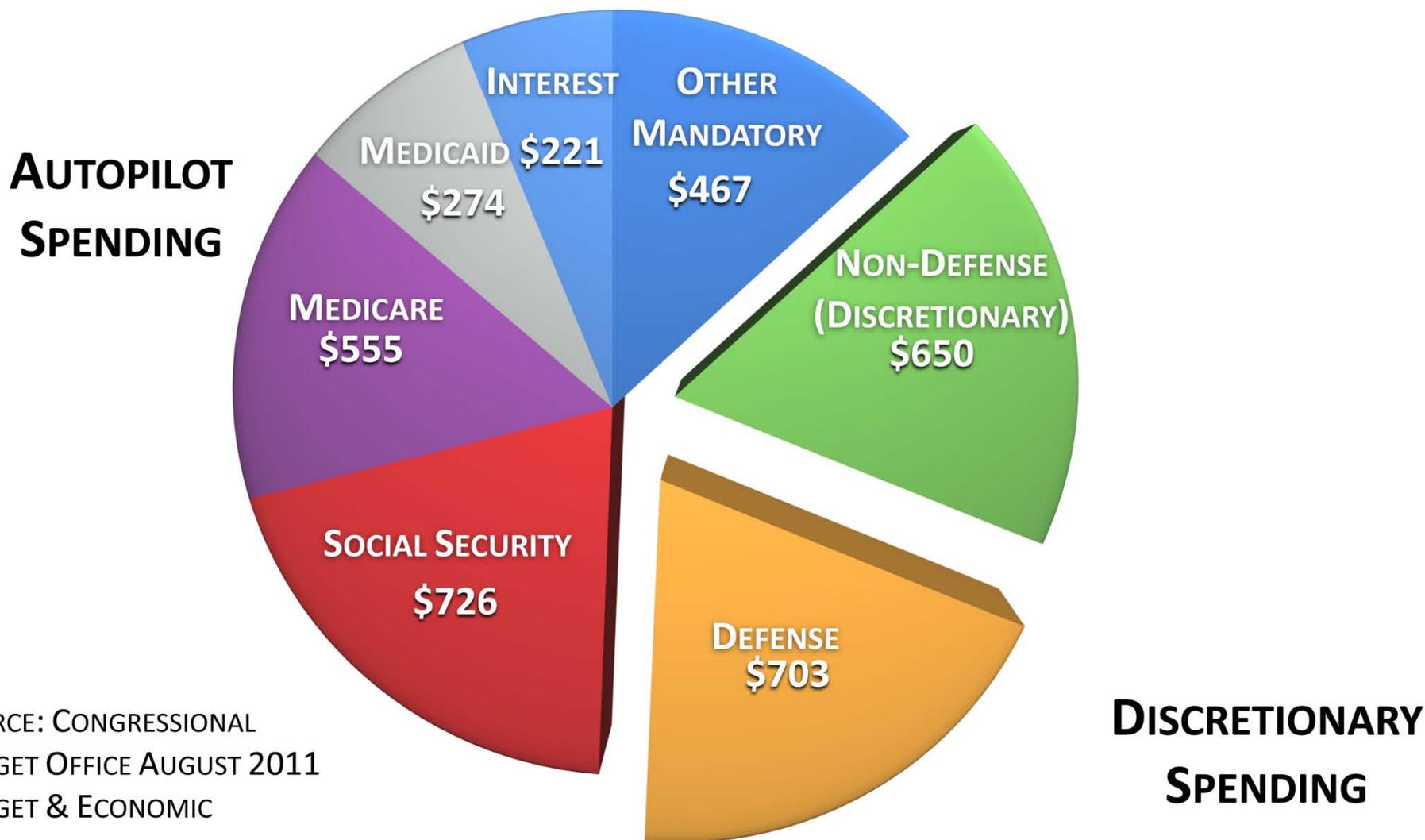


TOTAL SPENDING IN FY 2011 = \$3.6 TRILLION

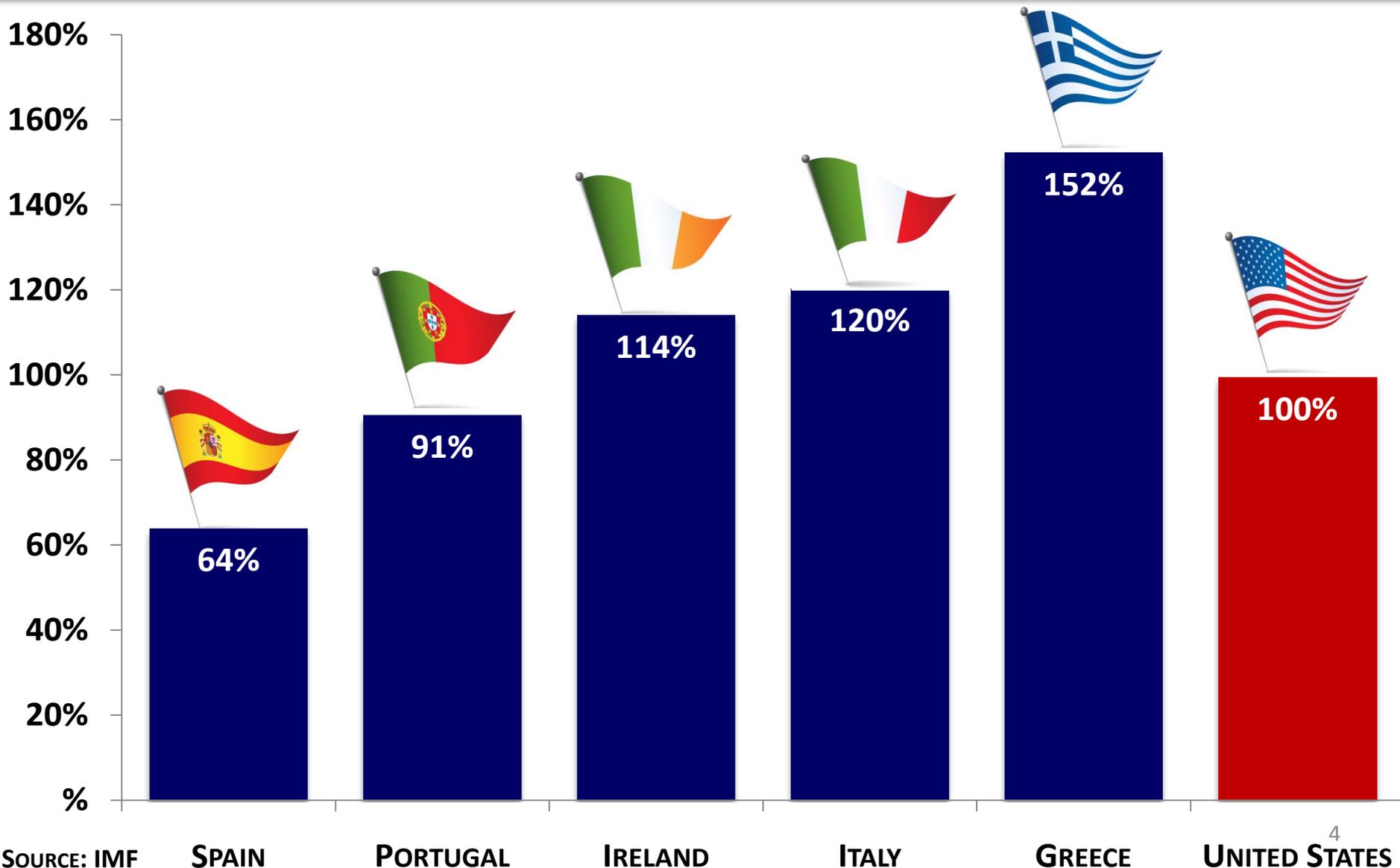
(OUTLAYS IN BILLIONS OF DOLLARS)



SOURCE: CONGRESSIONAL
BUDGET OFFICE AUGUST 2011
BUDGET & ECONOMIC
OUTLOOK

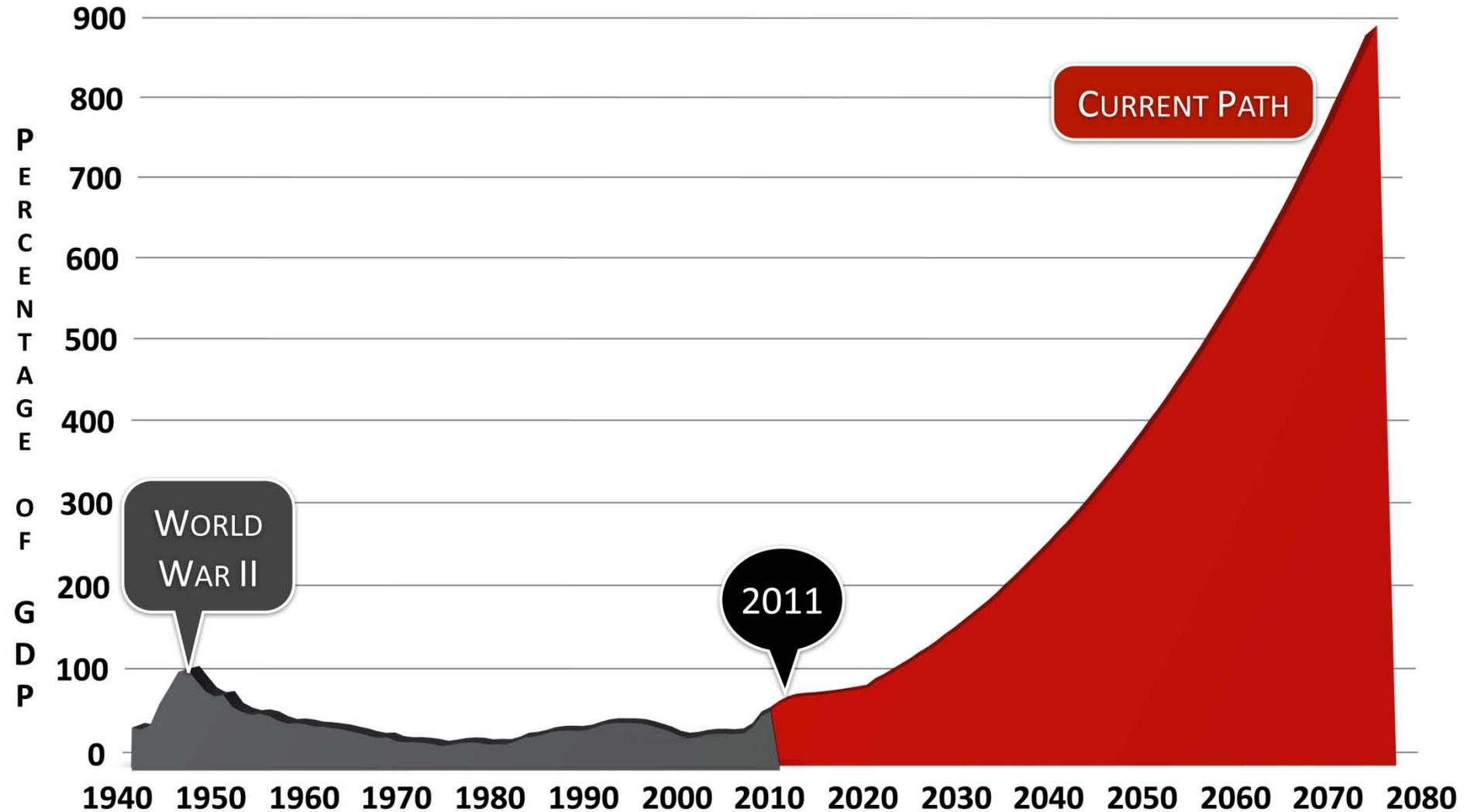
TROUBLE AHEAD - EUROPE

GOVERNMENT DEBT AS PERCENTAGE OF GDP - 2011



REPEATING EUROPE'S MISTAKES

(U.S. DEBT HELD BY PUBLIC AS A SHARE OF ECONOMY)



SOURCE: OMB/CBO

UNCERTAINTY FROM HEALTH CARE LAW



159 new boards, bureaucracies & programs



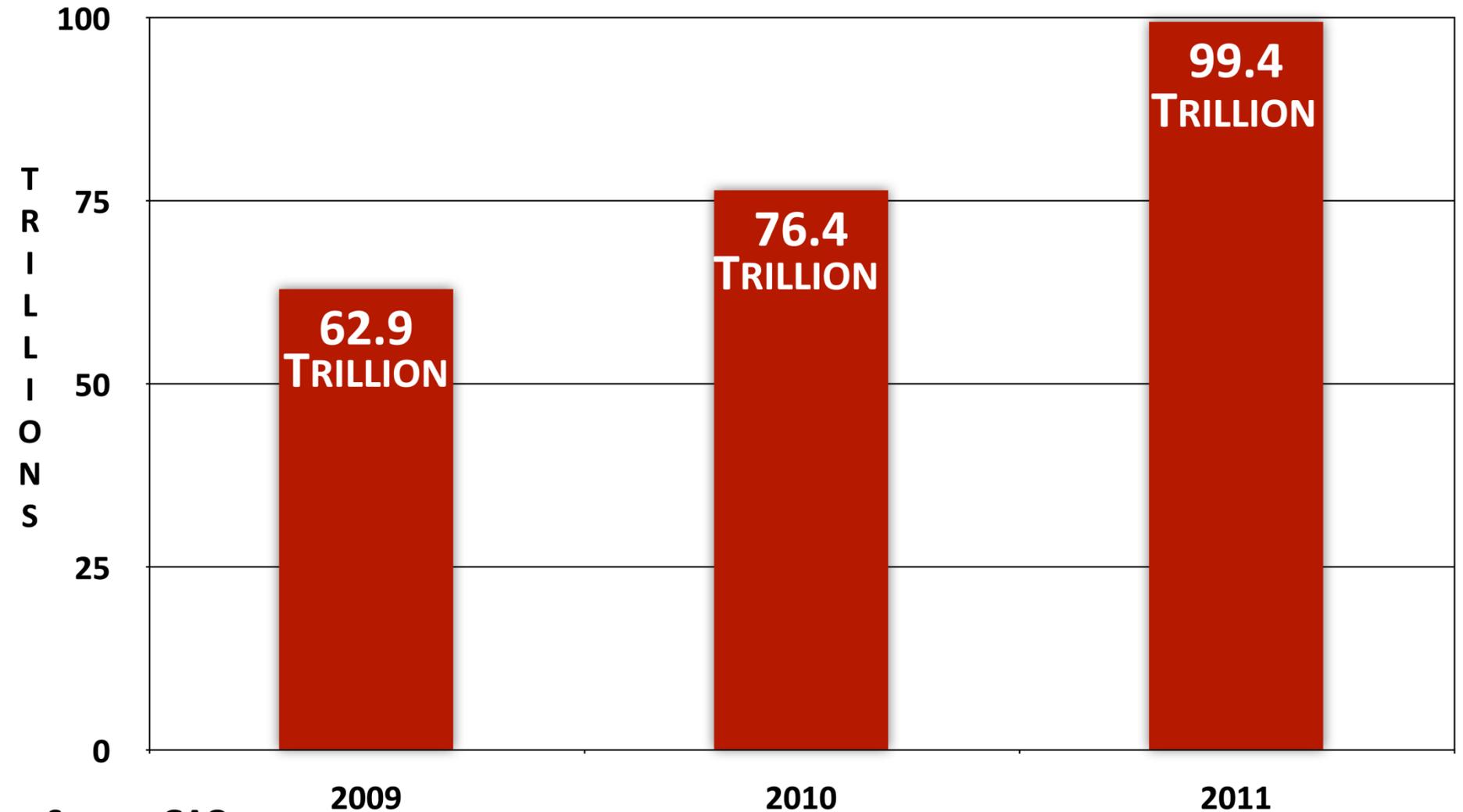
1,472 waivers from law's requirements



\$2.4 trillion of new spending

DEBT UNCERTAINTY

UNFUNDED PROMISES IN TRILLIONS OF DOLLARS



SOURCE: GAO

A BETTER PATH FORWARD:
THE PATH TO PROSPERITY



THE PATH TO PROSPERITY

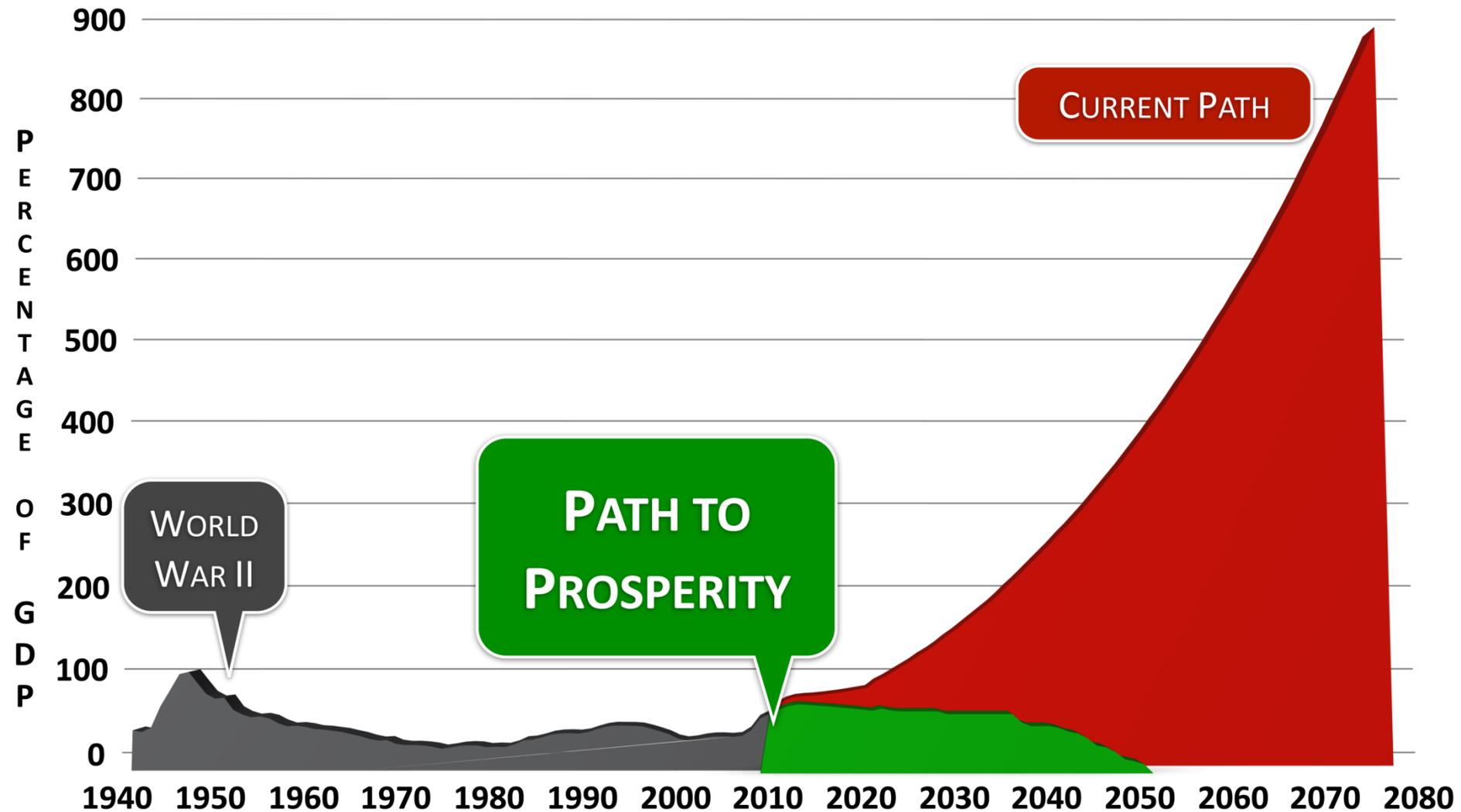
HOUSE-PASSED BUDGET & PRO-GROWTH REFORMS

- ✓ Spending Restraints and Reforms
- ✓ Pro-Growth Tax Reform: Fair, Simple, Competitive
- ✓ Predictable, Reasonable Regulatory Environment
- ✓ Patient-Centered Health Care Reform
- ✓ An American Energy Policy
- ✓ Strengthened Social Safety Net

budget.house.gov

A CHOICE OF TWO FUTURES

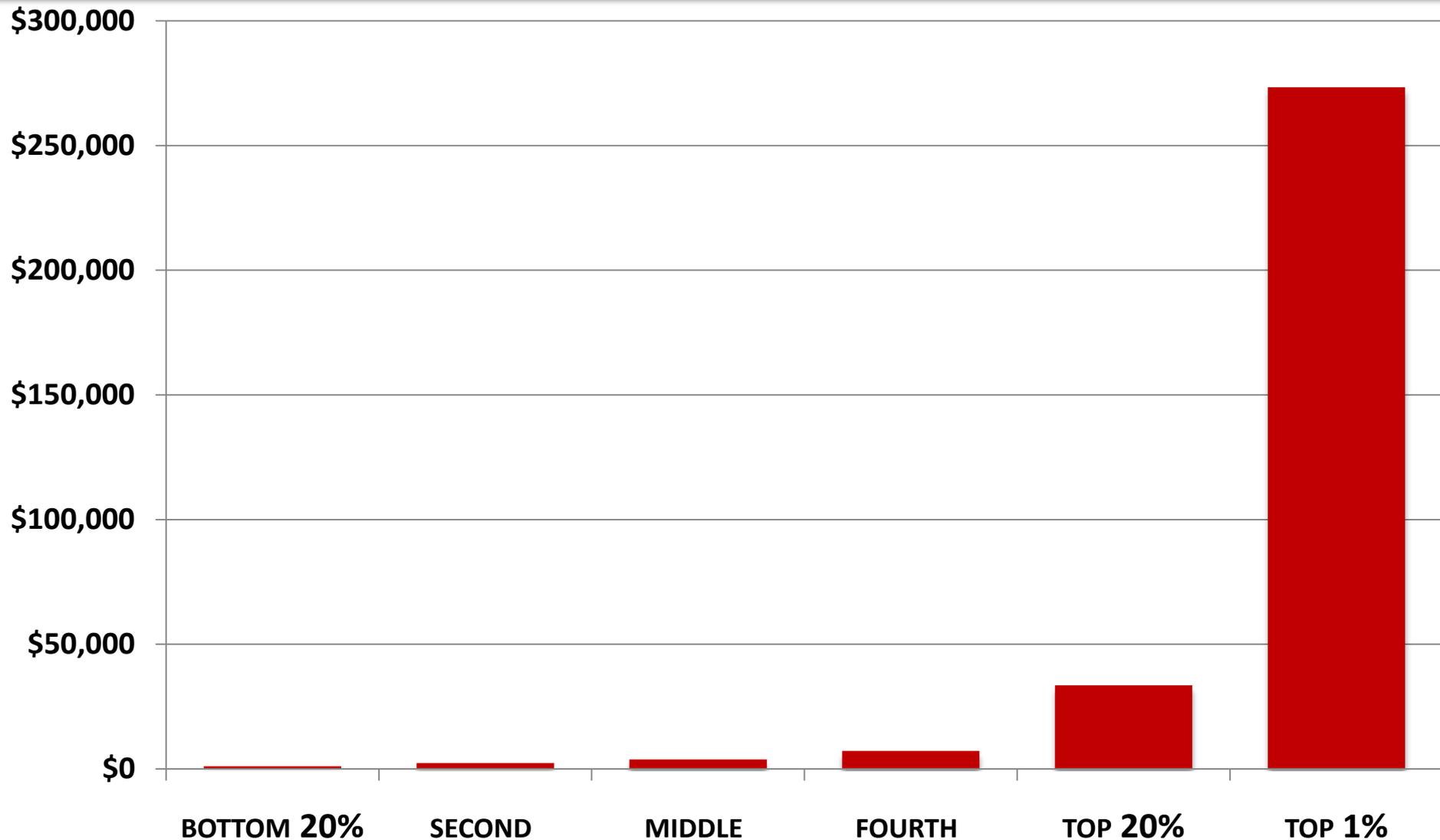
(DEBT AS A SHARE OF THE ECONOMY)



SOURCE: OMB/CBO

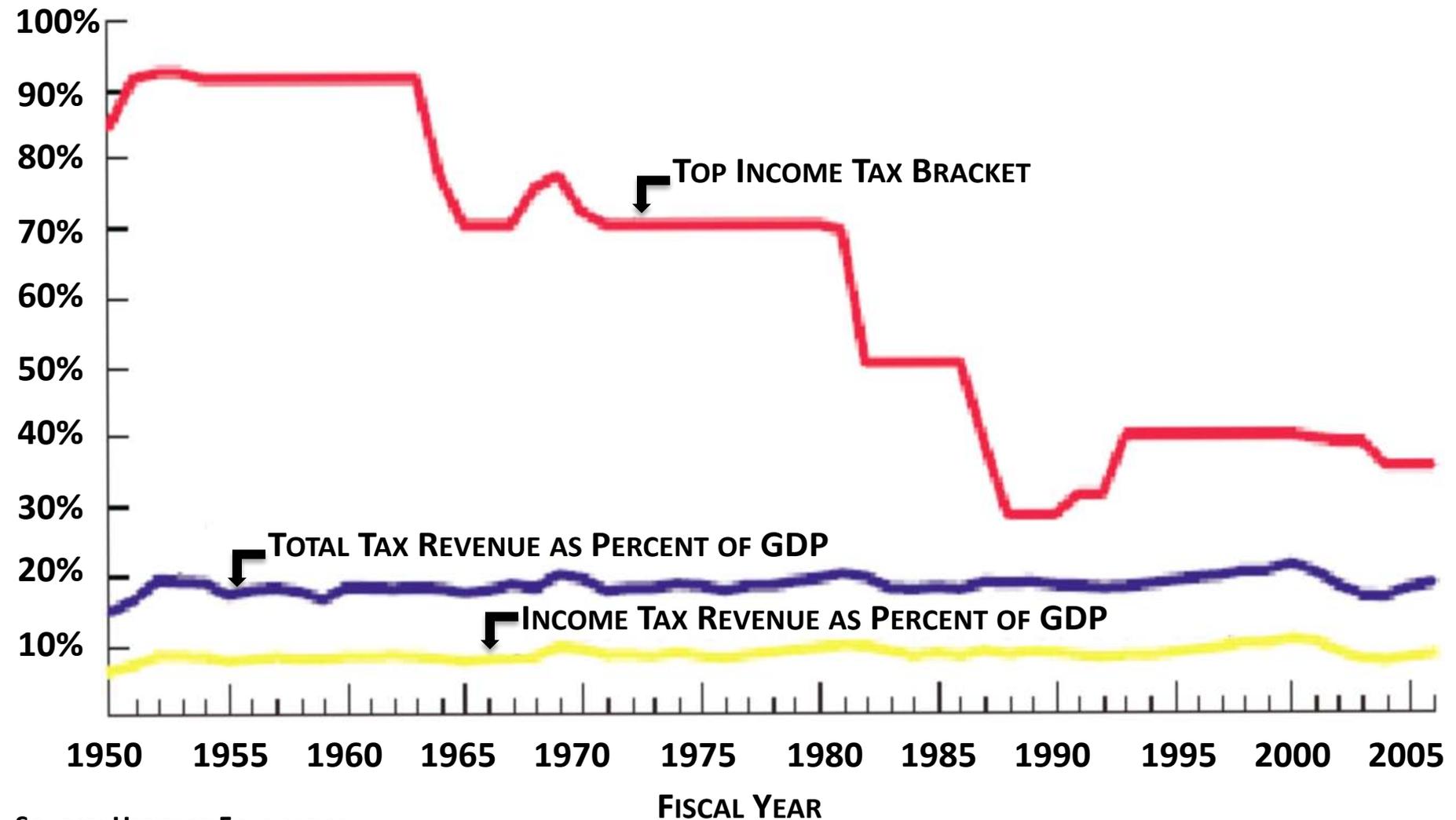
WHO BENEFITS FROM TAX LOOPHOLES

AVERAGE PER PERSON BENEFIT BY CATEGORY OF EARNERS

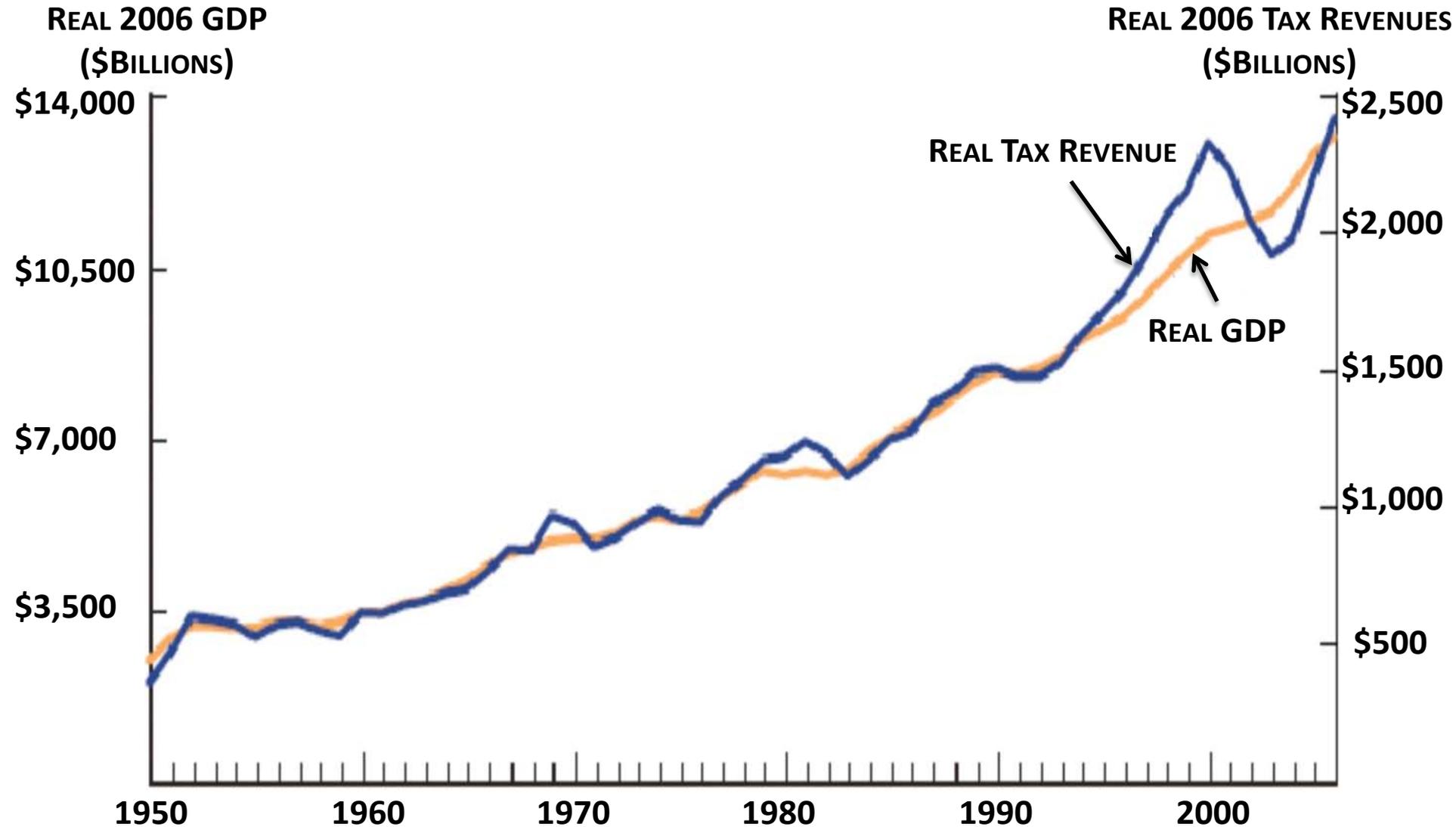


SOURCE: TAX POLICY CENTER/IRS

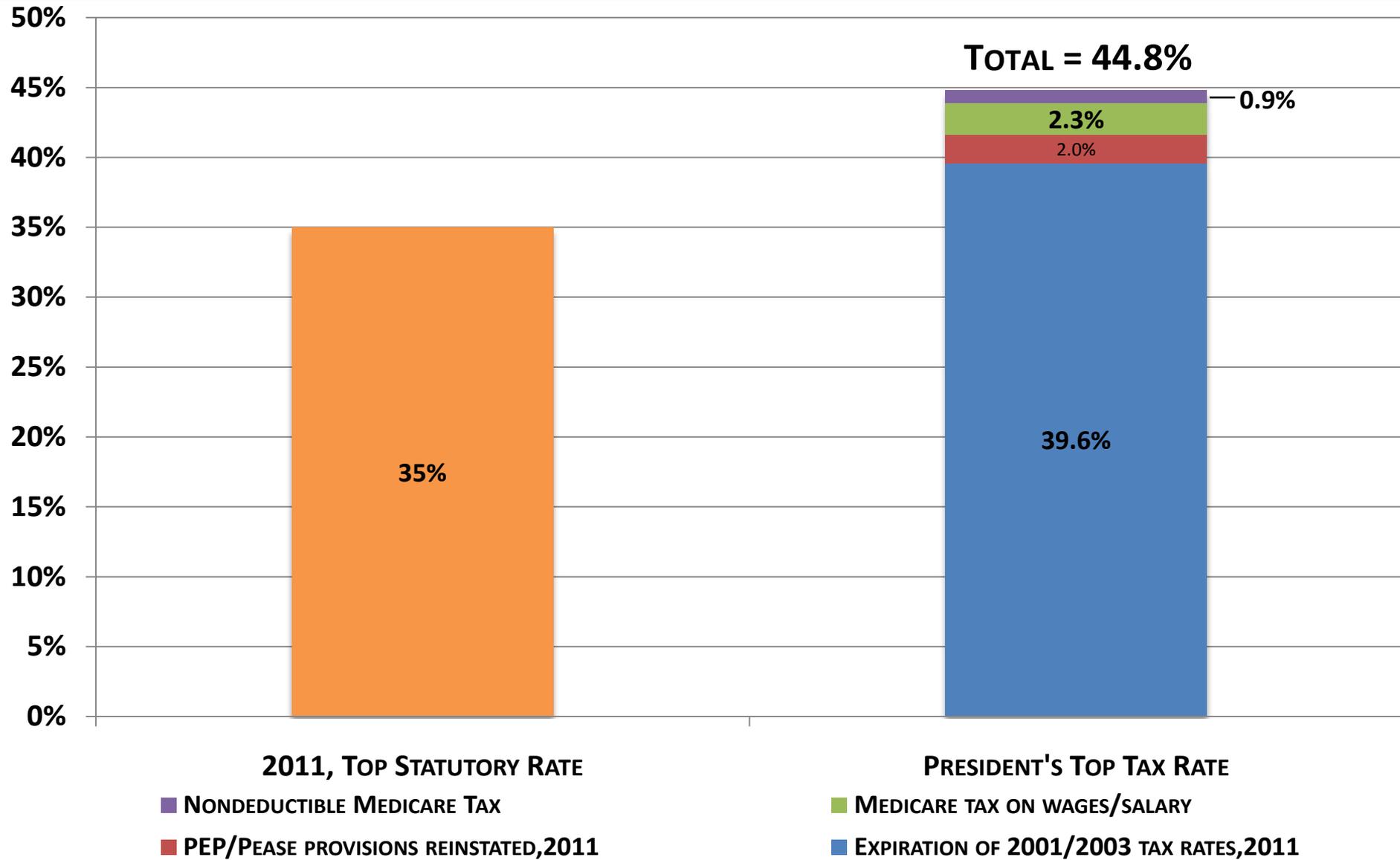
TAX REVENUES DO NOT CORRELATE WELL WITH TAX RATES



TAX REVENUES ARE HIGHLY CORRELATED WITH GDP



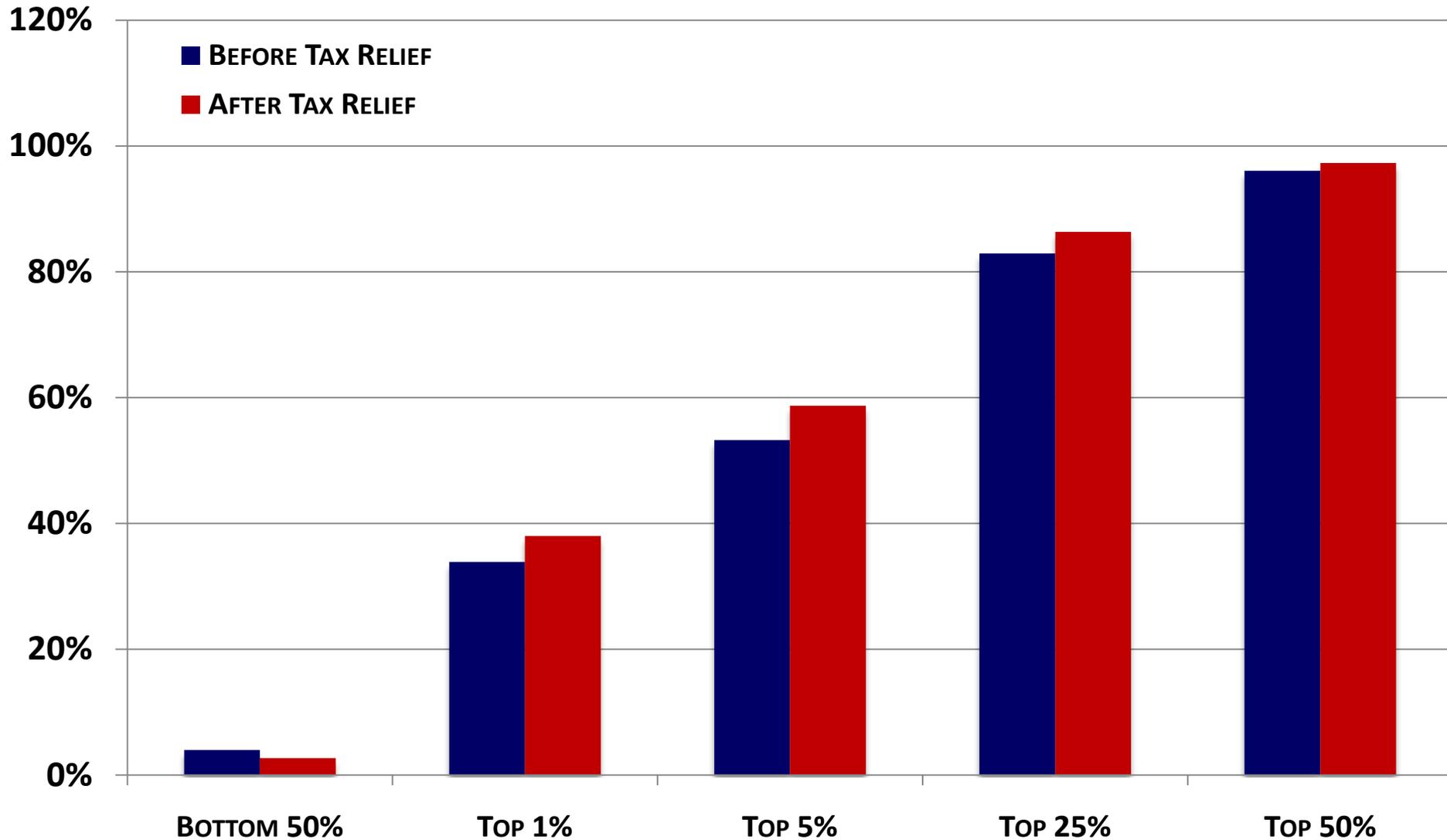
PRESIDENT'S TAX HIKES



SOURCE: IRS, PRESIDENT'S FY2012 BUDGET, HOUSE BUDGET COMMITTEE ESTIMATES

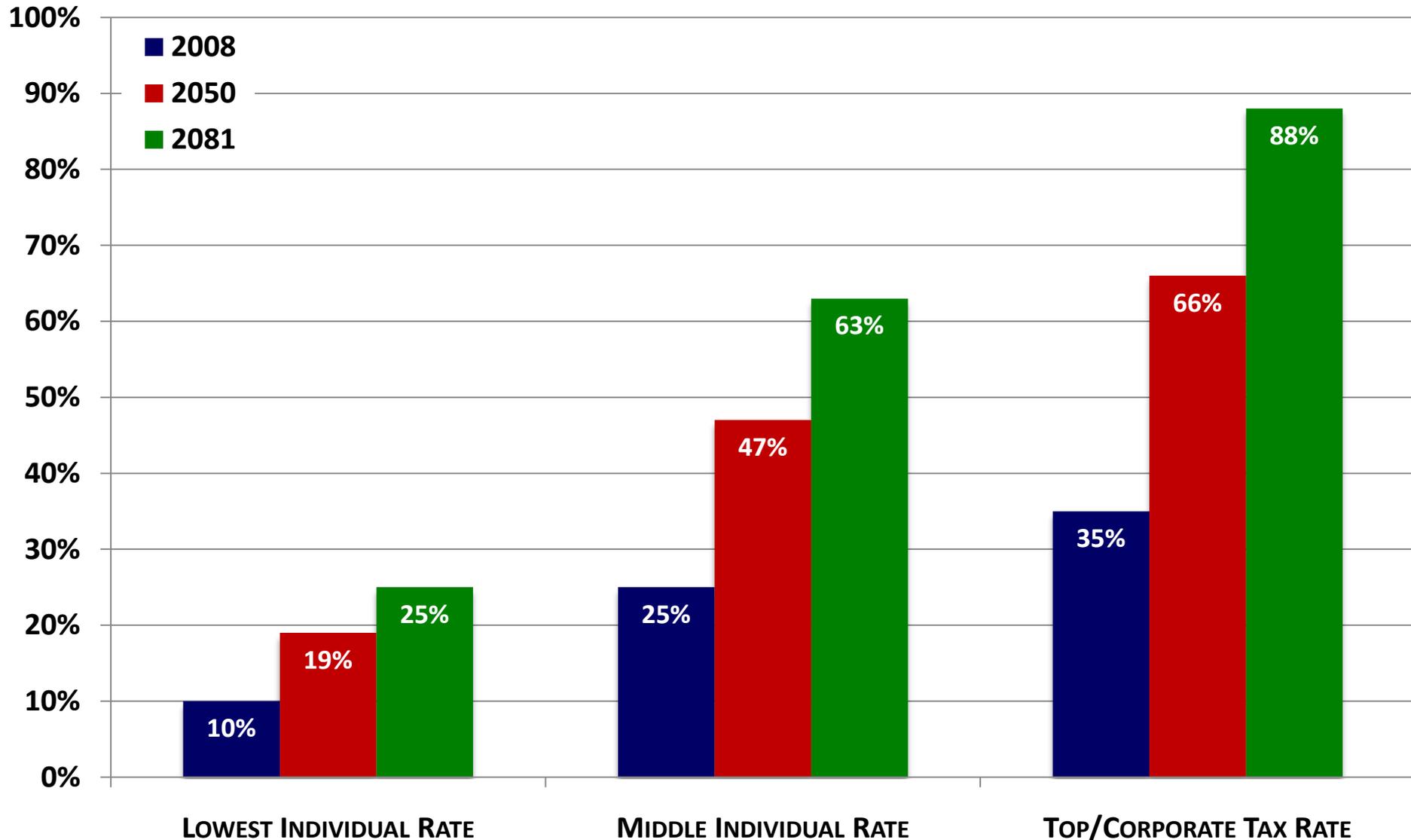
TAX CODE MORE PROGRESSIVE AFTER TAX RELIEF

BREAKDOWN OF TAX BURDEN BY INCOME LEVEL – 2001 vs. 2008

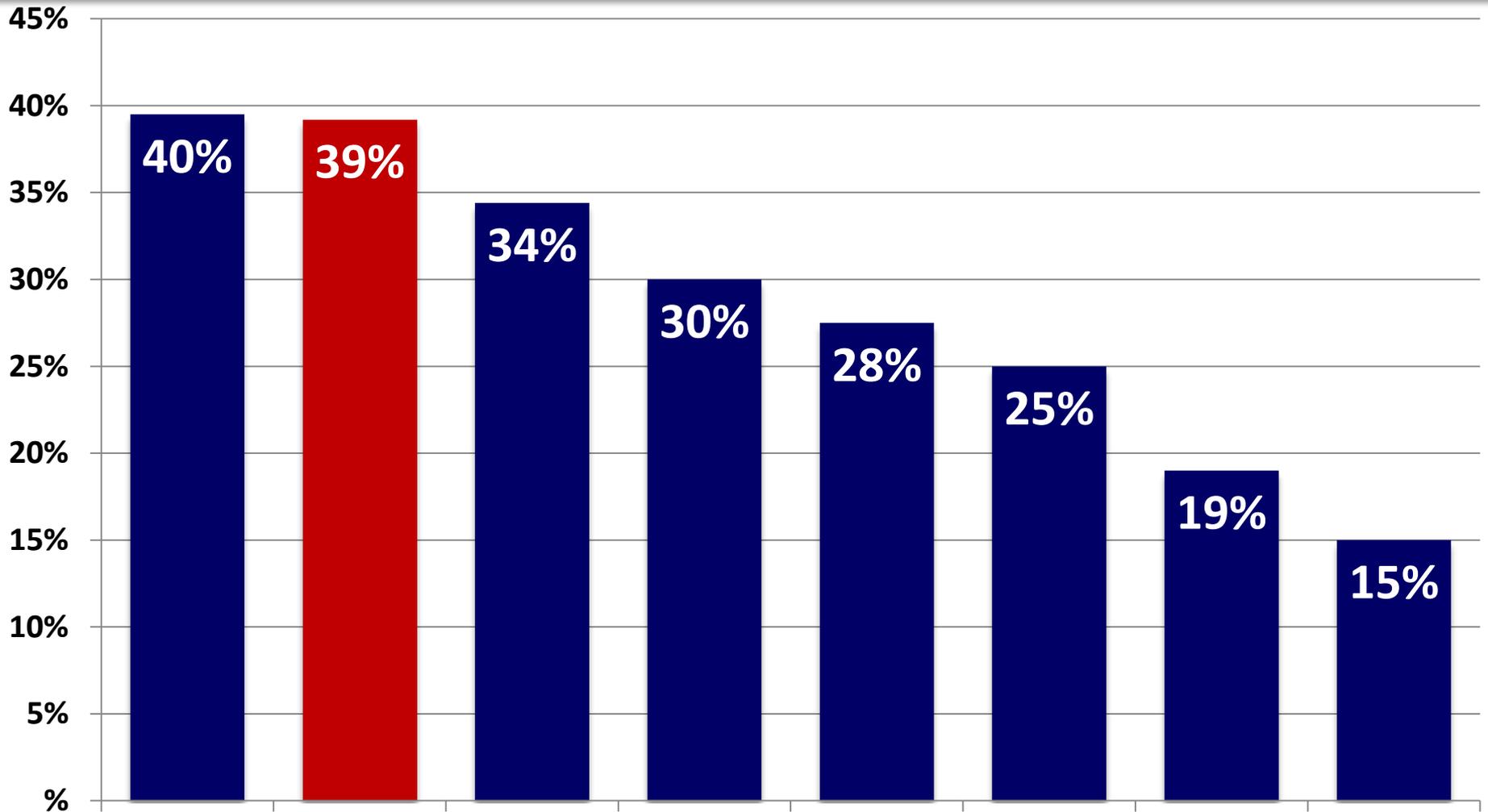


CHASING HIGHER SPENDING WITH TAXES

(INCREASE IN TAX RATES NECESSARY TO KEEP PACE SPENDING)



CORPORATE INCOME TAX RATES

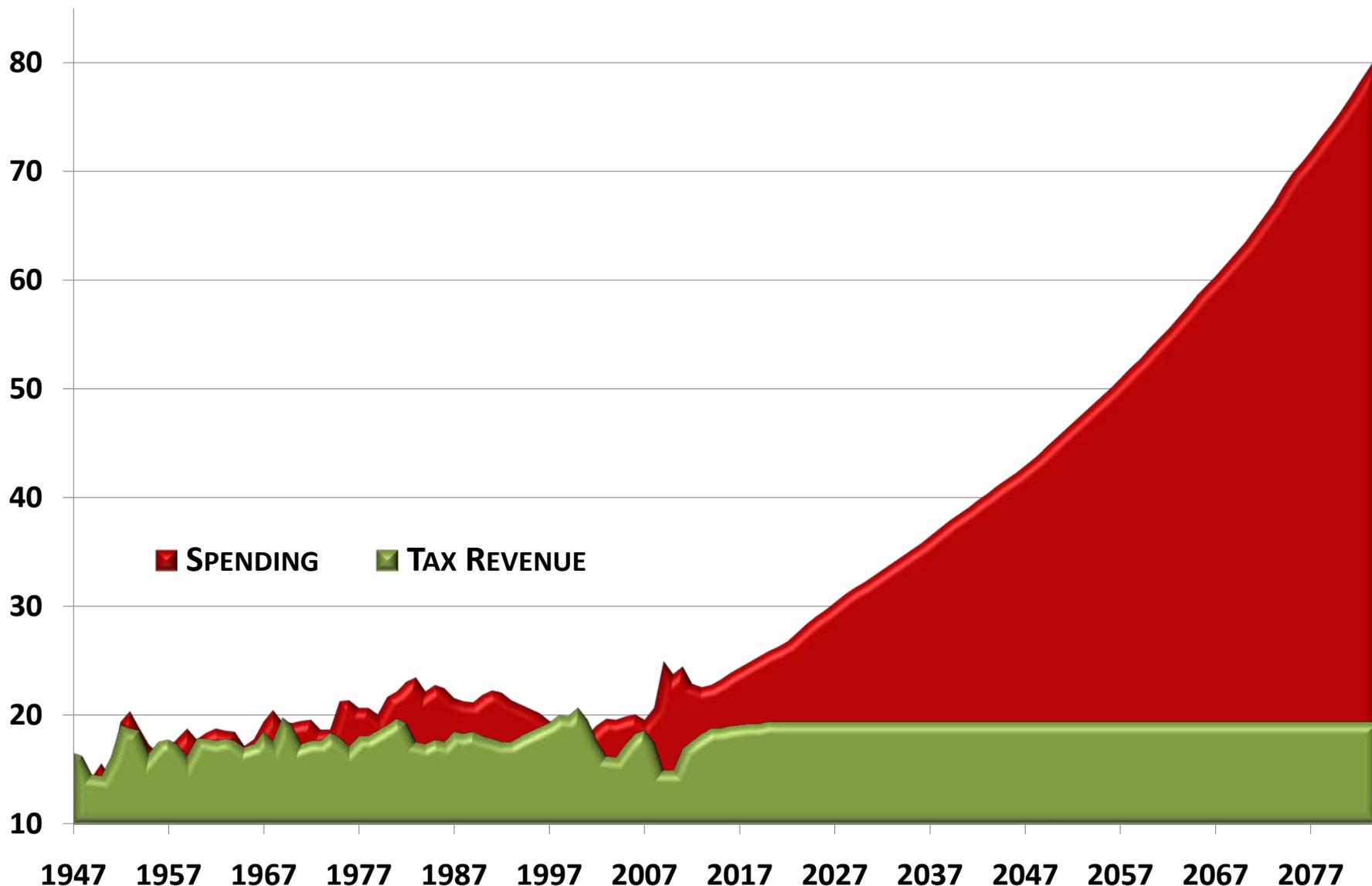


SOURCE: ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

*=CANADA 'S CORPORATE TAX RATE WILL DROP TO 15% IN JANUARY 2012

WE ARE IN A SPENDING-DRIVEN DEBT CRISIS

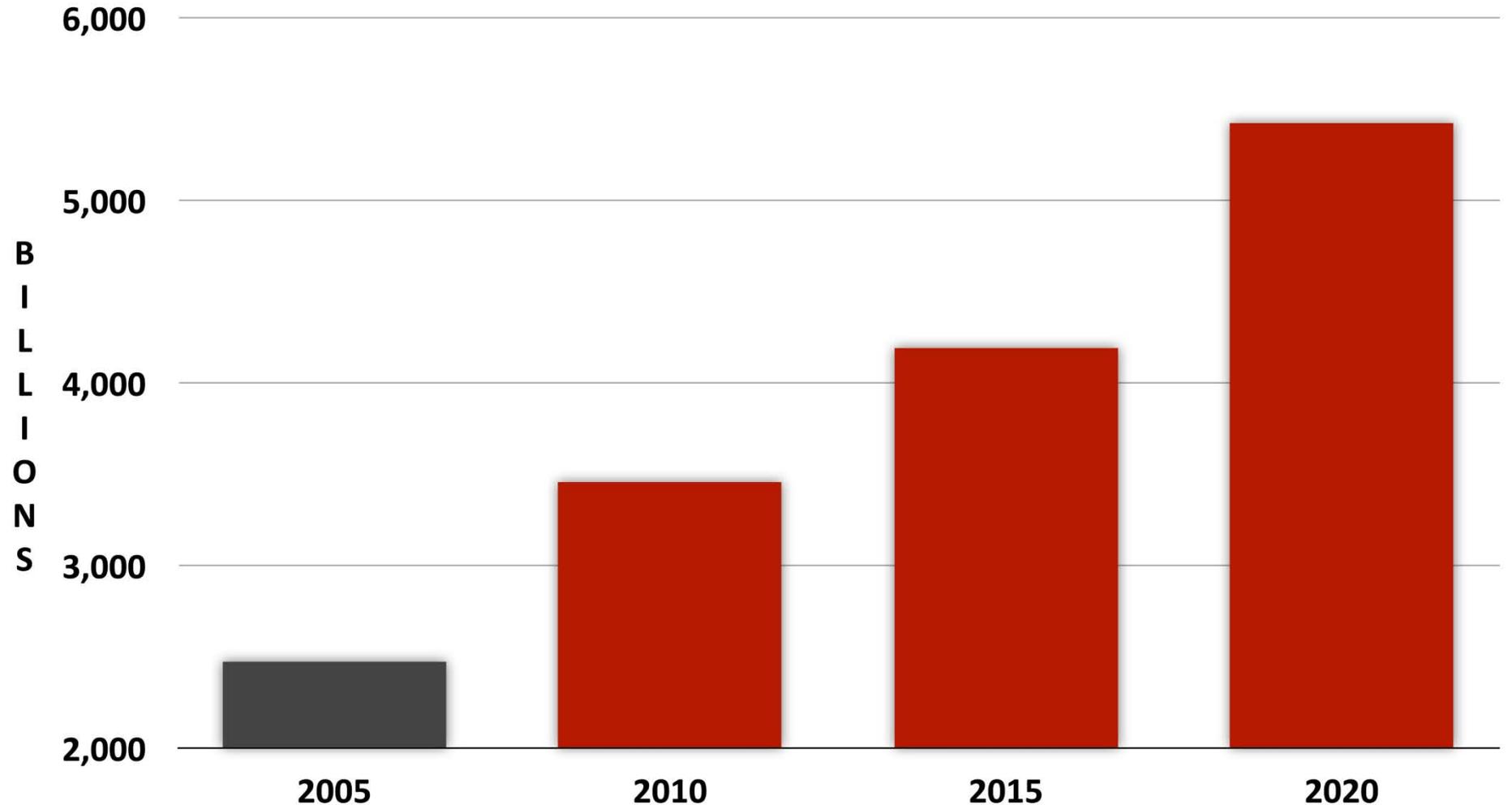
HISTORIC/PROJECTED SPENDING & REVENUE AS A PERCENTAGE OF THE ECONOMY



SOURCE: OFFICE OF MANAGEMENT AND BUDGET HISTORIC TABLES, CONGRESSIONAL BUDGET OFFICE; PROJECTIONS BASED ON THE CBO'S ALTERNATIVE FISCAL SCENARIO.

RECKLESS SPENDING SPREE

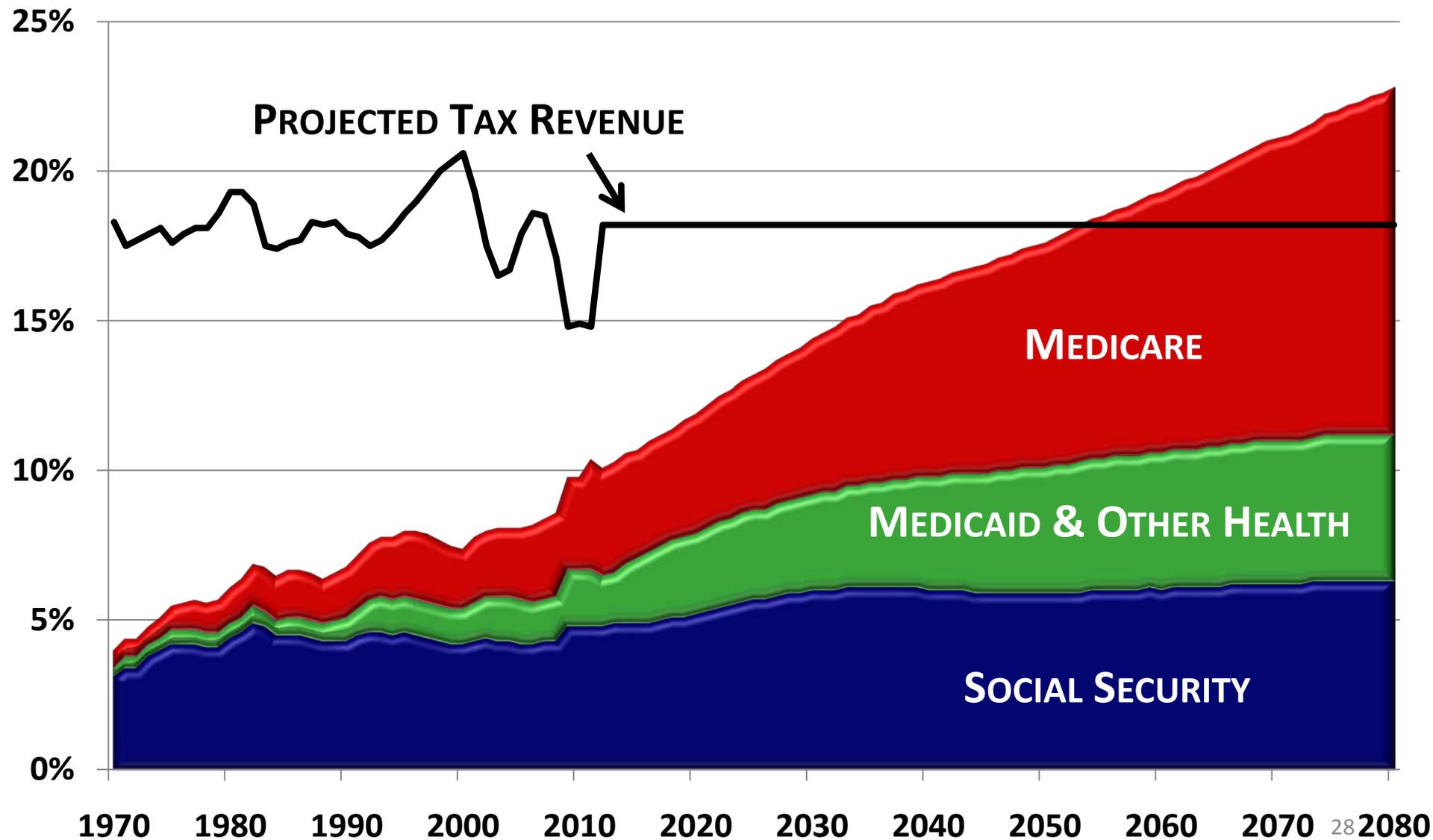
GOVERNMENT SPENDING IN BILLIONS OF DOLLARS, UNDER OBAMA BUDGET



SOURCE: CBO

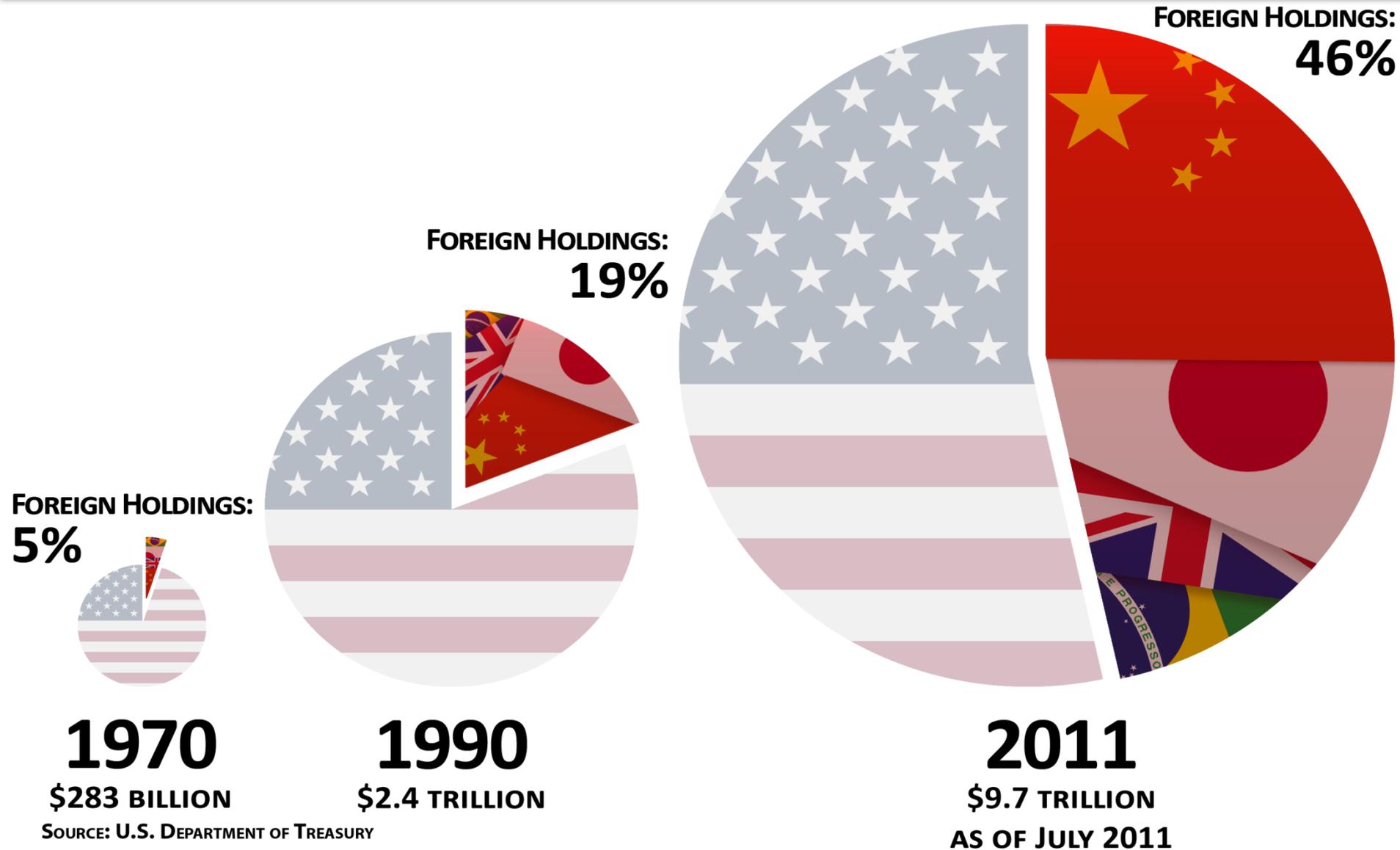
WHAT DRIVES OUR DEBT

(GOVERNMENT SPENDING AS SHARE OF ECONOMY)

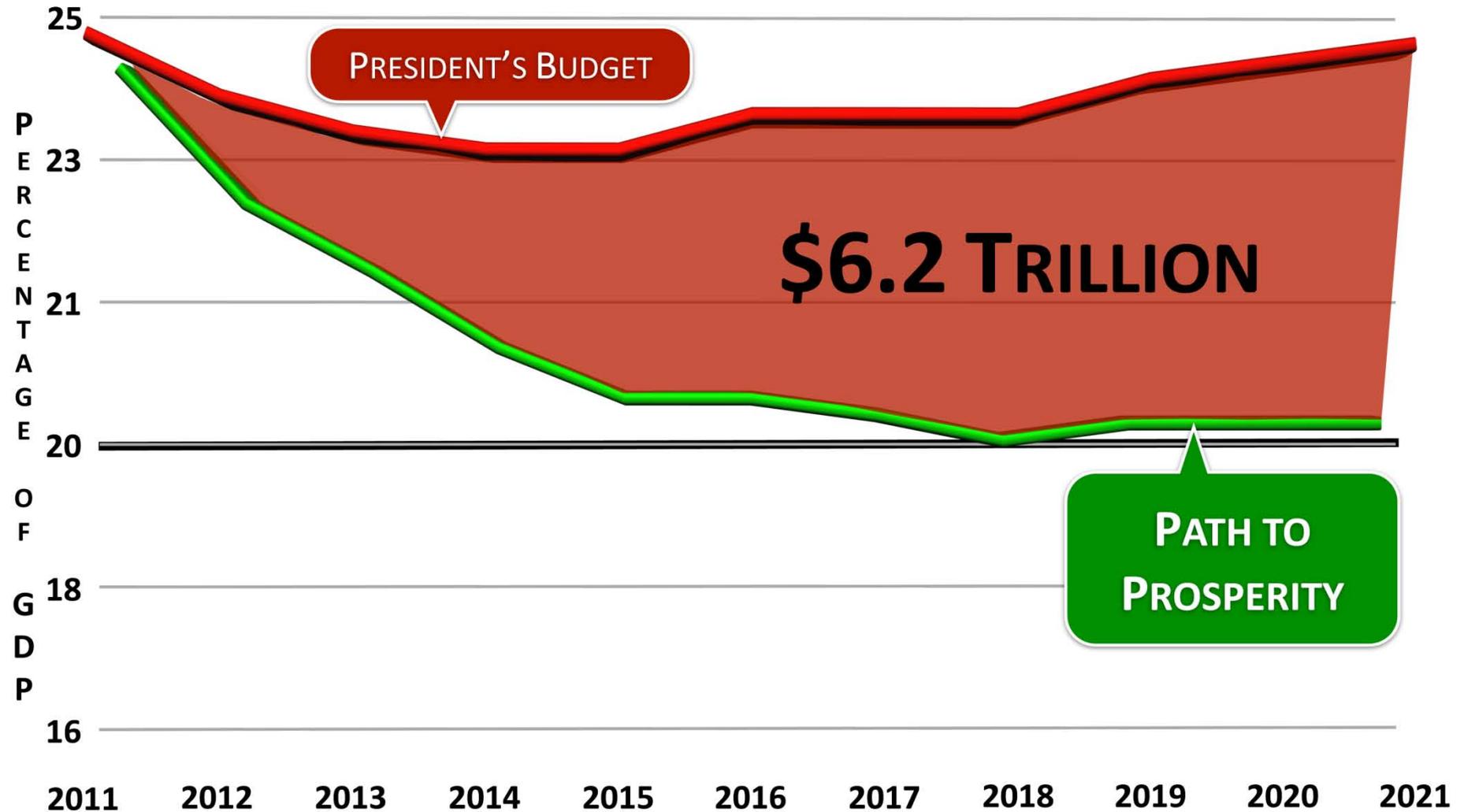


WHO OWNS OUR DEBT

(DEBT HELD BY PUBLIC, 1970-2011)

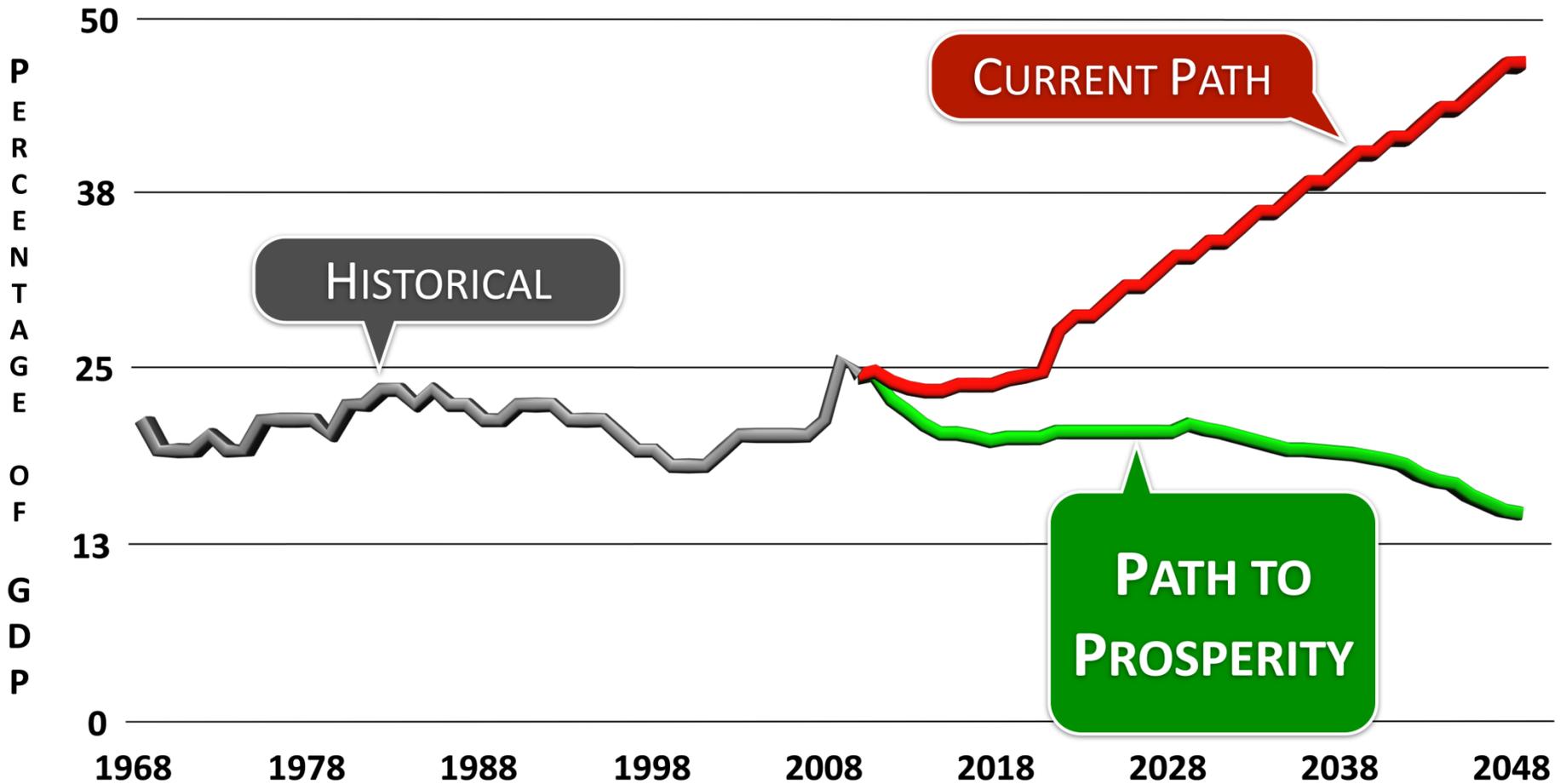


GOVERNMENT SPENDING (AS PERCENTAGE OF GDP)



SOURCE: CBO/HOUSE BUDGET COMMITTEE

GOVERNMENT SPENDING (AS PERCENTAGE OF GDP)



FEDERAL DEFICIT OR SURPLUS

(AS PERCENTAGE OF GDP)

