



## United States Senate Budget Committee

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### Gimmicks The President May Use To Claim Trillions In Phony Budget Savings

When the president releases his budget on Monday, February 13th, he will most likely claim some large amount of “savings” in an effort to create the appearance that his administration is actually committed to cutting spending. However, we know from gimmicks in the president’s past proposals that he may claim to “save” \$3 trillion with no savings at all (which are properly defined as spending cuts). The only deficit reduction would stem from tax hikes that sustain wasteful spending.

Here is how the president can claim big “savings” in his budget while in reality making no net cuts or reforms:

\$2.1 trillion – savings from already adopted Budget Control Act (BCA) cuts built into the baseline (cuts never proposed by the president)

\$1.6 trillion – Tax hikes

\$0.3 trillion – Interest savings from tax hikes counted as spending cuts

\$0.6 trillion – Mystery savings from unspecified policies, including revenues to support the surface transportation reauthorization or extend current physician payment rates

\$0.8 trillion – War savings gimmick, a widely criticized trick to count money we never planned to spend on the war as “savings”

**\$5.1 trillion – Total** (or \$3 trillion if they do not attempt to claim the BCA cuts)

Once CBO’s reestimate is released, we should see purported “savings” drop even further. For instance:

\$1.0 trillion – Rosy economic outlooks

\$0.5 trillion – Optimistic technical assumptions

**\$1.5 trillion – Total**