

Resource 5 (1 of 2)

Criteria, Questions, and Evidence for Evaluating Budget Proposals

Sample Response

Criterion: Debt is at a sustainable level.

Short-Term	
Questions	Evidence
Does any short-term borrowing involve a plan to phase out when the economy improves?	<ul style="list-style-type: none"> -Debt-to-GDP ratio -Content of specific proposal -Level of commitment or contractual obligation to phase out and repay debt

Long-Term	
Questions	Evidence
Are economic stimulus plans tied to things that could lead the economy to grow in the long term, increasing GDP and therefore reducing debt as a share of the economy?	<ul style="list-style-type: none"> -Debt-to-GDP ratio -Interest rates -Levels of private investment -Prior experience with long-term consequences of short-term stimulus

Resource 5 (2 of 2)

Criteria, Questions, and Evidence for Evaluating Budget Proposals

Criteria	Short-Term		Long-Term	
	Questions	Evidence	Questions	Evidence