



Written by [Thomas R. Eddlem](#) on October 29, 2012

## CNN: Obama Deficit Math Doesn't Add Up

CNN's Erin Burnett took only [four minutes](#) on October 23 to destroy the Obama administration's claim that the president's budget plan would eliminate \$4 trillion in deficit spending over the next decade, a television segment that sent the Obama campaign into damage control mode for the past week.

While the Obama administration followed up with new figures for CNN reporters, Burnett [concluded](#) in an October 25 segment that even with the new figures the Obama campaign's math "it still doesn't seem to add up."

Burnett's original October 22 segment [noted](#) of a new Obama campaign brochure, that "They put a lot of time and effort into this glossy thing, because three-and-a-half million copies are going to be mailed to swing state households. Millions more are going to be given out door-to-door.... So what new information warranted this big campaign roll-out, just two weeks before election day? Well, nothing really. And the campaign admits as much."

Burnett then used an audio segment of Senior Obama Campaign Advisor David Axelrod, who admitted that Obama's new plan was the same as Obama's old plan. Burnett then went on to [deconstruct](#) the Obama deficit claims:

What we've got is a fancy repackaging of the ideas we've heard before.... Here's the problem. Some of these ideas still don't add up. So let's take the core of it: The President's tax and deficit plan. According to the glossy, and I'll read it here, "President Obama's plan reduces the deficit by more than \$4 trillion over the next decade." How, you might ask? Well, first, the President includes a trillion dollars in spending cuts already signed into law last year. So those are cuts already on the books, no matter who's in the Oval Office. So, maybe then it's \$3 trillion. But next, the President says "The plan makes sure that millionaires aren't paying lower tax rates than many middle class families." Now, to that end, the President plans to let the Bush tax cuts expire for households making above \$250,000 a year. According to the Joint Committee on Taxation, that would reduce the deficit by just \$829 billion over the next ten years, not even a quarter of the \$4 trillion that the President says he's going to guarantee. Now, the President also says he'll get there by cutting corporate loopholes and cutting spending. Of course, he doesn't say what loopholes or what spending. Sound familiar?

Burnett then [quoted](#) Obama from the final October 22 Presidential debate, where Obama [criticized](#) former Massachusetts Governor Mitt Romney for doing precisely the same thing:

You say that you're going to pay for it by closing loopholes and deductions, without naming what those loopholes and deductions are. And then somehow you're also going to deal with the deficit that we've already got. The math simply doesn't work.





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Burnett, a [former Goldman Sachs](#) investment banker and member of the Council on Foreign Relations, also [noted](#) that part of Obama's plan to "cut" the deficit involved eliminating war spending that was never planned:

The money spent in Afghanistan and Iraq was largely borrowed, [in] the President's words "put on a credit card." And he even wrote that in his glossy. So how can the President save the money which was borrowed in the first place? And how can he save money that he never intended to spend, since the administration has long said it would end those wars? It doesn't add up.

In sum: While Obama has openly advocated a huge deficit in perpetuity, he has also claimed he would "cut" the deficit by eliminating spending he never intended to ask Congress to appropriate. If Obama's campaign promises on the deficit don't add up, it wouldn't be the first time. Obama's formal [fiscal 2013 budget proposal](#) does involve a planned deficit of nearly \$1 trillion, with annual deficits amounting to \$613 billion when his second term would finish in 2017. Obama's original [2009 budget proposal](#) called for a \$512 billion deficit at the end of his first term, even though deficits have [exceeded \\$1 trillion each year of his presidency](#).

Burnett's October 23 CNN segment drew a quick response from the Obama campaign, which forwarded a 30-page document from Obama's Fiscal 2013 budget proposal to CNN with specifics about what loopholes would be shut. But Burnett [reported](#) that Obama's math on cutting the deficit still did not add up:

But does it add up to the President's claim of cutting \$4 trillion from the debt? Well, no. The non-partisan CBO analyzed this budget, and I'll quote them, "Over the 2013-2022 period, the cumulative deficit that would result from enacting the President's budget - \$6.4 trillion (or 3.2 percent of GDP) — would be \$3.5 trillion larger than the cumulative deficit projected under current law." So that's three-and-a-half trillion dollars in new borrowing they have to pay for before they even start the \$4 trillion in cuts.

Indeed, because many of the Bush-era and "stimulus" payroll tax cuts would expire at the end of the year under current law, much of the deficit would melt away under these stiff tax increases that would fall heavily on the middle class. If [current law](#) is followed, payroll taxes would increase from 5.65 percent of pay to 7.65 percent of wages, and income taxes would increase several thousand dollars on every middle class family. Neither Obama nor Romney have proposed either the tax increases or spending cuts needed to bring the budget into balance during the next four years.

*Photo: CNN anchor Carol Costello, left, and talk show host Joy Behar, right, flank CNN host Erin Burnett at a party launching her show, "Erin Burnett Outfront," on Sept. 27, 2011 in New*

*York: AP Images*



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