

# Press Release: Launch of Fiscal Space Calculator

Available for immediate release

## Making the best use of limited fiscal space in the coming years

The Fiscal Council today launches the “Fiscal Space Calculator”, a new interactive tool that lets users explore alternative budgetary choices for the coming years.

The Fiscal Space Calculator lets users make their own tax and spending policy choices from 2022. It sets an overall limit for the fiscal space, which is set by the pace of underlying economic growth and an objective of steadily lowering debt from high levels.

As the Council has noted, fiscal space in the years ahead will be much more limited than in recent years. Even as the temporary costs of the Covid-19 crisis fade away, the €5.4 billion of permanent spending increases in *Budget 2021* has committed much of the growth in revenue to 2025. The cost of maintaining existing public services and benefits and current investment plans, spending needed to “stand still”, would use up much of the remaining space.

To fund new policy initiatives, choices will need to be made between raising taxes or reducing other areas of spending to keep debt on a prudent path. The Fiscal Space Calculator lets users look at different budget packages that achieve this.

Commenting on the new interactive tool, the Chairperson of the Fiscal Council, Sebastian Barnes, noted:

“While generous supports have been warranted during the Covid-19 crisis, fiscal space will be limited in the years ahead. There are significant pressures to spend more on health, housing, pensions and climate change. The Council has highlighted the need for the Government to set out how it will fund higher spending and how to prioritise the different policy objectives. The Council’s Fiscal Space Calculator provides a tool for anyone to explore what policy package they would look to see.”

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**Notes:**

1. The Fiscal Space Calculator is a new tool available on the Fiscal Council's website at [www.FiscalCouncil.ie/fiscal-space-calculator](http://www.FiscalCouncil.ie/fiscal-space-calculator)
2. This Fiscal Space Calculator remains a “beta” version. While significant efforts have been made to develop and check it, the Council intends to develop and refine it further over time. Any feedback would be welcome. The Council does not endorse any simulations produced by users using the calculator.
3. Mr Sebastian Barnes (OECD) is the Chairperson of the Fiscal Council. The other Council members are Dr Adele Bergin (ESRI), Prof Michael McMahon (University of Oxford and St Hugh’s College), Ms Dawn Holland (NIESR), and Mr Alessandro Giustiniani.