



Top 10 Reasons to Support Rep. Connie Mack's Penny Plan

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1. It Would Cut Federal Spending By One Percent for Six Consecutive Fiscal Years.

The Penny Plan would require Congress to cut just one penny out of each dollar it spends every year for six years. These gradual cuts over the next six years will balance the federal budget.

2. It Would Cap Overall Spending at 18 Percent of Gross Domestic Product (GDP) Starting in Fiscal Year 2018.

Congressional spending consumes approximately 25 percent of GDP. Federal revenue from taxes over the past 40 years has averaged about 18 percent of GDP, making 18 percent a reasonable limit for spending if Congress is in fact interested in balancing the budget for the long haul.

3. It is a Very Simple Plan.

The Penny Plan is simple and straight to the point. Cutting federal spending by one percent every year for six years is clear enough for everyone to understand. Unlike many Washington schemes, it's not a complicated proposal.

3. It Would Reduce Overall Federal Spending by \$7.5 trillion over the Next Ten Years.

Federal spending has risen to unprecedented levels which threatens our economic freedom. The Penny Plan would significantly cut government spending overtime and set us on the path towards fiscal responsibility.

4. It Would Balance the Federal Budget by 2019.

The current U.S. budget deficit is an unprecedented \$1.6 trillion. The Penny Plan would bring the federal budget into balance this decade.

5. It is a Popular Idea with the American People.

The majority of Americans support balancing the federal budget. The Penny Plan which would balance the federal budget by 2019 should gain widespread support.

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6. It is a Modest Plan.

The Penny Plan is far from radical. These gradual cuts are more likely to gain bipartisan support rather than a big dramatic cut. With our national debt at \$14.4 trillion, everyone should agree that we can cut just one percent of federal spending over the next six years.

7. The Plan Contains No Gimmicks or Budget Tricks.

The Penny Plan would cut real spending. Many other proposals only “cut” spending from a bloated Congressional Budget Office (CBO) baseline. The CBO baseline predicts what would happen over the next decade given current projections of taxation and spending. These plans don’t actually reduce spending since these “cuts” are just reduction in the amount they had hoped to increase spending. The Penny Plan would cut from current amounts being spent and not anticipated spending off a phony baseline.

8. It Gives Congress Some Discretion on What to Cut.

The one percent spending cuts will be achieved one of two ways. The first way is that Congress and the President could work together to cut federal spending by one percent each year. This will allow them to prioritize what cuts are the most important.

9. It Will Trigger Automatic, Across-the-Board Spending Cuts If No Deal Can Be Reached.

The second way that the Penny Plan reduces spending is through an automatic, across-the-board cut. If Congress and the President are unable to reach a compromise, the bill triggers automatic, across-the-board spending cuts to guarantee that the one percent reduction is met. This plan would then force lawmakers to cut any of their sacred cows.

10. It Will End Washington’s Unprecedented Spending Spree.

The Penny Plan will ensure that Washington cuts spending and balances the federal budget. We cannot afford to continue Washington’s reckless spending spree. It’s a good step in the right direction to get our fiscal house in order.

