

## Saving Our Fiscal Ship

This assignment puts you—the student—in charge of attending to the long-term health and well-being of the United States of America (no small task!). Utilizing a simulation created for the Brookings Institution called *The Fiscal Ship*, you will learn about the relationships that exist between federal decision-makers and the numerous policy decisions they make in a highly political environment. Given the condition of the national debt and ongoing levels of deficit spending, you are tasked with no less than saving the country by mid-century!

### About the Game

*The Fiscal Ship (<http://fiscalship.org/>) challenges you to put the federal budget on a sustainable course. Measured as a share of gross domestic product, the federal debt is higher than at any time since the end of World War II and projected to climb to unprecedented levels. America is looking at a permanent, growing mismatch between revenues and spending, and policymakers are faced with difficult decisions about how to reconcile important government priorities—including retirement and health benefits promised to the growing number of old folks—with the tax revenues that the current tax code will yield. Today’s tax code won’t yield enough revenue to pay for basic services of government plus the retirement and health benefits promised to the growing number of old folks. So your mission is to pick from a menu of tax and spending options to reduce the debt from projected levels over the next 25 years. Small changes to spending and taxes won’t suffice. The choices are difficult, but the goal is achievable.*

*But budget decisions aren’t only about fiscal sustainability. They also shape the kind of country we live in. To win the game, you need to find a combination of policies that match your values and priorities AND set the budget on a sustainable course.*

According to the Game, the Governing Goals of public policies include:

Invest in the Future	Protect the Elderly
Rein in Entitlements	Fight Climate Change
Shrink Government	Reduce inequality
Tax Cutter	Strengthen National Defense
Fiscal Hawk	Donald Trump’s Priorities
Democratic Priorities	Strengthen Social Safety Net

Inside the game, you will find the categories into which most significant public policies are organized:

In the News	Infrastructure & Transportation	Labor & Employment
Arts & Sciences	Food & Agriculture	Children & Families
Social Security	Energy & Environment	Corporate Taxes
Tax Credits & Deductions	Defense & Foreign Affairs	Health
Law & Order	Other Taxes	Income & Payroll Taxes
Education	Taxes on Investments	

### Instructions

Run the simulation *three separate times* so that you can observe the outcomes through the lenses of the three different broad Governing Goals you select (or let the game choose the goals for you).

For example, make your first run “Fiscal Hawk,” where your three goals are to “Lower future debt, greater future opportunity,” “We’re borrowing from the future,” and “Live within our means.”

Make your second run “Invest in the Future” and your goals “Invest now for rewards later,” “Improve our roads and airports,” and “Invest in innovation.”

Finally, for your third run, choose the goal to “Reduce inequality” with the goals of “What about the 99%,” “We’re too rich to accept poverty,” and “Share the wealth.”

Your choices should reflect different ideological preferences so that you experience different kinds of results. Each time you run the simulation, look for changes in the budget projections. You will notice these as you tinker with policy decisions.

## **Essay**

To complete this assignment, prepare an essay in which you respond to each of the prompts listed below.

- How did the policy choices differ among the three Governing Goals you selected?
- How difficult was it to pursue your goals while also hitting the debt target?
- Did the policy options have the impacts—either on your fiscal target or governing goals—that you expected?
- Did some choices have bigger or smaller impacts on the debt than you had anticipated? What were they?
- What do you think the political obstacles would be to enacting your plan?
- What did you learn from doing this exercise that you didn’t already know?

For reference purposes, considering reviewing relevant information in the *American Government* textbook:

- Congress
- The Presidency
- Domestic Policy
- Foreign Policy