Where We Are Now
DEFICITS
(DEFICIT LEVELS IN BILLIONS OF DOLLARS)

Source: OMB & CBO
Who Owns Our Debt?

Foreign Holdings: 5%

Foreign Holdings: 19%

Foreign Holdings: 47%

1970
Total Debt: $283 billion

1990
Total Debt: $2.4 trillion

2010
Total Debt: $8.4 trillion

Source: U.S. Department of Treasury
China: Our Largest Creditor

Chinese Sub Threatens the U.S. Navy

TURN AROUND OR WE SELL ALL OUR T-BILLS
Where Are We Headed?
Historic Trend

World War II

Historic Trend

2010

CURRENT POLICY

TIDAL WAVE OF DEBT
(DEBT HELD BY PUBLIC AS PERCENTAGE OF GDP)
TAX HIKES AS A SOLUTION?

Source: CBO Letter to Ryan, 5/18/2008
How Does This End?
Europe & Greece: A Cautionary Tale

- Reckless government spending hit Europe with debt crisis
- Greek Tragedy: “Death spiral of the welfare state”
- Bailouts and “austerity” plans have resulted in chaos. Riots and violence have brought Greek economy to a halt
- Crushing burden of debt is a problem we cannot ignore
Could This Happen in the U.S.?

Source: Eurostat/International Monetary Fund (IMF)
Footnote: Shows Gross central government debt
How Do We Avoid This Fate?
The Fork in the Road

Prosperity vs. Austerity
A Roadmap for America’s Future

Federal Government Spending (As Percentage of GDP)
A Roadmap to Prosperity – Not Austerity
(Economic Growth Per Capita)

A Roadmap for America’s Future

Historical

Current Policy