



REPUBLICAN CAUCUS

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TWO BUDGETS: A COMPARISON

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Issue	Obama/Democratic Budget	House Republican Budget
Deficit	<ul style="list-style-type: none"> - \$1.8 trillion in 2009; \$9.3 trillion over 10 years. - Deficit equals 5.7 percent of GDP by 2019. 	<ul style="list-style-type: none"> - \$1.7 trillion in 2009 (\$100 billion lower than the President). - Deficits are \$3.3 trillion lower for the 10-year period. - Deficits fall below 3.0 percent of GDP over the 10-year period.
Debt	<ul style="list-style-type: none"> - Doubles the debt in just over 5 years; triples in just over 10 years - Debt equals \$17.3 trillion by 2019, or 82.4 percent of GDP. 	<ul style="list-style-type: none"> - Borrows \$3.6 trillion less, resulting in a 65.1-percent debt-to-GDP ratio.
Total Spending	<ul style="list-style-type: none"> - Spending nearly doubles, rising from \$2.983 trillion in 2008 to \$5.1 trillion in 2019. - Spending rises to 24.5 percent of GDP by 2019, 4 percentage points higher than the historical average. 	<ul style="list-style-type: none"> - Spends \$4.8 trillion less than the President over 10 years (through 2019). - Spending falls to 20.7 percent of GDP, about the historical average.
Discretionary Spending	<ul style="list-style-type: none"> - Increases total discretionary spending by 6.5 percent in 2010. - Increases nondefense spending by 9 percent in 2010. - In contrast, family income increases by 1.3 percent this year and inflation is projected to be 1.2 percent in 2010. 	<ul style="list-style-type: none"> - Freezes nondefense (excluding veterans) in 2010-14, then allows moderate increases through 2019.
Entitlement Spending	<ul style="list-style-type: none"> - Increases by \$1.4 trillion over 10 years. 	<ul style="list-style-type: none"> - Slows the average annual growth in mandatory spending from 5.3 percent to 3.9 percent.

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Long Term	<ul style="list-style-type: none"> - Increases Medicare's unfunded liabilities from \$36 trillion to \$50 trillion. - Does nothing to address insolvency of Medicare and Social Security. - Spending, deficits, and debt begin to spiral out of control by 2030 and eventually drag down the U.S. economy by 2060. - Debt exceeds 100 percent of GDP in 2030. 	<ul style="list-style-type: none"> - Begins reforms to ensure the Federal Government can meet the mission of health and retirement security. - Gains control of debt, which never exceeds 75 percent of GDP over the next 75 years. - Extends the American legacy of leaving the next generation better off.
Taxes	<ul style="list-style-type: none"> - Increases taxes by \$1.5 trillion, including taxes on investors, small business, and energy. 	<ul style="list-style-type: none"> - Provides tax incentives to use private capital, not taxpayer dollars, to unlock credit markets and encourage private sector investment and job growth. - Suspends capital gains tax through 2010. - Reduces corporate tax rate from second highest in the industrialized world to 25 percent. - Produces 2.1 million more jobs than the President in the fifth year of the budget.
Energy	<ul style="list-style-type: none"> - Imposes a national energy tax through a cap-and-trade proposal that will cost the average family \$1,600 annually. 	<ul style="list-style-type: none"> - Reduces U.S. dependence on Foreign oil by opening domestic resources to environmentally sound exploration and development, and encourages the development of carbon-free nuclear energy.
Defense and Veterans	<ul style="list-style-type: none"> - Increases Department of Defense funding by 3.9 percent in 2010, and Veterans by 10.25 percent. 	<ul style="list-style-type: none"> - Increases the President's request for defense by \$5 billion; reserves \$50 billion placeholder for unmet needs in DoD. - Fully funds the House-reported level for the VA (\$540-million increase over the President).