

Washington, this is an intervention – You spend too much and it's hurting us all.

By Congressman Aaron Schock

We as a country have found ourselves at the rock bottom of the nation's piggy bank. Our Federal government is broke and our national debt is piling up exponentially.

It's with this message that I recently traveled around my district. Armed with charts and graphs – the likes of a Ross Perot Presidential debate - I wanted to illustrate that we are well beyond disputing the spending problems Washington has ignored for years. While we have not crossed the point of no return, we are nearing a crisis point if we don't get our finances in order soon. What was previously unimaginable is happening around the globe and even to towns here in America – like individuals, countries and communities can go broke.

This is true of the town of Pritchard, Alabama. To really capture the magnitude of what happened in Pritchard last year, it is necessary for me to quote the first few paragraphs from the New York Times' article on the town's finances from December 22, 2010:

“This struggling small city on the outskirts of Mobile was warned for years that if it did nothing, its pension fund would run out of money by 2009. Right on schedule, its fund ran dry”.

Then Prichard did something that pension experts say they have never seen before: it stopped sending monthly pension checks to its 150 retired workers, breaking a state law requiring it to pay its promised retirement benefits in full.

Since then, Nettie Banks, 68, a retired Prichard police and fire dispatcher, has filed for bankruptcy. Alfred Arnold, a 66-year-old retired fire captain, has gone back to work as a shopping mall security guard to try to keep his house. Eddie Ragland, 59, a retired police captain, accepted help from colleagues, bake sales and collection jars after he was shot by a robber, leaving him badly wounded and unable to get to his new job as a police officer at the regional airport.

Far worse was the retired fire marshal who died in June. Like many of the others, he was too young to collect Social Security. ‘When they found him, he had no electricity and no running water in his house,’ said David Anders, 58, a retired district fire chief. ‘He was a proud enough man that he wouldn't accept help.’

Allowing this to happen to our federal government is the furthest thing from compassion. On a scale of 1 to 10 our problem is beyond a 10. Average household income has shrunk 4 percent in the past two years; while federal spending has increased 33 percent. When President Obama took office our national debt was \$9 trillion. After two years it is already above \$14 trillion. According to his own estimates, under President Obama's proposed budget, our debt will surpass \$27 trillion in the next ten years.

It's worth noting, the average annual budget shortfall (deficit) under President Bush was approximately \$200 billion. The largest annual deficit under him was \$468 billion. Contrast that with President Obama's first two years with deficits of \$1.5 trillion dollars each year. In the

coming weeks the Congressional Budget Office will score the President's proposed budget with a deficit of \$2 trillion dollars for this year. Two TRILLION dollars overspent in just one year!

Even with overspending by previous Congresses and the Bush Administration, our nation could have grown out of our accumulated debt in a generation.

Additionally, it was reported recently by the Congressional Budget Office (CBO) that the failed \$847 billion stimulus program will now cost taxpayers \$34 billion more than originally projected.

The fact is every dollar we add to federal spending now costs \$1.40 because of the interest on that dollar until it is paid off under current circumstances. Right now, the amount of national debt owed per taxpayer is \$127,500, and that amount is increasing every day.

While many will question cutting spending and the tie to job creation, the truth is they are closely aligned. According to the Obama Administration's Romer-Bernstein economic model, every one percent in additional economic growth creates 979,000 jobs. On the other hand, economic growth is suppressed by one percent, per year, when a country's total debt reaches the level of 90% of its economy (annual total of economic activity in the country.) This means at our current level of accumulated debt its costing our country nearly one million jobs per year.

It's precisely because of the runaway Federal spending of the last two years that our budget problems have been amplified and why job growth lags so far behind several other economic indications that show our economy improving.

The House recently passed a bill with \$100 billion in cuts to discretionary spending for the remaining seven months in this budget year. As painful as these cuts are, they will only close our annual deficit by 5%. As such, they represent the least we can do in cutting non-defense discretionary spending, which is 15% of the federal budget. Everything was on the table, Democrat and Republican priorities alike, no programs, including our defense budget, escaped the cuts.

However, some of my Senate colleagues instead of offering a clear alternative have chosen to cherry pick their criticism on the difficult decisions that must be made. As the budget debate continues, I look forward to seeing what suggestions my Senate counterparts put together because I refuse to highlight the spending problem in Washington, only to in turn ask those cuts not to affect Illinois. Plain and simple, we all must do our part.

It should be noted as well that these same Democrats who criticize us, are the same ones who make up the majority of the Senate now, and who along with their House counterparts last year failed to offer a budget for our nation for the first time since 1974 or pass any of the annual appropriations bills and thus is the reason we are having a debate about short-term government funding.

It's this complete disregard for fiscal discipline that has caused our deficit to spiral out of control. Unfortunately, the everyday spending binge of our government is not the only issue we need to address.

The true root of our spending problem lies within our entitlement programs; also known as “mandatory spending,” because the Federal government is obligated to pay for these programs.

If you heard me speak while traveling through the district, you would have seen the graphs I showed which illustrated that by 2045 the amount our Federal government is obligated to pay in mandatory spending will equal the entire revenue of the Federal budget. This means we will literally only have enough money to pay for these services with nothing left for other programs like Defense, Transportation, Education, etc. The fact is, the federal government already had to borrow \$37 billion last year to finance Social Security, and will need to borrow more this year. Entitlement reform must be part of the long-term discussion on fiscal restraint if we are to truly get a handle on our deficit.

There is no magic wand that will put us on the right path overnight, but I’m prepared to listen, make the tough choices and work toward bipartisan solutions that are desperately needed.

Admiral Mike Mullen, the chairman of the Joint Chiefs of Staff has said our national debt is one of the most severe threats to our national security, “While our options are limited in dealing with threats emanating from other countries, this threat is homegrown and it is urgent that we begin making budget cuts for both the short and long term.”

We have the advantage right now to look into the future; we know the consequences if we do nothing. We must act now to avoid the fate of those who failed before us.