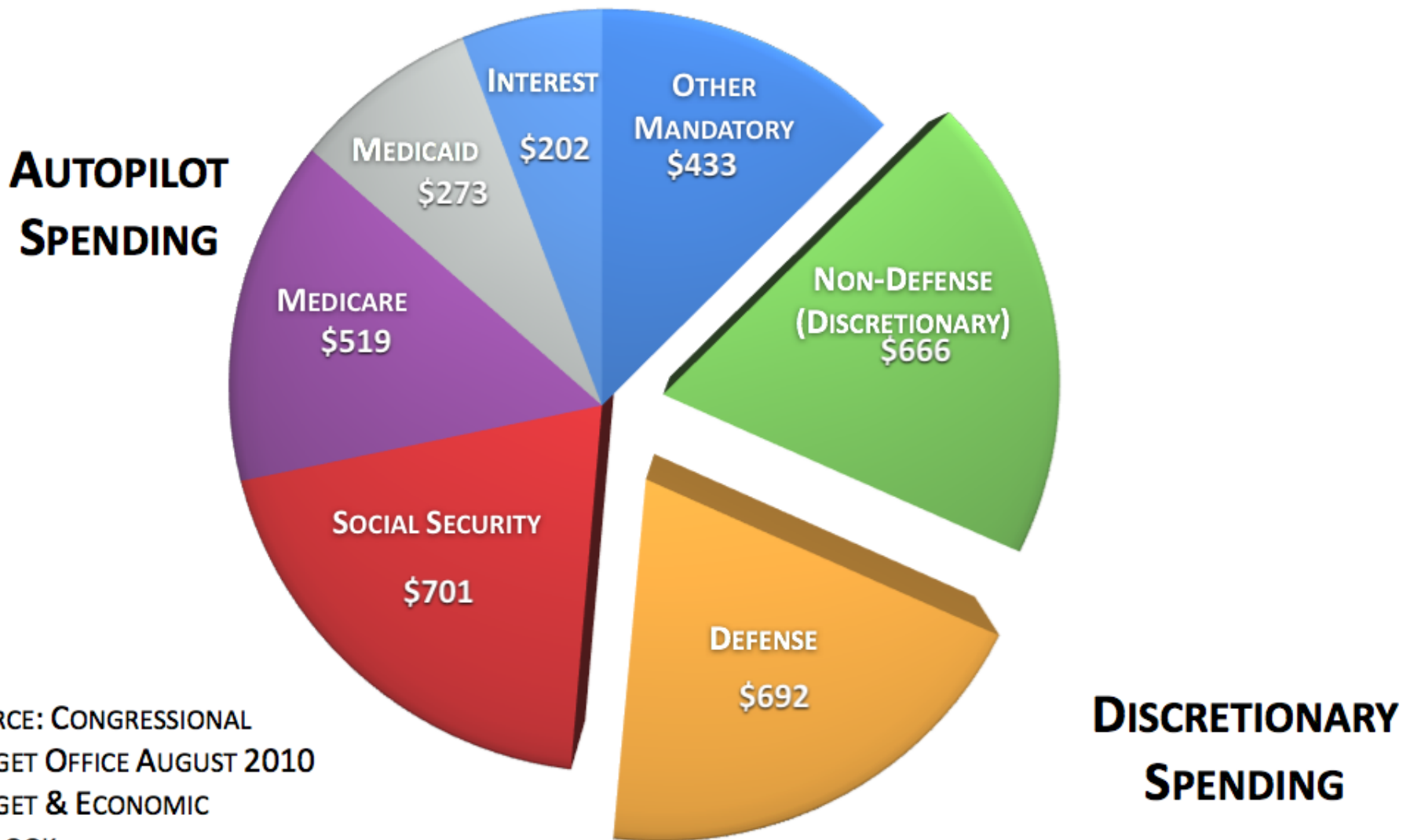


**THE FACTS ABOUT THE DEBT;
NO MORE EMPTY PROMISES
A FACT — BASED BUDGET**



TOTAL SPENDING IN FY 2010 = \$3.5 TRILLION

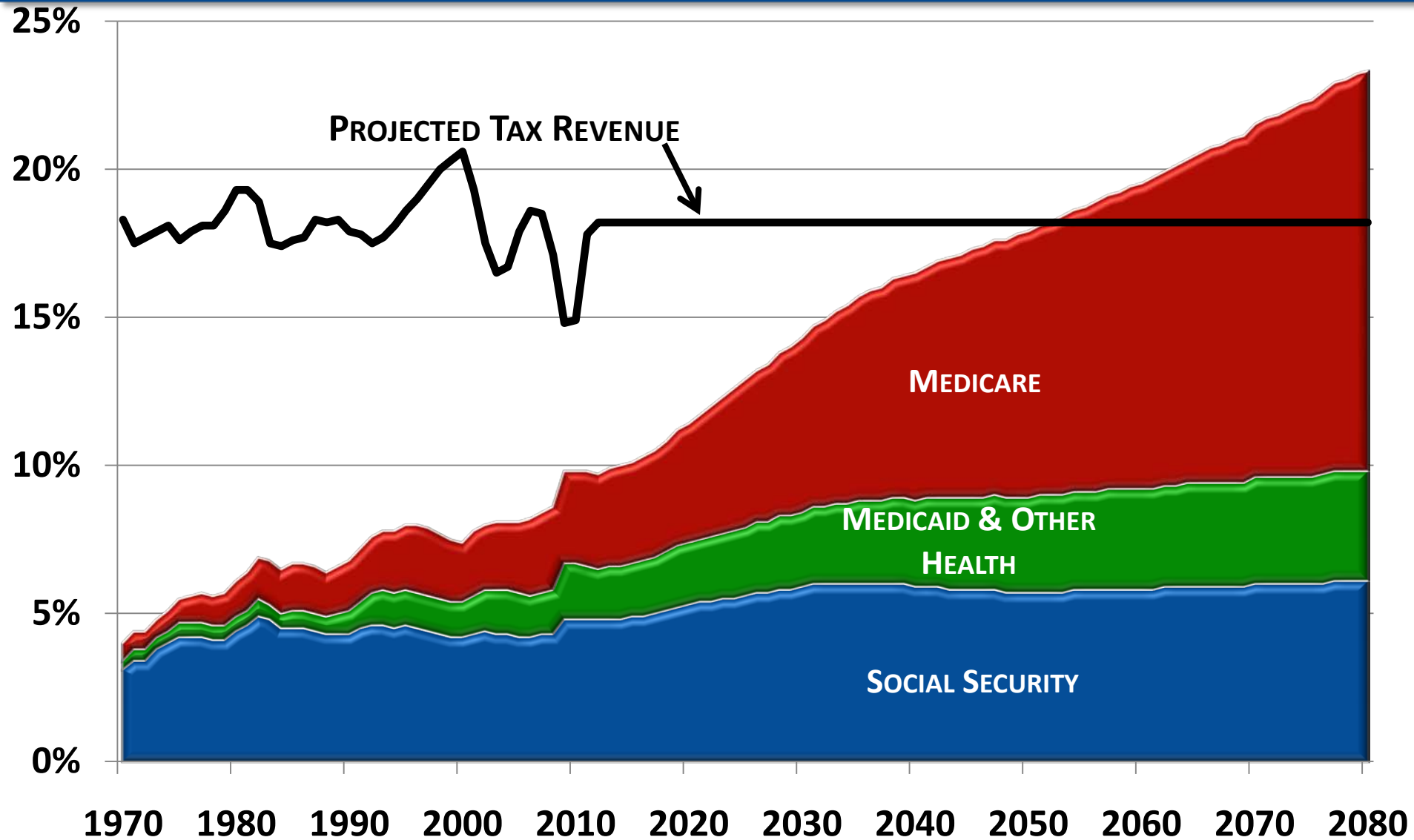
(OUTLAYS IN BILLIONS OF DOLLARS)



SOURCE: CONGRESSIONAL
BUDGET OFFICE AUGUST 2010
BUDGET & ECONOMIC
OUTLOOK

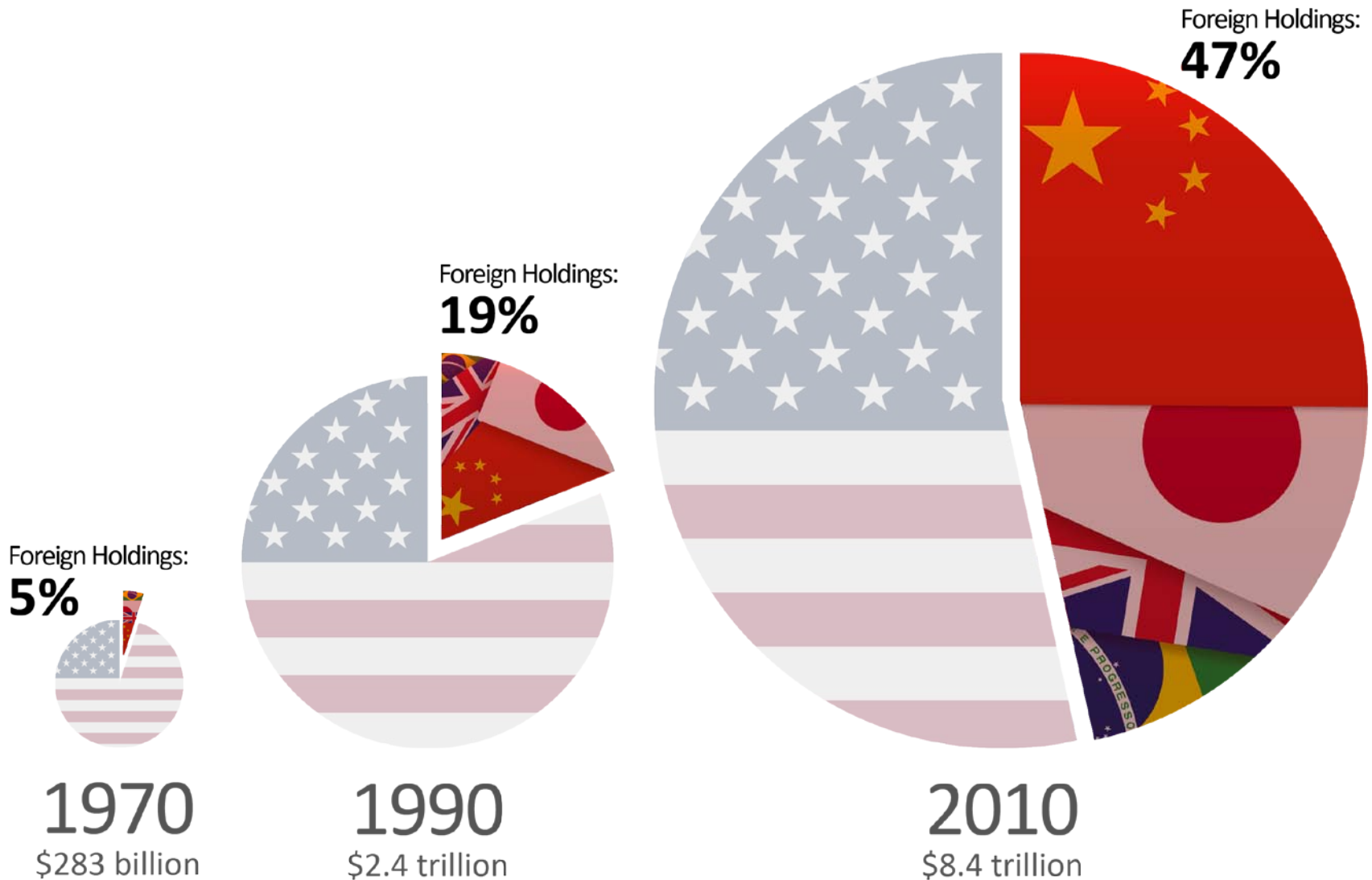
WHAT DRIVES OUR DEBT?

(GOVERNMENT SPENDING AS SHARE OF ECONOMY)



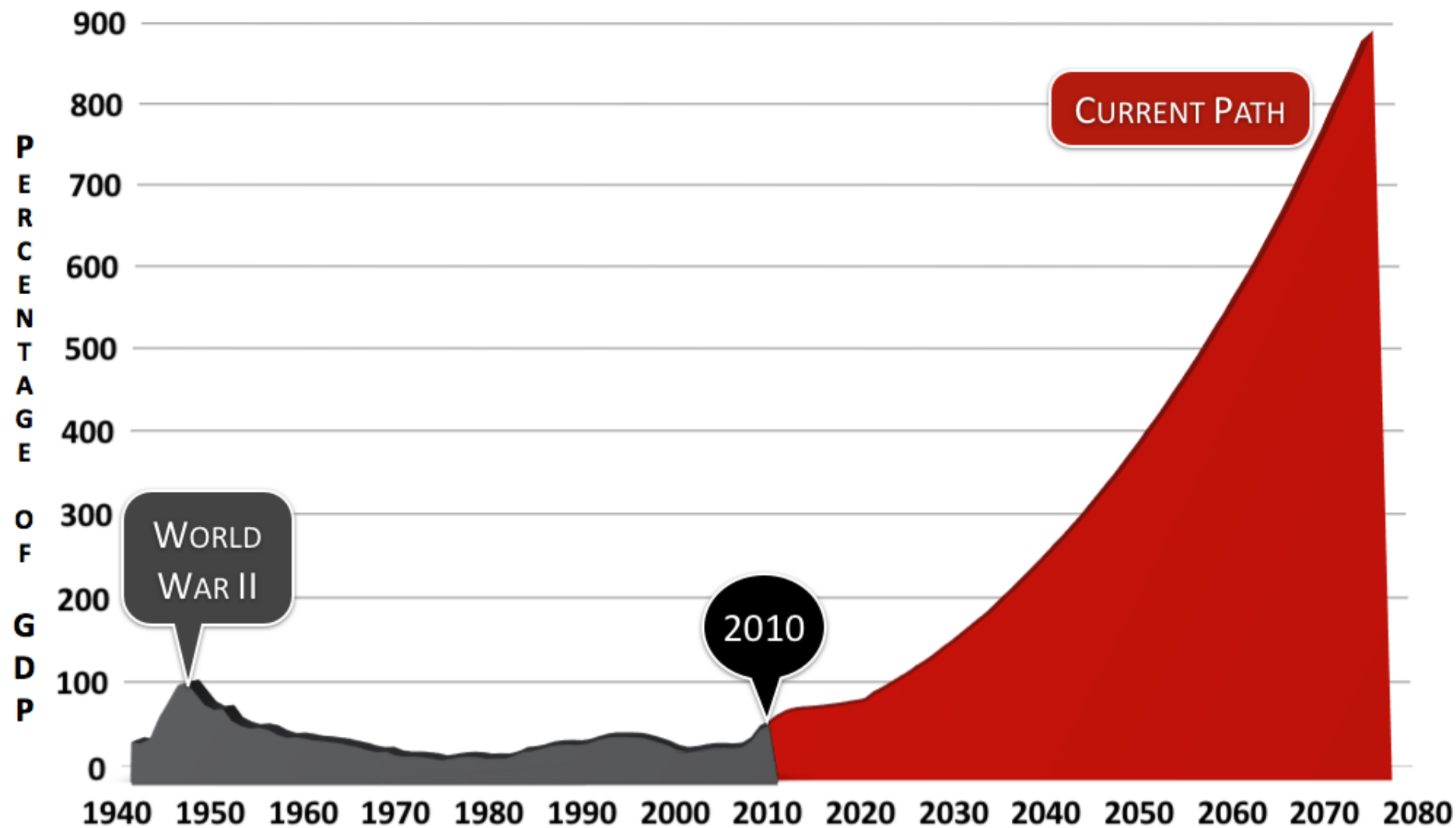
WHO OWNS OUR DEBT?

DEBT HELD BY PUBLIC, 1970-2010



CRUSHING BURDEN OF DEBT

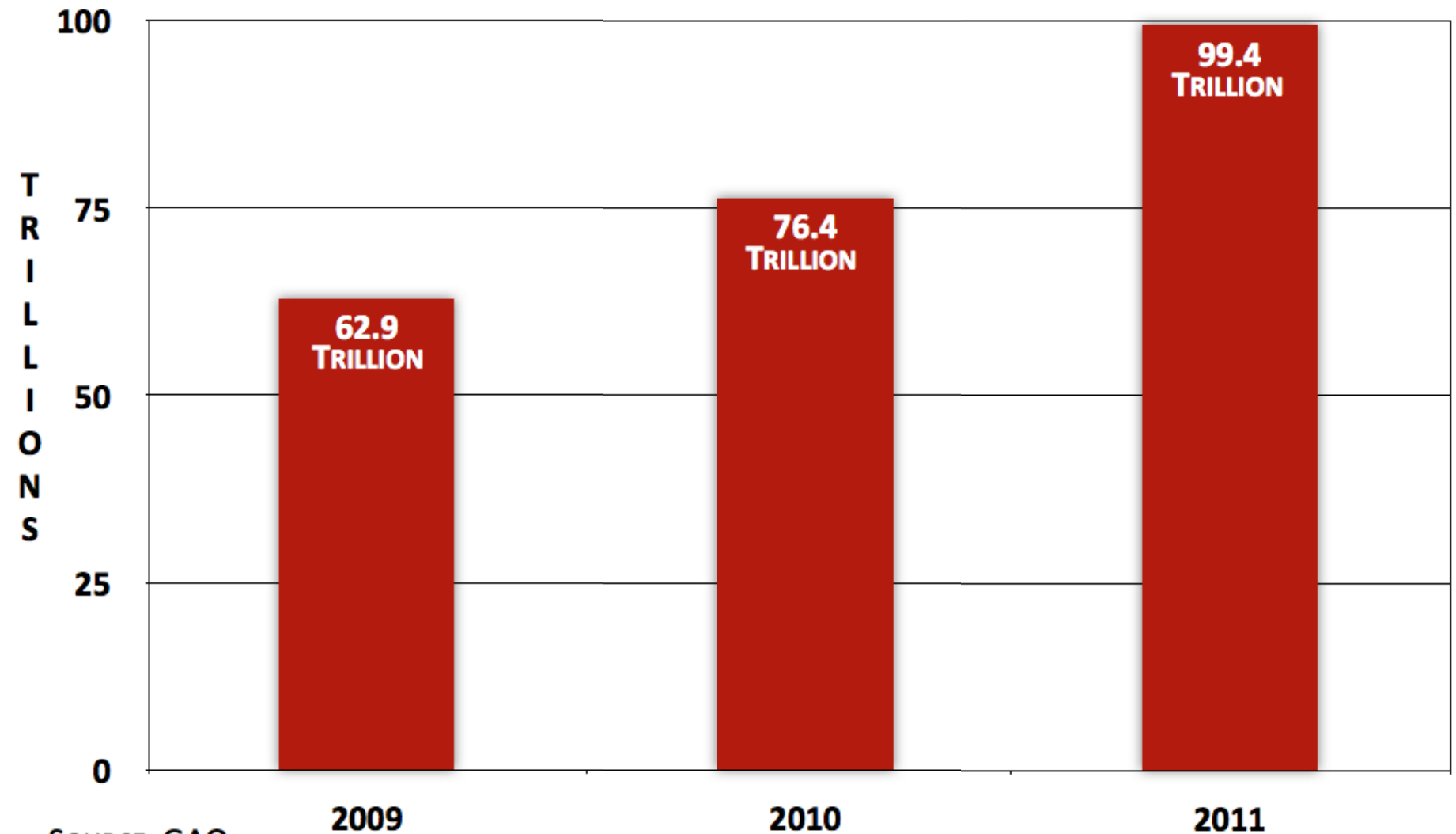
(DEBT AS A SHARE OF THE ECONOMY)



SOURCE: OMB/CBO

THE COST OF WAITING - THE FISCAL GAP

UNFUNDED PROMISES IN TRILLIONS OF DOLLARS



SOURCE: GAO



THE PATH
TO
PROSPERITY

RESTORING AMERICA'S PROMISE

FISCAL YEAR 2012 BUDGET RESOLUTION

THE PATH TO PROSPERITY

- Efficient, Effective and Responsible Government
- Strengthening the Social Safety Net
- Fulfilling the Mission of Health and Retirement Security for All Americans
- Pro-Growth Tax Reform

THE CHOICE ON MEDICARE

REPUBLICAN BUDGET VS OBAMA FRAMEWORK

PATH TO PROSPERITY

PRESIDENT'S PLAN

CURRENT SENIORS

- No Changes
- No Disruptions
- Preserve and Protect

- Uses rationing board for benefit and provider cuts
- Imposes nearly \$10,000 cut per senior

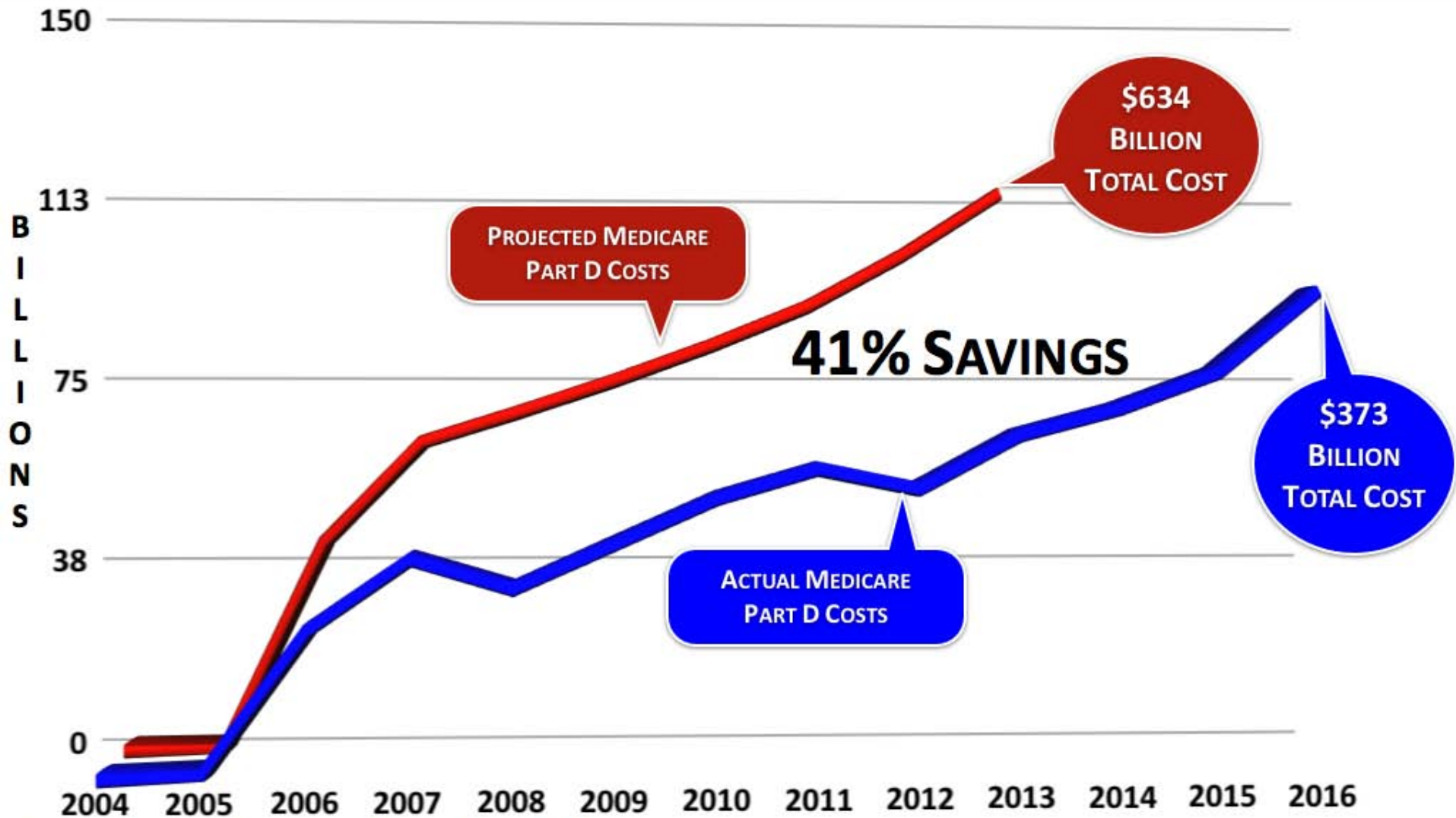
FUTURE SENIORS

- Personalized Medicare; like Members of Congress
- Wealthy get less, sick & low income get more support
- Guaranteed Medicare plan

- No plan to save Medicare
- Allows Medicare to go bankrupt in 2020

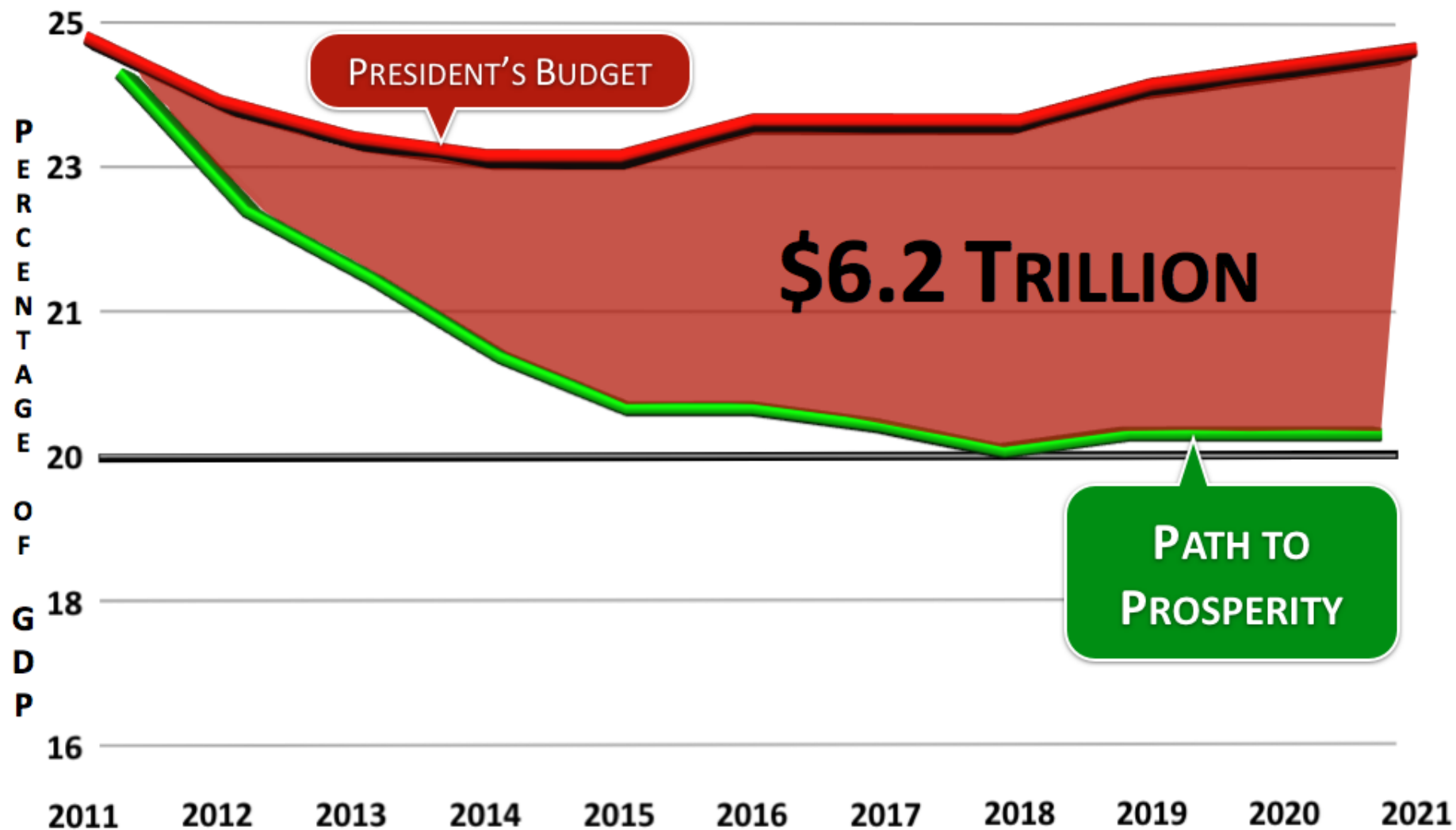
HEALTH CARE COMPETITION AND CHOICE

MEDICARE PART D - PROJECTED VS ACTUAL COSTS



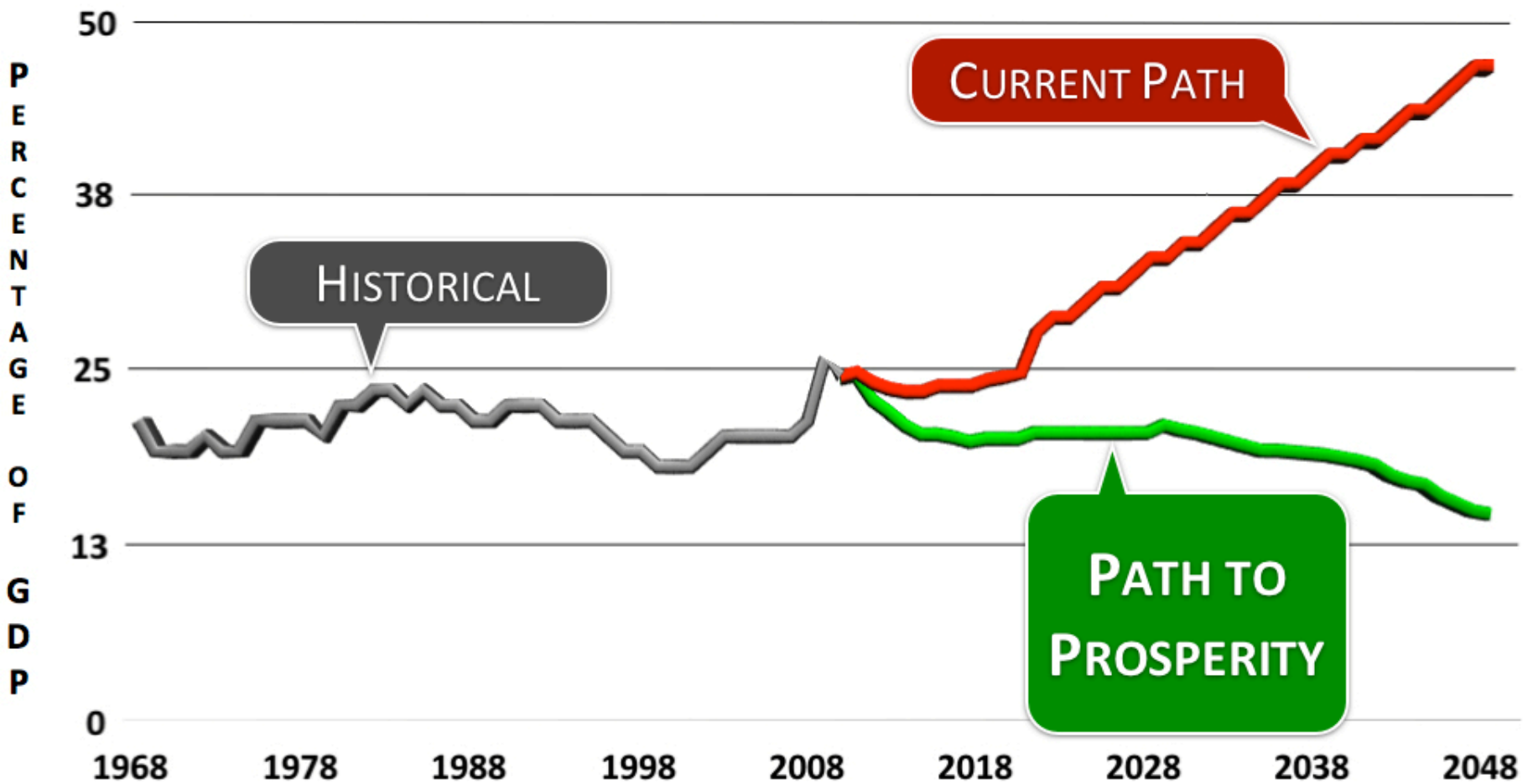
SOURCE: CENTER FOR MEDICARE AND MEDICAID SERVICES (CMS)

GOVERNMENT SPENDING (AS PERCENTAGE OF GDP)



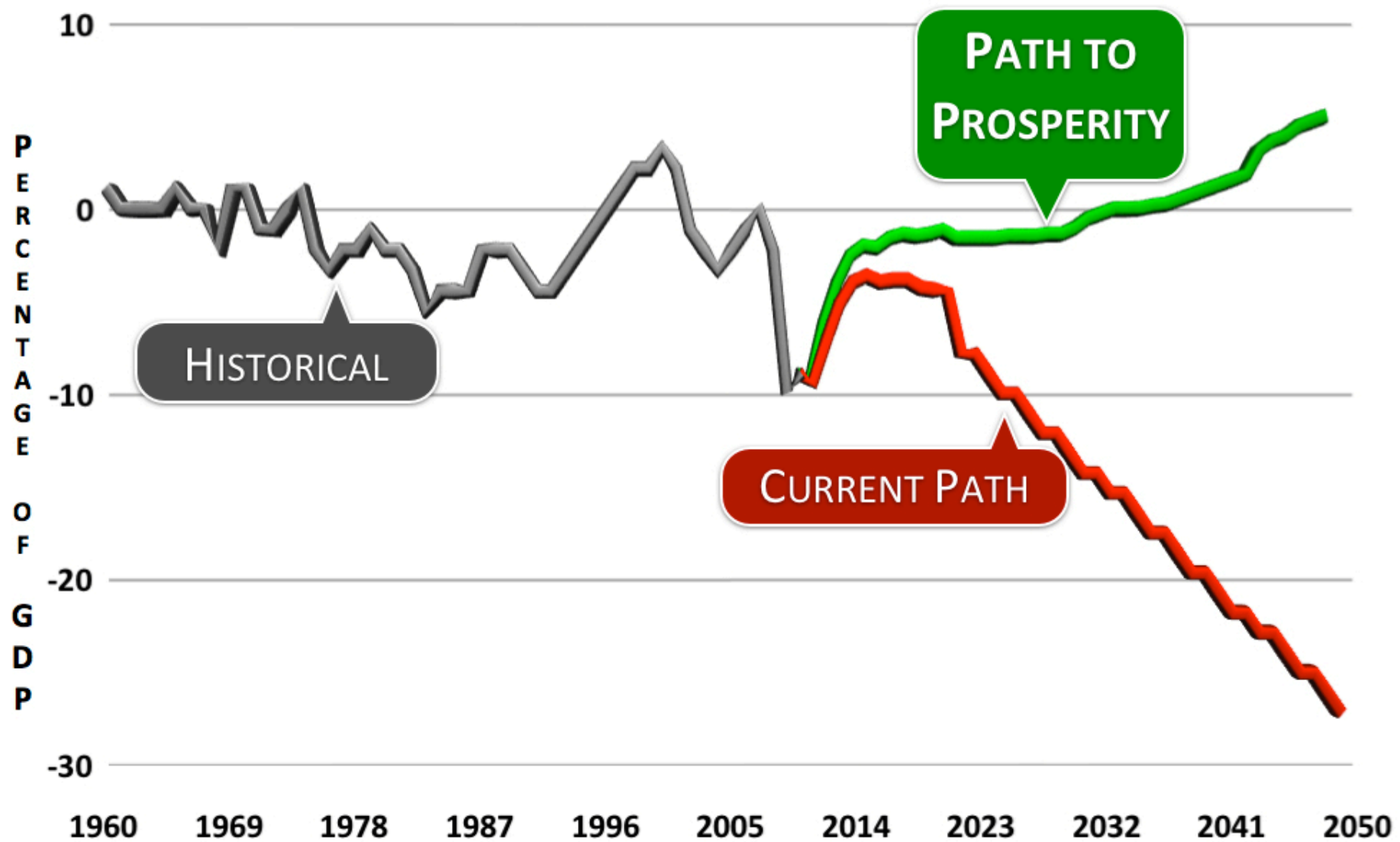
SOURCE: CBO/HOUSE BUDGET COMMITTEE

GOVERNMENT SPENDING (AS PERCENTAGE OF GDP)



FEDERAL DEFICIT OR SURPLUS


(AS PERCENTAGE OF GDP)



SOURCE: CBO/HOUSE BUDGET COMMITTEE

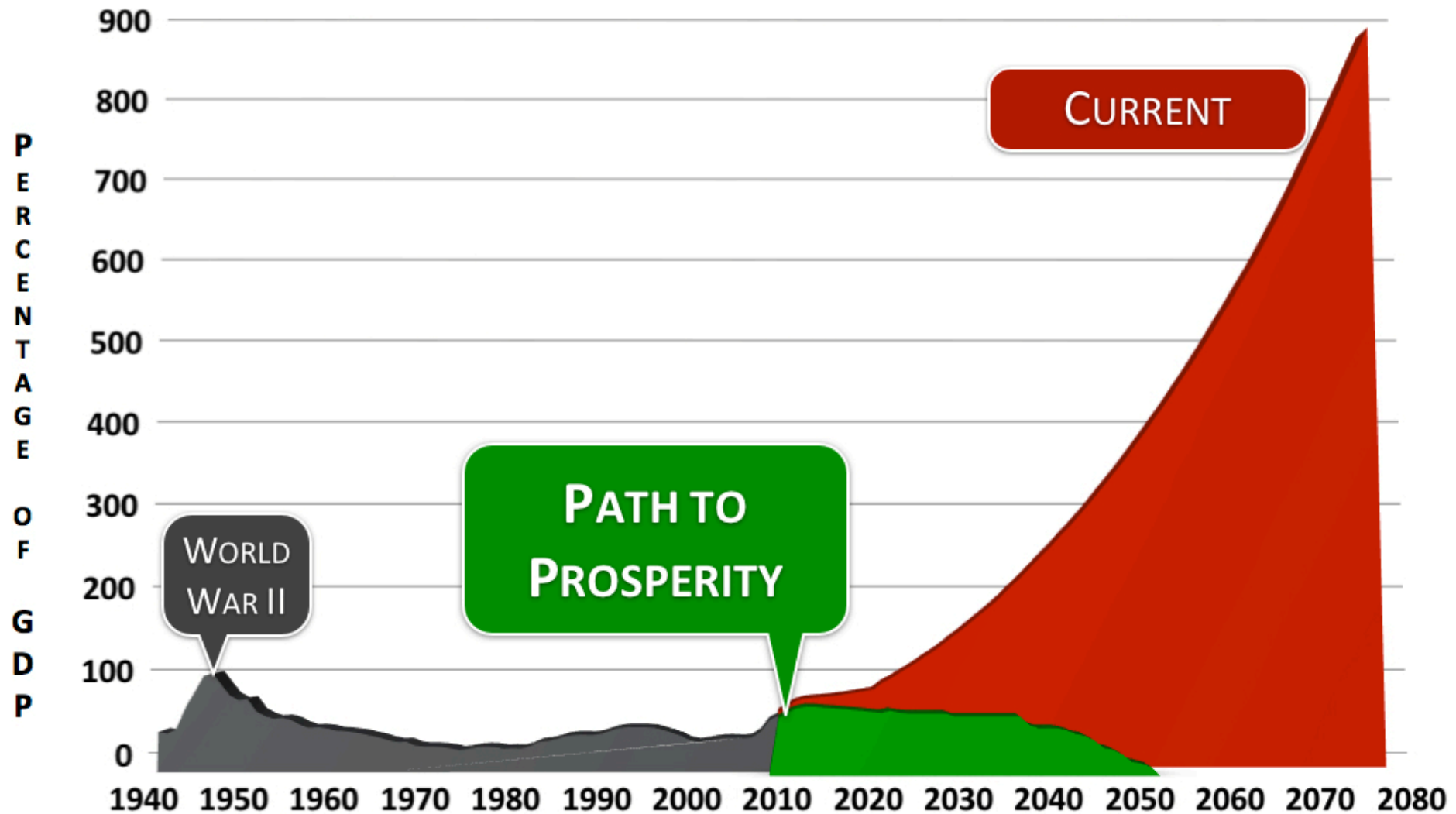
PATH TO PROSPERITY

(CENTER FOR DATA ANALYSIS AT THE HERITAGE FOUNDATION)

-  **Faster economic growth:** \$1.5 trillion in additional real gross domestic product over the decade.
-  **More jobs:** Nearly 1 million new private sector jobs next year and 2.5 million new private sector jobs in the last year of the decade.
-  **Higher wages:** \$1.1 trillion in higher wages, salary and income.
-  **More prosperity:** avg \$1000 per year in higher income for each family

A CHOICE OF TWO FUTURES

(DEBT AS A SHARE OF THE ECONOMY)

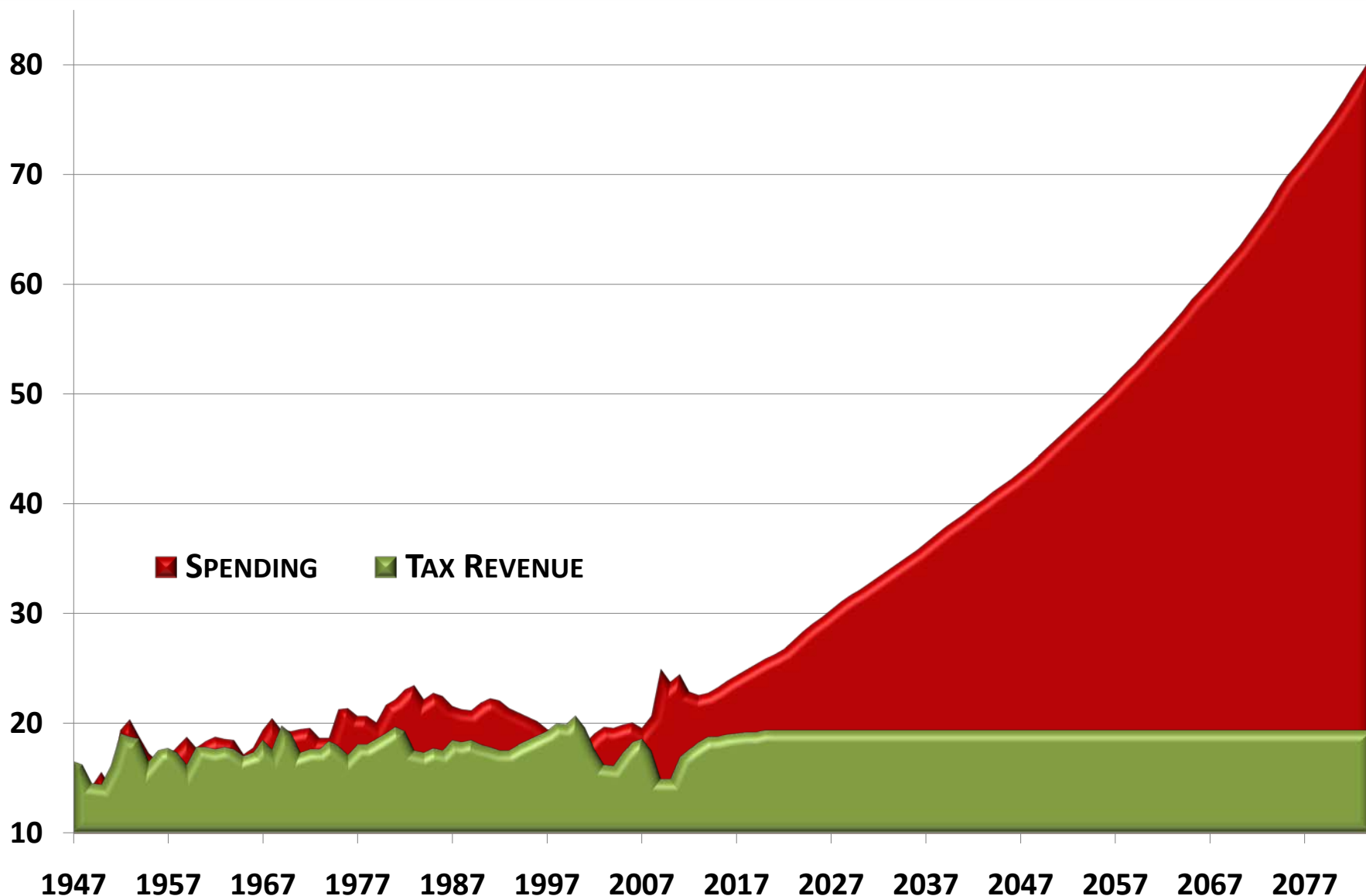


ADDITIONAL SLIDES



WE ARE IN A SPENDING-DRIVEN DEBT CRISIS

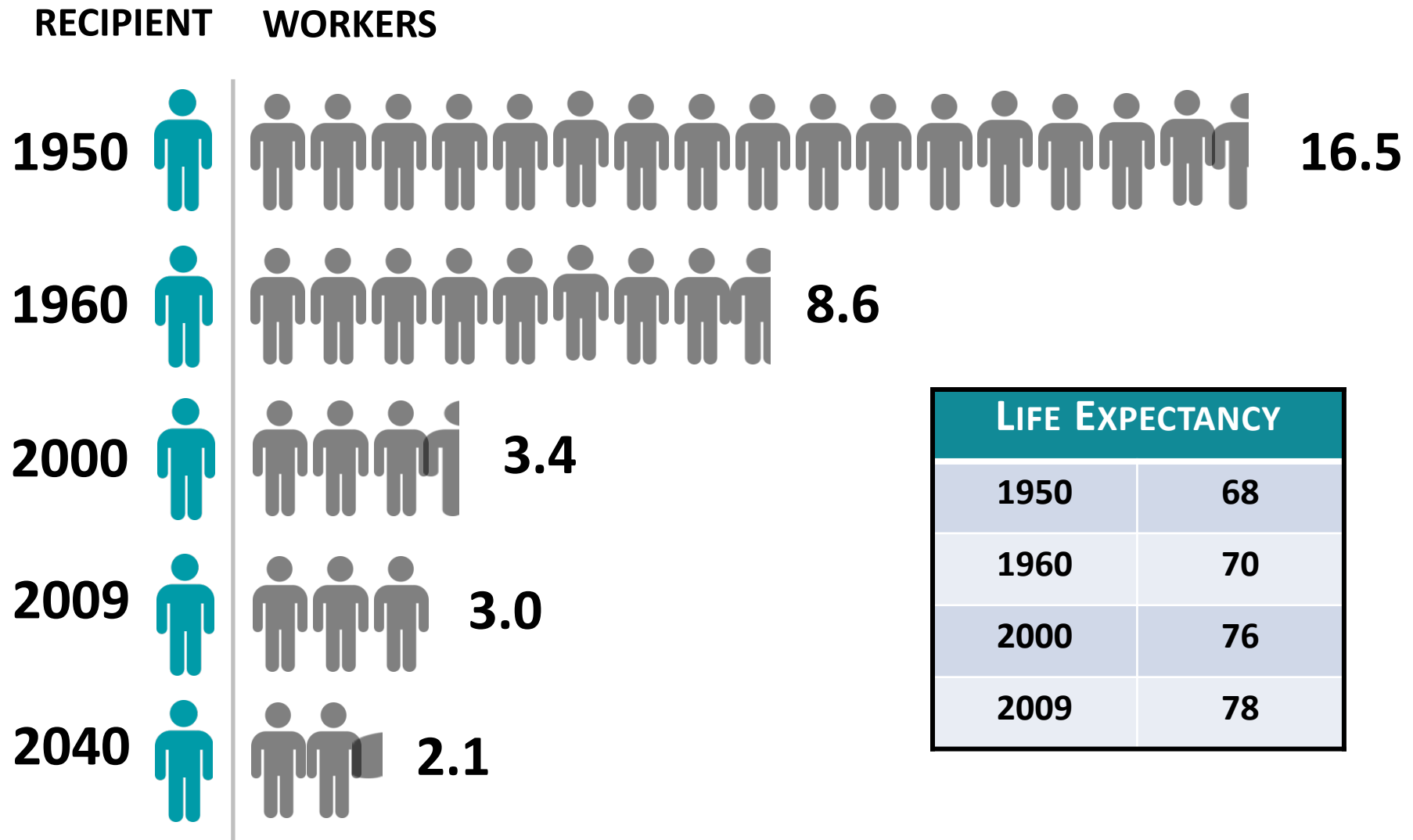
HISTORIC/PROJECTED SPENDING & REVENUE AS A PERCENTAGE OF THE ECONOMY



1947 1957 1967 1977 1987 1997 2007 2017 2027 2037 2047 2057 2067 2077

SOURCE: OFFICE OF MANAGEMENT AND BUDGET HISTORIC TABLES, CONGRESSIONAL BUDGET OFFICE; PROJECTIONS BASED ON THE CBO'S ALTERNATIVE FISCAL SCENARIO.

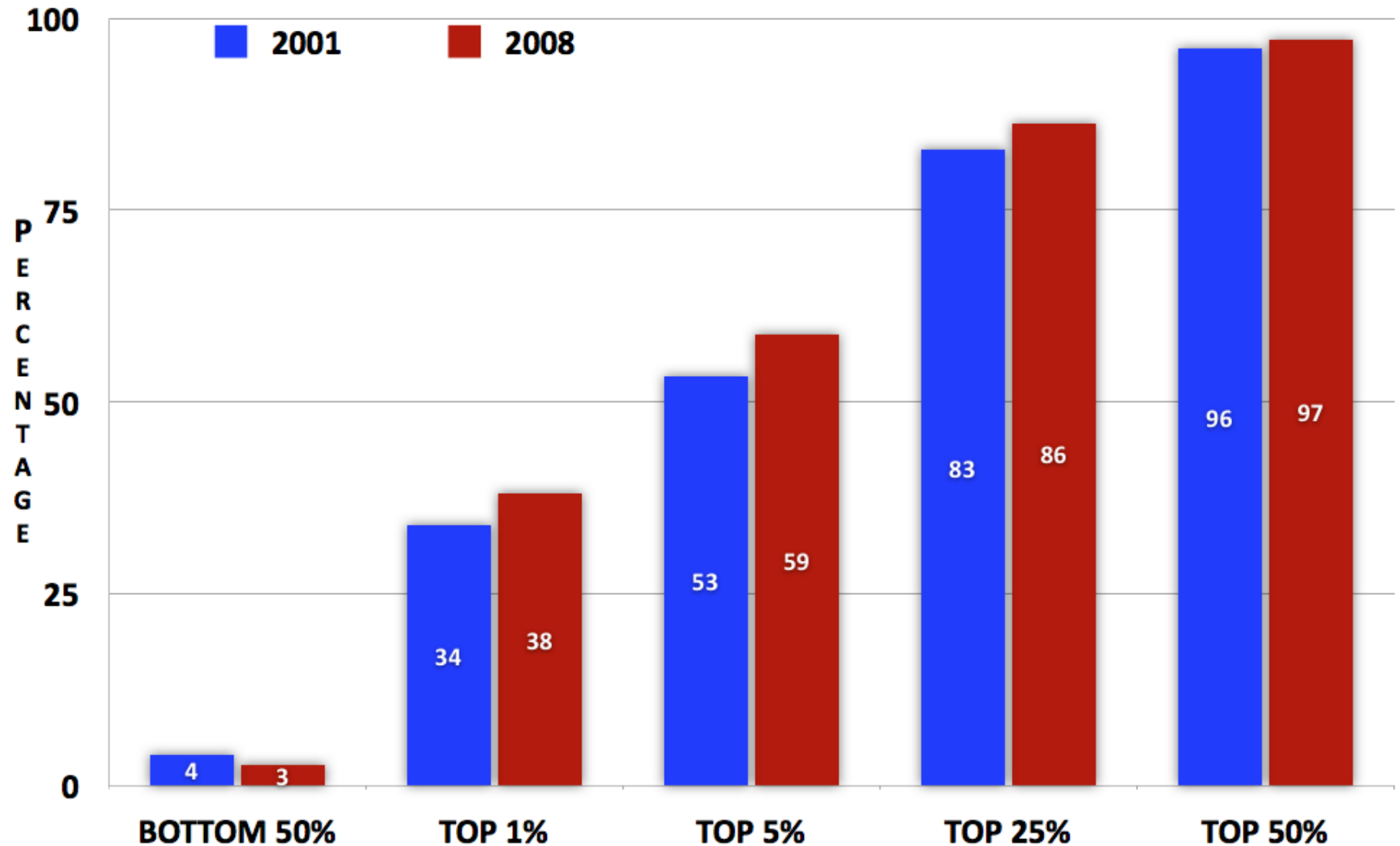
TAXPAYERS SUPPORTING EACH SOCIAL SECURITY RECIPIENT



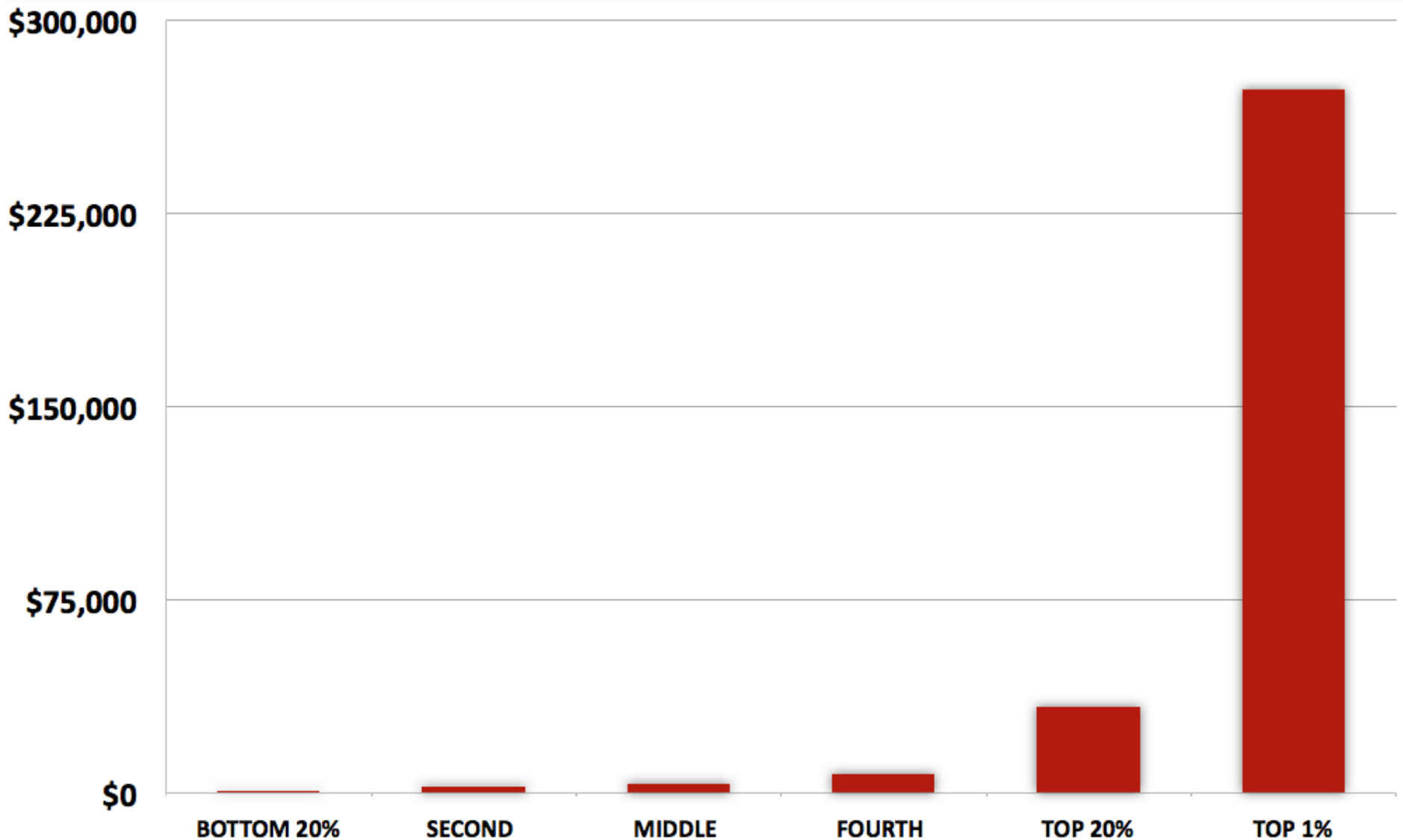
SOURCE: SOCIAL SECURITY ADMINISTRATION, *THE 2010 ANNUAL REPORT OF THE BOARD OF TRUSTEES*; CENTERS FOR DISEASE CONTROL, *U.S. LIFE TABLES*

WHO BEARS THE TAX BURDEN?

(SHARE OF INCOME TAX BURDEN)



WHO GETS TAX DEDUCTIONS?



SOURCE: IRS