

2010 ANNUAL REPORT



on the
UNITED STATES
GOVERNMENT



CONGRESSMAN PAUL RYAN
SERVING WISCONSIN'S 1ST DISTRICT



U.S. House of Representatives
WASHINGTON, DC 20515

PUBLIC DOCUMENT
OFFICIAL BUSINESS

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ANNUAL REPORT TO TAXPAYERS



U.S. House of Representatives Congressman Paul Ryan

December 2010

Dear fellow taxpayer:

As taxpayers, we are shareholders in the federal government. Therefore, we deserve to know how the government collects and spends our money. That is why I am sending you this 2010 Annual Report, which summarizes the challenges facing the U.S. economy and the federal budget. It is important to consider a number of points as you read this year's report:

- **A Stagnant Economy and Limited Job Creation:** National unemployment has been hovering around 10% for the last year, and economic growth remains sluggish. In Wisconsin, where the unemployment rate in many areas is higher than the national average and with the costs of energy and health care increasing, families and businesses are anxiously waiting for our economy to turn the corner.
- **Expansions in Government Spending and Unsustainable Deficits:** Our nation's debt currently stands at \$13.6 trillion, and government spending has increased by over \$3 trillion in the last two years. Left on our current fiscal path, our nation's debt will spiral out of control and soon eclipse the size of our entire economy. This is simply unsustainable, and we need to chart a different course.
- **The Need for Sustainable and Pro-Growth Economic Policies:** Congress needs to prioritize legislation that encourages job creation, savings, investment, and entrepreneurship by keeping taxes low, controlling government spending, and addressing the severe problems we face if we do not reform our entitlement programs. I've offered my plan, "A Roadmap for America's Future," which shows that there is a way to get back on a path to economic prosperity, strengthen our social safety net, and prevent future generations of Americans from inheriting higher taxes, a mountain of debt, and a lower standard of living. To learn more about my plan visit: americanroadmap.org

I hope you find this Annual Report informative as we tackle our economic and fiscal challenges and move forward on the road to recovery. As always, please feel free to contact me if I can be of assistance to you in dealing with the federal government. I am always happy to respond and be of service to you.

Sincerely,



Paul Ryan
Serving Wisconsin's 1st District

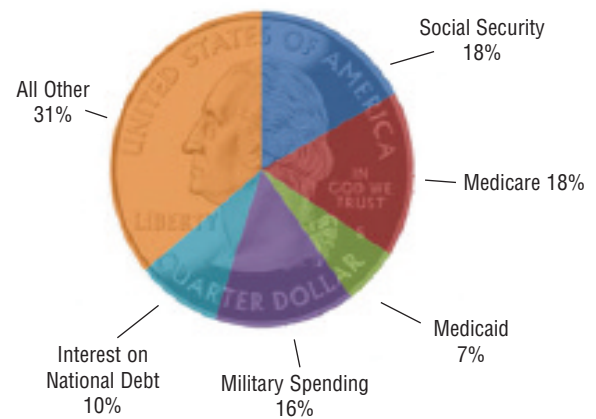
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SECURING THE SAFETY NET

Spending on the federal government's three major entitlement programs—Social Security, Medicare, and Medicaid—is growing faster than the entire economy. This is due to a doubling of the retirement population. All told, the federal government would have to set aside \$88.6 trillion today in order to fulfill these unfunded promises. Absent reform, according to nonpartisan actuaries, Social Security recipients age 55 to 66 are scheduled to see their benefits slashed by 22% when in the heart of their retirement, while the entire Medicare program is projected to go bankrupt in 2029. At the same time, the recently enacted health care law has added a trillion dollar new entitlement program to the books, while raising \$569 billion in new taxes and cutting roughly \$500 billion from Medicare. In contrast, my plan, A Roadmap for America's Future, protects anyone 55 and older from benefit changes in Social Security and Medicare.

Composition of Federal Spending—2010

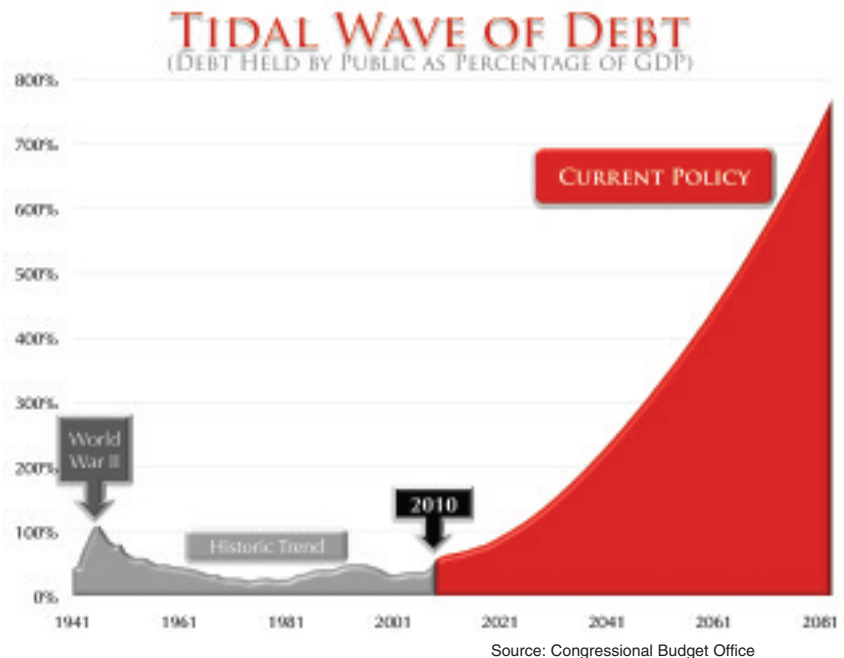


Source: House Budget Committee Minority Staff

THE DEFICIT AND DEBT

Our nation faces an economic crisis unlike any seen since the Great Depression. While families across our nation are tightening their belts during these hard economic times, Washington continues spending without restraint and digging our nation further into debt. This year, the federal government saw receipts of \$2.2 trillion, while spending \$3.5 trillion, resulting in a \$1.3 trillion deficit. Stated another way, 37¢ on every dollar spent by the federal government in Fiscal Year 2010 was borrowed either domestically or from foreign sources.

Under current budget levels, high deficits continue into the next decade, doubling our debt in 5 years and tripling it in 10 years. For information on legislation I have proposed to address our economic challenges, please visit: www.americanroadmap.org.



TAXES AND SPENDING

Since January 2009, Congress passed more than \$3 trillion in new spending, driving the deficit to \$1.3 trillion and pushing the total debt to \$13.6 trillion this year. This year, Congress failed to even consider or pass a budget for the first time in decades and allowed spending to continue unchecked. Over the past two years, while non-defense spending has increased by 24% (84% if you include stimulus spending), unemployment has gone up to almost 10%, once again proving that the government cannot create jobs just by spending more money. The bottom line is simple: the federal government does not have a revenue problem—it has a spending problem. To get the budget back on the right track, we do not need higher taxes: we need to

The Congressional Record			
Spending Increases over fiscal years 2009 and 2010			
	2008	2010	% Increase
Defense	499,000,000,000	554,000,000,000	11%
Nondefense discretionary	434,000,000,000	537,000,000,000	24%
Nondefense and Stimulus	434,000,000,000	796,000,000,000	84%
Entitlements*	1,245,000,000,000	1,581,000,000,000	27%
All Spending	2,978,000,000,000	3,564,000,000,000	20%

*Medicare, Medicaid, social security and unemployment insurance
Source: Congressional Budget Office and House Budget Committee, 2010

advance reforms that help spur economic growth and restrain the explosive growth of government spending.

Statement of Federal Revenues and Expenses

Revenues

	Fiscal Year			
	2009	2010	% of total	% change
Individual income taxes	\$915,308,000,000	\$898,549,000,000	30%	-2%
Social insurance taxes (FICA taxes)	890,917,000,000	865,795,000,000	29%	-3%
User fees, earmarked taxes and receipts	698,280,000,000	815,720,000,000	27%	17%
Corporation taxes ¹	138,229,000,000	191,437,000,000	6%	38%
Excise taxes and customs duties	84,938,000,000	92,207,000,000	3%	9%
Miscellaneous receipts ²	51,483,000,000	95,872,000,000	3%	86%
Death taxes	22,545,000,000	18,885,000,000	1%	-16%
Total	\$2,801,700,000,000	\$2,978,465,000,000		6%

Expenses

Social Security	\$731,346,000,000	\$757,793,000,000	18%	4%
Medicare	713,703,000,000	755,124,000,000	18%	6%
Military Spending	638,419,000,000	669,068,000,000	16%	5%
Interest on National Debt	383,073,000,000	413,955,000,000	10%	8%
Medicaid	258,471,000,000	280,318,000,000	7%	8%
Agriculture, Energy, Environment, and Interior ³	201,801,000,000	231,644,000,000	5%	15%
Treasury (not including interest on debt) ⁴	367,824,000,000	215,992,000,000	5%	-41%
Administrative and Independent Agencies ⁵	275,837,000,000	206,967,000,000	5%	-25%
Labor	142,714,000,000	179,835,000,000	4%	26%
Education ⁶	85,171,000,000	121,914,000,000	3%	43%
Veterans Programs	101,450,000,000	113,620,000,000	3%	12%
Transportation	74,085,000,000	78,599,000,000	2%	6%
State and International Assistance ⁷	62,956,000,000	69,204,000,000	2%	10%
Housing	63,058,000,000	63,190,000,000	1%	0%
Homeland Security	58,096,000,000	52,357,000,000	1%	-10%
Justice and Judiciary ⁸	35,357,000,000	37,907,000,000	*%	7%
NASA	19,174,000,000	18,914,000,000	*%	-1%
Congress	4,538,000,000	5,768,000,000	*%	27%
The President	351,000,000	386,000,000	*%	10%
Total Expenses	\$4,217,424,000,000	\$4,272,555,000,000		1%
Deficit(-)/Surplus(+)	(-\$1,415,724,000,000)	(-\$1,294,090,000,000)		-9%

Notes

1. Increase in corporate tax receipts reflects changing economic conditions and the expiration of legislation that allowed taxpayers to take higher depreciation charges in 2009.
2. Increase in miscellaneous receipts largely reflects increased receipts from the Federal Reserve which resulted from an enlarged portfolio and a shift to riskier and higher-yielding investments.
3. Department of Agriculture, EPA, Department of Interior, Department of Energy, National Oceanic and Atmospheric Administration and Army Corps of Engineers.
4. Reduction in Treasury amount largely reflects reduced outlays for the Troubled Asset Relief Program (TARP).
5. Reduction in Administrative and Independent Agencies largely reflects reduced outlays for the Pension Benefit Guaranty Corporation (PBGC) and the National Credit Union Administration (NCUA).
6. Increase in Department of Education funding comes from the Stimulus, as well as an increase in student financial assistance.
7. Includes Department of State, International Assistance Programs and Iraq Relief and Reconstruction Fund.
8. Department of Justice, Judicial Branch and US Tax Court.

* Less than 1%

Source: Final Monthly Treasury Statement of Receipts and Outlays of the United States Government for FY2010, Department of Treasury, October 2010

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