# U.S. Currently Borrowing 40 Cents of Every Dollar It Spends

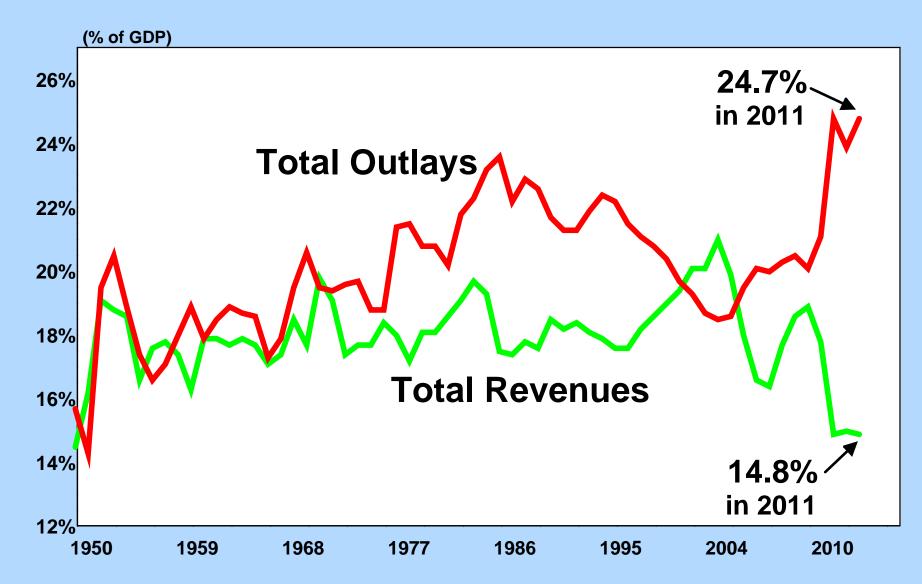


## Senate Minority Leader McConnell on Biden Talks

"...[T]he discussions that can lead to a result between now and August are the talks being led by Vice President Biden.... That's a process that could lead to a result, a measurable result, in the short term. And in that meeting is the only Democrat who can sign a bill into law; in fact, the only American out of 307 million of us who can sign a bill into law. He is in those discussions. That will lead to a result."

-Senate Minority Leader Mitch McConnell (R-KY) Remarks at Press Stakeout May 10, 2011

#### **Spending and Revenues**

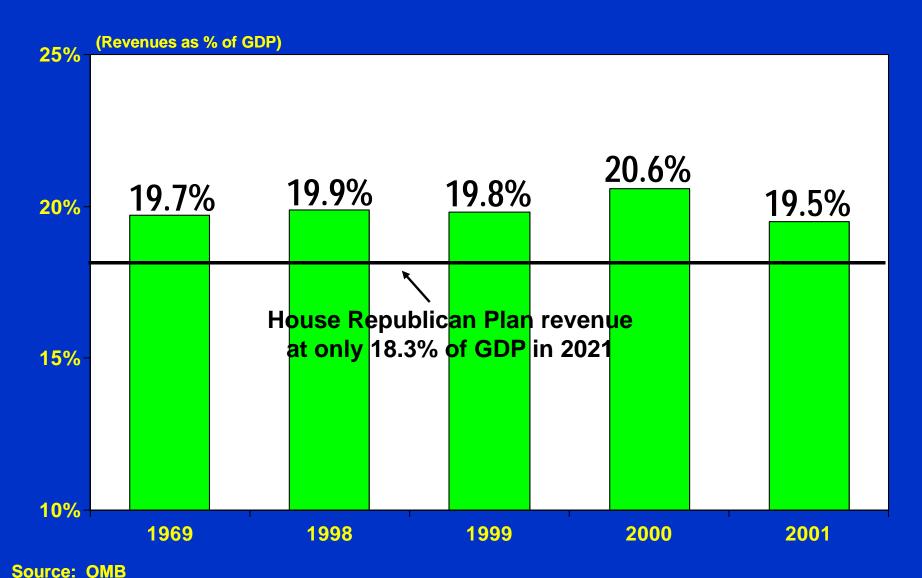


Sources: OMB, CBO

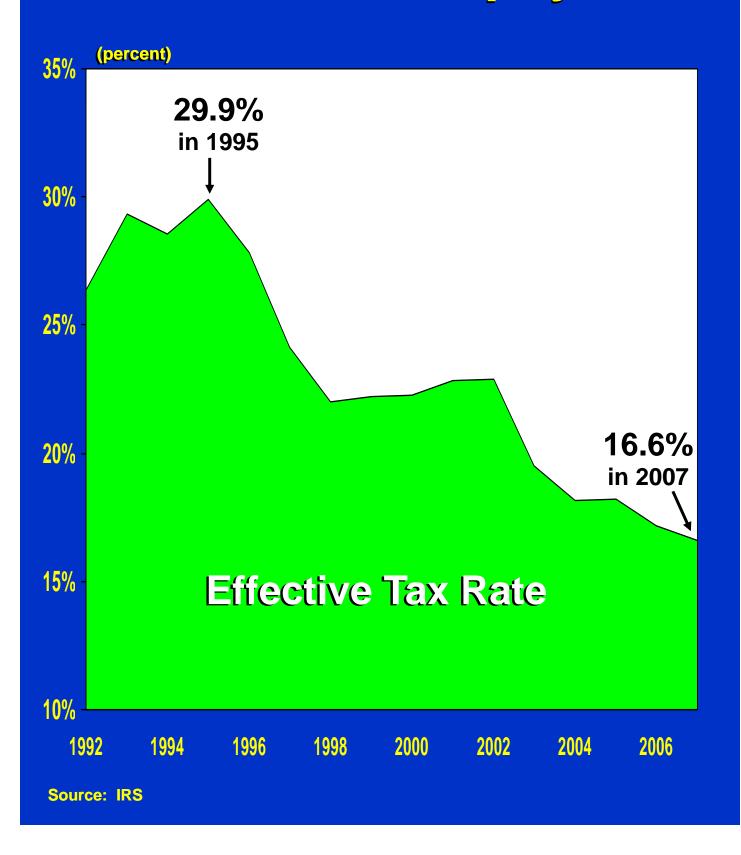
# House Republican Plan on Revenue

- Cut revenue \$4.2 T below
   CBO baseline
- \$1 T in tax cuts for wealthiest
  - extend top rate cuts
  - \$5 M estate tax exemption
- Revenues reach only 18.3% of GDP by 2021

### Last Five Times Budget in Surplus, Revenues Near 20% of GDP



# Effective Tax Rate for 400 Wealthiest Taxpayers



# House Republican Tax Cuts for the Wealthy

**Income** 

**Average Tax Cut in 2013** 

Over \$1 M

\$192,500

**Over \$10 M** 

\$1,450,650

**Source: Citizens for Tax Justice** 

Note: Estimates reflect extension of the 2001/2003 tax cuts, but with top rate lowered to 25% percent and all itemized deductions eliminated. Assumes AMT repeal and capital gains and dividends are taxed at 15%.

# Former Reagan Economic Advisor Bartlett on House Republican Plan

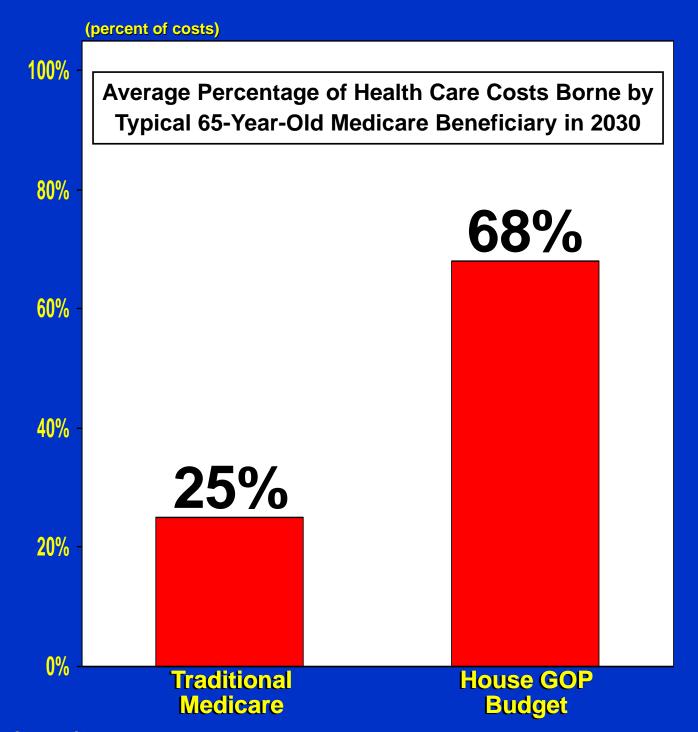
"Distributionally, the Ryan plan is a monstrosity. The rich would receive huge tax cuts while the social safety net would be shredded to pay for them. Even as an opening bid to begin budget negotiations with the Democrats, the Ryan plan cannot be taken seriously. It is less of a wish list than a fairy tale utterly disconnected from the real world, backed up by make-believe numbers and unreasonable assumptions. Ryan's plan isn't even an act of courage; it's just pandering to the Tea Party. A real act of courage would have been for him to admit, as all serious budget analysts know, that revenues will have to rise well above 19 percent of GDP to stabilize the debt."

 Former Reagan Administration Economic Advisor Bruce Bartlett
 Capital Gains and Games Blog, Imbalanced Budget: Ryan Gives Wealthy a Free Pass April 11, 2011

#### House Republican Health Care Plan

- End Medicare as we know it
  - replace with voucher system
  - reopen prescription drug "donut" hole
- Block grant Medicaid
  - shift costs onto seniors, children, disabled, states
  - end counter-cyclical nature of program
- Defund health reform
  - eliminate exchanges, affordability credits, expanded coverage
  - increase number of uninsured by at least 34 million

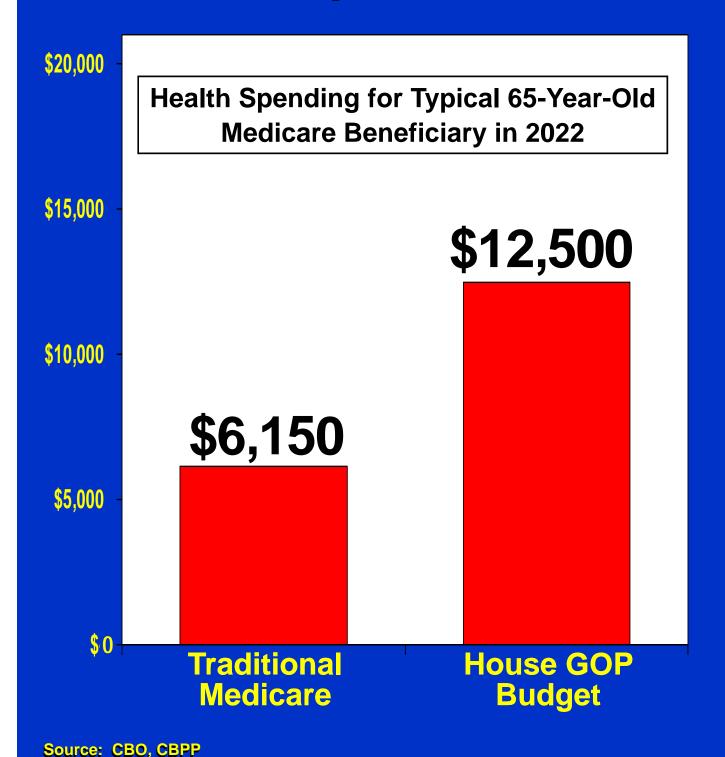
# House Republican Plan Would Dramatically Increase Health Care Spending by Seniors



Source: CBO

Note: Traditional Medicare figure based on CBO's extended baseline scenario. Represents total traditional Medicare spending on a comparable basis to total spending under the House GOP plan.

# Seniors Pay Twice as Much on Health Care under House Republican Plan



Note: Traditional Medicare is CBO's alternative fiscal scenario, projected to 2022.

#### Former House Speaker Gingrich Calls House Republican Medicare Proposal "Right-Wing Social Engineering"

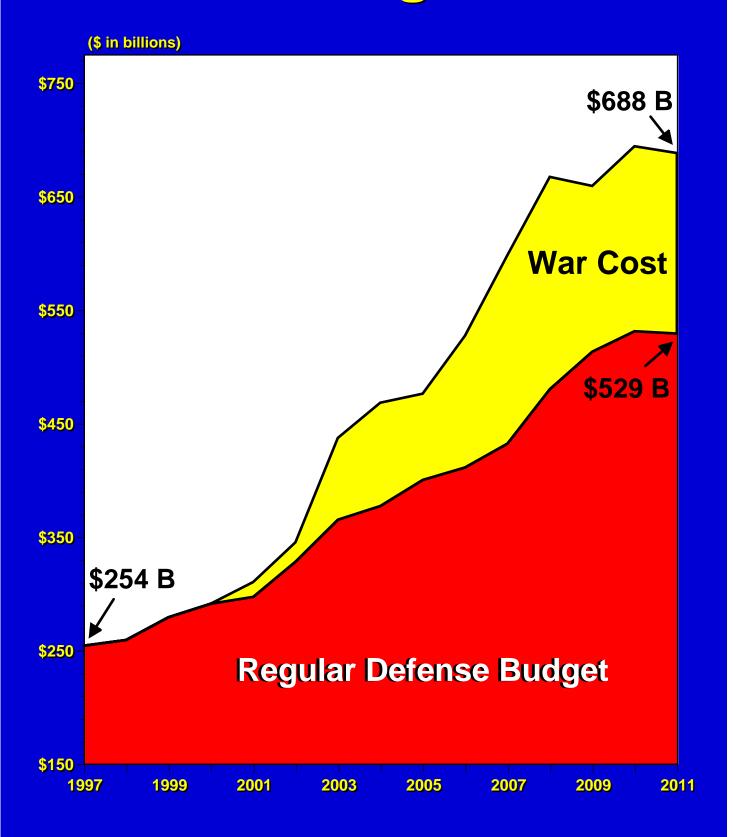
**GREGORY:** Do you think the Republicans ought to buck the public opposition and really move forward to completely change Medicare, turn it into a voucher program ...?

**GINGRICH:** 

I don't think right-wing social engineering is any more desirable than left-wing social engineering. I don't think imposing radical change from the right or the left is a very good way for a free society to operate.

> - Former House Speaker Gingrich (R-GA) Interview on NBC's Meet the Press with **Gregory**

#### **Defense Budget Growth**



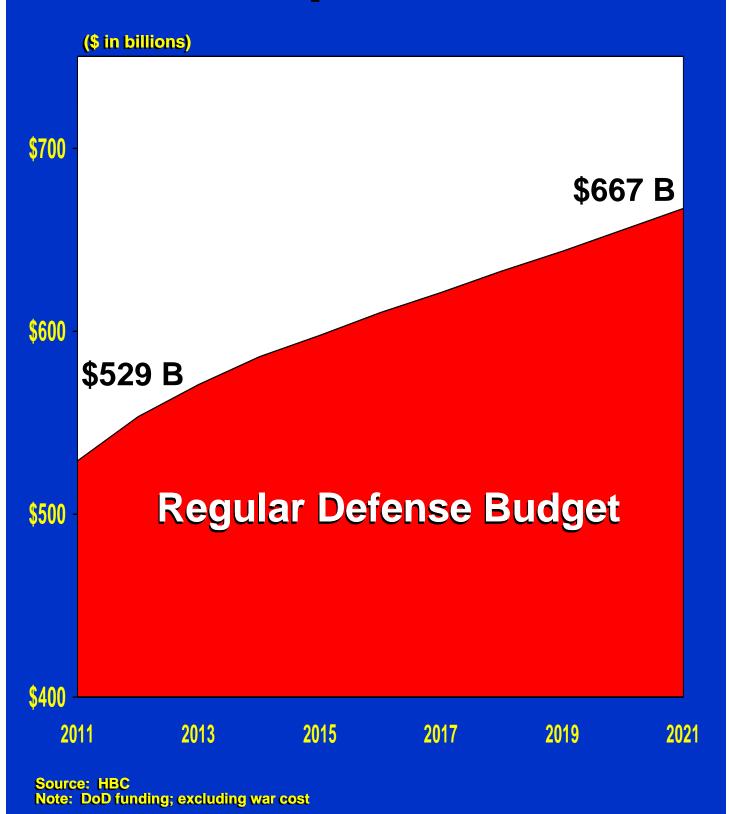
Source: OMB, CBO

# Representative Ryan on Defense Savings

"There are a lot of savings you can get in defense...
There's a lot of waste over there, for sure."

-Representative Paul Ryan (R-WI) Remarks to Peterson Foundation 2010 Fiscal Summit April 28, 2010

# Defense Funding Under House Republican Plan

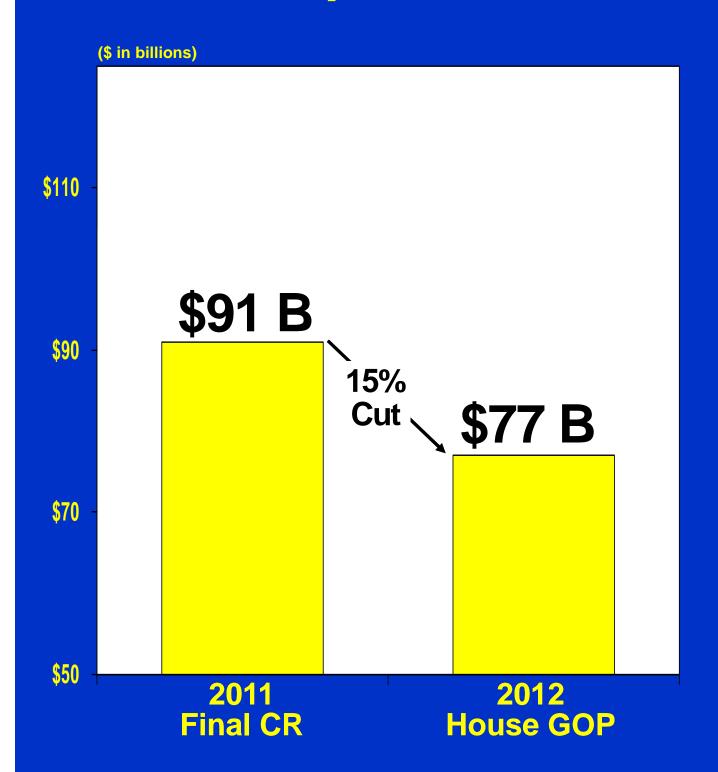


# Importance of Education to U.S. Economy

"An educated population is a key source of economic growth.... Broad access to education was, by and large, a major factor in the United States economic dominance in the 20th century and in the creation of a broad middle class. Indeed, the American dream of upward mobility both within and across generations has been tied to access to education."

> Harvard Economists Claudia Goldin and Lawrence Katz "The Future of Inequality: The Other Reason Education Matters So Much" Milken Institute Review Third Quarter 2009

### Education Funding Under House Republican Plan



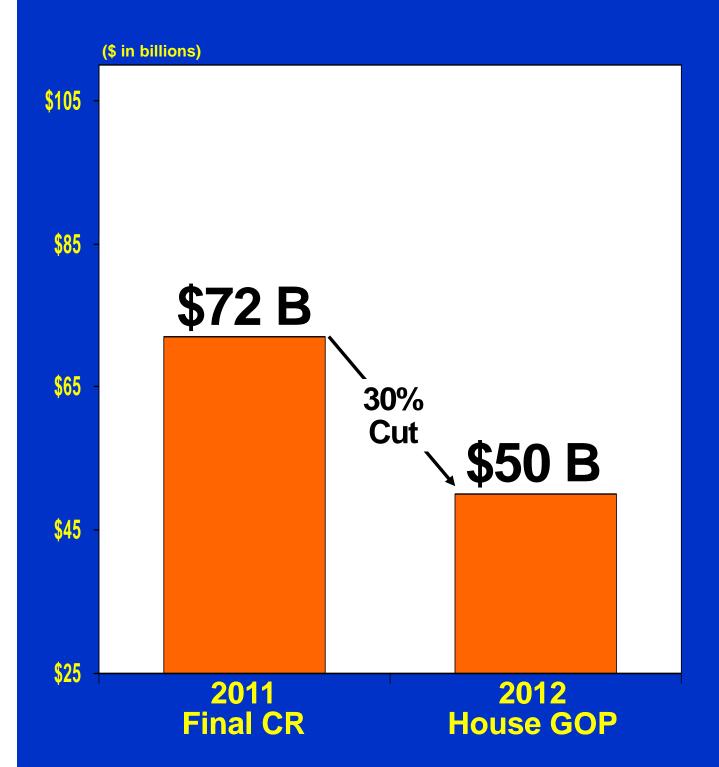
Source: CBO, HBC Note: Function 500

### **Engineers' Report Card on America's Infrastructure**

<u>Infrastructure</u>	<u>Grade</u>
Aviation	D
Bridges	C
Rail	C-
Roads	D-
Transit	D
Infrastructure GPA	D

Source: American Society of Civil Engineers, 2009

### Transportation Funding Under House Republican Plan



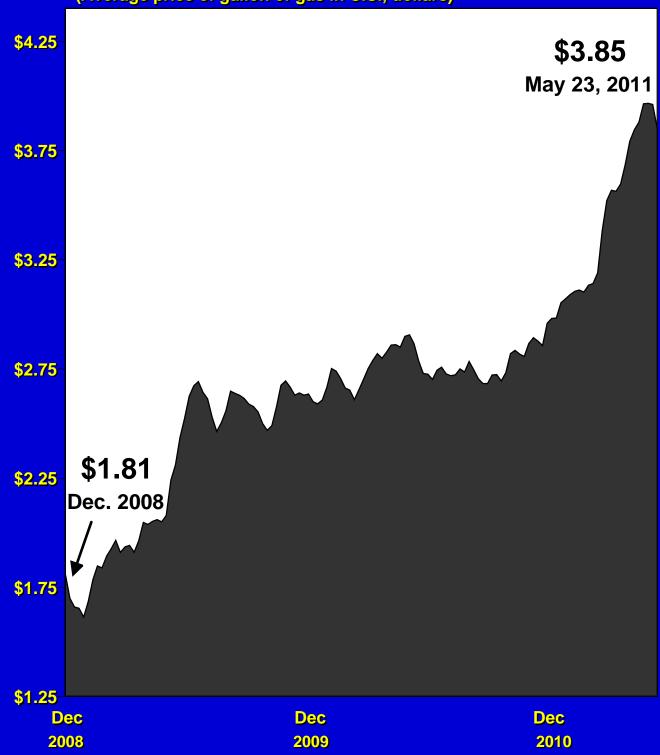
Source: CBO, HBC

Note: Function 400, excluding discretionary funding for Department of

**Homeland Security Agencies (TSA and Coast Guard).** 

#### **Price of Gasoline**

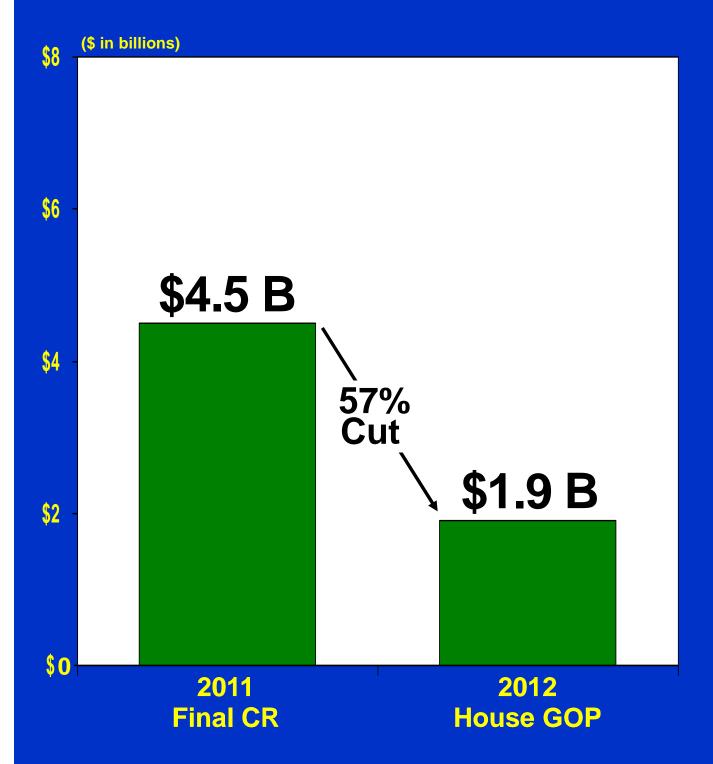
(Average price of gallon of gas in U.S., dollars)



**Source: Energy Information Administration** 

Note: U.S. regular all formulations retail gas prices; weekly data

# **Energy Funding Under House Republican Plan**



Source: CBO, HBC Note: Function 270