Overview

- Reality Check on the Federal Deficit
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- Gone the Days of Real Growth?
- An Aging Congress
- Post-Election Politics Commentary
- The Tax Legislative Agenda for 2017
- The Final Observation on the Presidential: Was Jim Henson a Psychic?
- Good News from Iraq
Reality Check on the Federal Deficit
“Congress passed a two-year bipartisan budget plan that avoids a default on U.S. debt... The 64-35 Senate vote early Oct. 30, following House passage two days earlier, sends President Barack Obama a bill that will extend U.S. borrowing authority until March 2017, after he leaves office.”

BNA
U.S. Avoids Debt Default as Congress Passes Fiscal Plan
October 30, 2015
The Congressional Budget Office projects that the budget deal will cut the ten-year deficit by $79.9 billion.

Source: Congressional Budget Office: Estimate of the Budgetary Effects of H.R. 1314, the Bipartisan Budget Act of 2015, as reported by the House Committee on Rules on October 27, 2015.
“In its final act of the year, the Senate sped to pass a $1.8 trillion bill that funds the government until October and extends sweeping tax breaks, many permanently.”

Huffington Post
Senate Passes $1.8 Trillion Spending, Tax Package To Fund Government
December 18, 2015
A Surprising End

The Congressional Budget Office projects that the year-end deal will increase the ten-year deficit by $679.5 billion.

Source: Congressional Budget Office: H.R. 2029, as Cleared for the President’s Signature on December 18, 2015 (Appropriations, Tax Extenders, and Other Matters), December 18, 2015. The tax figures in the legislation come from the Joint Committee on Taxation’s document “Estimated Budget Effects of Division Q of Amendment #2 to the Senate Amendment to H.R. 2029, December 16, 2015.
Trillion-Dollar Deficits Set to Return by 2022

Sources: CBO and CRFB calculations
Federal Debt Held by the Public

Percentage of Gross Domestic Product

Source: Congressional Budget Office.
Congressional Budget Office:
83% of Total Increase in Outlays Comes from 3 Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Percent of Total Increase From 2016 to 2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Interest</td>
<td>23%</td>
</tr>
<tr>
<td>Social Security</td>
<td>28%</td>
</tr>
<tr>
<td>Major Health Programs</td>
<td>32%</td>
</tr>
</tbody>
</table>
Interest costs on federal debt are projected to grow rapidly: by 2022, they could exceed what the federal government has historically spent on R&D, infrastructure, and education combined, and could exceed them by more than three times by 2050.

Putting the Debt in Perspective for Fiscal Year 2011

- **U.S. Tax Revenue**: $2,314,000,000,000
- **Federal Budget**: $3,597,000,000,000
- **New Debt**: $1,283,000,000,000
- **National Debt**: $14,698,625,550,307.37 (and counting)
- **Budget Cuts**: $38,500,000,000

Source: The Congressional Budget Office, Treasury Department’s Bureau of Public Debt
Drop 8 Digits, the Debt becomes a Family Budget

- **Annual Family Income:** $23,140

- **Money Family Spent:** $35,970

- **New Credit Card Debt:** $12,830

- **Credit Card Balance:** $146,986.37 (and counting)

- **Budget Cuts:** $385
“A federal budget compromise that was hailed as historic for proposing to cut about $38 billion would reduce federal spending by only $352 million this fiscal year, less than one percent of the bill’s advertised amount, according to the Congressional Budget Office.”

- The Washington Post, April 14, 2011
The Family Budget was cut by $3.85, not $385
The Jobs Picture
Prime-Age Workers not Increasing

<table>
<thead>
<tr>
<th>Age</th>
<th>Dec 2007</th>
<th>Aug. 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men: 25-54</td>
<td>54,319,000</td>
<td>52,401,000</td>
<td>-1,918,000</td>
</tr>
<tr>
<td>Women 25-54</td>
<td>46,142,000</td>
<td>45,469,000</td>
<td>-673,000</td>
</tr>
<tr>
<td>Total Job Loss</td>
<td></td>
<td></td>
<td>-2,591,000</td>
</tr>
</tbody>
</table>

Source: U.S. Bureau of Labor Statistics

Job “Growth” Since the Start of the Recession

<table>
<thead>
<tr>
<th>Age</th>
<th>Dec 2007</th>
<th>Aug. 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men: 55/over</td>
<td>13,910,000</td>
<td>18,512,000</td>
<td>+4,602,000</td>
</tr>
<tr>
<td>Women: 55/over</td>
<td>12,332,000</td>
<td>16,082,000</td>
<td>+3,750,000</td>
</tr>
<tr>
<td>Job Increase</td>
<td></td>
<td></td>
<td>+8,352,000</td>
</tr>
</tbody>
</table>
Meanwhile, the Population has Increased

The number of Men and Women between the Ages of 25 and 54 Increased between 2000 and 2010

<table>
<thead>
<tr>
<th>Sex</th>
<th>2000 pop.</th>
<th>2010 pop.</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men 25-54</td>
<td>60,065,557</td>
<td>62,157,434</td>
<td>+1,091,877</td>
</tr>
<tr>
<td>Women 25-54</td>
<td>62,705,661</td>
<td>63,930,821</td>
<td>+1,225,160</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>+2,317,037</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau (The next census will occur in 2020)
The hours that they are not working have been replaced almost one for one with leisure time. Seventy-five percent of this new leisure time falls into one category: video games… Detached from the labor force, with neither a college degree nor a steady job, these men have little income. But the technological revolution in media and entertainment of the last few decades has made it cheaper than ever to divert oneself on a phone, computer, television, or video-game console. Leisure is cheap enough that it apparently doesn’t require a steady W-2 or 1099 to have fun. And they are having fun, Hurst emphasized. “Happiness surveys actually indicate that they [are] quite content compared to their peers,” he told UChicago. In the short run, not working doesn’t seem to make men miserable at all.

What Are Young Non-Working Men Doing
The Atlantic
July 26, 2016
Gone the Days of Real Growth?
Gone the Days of Real Growth?

Sclerotic growth is America’s overriding economic problem. From 1950 to 2000, the U.S. economy grew at an average rate of 3.5% annually. Since 2000, it has grown at half that rate—1.76%. Even in the years since the bottom of the great recession in 2009, which should have been a time of fast catch-up growth, the economy has only grown at 2%.

The Wall Street Journal
May 2, 2016
# Average GDP Growth during Recent Presidencies

<table>
<thead>
<tr>
<th>President</th>
<th>Average GDP over Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ronald Reagan</td>
<td>3.5%</td>
</tr>
<tr>
<td>George H.W. Bush</td>
<td>2.3%</td>
</tr>
<tr>
<td>Bill Clinton</td>
<td>3.9%</td>
</tr>
<tr>
<td>George W. Bush</td>
<td>2.1%</td>
</tr>
<tr>
<td>Barack Obama</td>
<td>1.4%</td>
</tr>
</tbody>
</table>
How Massive is the U.S. GDP when Compared to the GDP of other Countries?
US States Renamed for Countries with Similar GDPs, 2015

SOURCES: BUREAU OF ECONOMIC ANALYSIS AND INTERNATIONAL MONETARY FUND

Pretty Massive
“America's largest state economy is California. In 2015, the Golden State's GDP was about $2.46 trillion, slightly above France's GDP ($2.42 trillion). But France's population is about 66.48 million, while California's is only about 39.14 million — meaning California produces about the same as France with about 40% fewer people. To put it in a global perspective, if California were its own country in 2013, it would have been the sixth-biggest economy in the world — right behind the UK, whose GDP was $2.85 trillion.”

Business Insider
June 15, 2016
An Aging Congress
<table>
<thead>
<tr>
<th>AGRICULTURE</th>
<th>APPROP.</th>
<th>ARMED SERVICES</th>
<th>BUDGET</th>
<th>EDUCATION AND THE WORKFORCE</th>
<th>ENERGY AND COMMERCE</th>
<th>ETHICS</th>
<th>FINANCIAL SERVICES</th>
<th>FOREIGN AFFAIRS</th>
<th>HOMELAND SECURITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHAIRMAN</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>67</td>
<td>78</td>
<td>57</td>
<td>61</td>
<td>68</td>
<td>62</td>
<td>55</td>
<td>58</td>
<td>64</td>
<td>54</td>
</tr>
</tbody>
</table>

| RANKING MEMBER |        |                |        |                             |                     |        |                   |                |                  |
| 71          | 78      | 50             | 57     | 68                          | 64                  | 47     | 77                | 69             | 68               |

21 Democratic ranking members average age is 68

Minority Leader: Nancy Pelosi
Minority Whip: Steny H. Hoyer
Assistant Democratic Leader: James E. Clyburn
Caucus Chairman: Xavier Becerra

Combined average age is 69

Graphic by Marilyn Gates-Devis/ CQ Roll Call

4 top Democratic leaders average age is 71
<table>
<thead>
<tr>
<th>HOUSE ADMIN.</th>
<th>JUDICIARY</th>
<th>NATURAL RESOURCES</th>
<th>OVERSIGHT &amp; GOVERN. REFORM</th>
<th>RULES</th>
<th>SCIENCE, SPACE AND TECH.</th>
<th>SMALL BUSINESS</th>
<th>TRANSPORT. AND INFRA-STRUCTURE</th>
<th>VETERANS' AFFAIRS</th>
<th>WAYS AND MEANS</th>
<th>INTELL.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Candice S. Miller</td>
<td>Robert W. Goodlatte</td>
<td>Rob Bishop</td>
<td>Jason Chaffetz</td>
<td>Pete Sessions</td>
<td>Lamar Smith</td>
<td>Steve Chabot</td>
<td>Bill Shuster</td>
<td>Jeff Miller</td>
<td>Kevin Brady</td>
<td>Devin Nunes</td>
</tr>
<tr>
<td>61</td>
<td>63</td>
<td>64</td>
<td>49</td>
<td>61</td>
<td>68</td>
<td>63</td>
<td>55</td>
<td>56</td>
<td>61</td>
<td>42</td>
</tr>
<tr>
<td>Robert A. Brady</td>
<td>John Conyers Jr.</td>
<td>Raúl M. Grijalva</td>
<td>Elijah E. Cummings</td>
<td>Louise M. Slaughter</td>
<td>Eddie Bernice Johnson</td>
<td>Nydia M. Velázquez</td>
<td>Peter A. DeFazio</td>
<td>Corrine Brown</td>
<td>Sander M. Levin</td>
<td>Adam B. Schiff</td>
</tr>
<tr>
<td>71</td>
<td>86</td>
<td>68</td>
<td>65</td>
<td>80</td>
<td>86</td>
<td>63</td>
<td>68</td>
<td>69</td>
<td>84</td>
<td>55</td>
</tr>
</tbody>
</table>

Combined average age is **57**

Speaker: Paul Ryan (46)
Majority Leader: Kevin McCarthy (51)
Majority Whip: Steve Scalise (50)
Conference Chairman: Cathy McMorris Rodgers (46)
Policy Committee Chairman: Luke Messer (47)

21 Republican chairmen average age is **59**

5 top Republican leaders average age is **48**
Post-Election Politics Commentary
Republicans keep the Senate and limit Democratic gains in the house in 2016 elections

Party Control at Beginning of 115th Congress (2017-2019)

Sources: National Journal Research, 2016
November 8, 2016 | HOH Wilson
GOP controls majority of governorships

Map of state governors, by party
Results as of 12:55 PM, November 9, 2016

Donald Trump wins the electoral college with 276 votes

2016 Electoral College map
Reported as of November 9th at 5:34 am

Hillary Clinton (D)
Running Mate: Tim Kaine
Popular Vote: 47%
States Carried: 20 + DC

Donald Trump (R)
Running Mate: Mike Pence
Popular Vote: 48%
States Carried: 30

*States not officially called but leaning towards shade indicated on the map

November 9, 2016 | Katharine Conlon
Democrats gain net 7 seats, Republican maintain majority

2016 House election results map


November 9, 2016 | Peter Sagosky and Libbie Wilcox
The Tax Legislative Agenda for 2017
The Final Observation on the Presidential: Was Jim Henson a psychic?
Good News from Iraq
Here is some GREAT news from the Pentagon...

The Pentagon announced TODAY the formation of a new 500-man elite fighting unit called the United States Redneck Special Forces (USRSF).

These Alabama, Arkansas, Georgia, Kentucky, Mississippi, West Virginia, Missouri, Oklahoma, Tennessee, and Texas boys will be dropped off into Iraq and have been given only the following facts about terrorists:

1. The season opened today.
2. There is no limit.
3. They taste just like chicken.
4. They don't like beer, pickups, country music or Jesus.
5. They are directly responsible for the death of Dale Earnhardt.

The Pentagon expects the problem in Iraq to be over by Friday.