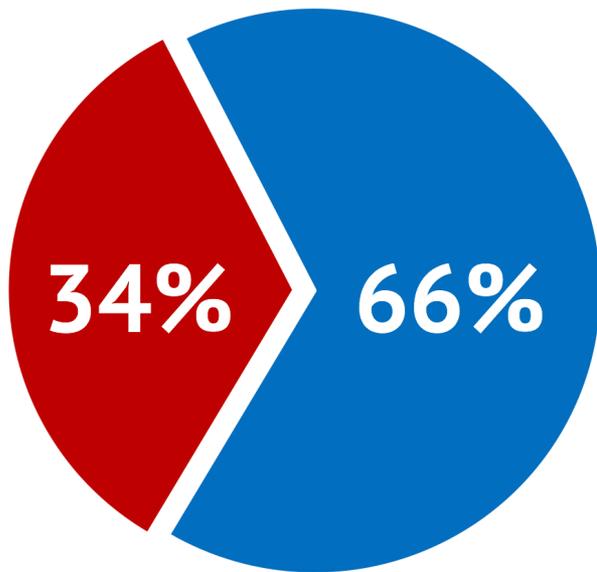
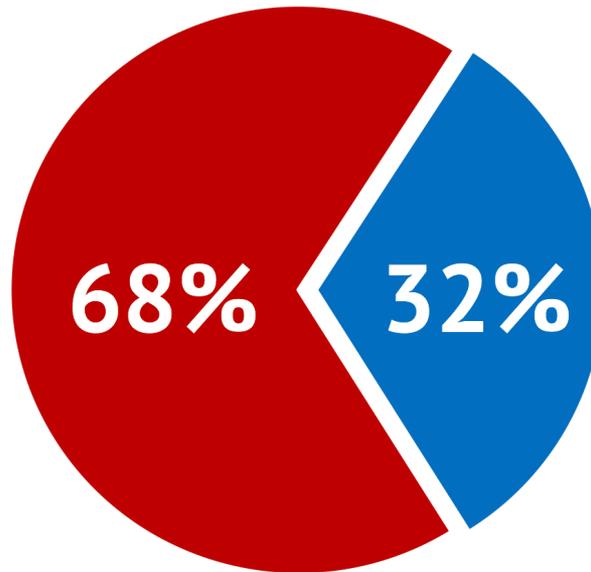


AUTOMATIC SPENDING GROWS OVER TIME

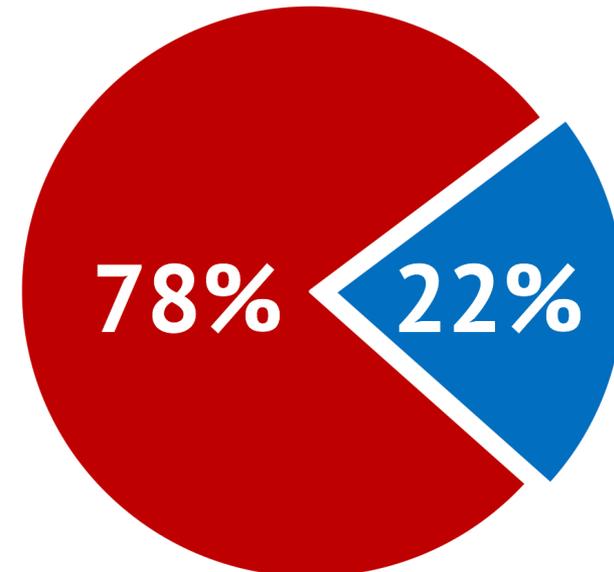
- Automatic Spending
- All Other Spending



1965



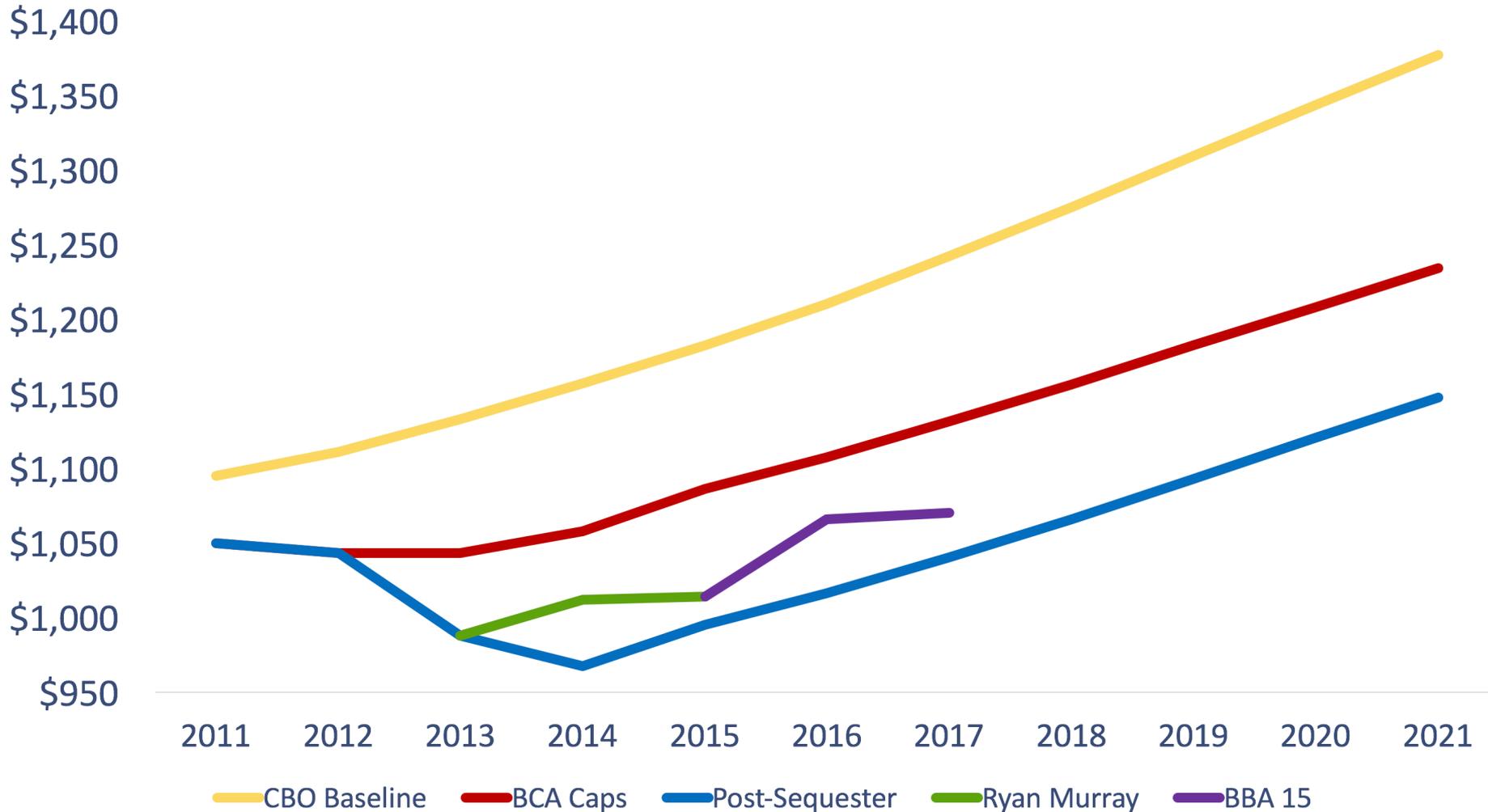
2015



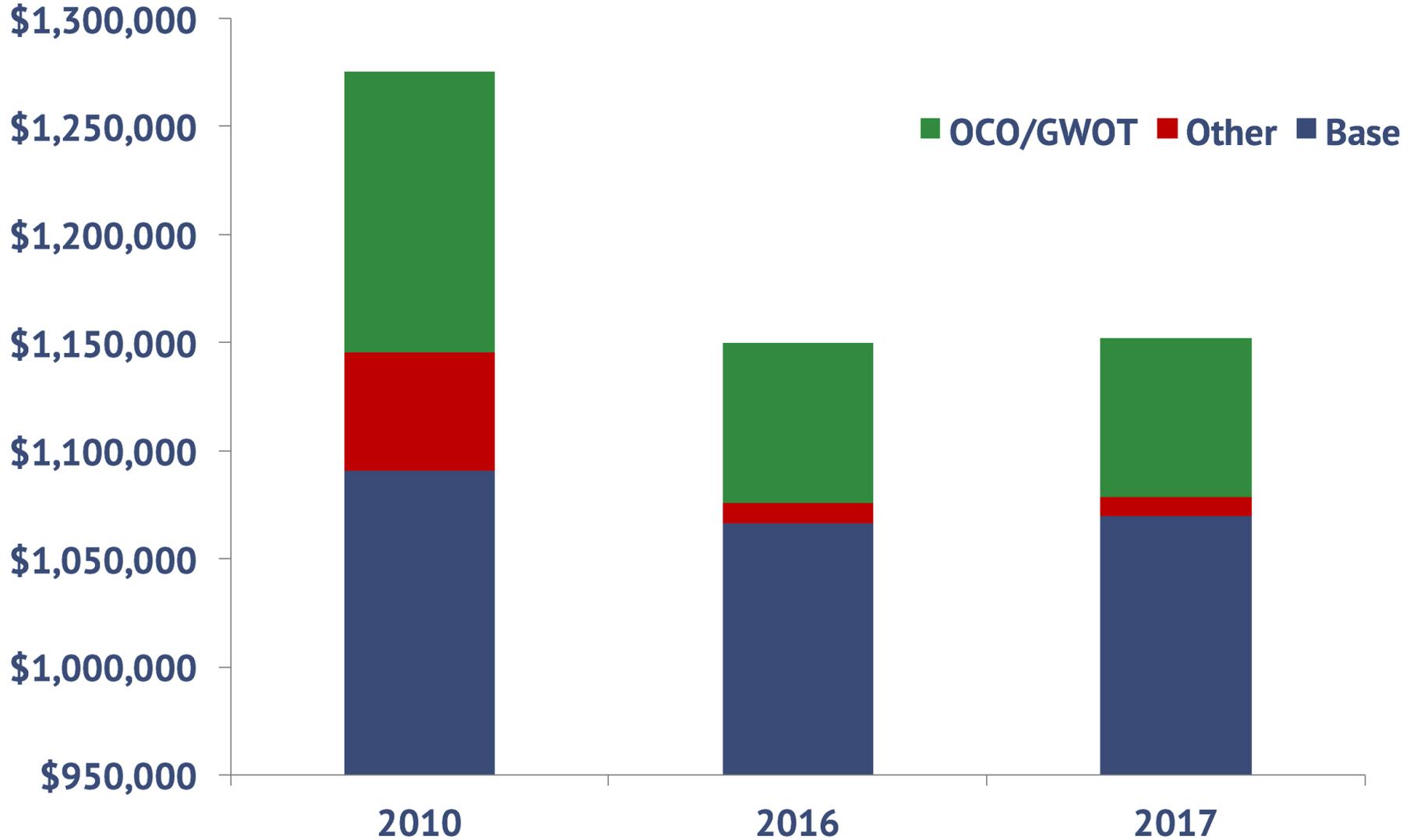
2026

DISCRETIONARY CAPS

(Budget Authority in Billions)

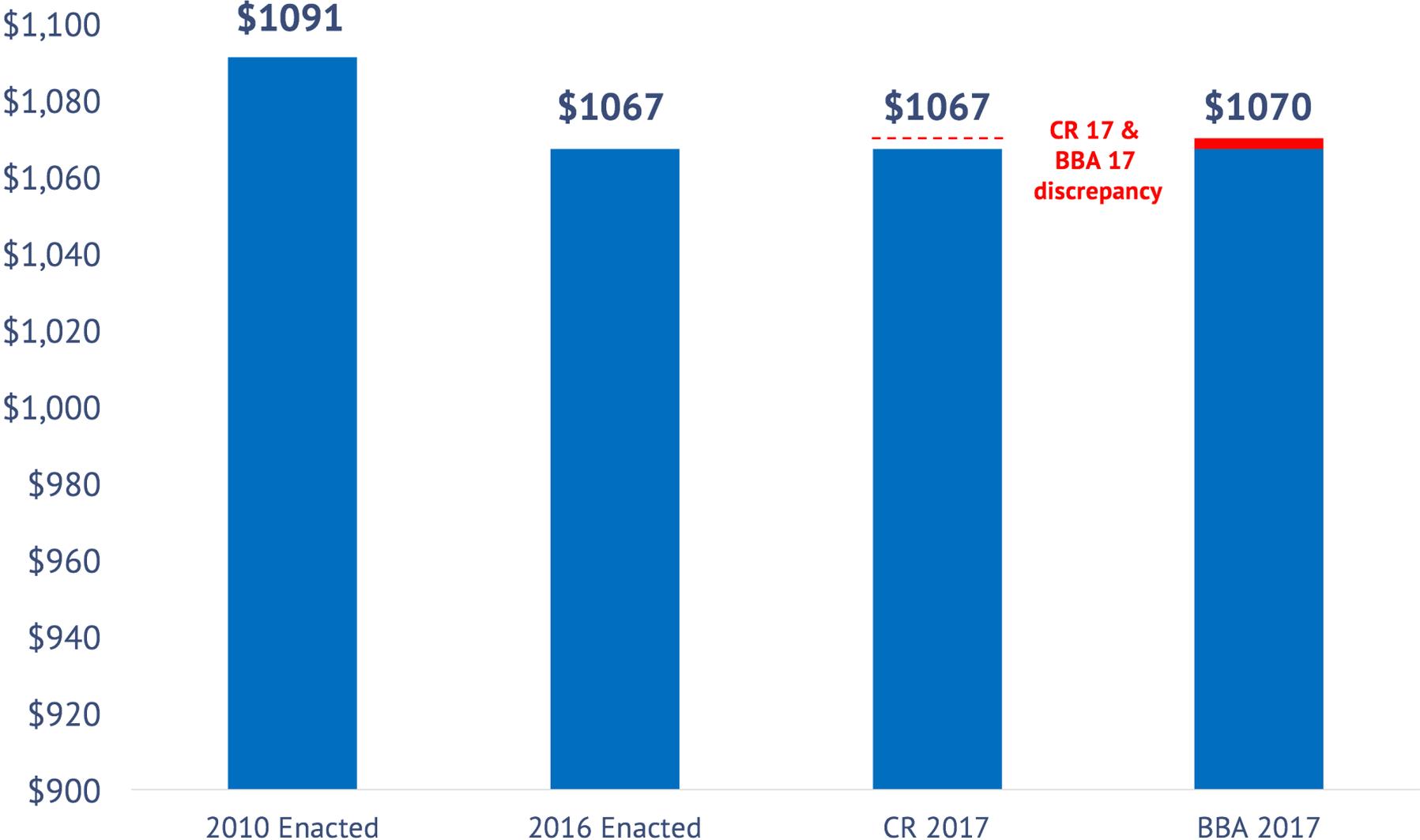


DISCRETIONARY SPENDING SINCE FY2010



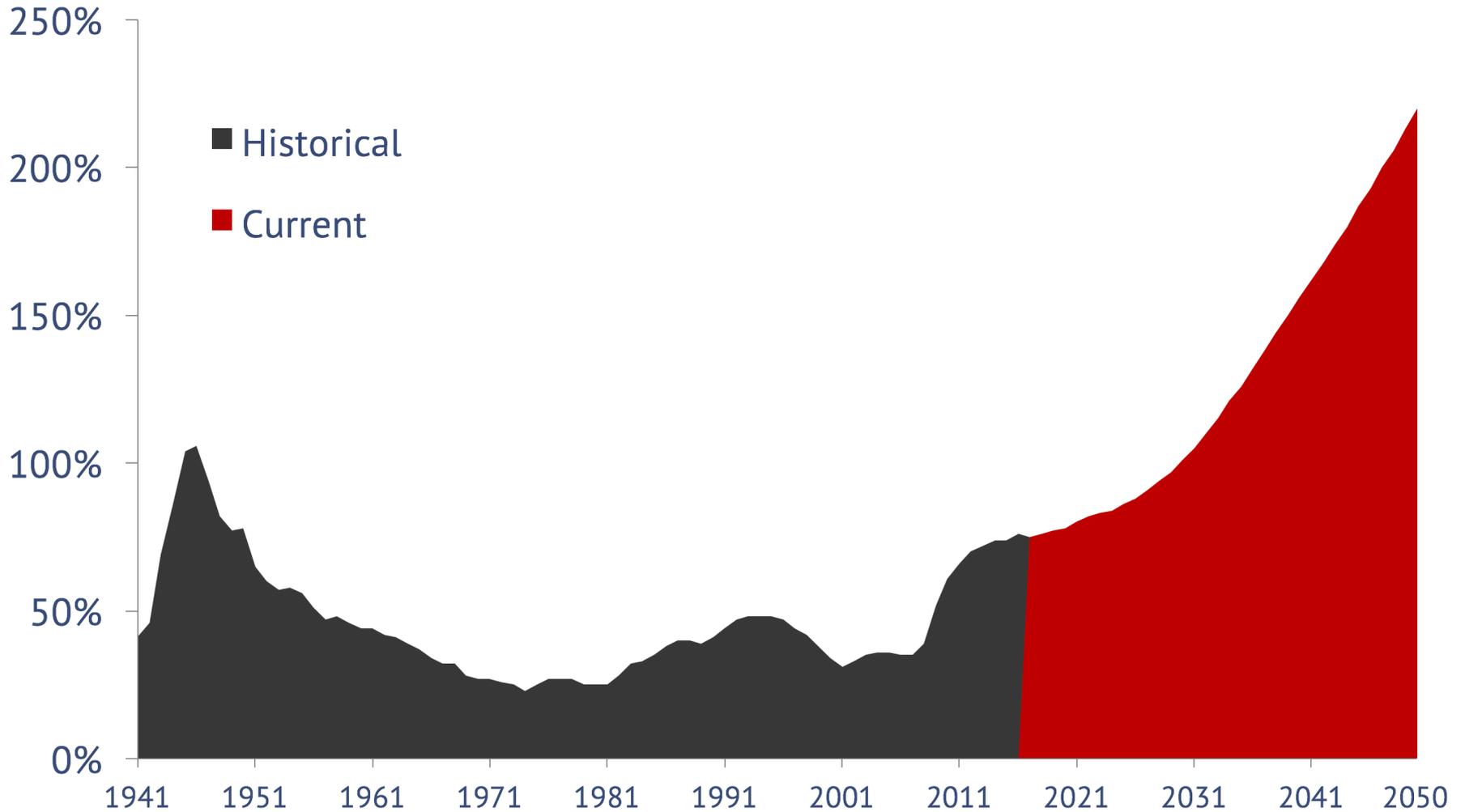
DISCRETIONARY SPENDING BBA VS. CR

(Budget Authority in Billions)



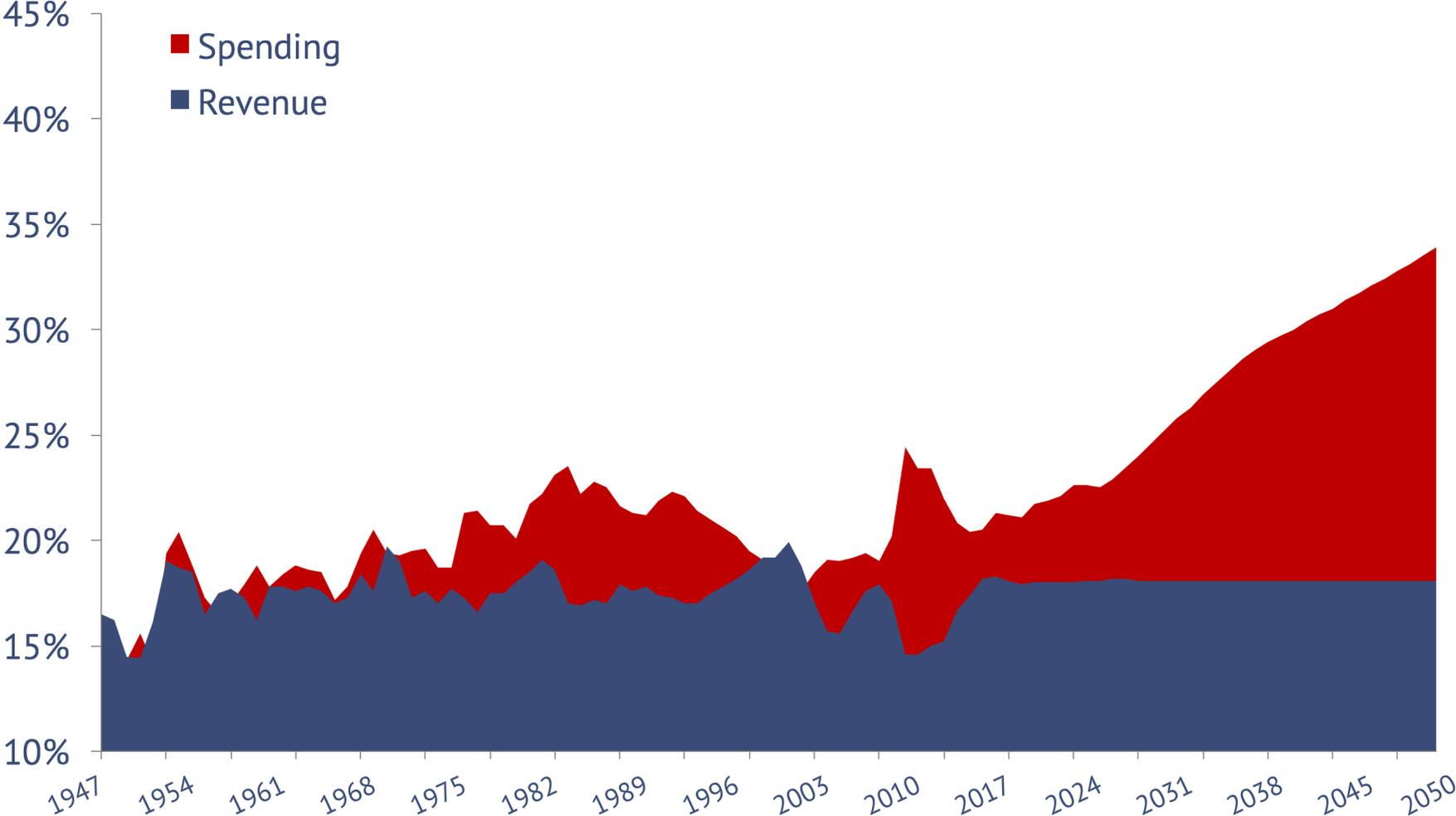
THE NATIONAL DEBT KEEPS GROWING

(Debt Held by the Public as a Percentage of GDP)



SPENDING IS THE PROBLEM

Historic/Projected Spending & Revenue as a Percentage of GDP



INTEREST VS. OTHER SPENDING

(In 2026 Under Current Law)

NET INTEREST



DEFENSE



MEDICAID



EDUCATION



TRANSPORTATION



SCIENCE, SPACE, TECH



CBO'S PROJECTION OF REAL ECONOMIC GROWTH CONTINUES TO DECLINE

(Average Annual Percentage Change in Real GDP Growth for the Next 10 Year Period)

Percentage (%)

3.5

3.0%
3.0

2.9%

2.5%

2.3%

2.1%

2.5

2.0

1.5

1.0

0.5

0.0

Jan. 2012
(FY2013-2022)

Feb. 2013
(FY2014-2023)

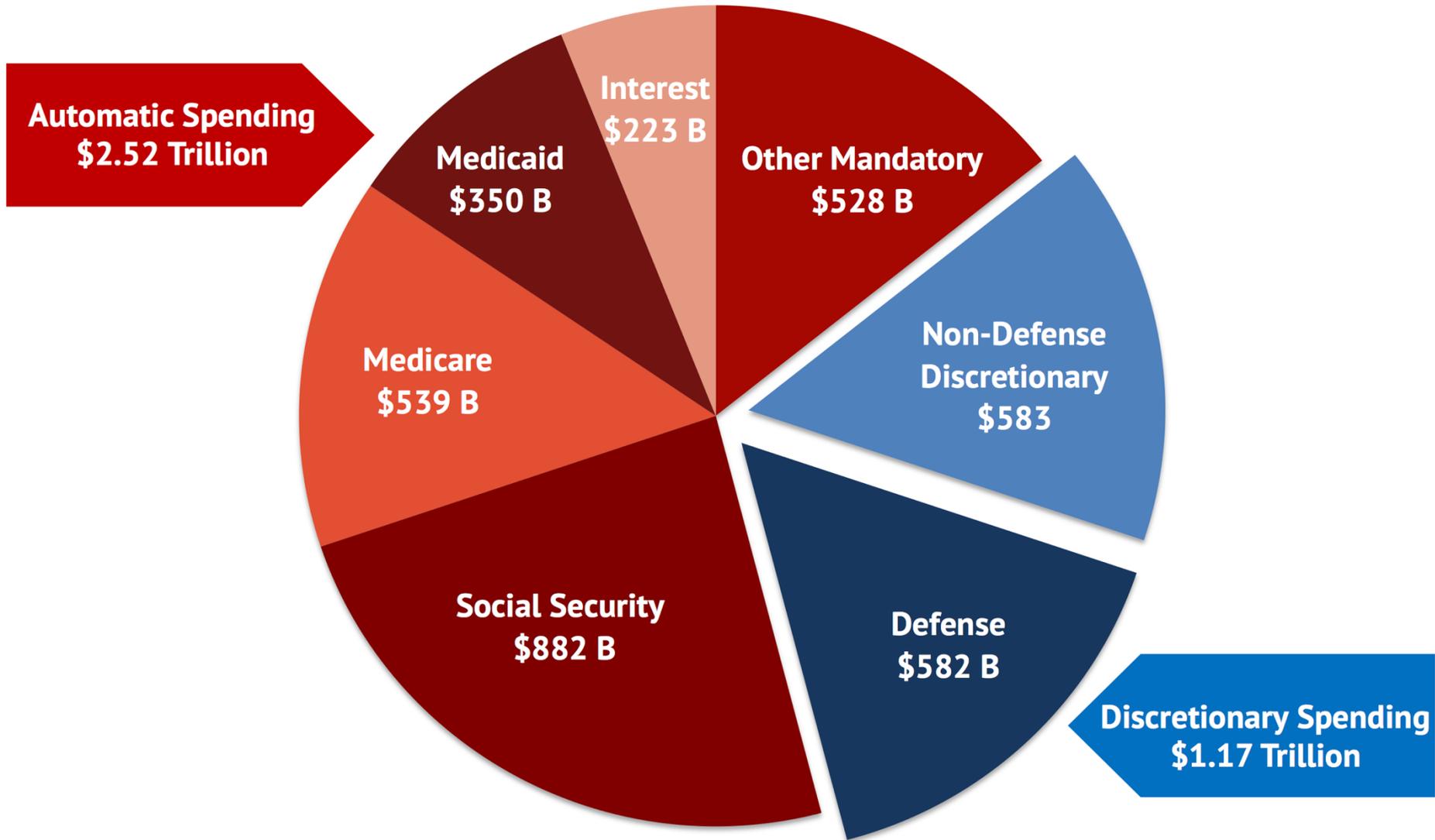
Feb. 2014
(FY2015-2024)

Jan. 2015
(FY2016-2025)

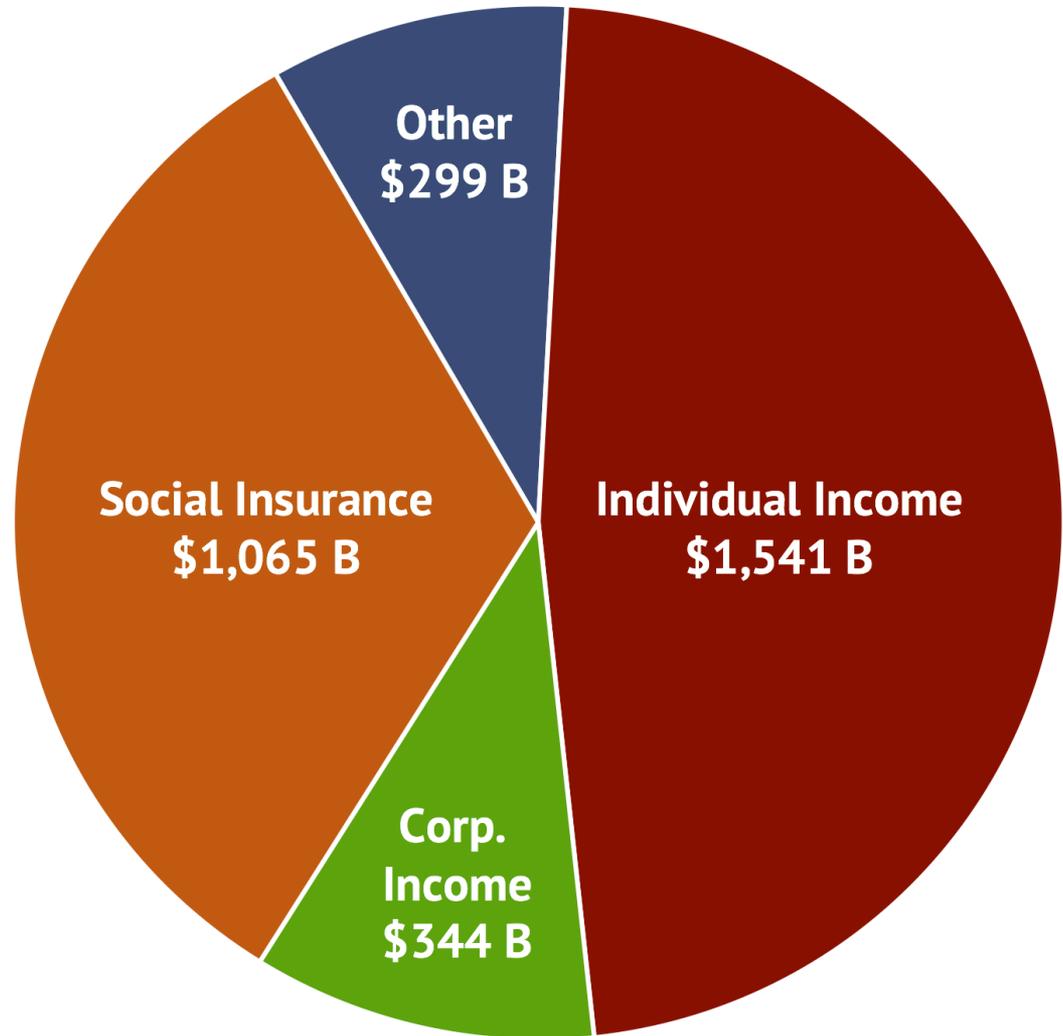
Jan. 2016
(FY2017-2026)

FY2015 TOTAL SPENDING

(\$3.69 Trillion Outlays)



TOTAL REVENUE IN FY 2015 = \$3.25 TRILLION



AN UNSUSTAINABLE FISCAL PATH

- Sluggish economic growth averaging **2.1% over 10 years**
- **\$9.4 trillion in deficits** over 10 years – up \$1.5 trillion from August projections
- **10th year budget deficit = \$278 billion** over last year
- 10 year average revenue growth of **4.1%** vs. spending growth of **5.1%**
- Total debt nearly **\$30 trillion** in 2026
- Federal health care spending has surpassed Social Security spending
- Medicare Part A goes **insolvent** in 2030

OBAMA'S FY2017 BUDGET

- **NEVER balances – EVER**
- **\$3.4 trillion in new taxes over 10 years**
- **Increases spending by \$2.5 trillion over 10 years**
- **Debt rises to \$27.4 trillion by 2026 – nearly triple the debt when Obama took office**