



Our Stated Commitment To Limited Government And Fiscal Responsibility

“This year’s election offers the chance, after four decades of one-party control, to bring to the House a new majority that will transform the way Congress works. That historic change would be the end of government that is too big, too intrusive, and too easy with the public’s money. It can be the beginning of a Congress that respects the values and shares the faith of the American family.” Contract with America (1994)

Federal Spending Today

- Total federal spending in FY 2008 is projected to be \$2.87 trillion. This is the largest nominal amount ever spent in a fiscal year. *Source: CBO*
- Since 2000, the amount the government spends annually per household rose from \$19,016 to \$23,289 in 2006 – an increase of 22.5%. This is the highest level of spending per household since WWII. *Source: Heritage Foundation*
- In 2003, mandatory spending reached 10.9% of GDP for the first time ever and it is projected to grow to 12% in 2017 and then continue growing. *Source: CBO and OMB Historical Tables*
- Discretionary spending was 7.6% of GDP in 2007—up from 7.4% of GDP in 1995 (the last pre-Contract with America budget). *Source: CBO and OMB Historical Tables*
- The national debt is currently \$9.2 trillion. This comes to \$30,200 for every individual in America. The federal government has run a deficit in 42 of the last 47 years. *Source: House Budget Committee and OMB Historical Tables*
- Between 1997 and 2007, total federal spending increased 70.0%, for an average of 5.5% each year. Over the same period inflation has averaged only 2.7% per year. *Source: CBO, OMB Historical Tables, and BLS*
- Mandatory spending (excluding interest) has increased 72%, for an average of 5.6% each year since 1997. *Source: CBO and OMB Historical Tables*
- Discretionary spending has grown 79% overall and 6% on average since 1997. Defense discretionary spending grew 89% overall and 6.5% on average, in order to fund the global war against militant Islam and fill the Clinton defense deficit, but non-defense discretionary spending has also grown 69% and 5.5% on average. *Source: OMB Historical Tables*
- CBO’s budget projections assume the continuation of war funding through the ten-year budget baseline at the same spending rate as occurred in 2007. To the extent war spending is lower than this amount in future years, Democrats will have an opportunity to spend \$1.7 trillion on their domestic priorities without appearing to increase overall spending above the CBO baseline.
- The spending bills in FY 2008 contained more than 11,000 projects, up from 958 in FY 1996 (the first budget after the Republican takeover of Congress). The cost of these earmarks was more than \$15 billion, which is up from \$12.5 billion in FY 1996. *Source: Citizens Against Government Waste and Taxpayers for Common Sense*
- At the beginning of FY 2008, the President set a goal of reducing the value and the number of earmarks in the appropriations bills by half (using FY 2005 as the

baseline). Although Congressional Democrats paid some lip service to meeting this objective, the FY 2008 appropriations process did not end with this goal being met.

What Do The Voters Think?

- In 1995, when asked which party better controls government spending, the public gave the GOP an overwhelming 19% advantage (38%-19%). When asked this same question in 2007, the public gave the Democrats a 16% advantage. *Source: NBC/Wall Street Journal Polls*
- When asked in 1995 which party better handles the issue of the deficit, the public chose Republicans 50%-34%, a 16% advantage. When asked this same question in 2008, Americans chose Democrats 42%-20%, a 22% *GOP disadvantage*. *Source: NBC/Wall Street Journal Polls*
- In a January 2008 poll of suburban voters, by a 45 to 32 percent margin, respondents favor a “vote to ban all Congressional earmarks” over “earmarked appropriations for the local needs of your community.” By a 40 to 32 percent margin, independent also favored “a vote to ban all Congressional earmarks” over “earmarked appropriations for the local needs of your community.” *Source: National Suburban Survey, McLaughlin and Associates*
- When Republican voters were asked in a recent poll about what makes them most angry with Republicans in Congress, 20% (tied for the most common response) cited “their runaway spending” and 13% stated “the culture of corruption that surrounds them.” Spending was the primary problem that undecided voters had of the Republicans.

What Will Happen If We Do Not Act?

- According to a GAO study, in order to balance the federal budget in 2040, total federal spending would have to be cut by 60% or federal taxes doubled. It is not possible to “grow our way” out of this problem. As the GAO study put it, “Economic growth is essential, but we will not be able to simply grow our way out of the problem. The numbers speak loudly: our projected fiscal gap is simply too great. To ‘grow our way out’ of the current long-term fiscal gap would require sustained economic growth far beyond that experienced in U.S. economic history since World War II.”
- According to the same study, if gross debt is added to the many other federal liabilities, the burden per person is \$170,000—amounting to an unfunded burden of about \$50 trillion in 2006. By way of comparison total household net worth in the United States is equivalent to \$53 trillion.
- Federal spending on Medicare and Medicaid alone will increase from 4 percent of GDP in 2007, to 7 percent of GDP in 2025, to 12 percent of GDP in 2050, to 19 percent of GDP in 2082. To put these figures in perspective, the entire federal budget amounted to 20 percent of GDP in FY 2007. *Source: CBO*
- Government will grow from approximately 20% of GDP today to more than 40% of GDP in 2050. *Source: CBO Long-Term Budget Outlook*
- The federal tax burden, if left on auto-pilot, will increase from 18.8 percent of GDP in 2007 (it was 16.3% of GDP in 2003), to 21.4% of GDP in 2030, to 23.5% of GDP in 2050. The federal tax burden has never before exceeded 20.9% of GDP, not even during World War II. *Source: CBO and OMB Historical Tables*