

**Testimony of Heather Pfitzenmaier**  
**Before the Senate Budget Committee**  
**February 25, 2015**

Thank you Chairman Enzi, Ranking Member Sanders, and the distinguished members of the Budget Committee for the invitation to speak here today.

My name is Heather Pfitzenmaier, and I am the Director of the Young Leaders Program at The Heritage Foundation. Before I begin, the views I express in this testimony are my own, and should not be construed as representing any official position of The Heritage Foundation. Heritage is a 501(c)(3) nonprofit research and educational institute. The mission of Heritage is to formulate and promote public policy based on individual freedom, limited government, free enterprise, traditional American values, and a strong national defense. The vision is to build an America where freedom, opportunity, prosperity, and civil society flourish.

In my role as Director of the Young Leaders Program, I have the privilege of overseeing our internship program, campus outreach, and other Heritage programs which connect with young Americans. I also am involved with and serve on the advisory boards of other youth organizations. So, in my work, I have the opportunity to hear from young Americans every day about their aspirations, challenges, and hopes for the future.

I am here to be a voice for young people and to say that I do not want my generation to be doomed as the debt-paying generation. If Congress does not act to reduce the spending, deficits, and debt, that is exactly what my generation and subsequent generations will be: saddled with debt.

Think about the young people you might know, like Kimberly. She is coming of age in a weak economy, where for many it has been very difficult to find a job. She already knows that she will graduate from college with a huge personal debt. Now, she must also think ahead to the future and the massive public debt that is coming to her and other young people. According to publicly available information, by 2028, when millennials will be in their mid-to late 30s, the public debt per capita is estimated to reach \$66,000. It is jarring to imagine having a mortgage this size but without the asset of a house.

If Congress does not act, my generation and the generations to come will face many unpleasant consequences. Some will be felt immediately. Some will be felt much later in life. I am here to voice some of the concerns I hear about the debt and how it impacts young Americans' hopes for the future. I hear them from the nearly 200 interns from all across the nation who I oversee each year. I hear from students at the campuses I visit, conferences I attend annually, and groups I host at Heritage.

**Higher debt threatens opportunity and stifles growth.** Not only will student loans be more difficult to pay off for those who chose to go to college, but it will mean less money available for savings, for education, for retirement, and for health care. Young people have and may continue to face a weak economy. Overall, we fear slower and lower earnings over our lifetimes. The result will be real consequences for our lives. We all know young people who are confronting these challenges already. Maybe, like Jeff, they still live with their parents, because cannot yet afford to live on their own. Countless young people are underemployed – perhaps with a college degree and not working in their professional field. Or even worse, they are not employed at all. Individuals cannot get those years back. The earnings they could have made cannot be recouped. These job opportunities and experience are gone.

**Excessive debt also hinders businesses trying to get a loan to start or expand and grow.** Young people come from all backgrounds, with different passions and goals. Some want to launch a start-up. Others, many of whom just started their families, want to sell something on Etsy, a great online platform for individuals to sell their homemade goods, and work flexible hours to be available for their families. These young professionals do not want to have government create barriers that hinder them from making a positive, productive impact for themselves, their families, and their communities.

**Higher debt increases the likelihood of inflation.** Higher debt can lead to higher interest rates. What about the young person thinking through whether they can afford college? Or starting their business? Or buying a home for their new and growing family? What is our outlook for the future?

**Higher debt can lead to higher taxes.** Higher taxes eventually mean less money going into the pockets of young people when they need it and are growing their families. If, as we fear, economic growth will be slower, incomes will be less. For many in my generation, it will mean we will less choice about the size of our families. We will buy our first home later in life – if we can ever afford one. All of these have a ripple effect on other industries.

My generation doesn't want to be the first generation in living memory to have a poorer future than our parents did. One of the things that is so great about our country and Americans, has been that each generation desires to leave our nation and world a better place than they found it. At least that is how it worked in the Sexton and the Pfitzenmaier families. My generation does not want to be the first generation unable to leave things better for our children and grandchildren. It will be because the Congress failed to act when it could to make sure we will not become the debt paying generation.

How long can we pass higher and higher levels of debt along to the next generation? I am here to ask you to make the necessary changes and be a part of the solution. I am fortunate to be able to be here, to have the opportunity to speak to all of you. Many in my generation do not – many are not even old enough to vote yet. They do not have the same opportunity to speak up. Is it right to leave all of this debt and its real consequences – to a generation that has not had a role in making these decisions? And many still cannot get involved to change the course.

Individuals in their 20's and 30's should be launching our lives, building our future. Instead, we and those younger than us are burdened by this ever-growing and looming debt and the impact it currently has and will have on our earning potential.

This is no longer just a fiscal moment. It is a moral one. Young professionals starting a family do not deserve to be bearing the burden of all this debt. Students finishing high school and college do not deserve reduced economic opportunity and mobility. Our nation deserves action. Americans deserve solutions. We all deserve an America where there is opportunity for all and favoritism to none.

Thank you.