

Fact Sheet: A Balanced Budget By 2012 & Earmark Reform

Increased Tax Revenues From A Strong Economy Coupled With Spending Restraint Will Reduce The Deficit And Balance The Budget

"By balancing the budget through pro-growth economic policies and spending restraint, we are better positioned to tackle longer-term fiscal challenges facing our country, namely the entitlement programs... Another area where we can work together is to reform the earmark process. One important message we all should take from the elections is that people want to end the secretive process by which Washington insiders are able to get billions of dollars directed to projects, many of them pork barrel projects that have never been reviewed or voted on by the Congress."

– President George W. Bush, 1/3/07

Today, The President Announced He Will Propose A Balanced Budget. On February 5, the Administration will present its five-year budget proposal, which will show reducing budget deficits and balance in 2012. The Budget will achieve balance while addressing the Nation's most critical needs, including support for the Global War on Terror and sustaining the strength of our economy through permanent tax relief.

- **The President Also Called For Earmark Reform.** The time has come for both political parties to work together on comprehensive earmark reform that produces greater transparency and accountability to the congressional budget process, including full disclosure for each earmark and cutting the number and cost of all earmarks by half.

Pro-Growth Policies Are Fueling The Robust U.S. Economy And Increasing Tax Revenues

The President's Tax Relief Has Spurred Robust Economic Growth, Millions Of Jobs, And Rising Wages. Immediately after the President's tax relief took full effect in 2003, economic growth accelerated and job growth resumed.

- The economy has grown nearly three percent over the last four quarters – faster than any other major industrialized country.
- More than 7 million American jobs have been created since August 2003.
- Americans are feeling the effects of a strong economy through bigger paychecks – real wages have grown 2.3 percent in the past 12 months, well above the average of 1990s.

A Strong U.S. Economy Is Fueling Higher Tax Revenues. Tax revenues are up 11.8 percent in 2006 following a 14.6 percent increase in 2005. Receipts have increased nearly 35 percent since the tax relief was fully implemented in 2003, and 70 percent of the reduction in the deficit last year was attributable to increased tax revenues.

Better Spending Restraint Is Helping Achieve A Balanced Budget

While Funding Priorities, We Must Keep Spending Under Control. We can achieve a balanced budget while maintaining our priorities: a strong national defense; tax relief needed to keep the economy strong; enhancing energy security; making health care more affordable; and further improving the quality of education.

As We Fund Our National Priorities, We Must Continue To Restrain Spending. That means restraining spending growth, doing more with less and eliminating programs that are not getting the job done.

Earmark Reform And The Line-Item Veto Will Help Eliminate Wasteful Spending. Earmarks often lead to wasteful Federal spending.

They have tripled in number over the last decade and have increased spending by billions of dollars. The time has come for comprehensive earmark reform that brings greater transparency and accountability to the congressional budget process, including:

- Disclosing the sponsors, costs, recipients and justification for each earmark;
- Stopping the practice of concealing earmarks in so-called report language instead of placing them in the actual language of the bill;
- Stopping all wasteful and unnecessary earmarks, starting by cutting the number and cost of all earmarks by half; and
- Providing the President the power that 43 of the Nation's governors have to help tackle wasteful spending: the line-item veto.

Rising Entitlement Spending Is A Long-Term Challenge That We Must Address Now. A balanced budget better positions us to deal with the unsustainable growth in entitlement spending. While the near-term fiscal outlook is bright, entitlement reform is needed to help address our long-term budgetary challenges and ensure these vital programs are available for future beneficiaries. The President has led the way in focusing attention on this problem and in promoting real solutions, but forging a solution will require bipartisan cooperation.