

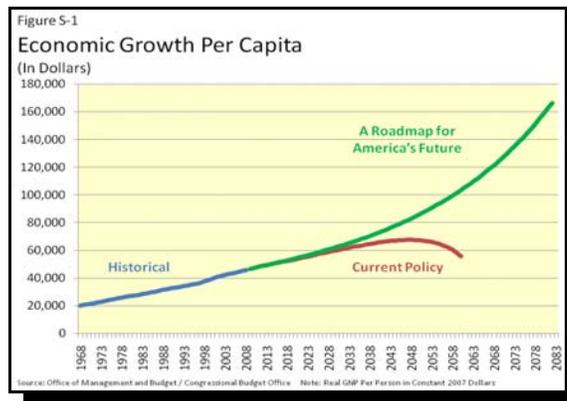


SUMMARY
A ROADMAP FOR AMERICA'S FUTURE 2.0
THE CHALLENGE – AND THE OPPORTUNITY
111th Congress

27 January 2010

A Roadmap for America's Future is a comprehensive alternative to the heavily government-centered ideology now prevailing in Washington, which pursues a relentless expansion of government, creates a growing culture of dependency, and in the process worsens a status quo that already threatens to overwhelm the budget and smother the economy. The *Roadmap* – updated since its previous introduction in 2008, to reflect the dramatic decline in the Nation's economic and fiscal condition – draws on Americans' strengths to restore the Nation's legacy of leaving the next generation better off. It achieves three key objectives:

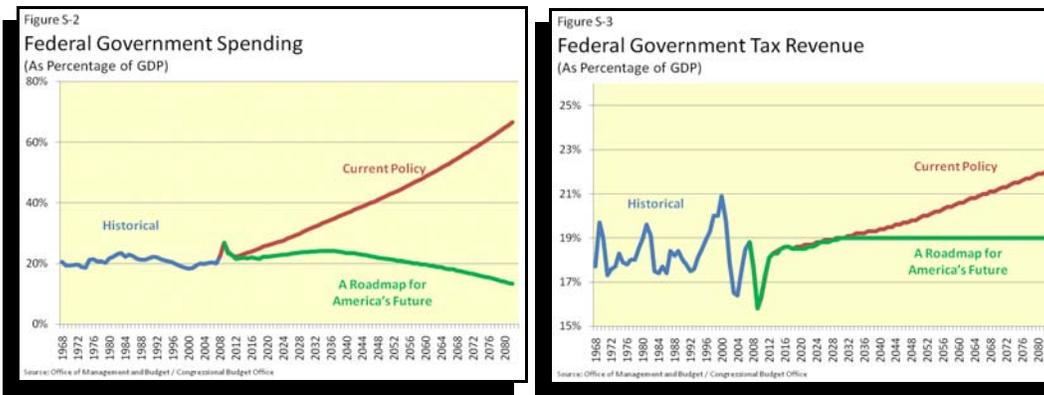
- **PROVIDING HEALTH AND RETIREMENT SECURITY.** The plan ensures universal access to health insurance; and it rescues and strengthens Medicare, Medicaid, and Social Security – allowing them to fulfill their missions and making them *permanently* solvent.
- **LIFTING THE DEBT BURDEN.** It returns Federal spending growth to sustainable rates, and lifts the huge projected debt burden from the shoulders of future generations.
- **PROMOTING AMERICAN JOB CREATION AND COMPETITIVENESS.** It promotes solid, sustained economic growth and job creation here in America, and puts the United States in a position to *lead* – not merely survive – in the global marketplace. The plan also modernizes job training programs to meet the effects of globalization.



Why America Needs an Alternative. America faces an immense challenge – and an extraordinary opportunity.

- **THE CHALLENGE.** The Federal Government’s current fiscal path is unsustainable: it leads to unprecedented levels of spending, deficits, and debt that will overwhelm the budget, smother the economy, weaken America’s competitiveness in the global 21st century economy, and threaten the survival of the government’s major benefit programs. The President and congressional Majority are hastening America’s march toward this reckoning, adding to trillions of dollars worth of unfunded liabilities, and accelerating the erosion of Americans’ health care and retirement security. Their “progressive” ideology leads to a future in which America’s best century is the past century.

- **THE OPPORTUNITY.** Putting the Nation on a sustainable fiscal course may be one of the greatest domestic challenges in America’s history. But it is also an extraordinary opportunity to restore a national character rooted in individual initiative, entrepreneurship, and opportunity – and to transform the Federal Government to the realities of the 21st century.



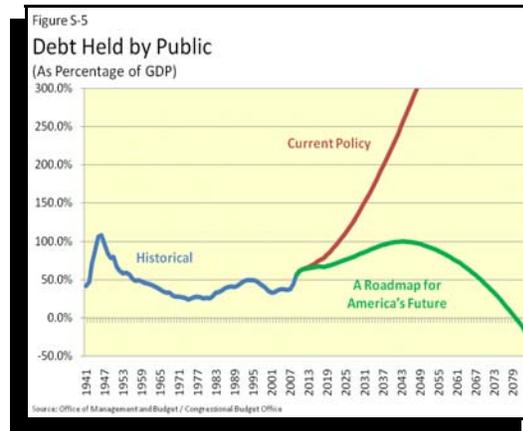
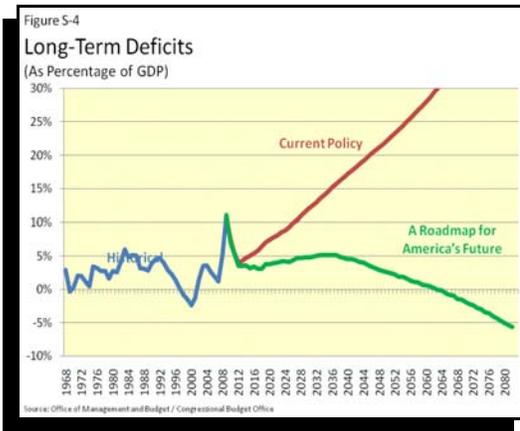
Major Plan Components.

- **HEALTH CARE.** The plan ensures universal access to affordable health insurance by restructuring the tax code, allowing all Americans to secure affordable health plans that best suit their needs, and shifting the ownership of health coverage away from the government and employers to individuals.
 - Provides a refundable tax credit – \$2,300 for individuals and \$5,700 for families – to purchase coverage in any State, and keep it with them if they move or change jobs.
 - Establishes transparency in health care price and quality data, so this critical information is readily available *before* an individual needs health services.
 - Modernizes Medicaid and strengthens the health care safety net by reforming high-risk pools, giving States maximum flexibility to tailor

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- Medicaid programs to the specific needs of their populations. Allows Medicaid recipients to take part in the same variety of options by using the tax credit to purchase high-quality care.
- **MEDICARE.** The *Roadmap* secures Medicare for current beneficiaries, while making common-sense reforms to keep it solvent for the long term.
 - Preserves the existing Medicare program for those 55 or older.
 - For those currently under 55 – as they become Medicare-eligible – creates a Medicare payment averaging \$11,000 per year when fully phased in. Adjusts the payment for inflation, and pegs it to income, with low-income individuals receiving greater support. Provides risk adjustment, so those with greater medical needs receive a higher payment.
 - In addition to the Medicare payment, establishes and fully funds Medical Savings Accounts [MSAs] for low-income beneficiaries (to cover out-of-pocket costs), while continuing to allow all beneficiaries, regardless of income, to set up tax-free MSAs.
 - Makes Medicare permanently solvent, based on Congressional Budget Office [CBO] estimates and consultation with the Office of the Actuary of the Centers for Medicare and Medicaid Services.
 - **SOCIAL SECURITY.** The proposal saves and strengthens this important retirement program and makes it sustainable for the long term.
 - Preserves the existing Social Security program for those 55 or older.
 - Offers workers under 55 the option of investing over one third of their current Social Security taxes into personal retirement accounts, similar to the Thrift Savings Plan available to Federal employees. Includes a property right so they can pass on these assets to their heirs, and a guarantee that individuals will not lose a dollar they contribute to their accounts, even after inflation.
 - Makes the program *permanently* solvent, according to the CBO, by combining a more realistic measure of growth in Social Security's initial benefits, with a gradual, modest increase in the retirement age, consistent with Americans' improving lifespans.
 - **TAX REFORM.** This plan offers an alternative to today's needlessly complex and inefficient tax code, providing the option of a simplified mechanism that better promotes and rewards work, saving, and investment.
 - Provides taxpayers a choice of how to pay their income taxes – through existing law, or through a highly simplified income tax system that fits

on a postcard with just two rates and virtually no special tax deductions, credits, or exclusions (except the health care tax credit).

- Simplifies tax rates to 10 percent on income up to \$100,000 for joint filers, and \$50,000 for single filers; and 25 percent on taxable income above these amounts. Also includes a generous standard deduction and personal exemption (totaling \$39,000 for a family of four).
 - Eliminates the alternative minimum tax.
 - Promotes saving by eliminating taxes on interest, capital gains, and dividends; also eliminates the death tax.
 - Replaces the corporate income tax – currently the second highest in the industrialized world – with a border-adjustable business consumption tax of 8.5 percent. This new rate is roughly half that of the rest of the industrialized world.
- **JOB TRAINING.** The *Roadmap* helps the Nation’s workforce prepare for success in the global economy by transforming 49 job training programs, scattered across eight agencies, into a flexible, dynamic strategy focused on results, and accompanied by clear measures of transparency and accountability. The plan requires the development of performance measures, and gives each State the option to consolidate funding into one program, if such an approach can be shown to improve outcomes and achieve job training goals.



Why ‘A Roadmap for America’s Future’ is Different. As mentioned above, the status quo is not sustainable. But Washington’s current leaders are making matters worse. The *Roadmap* is not simply a slimmer version of the “progressive” government expansion now prevailing in Washington. It is a true alternative, and a complete legislative proposal consisting of specific policies supported by CBO estimates of its fiscal and economic consequences.

Other key features of the plan:

- **COMPREHENSIVENESS.** Whether the issue is health care, international competitiveness, or debt, piecemeal, incremental “fixes” will never match the magnitude, urgency, and interrelated nature of America’s greatest domestic challenges. This plan provides the comprehensive approach critical for achieving real, long-term solutions.
- **BACKED UP BY NUMBERS.** It is a real plan, with real proposals, real numbers to back them up, and real legislation to implement it. Based on estimates provided by the CBO, this plan is projected to make the Social Security and Medicare programs *permanently* solvent. It will lift the growing debt burden on future generations, and hold Federal taxes to no higher than 19 percent of gross domestic product.
- **A TRUE ALTERNATIVE.** This plan is based on a fundamentally different vision. It focuses government on its proper role; it restrains government spending, thus limiting the size of government itself; it rejuvenates the vibrant market economy that made America the envy of the world; and it restores an American character rooted in individual initiative, entrepreneurship, and opportunity – qualities that make each American’s pursuit of personal destiny a net contribution to the Nation’s common good as well. In short, it is built on the enduring truths from which America’s Founders established this great and exceptional Nation.

NOTE: The “current policy” paths in the graphics above reflect what the Congressional Budget Office [CBO], in its June 2009 report *The Long-Term Budget Outlook*, terms its “alternative fiscal scenario.” In describing this projection, CBO says it “represents one interpretation of what it would mean to continue today’s underlying fiscal policy,” and that it reflects “policy changes that are widely expected to occur and that policymakers have regularly made in the past.”
