

Digital Field Guide

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Thank you for joining The Can Kicks Back (TCKB) community!

We're excited to have your support as we work towards a better future for our generation and the country.

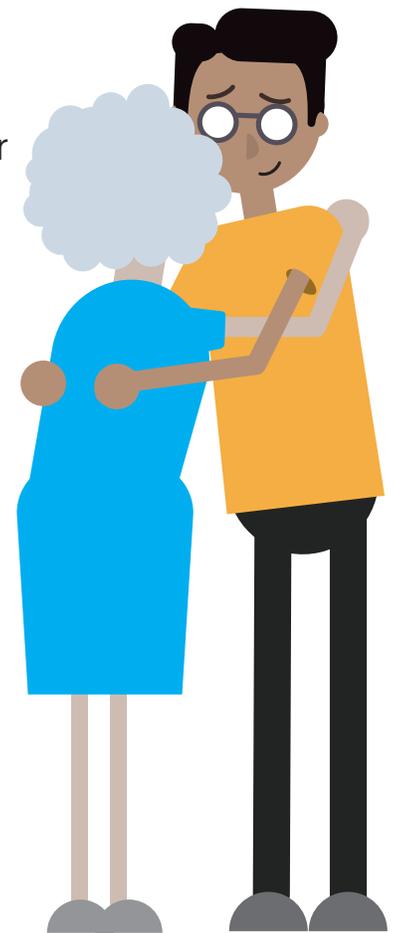
TCKB's mission is to educate, organize and mobilize young Americans in order to promote a sustainable, generationally balanced federal budget and with your help we can advance these principles.

Of all the issues facing us, why is fiscal reform so important? Well, because it all comes down to money. Everything that we need and want for the future comes down to how we spend and invest. If we do not change our current path we will no longer be able to care for the weakest among us or provide for the future.

This guide will help you get more active in advocating for fiscal sustainability, economic growth and better future for all of us.

Thanks again for your participation and we look forward to working with you!

Ryan Schoenike
Executive Director
TCKB

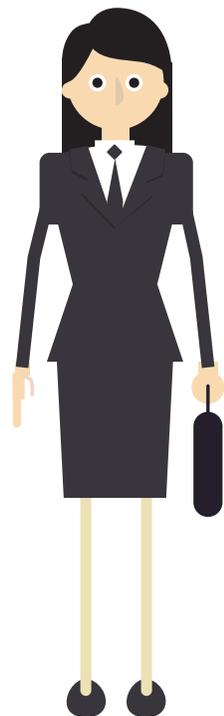


Getting Started

Growing our movement depends on supporters like you signing up as a volunteer and spreading the word. In the past TCKB has had a very strong chapter program, but due to current legislative priorities, we're focusing on digital efforts and will be ramping up the chapter program again at the end of 2015 in advance of the 2016 elections. If you're interested in starting a chapter, feel free to email us at volunteer@thecankicksback.org.

Right now we're looking for Digital Advocates to engage in a variety of actions ranging from sharing TCKB content all the way to creating content like graphics, memes and blog posts.

- Follow [@AmeriCAN](#) on Twitter
- Like [The Can Kicks Back](#) on Facebook
- Download The Can Kicks Back app for [iPhone](#) or [Android](#).
- If you'd like to write a blog post or submit content, please contact volunteer@thecankicksback.org and see the submission guidelines.
- If you are interested in writing an op-ed for your local paper, we are happy to help provide facts and help reachout for placement. Email volunteer@thecankicksback.org with "Op-ed" in the subject line.



Submission Guidelines

Blog and content submissions must meet the following guidelines:

- The submission must be an original work. It can be adapted from a longer piece, BUT it must be your work.
- The submission must not be offensive (racist, sexist, generally inflammatory, etc.)
- Blog submissions should be approximately 500 words
- Preference will be given to Millennials
- Topics should focus on TCKB's core areas such as tax reform, infrastructure, innovation, fiscal reform and more personal stories about how the current economy has impacted you.
- Visual content must be submitted in a JPEG or PNG format.
- Citations (if needed), must be included with the submissions.

To submit content or for any questions, contact volunteer@thecankicksback.org.

TCKB reserves the rights to request/make edits (we will contact you before publishing to discuss any proposed changes) and reject proposed submissions.

Consequences of Fiscal Irresponsibility

Though we may not realize it we all have been impacted in some way:

Employment opportunities. Faced with unemployment and under-employment as a result of the Great Recession, Millennials are also affected with student loan debt (as a result of increased higher education costs) and increased costs of living, impacting things like buying a home, starting a family, and saving. The less money we make, the less we pay in taxes, and the less able we are to fund our obligations.

Providing for the future. In the past, the federal government, through the funding of research and development, has helped to create a vast array of things from the internet to mapping the human genome that have improved our quality of life and grown the economy. We need to invest in projects that will keep pushing us forward, addressing pressing issues like healthcare and energy and sustaining long-term investments like infrastructure.

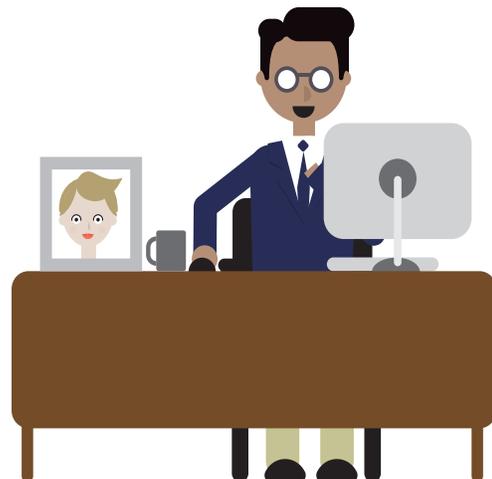
Global Competitiveness. As other countries grow investments in innovation and infrastructure, the US is investing less and falling further behind. As a result we will be less able to compete in an increasingly competitive global economy. The more money we spend servicing our debt, tax loopholes, and unsustainable programs the less in-control over the future.

About the Millennial Generation

Millennials can make a difference; we're a large, diverse, well-educated, and hyper-connected generation.

- There are over [80 million](#) Millennials
- Millennials make up [36%](#) of the workforce today and will be [46%](#) by 2020
- [72%](#) of Millennials have graduated high school and of those graduates, [68%](#) will go on to enroll in college. In total, [34%](#) hold college degrees.
- Our current spending power is over [\\$200 billion](#) and by 2017 it will outpace the Baby Boomers
- There are more eligible voters under 30 than over 65 today, and Millennials made up [29%](#) of eligible voters in 2012

As a generation we've seen both the best and the worst. We watched as a world of infinite possibilities has shrunk with economic recession. We've struggled through political and social changes, yet we're still trying to remain optimistic that we can each have our own little piece of the American Dream.



TCKB Core Beliefs

Our current fiscal path is unsustainable. The increasing gap between federal spending and revenue won't provide for our existing obligations nor does it allow for future planning.

We need bipartisan and intergenerational solutions. The future isn't partisan, nor is it only up to the current generation of leaders. The millennial generation faces a dimmer future of increased debt, fewer jobs, and a lower standard of living. We need to come together to create meaningful solution.

The longer we wait, the greater the burden. The longer we delay, the greater and more complex the burden becomes and further impacts our futures.

Any Solution Should:

Achieve fiscal sustainability and generational equity. Our budget should provide for current programs without passing the bill to the future and in a way that provides for critical investments to make the economy stronger and more globally competitive.

Be built on bipartisanship and "Generationship". We need to come together across partisan and generational lines to agree on meaningful solutions that can gain broad-based support and be sustainable in the long run.

Be built on compromise and shared sacrifice. A generationally balanced budget will require shared sacrifice, but it also needs to protect those most vulnerable. We all need to take part regardless of age or socio-economic status. We're all in this together.

Issue Guide

In an increasingly competitive global economy, the United States is falling further behind and Millennials and future generations will be inadequately prepared to compete in the global marketplace.

Mandatory spending is taking up increasing amounts of the federal budget, and doesn't allow for the investments needed for the future. In order to provide for the future, we need to have tax and entitlement reform coupled with strategic investment.



Investments in Infrastructure

The US's current investment in infrastructure isn't enough to provide for maintenance and doesn't allow for future planning. In order to compete, we need to spend \$3.6 billion by 2020 just to bring our roads, waterways and public transit up to code. In the US:

- 32% of roads are classified as being in either mediocre or poor condition
- In 2013, 148,000 bridges were declared structurally deficient.
- 45% of Americans lack access to any transit
- In 2014, U.S. infrastructure ranked 21st in the world

If nothing is done by 2020, our rapidly deteriorating infrastructure is not only a safety risk but it will cost the country \$3.1 trillion loss to the GDP, 3.5 million jobs, \$1.1 trillion in lost trade, which translates to \$28,000 in lost income to the average American family.

For more information visit: www.thecankicksback.org/infrastructure

Investments in Innovation

Government support for research and development (R&D) is crucial to the continued competitiveness of our economy and has led to great things like the internet and GPS.

- Government spending on R&D has fallen from 11.6% of the total budget in 1964 to 3.4% in 2014
- The U.S. ranks sixth on the 2014 Global Innovation Index
- Between 2000 and 2009, China increased its R&D spending 330% and South Korea has increased their spending by 250% while the United States has only increased R&D spending by 45%.

For more information visit: www.thecankicksback.org/innovation

Tax Reform

The current US tax code is grossly inefficient and plagued with loopholes, costing us \$1.3 trillion dollars in 2013. The current system also chooses winners and losers, so much that 50% of tax breaks went to the top fifth of households, while only 8% of tax breaks went to the bottom fifth. It undermines our global competitiveness and jeopardizes future investments.

For more information visit: www.thecankicksback.org/taxes

Entitlements

Social Security and Medicare have been some of the best programs this country has ever created. Yet, their structure has not evolved as the country has changed. Without adjustments, future generations will be burdened with paying more into these programs and getting out less.

- In 2033, Social Security only be able to pay out 77% of promised benefits
- In 2030, Medicare Part B will only be able to pay out 85% of promised benefits

For more information visit: www.thecankicksback.org/budget101

Find your polling place and learn more about voting in your area at:
www.vote411.org

Budget 101

What is the federal budget?

Submitted every year as a request by the President of the United States to Congress, the federal budget contains all the funding requests for executive branch departments (like the Department of Defense) and Independent agencies (like the Environmental Protection Agency). Once Congress receives the budget, it will hold hearings, and appropriate and authorize funds. The funding will be voted on by both chambers and once passed, will be submitted to the President for signature or veto. Not the entire budget is appropriated this way, there is some spending that is authorized by legislation and the funds will be allocated in accordance with the legislation.

Mandatory Spending

Mandatory/direct spending is created by legislation and funding is automatically available every year as appropriated. In 2013 mandatory spending was \$2 trillion, [65%](#) of which was spent on Social Security and Medicare. Other mandatory spending includes things like: income security programs (unemployment, nutrition assistance, Supplemental Social Security), certain refundable tax credits, retirement benefits for civilian and military employees of the federal government, veterans' benefits, student loans, and agriculture programs.

Social Security

Social Security was established in 1935 to provide guaranteed retirement income, and was later expanded to provide for the disabled. In 2013, [57,978,610](#) people were provided [\\$803 billion](#) in benefits.

Social Security operates on a pay-as-you-go system, so current workers, in the form of a payroll tax, are paying the current benefits. The system had run a cash surplus from excess payroll tax revenue until 2009, and in 2010, the Social Security Trust Fund began running a cash flow deficit. In 2013 Social Security's deficit reached [estimated \\$75 billion](#), and is expected to grow to \$538 billion a year in 2032, when the program will cost [\\$2.5 trillion](#) a year to operate.

Medicare

Medicare was established in 1965 to provide healthcare insurance program to seniors 65 years and older and has since been expanded to include coverage for the disabled. In 2013 the program provided coverage to [52 million people](#), totaling [\\$492 billion](#). Increasing costs of Medicare can be attributed to rising healthcare costs and program expansion.

Medicare consist of four parts:

- Part A: Hospital Insurance (HI) covers inpatient hospital services, skilled nursing care, hospice care, and some home health services.
- Part B: Supplementary Medical Insurance (SMI) covers physician services, outpatient services, and some home health and preventive services.
- Part C: Medicare Advantage (MA) is a private plan option for beneficiaries that covers all Parts A and B services, except hospice. Individuals choosing to enroll in Part C must also enroll in Part B.
- Part D covers outpatient prescription drug benefits.

Discretionary Spending

Totaling [\\$1.180 trillion](#) in 2014, discretionary spending is "[the part of federal spending that lawmakers generally control through annual appropriation acts](#)". It "[covers the costs of routine activities](#)" associated with running executive branch departments, Congress, and U.S. government operations abroad. These appropriations acts provide agencies with what is known as "budget authority" to receive money from the Treasury as well as to assign and spend it accordingly. While most agencies receive budget authority on a yearly basis, there are some that receive their authority through authorizing legislation, such as the Federal-Aid Highway Program; for these programs, appropriations bills impose limitations. Discretionary spending can broadly be broken down into [49.49%](#) defense and [50.51%](#) non-defense spending. (2014 projected figures)

How did the debt get to over \$17 trillion?

The federal debt has historically been higher in bad economic times and lower in good times, but high debt-to-GDP ratios have become the norm rather than the exception. Peaking at a height of [117% of GDP in 1945](#), high tax revenues produced by unprecedented economic growth caused the debt-to-GDP ratio to slowly decrease over the next 35 years, reaching a low of [25% in 1973](#). The decline began to reverse in the 1980s with increased defense spending and tax cuts, hitting [48% in 1994](#), but began to reverse with increased economic activity. The events of the early 2000s and the Great Recession have again pushed the federal debt higher, projecting to reach [74% by the end of 2014](#) and increasing up to [79% by 2019](#).

Who owns the debt?

According to recent data from the Congressional Research Service, [\\$5.804 trillion](#) out of our total publicly held debt is held by foreign investors. Of these foreign investors, the largest foreign holders are [China with more than \\$1.270 trillion and Japan with \\$1.182 trillion](#). These two nations account for more than 42.3% of all U.S. debt held by foreign governments. As CRS notes, substantial foreign ownership of U.S. debt can pose a significant long-term risk to the American economy: Interest payments on foreign-owned debt instruments will likely leave our shores, removing billions of dollars in potential investment from our economy. That's not to say that American-owned debt is particularly virtuous, either. Domestic purchases of US debt can lead to what economists call "crowding out", whereby money available to invest in the private sector is [instead used to finance the debt](#).

Taxation and Tax Expenditures

In 2013, the federal government collected [\\$2.775 trillion](#) in revenue in the form of which [47.4%](#) of total revenues came from individual income taxes, [34.2%](#) coming from social insurance taxes, and [9.9%](#) coming from corporate income taxes.

Tax expenditures or tax credits have become a policy mechanism, in which certain individual choices are promoted. In 2013, the estimated 200 expenditures would have totaled [\\$1.3 trillion \(or 28%\)](#) of the federal budget. They have increased by [96%](#) between 1991 and 2013, and Congress has created [50 new tax credits since 1986](#).

Interest on the Debt

Interest on the debt is the fastest growing portion of the federal budget. In 2024, we will be spending [\\$799 billion on interest](#) or 14% of the total budget, compare that to 2014 when interest made up 7% of the total budget at a cost of \$231 billion. The projected interest cost in 2024 will be more than the entire Department of Defense or the combination of almost every government agency (excluding Social Security, major health care programs, veterans benefits, and income security). For example, take the Department of Education, Department of Energy, and Department of Education, add them all up, double their budgets and you still would not be close to the cost of projected interest.