

THE CHOICE OF TWO FUTURES

CONGRESSMAN REID RIBBLE, WI-08
MEMBER HOUSE BUDGET COMMITTEE

COMMITTEE CHAIRMAN PAUL RYAN
MARCH 2011



THE CHALLENGE

JOB DEFICIT

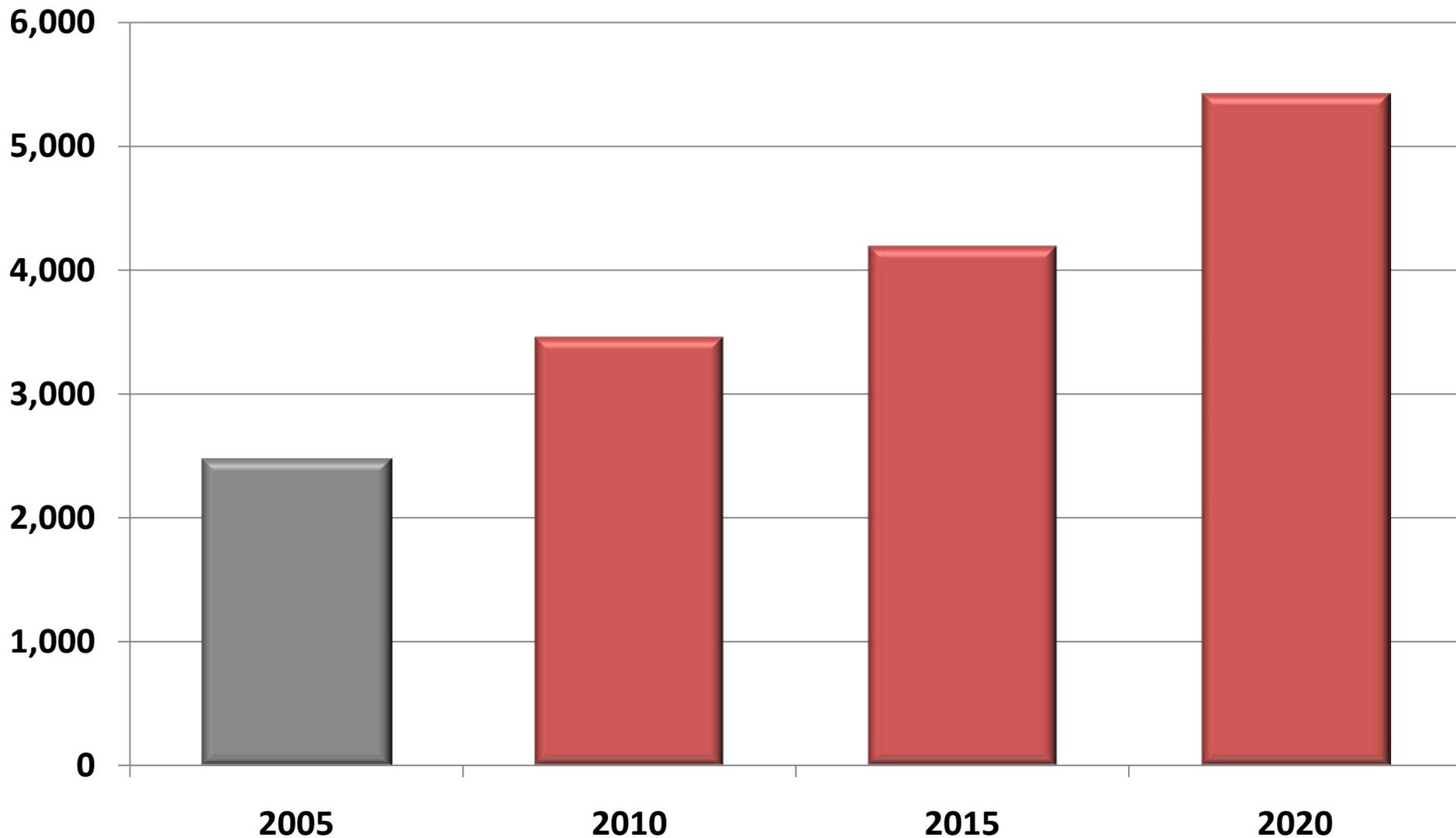
BUDGET DEFICIT

LEADERSHIP DEFICIT

**REVENUE PROBLEM OR
SPENDING PROBLEM?**

RECKLESS SPENDING SPREE

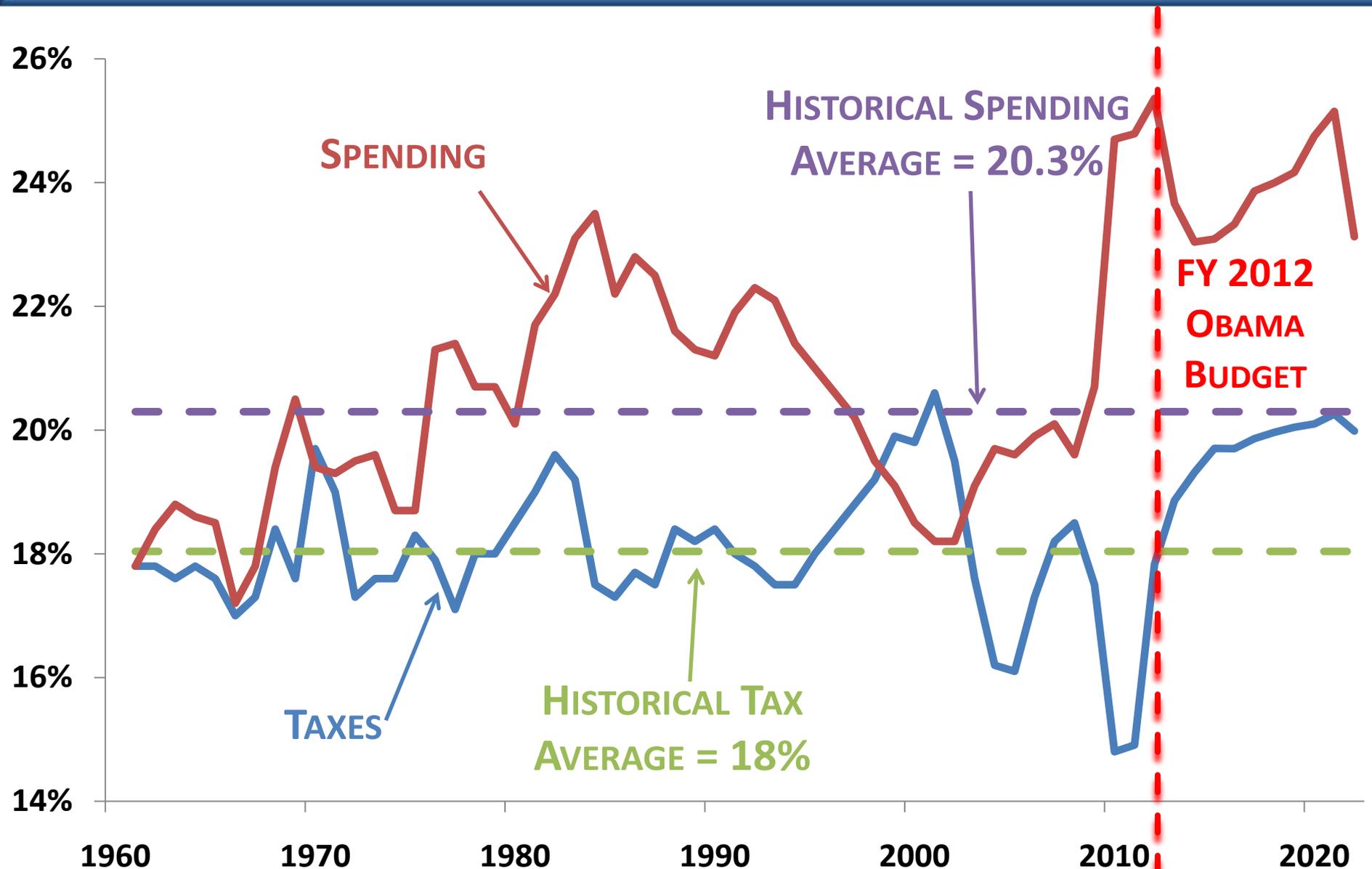
GOVERNMENT SPENDING IN BILLIONS OF DOLLARS, UNDER OBAMA BUDGET





EXPLOSIVE GROWTH OF SPENDING DRIVES FISCAL IMBALANCE

FEDERAL TAXES AND SPENDING AS A PERCENT OF GDP

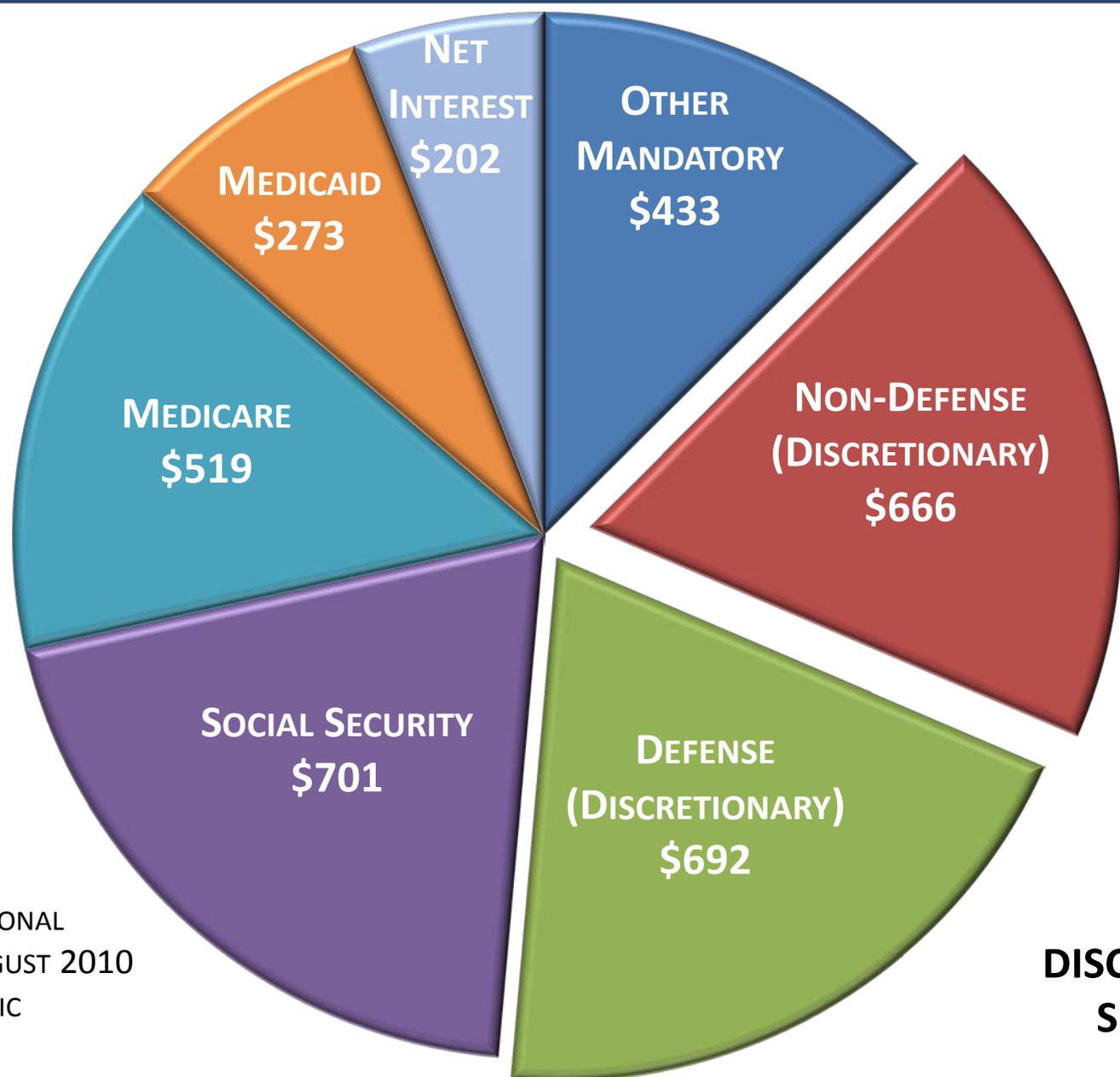


SOURCE: BUDGET OF THE U.S. GOVERNMENT FY 2011 HISTORICAL TABLES; CBO AN ANALYSIS OF THE PRESIDENT'S BUDGETARY PROPOSALS FOR FISCAL YEAR 2011

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

Where Will the FY2011 Federal Dollar Come From?

“Revenue” -
Borrowed Money:
42%

Individual Income
Taxes:
25%

Social Security and
FICA Receipts: 21%

Corporate Income
Taxes:
5%



Other Revenue

Sources:
5%

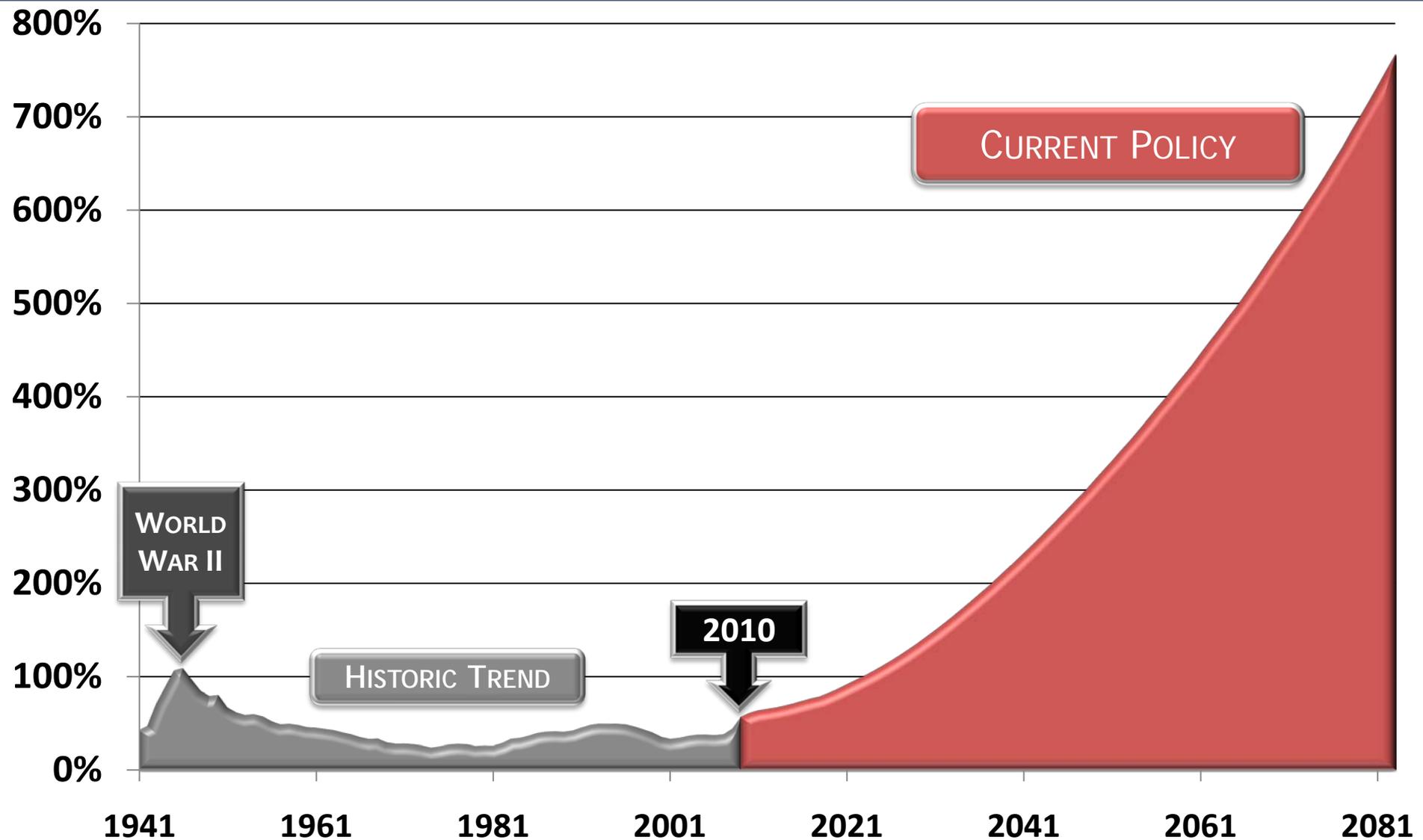
Excise Taxes:
2%

Courtesy: Rep. David Schweikert, AZ-5

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

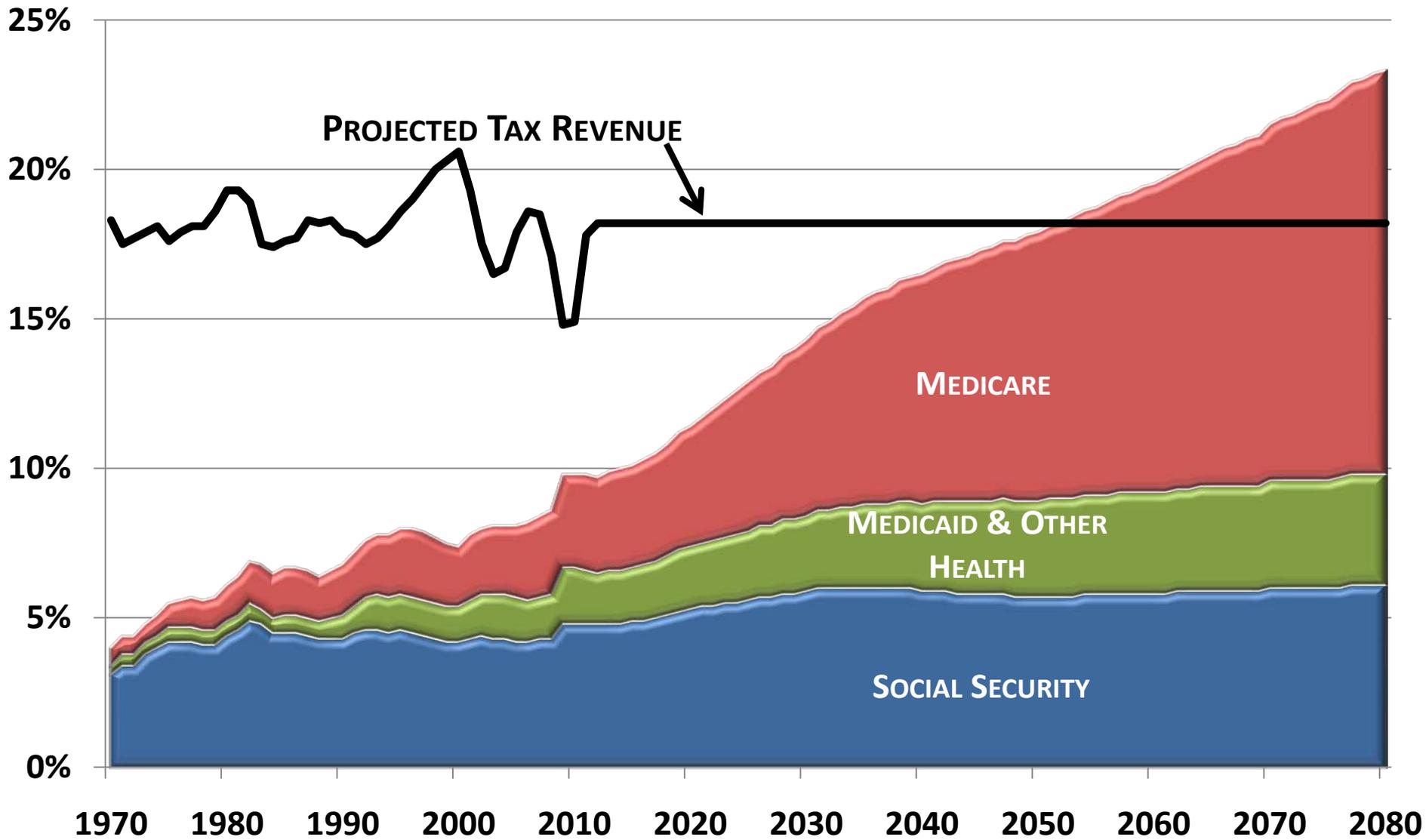
TIDAL WAVE OF DEBT

(DEBT HELD BY PUBLIC AS SHARE OF ECONOMY)



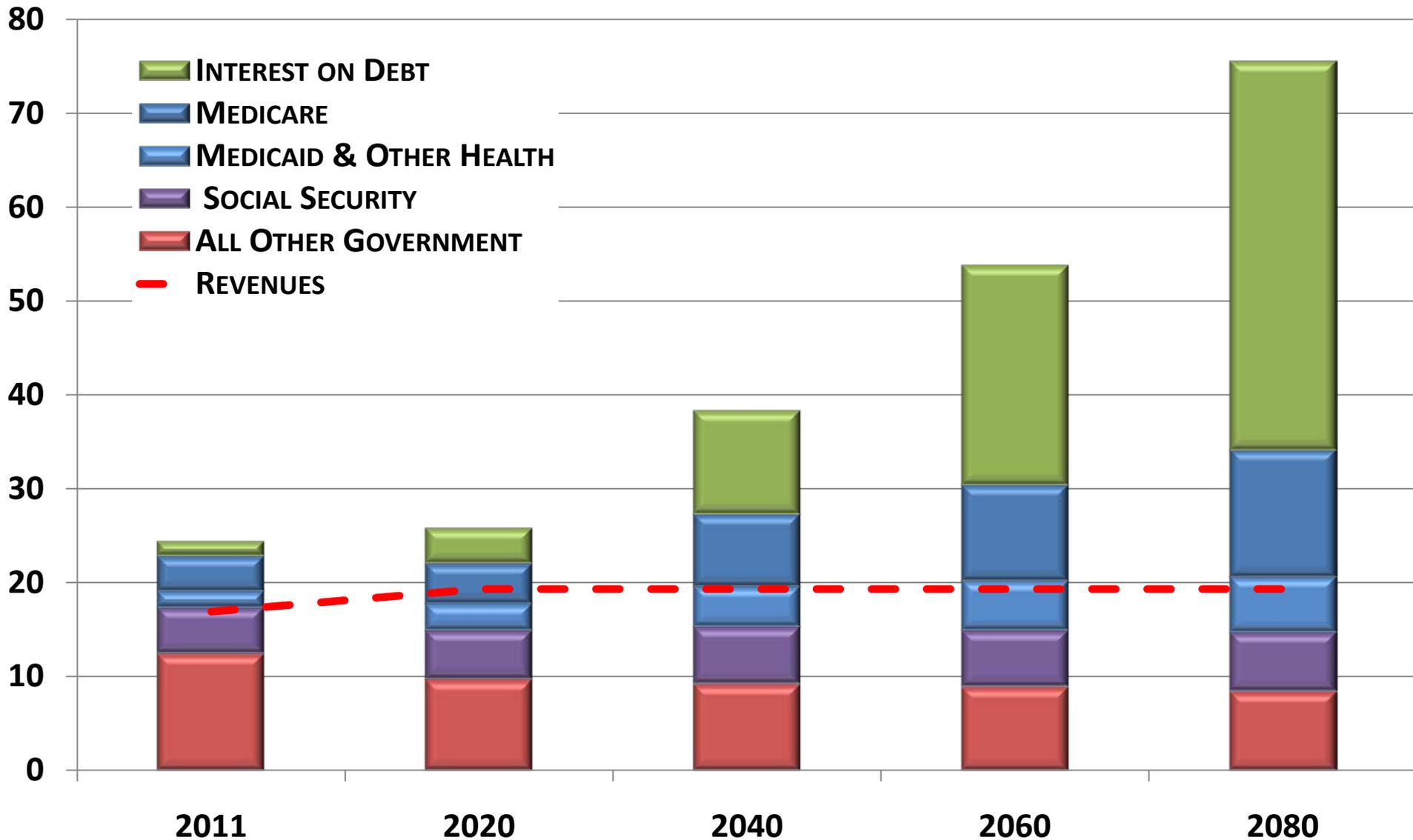
WHAT DRIVES OUR DEBT?

(GOVERNMENT SPENDING AS SHARE OF ECONOMY)

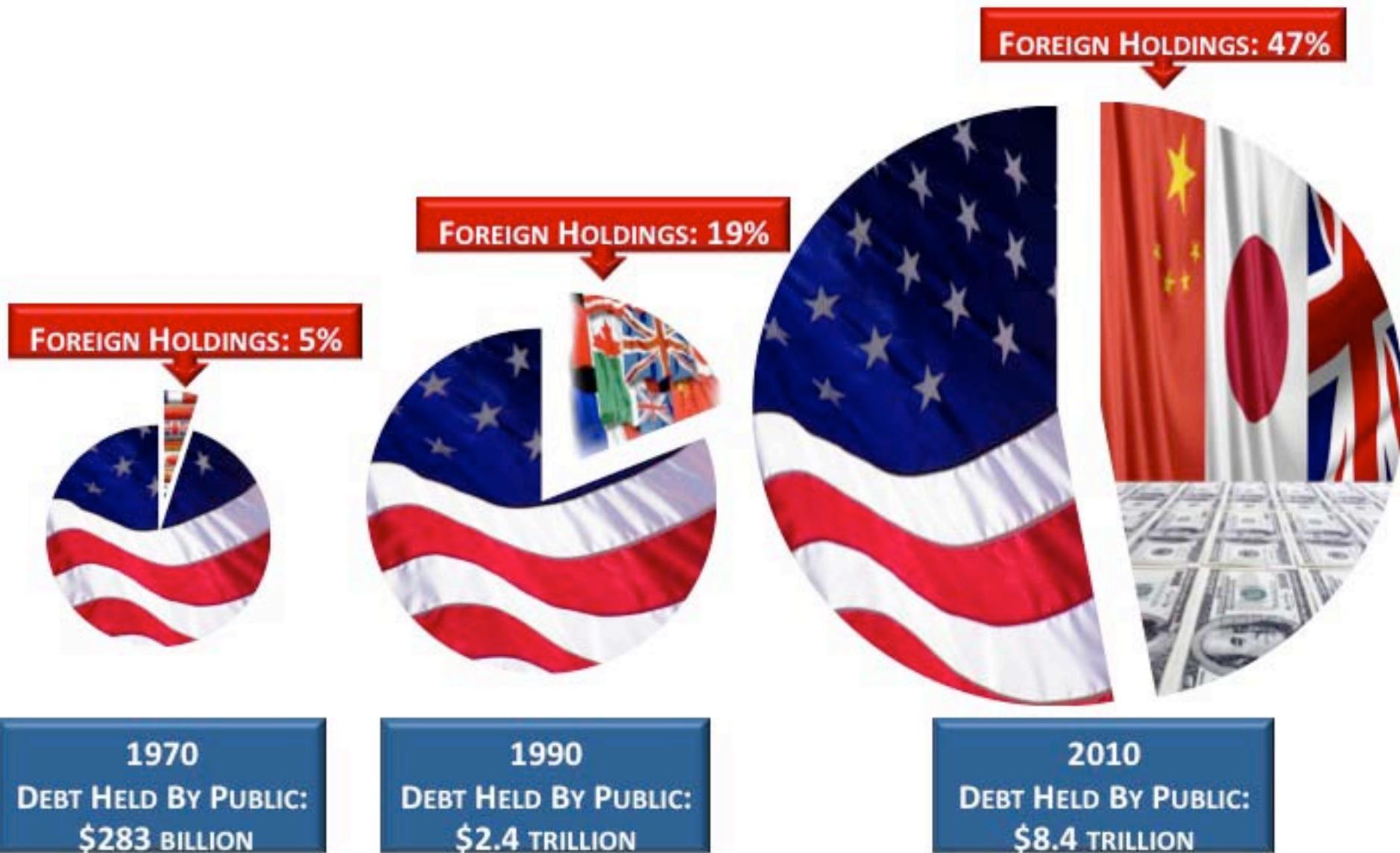


WHAT DRIVES OUR DEBT?

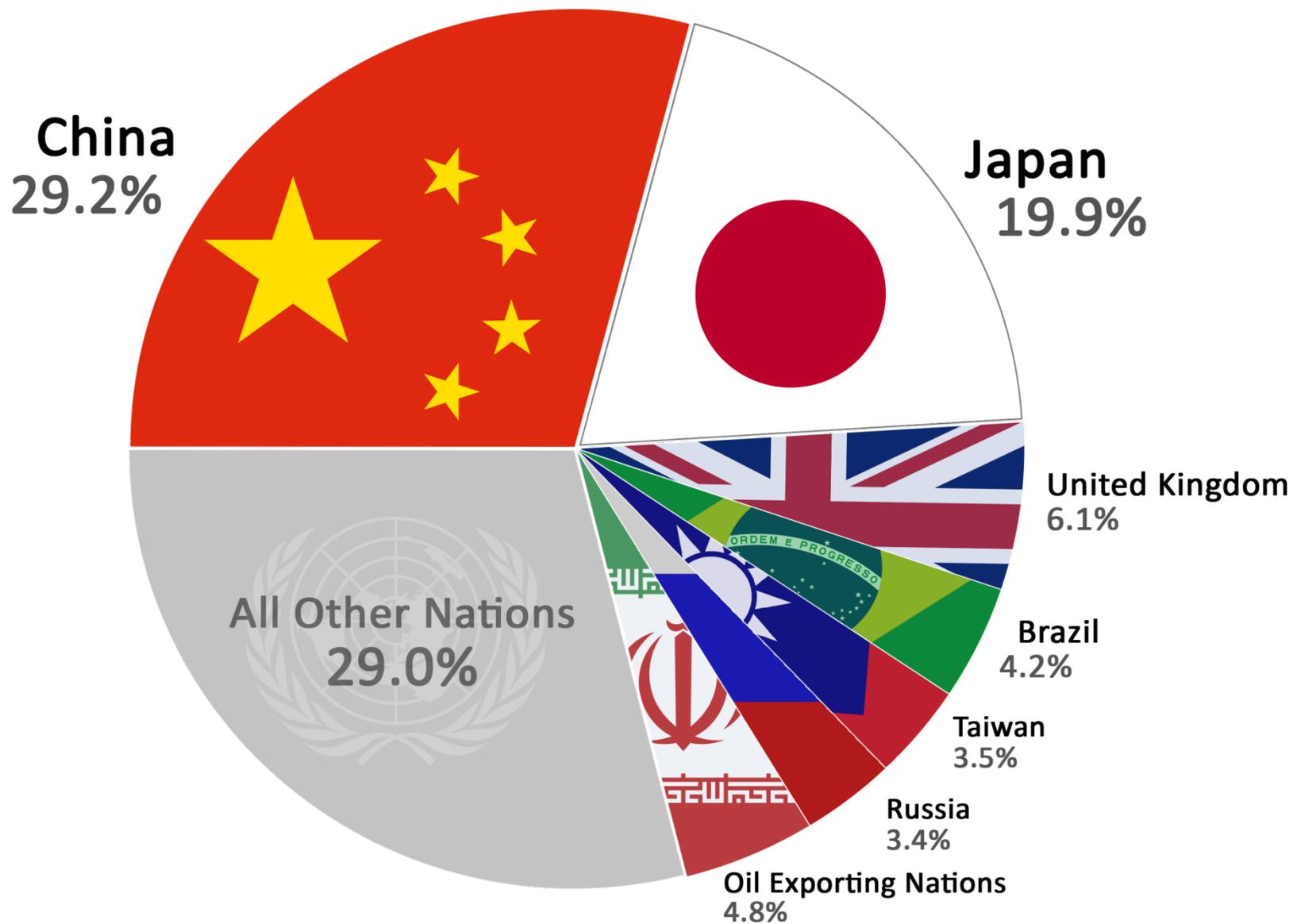
(GOVERNMENT SPENDING AS SHARE OF ECONOMY)



WHO OWNS OUR DEBT ?



FOREIGN OWNERS OF OUR DEBT



Source: U.S. Department of Treasury

PUTTING IT IN PERSPECTIVE

OUR DEBT TO CHINA IN FOCUS

- China Holds a 9.4% share of U.S. Public Debt
- The United States makes DAILY INTEREST payments of \$119.7 million to China.
- What does \$119.7 million a day to China really mean?



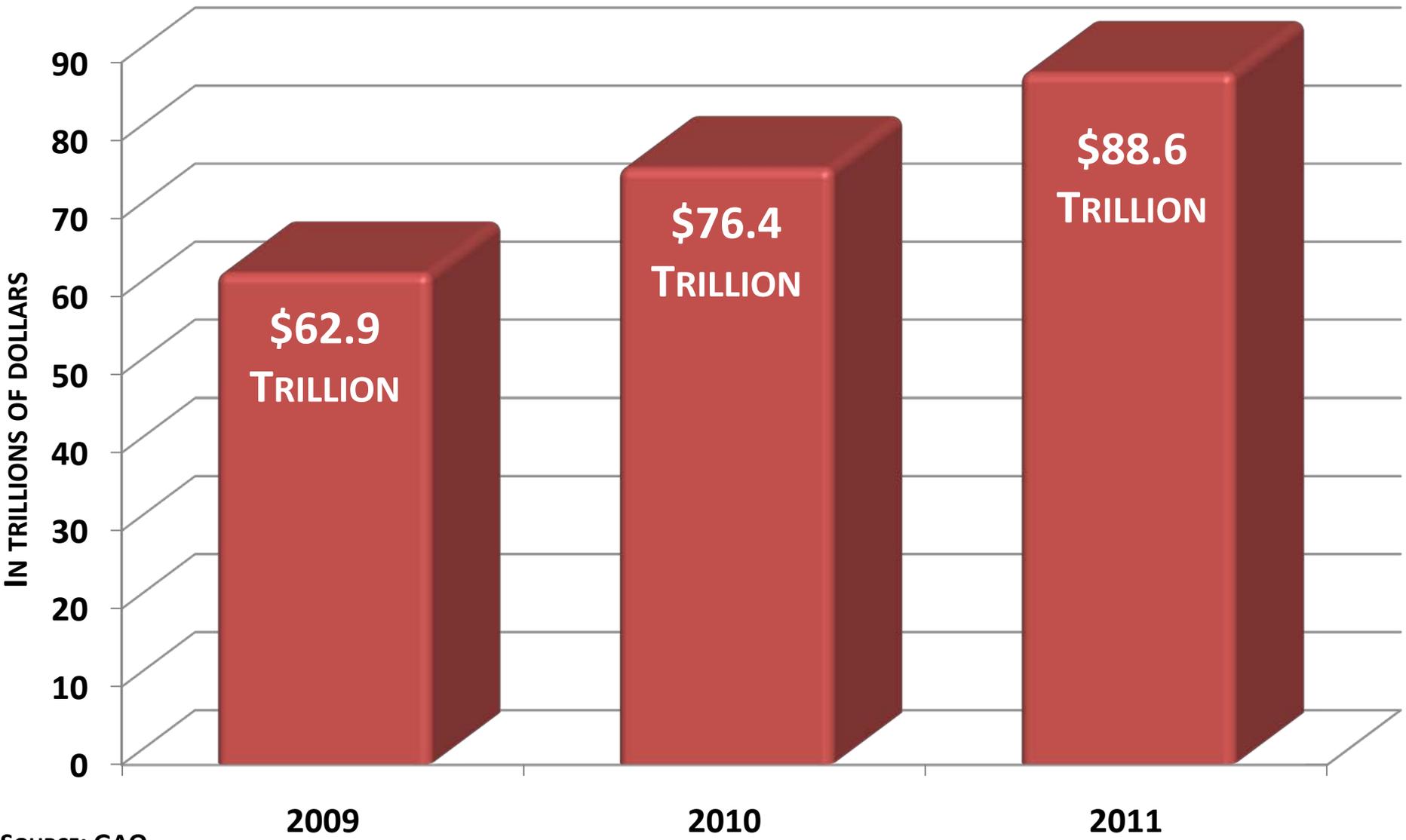
Packers' Payroll every day



One F-35 Every Day

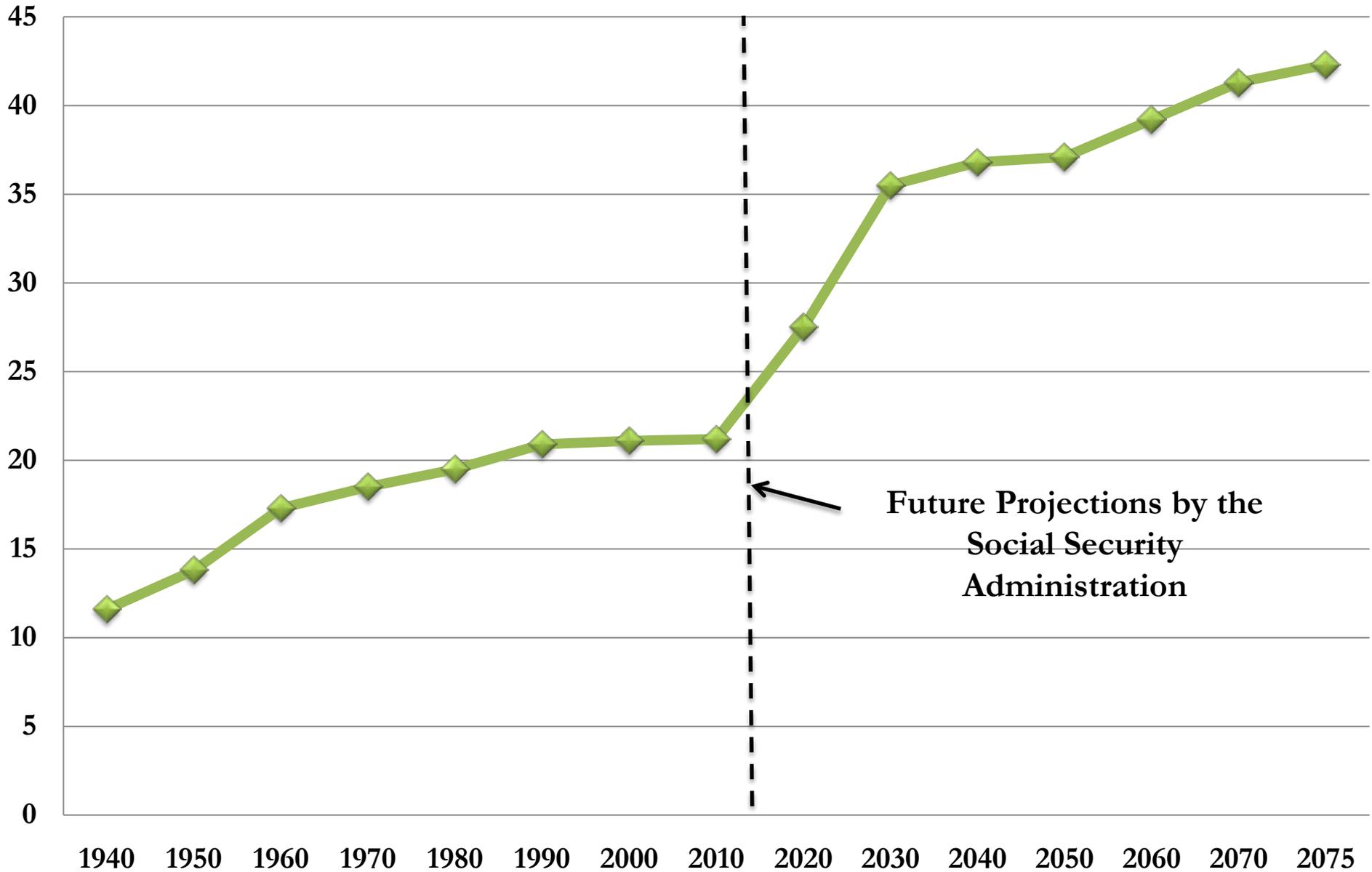
THE COST OF WAITING – THE FISCAL GAP

UNFUNDED PROMISES IN TRILLIONS OF DOLLARS



SOURCE: GAO

The Looming Entitlement Crisis



◆ Population Age 65+ as Percent of Population

Courtesy: Rep. Dave Schweikert



REAL SECURITY & REAL REFORM

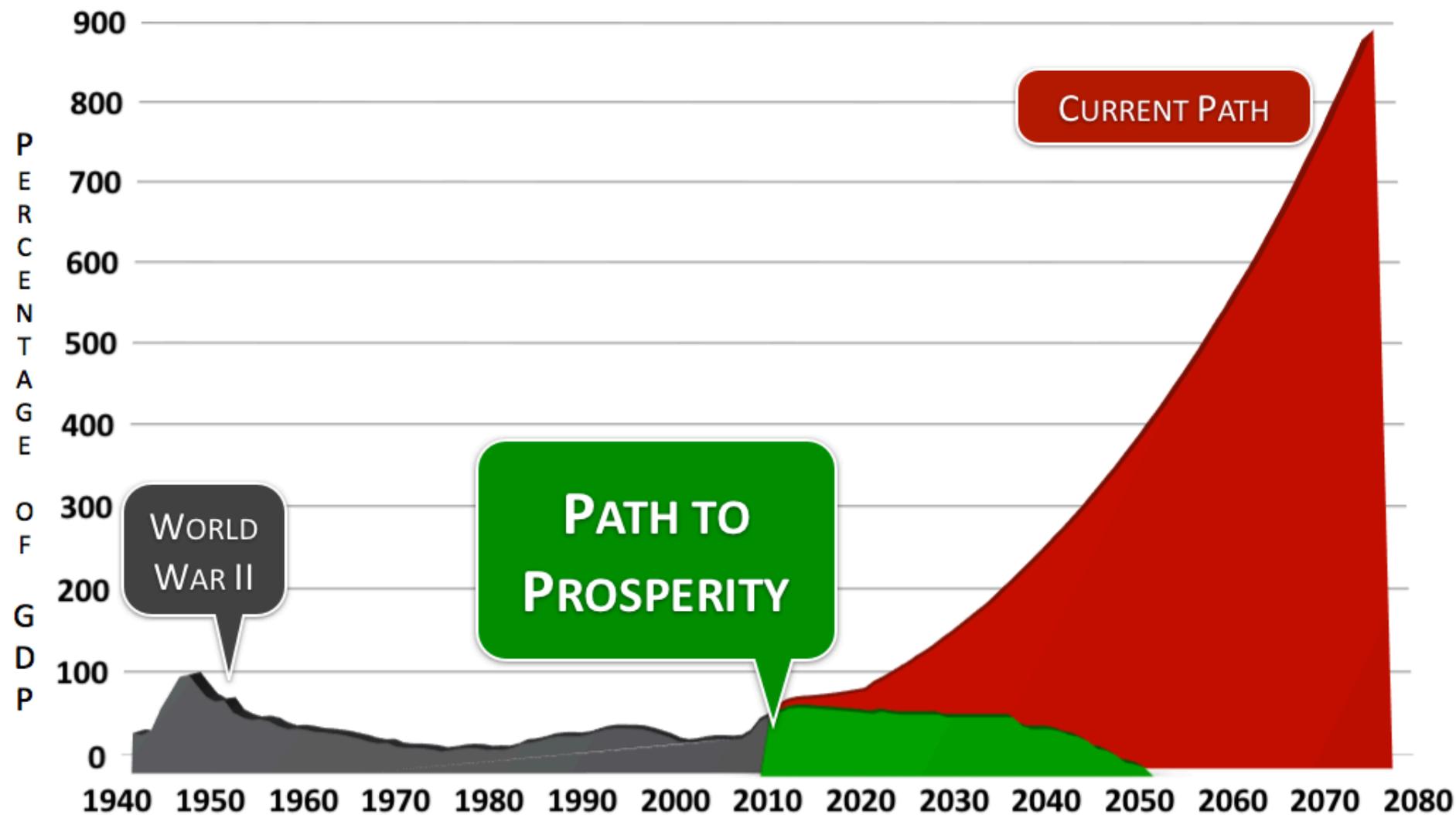
THE HOUSE REPUBLICAN FY2012 BUDGET

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

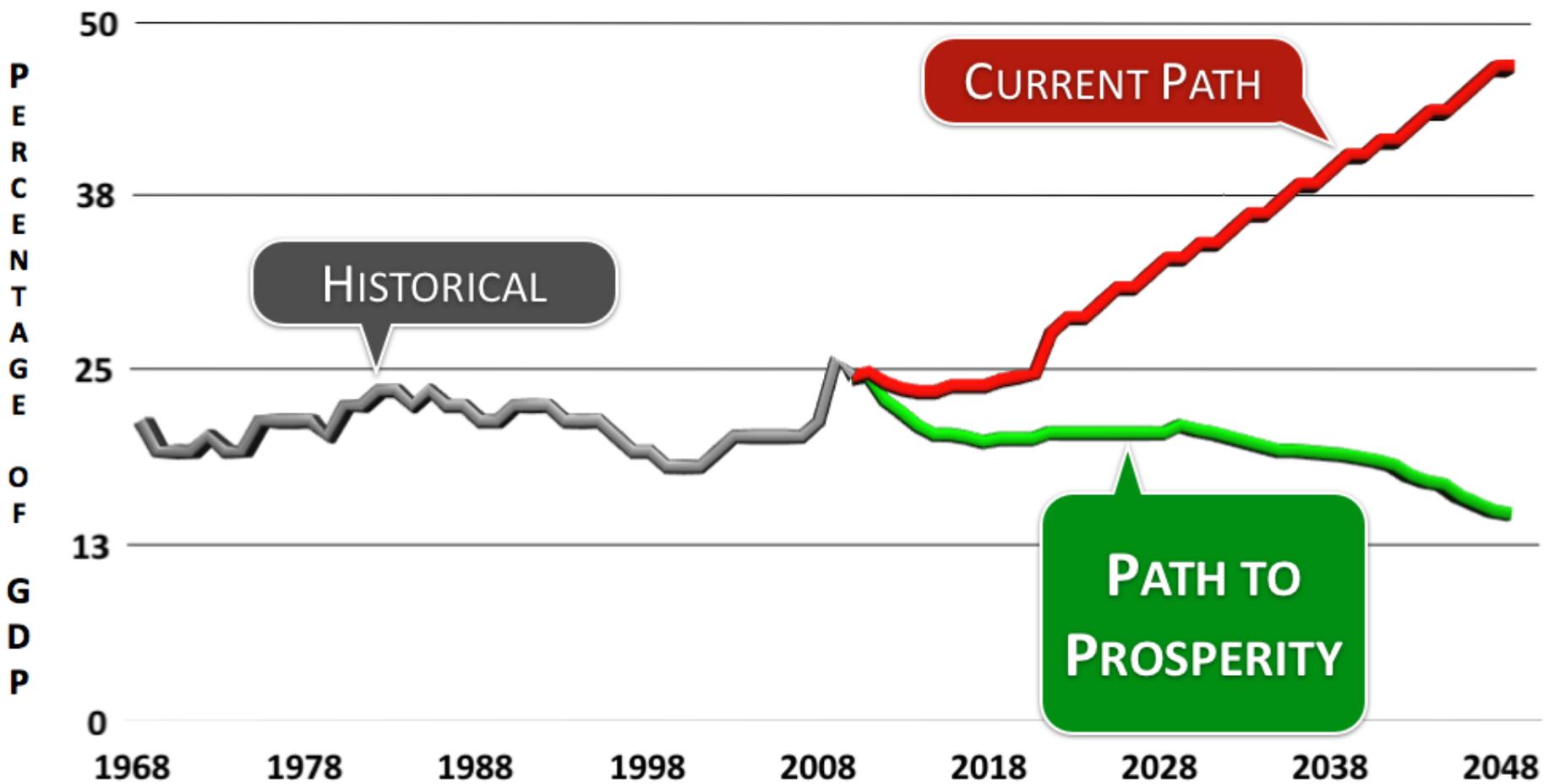
A CHOICE OF TWO FUTURES

(DEBT AS A SHARE OF THE ECONOMY)



SOURCE: OMB/CBO

GOVERNMENT SPENDING (AS PERCENTAGE OF GDP)



QUESTIONS? COMMENTS?

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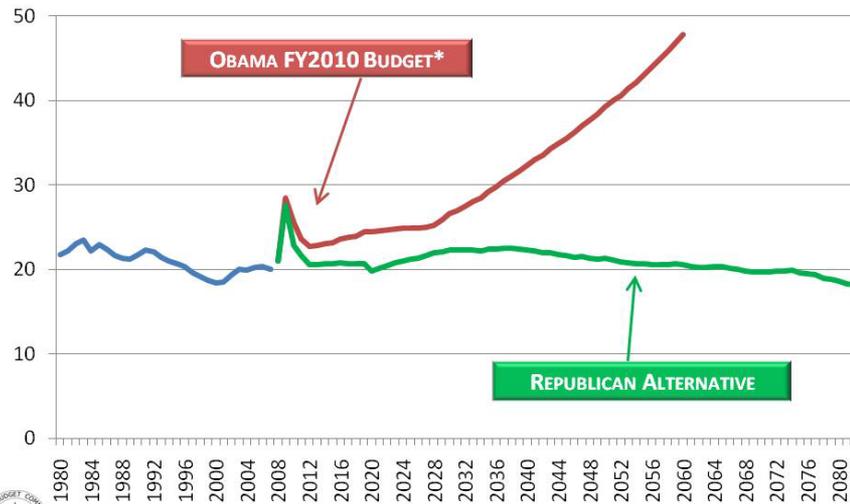
Email Ideas to:
RibbleDebtIdeas@mail.house.gov

ADDITIONAL SLIDES

A CHOICE OF TWO FUTURES

CURBING SPENDING

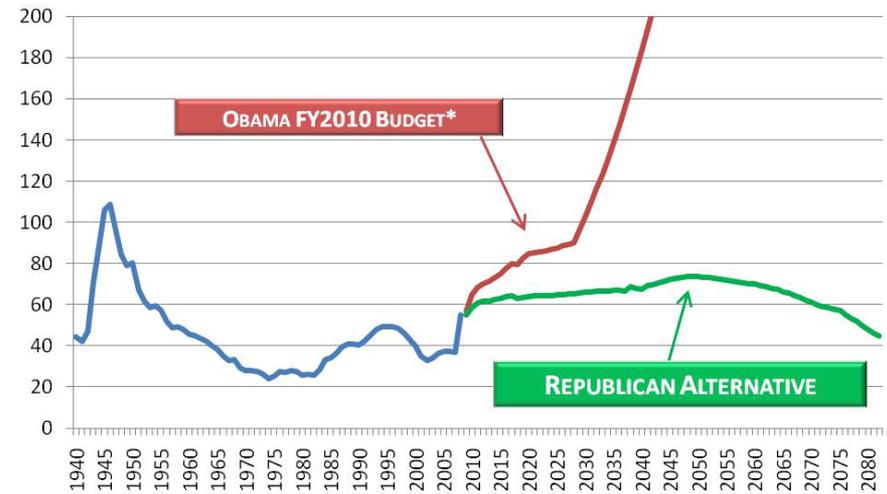
(GOVERNMENT SPENDING AS PERCENTAGE OF GDP)



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

GETTING DEBT UNDER CONTROL

(DEBT HELD BY PUBLIC AS PERCENTAGE OF GDP)

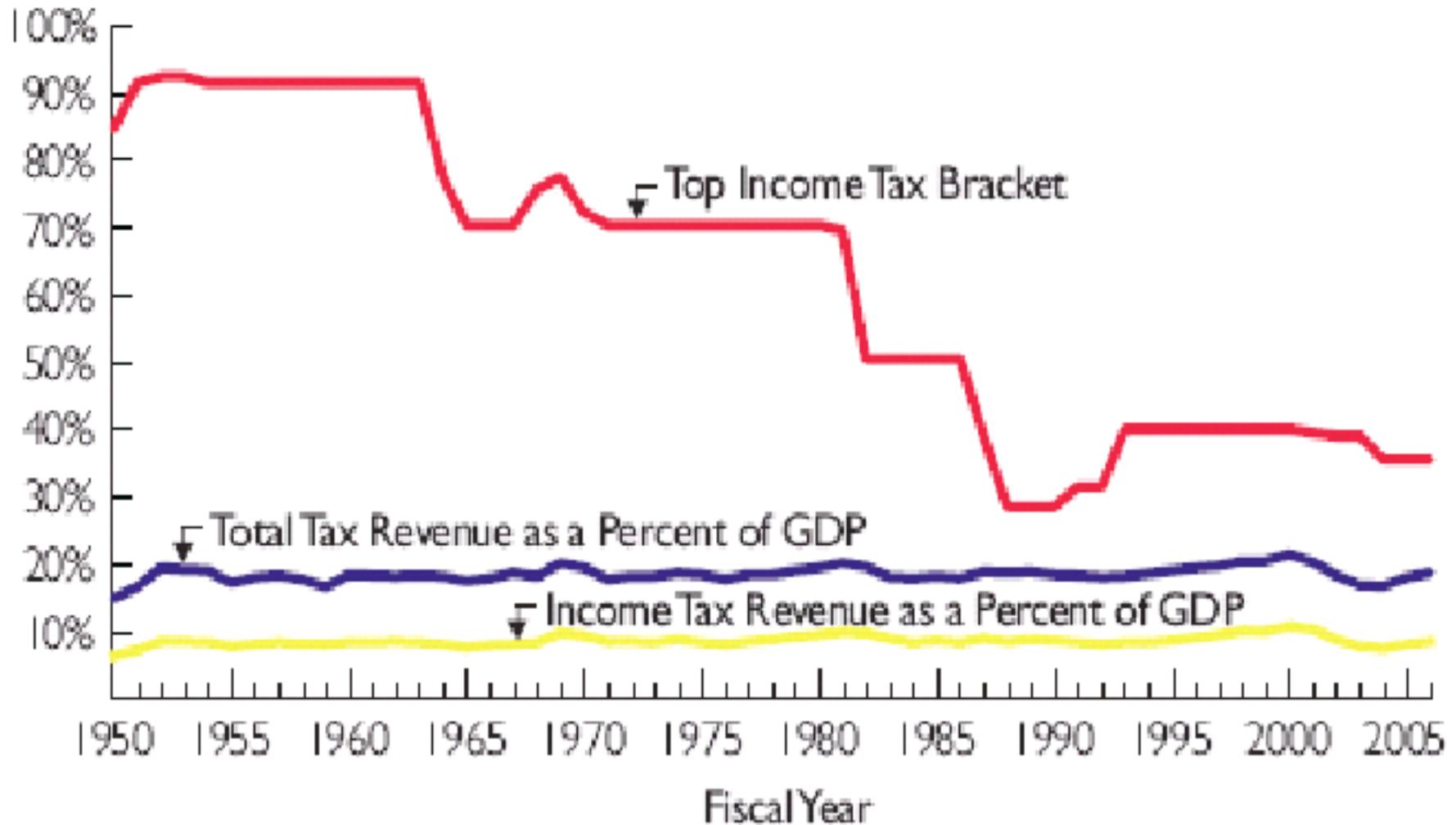


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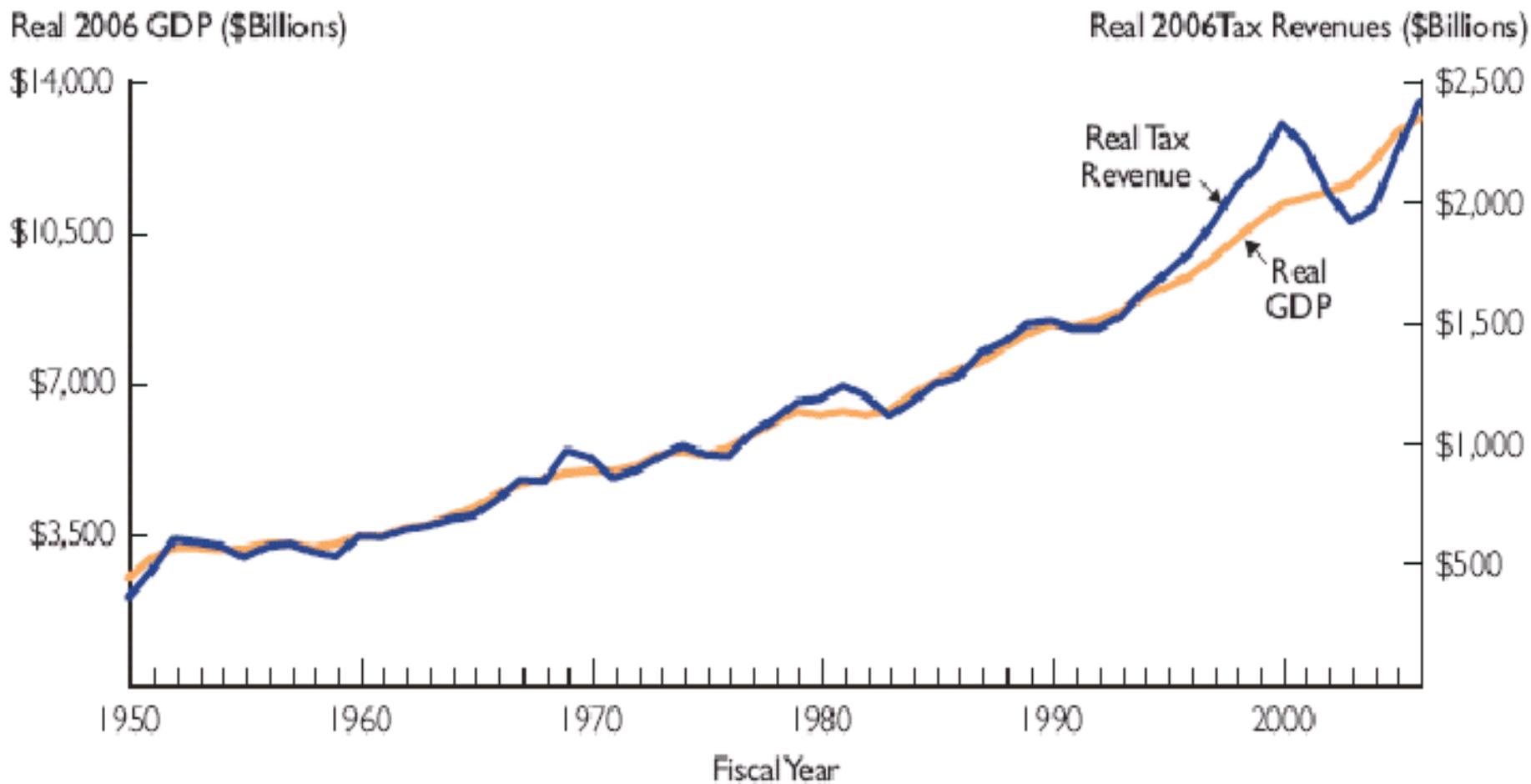
- **2009 House GOP Budget Alternative**

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

TAX REVENUES DO NOT CORRELATE WELL WITH TAX RATES



TAX REVENUES ARE HIGHLY CORRELATED WITH GDP



Where is the GOP's REAL Spending Fight?

