

**FACING OUR CRUSHING  
DEBT, ENSURING  
AMERICA'S FUTURE**

**CONGRESSMAN PETE OLSON  
APRIL 2011**

# Some Key Budget Terms

- **Deficit** – the amount where government spending exceeds the amount of revenues (tax dollars) we take in.
- **Debt** – annual US deficits, plus interest.
- **Entitlement or Mandatory Spending** – federal programs like Social Security, Medicare and Medicaid that are mandated by law. There is no discretion for Congress on whether or not to pay for these programs.
- **Discretionary Spending** – the spending Congress has discretion over in the annual spending (appropriations) bills, such as defense, justice, and funding for other federal agencies. These are not obligated or mandatory.

# America's Fiscal Reality

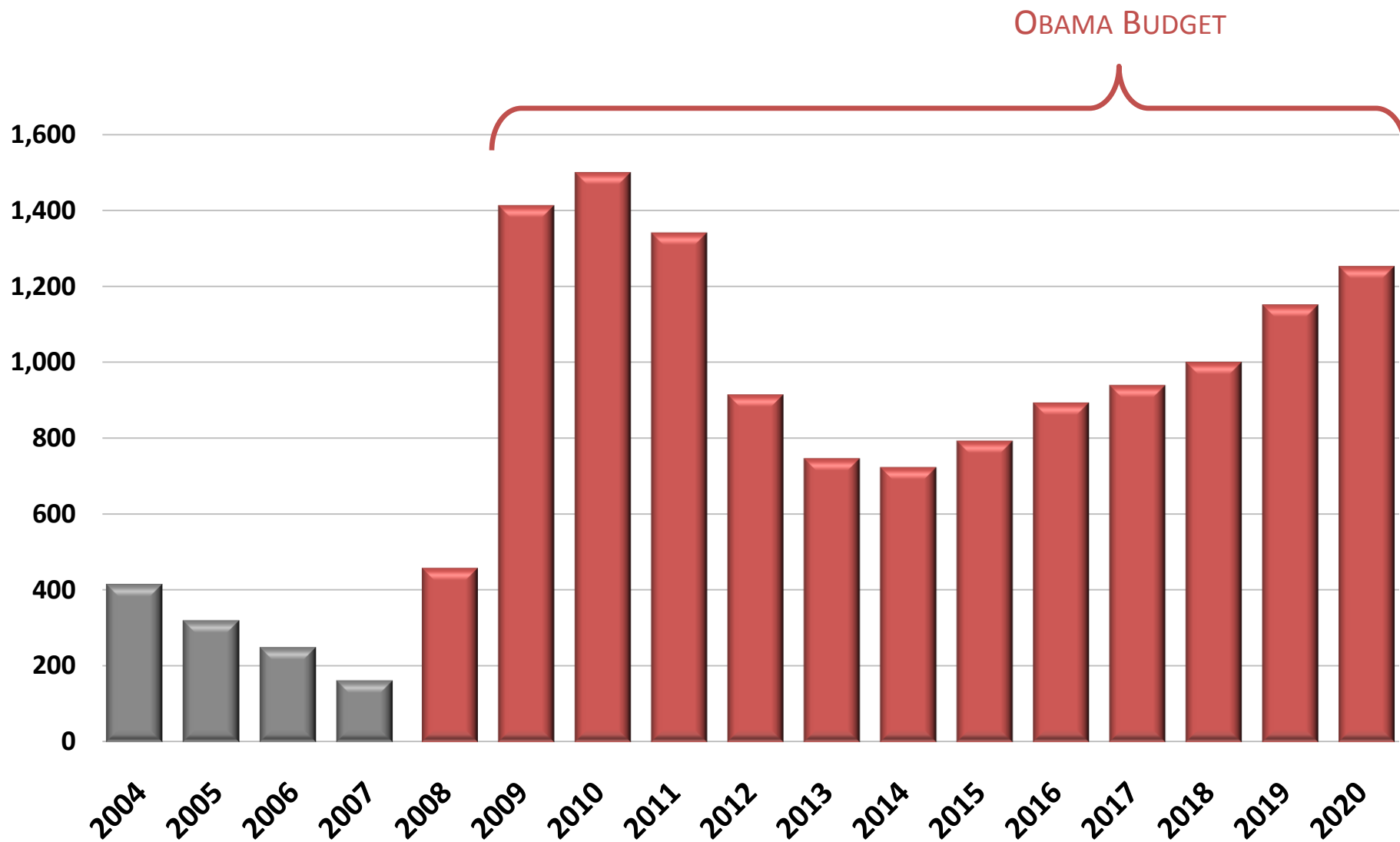
- **\$14.2 trillion** - Debt today
- **\$3.5 trillion** - Amount debt has grown on President Obama's watch
- **\$5.52 trillion** - Increase in the national debt under the Democrat Majority (a **63% increase**)

# What Each Citizen Owes



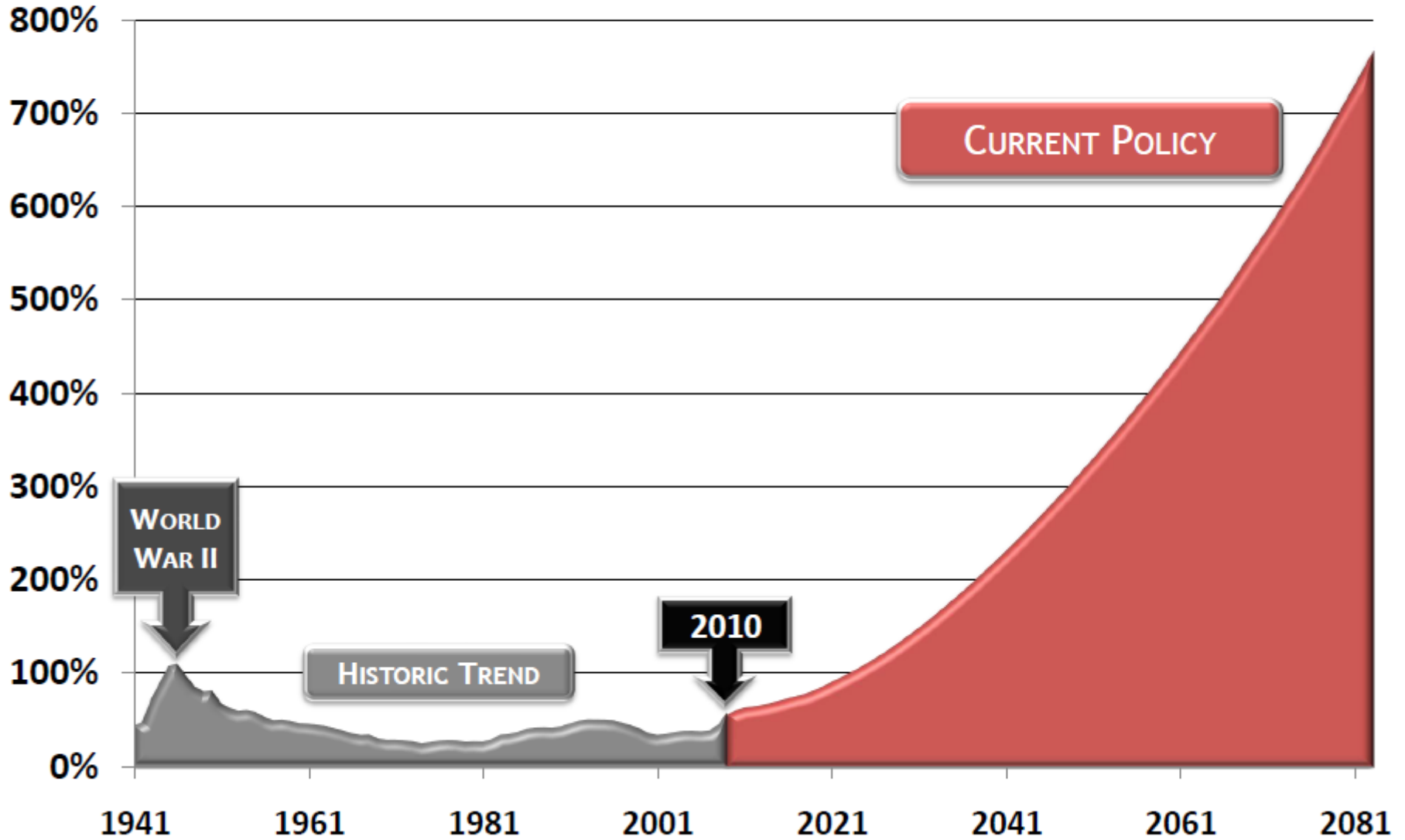
The estimated population of the United States is 310,283,483 so with \$14.2 trillion in dept, each citizen's share of this debt is at least **\$45,846.30** the minute they are born.

# THE PATH AHEAD: UNSUSTAINABLE DEFICITS

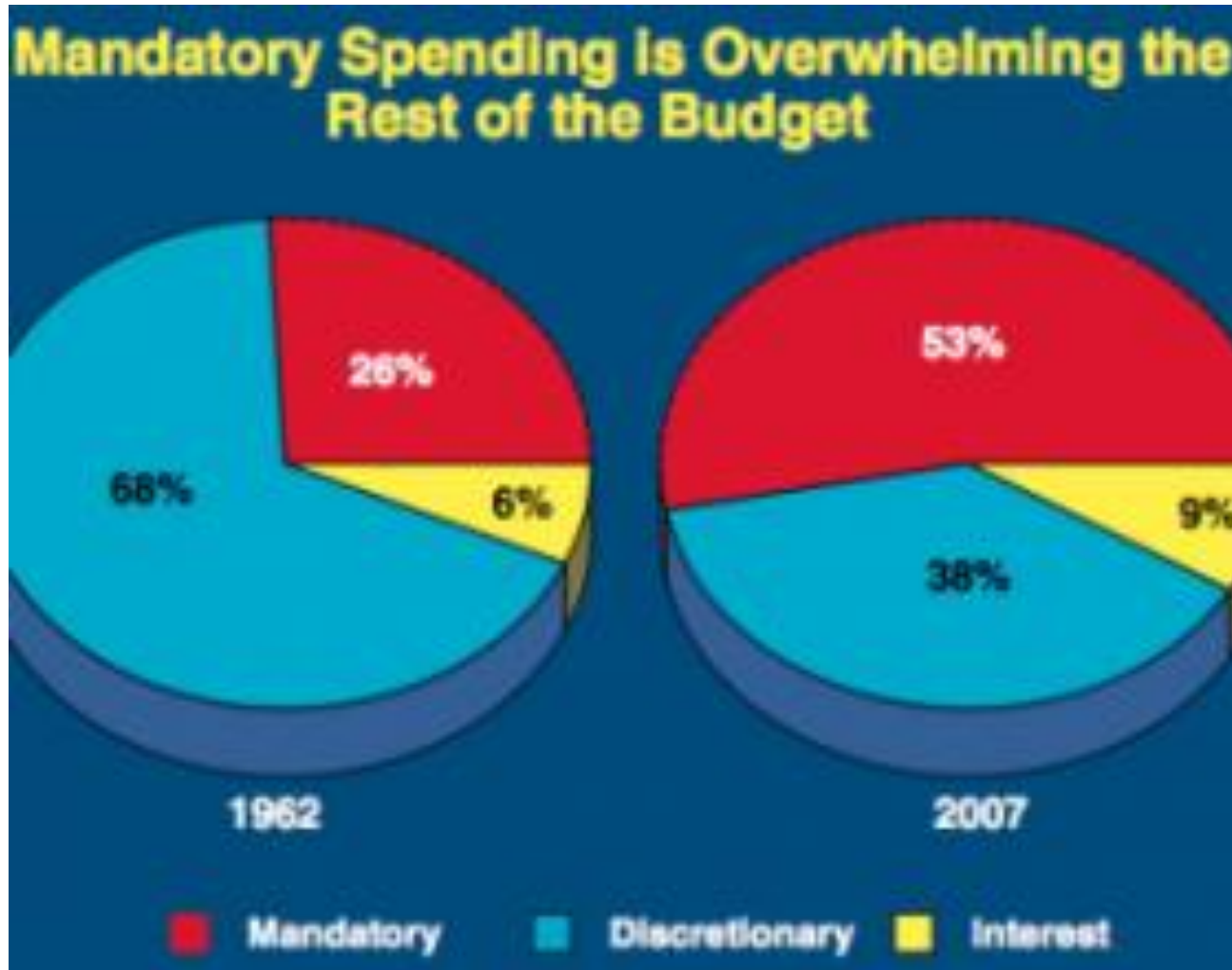


# TIDAL WAVE OF DEBT

## (DEBT HELD BY PUBLIC AS SHARE OF ECONOMY)



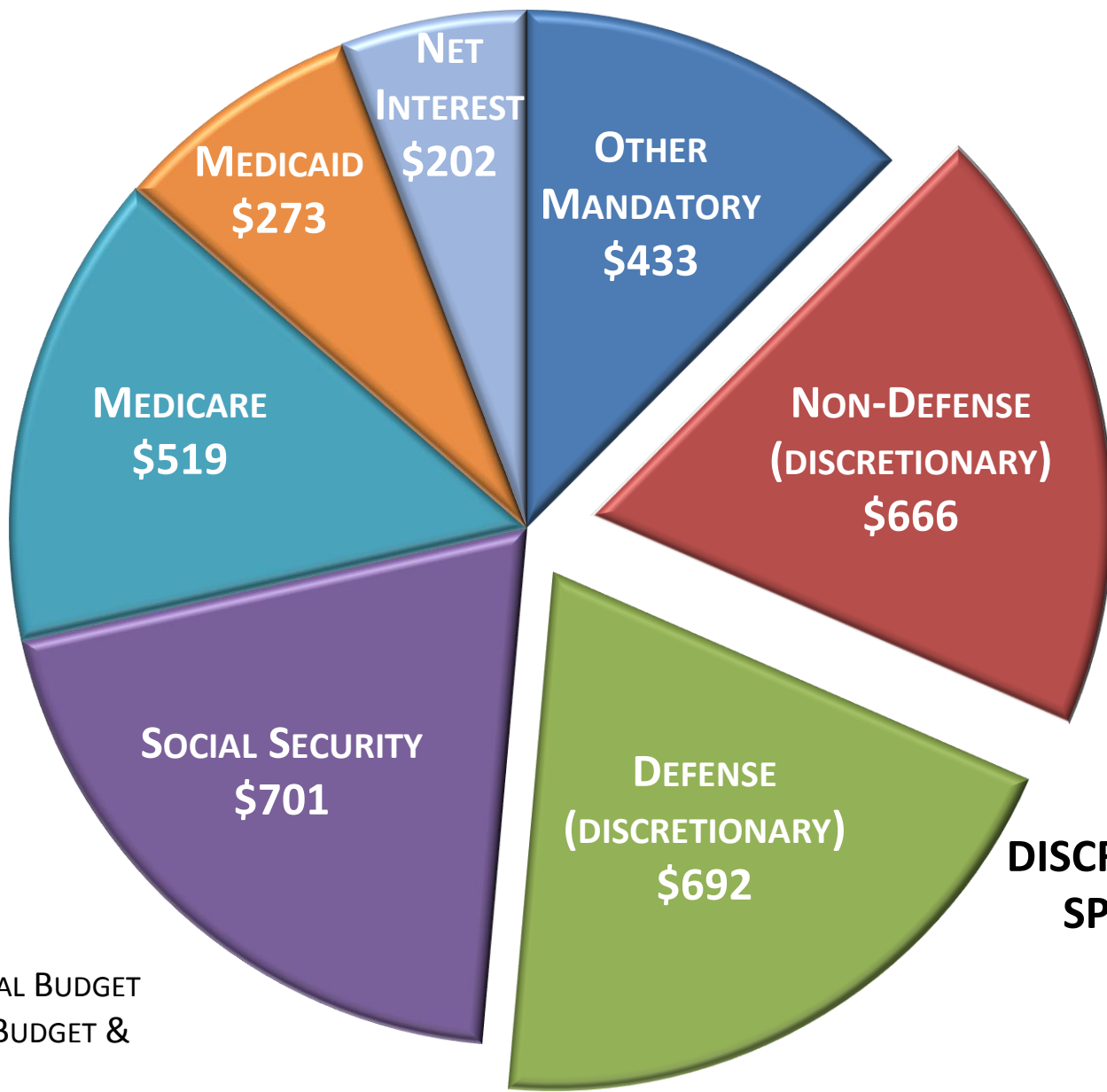
# Mandatory Spending in the Federal Budget



# TOTAL SPENDING IN FY 2010 = \$3.5 TRILLION

(OUTLAYS IN BILLIONS OF DOLLARS)

**MANDATORY SPENDING**

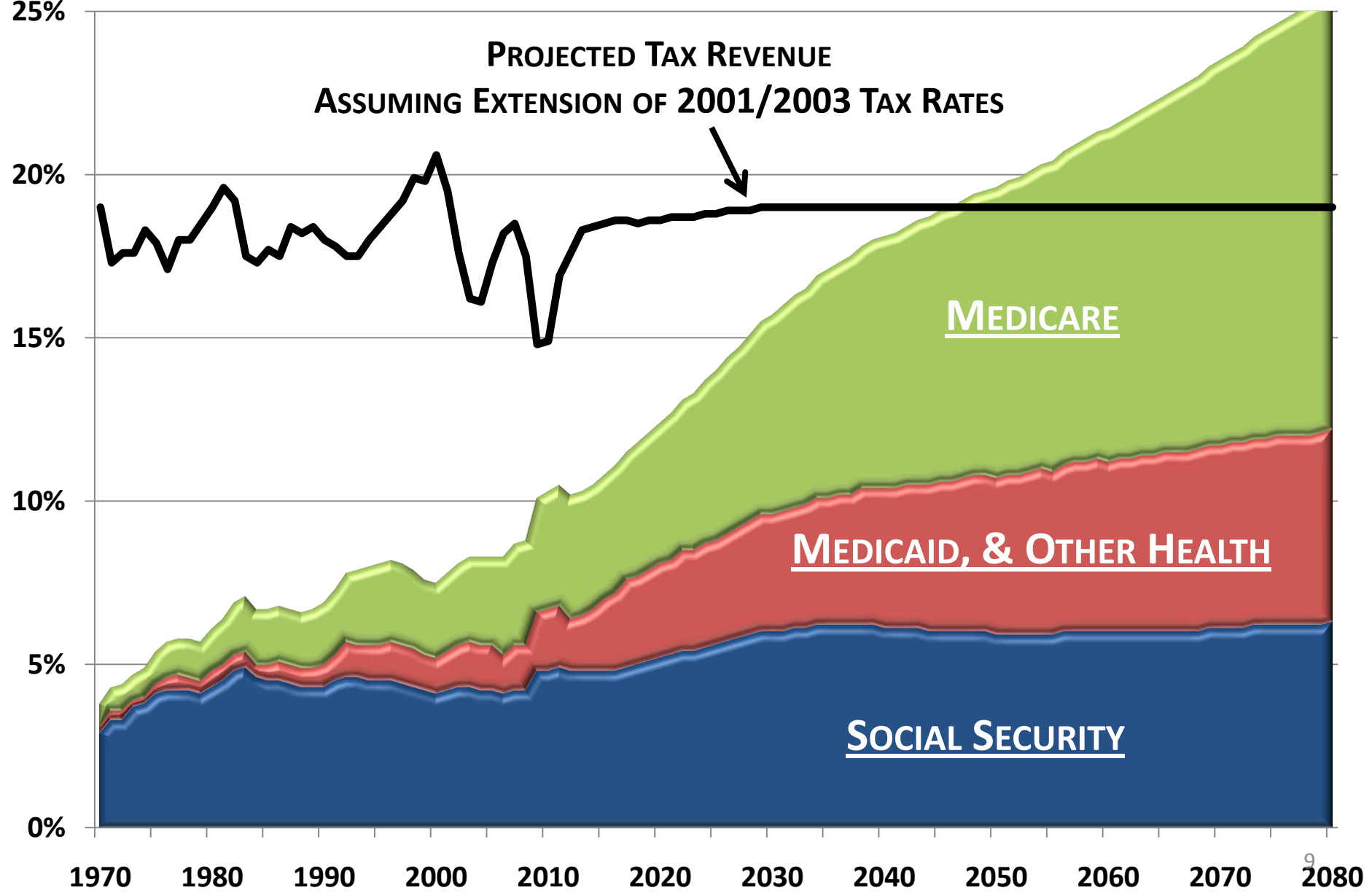


**DISCRETIONARY SPENDING**

SOURCE: CONGRESSIONAL BUDGET OFFICE AUGUST 2010 BUDGET & ECONOMIC OUTLOOK



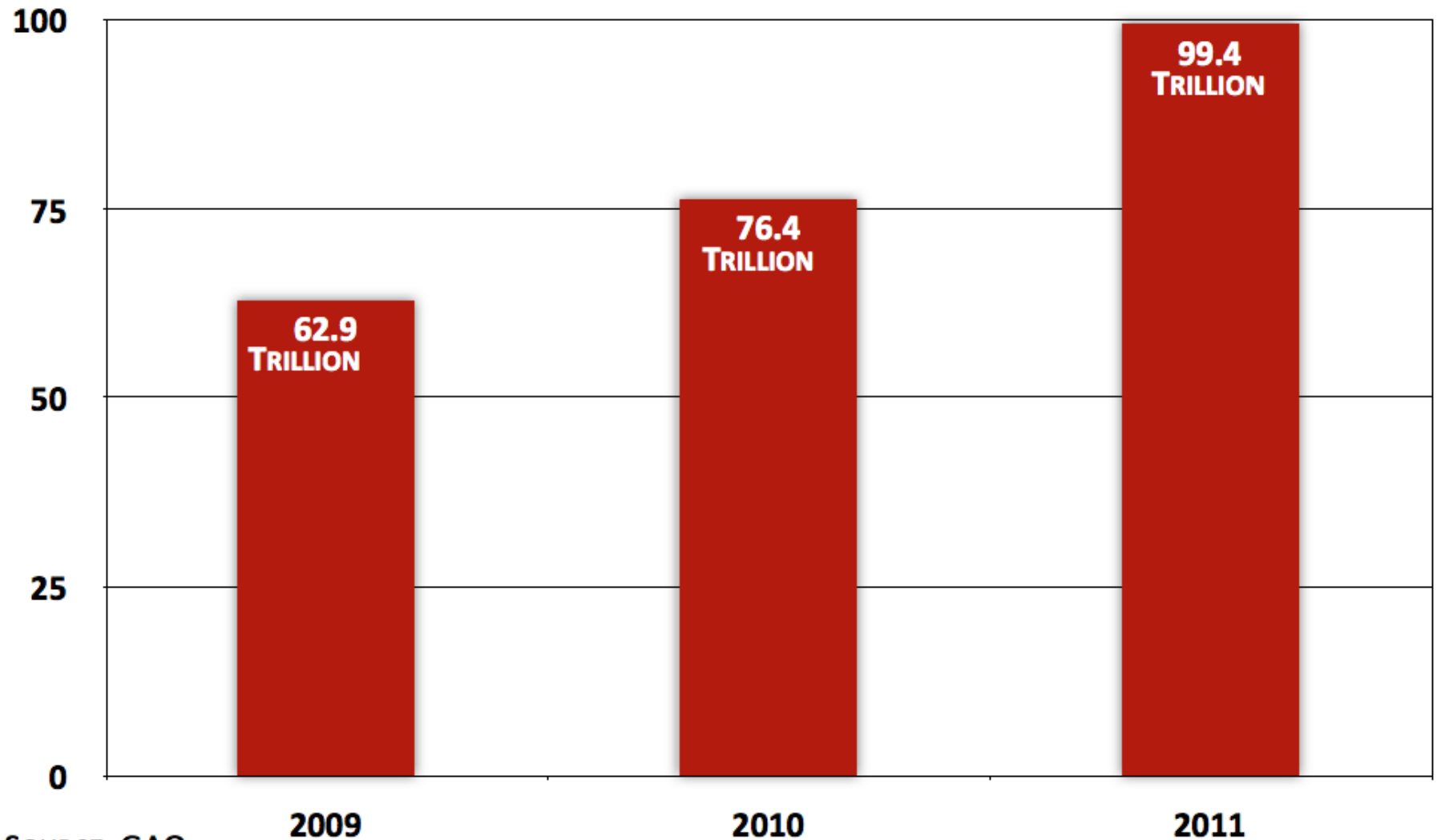
# ENTITLEMENTS TO OVERWHELM ENTIRE FEDERAL BUDGET (SPENDING AND REVENUE AS A PERCENTAGE OF GDP)



# THE COST OF WAITING - THE FISCAL GAP

## UNFUNDED PROMISES IN TRILLIONS OF DOLLARS

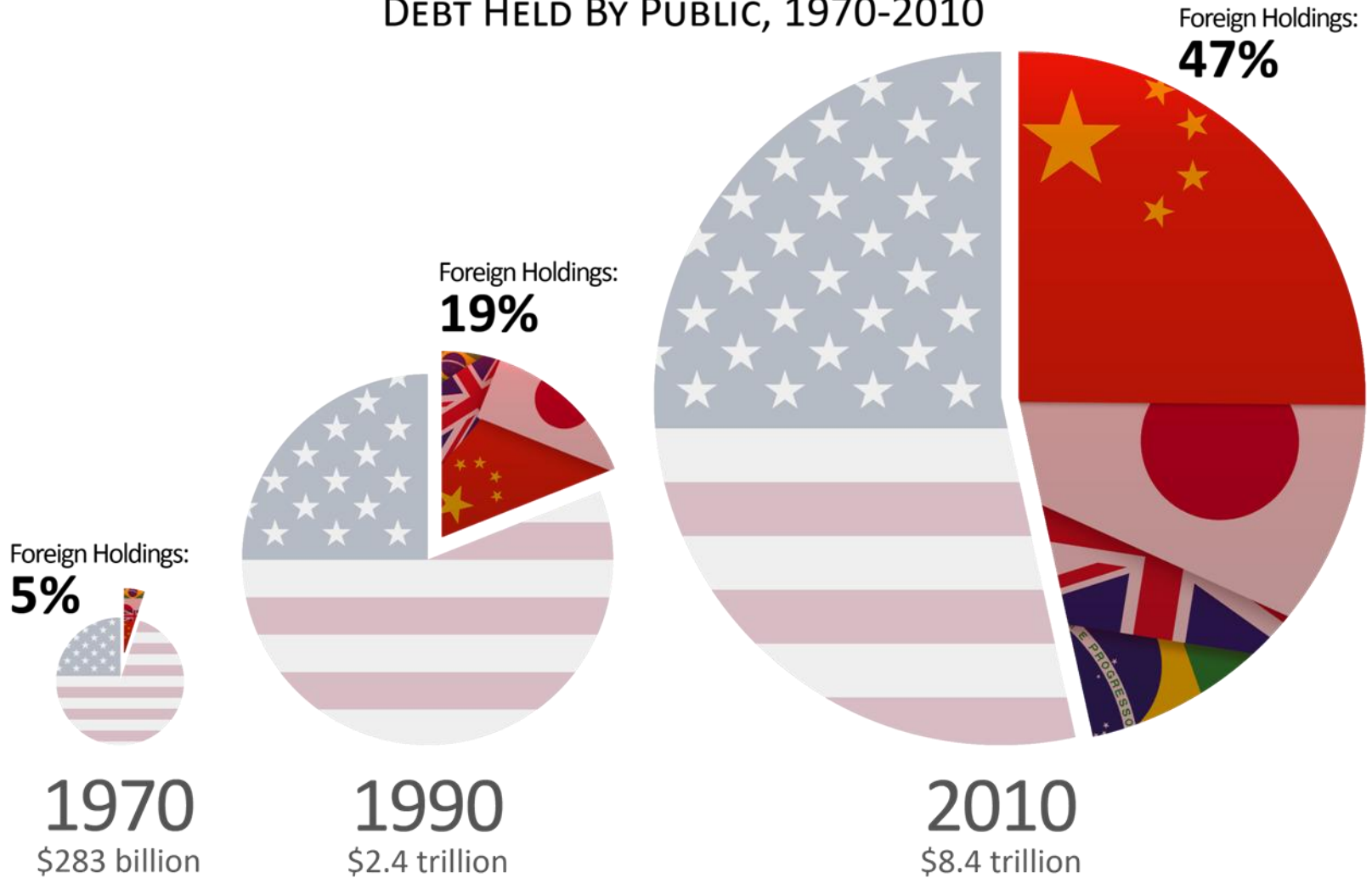
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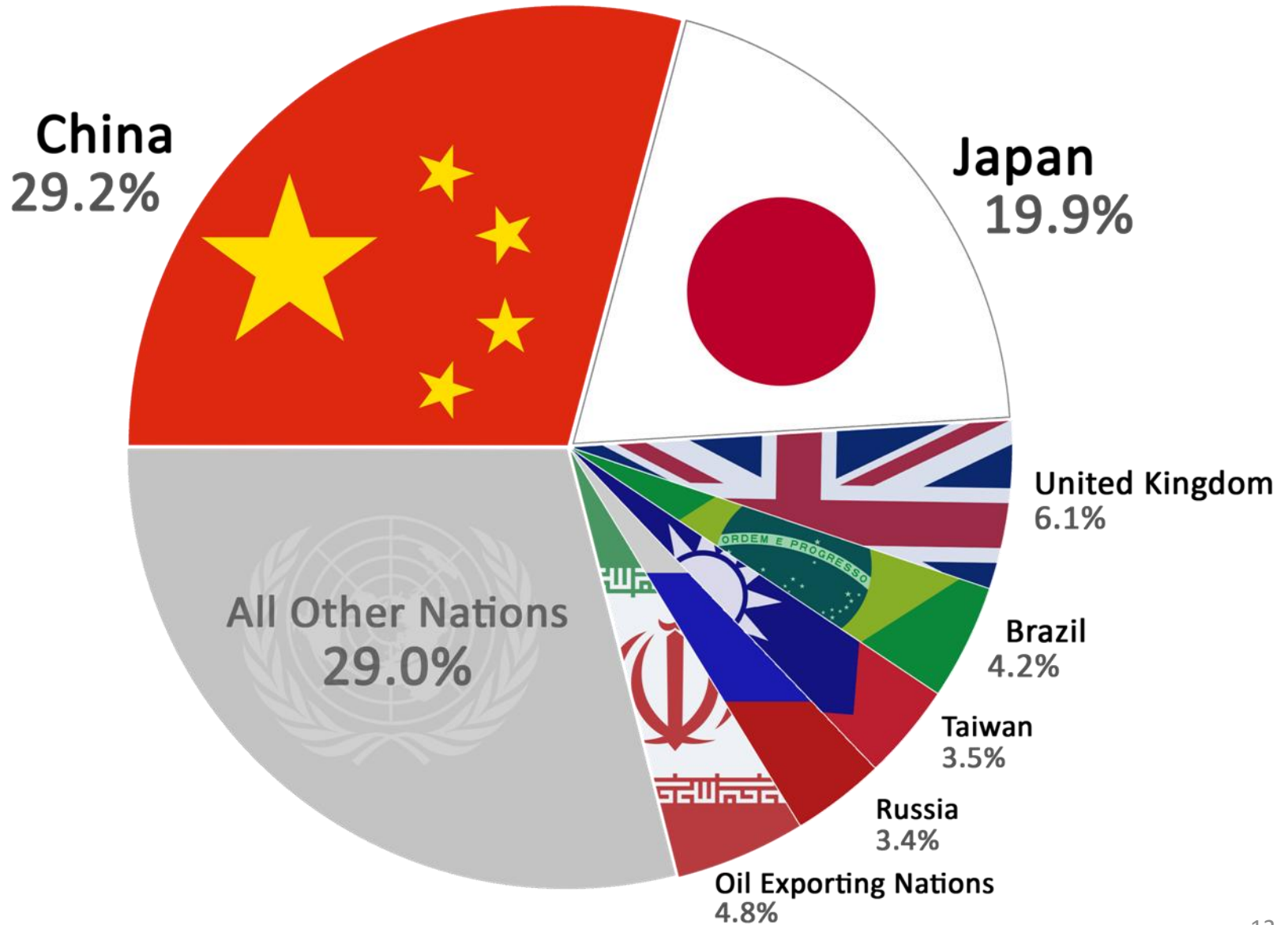
SOURCE: GAO

# WHO OWNS OUR DEBT?

DEBT HELD BY PUBLIC, 1970-2010



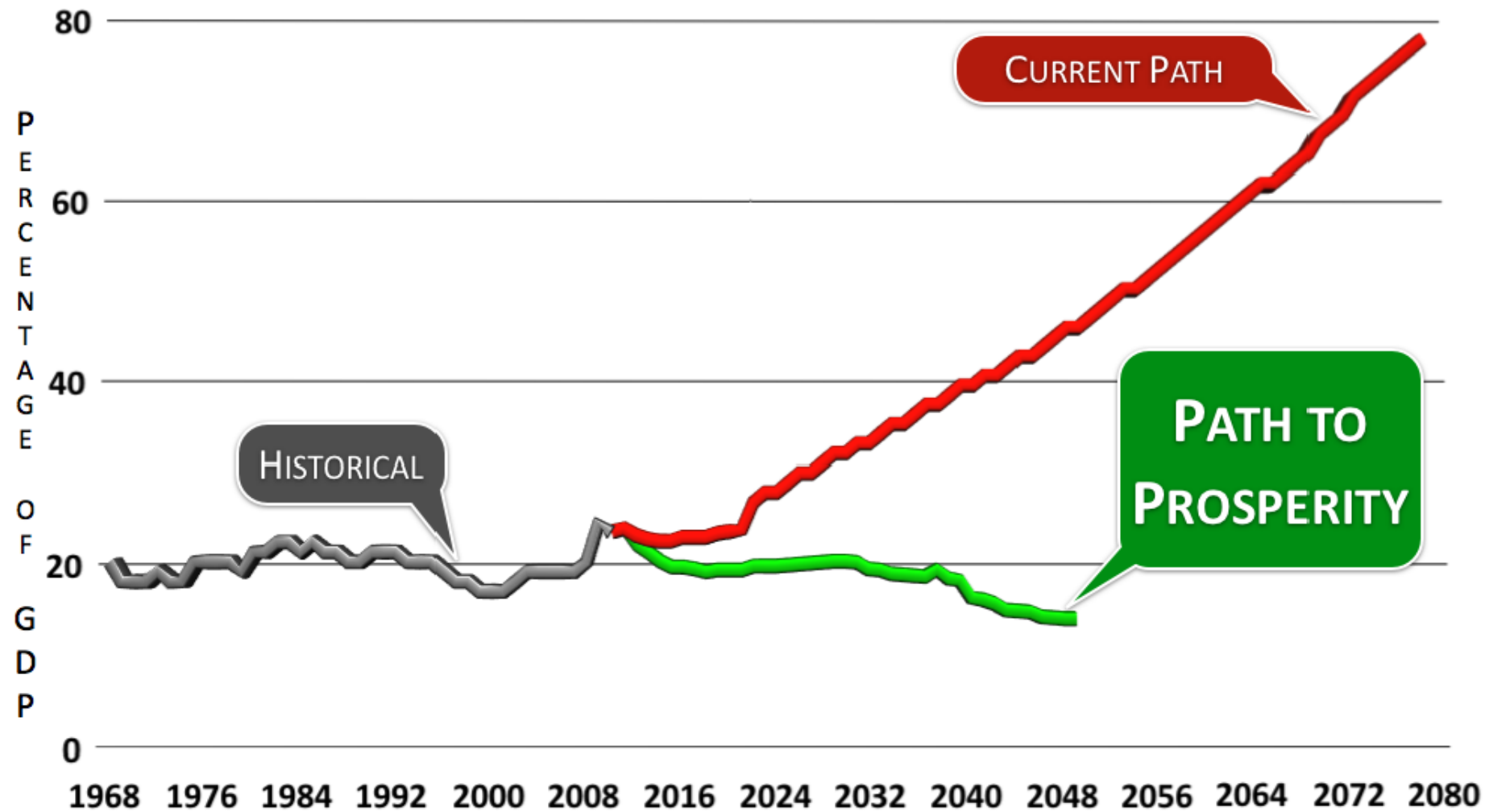
# FOREIGN OWNERS OF OUR DEBT



# Republican Budget Plan

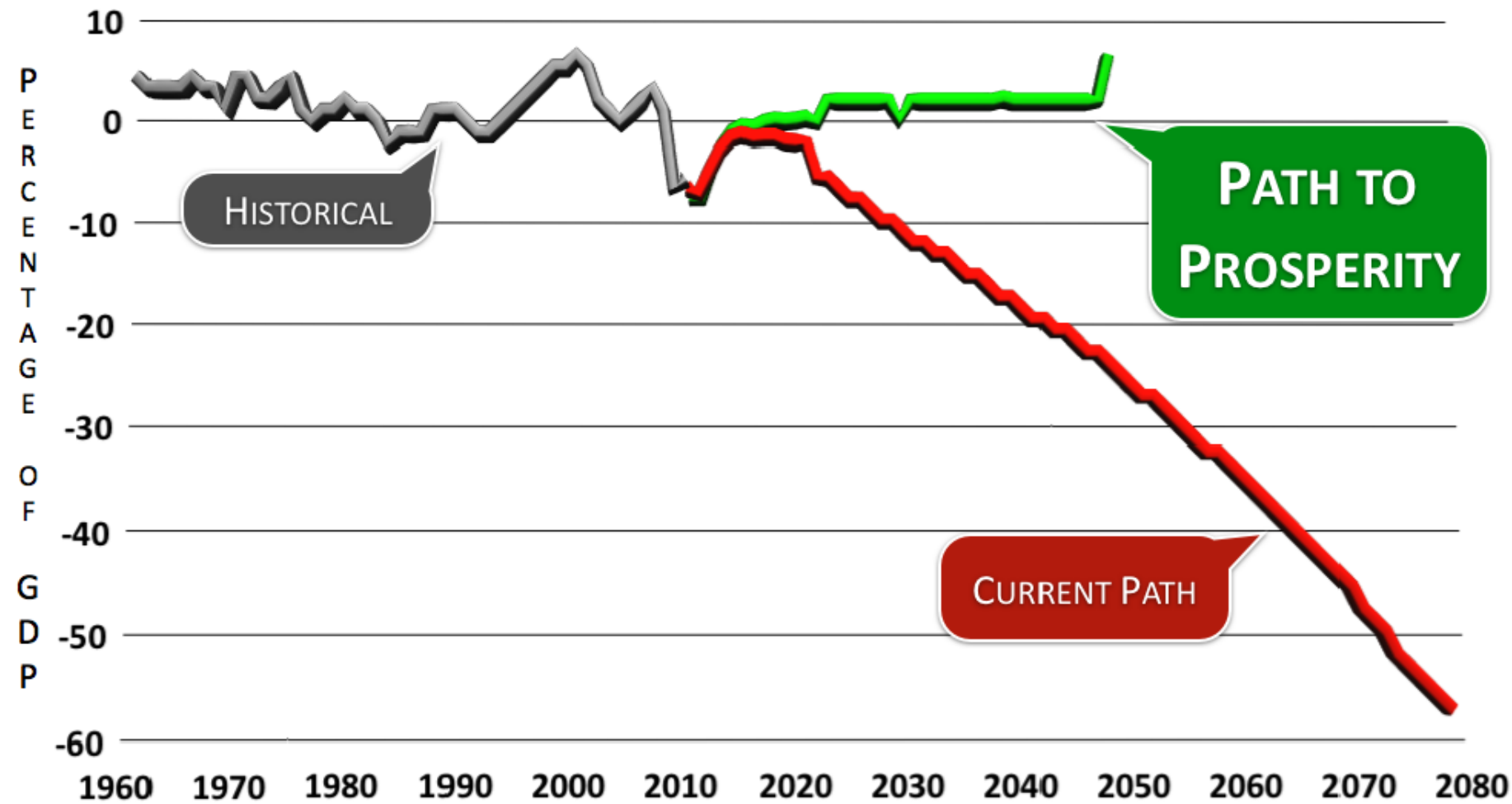
- **No changes for those in or near retirement**
- **Fulfill the mission of health and retirement security**
- **Lift the crushing burden of debt**
- **Spur economic growth and a path to prosperity**

# TOTAL FEDERAL SPENDING (AS PERCENTAGE OF GDP)



SOURCE: CBO

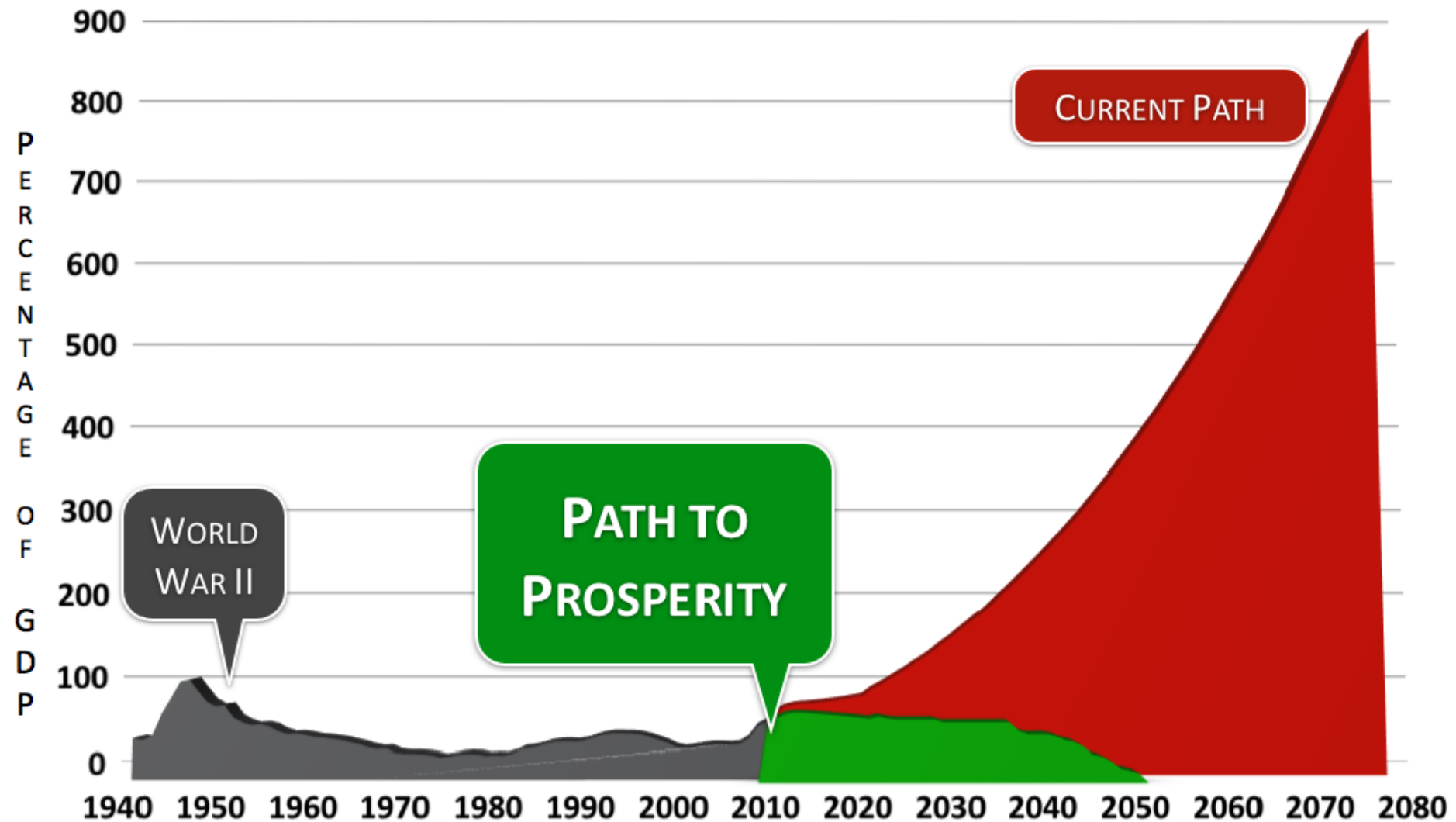
# FEDERAL DEFICIT (-) OR SURPLUS (+) (AS PERCENTAGE OF GDP)



SOURCE: CBO

# A CHOICE OF TWO FUTURES

## (DEBT AS A SHARE OF THE ECONOMY)



SOURCE: OMB/CBO



# President Ronald Reagan

*"The difference between the path toward greater freedom or bigger government is the difference between success and failure; between opportunity and coercion; between faith in a glorious future and fear of mediocrity and despair; between respecting people as adults, each with a spark of greatness, and treating them as helpless children to be forever dependent; between a drab, materialistic world where Big Brother rules by promises to special interest groups,"*

“Failure is not an option” – Gene Kranz



# Our Children: Our Future



# Olson Contact Information

**Call my offices for assistance**

**Sugar Land Office – (281) 494-2690**

**Clear Lake Office – (281) 486-1095**

**Washington Office – (202) 225-5951**

**Visit me on the web at [www.olson.house.gov](http://www.olson.house.gov)**