



**REPUBLICAN CAUCUS**

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**TWO BUDGETS: A COMPARISON**

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

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