MEMBER SERVICES UNIVERSITY

"To grow our economy and protect our children from national bankruptcy, we've got to quit spending money we don't have."

House Republican Conference

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The Budget Debate:

Playing Offense

Democrats' unsustainable spending is driving a debt crisis

- The Democrats' **$1.64 trillion deficit** will be an all-time record and the third straight year that deficits have been above $1 trillion.
- The national debt under President Obama currently stands at **$14.1 trillion**, the largest debt in US history.

Democrats' unsustainable spending is driving a debt crisis

- The President's budget projects that in the fourth year of Democrat budgeting, the deficit for 2011 will be $1.64 trillion or 10.9 percent of GDP.
- The $1.64 trillion Democrat deficit will be an all-time record and the third straight year that deficits have been above $1 trillion.

Democrats' unsustainable spending is driving a debt crisis

- Prior to Democrats taking control of the White House and Congress, the highest deficit in history was $458 billion in 2008. This year's deficit will be 359 percent higher.

- Democrats have squandered an estimated $1.16 trillion on their failed stimulus bill—$821 billion for the cost of the bill and $347 billion to pay the interest on the borrowed money.

Democrats' unsustainable spending is driving a debt crisis

- Despite Democrat claims that the stimulus would create jobs, unemployment has been at or above 9 percent for 21 consecutive months for the first time since the Great Depression.

- Since taking control of Congress, Democrats have ballooned the gross national debt from $8.67 trillion to $14.1 trillion, an increase of $5.43 trillion or 63 percent.

Democrats' unsustainable spending is driving a debt crisis

- It took the U.S. 220 years, from the presidencies of George Washington to Bill Clinton, to amass the amount of debt that Democrats added after just four years in power.

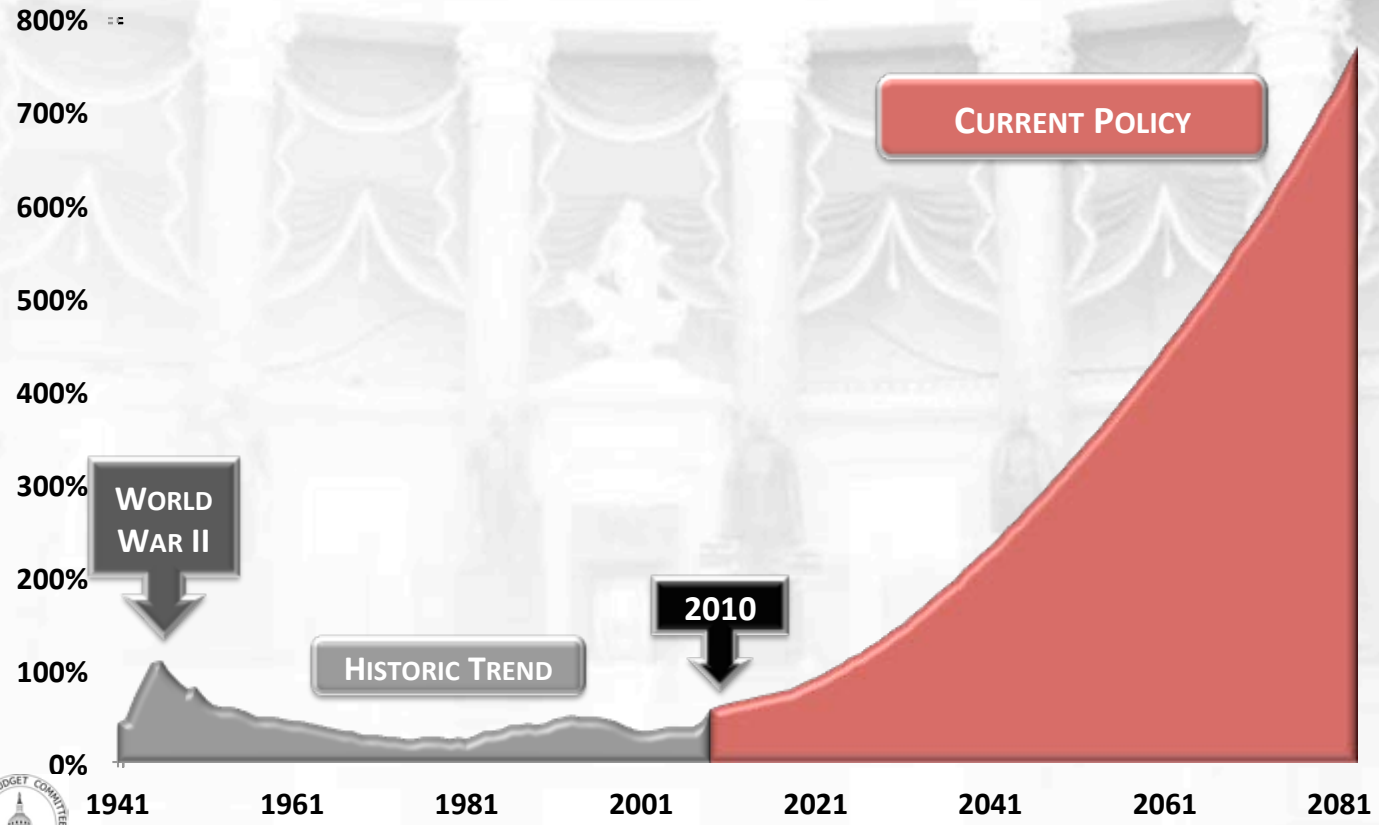
Democrats Have Increased The Debt At Record-Breaking Levels

- The national debt is currently $14.1 trillion.
- By 2021, the gross national debt—which includes inter-governmental accounts—is estimated to reach $26.3 trillion, a ten-year increase of $12.2 trillion or 86 percent.

- By 2021, the gross national debt will be 130 percent of national GDP.
- The national debt is $120,000 for every household in the U.S., and $45,000 for every man, woman & child in the country.

The Path Ahead: Tidal Wave of Debt

(Debt Held by Public as Percentage of GDP)



Source: House Republican Budget Committee

"I think the biggest threat we have to our national security is our debt."

Admiral Mike Mullen
Chairman of the Joint Chiefs
July 6, 2010

"This [entitlement spending] could trigger an economic and political death spiral."

Robert Samuelson
April 6, 2005

"This debt is like a cancer…
It is truly going to destroy the country
from within."

Erskine Bowles
Co-Chairman of the White House Fiscal Responsibility Commission
Former Clinton White House Chief of Staff
July 11, 2010

"U.S. fiscal policy is unsustainable, and unsustainable to an extent that it can't be solved through minor changes."

Douglas Elmendorf
Director of the Congressional Budget Office
April 8, 2010

The Democrats' Spending Driven Debt Crisis Threatens Our Children

"So much of their money will be devoted to keeping the government afloat that they'll have relatively little for everything else in life. Their homes will be smaller and drabber. … They'll still read about the consumer society and conspicuous consumption, but mainly in history texts."

David Walker
Former GAO Comptroller General
February 1, 2010

The Democrats' Spending Driven Debt Crisis Threatens Our Economy

"[I]t would be very helpful, even to the current recovery, to market confidence, if there were a sustainable credible plan for a fiscal exit."

Ben Bernanke, Chairman of the Federal Reserve

Republicans are taking decisive action this week to reduce Washington spending.

Republicans are taking decisive action this week to reduce Washington spending

- The CR contains over $100 billion in cuts compared to the President's request—fully meeting the spending reduction goal outlined in the Republican 'Pledge to America'.
- CR terminates 149 Federal Programs.

Republicans are taking decisive action this week to reduce Washington spending

- The CR includes a provision to eliminate any unobligated "stimulus" funding approved in the American Recovery and Reinvestment Act, saving the taxpayers as much as $2 billion.

(Source: House Appropriations Committee)

And We're Just Getting Started!

- This will be one of many bills that will significantly reduce spending this year -- beginning a process that will grow the economy, provide a better environment to create jobs and maintain the American dream for our children and grandchildren.