
Out of Control Federal SPENDING

2024

- Budget: \$6.4 T
 - 10% increase over 2023
 - Equals 23% of GDP
- Revenue: \$4.9 T
- **Deficit: \$1.83 T**

Dangerous Levels of Debt

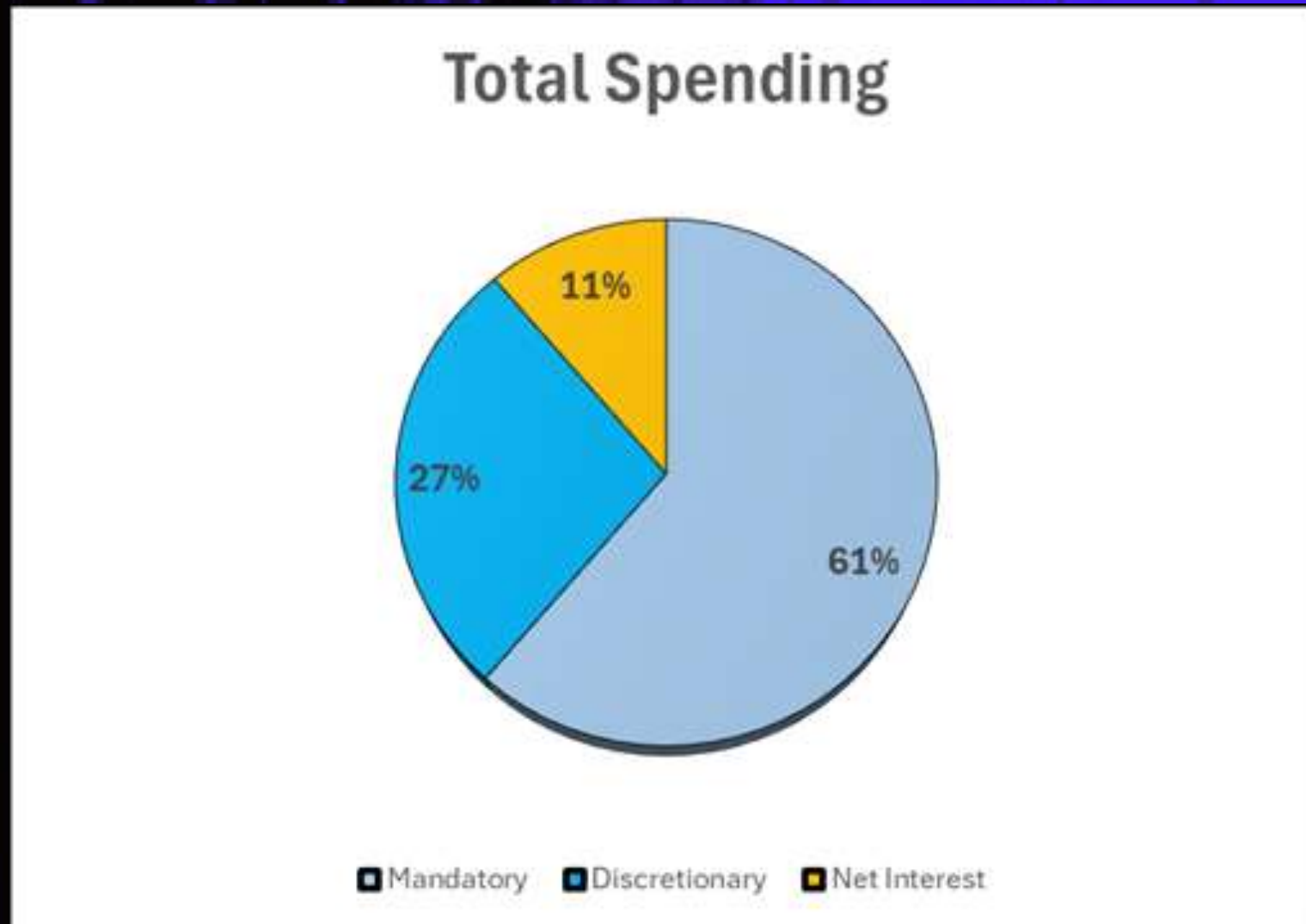
Current National Debt = \$36.2 Trillion

124% of USA's GDP

Annual Interest Payment = \$882B

That's 11 to 13% of the Entire Federal Budget

Mandatory vs. Discretionary Spending



Mandatory vs. Discretionary Spending

Mandatory (61% / 72%):

- * Social Security
- * Medicare
- * Medicaid
- * Unemployment Insurance
- * Interest on the National Debt

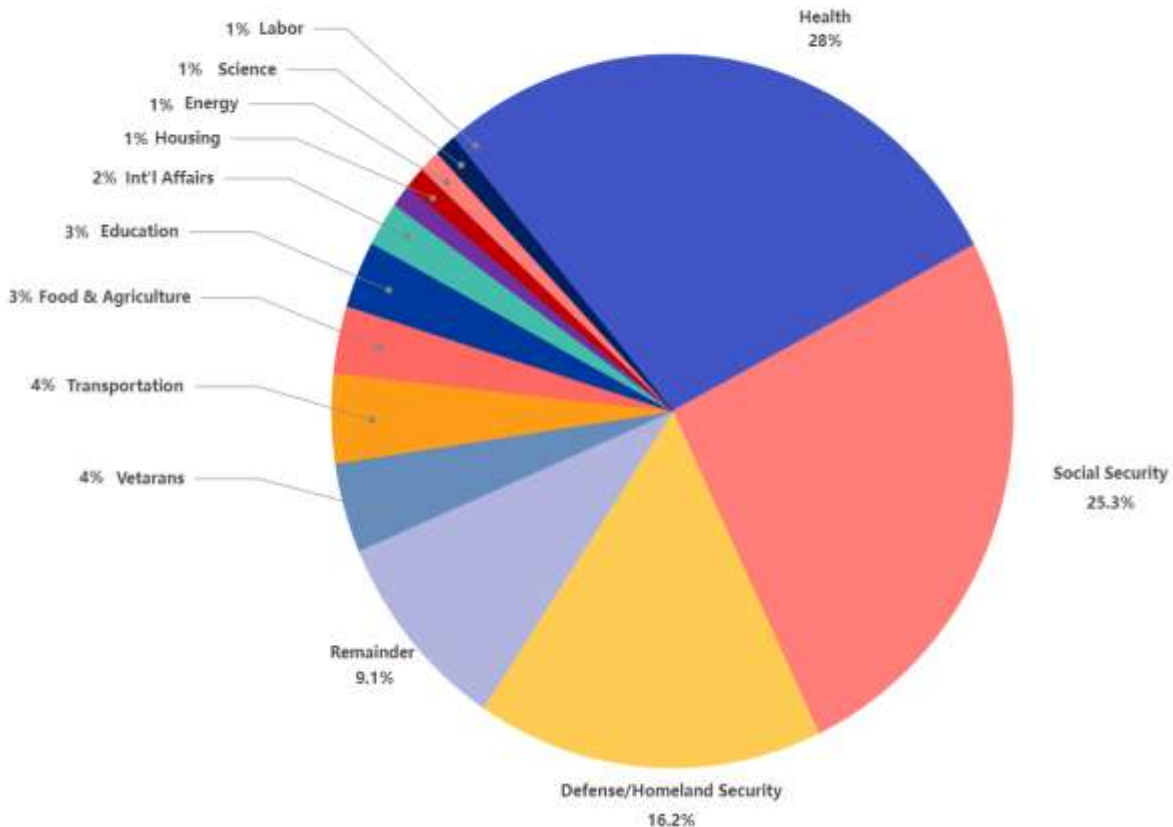
Mandatory vs. Discretionary Spending

Discretionary (27%):

- * Defense and National Security (16%)
- * Virtually Every Other Government Program and Service (14%)

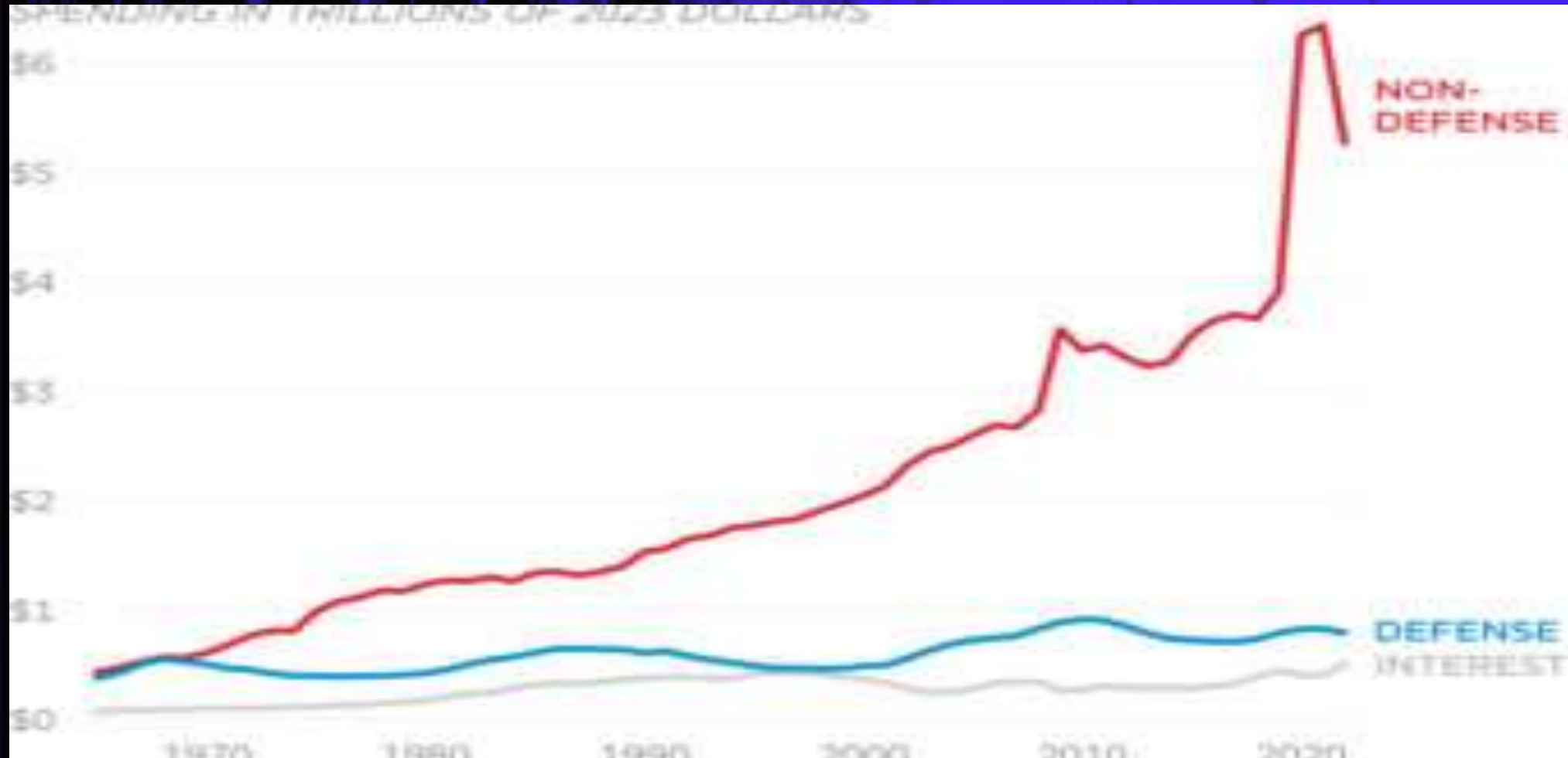
Where Do Your Tax Dollars Go?

Percent of spending, Including discretionary and mandatory



- **28% “Health” (\$1.9T)**
 - Medicare (\$839B)
 - Medicaid/CHIPS (\$584B)
 - Obamacare (\$111B)
 - Other subsidies (\$82B)
- **25.3% Social Security (\$1.52T)**
- **16.2% Defense, Homeland Security (\$900B)**
- **30.5% Everything else**

The Growth In the Federal Budget



From www.federalbudgetinpictures.com

What's In the OBBB?

1. \$1.7 T in Spending Cuts in Mandatory Spending (over 10 years)
2. 2017 Tax Cuts Made Permanent (est. \$3.7T in lost revenue OTY)
3. New Tax Reductions
 - No taxes on tips
 - No tax on overtime
 - Raises personal standard deduction by \$1,000 (\$2,000 for joint filers)
 - Gives low and middle Income seniors a \$4,000 deduction, \$8K if filing jointly
 - Car loan interest deduction
 - increases child tax credit from \$2000 to \$2500
 - Raises cap on state tax deduction from \$10,000 to \$40,000

What's In the OBBB?

5. Medicaid Reform (\$1T in savings over 10 years)

- **Tightens Work requirements**
- **No funding of sex change operations**
- **No funding of Planned Parenthood**
- **No Medicaid for illegal aliens**
- **Limits retroactive coverage to 30 days**
- **Requires removal of dead people**

6. Cancels funding of Green New Deal subsidies

7. Cancels Biden's Student Loan Forgiveness

What's In the OBBB?

- 8. Opens federal lands to energy leasing, streamlines permitting processes**
- 9. Pays for the Border Wall**
- 10. Trump Savings Accounts for newborns**
- 11. Funding for the Golden Dome Defense System**
- 12. Expands Health Savings Accounts**
- 13. Empowers School Choice with Scholarship Fund**

Trump v. CBO

- Congressional Budget Office Says OBBA **will increase deficits by \$2.4T (OTY)**
- Trump says it will **reduce deficits by \$6.6T (OTY)**
- **Who One is Right?**

Trump v. CBO

- CBO starts with \$3.7T loss from Tax Cuts
- But those tax rates are already in place.
- Stephen Miller says,
“CBO says maintaining ‘current’ rates adds to the deficit, but by definition, leaving these income tax rates unchanged cannot add one penny to the deficit.”

Trump v. CBO

- CBO does not account for the revenue received from Trump's Tariffs
- Yet, CBO just estimated that if there is a 10% average tariff on all countries, **it will generate \$2.8% (OTY)**

Trump v. CBO

- **As economy grows, revenue increases**
- **CBO assumes economy will only grow at 1.8% per year, generating \$1T to \$2T in revenue (OTY)**
- **Average growth of GDP over last 10 years is 2.2%**
- **3% Growth OTY will produce \$4T in revenue (OTY)**

"ONE BIG BEAUTIFUL BILL" DEFICIT REDUCTION

▶ CURRENT POLICY TAX CUT COST	\$0
▶ 3% ECONOMIC GROWTH DIVIDEND	\$4 T
▶ MANDATORY SAVINGS	\$1.7 T
▶ CBO TARIFF REVENUE PROJECTION	\$2.8 T
▶ TOTAL DEFICIT REDUCTION	\$8.5 T



▶ 1:05P PT

Kudlow **THE RIFF**

CRUDE OIL 63.38 ▲ 0.53 +0.84% | GOLD 3,380.00 ▼ 19.20 -0.56%
CURRENCIES ▶ 046 | CAD/USD 0.7316 ▲ 0.0005 | CNY/USD 0.1393

▶ COMING UP



STEPHEN MILLER

Bottom Line

Kudlow is Right: OBBB will reduce deficits by \$5T to \$8T OTY.

**This is good, *BUT* ...
*It is not enough.***

Bottom Line

Because...

That's about \$500B to \$800B per year in deficit reduction, WHILE the deficit has been over \$1T on average for the last 10 years.

And, costs of Medicare and Social Security will continue to increase.

Bottom Line

***Trump and Congress Must Find
Another \$200 to \$500B per year in
savings and increased revenue.***

Reasons For Hope

1. God Has A Plan.

2. Economic Growth from lower taxes, reduced regulation, new investment, better education closing the border.

3. DOGE, Clawbacks, End Of DEI.