Posters for Floor Debate on the FY 2012 Budget

Quotes on Budget Approach
Criticism of the Republican Budget
Washington Post: Fact-checking the Republican budget plan

The Pinocchio Test

“...the Ryan budget plan relies on dubious assertions, questionable assumptions and fishy figures...the budget presentation falls short of his claim that he is getting rid of budget gimmicks.”

Washington Post, p A8, 4/10/2011

Two Pinocchios
No Shared Sacrifice

“Two-Thirds of Proposed Cuts in Ryan Plan Come from Low-Income Programs”, CBPP, 4/5/2011

Low-income program cuts.............
(e.g. Medicaid, Pell Grants, food stamps, low-income housing)
$2.9 trillion

Other program cuts...................
$1.4 trillion

Source: “The Path to Prosperity” FY 2012 Budget Resolution

Note: Manager’s amendment would add $0.2 trillion in other cuts
Conservative Economists Criticize ‘Off the Deep End’ Republican Budget

“It doesn’t address in any serious or courageous way the issue of the near and medium-term deficit. I think the biggest problem is revenues. It is simply unrealistic to say that raising revenue isn’t part of the solution. It’s a measure of how far off the deep end Republicans have gone with this religious catechism about taxes.”

- David Stockman, former head of OMB under Ronald Reagan

On unemployment, Ryan plan is “implausibly optimistic.”

- Douglas Holtz-Eakin, former head of CBO and economic advisor to John McCain and George W. Bush

…the plan doesn’t do anything to control health care costs, and cutting Medicaid is neither good policy, nor urgent…he notes “Medicaid should be one of the last parts of the health care budget to cut.”

- Tyler Cowen, General Director of the Mercatus Center at George Mason University

“It’s just not going to work.”

- Senator Saxby Chambliss

Debt Subject to Limit Continues to Grow In Republican Budget

Debt Subject to Limit in House Republican Budget

- Trillions of Dollars
- Year: 2011 to 2021
- Data shows a steady increase in the debt subject to the limit, with projections indicating a significant rise by 2021.
Republican Budget Pays for Tax Cuts for Millionaires by Cutting Vital Services

2012-2021

Tax Cuts for the Wealthy
- Transportation, $276 B
- Income Security, $119 B
- Education, Training, Social Services, $223 B
- Health, $115 B

Cuts to Vital Services
- Discretionary Budget Authority

Billions of Dollars

$0 $100 $200 $300 $400 $500 $600 $700 $800 $900
“SLASH-ONOMICS”
By Anyone’s Estimate, Republicans’ spending Cuts in H.R. 1 Would Lose Jobs, Not Create Them

<table>
<thead>
<tr>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>-200,000</td>
</tr>
<tr>
<td>-700,000</td>
</tr>
<tr>
<td>-800,000</td>
</tr>
<tr>
<td>-975,000</td>
</tr>
</tbody>
</table>

Federal Reserve Chairman Ben Bernanke
Economist Mark Zandi
Economic Policy Institute
Center for American Progress
Republican Budget Cuts Taxes $2.5 Trillion MORE than the Fiscal Commission

<table>
<thead>
<tr>
<th>Tax Policy Changes, 2012-2021, in Billions of dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission</td>
</tr>
<tr>
<td>-1,619</td>
</tr>
<tr>
<td>House Republican Budget</td>
</tr>
<tr>
<td>-4,162</td>
</tr>
</tbody>
</table>
Fiscal Commission Raised $2.5 Trillion More in Revenue Than the Republican Budget

Sources: CBO, OMB, and the Fiscal Commission's “Moment of Truth” final report.
Historical Comparison Tables
Top Tax Rate and Total Net Job Creation

Source: Department of Treasury and Bureau of Labor Statistics.
Bush and Republicans Leave Obama an $8 Trillion Fiscal Mess to Clean Up

Bush inherits a forecasted $5.6 Trillion 10-Year Surplus

Obama inherits a forecasted $8 Trillion 10-Year Deficit
Top Tax Rate and Average Annual Growth

Source: Department of Treasury and Bureau of Labor Statistics.
Economy Has Added 1.7 Million Private-Sector Jobs Since Start of 2010

Recovery Takes Hold as Economy Grows For a Sixth Straight Quarter

Source: BEA

<table>
<thead>
<tr>
<th>President Bush</th>
<th>President Obama</th>
</tr>
</thead>
<tbody>
<tr>
<td>-4.0%</td>
<td>1.6%</td>
</tr>
<tr>
<td>-6.8%</td>
<td>5.0%</td>
</tr>
<tr>
<td>-4.9%</td>
<td>-0.7%</td>
</tr>
</tbody>
</table>

Annualized Percent Change in Real GDP

2008 2009 2010
Tax Issue Slides
Top Individual Tax Rates Have Fallen In the Post War Era, 1945-2011

Sources: Internal Revenue Service and the Urban-Brookings Tax Policy Center.
Top Corporate Tax Rates Have Fallen In the Post War Era, 1945-2011

Sources: Internal Revenue Service and the Urban-Brookings Tax Policy Center.
U.S. Corporate Tax Revenues as a Share of GDP are Low by OECD Standards

Source: OECD, 2010.
GENERAL ELECTRIC Reported $14.2 Billion in Profits... and *Received* a $3.2 Billion Tax Refund

Tax Expenditures Equal Entire Discretionary Budget

Discretionary Spending FY11

Security
Non-Security

In Billions of Dollars

$1,200
$1,000
$800
$600
$400
$200
$0

$1.077 Trillion

Tax Expenditures FY11

Corporate
Individual

In Billions of Dollars

$1,200
$1,000
$800
$600
$400
$200
$0

$1.068 Trillion

Sources: Office of Management and Budget, Congressional Budget Office

House Budget Committee Democrats

4/26/2011
Health Care Slides and Quotes
Affordable Care Act Is Entitlement Reform; Bends Medicare Cost Curve

Total Medicare Spending as a Percent of GDP

Source: 2009 and 2010 Medicare Trustees Reports

4/26/2011
ACA is Entitlement Reform

“Repealing the Affordable Care Act would cause needless economic harm and would set back efforts to create a more disciplined and more effective health care system...”

Letter Signed by Alice Rivlin and other economists to the HBC
January 6, 2011

“I do believe that almost every idea about improving quality and reducing cost was incorporated in some way, usually as a pilot program, into the Affordable Care Act, and we need to fund it ...”

“I strongly believe that the Affordable Care Act has the potential to bend the cost curve.”

Alice Rivlin, March 17, 2011
Republican Budget Cuts Taxes for Wealthy, Dismantles Medicaid

Effect on deficit 2012-2021, in billions

- Tax Cuts for Wealthy: $800
- Dismantling Medicaid: -$771
Republican Medicare and Medicaid Cuts Unrealistic and Inhumane

“A major feature of the Ryan plan is a drastic reform of Medicare and Medicaid - but reform with deep cuts and deeper than, I think, many of us would feel were realistic or humane.”

-Alice Rivlin, April 5, 2011
Rivlin Opposes Republican Health Proposal

“We talked fairly recently and... I said I don’t actually support the form in which he put it in the budget.”

“We had worked together but the version that’s in the budget resolution is not one that I would subscribe to.”

- Alice Rivlin, Politico, April, 5 2011
"WACKY VOUCHER"

GOOD FOR 1/2 COLONOSCOPY
GOOD ON TUESDAYS THROUGH MARCH
RATION BOARD MEMBER MUST APPROVE
AT TIME OF COLONOSCOPY

MEDICARE RATION COUPON
The Republican budget plan relies on massive cuts to Medicare, including a ration program in which seniors would use vouchers of diminishing value.

According to the Center on Budget and Policy Priorities, the Republican budget, “Ends Guaranteed Medicare.”
Issue Specific Slides

Big oil, green jobs, education, etc.
“Big 5” Oil Company Profits 2001-2010

Source: http://www.americanprogress.org/issues/2011/01/oil_lust.html
“Big 5” Oil Company CEO Salaries

<table>
<thead>
<tr>
<th>Year</th>
<th>Exxon</th>
<th>Chevron</th>
<th>Conoco Phillips</th>
<th>Shell</th>
<th>BP</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$92.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$92.5</td>
</tr>
<tr>
<td>2007</td>
<td>$65.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$65.9</td>
</tr>
<tr>
<td>2008</td>
<td>$78.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$78.0</td>
</tr>
<tr>
<td>2009</td>
<td>$66.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$66.0</td>
</tr>
</tbody>
</table>

Source: www.morningstar.com
Green Energy Generates 3.2 Times More U.S. Jobs than Fossil Fuels

Job Creation from $1 million in Spending

<table>
<thead>
<tr>
<th>Energy Efficiency and Renewable Energy Investments</th>
<th>16.7 Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil, Natural Gas, and Coal</td>
<td>5.3 Jobs</td>
</tr>
</tbody>
</table>

Source: Input-Output tables of the U.S. Commerce Department, as compiled by Center for American Progress
U.S. Students Are Not Globally Competitive

Math Scores for 15-Year-Olds in OECD Countries

Average = 496
When Education Matters Most

Unemployment rates by educational attainment for October 2009

- Less Than High School: 15.3%
- High School Only: 11.2%
- Some College: 8.9%
- Bachelor’s Degree: 4.8%
- All: 10.1%

Peak unemployment rate from this recession

Additional Charts
**Fantasy:** Heritage Foundation Predicts Bush 2001 Tax Cuts Will Create 1.4 Million Jobs by 2008

**Reality:** Payrolls Shrunk by 8.7 Million by 2008

**Total Employment in Thousands, Difference from Baseline Projection**

<table>
<thead>
<tr>
<th>Year</th>
<th>Heritage</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>26</td>
<td>-1,591</td>
</tr>
<tr>
<td>2002</td>
<td>325</td>
<td>-4,771</td>
</tr>
<tr>
<td>2003</td>
<td>519</td>
<td>-6,730</td>
</tr>
<tr>
<td>2004</td>
<td>778</td>
<td>-7,149</td>
</tr>
<tr>
<td>2005</td>
<td>1,032</td>
<td>-6,531</td>
</tr>
<tr>
<td>2006</td>
<td>1,203</td>
<td>-5,686</td>
</tr>
<tr>
<td>2007</td>
<td>1,292</td>
<td>-5,898</td>
</tr>
<tr>
<td>2008</td>
<td>1,366</td>
<td>-8,650</td>
</tr>
</tbody>
</table>

Source: Heritage (2001) and Center for American Progress’s calculation of BLS data.
Household Incomes fall for the First Time During Bush Years

Peak-to-peak household income growth during the past five economic cycles (on an annualized basis)

Source: Census Bureau Historical Income Statistics 2008.
Senior Citizens’ Health Costs Skyrocket Under Republican Budget

Health care spending for a typical 65-year-old in 2022, in dollars

<table>
<thead>
<tr>
<th></th>
<th>Government's Share</th>
<th>Beneficiary's Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republican Budget</td>
<td>$8,000</td>
<td>$12,500</td>
</tr>
<tr>
<td>Current Medicare</td>
<td>$8,600</td>
<td>$6,150</td>
</tr>
</tbody>
</table>

Health care spending for a typical 65-year-old in 2030, in dollars

<table>
<thead>
<tr>
<th></th>
<th>Government's Share</th>
<th>Beneficiary's Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republican Budget</td>
<td>$9,750</td>
<td>$20,700</td>
</tr>
<tr>
<td>Current Medicare</td>
<td>$12,500</td>
<td>$9,150</td>
</tr>
</tbody>
</table>

Source: Based on CBO analysis 4/5/11
Mandatory Spending in the Republican Budget

Source: CBO
2010 Spending Detail

Source: CBO
Republican Long-Term Spending Plan Not Credible
By 2050, “All Other” Category Smaller Than Current Defense Levels

Source: CBO
Seniors and Disabled Individuals Represent Two-Thirds of Medicaid Spending

*Medicaid Expenditures by Enrollment Group, 2007*

- Seniors and Disabled: 67%
- Adults: 12%
- Children: 20%

Source: Kaiser Family Foundation
Affordable Care Act Helps Seniors In Doughnut Hole Save Thousands of Dollars

Average Part D Out-of-Pocket Savings for Medicare Beneficiaries With High Prescription Drug Costs

<table>
<thead>
<tr>
<th>Year</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$520</td>
</tr>
<tr>
<td>2012</td>
<td>$560</td>
</tr>
<tr>
<td>2013</td>
<td>$632</td>
</tr>
<tr>
<td>2014</td>
<td>$732</td>
</tr>
<tr>
<td>2015</td>
<td>$834</td>
</tr>
<tr>
<td>2016</td>
<td>$952</td>
</tr>
<tr>
<td>2017</td>
<td>$1,111</td>
</tr>
<tr>
<td>2018</td>
<td>$1,287</td>
</tr>
<tr>
<td>2019</td>
<td>$1,485</td>
</tr>
<tr>
<td>2020</td>
<td>$1,724</td>
</tr>
</tbody>
</table>

Source: Department of Health and Human Services

4/26/2011
Our National Security Requires That We Address Our Debt

“The most significant threat to our national security is our debt.”

Chairman of the Joint Chiefs of Staff
Admiral Mullen
Republicans Want More Tax Cuts for These “Small Businesses”…

• Wall Street Investment House **KKR**
• Big 4 Accounting Firm **PricewaterhouseCoopers**
• Fortune 100 Pipeline Co. **Enterprise GP Holdings**

... And They Want the Middle Class to Pick up the Tab
Republicans Don’t Want to Tell You Who They Count as “Small Businesses”

- Just under 3% of taxpayers (750,000) with net positive business income fall in the top two tax brackets.
- Many such businesses are hardly “small”: In 2005, **12,862 S Corps and 6,658 partnerships grossed more than $50 million.**

Joint Committee on Taxation, July 14, 2010
Republicans End Medicare and Gut Services... To Get to the Same Place as Returning to Clinton-Era Tax Rates

Republican Budget

Current Law
(with President’s War Costs)
Republican Budget is not a Balanced Approach to Deficit Reduction

“...We are concerned that it falls short of the balanced, comprehensive approach needed to achieve the broad bipartisan agreement necessary to enact a responsible plan.”

“Anybody who says you can't save money at the Pentagon has never been to the Pentagon. We can save money on defense and if we Republicans don't propose saving money on defense, we'll have no credibility on anything else.”

Fiscal Circumstances Require Us to Restrain Defense Spending

“During the course of our Task Force’s work, we confronted the question of whether the military must sacrifice also. We understand that making cuts in this area is hard, but our fiscal circumstances require us to restrain defense spending growth and demand more efficiency from our military.”

- Former Sen. Pete Domenici, 2/24/2011
President Reagan’s Budget Director says, “Millionaire Tax Cuts Unconscionable”

“I find it unconscionable that the Republican leadership, faced with a $1.5 trillion deficit, could possibly believe that good public policy is to maintain tax cuts for the top 2 percent...”

-David Stockman
August 7, 2010