Fiscal Dashboard Proposal (Fiscal Landscape; Fiscal Gauges; Fiscal Barometer)

* CBO 10-year Outlook

1. Revenues by type (stacked line chart?) as share of GDP
2. Outlays – Discretionary, Mandatory as share of GDP
3. Revenues/Outlays as a share of GDP History and ten-year projections
4. Deficits, share of GDP

* Long-term Federal Budget Outlook

1. CBO Baseline Deficit Through 2035
2. Chart with CBO and SSA OASDI Expenditures (and revenues?) as share of GDP
3. Chart with CBO and CMS Medicare Expenditures as share of GDP

* Near-Term Macroeconomic Effects of Fiscal Policy (Hutchins FI)

1. Picture of Employment Growth and Real Construction Growth
2. Fiscal Condition of the States (from NASBO or NCSL)
3. Deficits past 12 months compared to previous, or FY to date (Table best?) – Updated Monthly with CBO Monthly Budget Review
4. Fiscal Impetus for both state and local and federal. [This will take some work but might be most useful component.] /
5. Cyclically adjusted and actual deficits?

* Health Costs

1. CBO’s health cost assumptions for private/Medicare
2. Recent trends in the growth of health expenditures (NIPA, CMS ?)
3. Recent trends in measured health prices

Guide to FI (Fiscal Impetus)

See, Glenn Follette and Byron Lutz, FEDS WP 2010-43,“Fiscal Policy in the United States, Automatic Stabilizers, Discretionary Fiscal Policy Actions, and the Economy” <http://www.federalreserve.gov/pubs/feds/2010/201043/201043pap.pdf>

* Fiscal policy can be thought of as having two components: an automatic component (automatic stabilizers) and a discretionary component
* Automatic stabilizers increase people’s income during recessions
  + e.g., with progressive taxation, tax rates decline when income declines
  + Unemployment benefits, food stamps, Medicaid, etc. typically increase during recessions
* Discretionary fiscal policy represents changes to legislation (tax increases, spending cuts, etc.)
* FI only measures DISCRETIONARY fiscal policy
* Why?