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## Happy (Fiscal) New Year A Look Back at FY 2010 October 1, 2010

#### PRESIDENT

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Today marks the beginning of fiscal year 2011. Below is a fiscal recap of FY 2010:

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- Dollars added to the public debt: **\$1,412,038,886,702**. Since this time last year, public debt has risen from \$7.6 trillion to \$9.0 trillion. Gross debt, a measure including public debt and intergovernmental holdings, increased from \$11.9 trillion to \$13.5 trillion.
- Stimulus dollars from ARRA: **\$392 billion**. The bulk of stimulus spending occurred this past year. Cumulatively, ARRA has dispersed over \$570 billion in spending increases and tax cuts since enacted in February 2009.
- Deficit as a percent of GDP in FY 2010: **9.1 percent** (projected number from CBO's August Budget and Economic Outlook.) Not as large as last year's post-war record deficit of 9.9 percent, but stunningly high nonetheless.
- Banks taken over by Federal Deposit Insurance Corporation: **172**. Up from 99 failed banks in FY 2009, these failed banks have cost the FDIC a total of about \$30 billion. Bank failures continue on a weekly basis.
- Budget resolutions passed by the full Congress: **0**. This year marked the first time since the 1974 Budget Act that the House failed to pass a budget resolution.
- Number of dollars the President proposed adding to the debt over the next decade in his budget: **\$11.1 trillion**. This is \$4.9 trillion more than the cost making no changes to current law.

#### SENIOR ADVISORS

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- Expansion of Fed balance sheet: **\$168 billion**. Although quite a notable expansion, it is far below the \$663 billion increase between FY 2008 and FY 2009.
- Number of times the Republicans' "Pledge to America" mentioned "entitlement programs" – the largest problem in the budget—in their 48 page pledge: **2**.
- Number of banks receiving assistance from TARP: **97**. Since 2009 the number of banks needing assistance through the Capital Purchase Program has drastically declined from the 684 banks last year. (See <http://www.Stimulus.org> for more details.)
- Banks repurchasing at least some of their assets from the Treasury under TARP: **73**. At this time last year, many fewer banks had begun repurchasing their assets from TARP's Capital Purchase Program.
- Number of appropriation bills passed before September 30<sup>th</sup> deadline: **0**. Congress has failed to pass even one of the 12 appropriation bills for FY 2011 before the new year actually started. Congress just recently enacted a Continuing Resolution to fund government through December 3<sup>rd</sup>.
- Number of comprehensive plans from Congress to fix Social Security: **1**. Despite the fact that Social Security has a cash deficit this year, and that the program's Trustees yet again stated that reforms should be made "in a timely way so that necessary changes can be phased in gradually and workers can be given time to plan for them," Congressman Paul Ryan's Roadmap for America's Future Act of 2010 was the only legislation developed to eliminate the actuarial shortfall in the program.
- Number of Congressional plans to offset the \$2.7 trillion cost of extending all of the 2001/2003 tax cuts over the next decade: **0**. Fully extending the tax cuts would add trillions to the debt, and even more than that if combined with AMT patches and if accounting for rising interest payments from a higher debt.
- Number of Congressional plans to offset the \$1.7 trillion cost of extending just the 2001/2003 tax cuts for middle- and lower-income families over the next decade: **0**. No one has offered a plan for offsetting a partial extension either, the costs of which would also be even higher when factoring in AMT patches and interest payments.

**Let's hope that FY 2011 is a turnaround year.**