

THE CHOICE OF TWO FUTURES

HOUSE BUDGET COMMITTEE CHAIRMAN PAUL RYAN

MARCH 2011

THE CHALLENGE

JOB DEFICIT

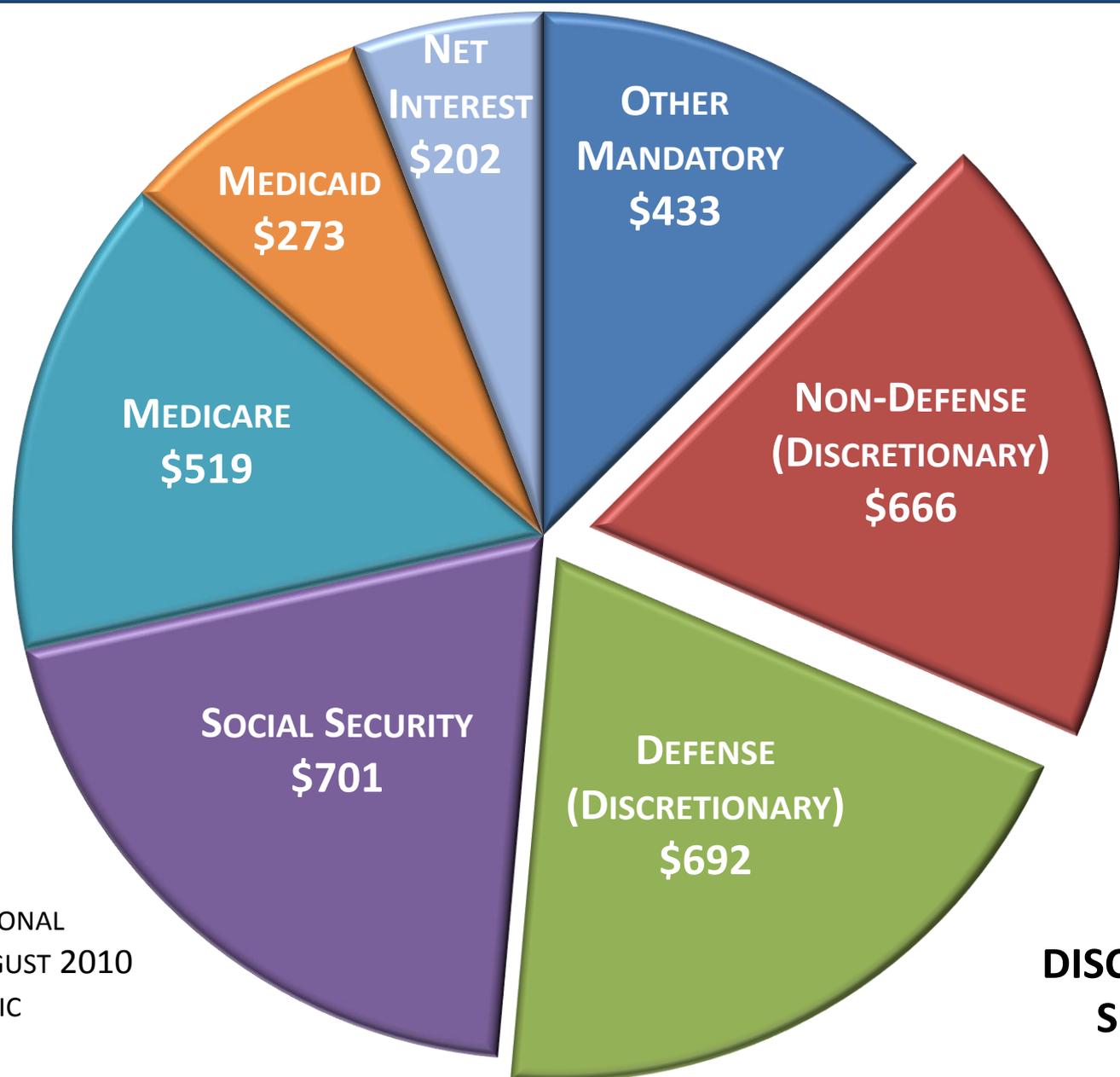
BUDGET DEFICIT

LEADERSHIP DEFICIT

TOTAL SPENDING IN FY 2010 = \$3.5 TRILLION

(OUTLAYS IN BILLIONS OF DOLLARS)

MANDATORY SPENDING

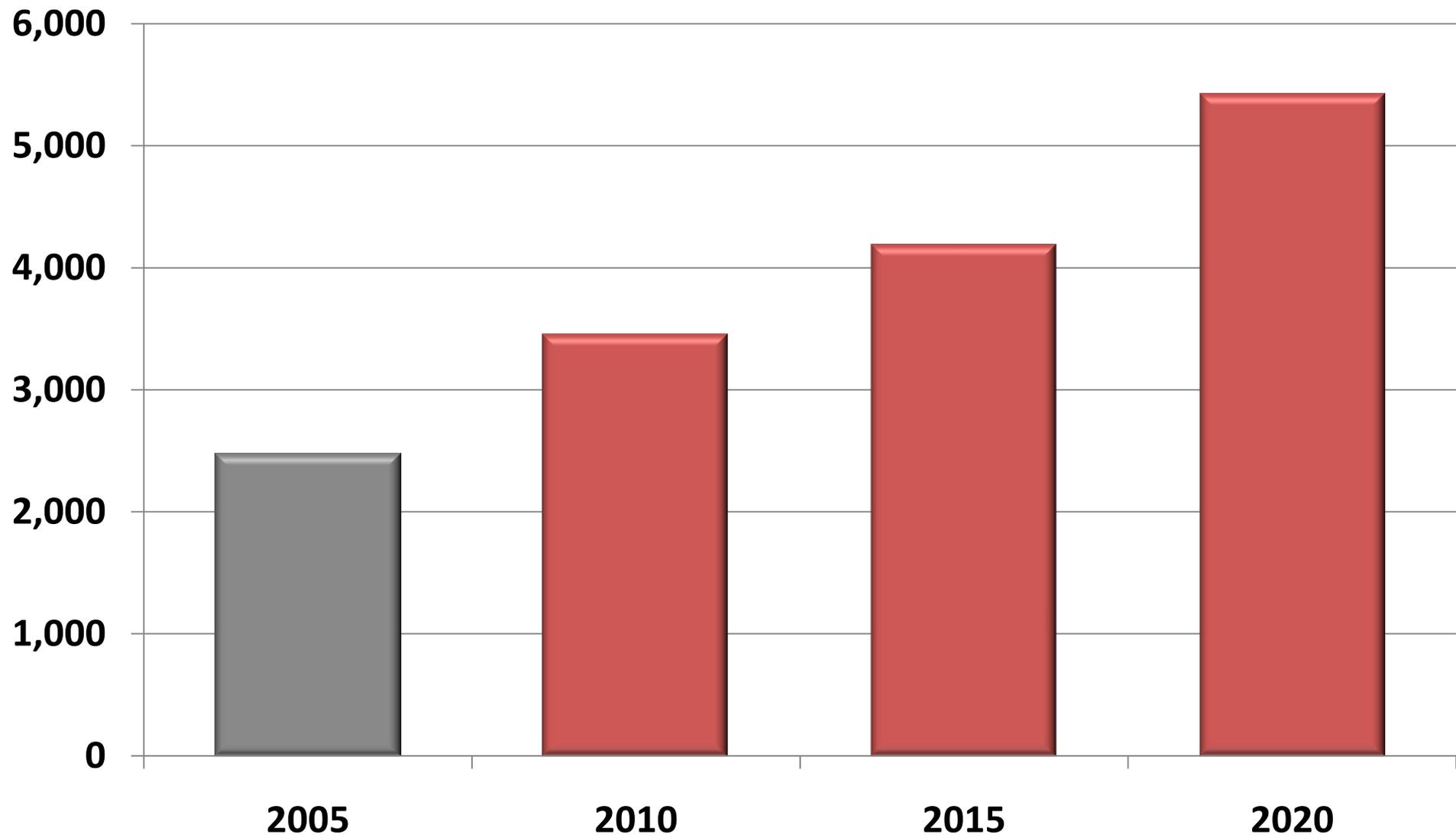


DISCRETIONARY SPENDING

SOURCE: CONGRESSIONAL BUDGET OFFICE AUGUST 2010 BUDGET & ECONOMIC OUTLOOK

RECKLESS SPENDING SPREE

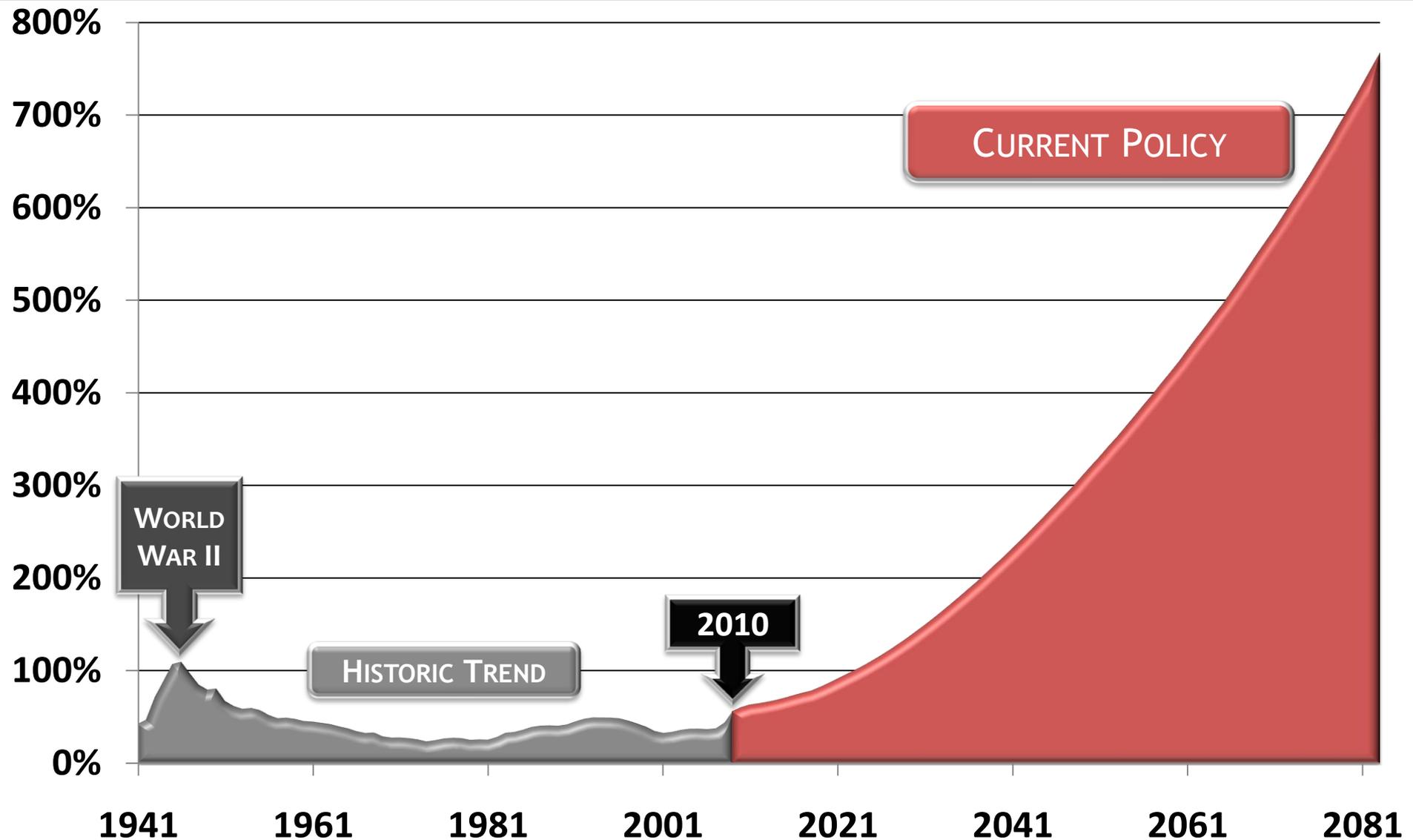
GOVERNMENT SPENDING IN BILLIONS OF DOLLARS, UNDER OBAMA BUDGET



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

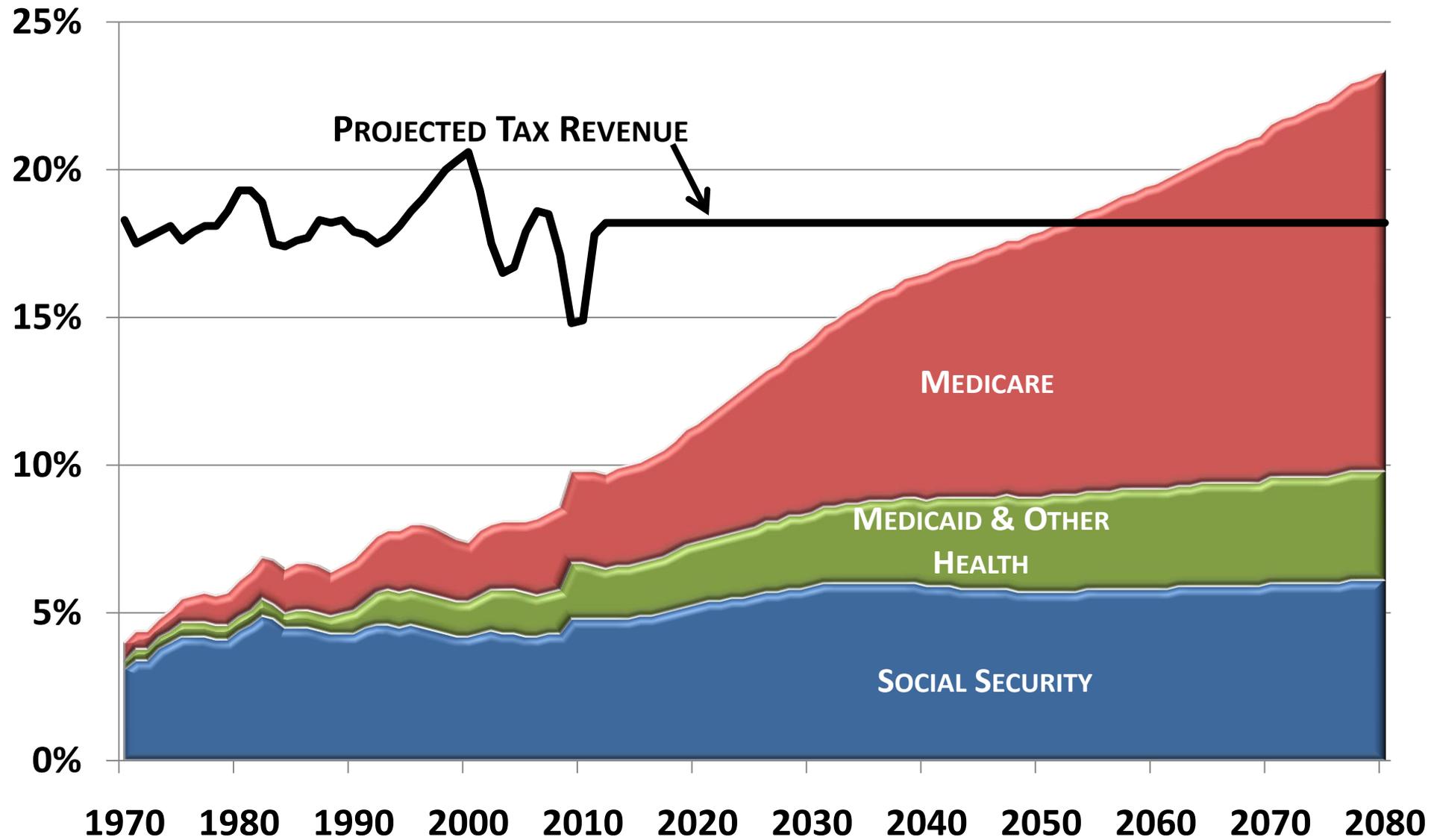
2041

2061

2081

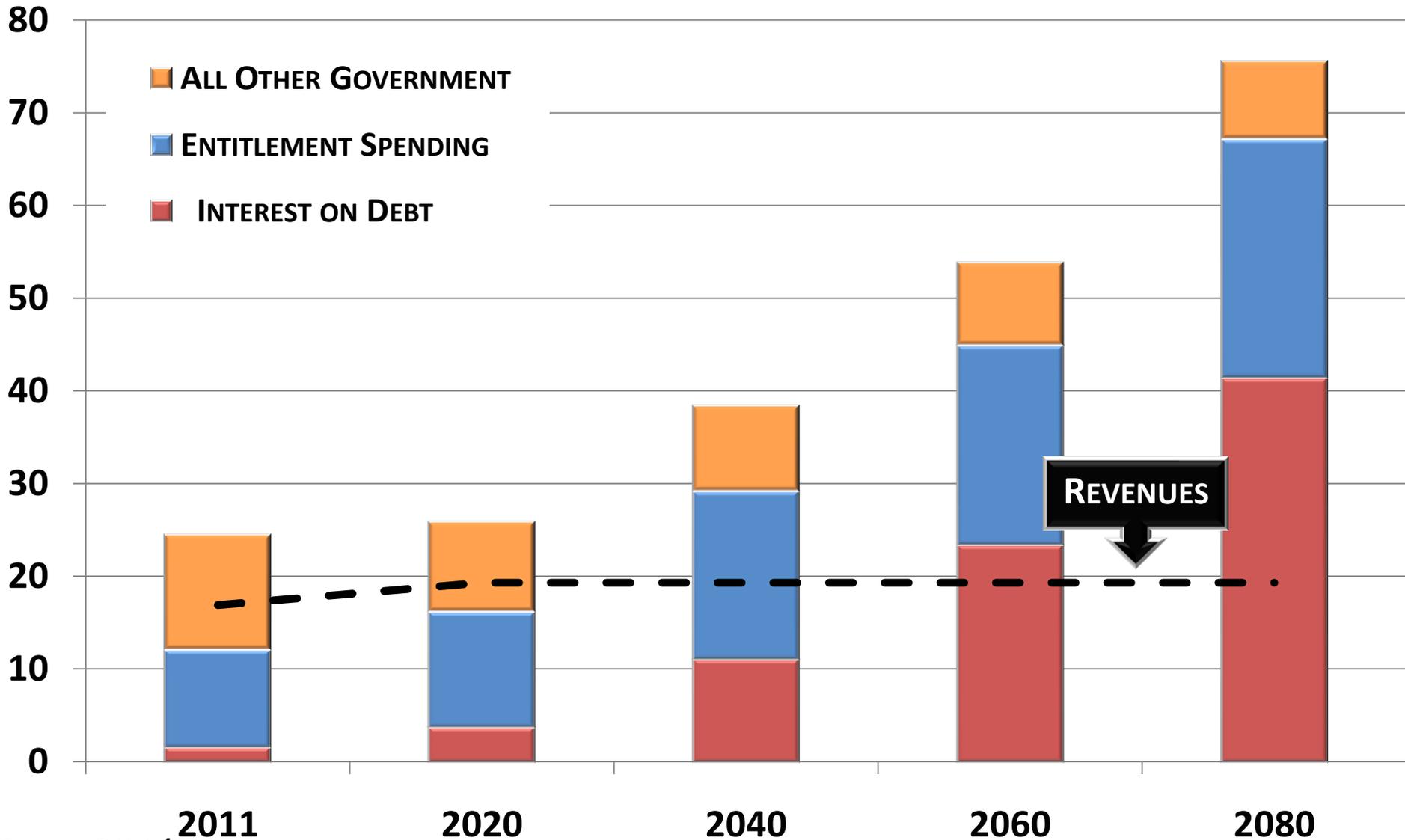
WHAT DRIVES OUR DEBT?

(GOVERNMENT SPENDING AS SHARE OF ECONOMY)



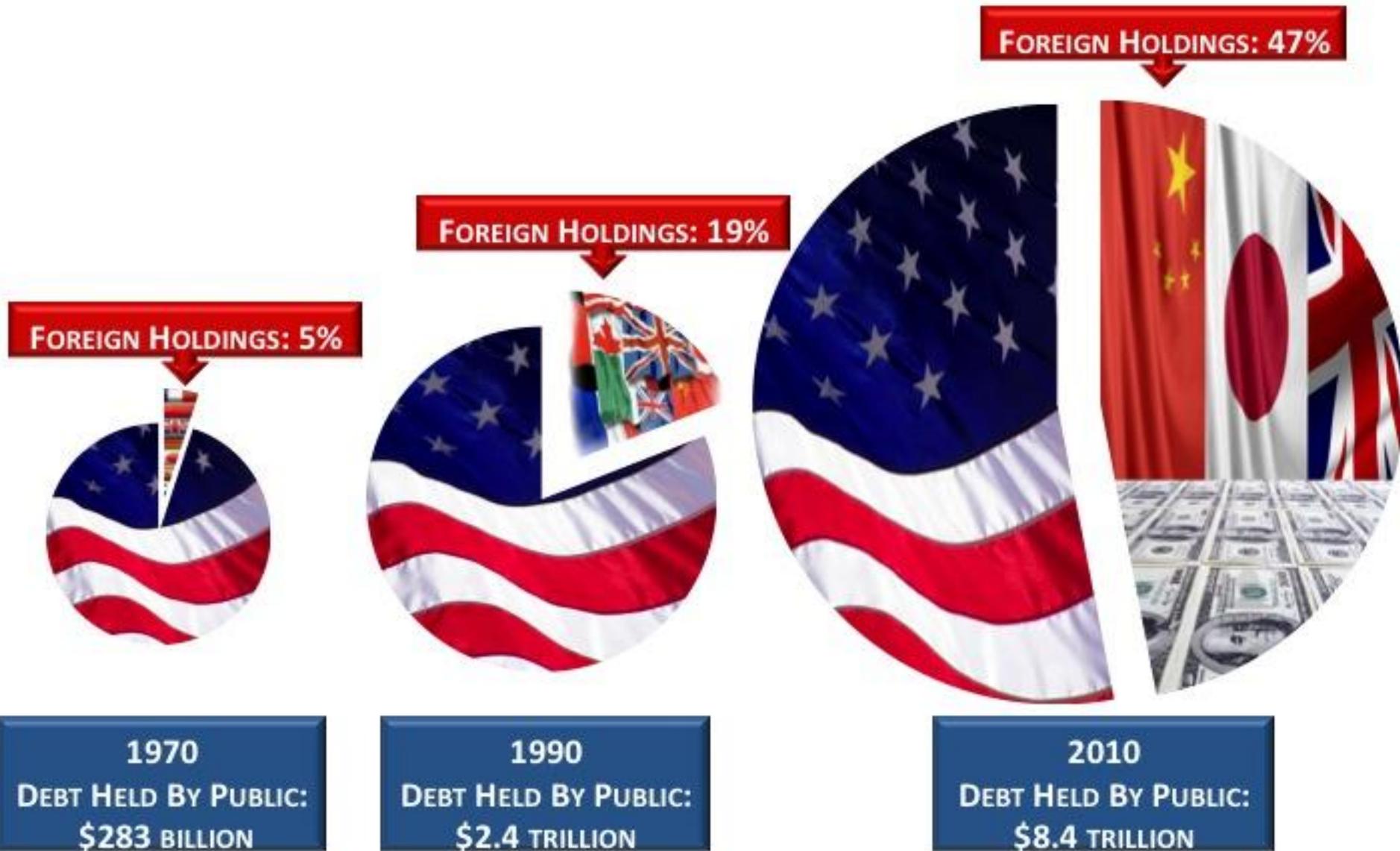
WHAT DRIVES OUR DEBT?

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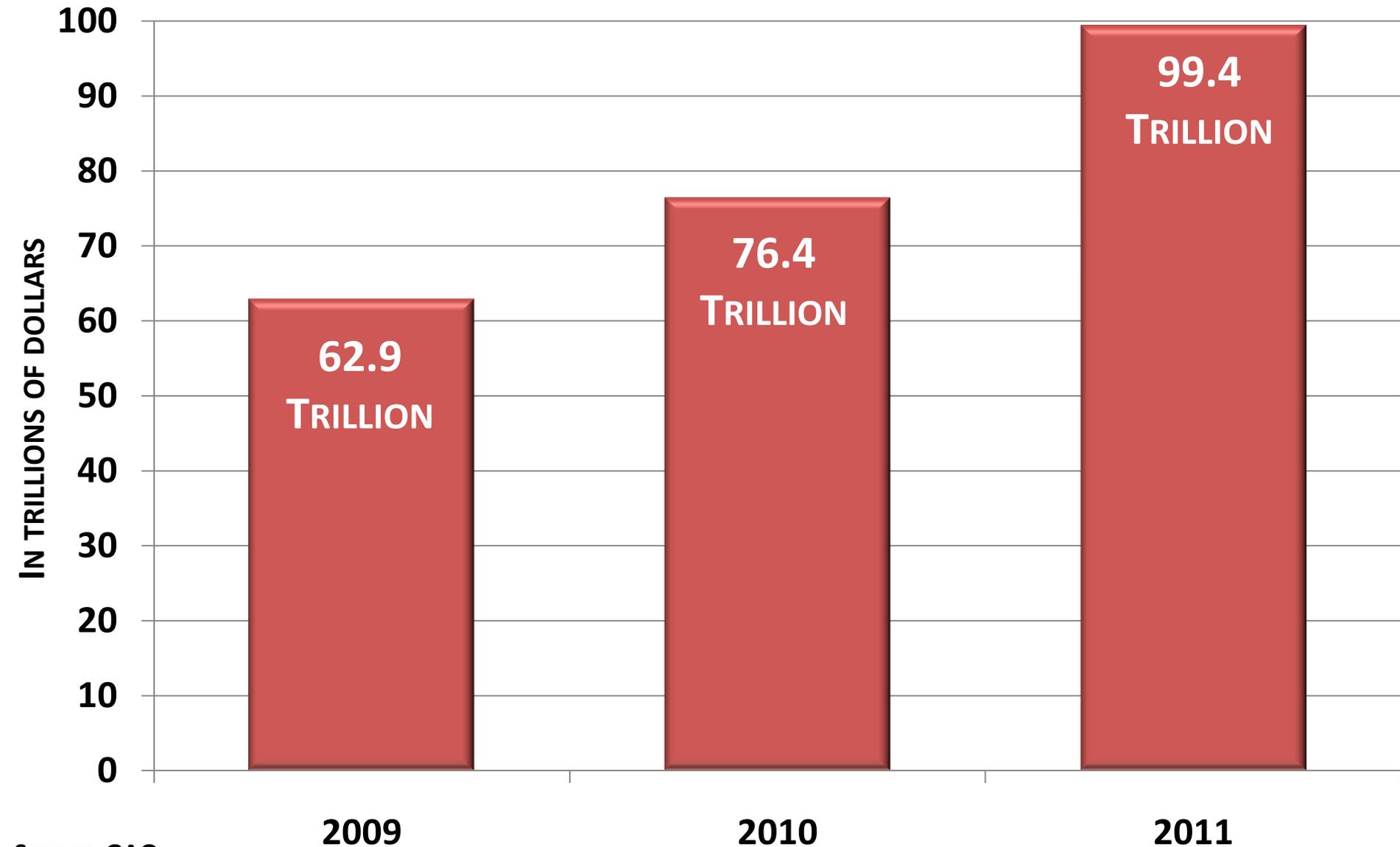
SOURCE: OMB /CBO

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

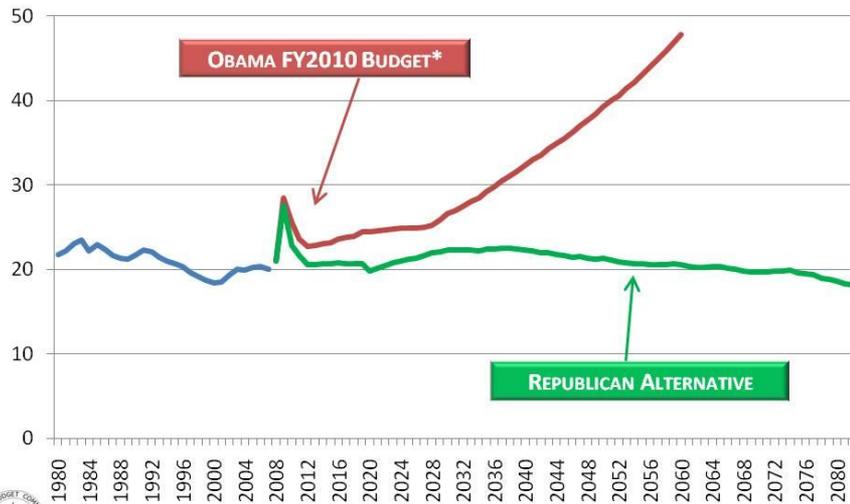
Guiding Principles

- 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

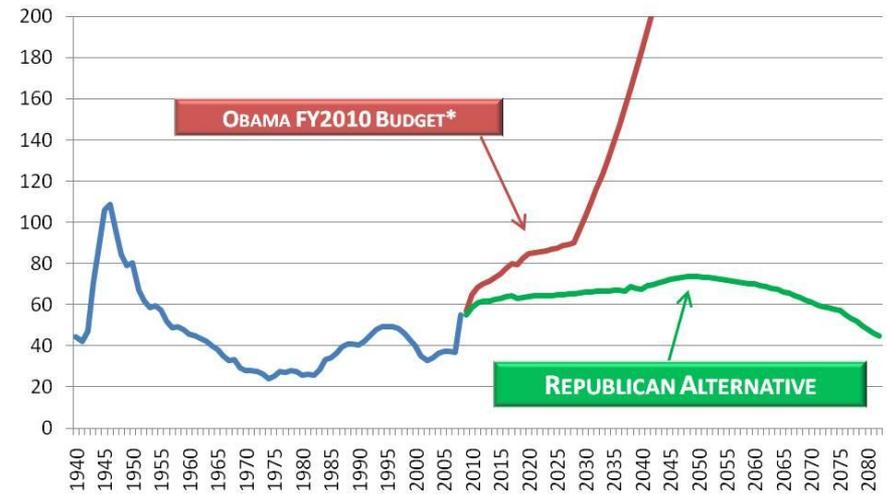
(GOVERNMENT SPENDING AS PERCENTAGE OF GDP)



* -- 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