

# THE CHOICE OF TWO FUTURES

HOUSE BUDGET COMMITTEE CHAIRMAN PAUL RYAN

MARCH 2011

# THE CHALLENGE

**JOB DEFICIT**

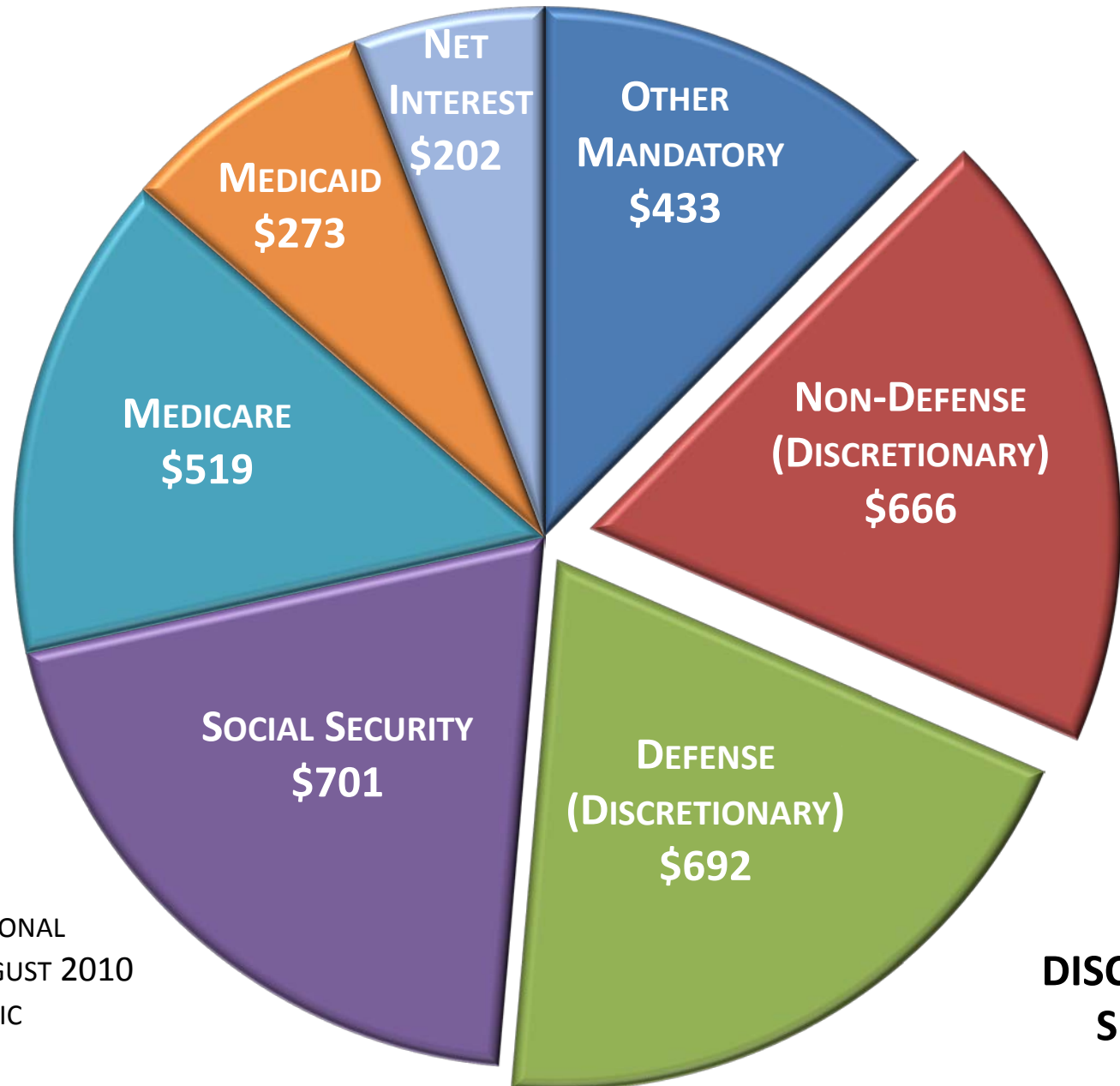
**BUDGET DEFICIT**

**LEADERSHIP DEFICIT**

# TOTAL SPENDING IN FY 2010 = \$3.5 TRILLION

(OUTLAYS IN BILLIONS OF DOLLARS)

**MANDATORY SPENDING**

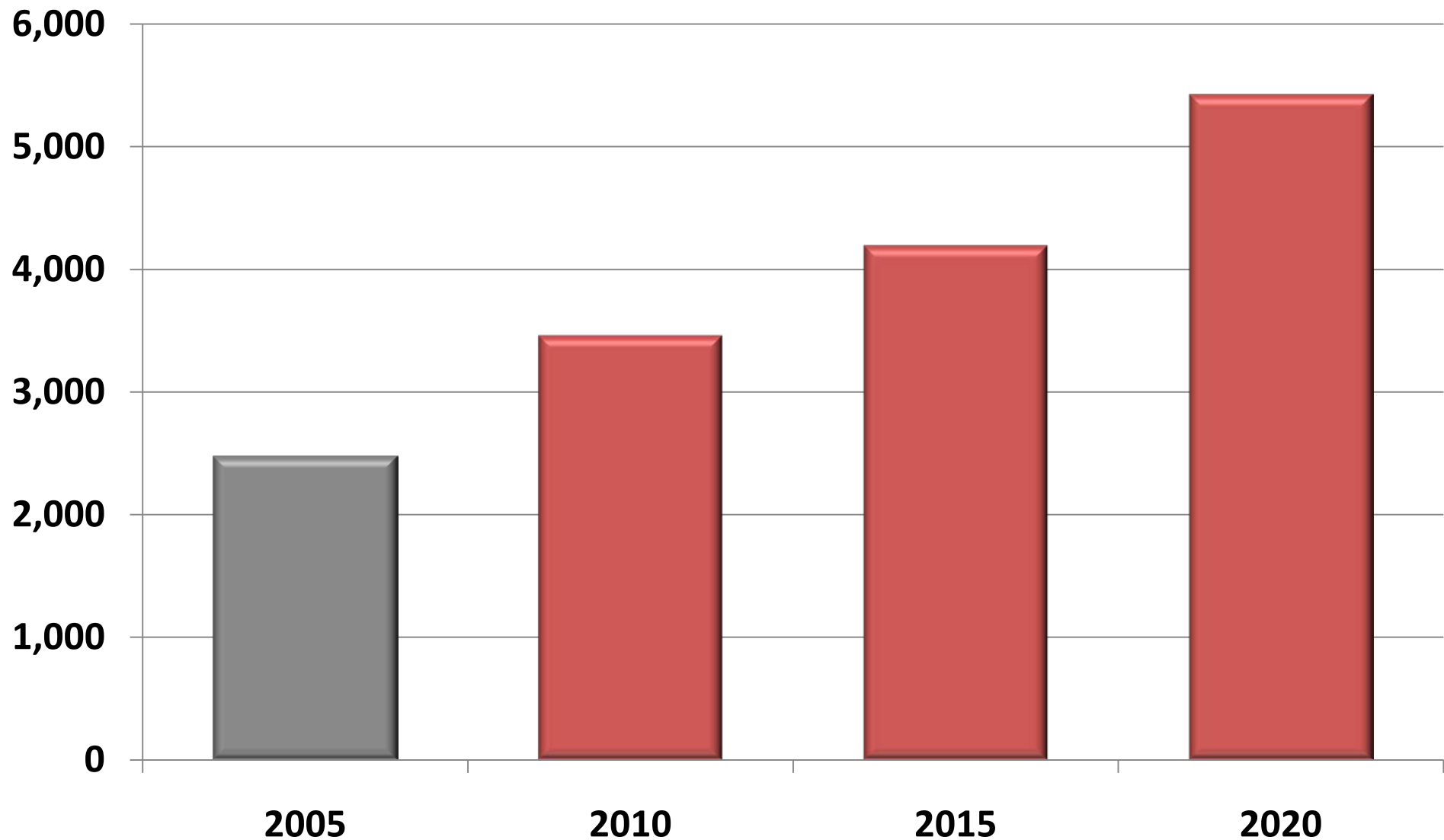


**DISCRETIONARY SPENDING**

SOURCE: CONGRESSIONAL BUDGET OFFICE AUGUST 2010 BUDGET & ECONOMIC OUTLOOK

# RECKLESS SPENDING SPREE

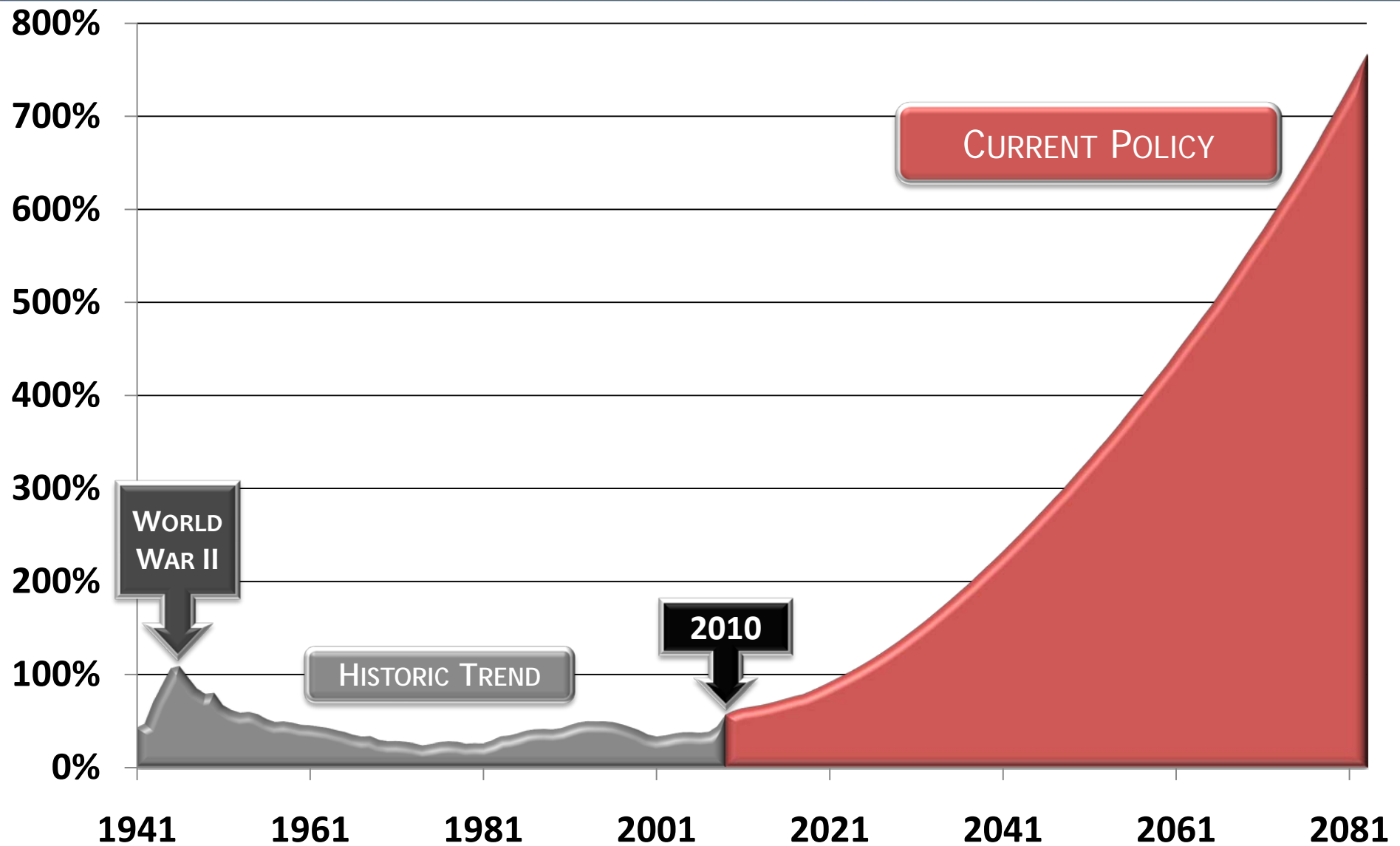
GOVERNMENT SPENDING IN BILLIONS OF DOLLARS, UNDER OBAMA BUDGET



SOURCE: CBO

# TIDAL WAVE OF DEBT

(DEBT HELD BY PUBLIC AS SHARE OF ECONOMY)



CURRENT POLICY

WORLD  
WAR II

HISTORIC TREND

2010

1941

1961

1981

2001

2021

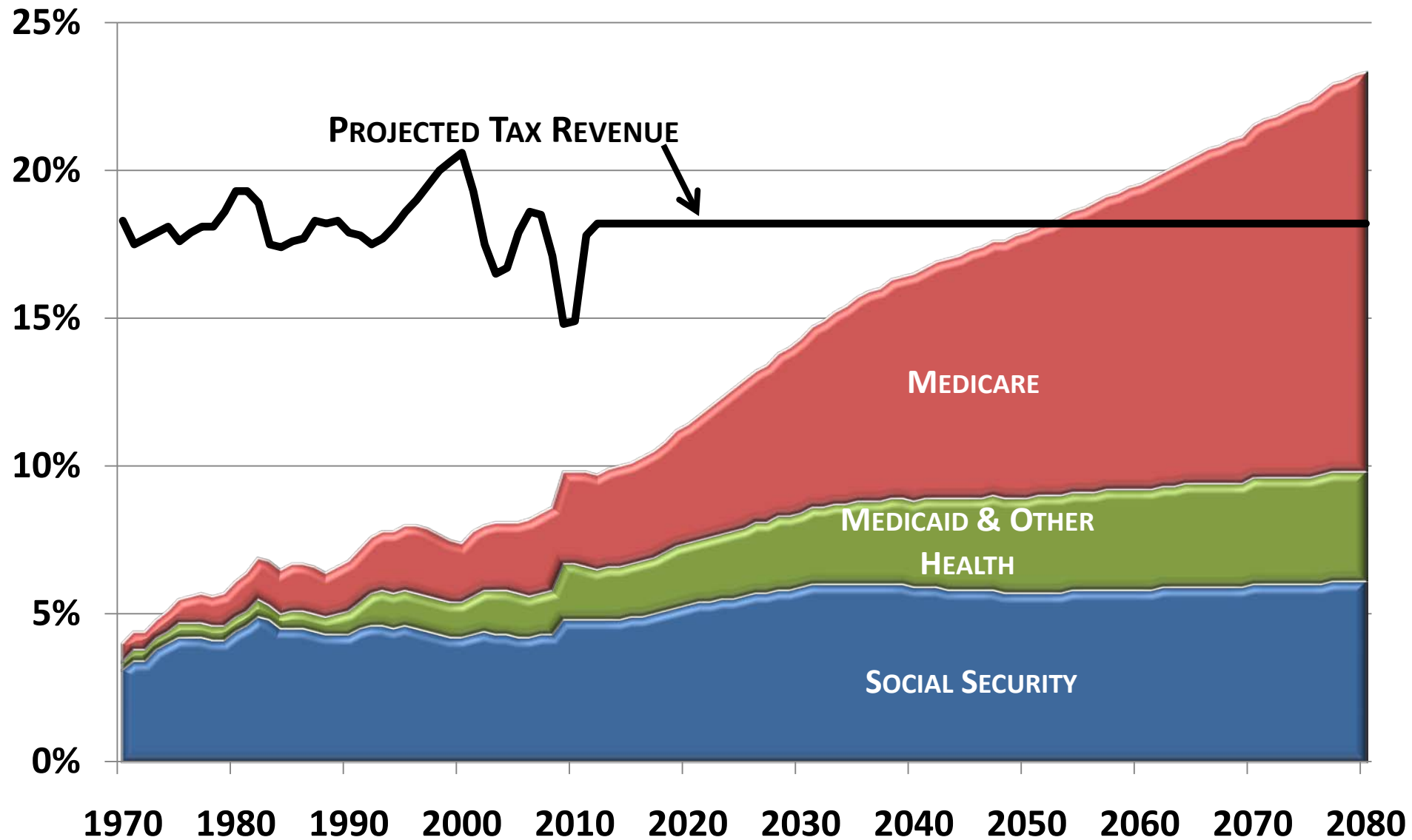
2041

2061

2081

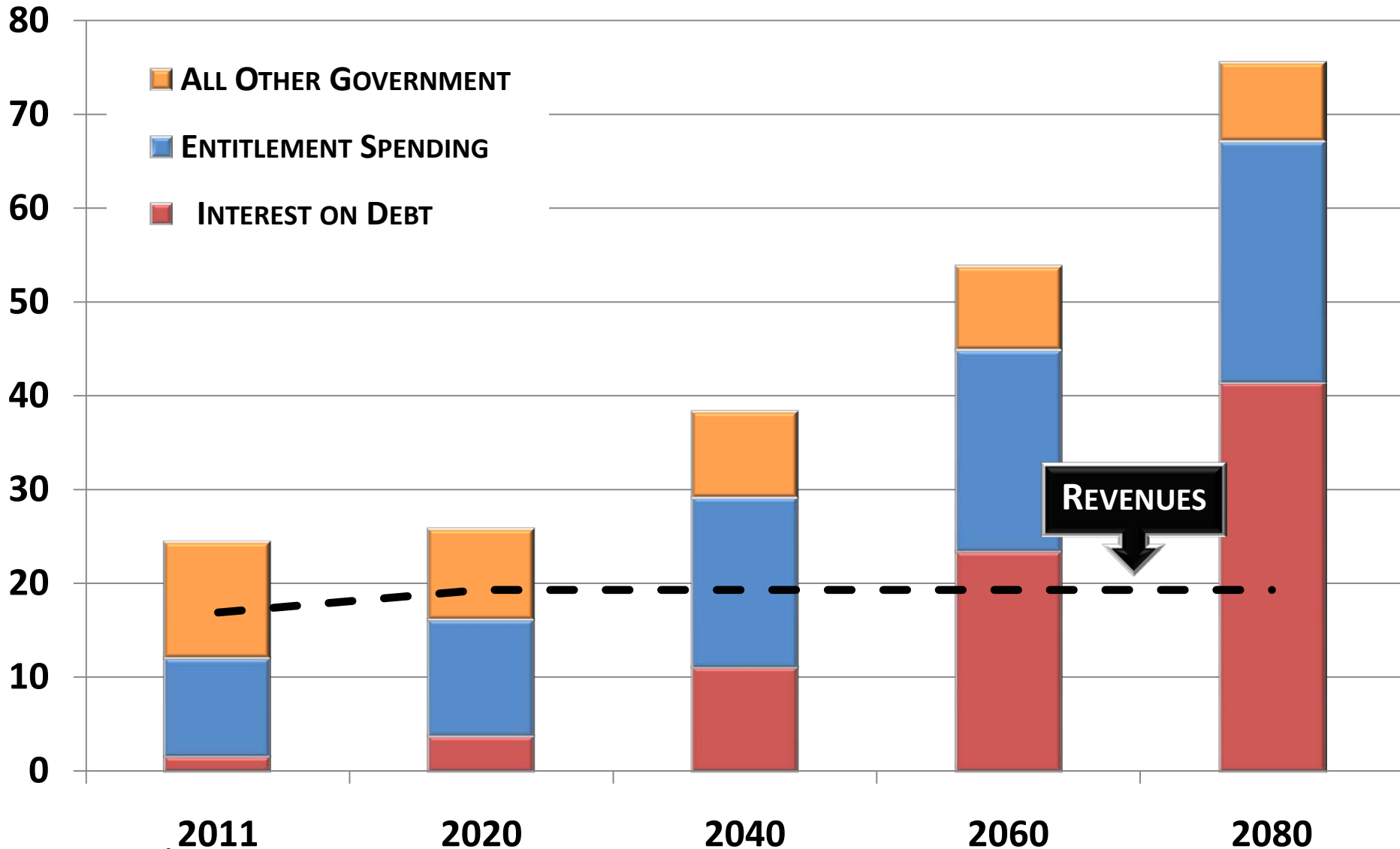
# WHAT DRIVES OUR DEBT?

(GOVERNMENT SPENDING AS SHARE OF ECONOMY)



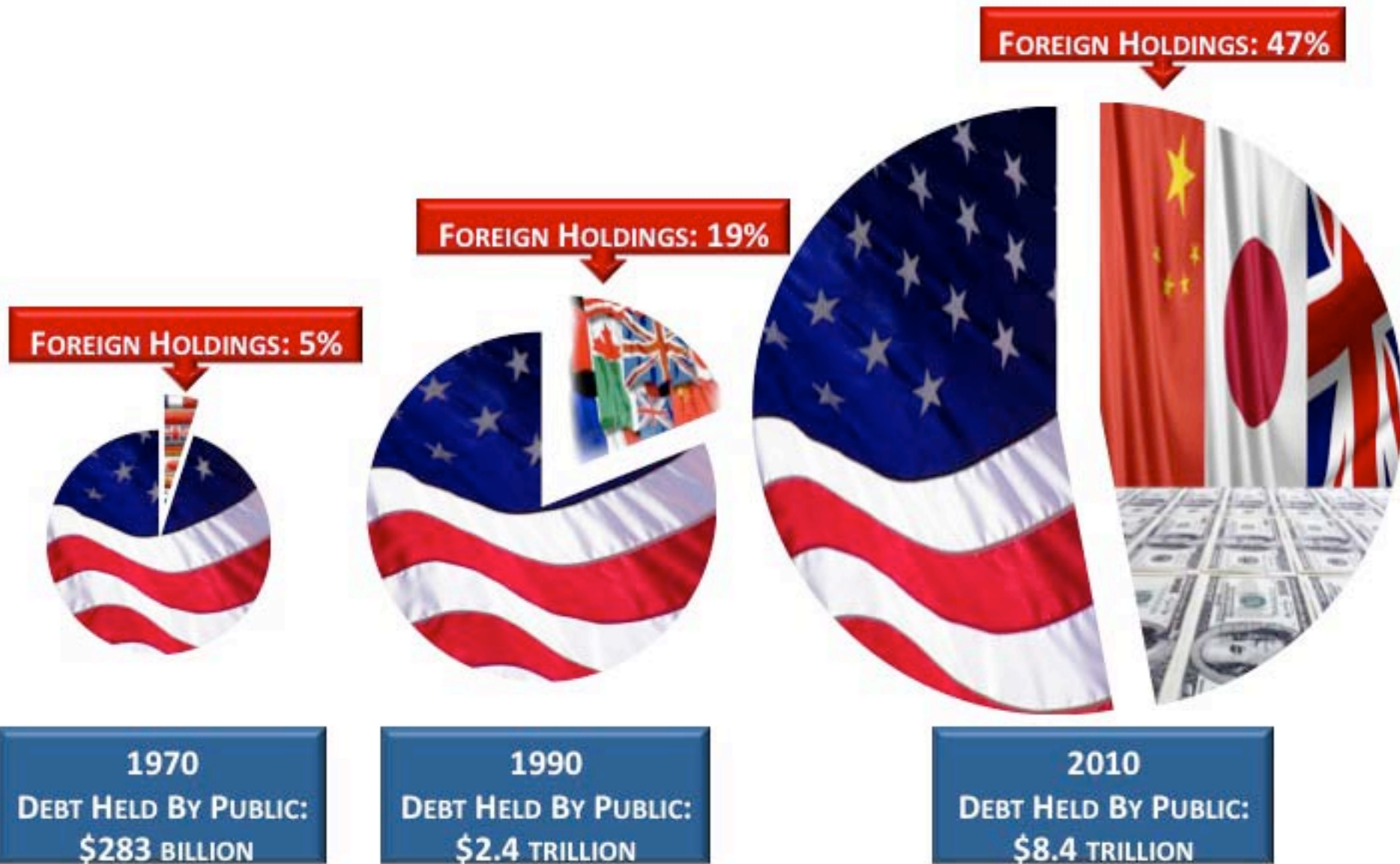
# WHAT DRIVES OUR DEBT?

(GOVERNMENT SPENDING AS SHARE OF ECONOMY)



REVENUES

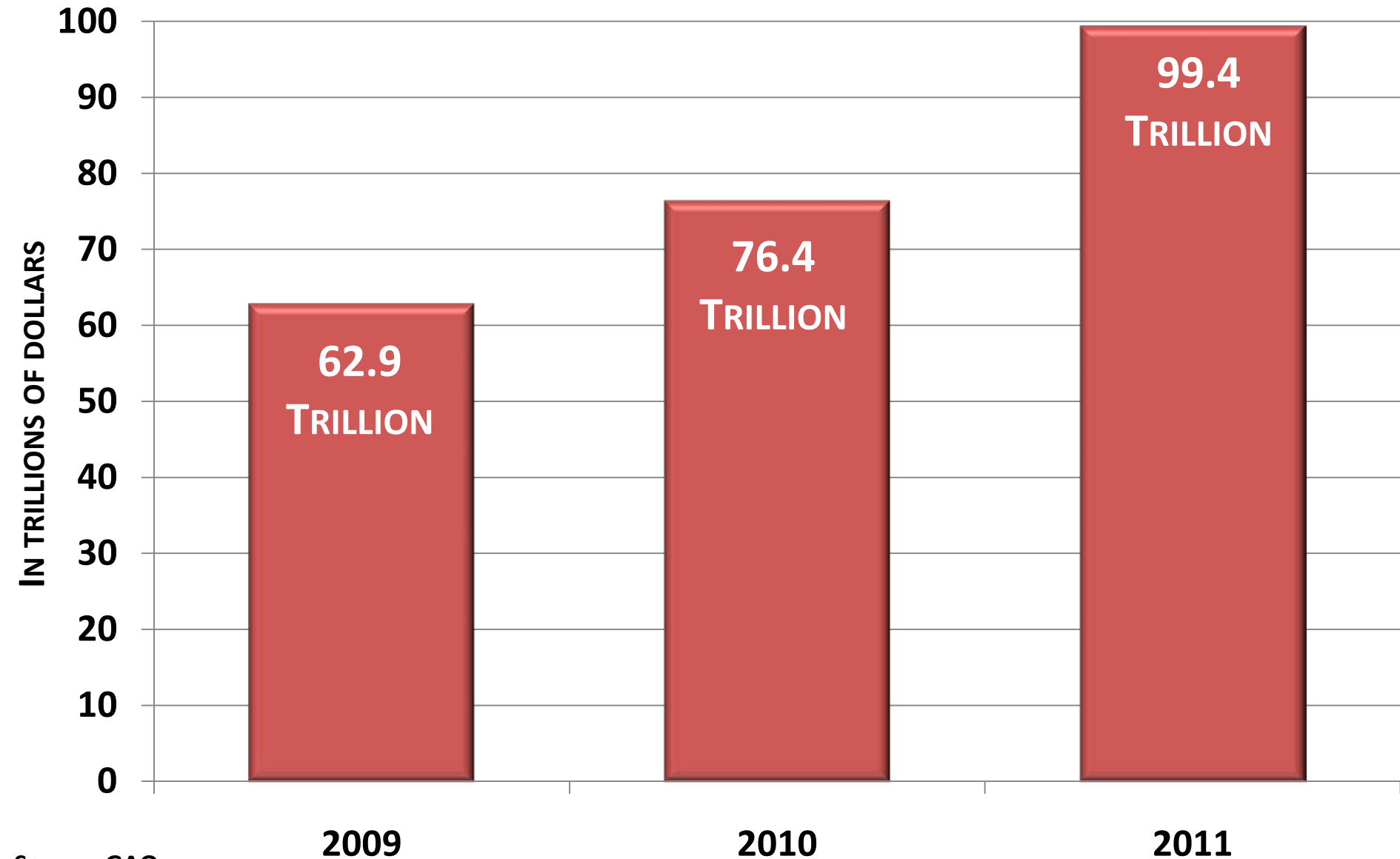
# WHO OWNS OUR DEBT ?





# THE COST OF WAITING – THE FISCAL GAP

UNFUNDED PROMISES IN TRILLIONS OF DOLLARS



# REAL SECURITY & REAL REFORM

THE HOUSE REPUBLICAN FY2012 BUDGET

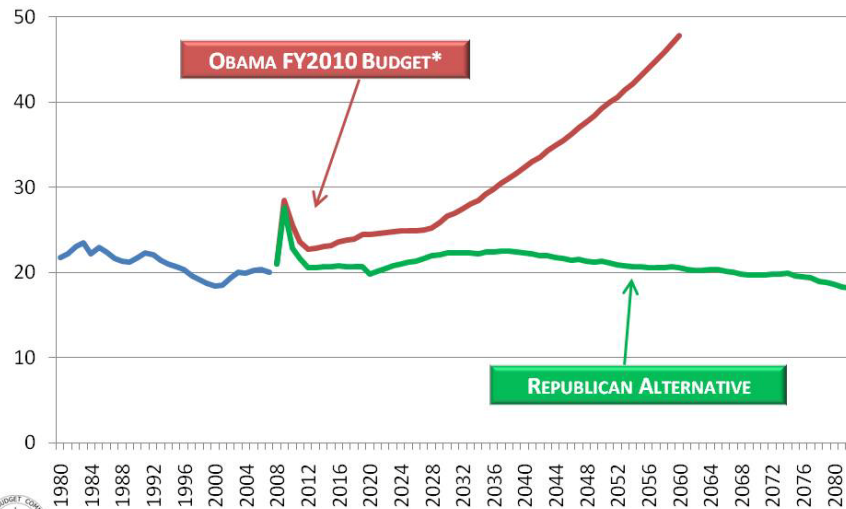
## Guiding Principles

- No changes to those in or near retirement
- Fulfill the mission of health and retirement security
- Lift the crushing burden of debt
- Spur economic growth and path to prosperity

# A CHOICE OF TWO FUTURES

## CURBING SPENDING

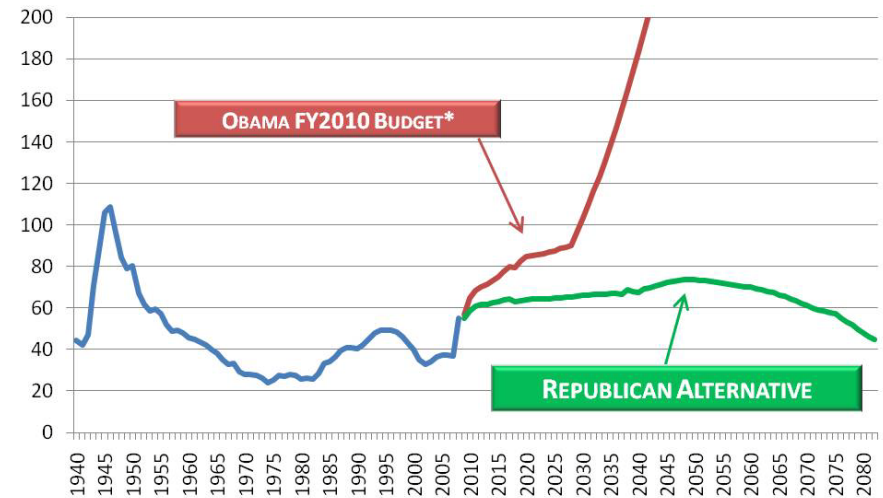
(GOVERNMENT SPENDING AS PERCENTAGE OF GDP)



\* -- OUT-YEARS BASED ON CBO'S LONG-TERM ALTERNATIVE FISCAL SCENARIO

## GETTING DEBT UNDER CONTROL

(DEBT HELD BY PUBLIC AS PERCENTAGE OF GDP)



\* -- OUT-YEARS BASED ON CBO'S LONG-TERM ALTERNATIVE FISCAL SCENARIO

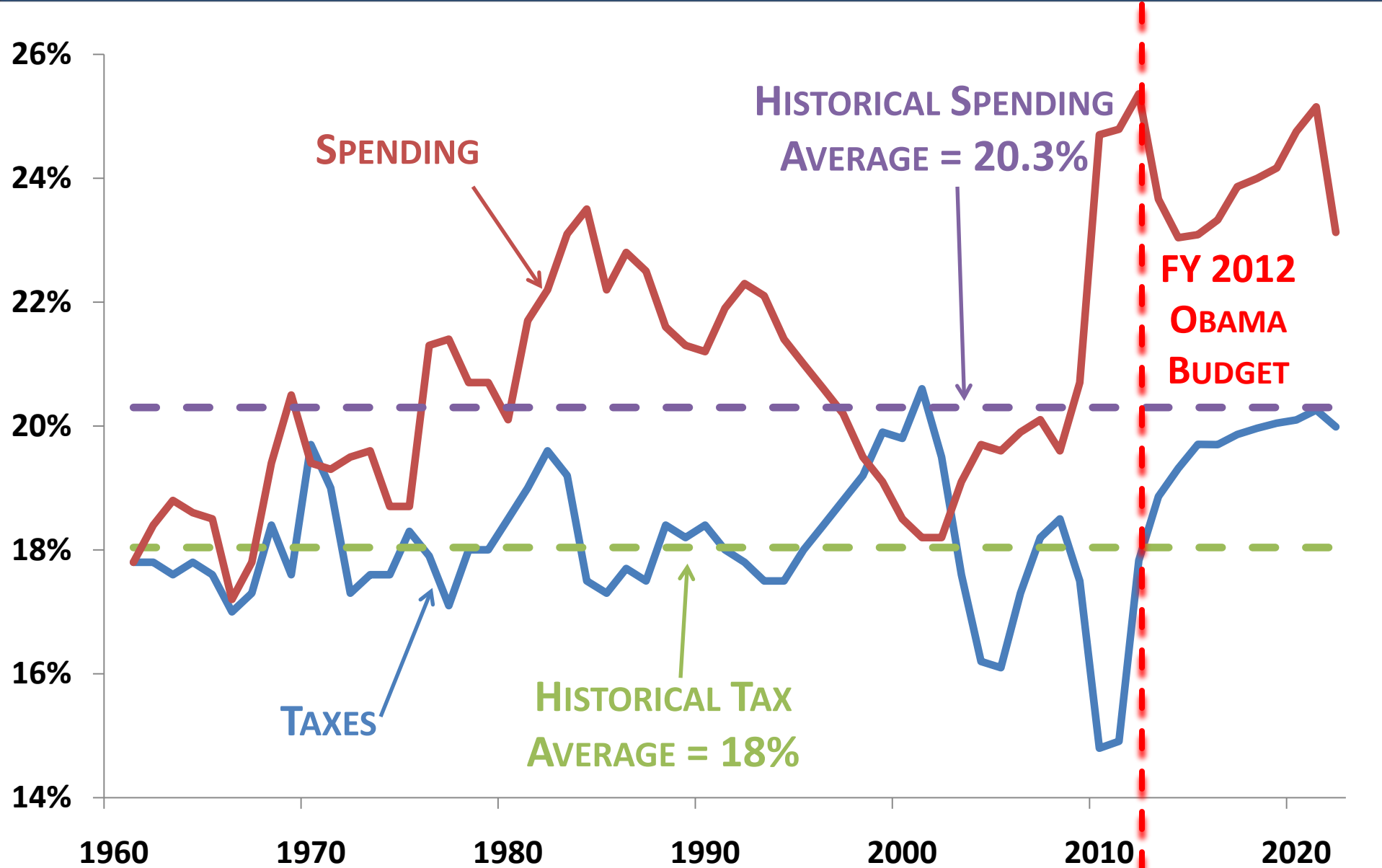
- **2009 House GOP Budget Alternative**

- Cut \$4.8 trillion in spending from Democrats' budget; Put budget on path to balance
- Keep taxes low; spur job creation and growth

**ADDITIONAL SLIDES**

# EXPLOSIVE GROWTH OF SPENDING DRIVES FISCAL IMBALANCE

## FEDERAL TAXES AND SPENDING AS A PERCENT OF GDP



SOURCE: BUDGET OF THE U.S. GOVERNMENT FY 2011 HISTORICAL TABLES; CBO AN ANALYSIS OF THE PRESIDENT'S BUDGETARY PROPOSALS FOR FISCAL YEAR 2011