

REPUBLICAN CAUCUS

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## ENTITLEMENT CRISIS REACHES \$56 TRILLION, TREASURY REPORT SHOWS

The United States' unfunded financial obligations have grown to \$56 trillion – a one-year increase of roughly \$3 trillion – according to an analysis of the Treasury Department's annual *Financial Report of the U.S. Government*, released today (<http://www.fms.treas.gov/fr/08frusg/08frusg.pdf>). This figure reflects the excess of projected spending commitments – primarily in Social Security and Medicare – over the amount of revenue currently estimated to be available for them.

The report also found that the Federal Government's net operating deficit exceeded \$1 trillion for the first time in our nation's history. This method of measuring the budget deficit – using accrual, rather than cash accounting – is the preferred method of American businesses, States, and local governments.

House Budget Committee Ranking Republican Paul Ryan [WI] said the following.

*“This report underscores the severity of the budgetary crisis facing this country. By failing to enact critical reforms, this year alone Congress has allowed the fiscal gap to worsen by another \$3 trillion – to a record \$56 trillion. That means we'd need to collect \$185,000 from every American man, woman, and child – just to close the gap.*

*“Clearly, this is not an option; nor is allowing our nation's most critical safety net programs to grow themselves into extinction. Congress and the President must come together immediately to begin addressing this problem. As this past year demonstrates, the longer we wait, the worse it becomes – and the greater the debt burden we pass on to future generations.”*

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Please find attached the “Dear Colleague” letter Congressmen Ryan and Cooper [D-TN] today sent on this issue.