

# The Facts About Our Debt

Congressman Randy Hultgren

June 27, 2011



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# The Facts About Our Debt

1. We have a debt crisis facing our nation.
2. The debt crisis threatens our job growth, our national security and sovereignty, and our nation's children.
3. We have a debt crisis because Washington spends too much, not because Washington taxes too little.
4. The cost of doing nothing is unacceptable.
5. What we can do today.

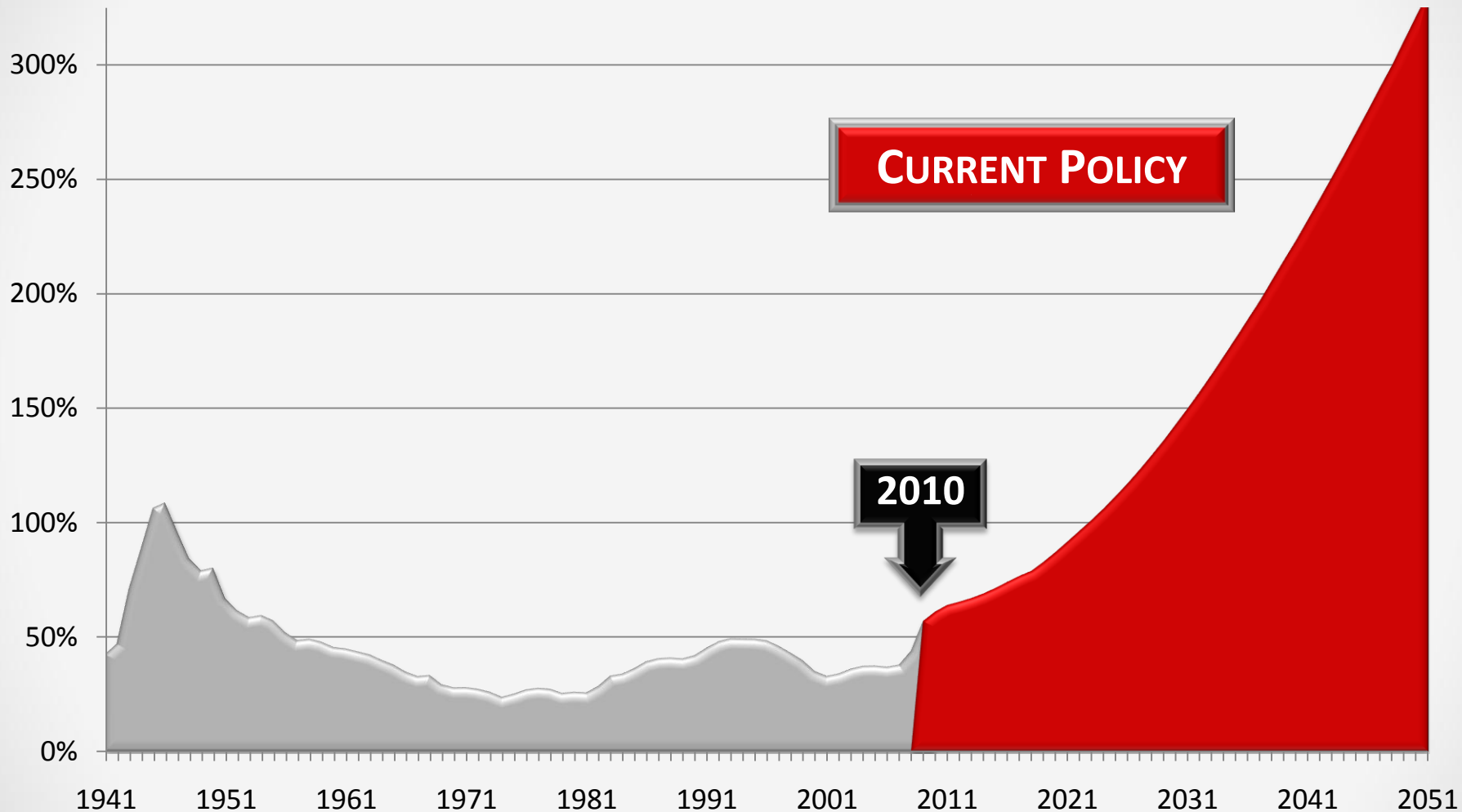


**We have a debt crisis  
facing our nation.**

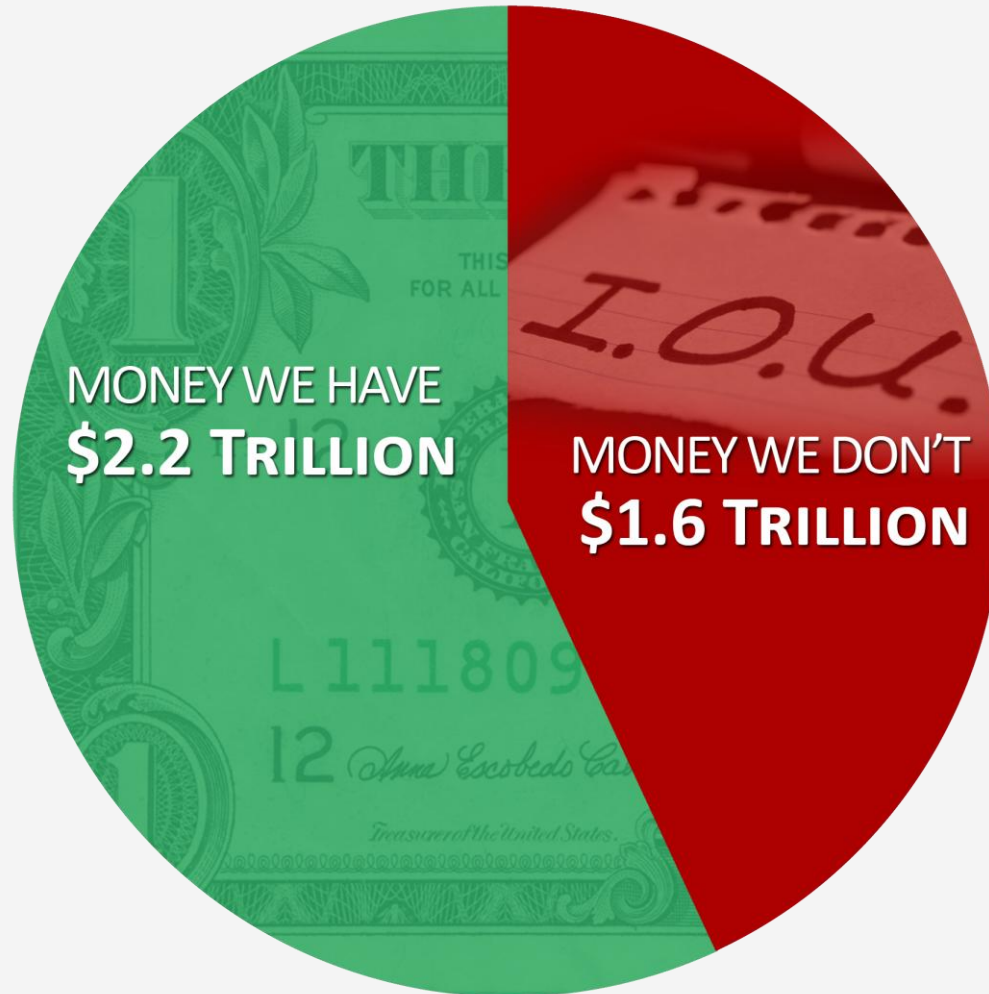


# TIDAL WAVE OF DEBT

## DEBT HELD BY PUBLIC AS SHARE OF ECONOMY



# THE FEDERAL GOVERNMENT IS BORROWING MORE THAN 42 CENTS OF EVERY DOLLAR IT SPENDS



# “Debt Day”



2011																				
January			February			March			April											
S	M	T	W	T	F	S	S	M	T	W	T	F	S							
					1								1	2						
2	3	4	5	6	7	8	6	7	8	9	10	11	12	3	4	5	6	7	8	9
9	10	11	12	13	14	15	13	14	15	16	17	18	19	10	11	12	13	14	15	16
16	17	18	19	20	21	22	20	21	22	23	24	25	26	17	18	19	20	21	22	23
23	24	25	26	27	28	29	27	28						24	25	26	27	28	29	30
30	31																			
May			June			July			August											
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7	1	2	3	4				1	2	3	4	5	6	
8	9	10	11	12	13	14	5	6	7	8	9	10	11	3	4	5	6	7	8	9
15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16
22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23
29	30	31					26	27	28	29	30			24	25	26	27	28	29	30
														31						
September			October			November			December											
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2	3	4	5	6	7	8		1	2	3	4	5	6	7
4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12
11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19
18	19	20	21	22	23	24	16	17	18	19	20	21	22	20	21	22	23	24	25	26
25	26	27	28	29	30		23	24	25	26	27	28	29	27	28	29	30			
							30	31												

All spending after July 27 of this year is borrowed spending.



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



Erskine Bowles

Co-Chair, President Obama's National  
Commission on Fiscal Responsibility  
and Reform

July 11, 2010



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“U.S. fiscal policy is on an unsustainable path to an extent that it cannot be solved by minor tinkering.”



Doug Elmendorf

Director, Congressional Budget Office

January 27, 2010



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**The debt crisis threatens  
our job growth.**



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“The seeds of the next recession have already been planted. The debt burden accumulated over the next ten years will sink us.”

**Honeywell**

David Cote

CEO

Honeywell (122,000 employees)

October 20, 2010



“I suspect you will continue to hear that discussion that the level of uncertainty and indecision is high—because it is. I don’t know what this means for borrowing costs. I don’t know what this means for liquidity. I don’t know what this means for cost of doing business. I don’t know what this means for price increases. I have no idea. We’ve never been here before. And that level of uncertainty is real...”

**TRAVELERS** 

Jay Fishman  
Chairman and CEO  
Travelers (32,000 employees)  
November 8, 2010



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“[I]f we continue this kind of a policy, we’re dead in the water. Because they don’t know what’s coming ... he said, [quoting small business owner] this debt, this budget, this debt that we have, in the trillions he said, Bernie, I’m going to have to pay for this somehow.”



Bernie Marcus

Former Chairman & CEO

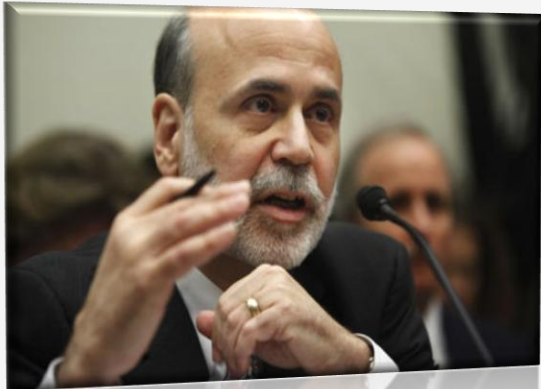
Home Depot (255,185 employees)

September 18, 2010



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“[U]nless we as a nation make a strong commitment to fiscal responsibility, in the longer run, we will have neither financial stability nor healthy economic growth.”



Ben Bernanke

Chairman of the Federal Reserve

June 9, 2010



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If we do nothing...

**HISTORIC DEBT**

will lead to

**HISTORIC TAX INCREASES**

which will lead to

**HISTORIC UNEMPLOYMENT**



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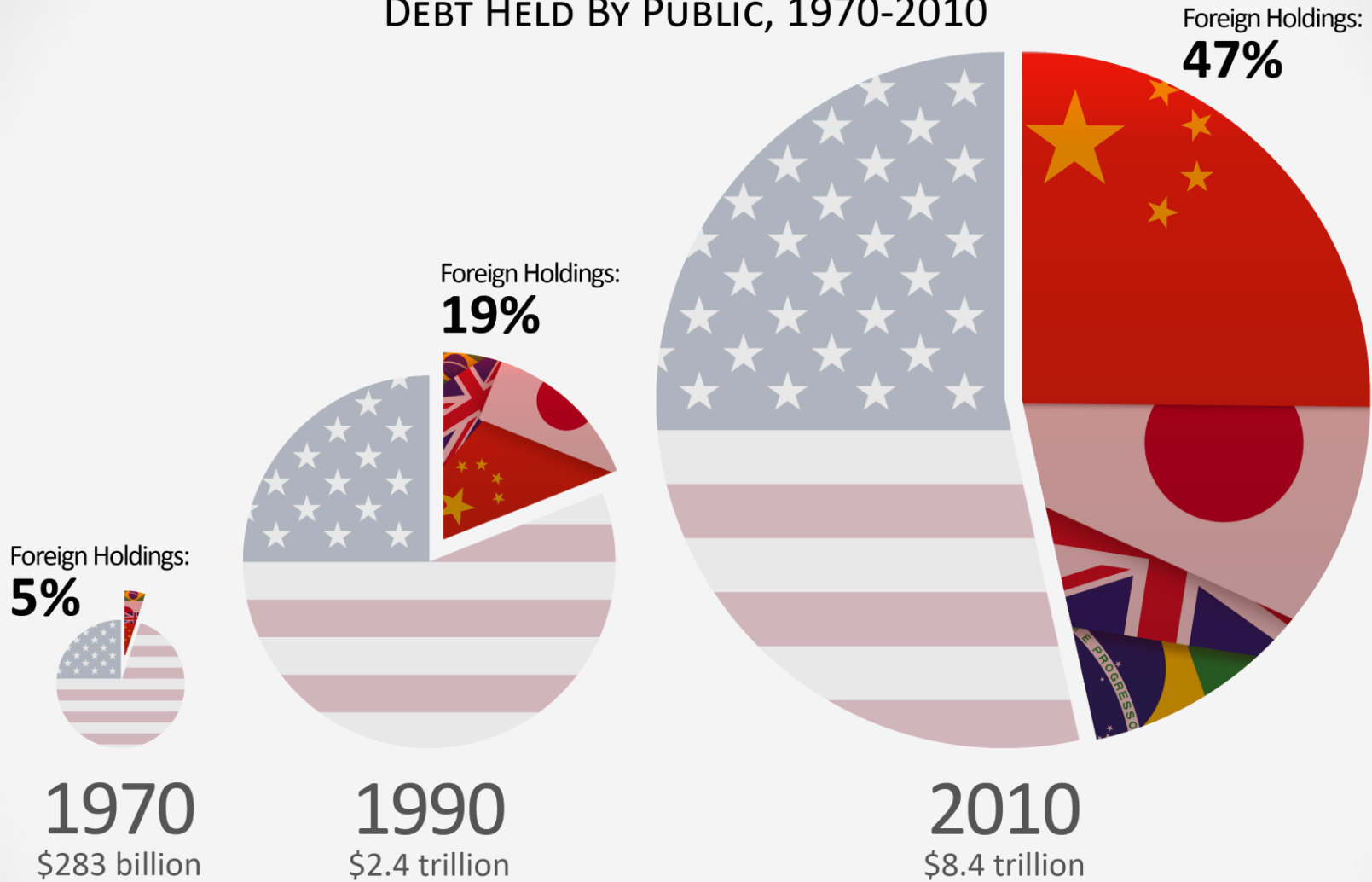
**The debt crisis threatens our  
national security and sovereignty.**



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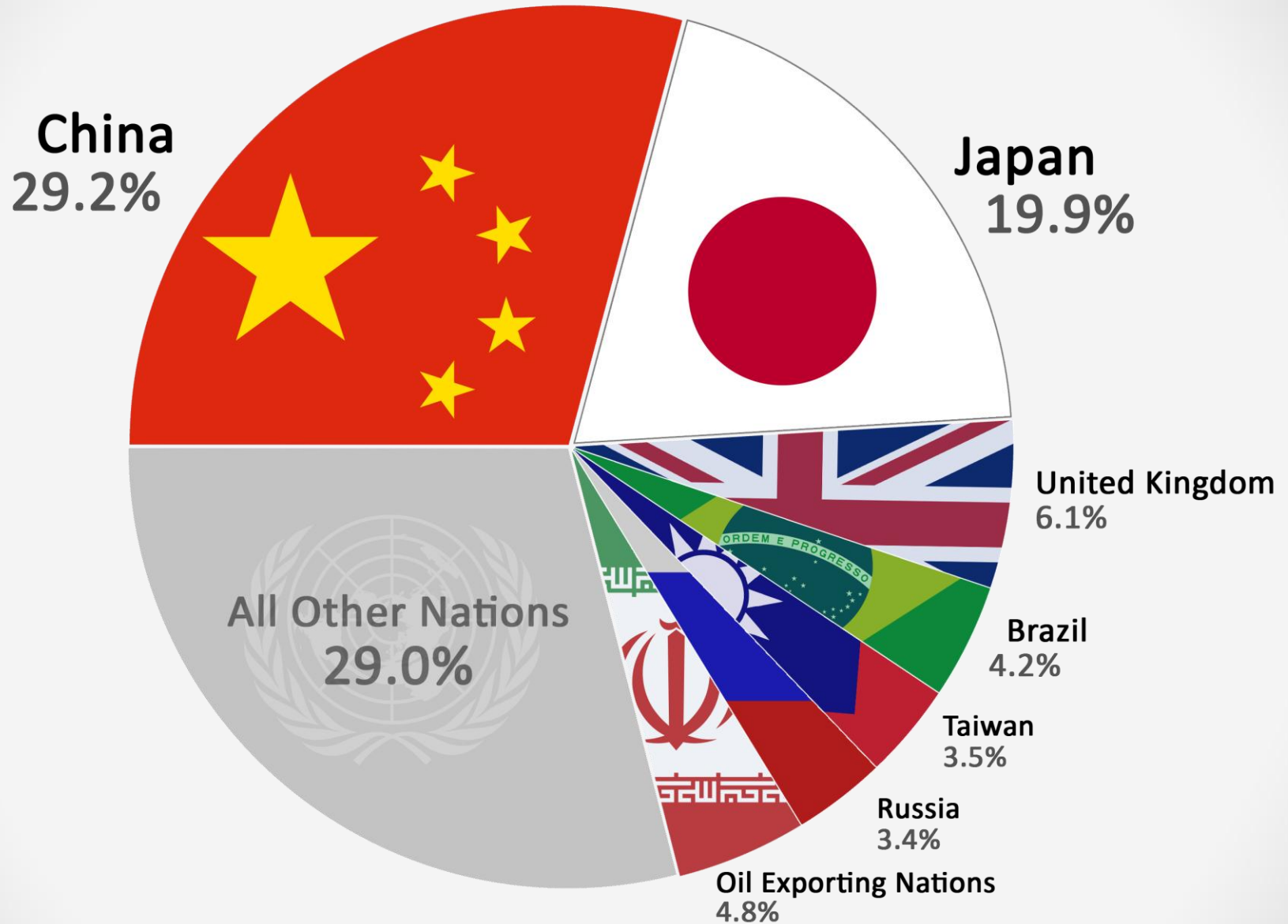
# WHO OWNS OUR DEBT?

DEBT HELD BY PUBLIC, 1970-2010





# FOREIGN OWNERS OF OUR DEBT



With the interest we pay to China on our debt,  
China can afford to buy **3 new Joint Strike Fighters**  
**every week** – with \$50 million/week left over.



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Source: U.S. Department of Treasury,  
Government Accountability Office

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



Admiral Mike Mullen  
President Obama's Chairman of  
the Joint Chiefs of Staff  
July 6, 2010



**The debt crisis threatens to  
bankrupt our nation's children.**



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“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. There will be less to spend for cars, vacations, dinners out and big TV sets, all of which their parents took for granted. 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

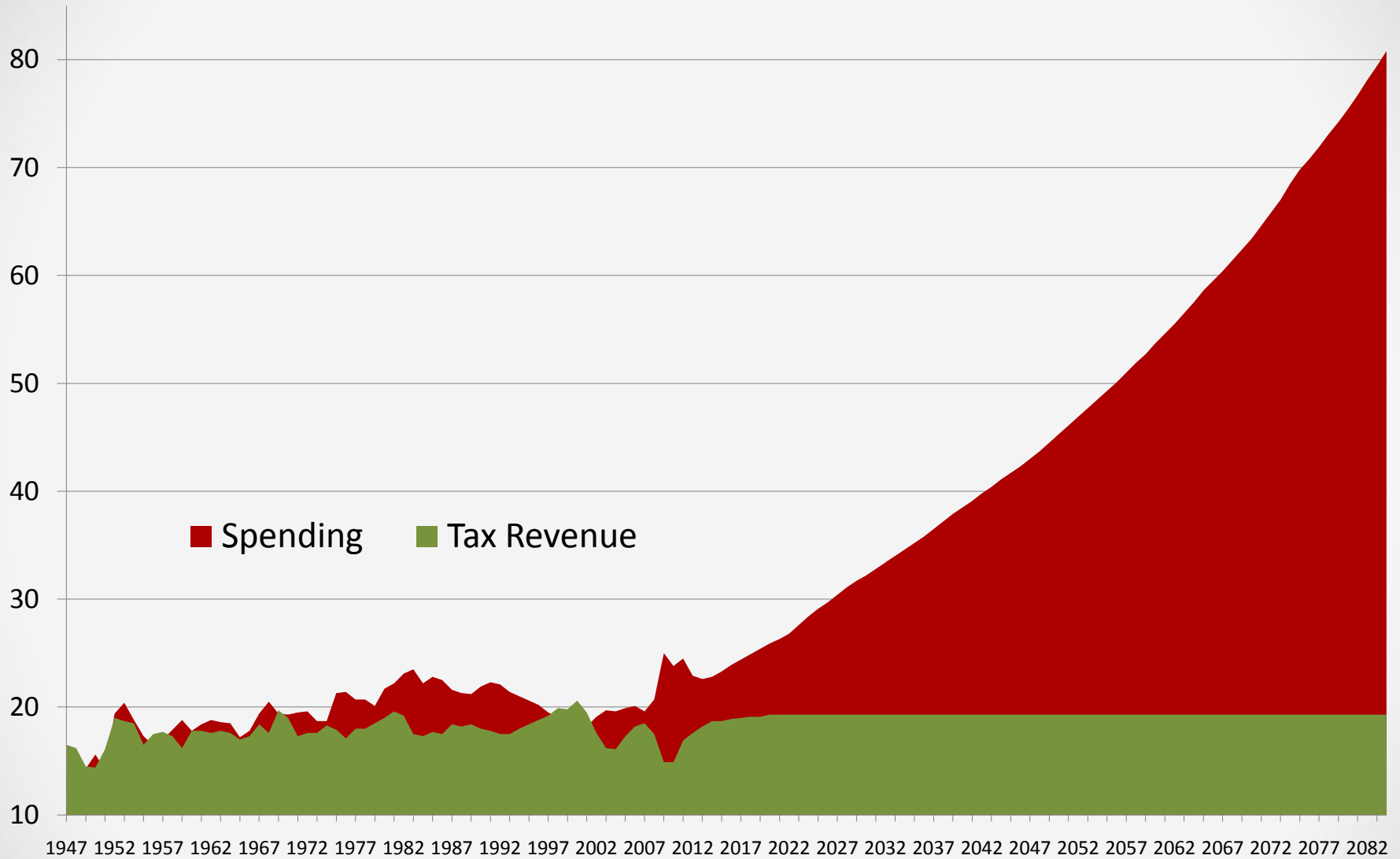


**We have a debt crisis because  
Washington spends too much, not  
because Washington taxes too little.**



# WE ARE IN A SPENDING-DRIVEN DEBT CRISIS

HISTORIC/PROJECTED SPENDING & REVENUE AS A PERCENTAGE OF THE ECONOMY



■ Spending ■ Tax Revenue



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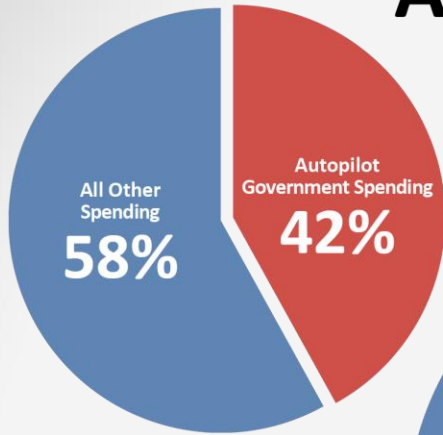
Source: Office of Management and Budget Historic Tables, Congressional Budget Office; projections based on the CBO's Alternative Fiscal Scenario.

**Where is all this spending  
coming from?**

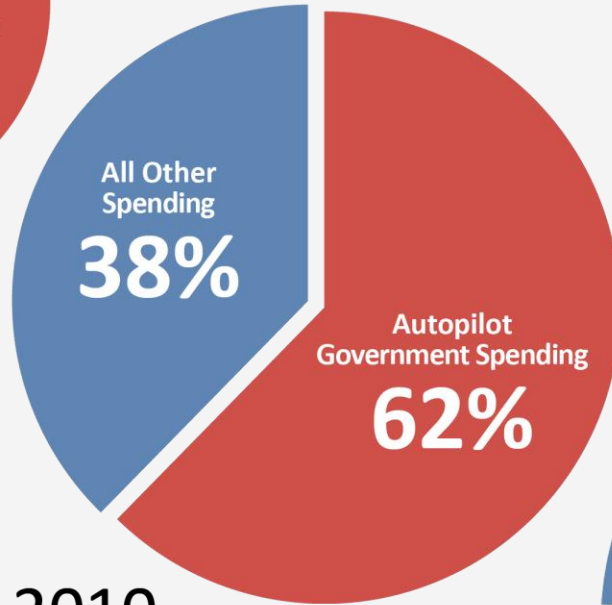




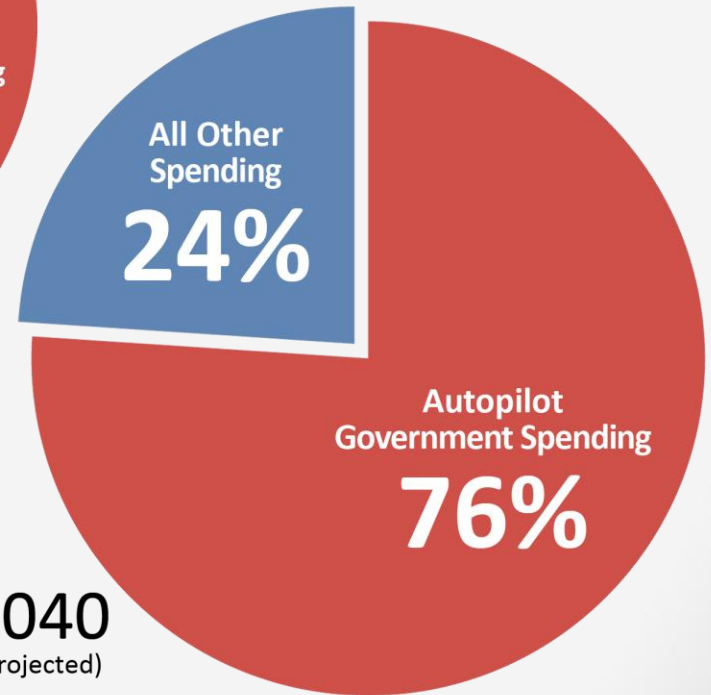
# AUTOPILOT SPENDING DRIVES DEBT



1970



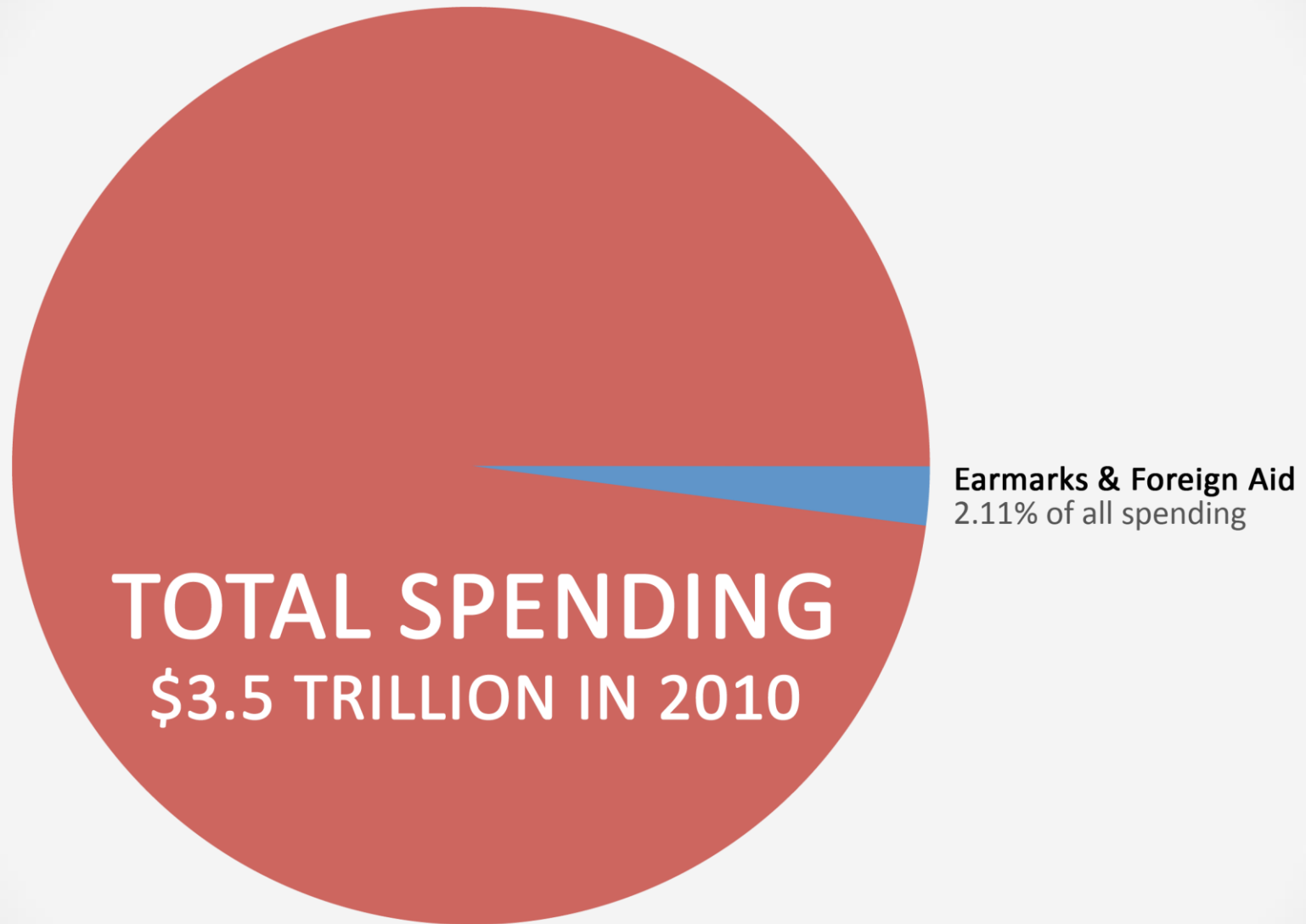
2010



2040  
(projected)



# WHAT IF WE JUST CUT EARMARKS & FOREIGN AID?



**TOTAL SPENDING**  
**\$3.5 TRILLION IN 2010**

**Earmarks & Foreign Aid**  
2.11% of all spending



# Why Medicare and Medicaid Are Growing So Fast

## MEDICARE & MEDICAID

- The Cost of Health Care is Skyrocketing
- An Aging Population is Leading to Record Medicare Enrollment
- The Economic Downturn is Leading to Record Medicaid Enrollment

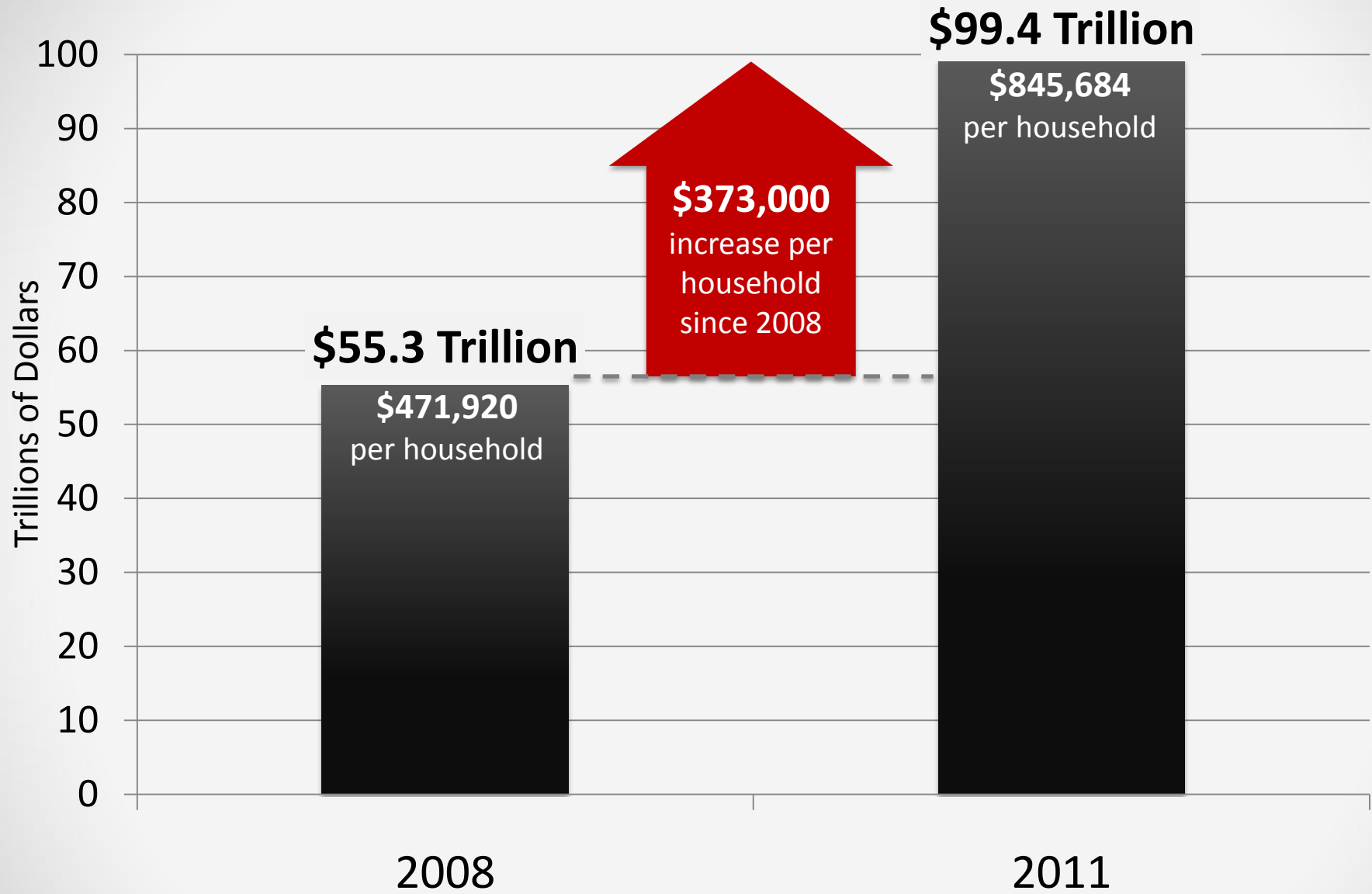


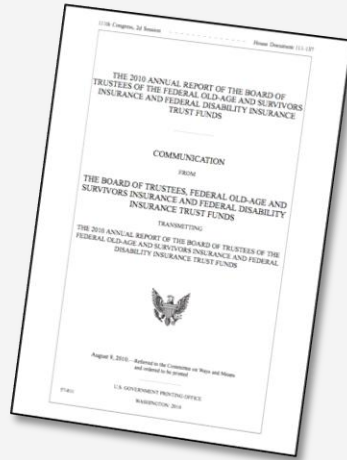
# The Cost of Doing Nothing



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# UNFUNDED PROMISES IN TRILLIONS OF DOLLARS





The Social Security and Medicare Trustees have said that if nothing is done, Social Security benefits will be cut by 22%.



# Principles to Save and Strengthen Medicare, Medicaid and Social Security



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# Congressman Hultgren's Principles

- Spur Job Growth and Prosperity
- No Changes for Seniors
- Fulfill the Mission of Health and Retirement Security for All Americans
- Lift the Crushing Burden of Debt





# Choice of Two Futures



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# What We Can Do Today



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# What We Can Do Today

- Share The Facts With Your Family, Friends, Neighbors And Co-Workers
- Let Them Know Ignoring The Problem Will Only Make The Problem Worse
- Be Part Of A National Solution And Give Your Ideas

