024-12/60314-DSIR-WP.pdf.
[2] Jonathan Huntley, "The Long-Run Effects of Federal Budget Deficits on National Saving and Private Domestic Investment," Congressional Budget Office working paper 2014-02 (February 2014), https://www.cbo.gov/sites/default/files/cbofiles/attachments/45140-NSPDI_workingPaper.pdf.
[3] Joint Economic Committee Republicans, "Chapter 1: The U.S. Must Address its Growing Spending," in *The 2025 Joint Economic Report, Republican Response* (U.S. Congress Joint Economic Committee, 2025), https://www.jec.senate.gov/public/vendor/_accounts/JEC-R/jer-chapters/2025JERChapter1.pdf.
[4] Congressional Budget Office, "10-Year Budget Projections," Budget and Economic Data, https://www.cbo.gov/data/budget-economic-data; JEC calculations.

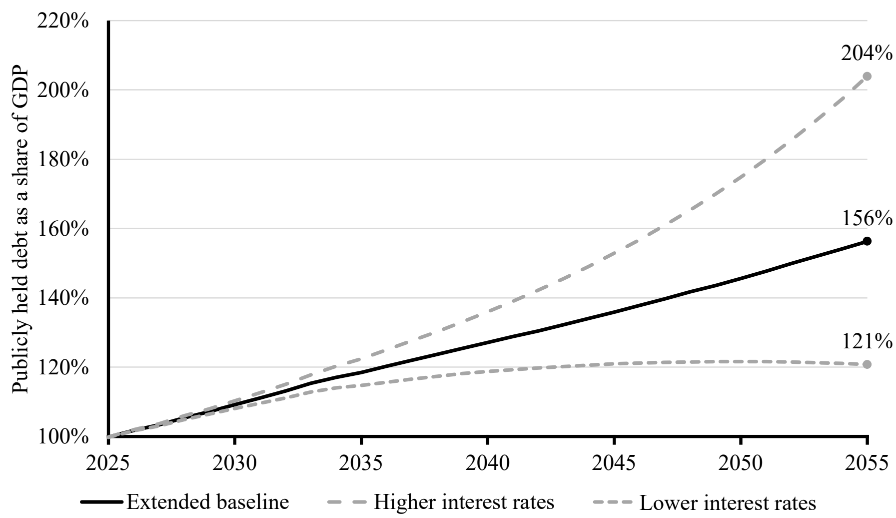
Projections are also highly sensitive—changes in growth rates and interest rates can significantly alter the debt trajectory.[5] Higher real GDP growth not only improves the denominator in the debt-to-GDP ratio but also reduces the deficit by lowering demand for social spending. At the same time, lower interest rates accelerate nominal GDP growth and reduce annual net interest payments.

Figure 2: Debt-to-GDP Under Different Productivity Growth



Source: Congressional Budget Office;[6] JEC calculations

Figure 3: Debt-to-GDP Under Different Interest Rates



Source: Congressional Budget Office; Penn Wharton Budget Model;[7] JEC calculations

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[5] For the rest of the letter, we use pre-OBBBA projections regarding deficit and debt. This is because most estimations of revenue from tariffs are very similar to the deficit increases from OBBBA. Therefore, for ease of analysis, we assume that both provisions even out.

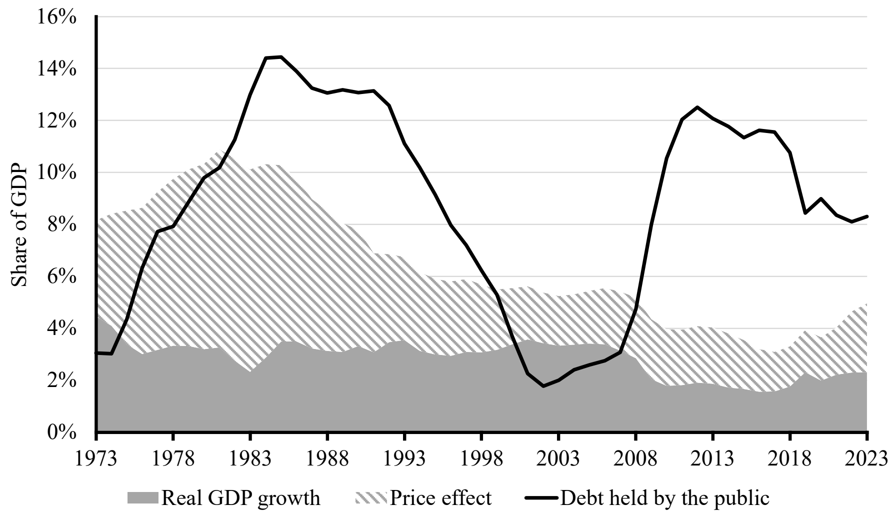
[6] TFP in the nonfarm business sector grew 0.5 percentage points more quickly or slower than baseline projections. The average interest rate on Federal debt that is above (below) the baseline rate by an amount that starts at 5 basis points in 2025 and increases (decreases) by that amount in each year thereafter. Congressional Budget Office, *The Long-Term Budget Outlook Under Alternative Scenarios for the Economy and the Budget*, CBO report (May 2025), https://www.cbo.gov/publication/61332.

[7] Jagadeesh Gokhale and Kent Smetters, "Complete Measures of U.S. National Debt," Penn Wharton Budget Model, January 27, 2025, https://budgetmodel.wharton.upenn.edu/issues/2025/1/27/complete-measures-of-us-national-debt;

While debt is the most urgent issue, a long-term policy priority should be maximizing real GDP growth, specifically through productivity enhancements. This is crucial not only for fiscal sustainability but also to ensure that the U.S. economy does not shrink relative to strategic competitors. If the U.S. becomes just one large economy among many, it risks losing the unique privileges that currently shield it from a debt crisis, alongside the associated geopolitical influence.[8]

GDP growth helps to contain the debt-to-GDP ratio, but it would be imprudent to focus on this lever alone, especially given the U.S. government's commitment to low inflation and stable prices. Historical data show that only under exceptional circumstances has real GDP growth outpaced the growth of public debt. In fact, inflation has been the largest factor helping to narrow the gap between debt growth and economic growth. When estimating the economic growth that will result from new policies, lawmakers should resist the temptation to claim unsubstantiated and unrealistic increases in growth.

Figure 4: Price Effect in Real GDP Growth



Source: Office of Management and Budget;[9] JEC calculations

The long-term outlook for U.S. real GDP growth is far from ideal, with most forecasts between 1.8 and 2.0 percent. To maximize growth and contain debt-to-GDP, policies should incentivize productivity gains and the allocation of resources to the most productive sectors. Critically, not all fiscal spending leads to productive outcomes, especially under current fiscal conditions. On one hand, fiscal policies can stimulate demand and investment. On the other hand, when capital is directed to the government instead of financing private-sector investment, a *crowding-out effect* occurs, which can reduce economic growth.

U.S. Office of Management and Budget and Federal Reserve Bank of St. Louis, "Federal Surplus or Deficit [-] as Percent of Gross Domestic Product," retrieved from FRED, https://fred.stlouisfed.org/series/FYFSGDA188S.

[8] For example, the benefits of being able to issue debt in dollars, which are also used for international trade. Also, higher GDP growth would allow for a relatively higher deficit to keep the debt-to-GDP ratio constant.

[9] Office of Management and Budget, "Table 7.1—Federal Debt at the End of Year: 1940–2029," March 2024, https://bidenwhitehouse.archives.gov/wp-content/uploads/2024/03/hist07z1_fy2025.xlsx; Office of Management and Budget, "Table 10.1—Gross Domestic Product and Deflators Used in the Historical Tables: 1940–2029," March 2024, https://bidenwhitehouse.archives.gov/wp-content/uploads/2024/03/hist10z1_fy2025.xlsx.

Table 1: Long-Run Real GDP Growth Projections[10]

Forecaster	Rate	Long-run year
Congressional Budget Office	1.8%	2028
Deloitte	1.8%	2029
Federal Open Market Committee	1.8%	2028
Philadelphia Fed Survey of Professional Forecasters	2.0%	2028
S&P Global	2.0%	2028

As such, tax cuts that produce less GDP growth than the crowding-out effect they cause may decrease growth.[11] This issue remains contested: Some economists argue that the national debt is still manageable, but there is little doubt that, sooner or later, it will become a serious concern.[12]

Pro-growth policies are critical; however, fiscal reform has a more direct and predictable impact on the deficit. The U.S. government fundamentally has a spending problem.[13] While revenue as a share of GDP has remained relatively stable since World War II at around 17 percent, spending is projected to grow faster than the economy over the coming decades.[14] Although all components of Federal spending are expected to increase in absolute dollar terms compared to 2025, the more important comparison is to the size of the economy. In relative terms, the fastest-growing components are Medicare and net interest payments on the debt. Meanwhile, discretionary spending and other mandatory programs are expected to grow more slowly than the economy. In other words, most of the relative increase in spending is driven by an aging population and the rising costs associated with servicing the national debt.

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[10] Congressional Budget Office, "Economic Projections," Budget and Economic Data, January 2025, https://www.cbo.gov/system/files/2025-01/51135-2025-01-Economic-Projections.xlsx; Board of Governors of the Federal Reserve, "FOMC Projections materials, accessible version," June 18, 2025, https://www.federalreserve.gov/monetarypolicy/fomcprojtabl20250618.htm;" Federal Reserve Bank of Philadelphia, "Third Quarter 2025 Survey of Professional Forecasters," August 15, 2025, https://www.philadelphiafed.org/surveys-and-data/real-time-data-research/spf-q3-2025; Michael Wolf, "United States Economic Forecast," Deloitte Global Economics Research Center, June 25, 2025, https://www.deloitte.com/us/en/insights/topics/economy/us-economic-forecast/united-states-outlook-analysis.html; Satyam Panday, "Economic Outlook U.S. Q3 2025: Policy Uncertainty Limits Growth," S&P Global, June 24, 2025, https://www.spglobal.com/ratings/en/regulatory/article/economic-outlook-us-q3-2025-policy-uncertainty-limits-growth-s101631808.

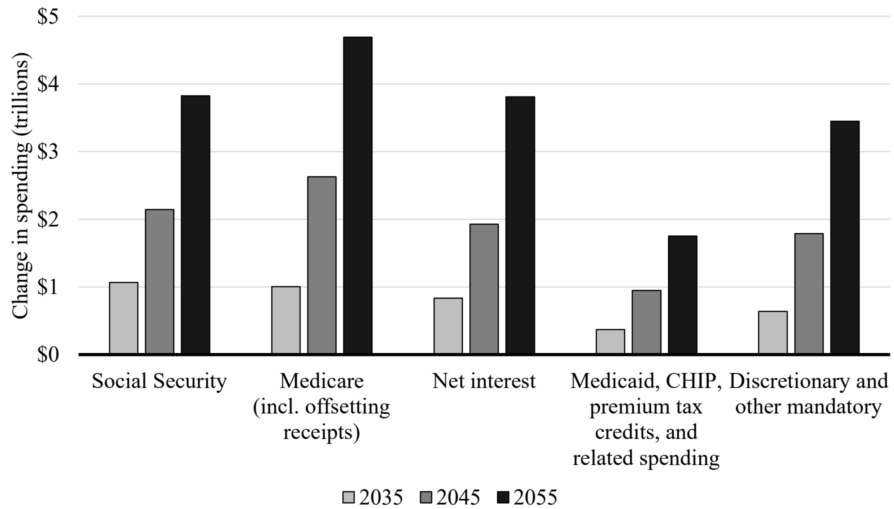
[11] This process could eventually lead to a "fiscal dominance" scenario, where the Fed and the banking system serve to finance the fiscal deficit. Also, demand shocks from tax cuts or stimulus spending can give short term GDP growth but they are akin to a sugar high and eventual crash.

[12] Others believe the current deficit is already reducing investment. For example, EY believes that the crowding out effect will decrease private investment relative to their baseline by 13.6 percent after 10 years, 17.1 percent after 30 years, and 21.6 percent after 50 years. Peter G. Peterson Foundation, "Rising National Debt Will Cause Significant Economic Damage" (May 2025), https://www.pgpf.org/wp-content/uploads/2025/05/EY-Rising-National-Debt-Will-Cause-Significant-Economic-Damage.pdf.

[13] Joint Economic Committee Republicans, "Chapter 1."

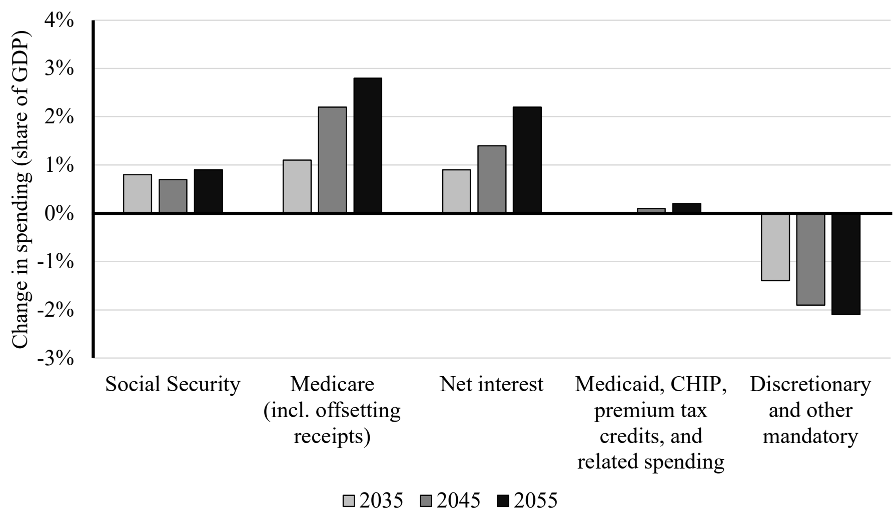
[14] If Medicare premiums were counted as revenue instead of "offsetting collections," this figure would be higher.

Figure 5: Projected Increases in Spending by Program



Source: Congressional Budget Office[15]

Figure 6: Projected Increases in Spending by Program

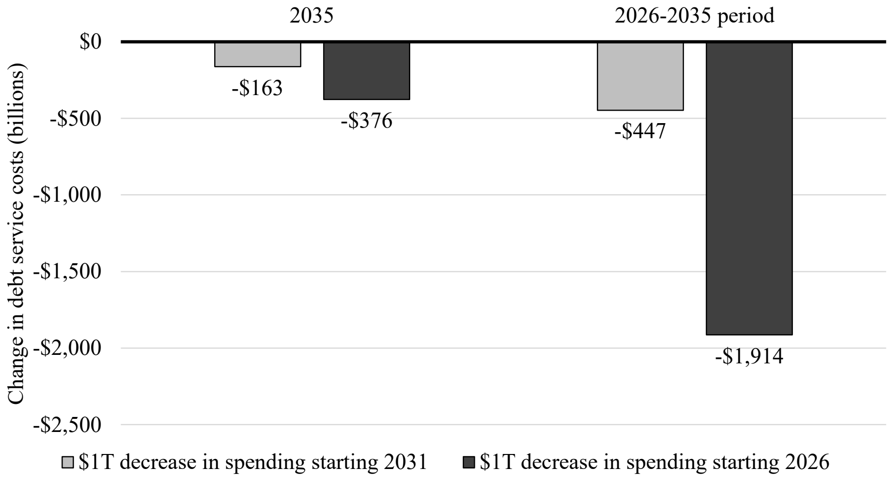


Source: Congressional Budget Office[16]

Net interest payments grow based on two factors: the interest rate on new debt and the size of the fiscal deficit.[17] In other words, if government outlays are reduced, net interest payments will grow at a slower pace. As interest compounds, the earlier primary deficit reductions are implemented, the greater their impact. Figure 7 illustrates the difference in debt service costs when outlays are cut by $1 trillion in 2026 compared to 2031. By 2035, the reduction in costs from a cut in 2026 is more than double the reduction if the cuts were to be delayed until 2031, highlighting the long-term benefits of acting sooner.

[15] Congressional Budget Office, *The Long-Term Budget Outlook Under Alternative Scenarios*.
[16] Congressional Budget Office, *The Long-Term Budget Outlook Under Alternative Scenarios*.
[17] The rate affects it positively if the rolled over debt was issued at a lower rate than the new one.

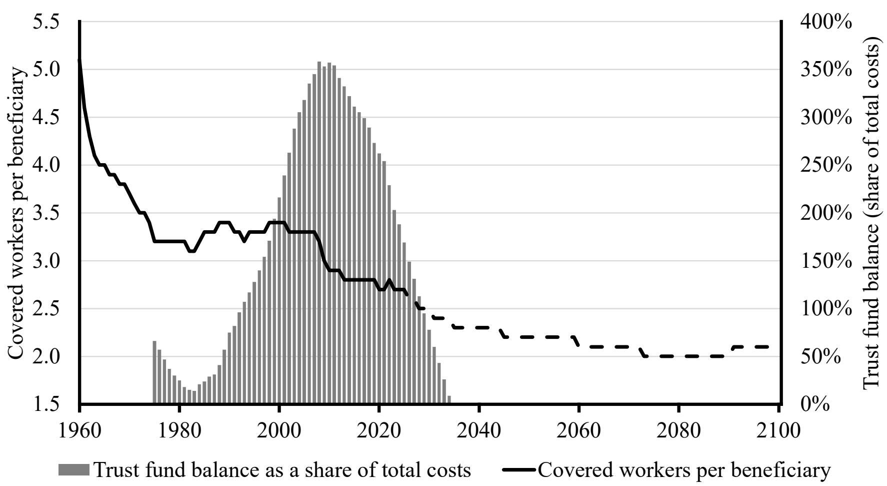
Figure 7: Change in Debt Service Costs From a $1 Trillion Spending Cut Relative to Baseline



Source: Congressional Budget Office[18]

Although it is not growing as fast as Medicare, Social Security will remain the largest Federal program for the next couple of decades.[19] The structure of the program is straightforward: It is funded by a payroll tax on current workers, which is used to pay benefits to current retirees. However, the ratio of covered workers to retirees has declined sharply over recent decades, and as a result, the program is expected to run a deficit that will deplete its trust fund by the end of the next presidential term.[20]

Figure 8: Social Security Finances and Worker-to-Beneficiary Ratio



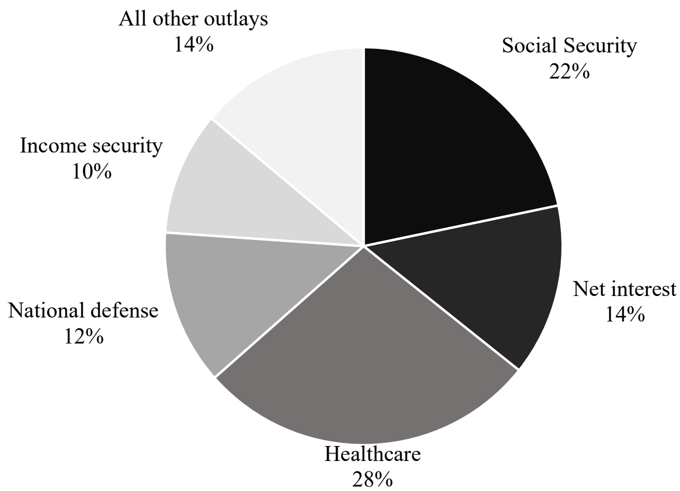
Source: Social Security Administration[21]

[18] Congressional Budget Office, *How Changes in Revenues and Outlays Would Affect Debt Service, Deficits, and Debt*, CBO report (March 2025), https://www.cbo.gov/publication/60835; Congressional Budget Office, *The Long-Term Budget Outlook Under Alternative Scenarios*.
[19] Congressional Budget Office, *How Changes in Revenues and Outlays*; Congressional Budget Office, *The Long-Term Budget Outlook Under Alternative Scenarios*.
[20] Karen Glenn, letter to Senator Ron Wyden, Social Security Office of the Chief Actuary, August, 5, 2025, https://www.finance.senate.gov/imo/media/doc/wyden_letter_20250805_finalpdf.pdf.
[21] Social Security Administration, *The 2025 OASDI Trustees Report* (2025), https://www.ssa.gov/oact/TR/2025/tr2025.pdf.

Healthcare spending

Federal spending on healthcare, particularly Medicare and Medicaid, has risen dramatically over the past ten years and represents an increasingly large portion of Federal spending. In FY2024, the Federal government spent around $1.9 trillion on healthcare and has accounted for 28 percent of Federal spending in FY2025 so far.[22] Spending on Medicare and Medicaid continues to grow faster than other categories of spending and is projected to grow 70 percent over the next ten years.[23]

Figure 9: U.S. Federal Government Outlays by Major Category, FY2025 to Date

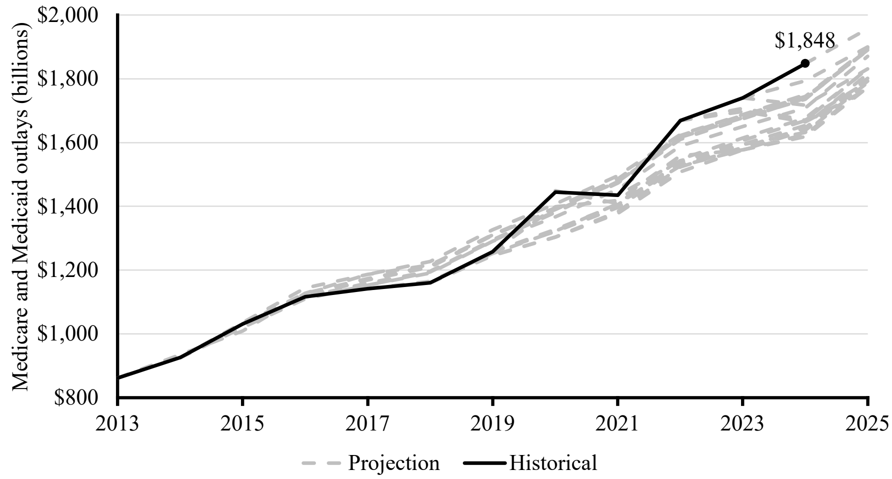


Source: U.S. Department of the Treasury[24]

As outlined in the *2025 Joint Economic Report* (*Response*), unlike other mandatory programs such as Social Security, healthcare costs are more unpredictable due to changing health trends such as obesity rates, and variability in the costs of Medicaid and Medicaid services.[25] Since 2020, the CBO has consistently underestimated actual spending on Medicare and Medicaid, highlighting the increasing need to stabilize the growth of healthcare spending.

[22] Juliette Cubanski, Alice Burns, and Cynthia Cox, "What Does the Federal Government Spend on Health Care?" KFF, February 24, 2025, https://www.kff.org/medicaid/what-does-the-federal-government-spend-on-health-care/.
[23] Congressional Budget Office, "10-Year Budget Projections," Budget and Economic Data, January 2025, www.cbo.gov/publication/60870; JEC calculations.
[24] Bureau of the Fiscal Service, "Table 9—Summary of Receipts by Source, and Outlays by Function of the U.S. Government, August 2025 and Other Periods," *Monthly Treasury Statement* (August 2025), https://fiscal.treasury.gov/files/reports-statements/mts/mts0825.pdf.
[25] Joint Economic Committee Republicans, "Chapter 2: Demographics and the Deficit," in *The 2024 Joint Economic Report, Republican Response* (U.S. Congress Joint Economic Committee, 2024), https://www.jec.senate.gov/public/vendor/_accounts/JEC-R/jerchapters/2024JERChapter2.pdf.

Figure 10: Medicare and Medicaid Spending Projections
Compared to Historical



Source: Congressional Budget Office[26]

The *2025 Response* showed how improvements in the aggregate health of the U.S. population, such as through a reduction in obesity rates, can reduce Federal healthcare spending without dramatically changing the nature of our healthcare programs.[27] For example, JEC Republicans estimate that obesity will result in $8.2 to $9.1 trillion in excess medical expenditures over the next ten years, and half of this cost will be borne by the Federal government.[28] Healthcare policy that is focused on realigning incentives so that underlying diseases are cured rather than treated can dramatically alter healthcare cost projections.

Fortunately, Republicans have made strong efforts in the past year to address growing healthcare costs and ensure program sustainability, particularly for the Medicaid program. Health provisions within legislation passed earlier this year address waste, fraud, and abuse and are expected to save around $1.25 trillion over the next ten years.[29] Provisions include work requirements for able-bodied individuals without dependents on Medicaid, increased Medicaid and premium tax credit eligibility verification to reduce improper payments, and limiting provider tax loopholes.[30] Further reform is needed in future legislation to stave off a spiraling crisis of debt and deficits, most notably to the Medicare program.

Without intervention, the Hospital Insurance (HI) trust fund is estimated to be depleted in 2033 as baby boomers continue to age into Medicare. At that point, revenues would cover only about 89 percent of projected expenses, forcing Centers for Medicare & Medicaid Services (CMS) to cut payments across the board. This would likely prompt some providers to reduce the services

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[26] Congressional Budget Office, "10-Year Budget Projections," Budget and Economic Data, https://www.cbo.gov/data/budget-economic-data; JEC calculations.
[27] Joint Economic Committee Republicans, "Chapter 4: An Update on Obesity Trends," in *The 2025 Joint Economic Report, Republican Response* (U.S. Congress Joint Economic Committee, 2025), https://www.jec.senate.gov/public/vendor/_accounts/JEC-R/jerchapters/2025JERChapter4.pdf.
[28] Joint Economic Committee Republicans, "Chapter 4," p. 6.
[29] Brian Blasé, "Health Care Provisions in the One Big Beautiful Bill: Summary and Analysis," Paragon Health Institute (May 28, 2025), https://paragoninstitute.org/newsletter/health-care-provisions-in-the-one-big-beautiful-bill-summary-and-analysis/
[30] The White House, "The One Big Beautiful Bill," https://www.whitehouse.gov/obbb/.

available to Medicare patients, leading to rapid reductions in beneficiaries' access to care.[31] Moreover, the Supplemental Medical Insurance (SMI) trust fund, which is primarily funded through general tax revenues, would consume an ever-growing share of Federal tax revenues, crowding out other priorities.

Reforms to the Medicare program, and particularly to Medicare Advantage, offer a pragmatic path forward and represent one of—if not the most—consequential steps available to improve the nation's fiscal outlook.

Medicare beneficiaries can choose between coverage through traditional Medicare or through privately offered Medicare Advantage (MA) plans. Traditional Medicare functions by the CMS paying providers fees predetermined by the government for services and procedures covered by Medicare. The MA program has grown rapidly in recent years and today covers 54 percent of Medicare beneficiaries.

The original intention under the *Balanced Budget Act of 1997* was for private Medicare plans to reduce costs per beneficiary to 95 percent of traditional Medicare. Savings would be achieved through competition, utilization management, care coordination, and innovations in benefit design. These are all areas where fee-for-service systems have well-known flaws, with savings shared between beneficiaries, insurers, and the Federal government.

However, flawed payment policies and fraudulent coding practices combined with insufficient enforcement and Federal inaction have driven up costs. Instead of delivering the intended savings, MA beneficiaries are now estimated to cost about 20 percent more than if they were enrolled in traditional Medicare, adding an estimated $84 billion in extra Federal spending in 2025.[32]

It is critical to realign the MA program to its original intention of making people healthier at lower cost than traditional Medicare. This realignment is one of the most consequential avenues available for policymakers to improve the nation's fiscal outlook. This is the basis of H.R. 3467, the *Better Medicare Act*, which I recently introduced. JEC Republicans estimate this bill would reduce Federal spending by approximately $1.8 trillion over the next ten years by addressing the underlying causes of annual overpayments, including coding intensity, favorable selection, and flawed quality bonus payments.[33]

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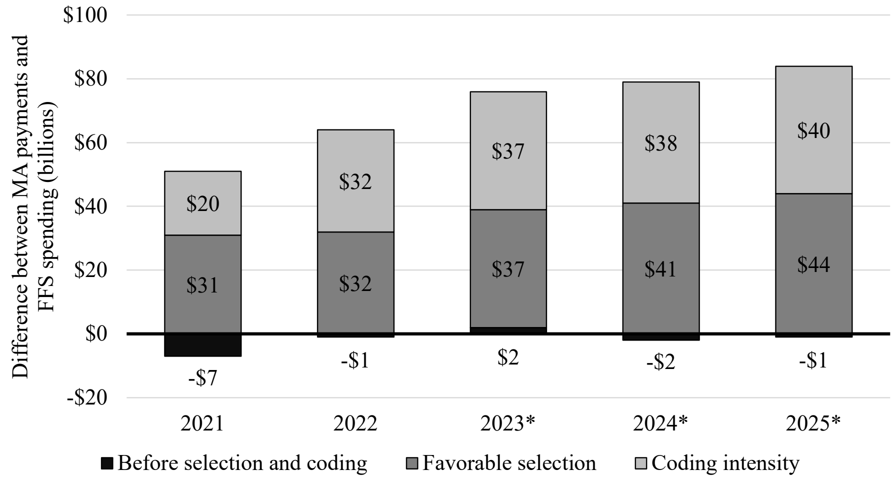
[31] Centers for Medicare & Medicaid Services, *Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds* (June 18, 2025), p. 26, https://www.cms.gov/oact/tr/2025.
[32] The Medicare Payment Advisory Commission (MedPAC), "Chapter 11: The Medicare Advantage program: Status report," in *March 2025 Report to the Congress: Medicare Payment Policy* (March 2025), https://www.medpac.gov/wp-content/uploads/2025/03/Mar25_Ch11_MedPAC_Report_To_Congress_SEC.pdf.
[33] There is an ongoing methodological debate among researchers regarding the exact magnitude of MA overpayments and the size of each component. For instance, the 2024 MedPAC report estimated coding intensity to cost an additional $50 billion, while favorable selection was estimated around $33 billion. However, in the aggregate, MA overpayments have consistently been estimated to be around 20 percent more than traditional Medicare in recent years. Moreover, MedPAC's current methods find MA has never been overpaid by less than 12 percent.

Figure 11: Additional Medicare Spending Attributable to Coding and Selection in Medicare Advantage



Source: The Medicare Payment Advisory Commission[34]

MA plans are paid more to cover beneficiaries that are expected to have higher healthcare costs. These payments are determined using a risk adjustment system that has been heavily criticized for incentivizing MA plans to record diagnoses codes without administering care. The additional coding intensity, whether the codes are justified or submitted fraudulently, is estimated to increase the cost of the MA program by $40 billion in 2025 alone. H.R. 3467 addresses this issue by using a two-year lookback window for determining risk scores, and by eliminating diagnoses codes found only on chart reviews or health risk assessments.[35]

The current Administration has taken significant steps to root out fraudulent risk-adjustment claims by increased use of technology and by substantially increasing the number of medical coders conducting audits for CMS, but more can be done.[36] CMS should repeal the guidance issued in November 2024 which severely limited the share of beneficiaries whose risk scores could be audited, thus reducing payments eligible for recovery. Additional steps include an increased use of penalties to deter fraudulent claims in the first place, and the use of technology to reduce systematic differences in the completeness of coding between the two programs.

A related but subtly different contributor is that the beneficiaries who choose MA are healthier than their risk scores predict. This favorable selection leads to lower actual healthcare expenditures for the MA plans, which as a result are overpaid an estimated $44 billion per year. H.R. 3467 addresses this issue in part by lengthening the enrollment periods to three years and by changing the default enrollment to MA. This would make the MA population broader and more representative of the Medicare population, whereas it is currently overrepresented by healthier beneficiaries that are responsive to marketing and supplemental benefits. These changes

[34] Asterisks indicate projections. The Medicare Payment Advisory Commission (MedPAC), “Chapter 11.”
[35] The Congressional Budget Office has previously estimated the savings from these policies to $124 billion for the 2025–2034 budget window. Congressional Budget Office, “Modify Payments to Medicare Advantage Plans for Health Risk,” in *Options for Reducing the Deficit: 2035 to 2034* (December 12, 2024), https://www.cbo.gov/budget-options/60907.
[36] Centers for Medicare & Medicaid Services, “CMS Rolls Out Aggressive Strategy to Enhance and Accelerate Medicare Advantage Audits,” May 21, 2025, https://www.cms.gov/newsroom/press-releases/cms-rolls-out-aggressive-strategy-enhance-and-accelerate-medicare-advantage-audits.

would further reduce churn and reorient the program to make retirees healthier, rather than brokers wealthier.[37]

Finally, H.R. 3467 repeals several flawed design features of the current MA program introduced by the *Affordable Care Act* which, by design, lead MA payments to be higher than the intended 95 percent of traditional Medicare costs. These features include quality bonuses and quartile adjustments—both features that further increase MA payments with little evidence to support quality improvements and further anchor MA payments to TM by introducing a universal reduction in benchmarks.[38]

Immigration and economic growth

Population expansion and labor productivity improvements support economic growth and constrain increases in the debt-to-GDP ratio. However, America's workers are aging and exiting the workforce in large numbers,[39] and there are insufficient younger Americans entering working age to take their place. In 2004, 18-year-olds entering the workforce made up 1.4 percent of the total population. By 2024, this number had decreased to 1.3 percent. In the same period, the share of the American population aged 65 and older has increased from 12.4 percent to 18.0 percent.[2] Workers not only contribute to economic growth but also help finance the expenses of the retired population.[40]

The total fertility rate (TFR) in the U.S. has been below replacement and trending downward since 2007.[41] While the surveyed mean ideal number of children remains above 2.5 children per woman, observed TFR has dropped below 1.6 children per woman and is still trending

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[37] Broker compensation in MA reached $6.9 billion in 2023, according to a Senate Finance Committee report (U.S. Senate Committee on Finance, *Pushing Medicare Advantage on Seniors: Unraveling the Complex Network of Marketing Middlemen*, (March 2025), https://www.finance.senate.gov/imo/media/doc/pushing_medicare_advantage_on_seniors_unraveling_the_complex_network_of_marketing_middlemen_-_32425docx.pdf). Compensation includes commissions, bonuses, gifts, prizes or awards, and, beginning in contract year 2025, payment of fees to comply with state appointment laws, training, certification, testing, reimbursement for mileage, and other costs associated with beneficiary sales appointments including venue rent, snacks, and materials (42 C.F.R. § 422.2274 (2025), https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-B/part-422/subpart-V/section-422.2274).

[38] The Congressional Budget Office has previously produced the estimated the savings from benchmark reductions and removal of quality bonuses. The CBO found that a 10 percent benchmark reduction would save close to $500 billion over the 2025–2034 budget window. JEC Republicans estimate a that a 25 percent reduction would independently save close to $1.2 trillion over the 2026–2035 budget window. The CBO has further estimated the removal of quality bonuses would produce savings of almost $115 billion over the 2019–2028 budget window. JEC Republicans anticipate this could independently save on the order of $200–250 billion over the 2026–2035 budget window in part due to the substantial growth in the size of the MA program in recent years combined with even faster growth in bonus payments, which has grown 144 percent since 2018 when the CBO published the abovementioned savings estimate. Congressional Budget Office, "Reduce Medicare Advantage Benchmarks," in *Options for Reducing the Deficit: 2035 to 2034* (December 12, 2024), https://www.cbo.gov/budget-options/60900; Congressional Budget Office, "Reduce Quality Bonus Payments to Medicare Advantage Plans," in *Options for Reducing the Deficit: 2019 to 2028* (December 13, 2018), https://www.cbo.gov/budget-options/2018/54737; Jeannie Fuglesten Biniek, Anthony Damico, and Tricia Neuman, "Medicare Advantage Quality Bonus Payments Will Total at Least $12.7 Billion in 2025," KFF, June 12, 2025, https://www.kff.org/medicare/medicare-advantage-quality-bonus-payments/.

[39] Melissa S. Kearney, Phillip B. Levine, and Luke Pardue, "The puzzle of falling US birth rates since the great recession," *Journal of Economic Perspectives* 36, no. 1 (2022): 151–76, https://doi.org/10.1257/jep.36.1.151.

[40] Social Security Administration, "Provisions Affecting Individual Accounts," accessed September 2025, https://www.ssa.gov/oact/solvency/provisions/individualaccts.html.

[41] The World Bank, "Fertility Rate, Total for the United States," retrieved from FRED, https://fred.stlouisfed.org/series/SPDYNTFRTINUSA.

downward. Pro-natalist policies around the world have had insubstantial or modest effects.[42] Given this ineffectiveness, policymakers should evaluate increasing high-skilled immigration to ameliorate the labor force gap and skills gap.

Immigration reform that prioritizes the expansion of a highly trained workforce, the creation of new businesses, and increased productivity will help to grow the economy and support the country's growing fiscal needs.[43] In particular, H.R. 3466, the *SMART Act*, which I introduced, will induce growth through two avenues: Firstly, it establishes a skills-based points system to replace the present system based on familial ties, thereby prioritizing skilled and educated immigrants who are more likely to be productive, entrepreneurial, and innovative. Secondly, the Gold Card visa provides an additional avenue for ultra-high-net-worth individuals to enter the country and produce long-term economic value.[44]

Well-structured immigration reform would also lower net costs to benefits systems and reduce deficits. The *SMART Act's* points system gives first preference to immigrants who will earn high salaries and pay substantial taxes, and revenue received from Gold Card applicants may be paid immediately into the Treasury. The legislation also decreases outlays by capping refugee and asylee visas at 50,000 per year and eliminates costly immigrant visas for family members of U.S. citizens. Overall, the *SMART Act* over the next 20 years will save the U.S. government more than $580 billion.[45] The OBBBA also contributes to cost-saving by eliminating a loophole in the Child Tax Credit (CTC) whereby noncitizen parents may collect CTC payments for their citizen children.[46]

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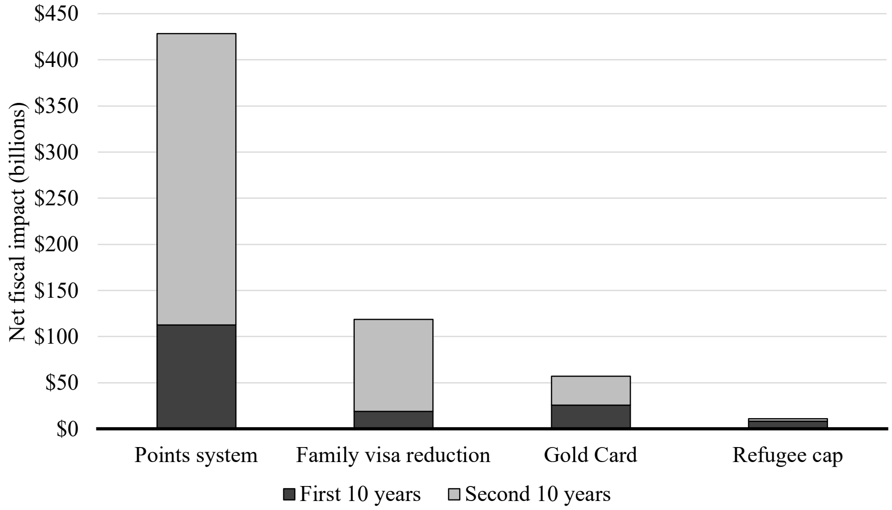
[42] Melissa Schettini Kearney and Phillip B. Levine, "Why Is Fertility So Low in High Income Countries?" NBER working paper no. 33989 (July 2025), https://doi.org/10.3386/w33989.
[43] Daniel Di Martino, "The Lifetime Fiscal Impact of Immigrants," Manhattan Institute report (September 2024), https://manhattan.institute/article/the-lifetime-fiscal-impact-of-immigrants.
[44] Congress.gov, "H.R.3466—119th Congress (2025–2026): To amend the Immigration and Nationality Act to establish a skills-based immigration points system, to focus family-sponsored immigration on spouses and minor children, to eliminate the Diversity Visa Program, to set a limit on the number of refugees admitted annually to the United States, and for other purposes," June 3, 2025, https://www.congress.gov/bill/119th-congress/house-bill/3466.
[45] JEC calculations.
[46] Matt Weidinger, "Even after the One Big Beautiful Bill, Loopholes Allow Illegal Alien Adults to Receive Welfare and Other Benefits," American Enterprise Institute, July 17, 2025, https://www.aei.org/op-eds/even-after-the-one-big-beautiful-bill-loopholes-allow-illegal-alien-adults-to-receive-welfare-and-other-benefits/.

Figure 12: Savings From Proposed SMART Act Reforms



Source: JEC calculations

Immigration reform can also address fraud and waste in the H-1B and other visa programs.[47] In a 2008 study of H-1B applications, 13.4 percent of applications were found to be fraudulent. Of these violations, one-third were flagrant cases in which either the identity of the employee or the identity of the employer was entirely fabricated. Fraudulent cases can result in tax dollars that are never collected, displacement of legitimate workers, and stunted economic growth. By adequately allocating resources—including the use of technology, such as AI—to fraud prevention, the government could foster greater growth and reduce budgetary waste.

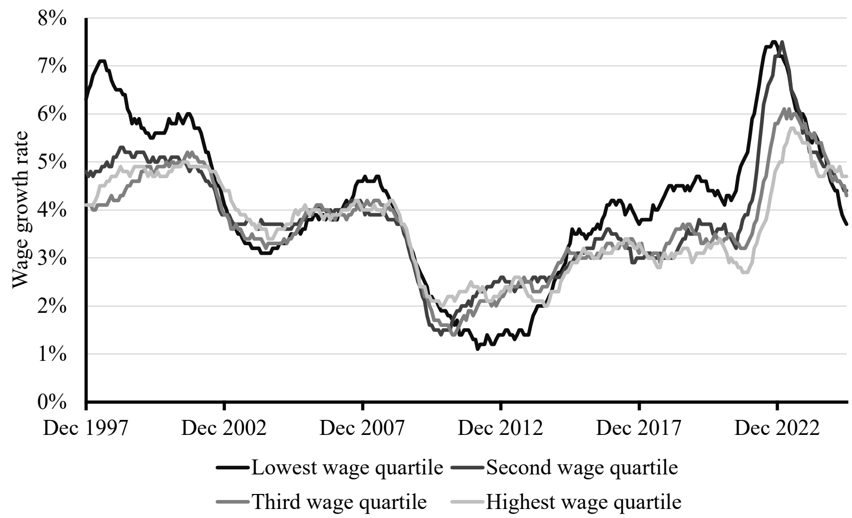
Immigration, especially high-skilled immigration, has a net-positive effect on national and individual utility.[48] High-skilled immigrants, especially those in STEM fields, pay more in taxes than the average native-born labor force participant while consuming fewer benefits.[49] They can also bring technical knowledge and entrepreneurial skill that is beneficial to economic growth. While detractors may argue immigration can suppress wage growth by increasing competition for jobs and enabling employers to easily fill vacancies, the reduction in vacancies often reflect jobs predominantly occupied by prior immigrants rather than American citizens.[50] Nonetheless, across industries, a 1 percent increase in employment growth from immigrant workers corresponds to a 0.5 percent decrease in job vacancy rates,[51] which, in turn, can suppress wage growth.[52] The current drop in wage growth for the lowest income quartile, where wage growth is

[47] U.S. Citizenship and Immigration Services, "H-1B Benefit Fraud & Compliance Assessment" (September 2008), https://cis.org/sites/default/files/2025-02/100820082%20USCIS%20H-1B%20Fraud.pdf.
[48] Pia Orrenius, Alan D. Viard, and Madeline Zavodny, "The Fiscal Impact of Immigration: An Update," American Enterprise Institute Economic Perspectives (September 2025), https://www.aei.org/research-products/report/the-fiscal-impact-of-immigration-an-update/.
[49] U.S. Census Bureau, "Annual Social and Economic Supplements," https://www.census.gov/data/datasets/time-series/demo/cps/cps-asec.html; JEC calculations.
[50] Giovanni Peri, "Do immigrant workers depress the wages of native workers?" *IZA World of Labor* (2014), https://doi.org/10.15185/izawol.42; Alessandro Caiumi and Giovanni Peri, "Immigration's Effect on US Wages and Employment Redux," NBER working paper no. 32389 (April 2024), https://doi.org/10.3386/w32389.
[51] Elior Cohen, "Rising Immigration Has Helped Cool an Overheated Labor Market," Federal Reserve Bank of Kansas City Economic Bulletin (May 22, 2024), https://www.kansascityfed.org/documents/10190/EconomicBulletin24Cohen0522.pdf.
[52] Sebastian Heise, Jeremy Pearce, and Jacob P. Weber, "Wage growth and labor market tightness," Federal Reserve Bank of New York Staff Reports, no. 1128, https://doi.org/10.59576/sr.1128.

most volatile, has occurred alongside a surge in lower-earning immigration.[53] CBO estimates also suggest that the surge of immigrants over the past four years raised state and local expenditures more than they raised local tax revenues,[54] crowding congestible public goods. However, there is no credible evidence of net-negative effects of high-skilled immigration on the utility of American citizens.[55]

Policy uncertainty plays as large a role as immigration in determining vacancy quantity and wage growth.[56] There is a substantial second-mover advantage among competitors when conditions frequently change,[57] so firms hesitate to announce vacancies when policy trajectory is unclear. This lack of vacancies results in the suppression of wage growth.

Figure 13: Wage Growth Since 1997 by Wage Quartile



Source: Federal Reserve Bank of Atlanta[58]

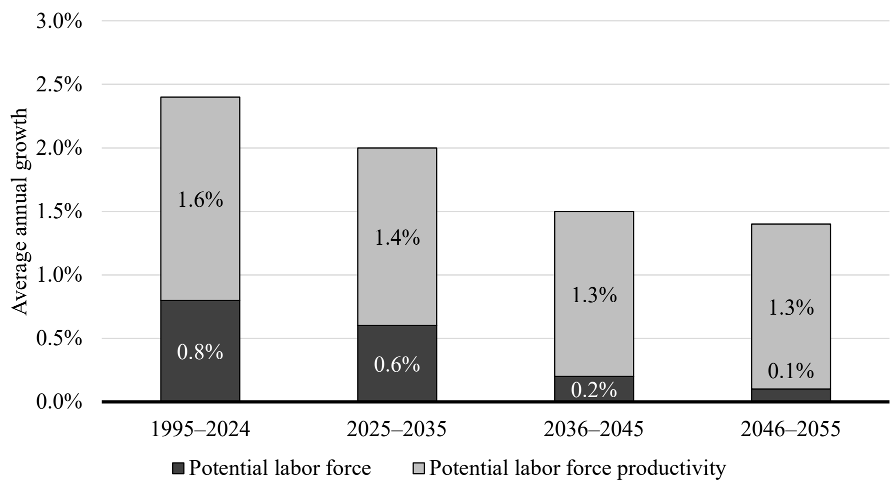
Technology and economic growth

Alongside increasing the number of skilled workers in the economy, it is also critical to boost productivity, or output per hour worked, to grow GDP and maintain a strong debt-to-GDP ratio. Since 1991, more than 50 percent of growth in real potential GDP has come from productivity growth, not population growth.[59] Smarter approaches to regulation are paramount to ensure U.S.

[53] Federal Reserve Bank of Atlanta, "Wage Growth Tracker," accessed September 2025, https://www.atlantafed.org/chcs/wage-growth-tracker.
[54] Congressional Budget Office, "Effects of the Surge in Immigration on State and Local Budgets in 2023," CBO report (June 5, 2025), https://www.cbo.gov/publication/61256.
[55] Orrenius, Viard, and Zavodny, "The Fiscal Impact of Immigration."
[56] Delphine Strauss, Claire Jones, and Steff Chavez, "Poorest US workers hit hardest by slowing wage growth," *Financial Times*, August 3, 2025, https://www.ft.com/content/cfb77a53-fef8-4382-b102-c217e0aa4b25.
[57] Esther Gal-Or, "First Mover Disadvantages with Private Information," *The Review of Economic Studies* 54, no. 2 (April 1987): 279–92, https://doi.org/10.2307/2297517; Heidrun C. Hoppe and Ulrich Lehmann-Grube, "Innovation Timing Games: A General Framework with Applications," *Journal of Economic Theory* 121, no. 1 (2005): 30–50, https://doi.org/10.1016/j.jet.2004.03.002.
[58] Federal Reserve Bank of Atlanta, "Wage Growth Tracker."
[59] Congressional Budget Office, "The Economic Outlook for 2024 to 2034 in 19 Slides," CBO presentation (February 7, 2024), https://www.cbo.gov/publication/59909.

innovation is not unnecessarily burdened by outdated rules. Policies surrounding artificial intelligence, logistics, and healthcare are especially promising.

Figure 14: Average Annual Growth of Real Potential GDP and Its Components



Source: Congressional Budget Office[60]

The White House's AI Action plan provides a road map to proliferation and implementation of AI in the U.S.[61] Artificial intelligence has already contributed to higher output per workhour across a variety of occupations and a stronger advantage over international competitors. AI traders can act faster and more precisely than human traders in stock markets, as well as cooperate with one another to achieve supra-competitive profits.[62] In materials engineering, they may be used to design meta-emitters in three dimensions through inverse design, creating new substances which absorb minimal light and can passively cool buildings in high-temperature regions.[63] AI is even being effectively used to complete basic research itself, more quickly pushing the bounds of knowledge.[64] In each case, effective use of AI induces greater productivity, faster results, and iterative improvements on existing processes.

As well as augmenting output, AI can also decrease costs to consumers and taxpayers through the same efficiency improvements. By making use of new technology, the Federal government can maintain quality of service even as it streamlines its workforce. Research shows that enabling AI-based conversational assistants to aid customer service agents results in 14 percent

[60] Congressional Budget Office, *The Long-Term Budget Outlook: 2025 to 2055*, CBO report (March 2025), https://www.cbo.gov/publication/61187.
[61] Executive Office of the President, "Winning the Race: America's AI Action Plan" (July 2025), https://www.whitehouse.gov/wp-content/uploads/2025/07/Americas-AI-Action-Plan.pdf.
[62] Winston Wei Dou, Itay Goldstein, and Yan Ji, *AI-Powered Trading, Algorithmic Collusion, and Price Efficiency*, Jacobs Levy Equity Management Center for Quantitative Financial research paper, The Wharton School research paper (April 15, 2025) http://dx.doi.org/10.2139/ssrn.4452704.
[63] Chengyu Xiao, Mengqi Liu, Kan Yao, et al, "Ultrabroadband and Band-Selective Thermal Meta-Emitters by Machine Learning," *Nature* 643 (July 2025): 80–88, https://doi.org/10.1038/s41586-025-09102-y.
[64] Jennifer Chubb, Peter Cowling, and Darren Reed, "Speeding up to keep up: exploring the use of AI in the research process," *AI & Society* 37, no. 4 (2022): 1439–57, https://doi.org/10.1007/s00146-021-01259-0.

more tickets being resolved per hour, with efficiency jumping 34 percent for novice agents.[65] In a similar fashion, chatbots at the Internal Revenue Service (IRS) may be used to assist platform users with lower labor costs. In addition, AI analysis can be used by other regulatory bodies to identify and combat fraud much more effectively than a human investigator can.[66]

Port automation presents another area where innovation can improve productivity. Unfortunately, past legislation has restricted this use of technology.[67] U.S. seaports are choke points and are far less efficient than the seaports of other nations. Three of the eleven least efficient ports in the world (with at least 24 valid port calls in the past twelve months) are American, while none of the top 50 fulfilling the same criterion are in the U.S.[68] This inefficiency induces a bottleneck from which U.S. imports, exports, manufacturing, and construction suffer. Fewer twenty-foot equivalent units moved per hour means downstream productivity is limited by an equal or greater amount. This lower productivity means lower sales and lower growth in disparate sectors, resulting in negative macroeconomic effects.[69]

Improvements in port productivity may be achieved through smart regulation. The U.S. should eliminate labor-use requirements with the Port and Intermodal Improvement Program, removing the requirement that new automated equipment in seaports may not result in a net loss of jobs. This restriction has resulted in lethargic automation and decreased competitiveness with other countries' transportation systems. Additionally, policymakers should evaluate whether environmental review should be coordinated through the Department of Transportation with the aim of completing each review within two years.[70]

Innovation in healthcare such as GLP-1 receptor agonists (GLP-1RAs) may also be used to improve productivity.[71] Obesity can negatively impact labor productivity both through absenteeism (inability or unwillingness to appear in the workplace) and through "presenteeism" (attending work while temporarily or chronically unwell, resulting in a decrease in productivity and quality of work).[72] Given that GLP-1RAs can significantly decrease the prevalence and severity of obesity, it is likely that they can address the productivity decreases resultant of obesity as well.

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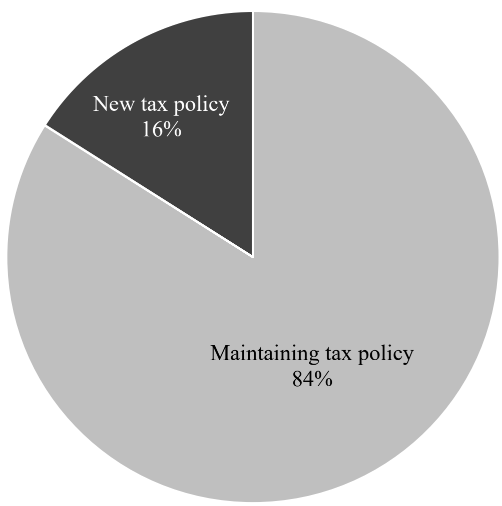
[65] Erik Brynjolfsson, Danielle Li, and Lindsey Raymond, "Generative AI at Work," *The Quarterly Journal of Economics* 140, no. 2 (May 2025): 889–942, https://doi.org/10.1093/qje/qjae044.
[66] Bingqiao Luo, Zhen Zhang, Qian Wang, et al, "AI-Powered Fraud Detection in Decentralized Finance: A Project Life Cycle Perspective," *ACM Computing Surveys* 57, no. 4 (April 2025), https://doi.org/10.1145/3705296; Nusrat Sarna, Ahmed Farzana, Farzana Rithen, et al, "AI Driven Fraud Detection Models in Financial Networks: A Comprehensive Systematic Review," *IEEE Access* (August 5, 2025), https://doi.org/10.1109/ACCESS.2025.3596060.
[67] Congress.gov, "S.1605—117th Congress (2021–2022): National Defense Authorization Act for Fiscal Year 2022," December 27, 2021, https://www.congress.gov/bill/117th-congress/senate-bill/1605.
[68] The World Bank, *The Container Port Performance Index 2023: A Comparable Assessment of Performance based on Vessel Time in Port* (2024), https://documents1.worldbank.org/curated/en/099060324114539683/pdf/P17583313892300871be641a5ea7b90e0e6.pdf.
[69] Vasco M. Carvalho, Makoto Nirei, Yukiko U. Saito, Alireza Tahbaz-Salehi, "Supply Chain Disruptions: Evidence from the Great East Japan Earthquake," *The Quarterly Journal of Economics* 136, no. 2 (May 2021): 1255–1321, https://doi.org/10.1093/qje/qjaa044.
[70] The World Bank, *The Container Port Performance Index 2023*.
[71] Joint Economic Committee Republicans, "Chapter 3: The Social Cost of Obesity," in *The 2023 Joint Economic Report, Republican Response* (U.S. Congress Joint Economic Committee, 2023), https://www.jec.senate.gov/public/_cache/files/d1774be7-8a29-4ecc-996d-3bda421310f3/2023-erp-ch3-republican-response.pdf; Joint Economic Committee Republicans, "Chapter 4."
[72] Andrea Goettler, Anna Grosse, and Diana Sonntag, "Productivity Loss Due to Overweight and Obesity: A Systematic Review of Indirect Costs," *BMJ Open* 7 (2017), https://doi.org/10.1136/bmjopen-2016-014632.

Ultimately, it is critical to prioritize both the growth of the population and the growth of labor productivity if industry in the U.S. is to maintain a competitive advantage with its rivals. Population growth may be sustained through talent-based immigration reform, while labor productivity may be augmented through advances in artificial intelligence, transport technology, and healthcare advances. By emphasizing this two-pronged approach, the United States will be more likely to curb increases in the debt-to-GDP ratio and could even reduce it.

Tax policies for economic growth

Many of the pro-growth tax provisions of the *Tax Cuts and Jobs Act of 2017* (TCJA) were to sunset at the end of the year, which would have led to one of the largest tax hikes in American history. Hence, this Congress immediately got to work on tax policy reform to maintain American economic dominance. The recent tax package provided, on average, $3,752 of tax relief per taxpayer in 2026 and a present value of tax relief through 2035 of $23,858.[73] The bill maintained the expiring, expansionary tax provisions of the TCJA by making many of them permanent, a favorable outcome for business investment planning.[74] Figure 15 describes the share of the bill's revenue effects due to maintaining tax policy versus new tax policy, using estimates from the Joint Committee on Taxation (JCT).

Figure 15: New Policy as a Share of OBBBA Provisions



Source: Joint Committee on Taxation;[75] JEC calculations

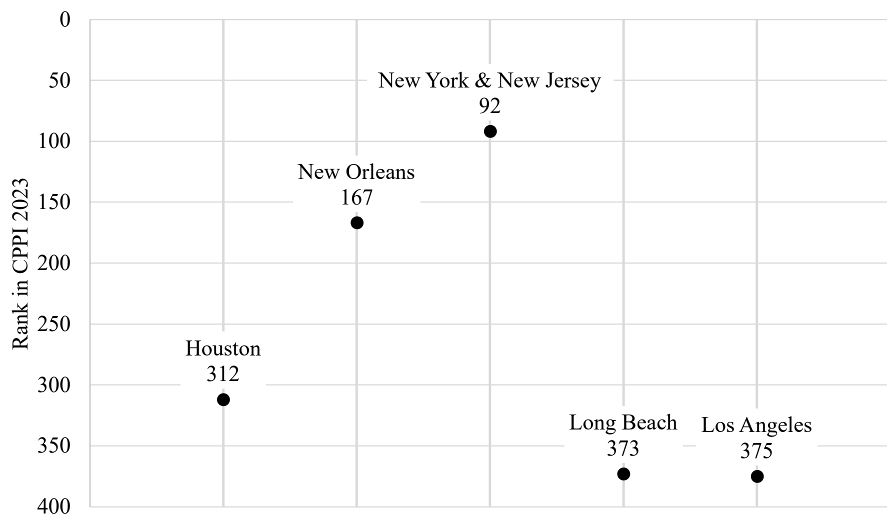
[73] These calculations discount 2026 through 2035 reductions to 2026 at a 5 percent annual rate. Garrett Watson, "The One Big Beautiful Bill Cuts Taxes Across the US, New Analysis Finds," Tax Foundation, August 13, 2025, https://taxfoundation.org/data/all/federal/obbba-average-tax-cuts-impact-map/.
[74] That policy uncertainty can delay business investment is an important lesson from real options theory (see Robert S. Pindyck, "Irreversibility, Uncertainty, and Investment," *Journal of Economic Literature* 29, no. 3 (1991): 1110–48, http://www.jstor.org/stable/2727613). TCJA provisions made permanent include: lower rates, increased standard deduction, expanded child tax credit, the home mortgage interest limitation, increased alternative minimum tax exemption, increased estate and lifetime gift tax exemption, domestic R&D expensing, 100 percent bonus depreciation on short-lived assets (e.g. equipment and machinery), the Section 199A deduction for qualified business income, EBITDA rather than EBIT for interest deduction limitation, the New Markets Tax Credit, and Opportunity Zones.
[75] Calculated by comparing current law ($4.475 trillion) baseline estimates and current policy ($0.715 trillion) baseline estimates from JCT. Joint Committee on Taxation, *Estimated Revenue Effects Relative to the Present Law Baseline of the Tax Provisions in*

There remains much room for additional tax reforms to stimulate employment and economic growth.

Port automation tax incentives

U.S. ports are very inefficient. Figure 16 illustrates how they rank poorly in terms of their efficiency: Long Beach and Los Angeles are 373 and 375 out of 405, respectively. This stunts the expansion of U.S. manufacturing exports and should motivate reforms to increase port efficiency. One solution is to designate ports as Opportunity Zones, which have been successful at stimulating investments in other areas such as multifamily housing.[76] Another option is to create new, tax-favored Capital Construction Fund accounts earmarked for port efficiency investments.

Figure 16: Major U.S. Ports Ranked by Performance



Source: The World Bank[77]

A broader clinical trials income tax credit for pharmaceutical research

The Orphan Drug Credit was established in 1983 to encourage pharmaceutical research and investment in rare diseases. Its current form is an income tax credit equal to 25 percent of clinical trial expenses for drugs that treat diseases affecting fewer than 200,000 Americans.[78] This credit

"Title VII – Finance" of the Substitute Legislation as Passed by the Senate to Provide for Reconciliation of the Fiscal Year 2025 Budget (July 1, 2025), https://www.jct.gov/publications/2025/jcx-35-25/; Joint Committee on Taxation, *Estimated Revenue Effects Relative to the Current Policy Baseline of the Tax Provisions in "Title VII – Finance" of the Substitute Legislation as Passed by the Senate to Provide for Reconciliation of the Fiscal Year 2025 Budget* (July 1, 2025), https://www.jct.gov/publications/2025/jcx-34-25/.

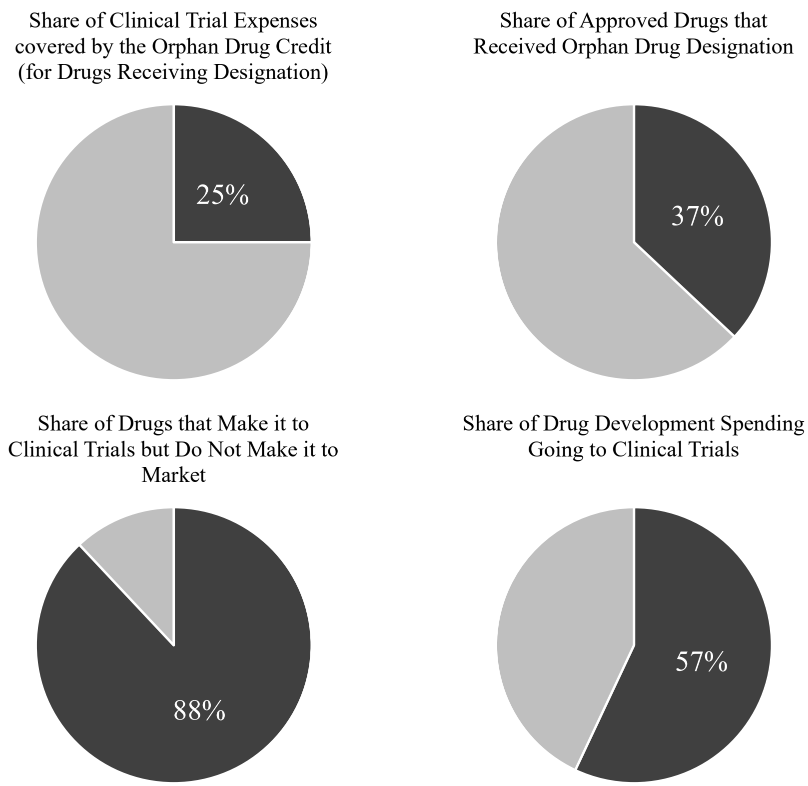
[76] Erik Hayden, "Why Invest in Multifamily Housing in Opportunity Zones? New Data Highlights the Trend," Urban Catalyst, May 15, 2025, https://blog.urbancatalyst.com/why-invest-in-multifamily-housing-in-opportunity-zones; Benjamin Glasner, Adam Ozimek, and John Lettieri, "The Impact of Opportunity Zones on Housing Supply," Economic Innovation Group working paper (March 2025), https://eig.org/opportunity-zones-housing-supply/.

[77] The World Bank, *The Container Port Performance Index 2023*.

[78] The Orphan Drug Credit is provided for "qualified clinical testing costs," which includes wages paid for employees involved in clinical trials and payments to participants. Congress.gov, "H.R.5238— 97th Congress (1981–1982): Orphan Drug Act (January 4, 1981), https://www.congress.gov/bill/97th-congress/house-bill/5238/text; Congressional Budget Office, *Research and Development in the Pharmaceutical Industry*, CBO report (April 2021), https://www.cbo.gov/publication/57025; Alexander

has been very successful in spurring drug development and could be expanded by redefining "rare disease" to include priority communicable ones—such as norovirus, RSV, chlamydia, and gonorrhea—while leaving orphan-drug exclusivity largely unchanged. Such an expansion could spur new vaccines and treatments that not only curb transmission but also deliver multi-billion-dollar public health and fiscal savings. In addition to tax policy, regulatory impediments should also be addressed. Even if such policies encouraged just a few additional cures, it would yield net positive economic benefits.

Figure 18: The Orphan Drug Act and Clinical Trials



Source: Congress.gov;[79] Accounting Insights;[80] National Library of Medicine;[81] Congressional Budget Office[82]

Developing a "SECURE 3.0" tax reform package to increase U.S. savings

The U.S. savings rate is much lower than in comparable countries and has been falling. Greater private savings will be needed to hold interest rates down and maintain private sector investment

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Korniakov, David W. Pauls, and Tom Hopkins, "The Orphan Drug and Research Tax Credits: The 'Substantially All' Rule," The Tax Adviser, October 1, 2014, https://www.thetaxadviser.com/issues/2014/oct/korniakov-oct14/; Accounting Insights, "What Is the Orphan Drug Tax Credit and How Does It Work?" February 20, 2025, https://accountinginsights.org/what-is-the-orphan-drug-tax-credit-and-how-does-it-work/.

[79] Congress.gov, "H.R.5238—97th Congress (1981–1982): Orphan Drug Act (January 4, 1981), https://www.congress.gov/bill/97th-congress/house-bill/5238.

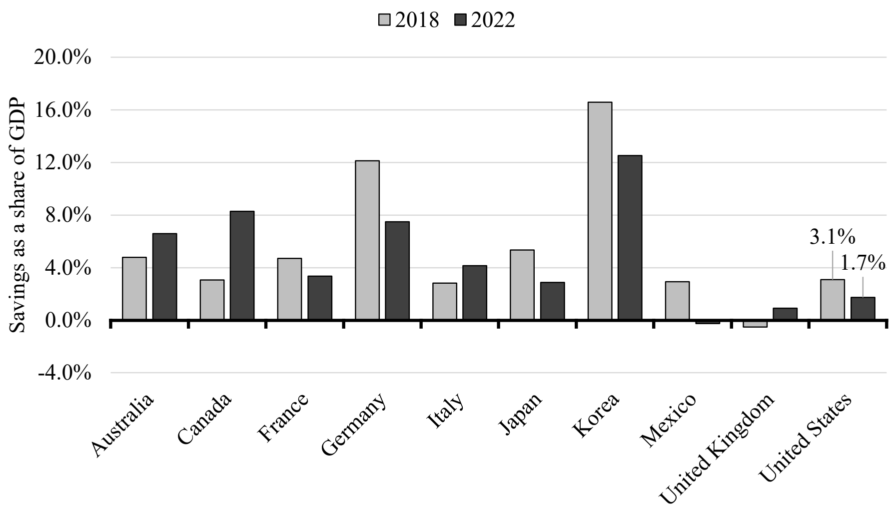
[80] Accounting Insights, "What Is the Orphan Drug Tax Credit and How Does It Work?"

[81] Eduardo Seoane-Vazquez, Rosa Rodriguez-Monguio, and John H. Powers III, "Analysis of US Food and Drug Administration New Drug and Biologic Approvals, Regulatory Pathways, and Review Times, 1980–2022," *Scientific Reports* 14, no. 1 (2024): 3325, https://doi.org/10.1038/s41598-024-53554-7.

[82] Congressional Budget Office, *Research and Development in the Pharmaceutical Industry*.

and growth as government deficit spending continues its upward trajectory. SECURE 2.0 was a 2022 tax reform that encouraged savings, and the OBBBA had several pro-savings reforms: Trump Accounts, expansion of HSA availability, and indexing contribution caps for 529 accounts. There is, however, more that can be done. A "SECURE 3.0" tax reform package could include: marginal IRA accounts inspired by the charitable deduction in OBBBA, expanded tax credits for small business 401(k) accounts, expansion of the Saver's Credit, and expansion of catch-up windows. A SECURE 3.0 could also consider portable benefits and standardization of rollover protocols across financial accounts. One potential benefit of higher savings is the potential to reduce the size of the population that is dual-eligible for Medicare and Medicaid. By encouraging and increasing savings, it may be possible to delay or prevent those over 65 from depleting savings to the maximum countable asset threshold required for Medicaid eligibility. This may help to decrease Federal expenditure on a segment of the population that currently accounts for a disproportionate share of healthcare spending.[83]

Figure 19: Savings as a Share of GDP in Selected Countries



Source: Organization for Economic Cooperation and Development[84]

[83] The Medicare Payment Advisory Commission (MedPAC), *Health Care Spending and the Medicare Program* (July 2025), p. 33, https://www.medpac.gov/wp-content/uploads/2025/07/July2025_MedPAC_DataBook_SEC.pdf.
[84] Only selected major OECD economies displayed. Organization for Economic Cooperation and Development, "Saving rate," National Accounts at a Glance, https://www.oecd.org/en/data/indicators/saving-rate.html.

The nation continues to navigate a precarious path toward fiscal insolvency, demanding urgent action to avoid catastrophic consequences. While recent efforts in Congress have averted drastic tax increases, streamlined investment incentives, and endeavored to cut inefficiencies in Federal spending, more must be done to remain aligned with the goals of the *Employment Act of 1946*. Congress should prioritize policies that facilitate high-skilled immigration, strategically promote technological innovation, work to build a healthier population, and enable economic expansion as solutions to America's pressing challenges.

Sincerely,

Representative David Schweikert
Chairman
Joint Economic Committee