

The Deficit and the DEBT!!!

US Government Expenditure 2010: \$3,400,000,000,000

US Government Revenue 2010: \$2,162,000,000,000

2010 Deficit: \$1,238,000,000,000

Total US Debt as of 2011: \$13,000,000,000,000

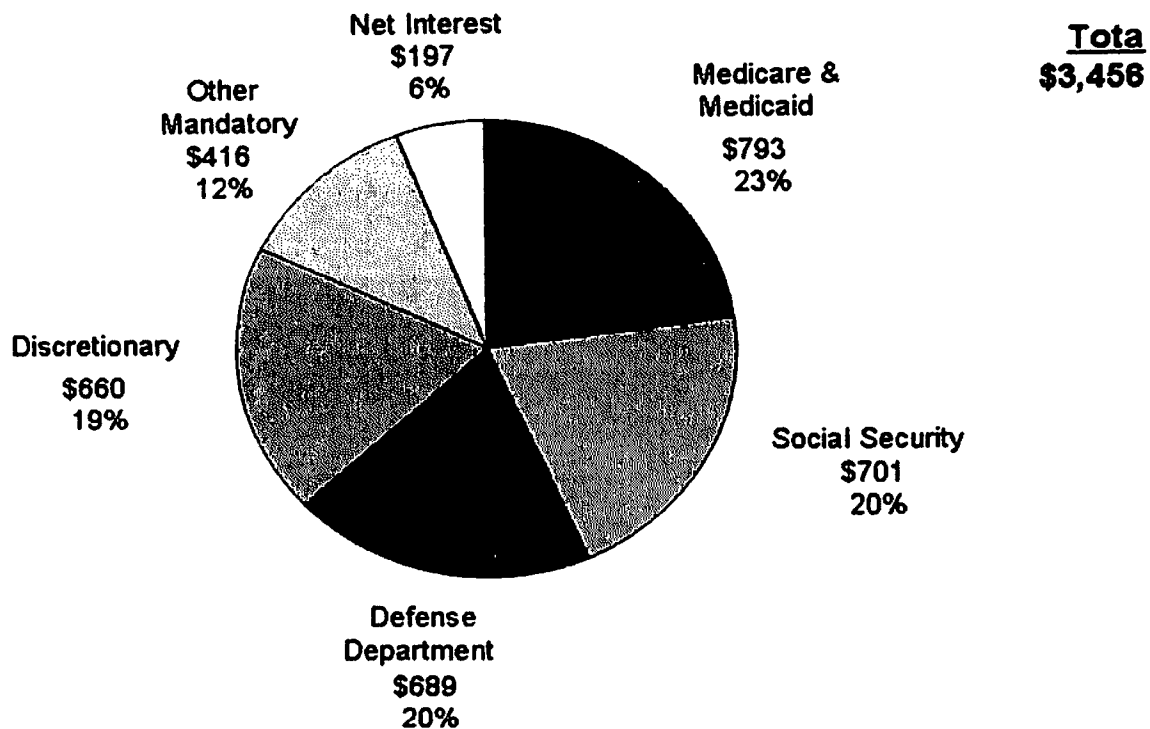
Problems with Debt

- 1. Potential higher interest payments**
- 2. Restrict ability to tax and spend on necessary or emergency programs.**
- 3. Increased probability of a fiscal crisis in which policy makers can't manage budget, thus causing investors to lose faith in US Gov, thus losing faith in US economy, thus creating more economic problems.**

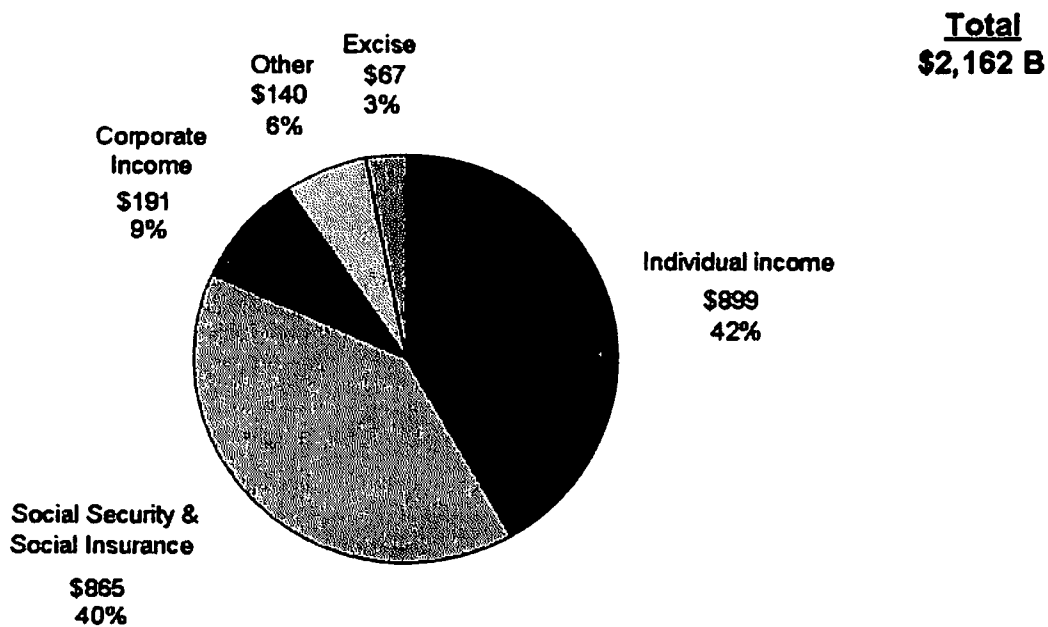
Congress:

- 1. Create a big-picture law that addresses both the short and long-term debt problems.**
- 2. Use the information sheets provided to help shape viewpoints and proposals.**
- 3. Debate, compromise, mesh/merge Senate and House bills. Send to president.**

U.S. Federal Spending – Fiscal Year 2010 (\$ Billion)

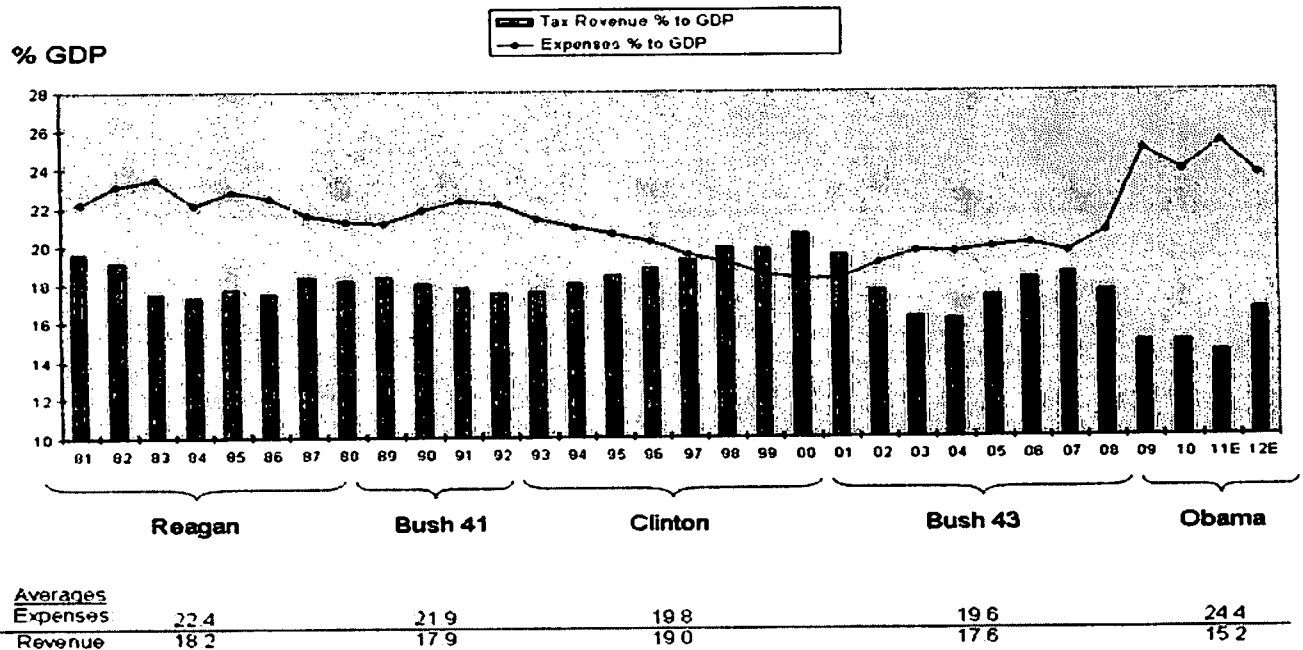


U.S. Federal Tax Receipts – Fiscal Year 2010 (\$ Billions)

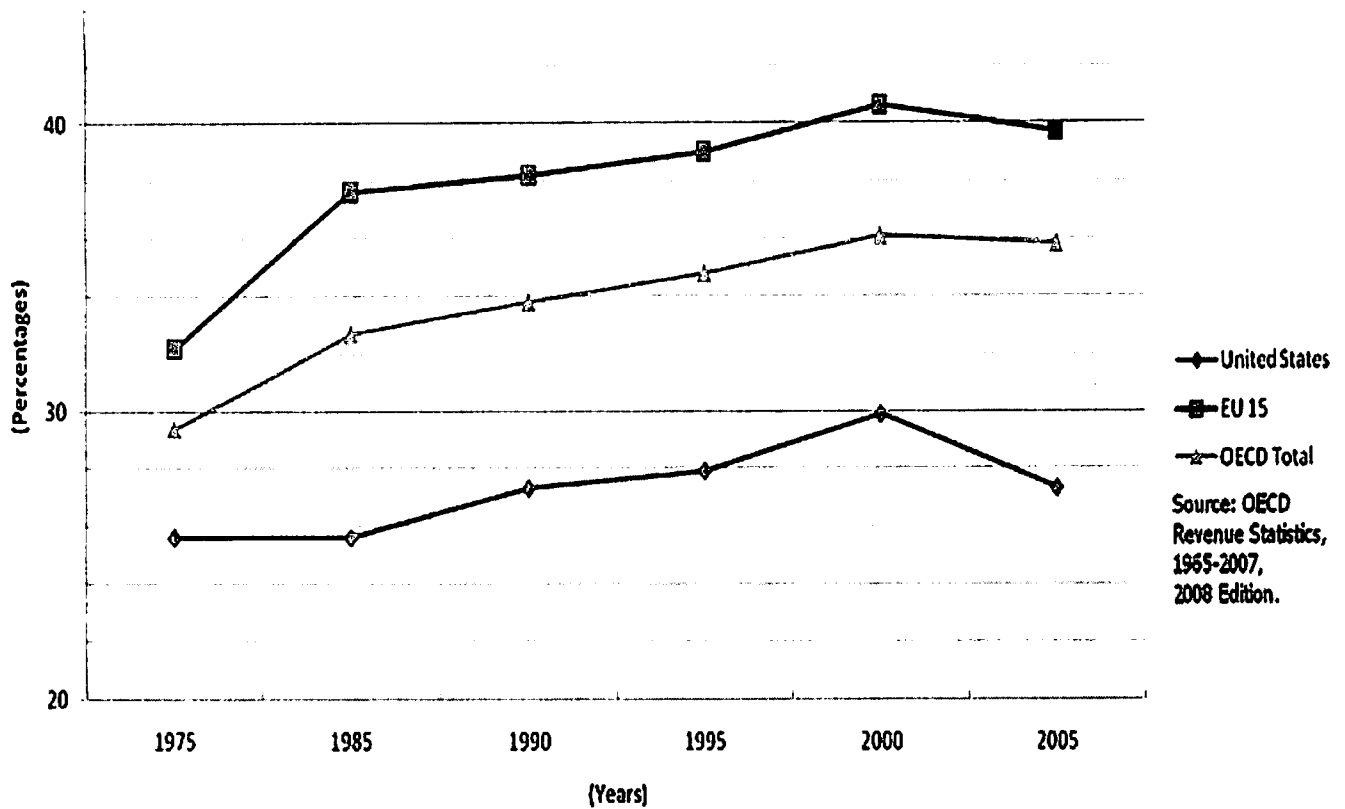


Source Data: CBO Historical Tables

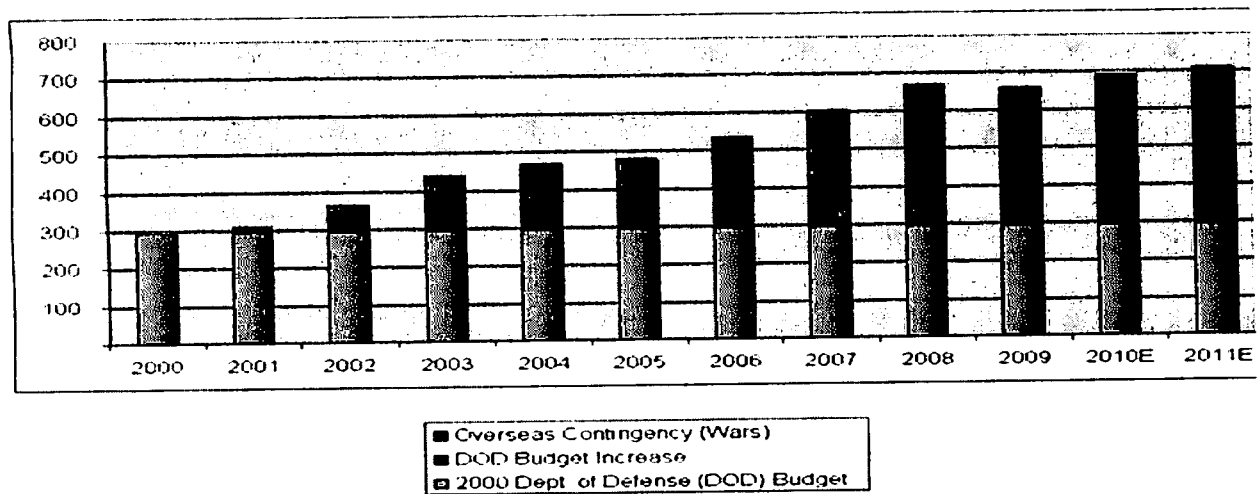
Federal Tax Revenue & Expenses as % to GDP (FY 1981 – 2012)



Tax Revenues as a Percentage of GDP

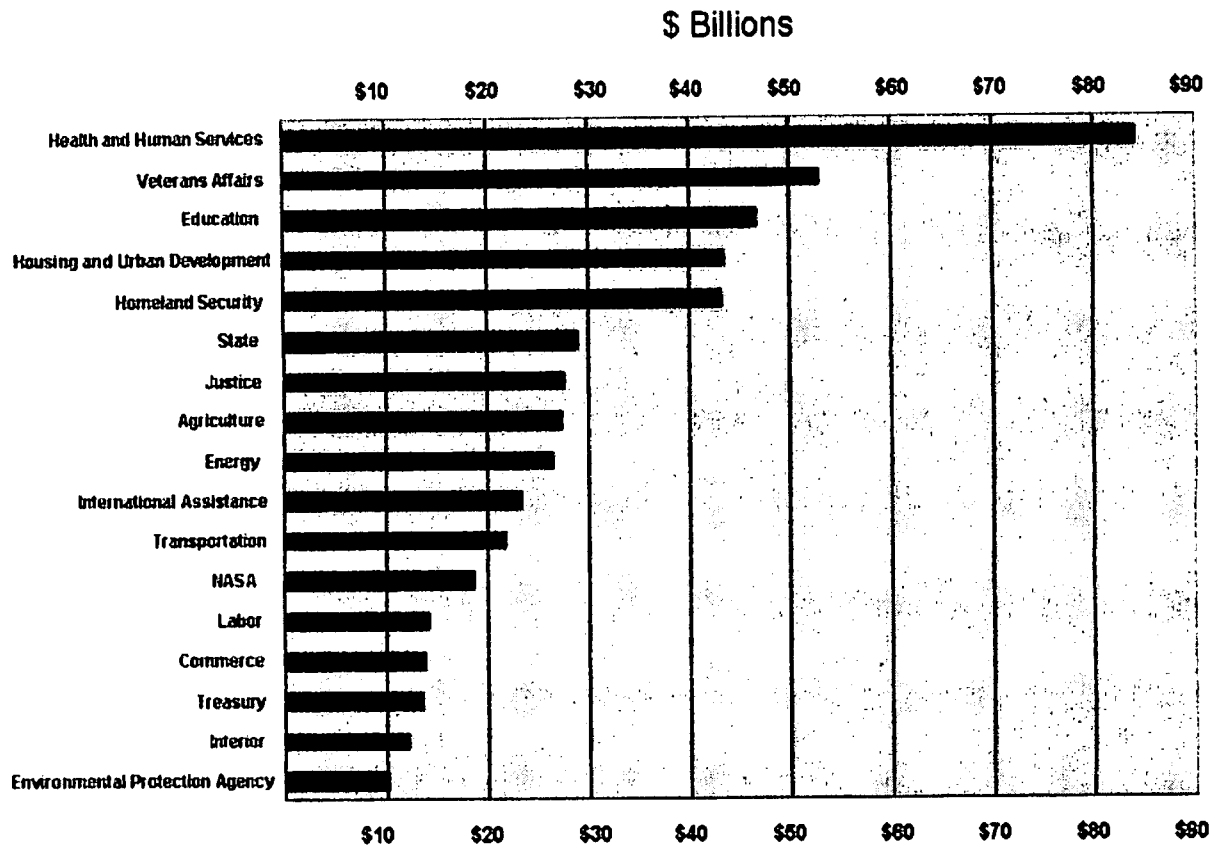


U.S. Defense Spending Trends 2000-2011 (\$ Billion)



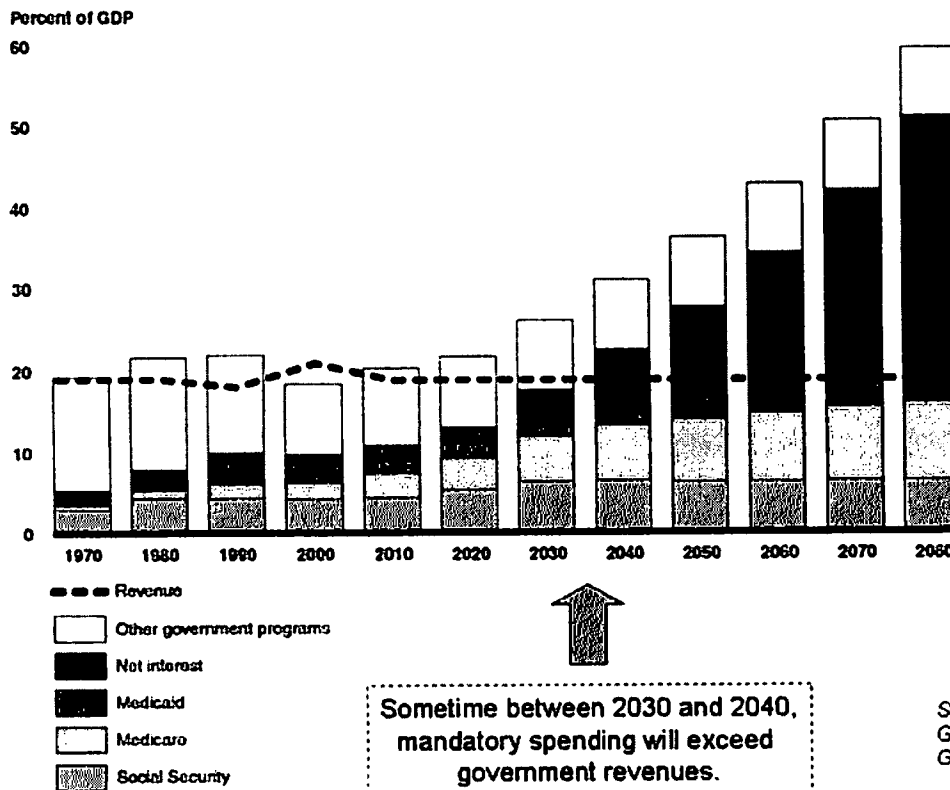
Source Data: OMB – Annual Budget Documents
Data excludes Homeland Security and Veteran's Affairs

Discretionary Spending – 2010E

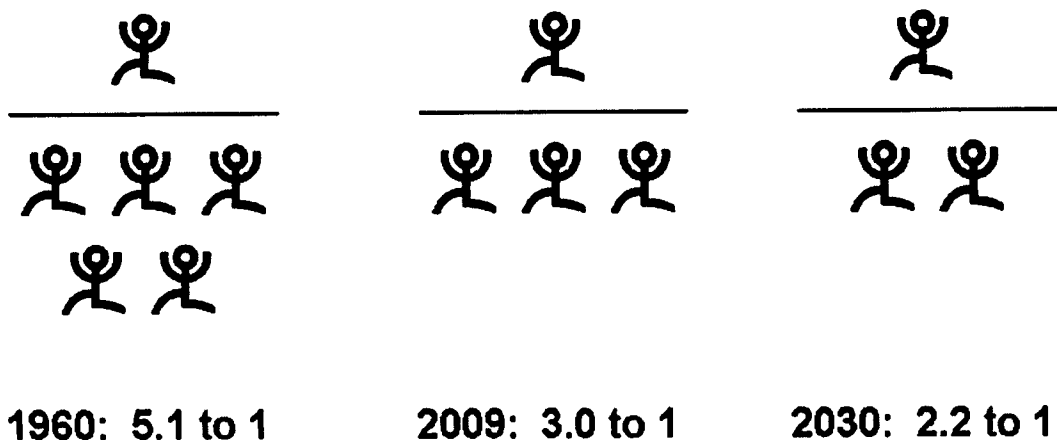


Source: 2011 Budget

The Risks of Growing Entitlement Spending



Social Security: Worker to Beneficiary Ratio



Source: Social Security Administration Trustees Report Table IV B2
Ratio of covered workers to beneficiaries

Which Foreign governments own the most U.S. debt?

Answer: Here is the Top 10 (as of May/2011)

Total Debt Held approximately \$4,600,000,000,000

1. China, Mainland, \$1.159 trillion dollars
2. Japan, \$912.4 billion dollars
3. United Kingdom, \$346.5 billion dollars
4. Oil Exporters*, \$229.8 billion dollars
5. Brazil, \$211.4 billion dollars
6. All Other, \$202.5 billion dollars
7. Taiwan, \$153.4 billion dollars
8. Carib Bnkg Ctrs**, \$148.3 billion dollars
9. Hong Kong, \$121.9 billion dollars
10. Russia, \$115.2 billion dollars

Estimated Ownership of Federal Securities

