



U.S. House of Representatives
WASHINGTON, DC 20515

PUBLIC DOCUMENT
OFFICIAL BUSINESS

*This mailing was prepared, published
and mailed at taxpayer expense.*

Paul Ryan
PPSRT STD M.C.

2008 ANNUAL REPORT



on the
**UNITED STATES
GOVERNMENT**



**CONGRESSMAN PAUL RYAN
SERVING WISCONSIN'S 1ST DISTRICT**

ANNUAL REPORT TO TAXPAYERS



*U.S. House of Representatives
Congressman Paul Ryan*

December 2008

Dear fellow taxpayer:

As taxpayers, we are shareholders in the federal government. Therefore, we are entitled to know how the government collects and spends our money. That is why I am sending you this 2008 Annual Report, which summarizes the challenges facing the U.S. economy and the federal government's balance sheet. It is important to consider a number of points as you read this year's report.

- **Recession hitting home** – With a national unemployment rate rising to 6.7%, over 10 million Americans are unable to secure jobs and the economy is in a recession. In Southern Wisconsin, mass layoffs in the manufacturing sector and across other industries have brought considerable financial hardship to our communities. In addition to job losses, hard-working Wisconsinites are finding it increasingly difficult to cope with strained credit markets, rising health care costs, and making monthly mortgage payments.
- **Broken federal budget** – While Americans have been cutting back during these hard economic times, spending by the federal government grew to new record highs, with outlays of over \$3 trillion in fiscal year 2008. Federal revenues have not kept up with record federal spending – resulting in a budget deficit of \$455 billion at the end of fiscal year 2008. Additional spending measures that are being proposed will likely drive our federal budget deficit past the unprecedented \$1 trillion mark in 2009.
- **Road to recovery** – Real, sustained growth comes from the work, savings, and investment of American families and businesses – not from the federal government. Efforts must be focused on encouraging these engines of economic growth by keeping taxes low, reforming regulations that are contributing to problems in financial markets, getting federal spending under control as introduced in my alternative balanced federal budget, and addressing the looming entitlement crisis as proposed in my Roadmap for America's Future (www.house.gov/ryan/roadmap).

While the economic figures are sobering, I believe it is important for elected officials to honestly assess the challenges we face as a nation. With the closing of the GM plant in my hometown of Janesville, and seeing other Wisconsin businesses suffer under the current economic conditions, I have been moved by both the heartache of this recession and the perseverance of our communities. In Janesville and across Southern Wisconsin, I believe that by renewing our sense of purpose, our best days lie ahead.

I hope you find this Annual Report helpful in taking account of our economic crisis, and in finding hope in the road to recovery. As always, please feel free to contact me if I can be of assistance to you in dealing with the federal government. I am always happy to respond and be of service to you.

Sincerely,

Paul Ryan

Paul Ryan
Serving Wisconsin's 1st District

CONTACT PAUL AT:

MAIL: 20 S. Main St. #10, Janesville, WI 53545
PHONE: 1-888-909-RYAN (7926)
FAX: (202) 225-3393
WEBSITE/EMAIL: www.house.gov/ryan

The Problem: How Did We Get Here?

The mistakes made on Wall Street and Washington go back several years. Fannie Mae and Freddie Mac, private companies created by Congress to promote home ownership, fueled the problem by creating a market for risky loans. With their implied government backing, these private companies borrowed cheaply on the backs of the taxpayer in order to create profits for their shareholders. Unfortunately, Congress did not adequately regulate these companies to stop this abuse.

At the same time, lending standards dropped sharply, so that by 2006 nearly 40% of mortgages were either subprime or near-prime loans. It became clear that the boom in housing prices was unsustainable. The expectation that subprime borrowers would be able to refinance their homes and remain up-to-date on their mortgages faded. Many of the home loans made were 'collateralized' into large securities that were of uncertain value. This uncertainty began to strain the books of financial institutions, many of which had purchased these mortgages. This caused the freezing of credit markets.

The lack of credit has had many effects on the economy. It has substantially reduced the ability for consumers to obtain and use credit, such as home equity loans, auto loans, student loans, and credit cards. The tightening of credit and fall of consumer spending has hurt businesses across our nation, most notably in the auto industry.

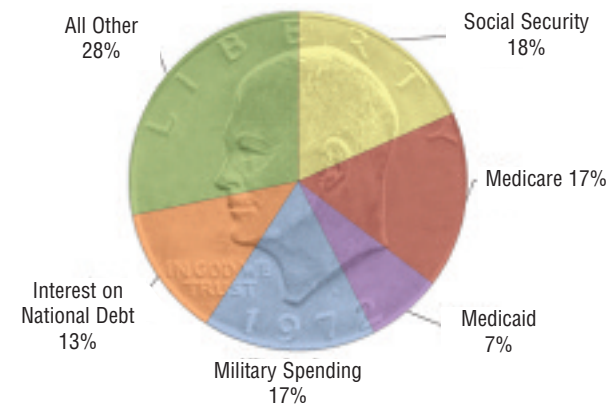
The Solution: Past Action and the Road Ahead

To address the serious economic crisis facing our country and to prevent the imminent collapse of our financial markets, Congress passed the Emergency Economic Stabilization Act, H.R. 1424, on October 3, 2008. The Bush Administration's initial recovery proposal was deeply flawed and rightly rejected. Fighting for a number of improvements and protections, I secured a better deal for Wisconsin workers and Wisconsin taxpayers. Specifically, I fought for the inclusion of an insurance program that ensured participating institutions would share in the costs of their own recovery, and provisions that increased oversight and transparency. Most importantly, I helped significantly reduce taxpayer risk, by working to include key taxpayer protections.

In the coming months, Congress will be considering additional measures to address the immediate problems with our economy. Some of these proposals may include targeted tax cuts, as well as billions of dollars in new taxpayer funding for infrastructure projects and State budget shortfalls. I will judge the merits of each proposal as it is presented to Congress based on its cost and benefit to taxpayers.

Finally, I have proposed a comprehensive reform proposal – "A Roadmap for America's Future" (www.americanroadmap.org) – that provides a blueprint for bringing America out of our economic and fiscal crisis. This Roadmap fulfills the mission of health and retirement security, lifts the crushing burden of debt from the shoulders of future generations, and strengthens American jobs and competitiveness.

Composition of Federal Spending—2008



Source: House Budget Committee Minority Staff

These poor decisions by both public and private institutions are the primary contributors to our economic downturn and have placed many Americans into dire straits. In November alone, 533,000 jobs were lost, and individual's retirement plans have lost tremendous value. The recession has devastated communities across America – especially those in Southern Wisconsin – and we must work together in building the road to economic recovery.

The challenges we face are not Democratic problems or Republican problems. These are America's problems, and cannot be solved exclusively by either party. We need to build bipartisan support for meaningful solutions, and I will continue to work on doing just that. America's entrepreneurial spirit remains strong, and I am confident that we will tackle these challenges, emerging as a stronger and more prosperous nation.



Source: House Budget Committee Minority Staff

Statement of Federal Revenues and Expenses

Revenues

	Fiscal Year			
	2007	2008	% of total	% change
Individual income taxes	\$1,163,472,000,000	\$1,145,748,000,000	37% ⁴	-2%
Social insurance taxes	869,607,000,000	900,363,000,000	29%	4%
User fees, earmarked taxes and receipts	573,640,000,000	609,194,000,000	19%	6%
Corporation taxes	370,243,000,000	304,346,000,000	10%	-18%
Excise taxes and customs duties	91,079,000,000	94,902,000,000	3%	4%
Miscellaneous receipts	47,228,000,000	49,654,000,000	2%	5%
Death taxes	26,044,000,000	28,844,000,000	1%	11%
Total	\$3,141,313,000,000	\$3,133,051,000,000		-0.3%

Expenses

Social Security	\$624,840,000,000	\$661,171,000,000	18% ⁴	6%
Medicare	584,291,000,000	604,914,000,000	17%	4%
Military Spending	529,726,000,000	596,310,000,000	17%	13%
Interest on National Debt	429,978,000,000	451,154,000,000	13%	5%
Medicaid	245,112,000,000	257,765,000,000	7%	5%
Administrative and Independent Agencies	208,915,000,000	246,500,000,000	7%	18%
Agriculture, Environment and Interior ¹	146,159,000,000	152,626,000,000	4%	4%
Treasury (not including interest on debt)	76,365,000,000	114,920,000,000	3%	51% ⁵
Veterans Programs	78,372,000,000	90,923,000,000	3%	16%
Education	71,268,000,000	71,846,000,000	2%	1%
Transportation	62,341,000,000	65,861,000,000	2%	6%
Labor	51,699,000,000	62,418,000,000	2%	21%
State and International Assistance ²	46,624,000,000	53,690,000,000	2%	15%
Housing	50,701,000,000	53,068,000,000	2%	5%
Homeland Security	45,739,000,000	48,279,000,000	1%	6%
Justice and Judiciary ³	30,210,000,000	33,789,000,000	1%	12%
NASA	15,872,000,000	17,840,000,000	1%	12%
Congress	4,296,000,000	4,406,000,000	*%	3%
The President	332,000,000	377,000,000	*%	14%
Total Expenses	\$3,302,840,000,000	\$3,587,857,000,000		9%
Deficit(-)/Surplus(+)	(-\$161,527,000,000)	(-\$454,806,000,000)		182%

Notes

1. Department of Agriculture, EPA, Department of Interior, National Oceanic and Atmospheric Administration, and Army Corps of Engineers.
2. Includes Department of State, International Assistance Programs, and Iraq Relief and Reconstruction Fund.
3. Department of Justice, Judicial Branch, and US Tax Court.
4. Percentage exceeds 100% due to rounding.
5. Increase due in part to distribution of stimulus checks by IRS.

Source: Final Monthly Treasury Statement of Receipts and Outlays of the United States Government for FY 2008, Department of Treasury, October 2008

* indicates less than 1%

Stay Informed

Sign up to receive Paul Ryan's Instant News Updates, keep up to date on Congress and learn about upcoming public listening sessions by visiting Paul's website:

www.house.gov/ryan

