

Working to Secure a Strong Economy

America is in its current debt crisis not because Washington has a revenue problem, but because we have a spending problem. Serious budget cuts are necessary to get the country's economy back on track.

Debt Crisis by the Numbers:

- ✓ The country is \$14.3 trillion dollars in debt, and counting
- ✓ The national debt equals more than 95% of our economy and has increased by \$3.7 trillion in the last 18 months
- ✓ America borrows over 40 cents on every dollar it spends, much of it from China
- ✓ The unemployment rate is at 9.1% and is expected to average 9.4% for 2011, according to the Congressional Budget office (CBO)

Cut, Cap, and Balance

On July 19, the House passed H.R. 2560, *The Cut, Cap, and Balance Act of 2011*, the Republican proposal to resolve the ongoing debt ceiling debate. The Cut, Cap, and Balance Act will:

- ✓ Cut total spending by \$111 billion in fiscal year (FY) 2012, and \$5.8 trillion over ten years. These cuts will NOT affect Medicare, Social Security, or veterans spending, and will keep the Defense budget at the President's levels;
- ✓ Scale federal spending back to 19.9% of Gross Domestic Product (GDP), the average level over the past thirty years; and
- ✓ Require the passage of a Balanced Budget Amendment (BBA) to the Constitution before any debt ceiling increase can take place. The BBA entails a super-majority to raise taxes, and puts a limit on spending as a percentage of GDP.

Debt Ceiling Negotiations

Republicans remain focused on these goals:

- ✓ Spending cuts that exceed the debt ceiling increase
- ✓ Commitment to long-term spending cuts and reforms
- ✓ No tax increases
- ✓ Pathway to a balanced budget

Debt Ceiling Negotiations

Debt Crisis by the Numbers:

- ✓ Our country is \$14.3 trillion dollars in debt, and counting
- ✓ Our national debt equals more than 95% of our economy
- ✓ The national debt has increased by \$3.7 trillion since President Obama took office
- ✓ America borrows 40 cents on every dollar it spends, much of it from China
- ✓ The unemployment rate is at 9.1%
- ✓ The unemployment rate is expected to average 9.4% for 2011, according to the Congressional Budget office (CBO)

Serious budget cuts are necessary to get the country's economy back on track.

While both parties are responsible for our country's economic problems, the President's stimulus accelerated our debt crisis, while producing fewer jobs than projected.

The President is now asking for a \$2.4 trillion increase in the debt ceiling to meet our nation's obligations. No nation can spend, tax, borrow, or bail-out its way to prosperity. Washington is not immune to the responsibilities of balancing a budget, and we can't ignore that the status quo - spending without accountability - is not working.

The solution for reviving our economy is straightforward: cut wasteful government spending to help the economy grow and help businesses create jobs.

You cannot help the job seeker by punishing the job creator with higher taxes and more government red tape.

If the government were to tax 100% of every American's annual income exceeding \$250,000, it would not begin to cover the amount of our country's debt.

The table below is provided by the Tax Foundation, regarding how the 2008 income tax burden was distributed.

<i>Taxpayers by Earnings</i>	<i>Annual Salary</i>	<i>Percentage of Income Taxes paid</i>
<i>Top 1%</i>	<i>\$380,354 +</i>	<i>38.02%</i>
<i>Top 5%</i>	<i>\$159,619 +</i>	<i>58.72%</i>
<i>Top 10%</i>	<i>\$113,799 +</i>	<i>69.94%</i>
<i>Top 25%</i>	<i>\$67,280 +</i>	<i>86.34%</i>
<i>Top 50%</i>	<i>\$33,048 +</i>	<i>97.30%</i>
<i>Bottom 50%</i>	<i>Less than \$33,048</i>	<i>2.70%</i>

In 2011, about 51% of U.S. households paid NO federal income taxes. America is in its current debt crisis not because Washington has a revenue problem, but because we have a spending problem.

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- ✓ Cut total spending by \$111 billion in fiscal year (FY) 2012, and around \$5.8 trillion over ten years. These cuts will NOT affect Medicare, Social Security, or veterans spending, and will keep the Defense budget at the President's levels;
- ✓ Scale federal spending back, bringing spending back to 19.9% of Gross Domestic Product (GDP) to its average level over the past thirty years; and
- ✓ Require the passage of a Balanced Budget Amendment (BBA) to the Constitution before any debt ceiling increase can take place. The BBA entails a super-majority to raise taxes, and puts a limit on spending as a percentage of GDP.

As debt ceiling negotiations proceed, Republicans will remain focused on their goals:

- a) No tax increases
- b) Spending cuts commensurate with raising debt ceiling
- c) Commitment to long-term spending cuts and reforms
- d) Commitment to a balanced budget