

WELCOME TO
CONGRESSMAN PAUL RYAN'S
LISTENING SESSION



FALL 2011

**WHAT IS HOLDING OUR ECONOMY BACK?
HOW CAN WE GET BACK ON TRACK?**

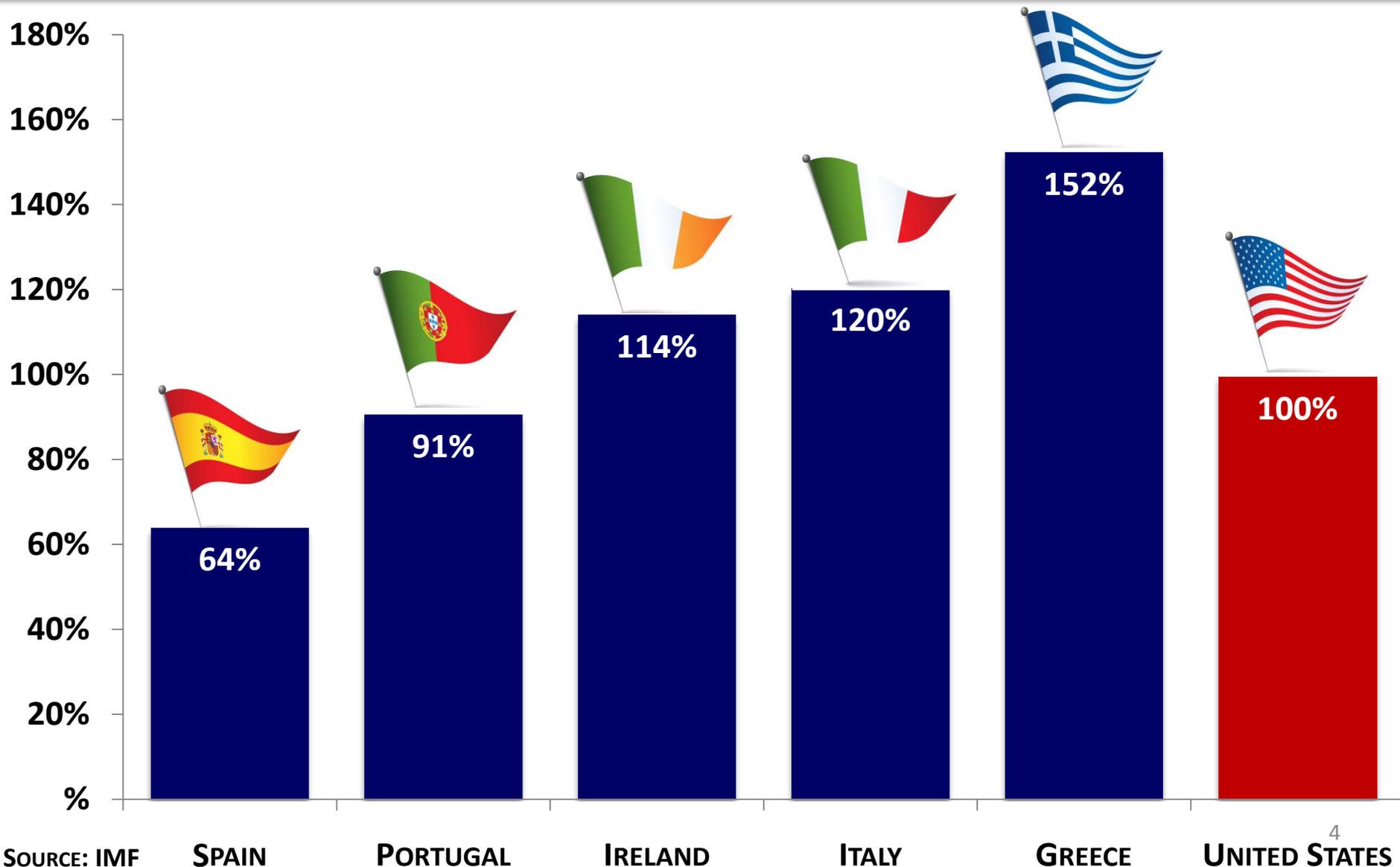


THE STATE OF THE U.S. ECONOMY

- Jobs Crisis
 - Wisconsin unemployment rate: **7.8%**
 - National unemployment rate: **9.1%**
 - U6 unemployment rate: **16.5%**
- Over **6 million** Americans have been out of work for over **6 months**
- Stagnant economic growth & rising poverty
 - GDP growth sluggish: **1.3%** (Q2 2011, annual rate)
 - Poverty rate up to **15.1%** in 2010

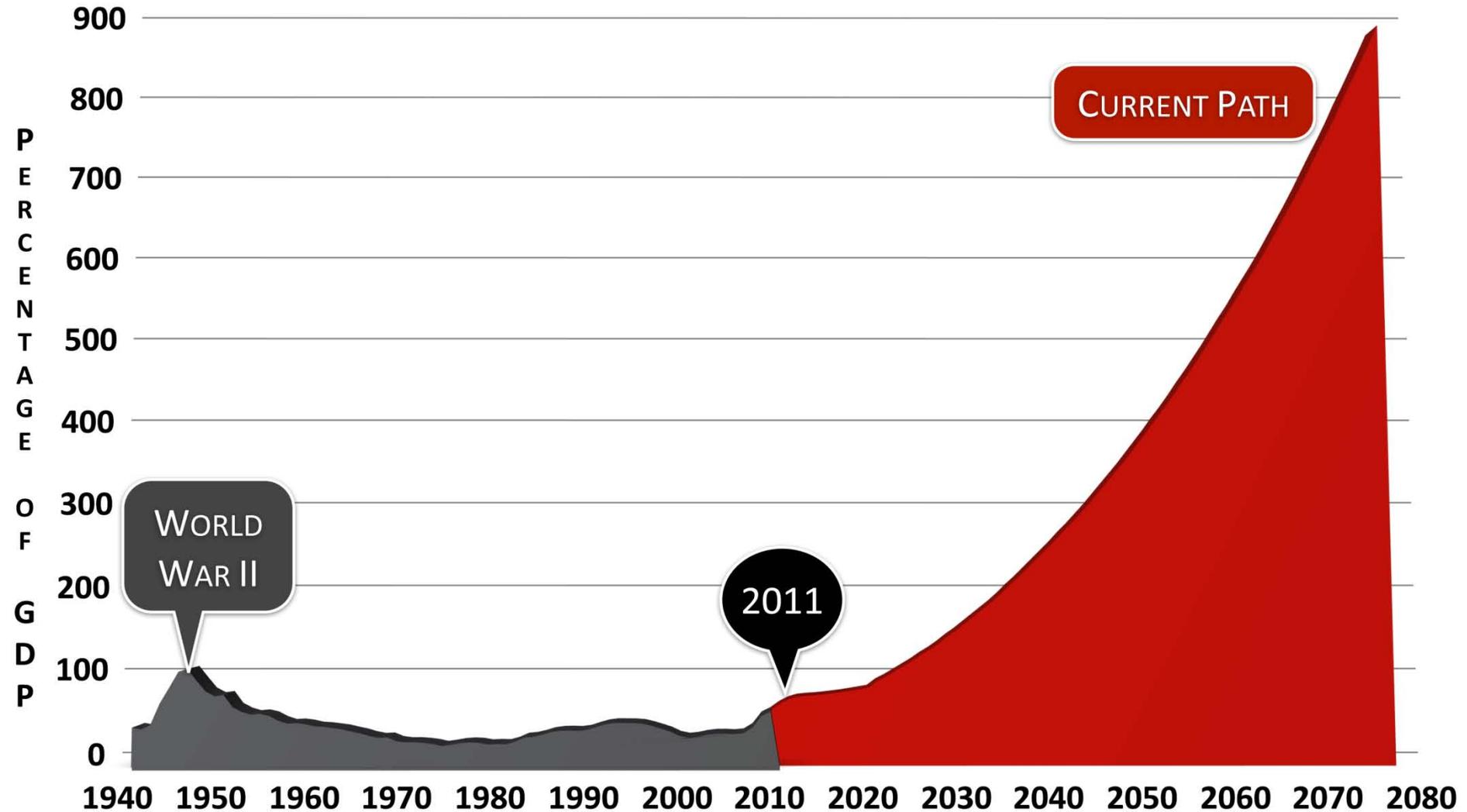
TROUBLE AHEAD - EUROPE

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

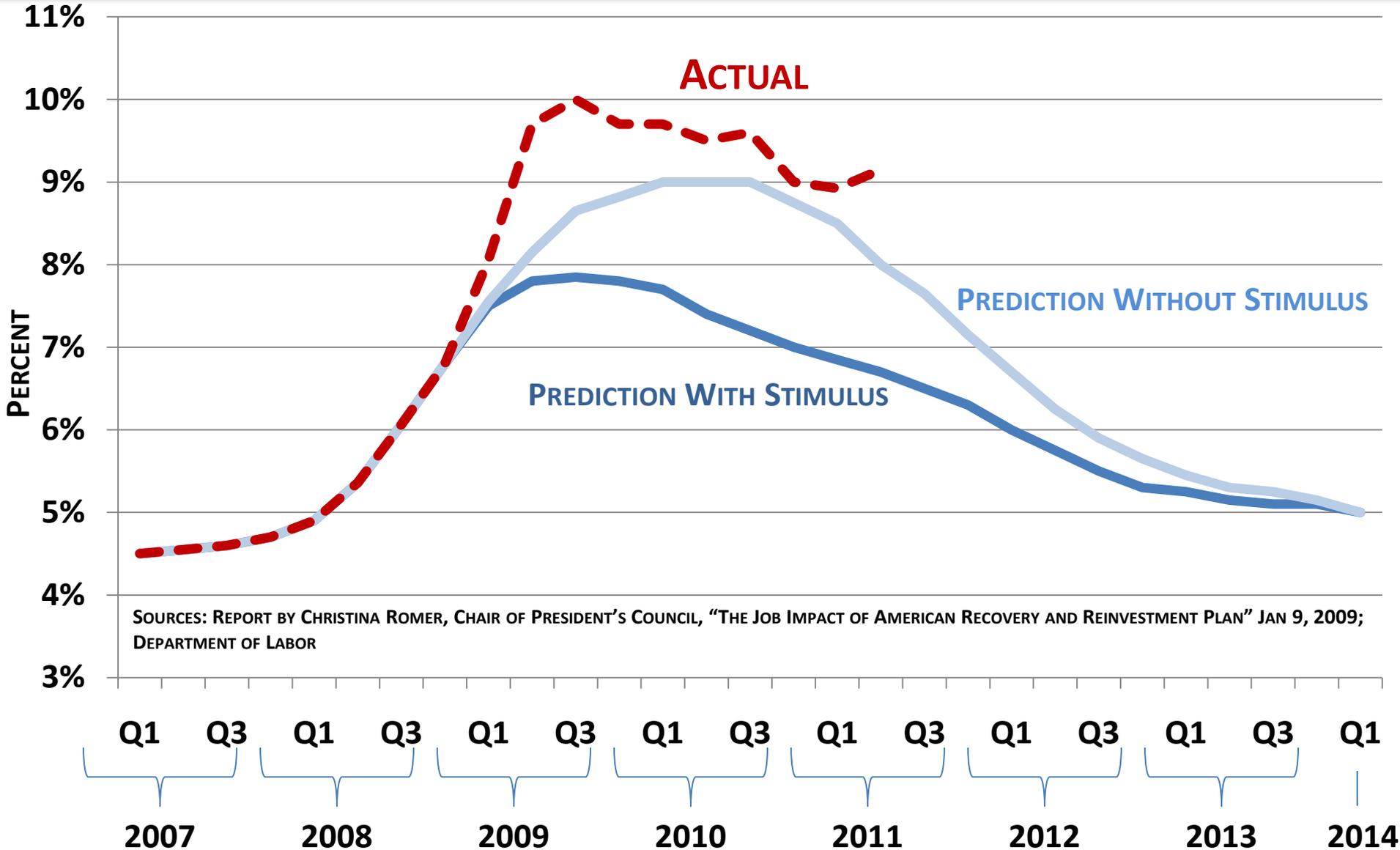
WASHINGTON MAKING MATTERS WORSE



WASHINGTON'S SPENDING SPREE

- February 2009: \$862 billion 'stimulus'
- Since January 2009:
 - 23% increase in government bureaucracy budgets
 - 84% increase when you add stimulus
- President's budget calls for \$46 trillion of government spending over the next decade

DISAPPOINTING RESULTS OF STIMULUS SPENDING

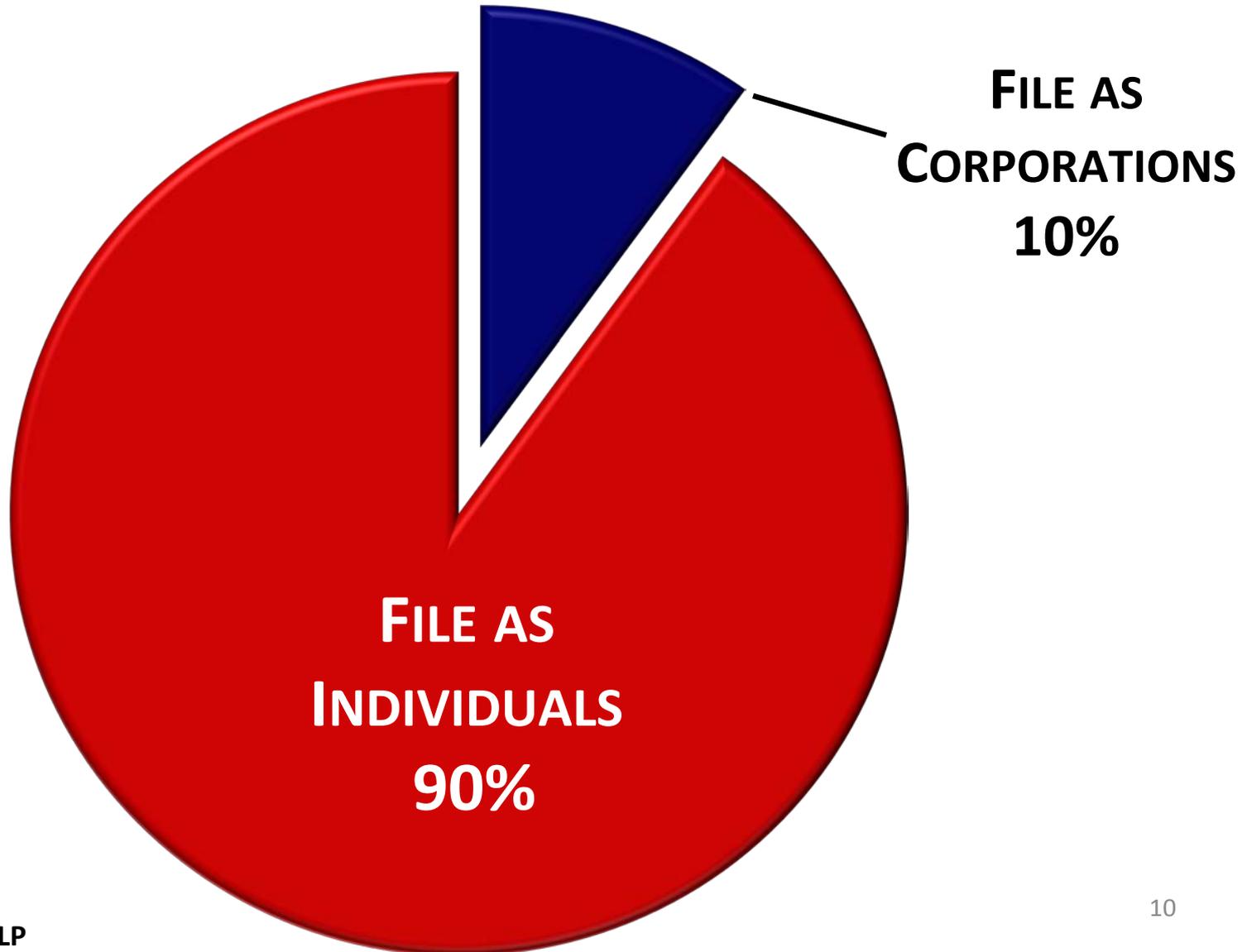


TAX UNCERTAINTY

- In 2013, across-the-board hikes on the horizon
- 44.8% top federal effective tax rate for small businesses
 - With proposed surtax: over 50%
 - With state & local taxes: nearly 60%

WISCONSIN IS A SMALL BUSINESS STATE

How Wisconsin Employers Pay Their Taxes



REGULATORY UNCERTAINTY

- Total cost of federal regulations: \$1.75 trillion
- 3,573 new regulations in 2010
 - 4,257 new regulations in the works
 - 219 planned regulations estimated to adversely impact the economy by over \$100 million

UNCERTAINTY FROM HEALTH CARE LAW



159 new boards, bureaucracies & programs



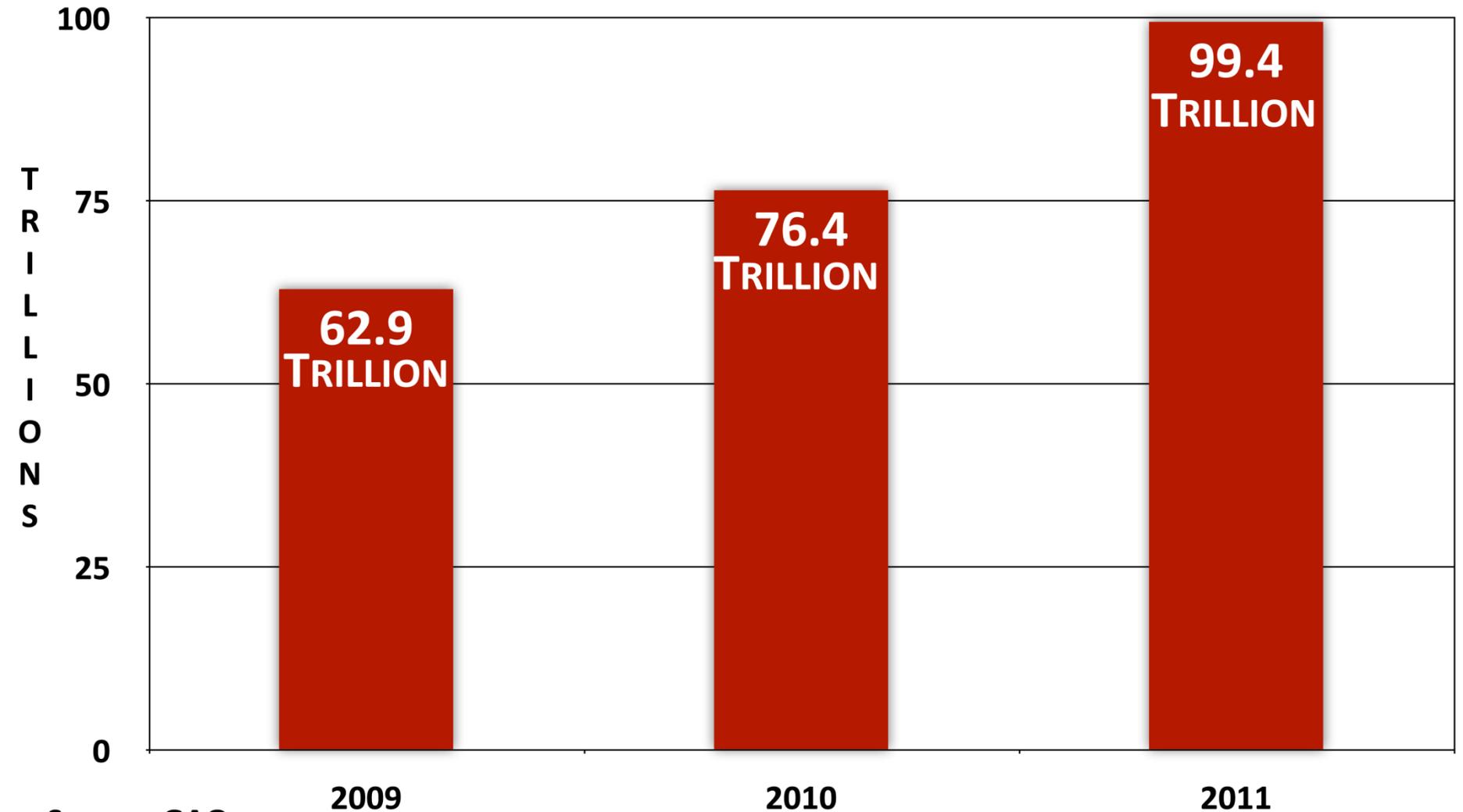
1,472 waivers from law's requirements



\$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

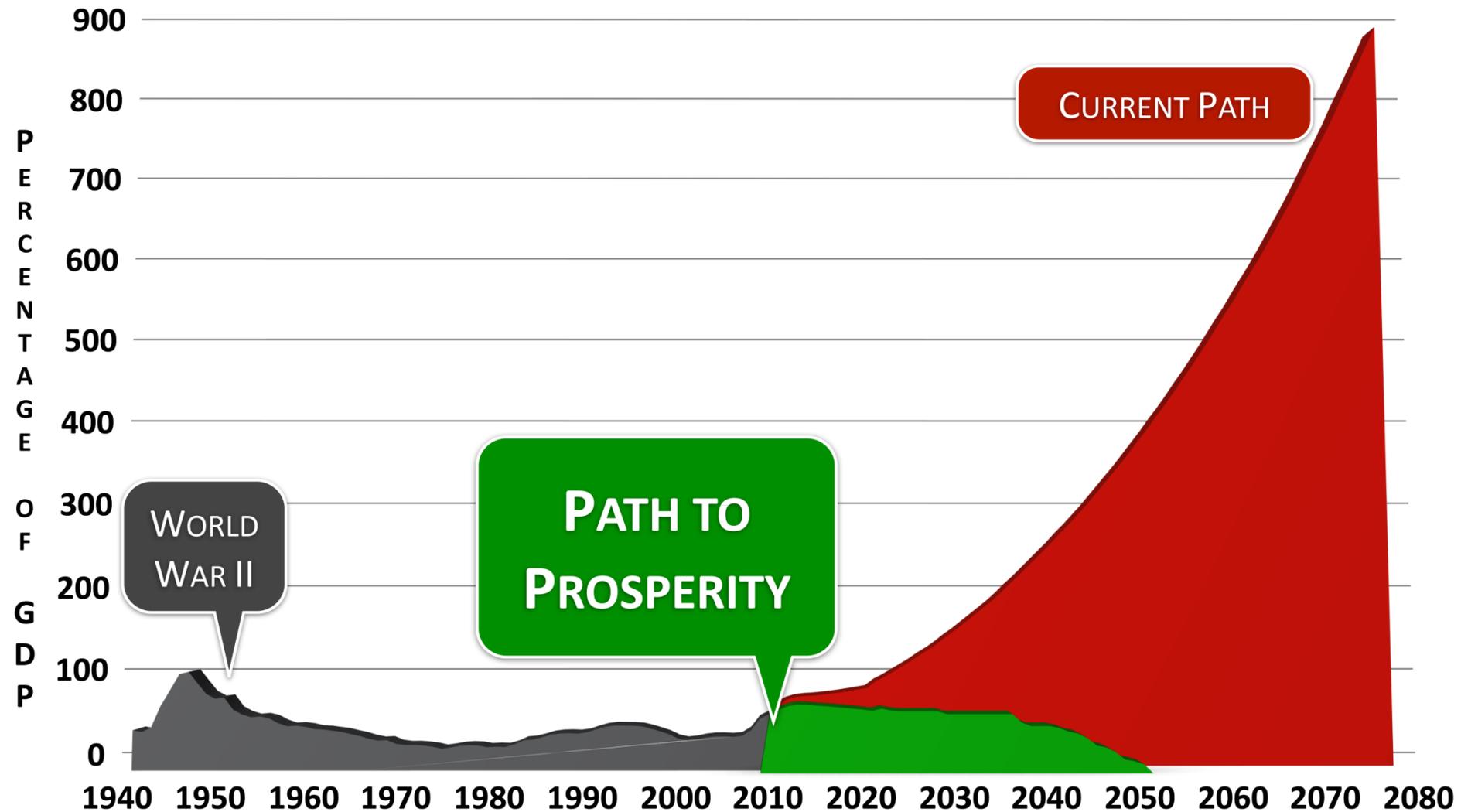
HOUSE-PASSED BUDGET & PRO-GROWTH REFORMS

- ✓ 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)



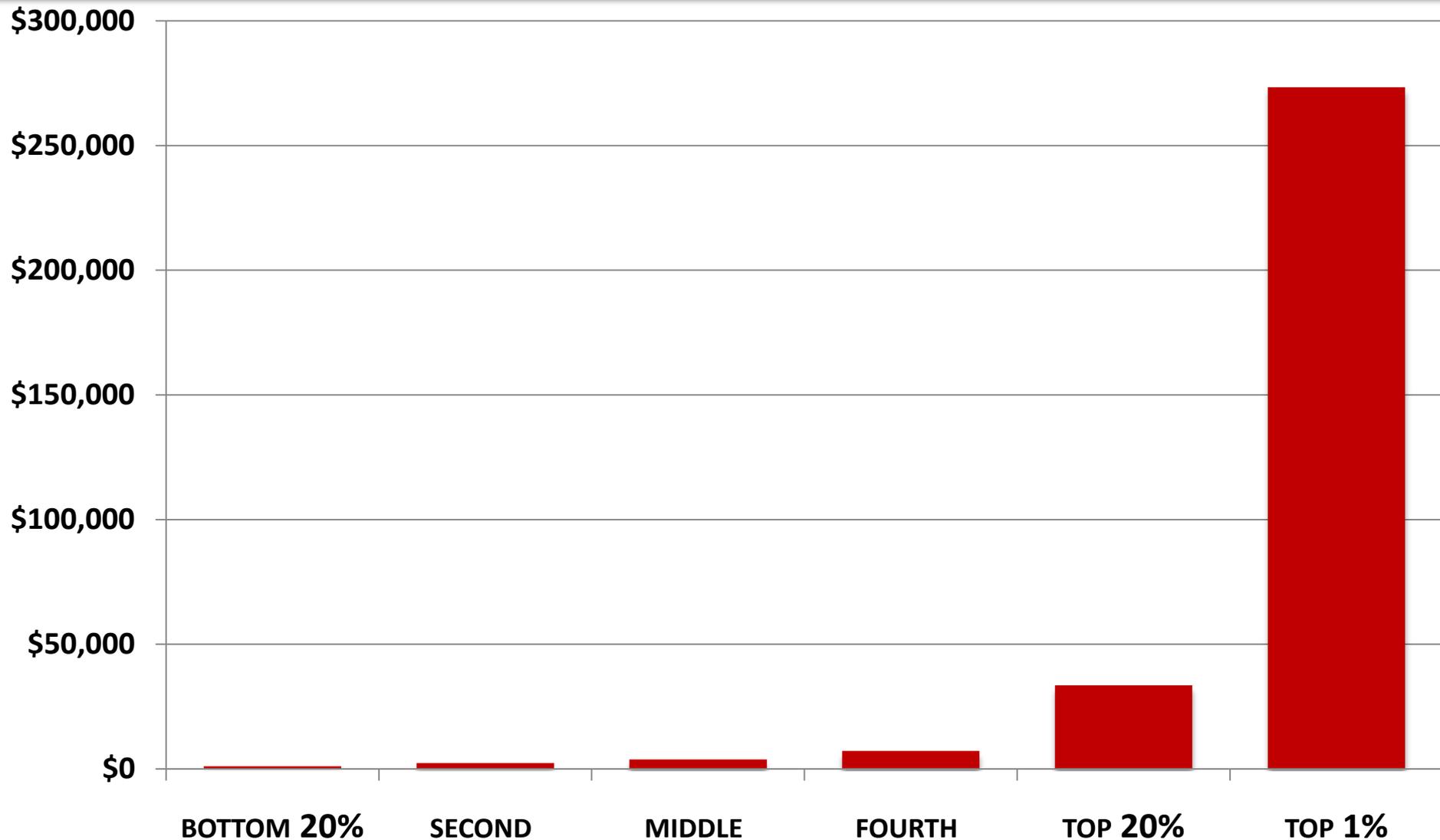
SOURCE: OMB/CBO

ADDITIONAL SLIDES



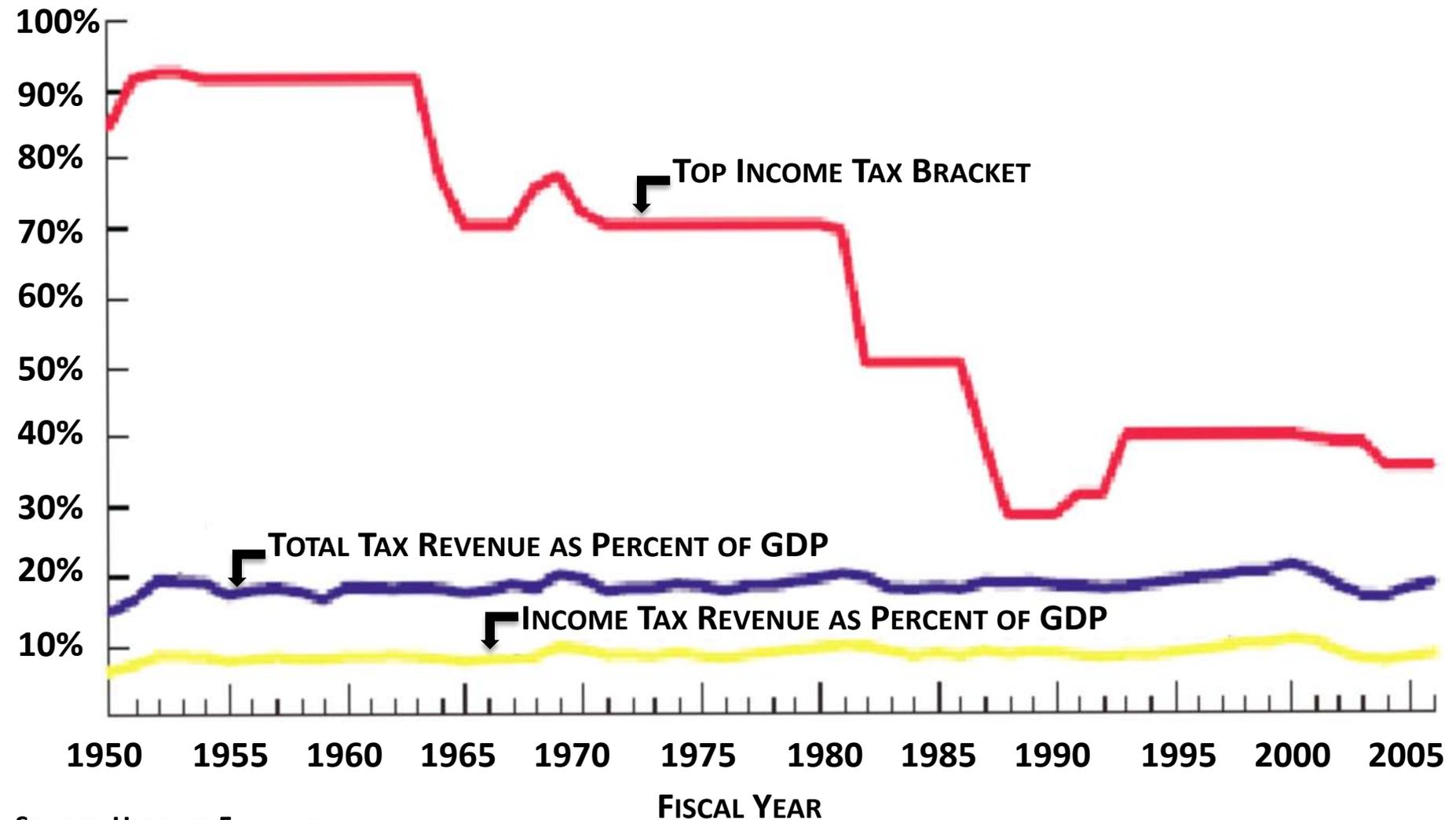
WHO BENEFITS FROM TAX LOOPHOLES

AVERAGE PER PERSON BENEFIT BY CATEGORY OF EARNERS

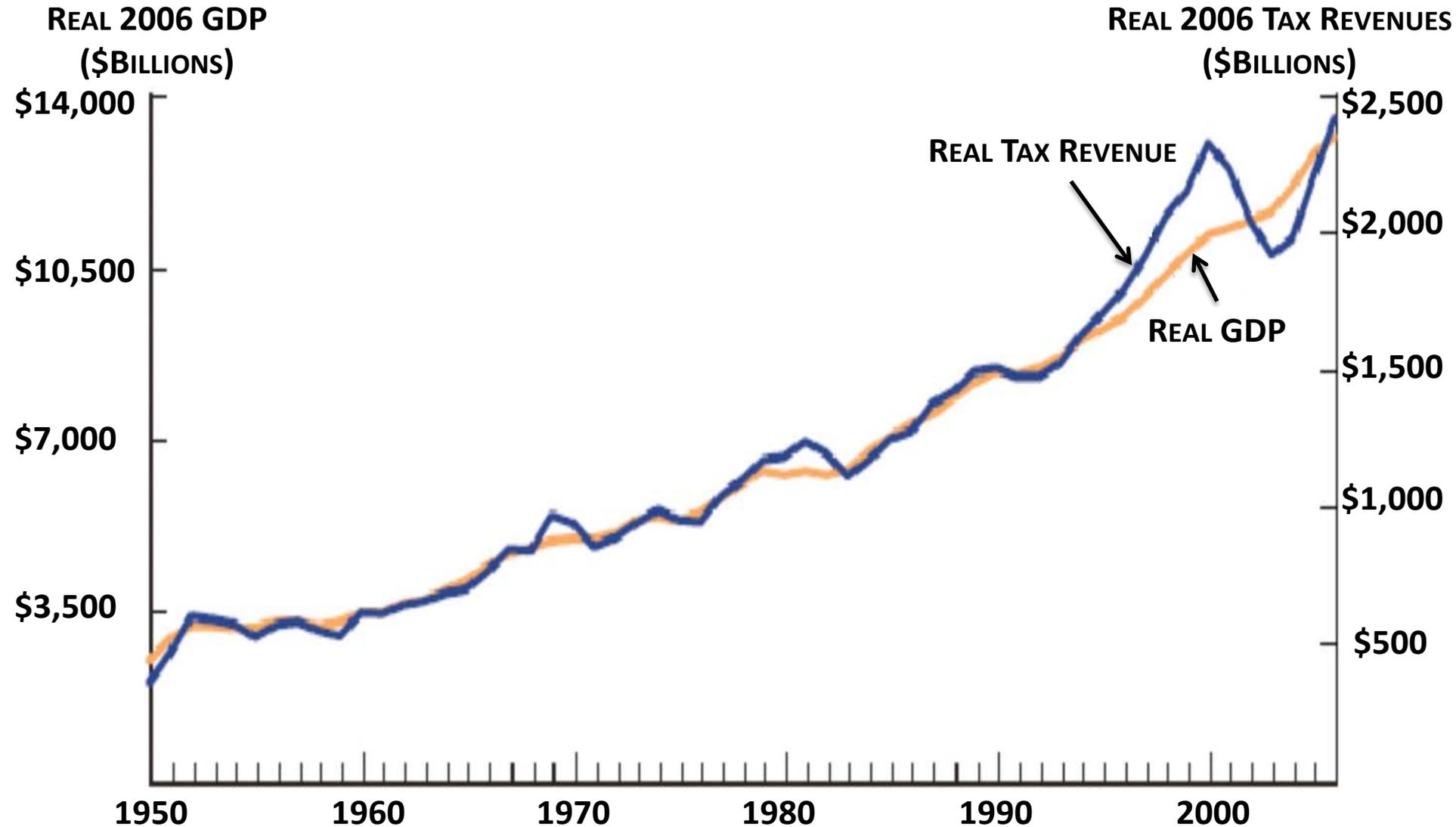


SOURCE: TAX POLICY CENTER/IRS

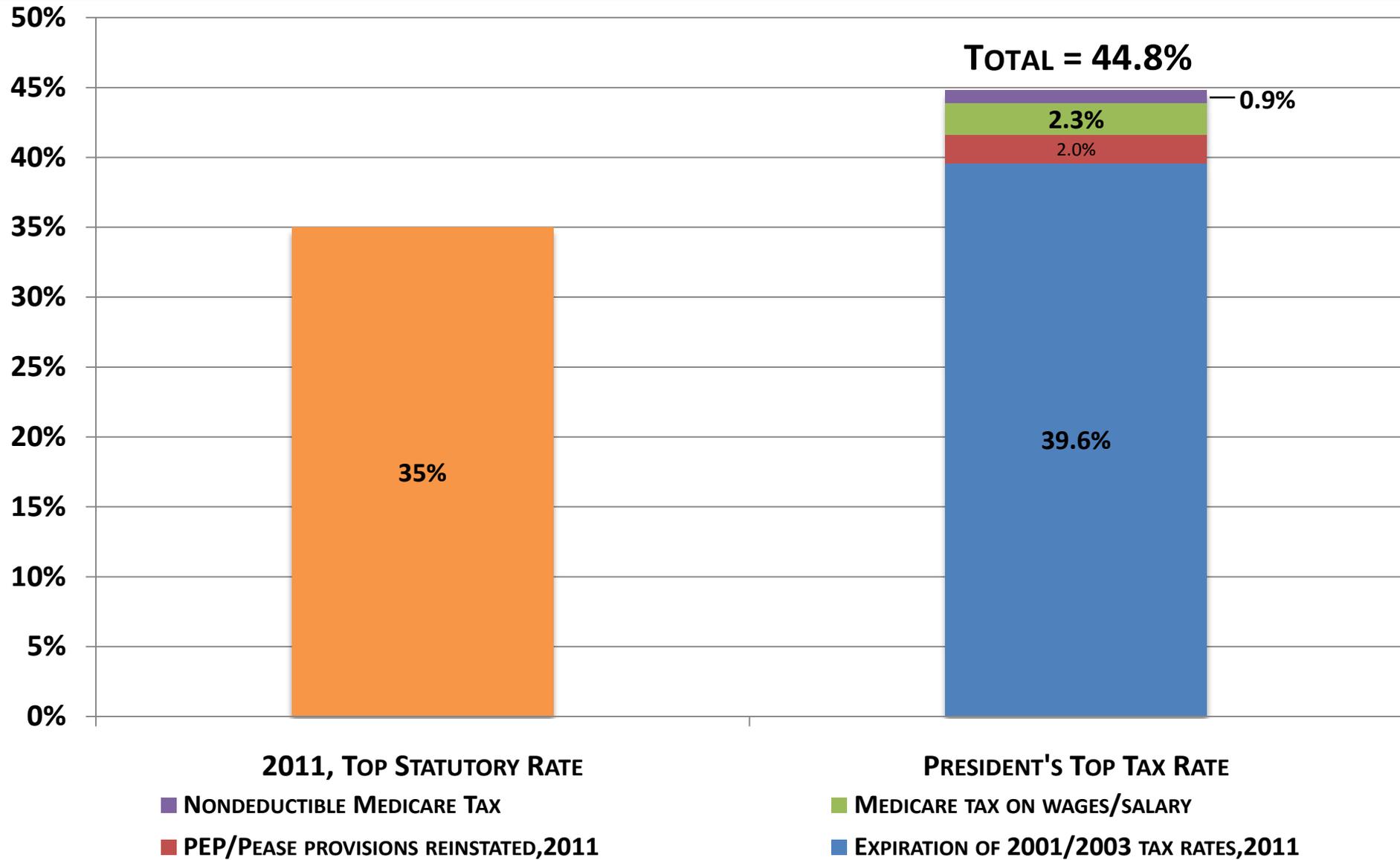
TAX REVENUES DO NOT CORRELATE WELL WITH TAX RATES



TAX REVENUES ARE HIGHLY CORRELATED WITH GDP



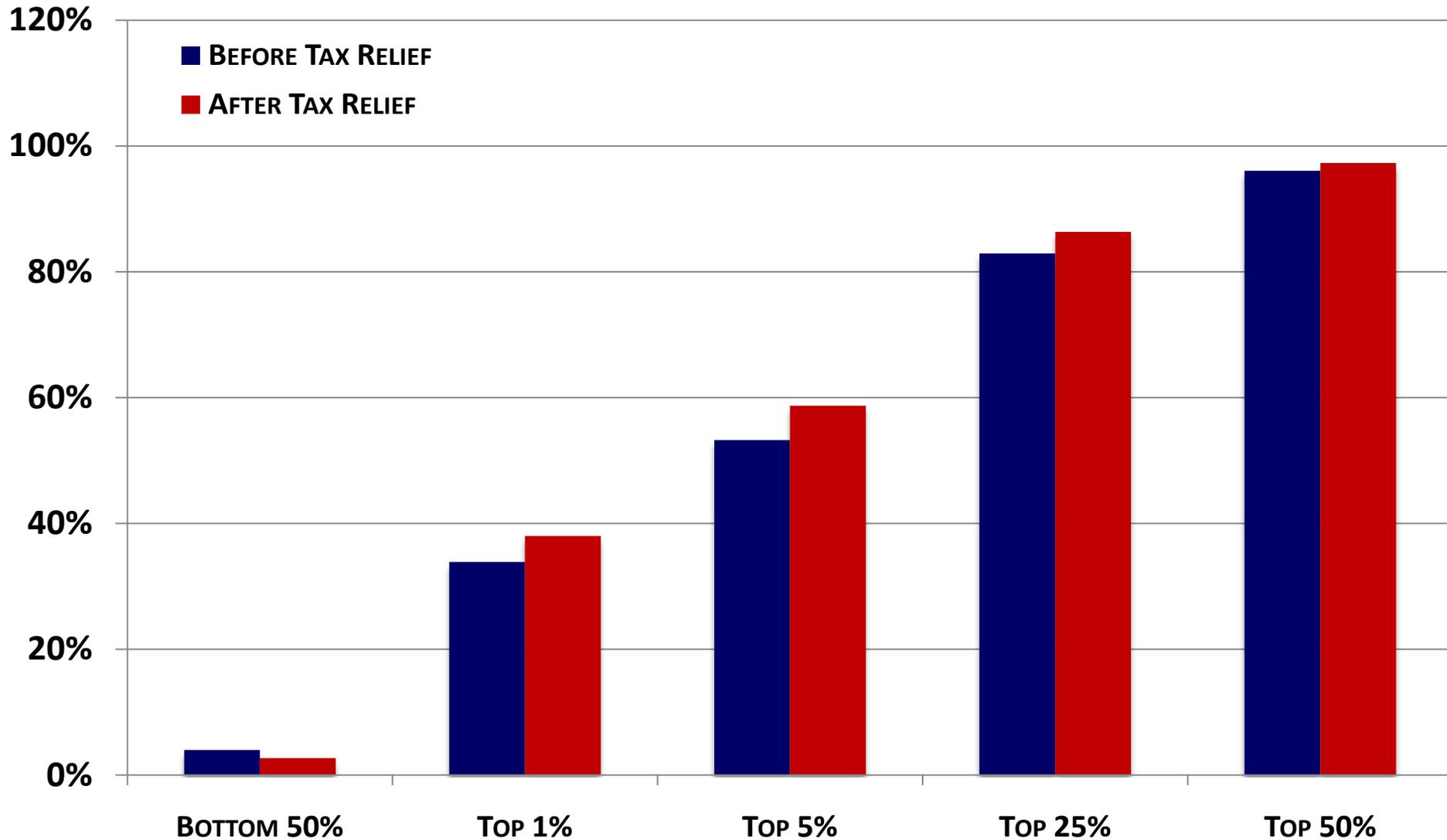
PRESIDENT'S TAX HIKES



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

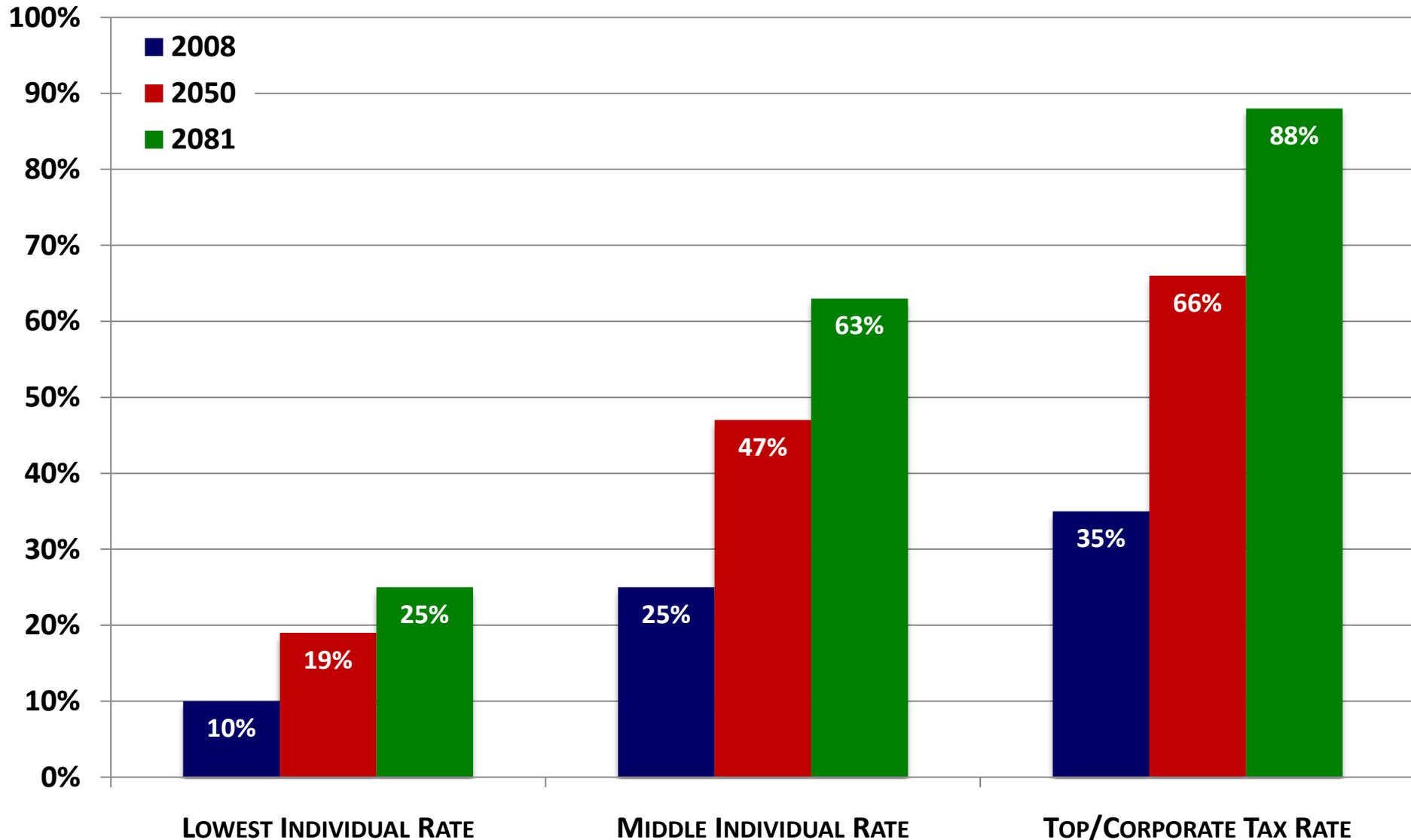
TAX CODE MORE PROGRESSIVE AFTER TAX RELIEF

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

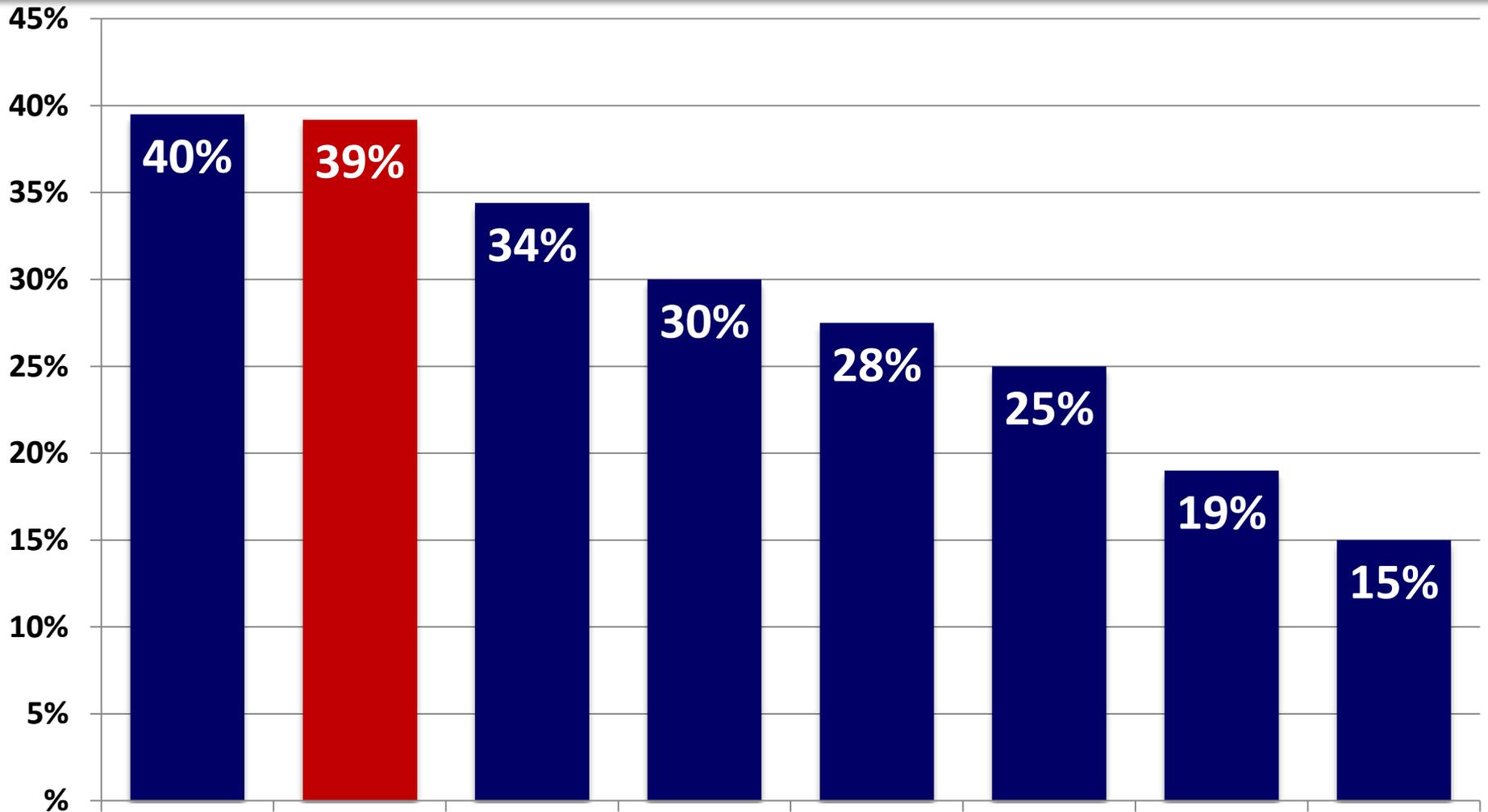


CHASING HIGHER SPENDING WITH TAXES

(INCREASE IN TAX RATES NECESSARY TO KEEP PACE SPENDING)



CORPORATE INCOME TAX RATES

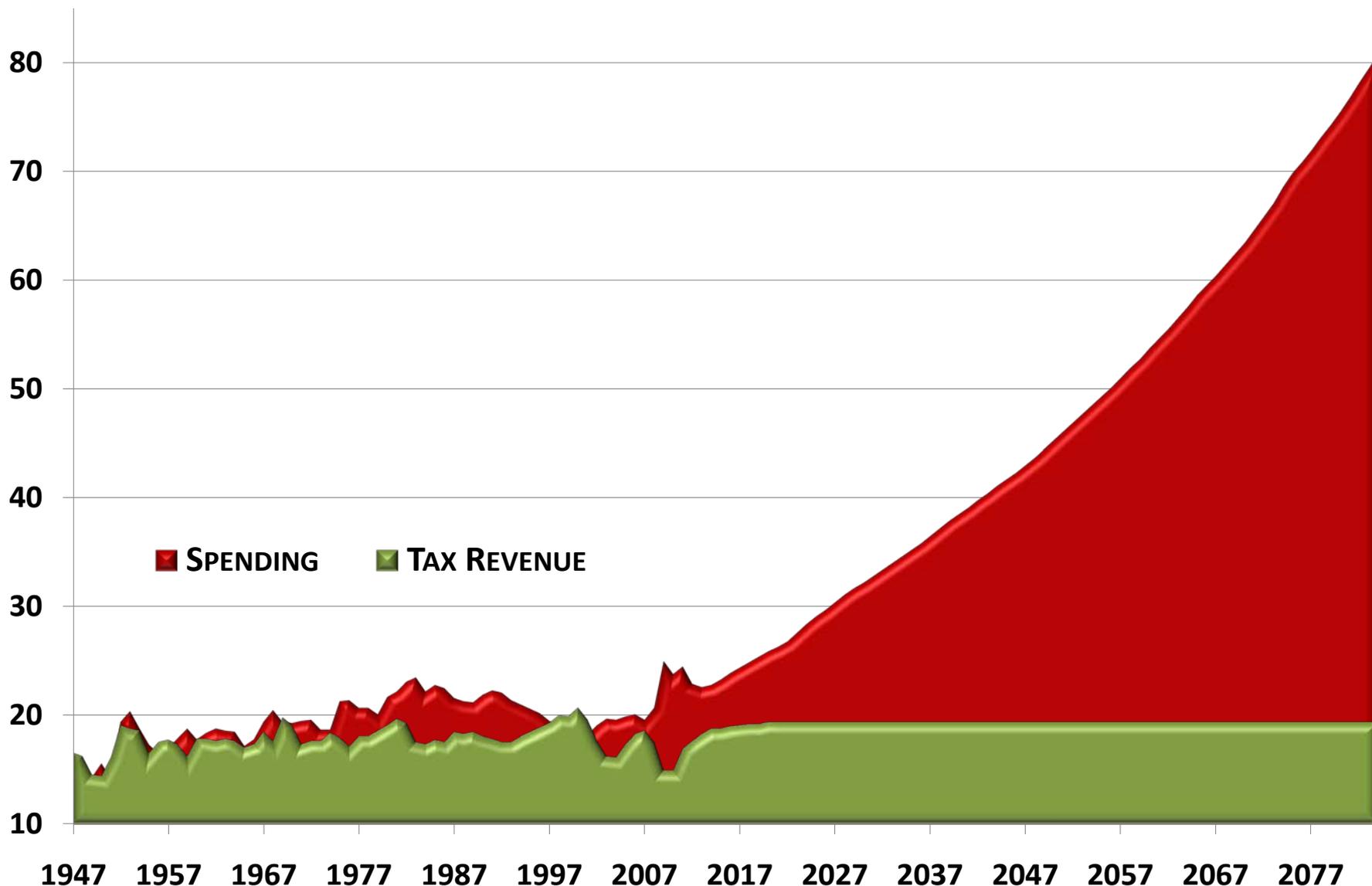


SOURCE: ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

*=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

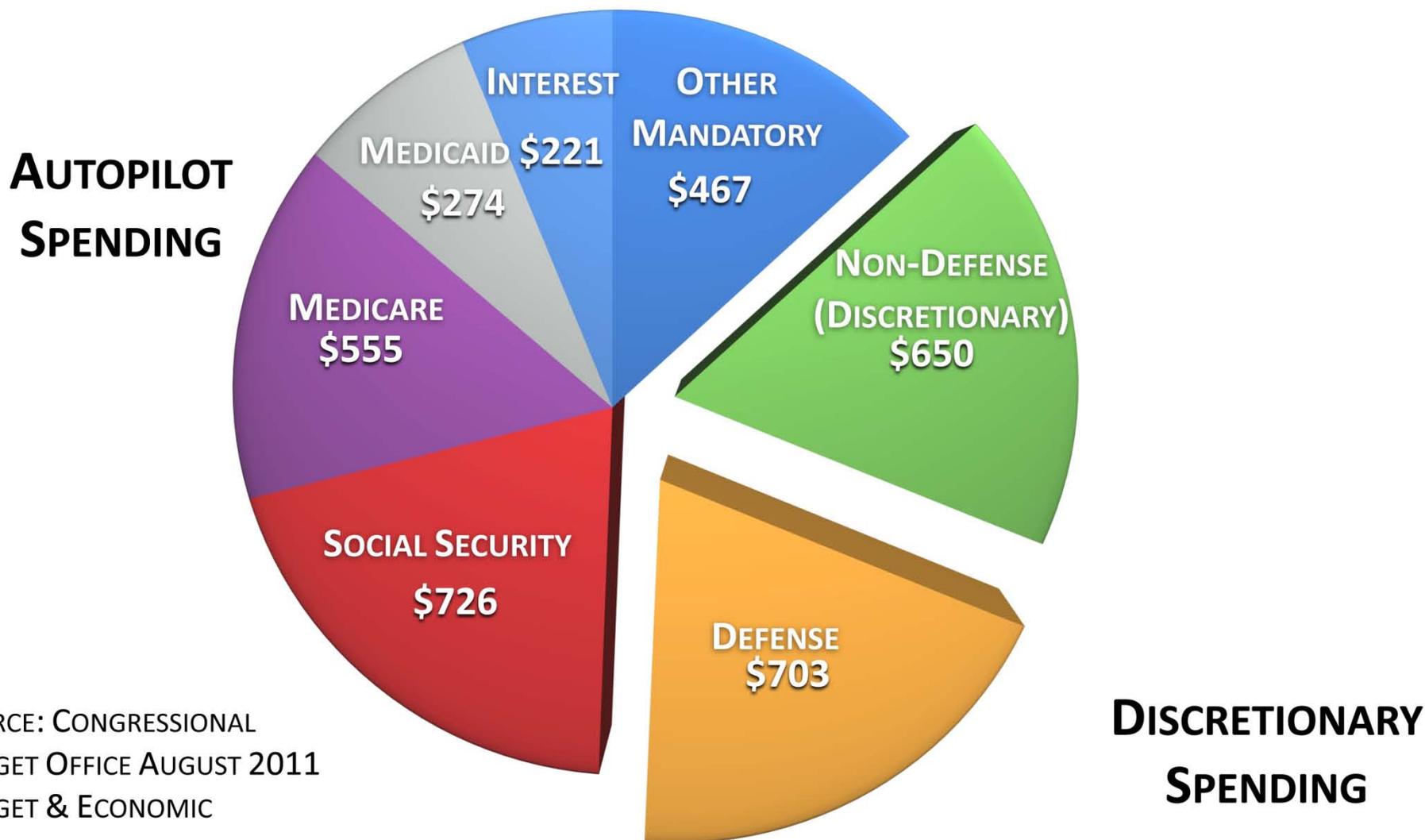


1947 1957 1967 1977 1987 1997 2007 2017 2027 2037 2047 2057 2067 2077

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

TOTAL SPENDING IN FY 2011 = \$3.6 TRILLION

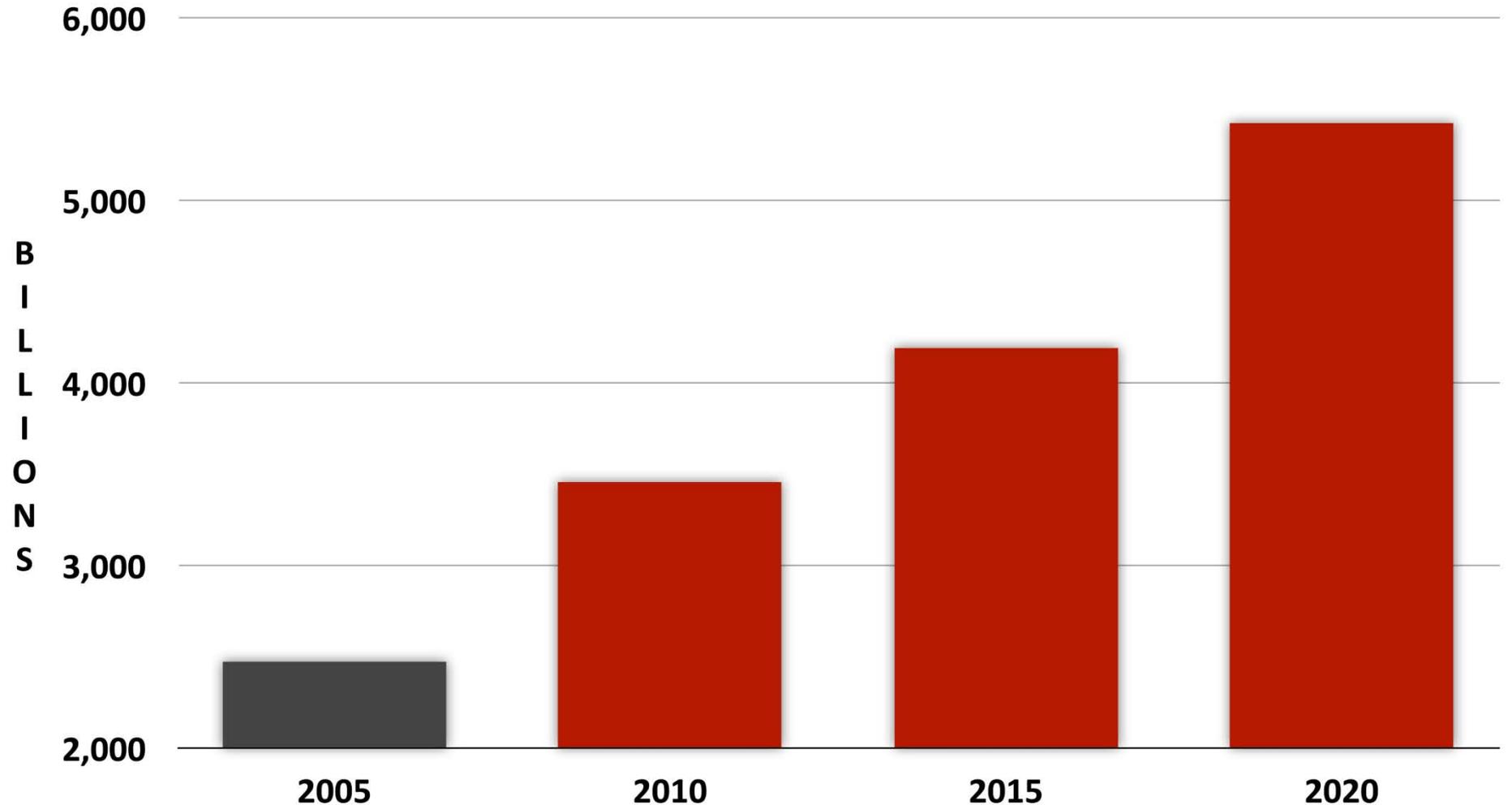
(OUTLAYS IN BILLIONS OF DOLLARS)



SOURCE: CONGRESSIONAL
BUDGET OFFICE AUGUST 2011
BUDGET & ECONOMIC
OUTLOOK

RECKLESS SPENDING SPREE

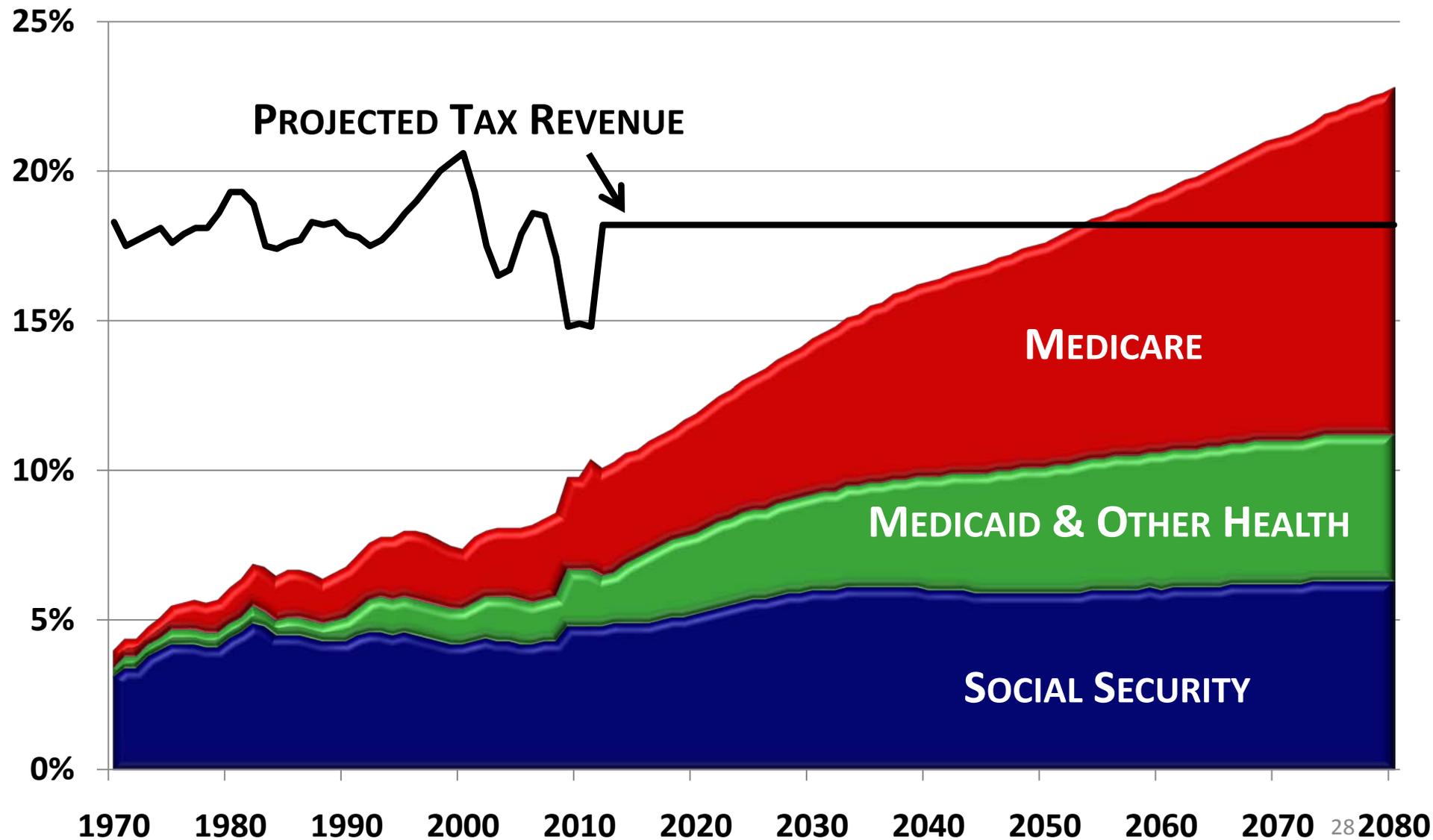
GOVERNMENT SPENDING IN BILLIONS OF DOLLARS, UNDER OBAMA BUDGET



SOURCE: CBO

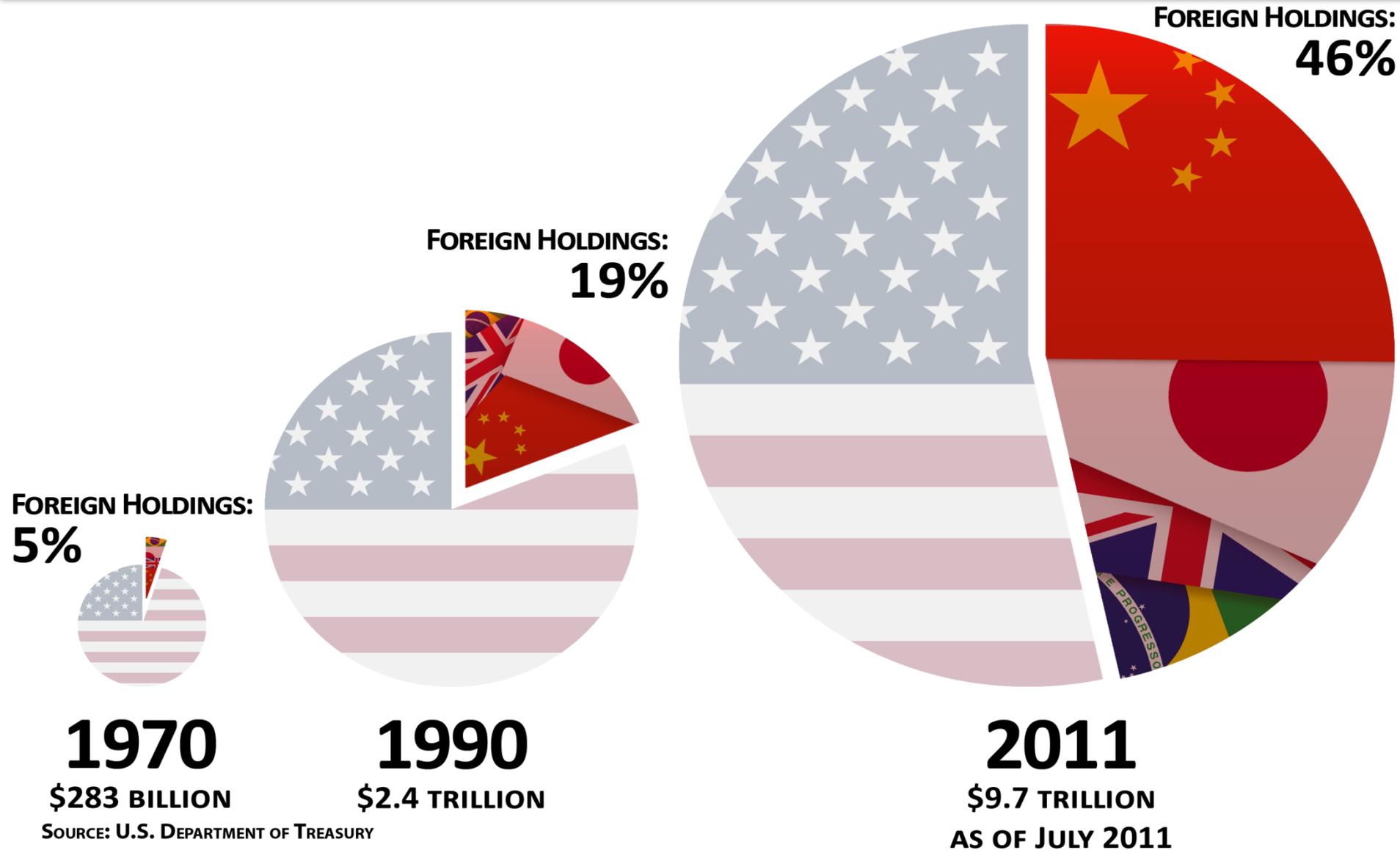
WHAT DRIVES OUR DEBT

(GOVERNMENT SPENDING AS SHARE OF ECONOMY)



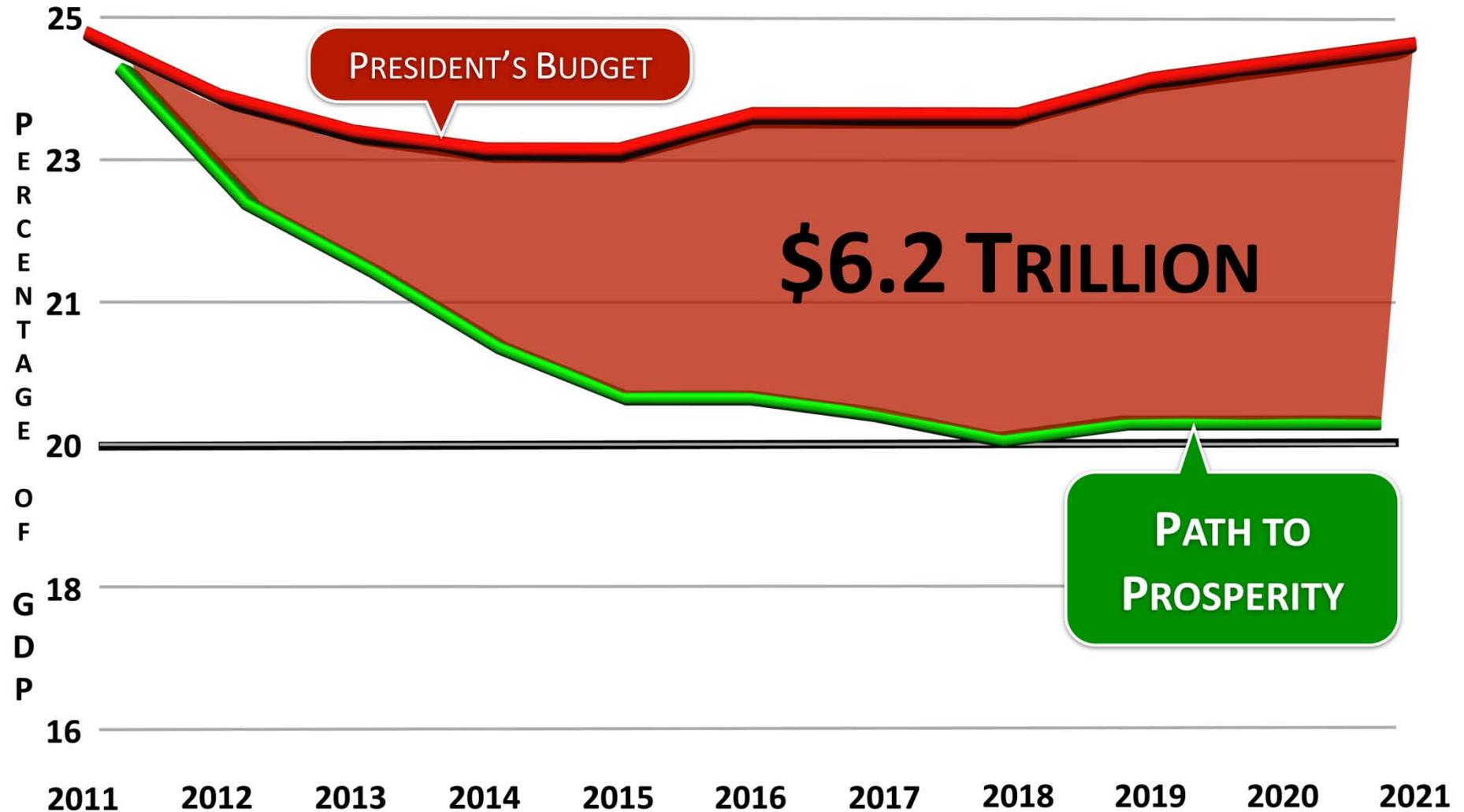
WHO OWNS OUR DEBT

(DEBT HELD BY PUBLIC, 1970-2011)



SOURCE: U.S. DEPARTMENT OF TREASURY

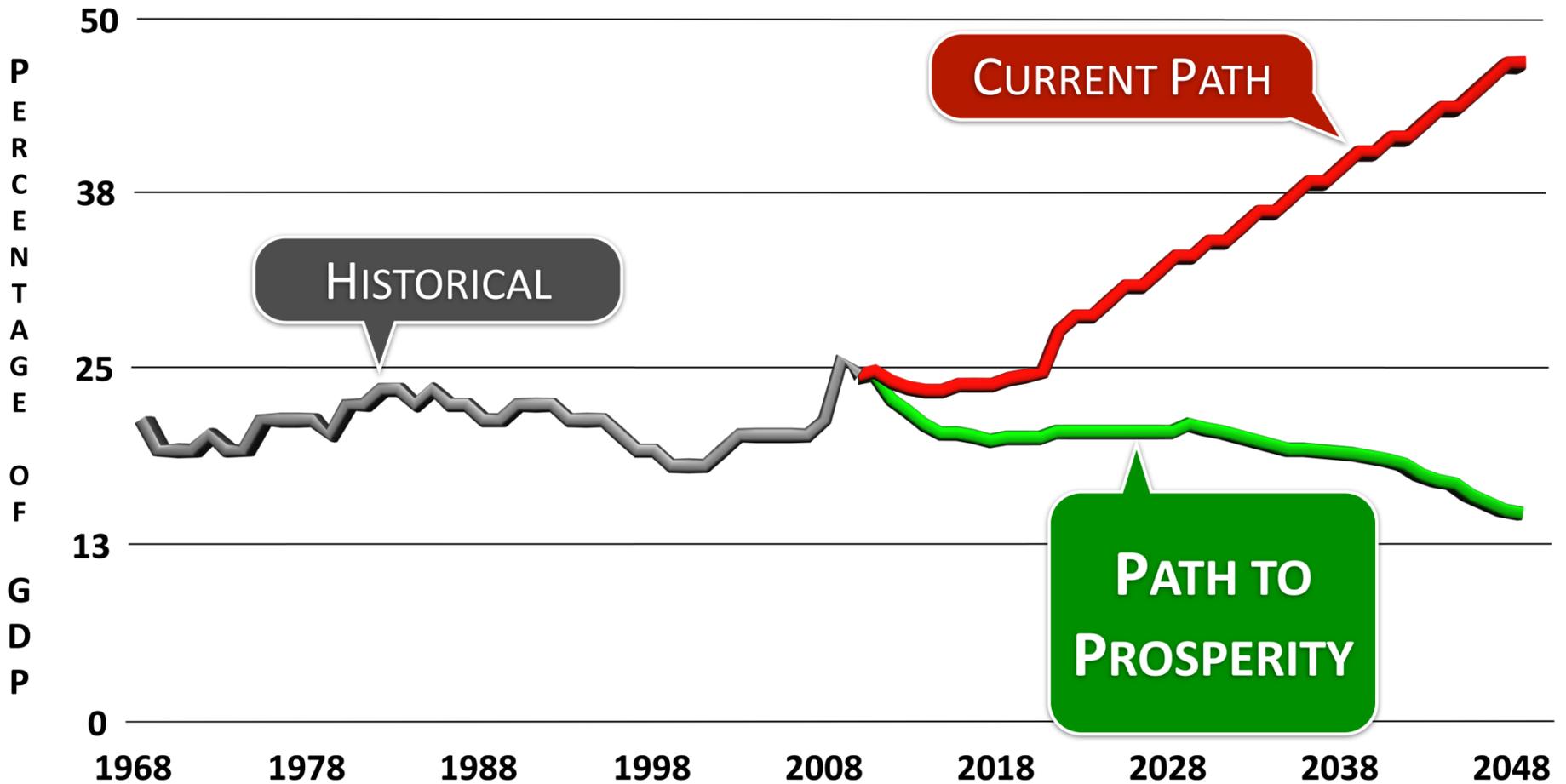
GOVERNMENT SPENDING (AS PERCENTAGE OF GDP)



SOURCE: CBO/HOUSE BUDGET COMMITTEE

GOVERNMENT SPENDING

(AS PERCENTAGE OF GDP)



FEDERAL DEFICIT OR SURPLUS

(AS PERCENTAGE OF GDP)

