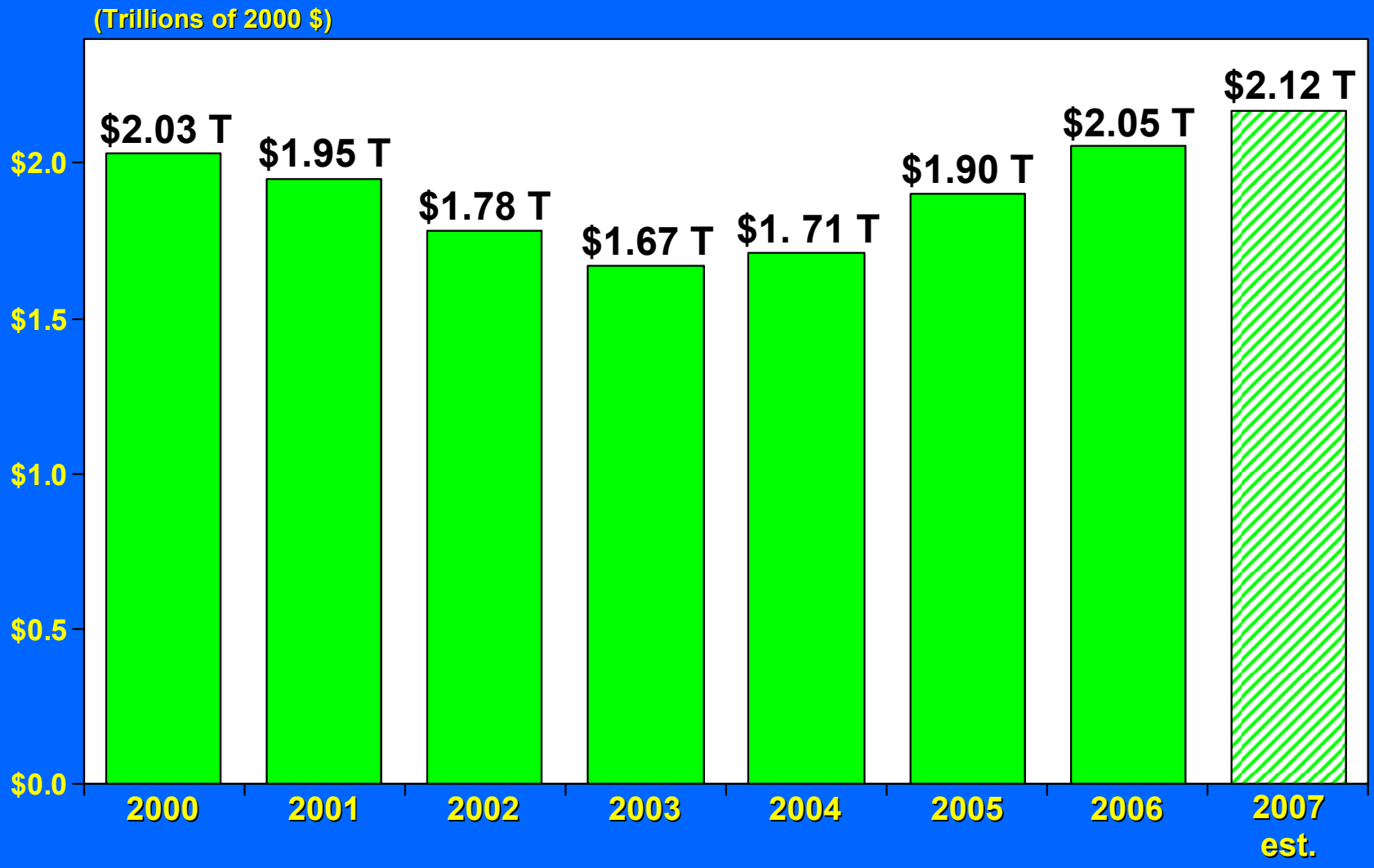
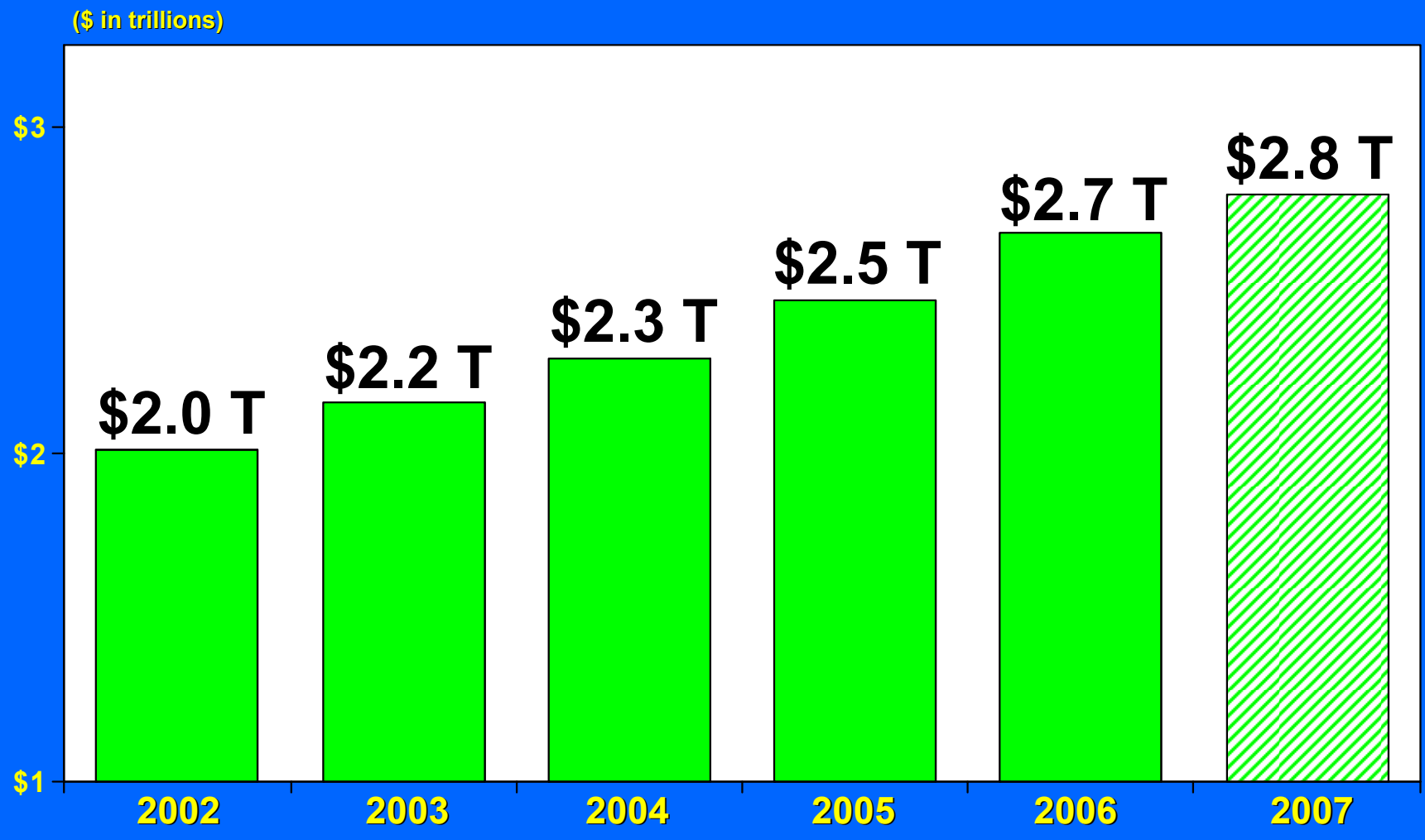
Real Revenues Only Recently Exceeded 2000 Level



Source: OMB, CBO

Who Has Been "Overspending?"

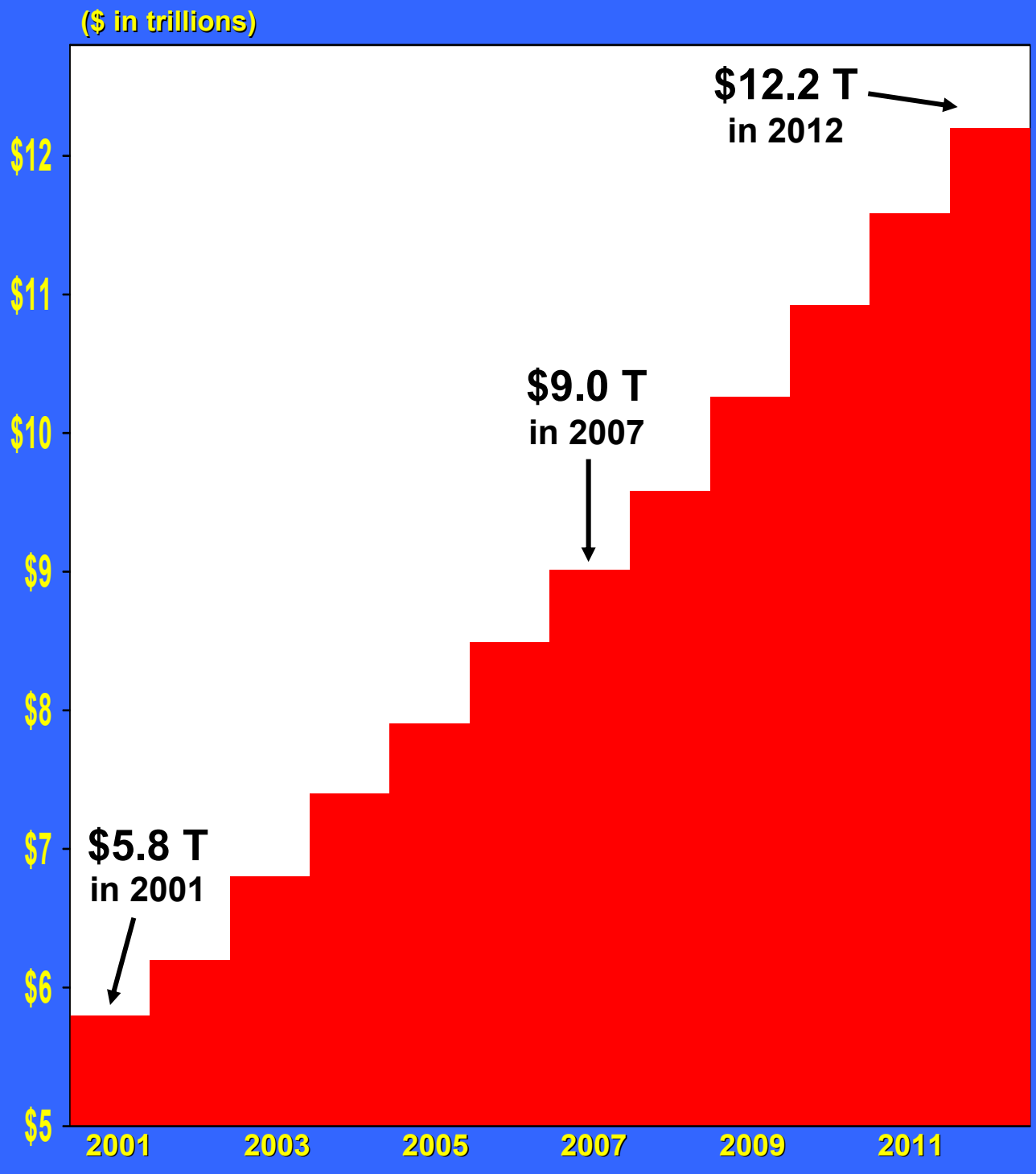
Spending Has Increased Nearly 40% Under GOP Control



Source: OM
Note: Spending totals are outlays.

Building a Wall of Debt

Gross Federal Debt Soars



Source: OMB, CBO and SBC Democratic staff

Note: Bush FY 2008 budget extended over ten years with AMT reform and ongoing war costs.

President Bush More than Doubles Foreign-Held Debt

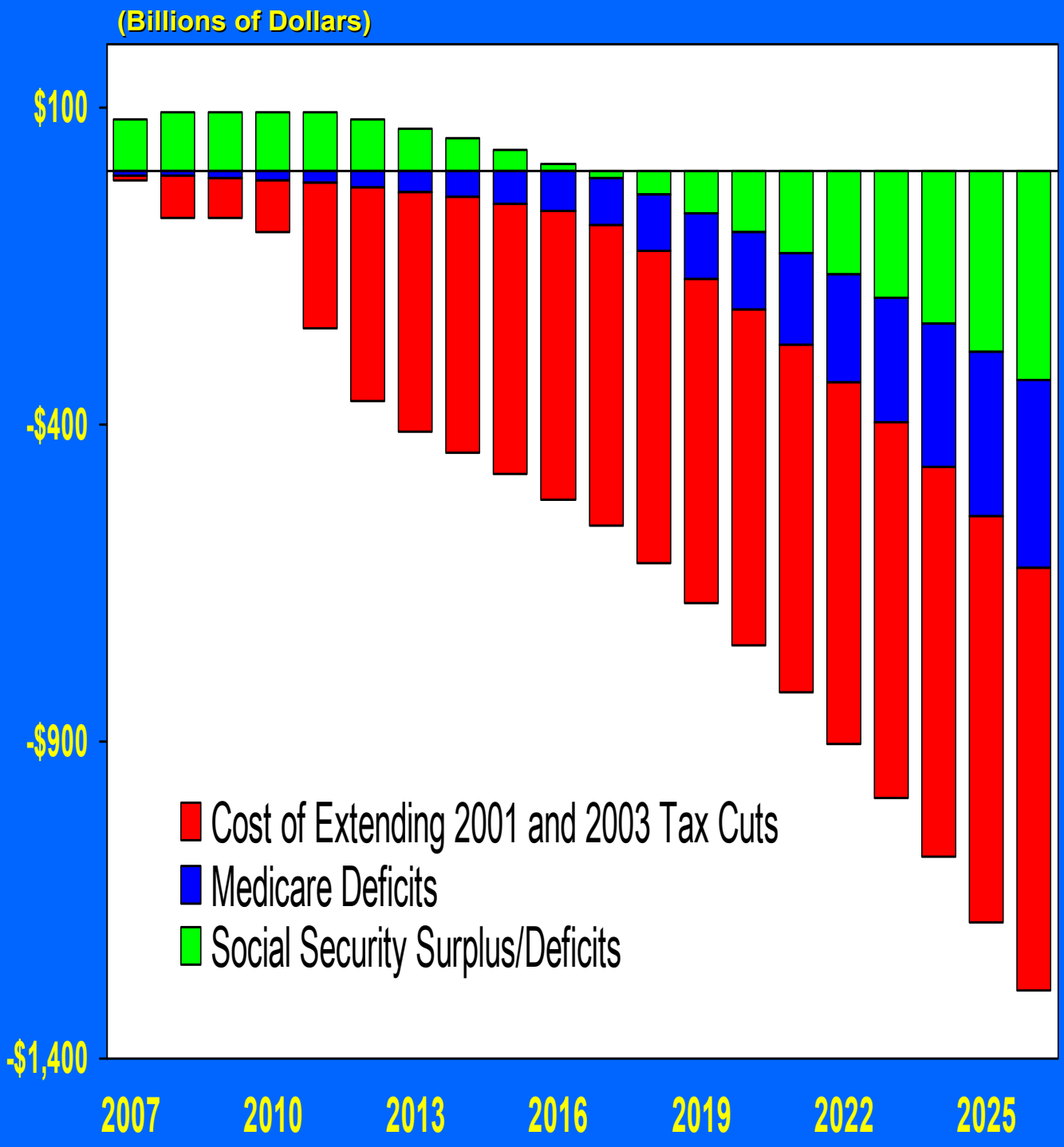
It Took 42 Presidents 224 Years to Build Up Same Level of Foreign-Held Debt

224 Years
(1776-2000)

6 Years
(2001-2006)

Source: U.S. Treasury

Tax Cuts Explode as Trust Fund Cash Surpluses Become Deficits
FY 2007-2026

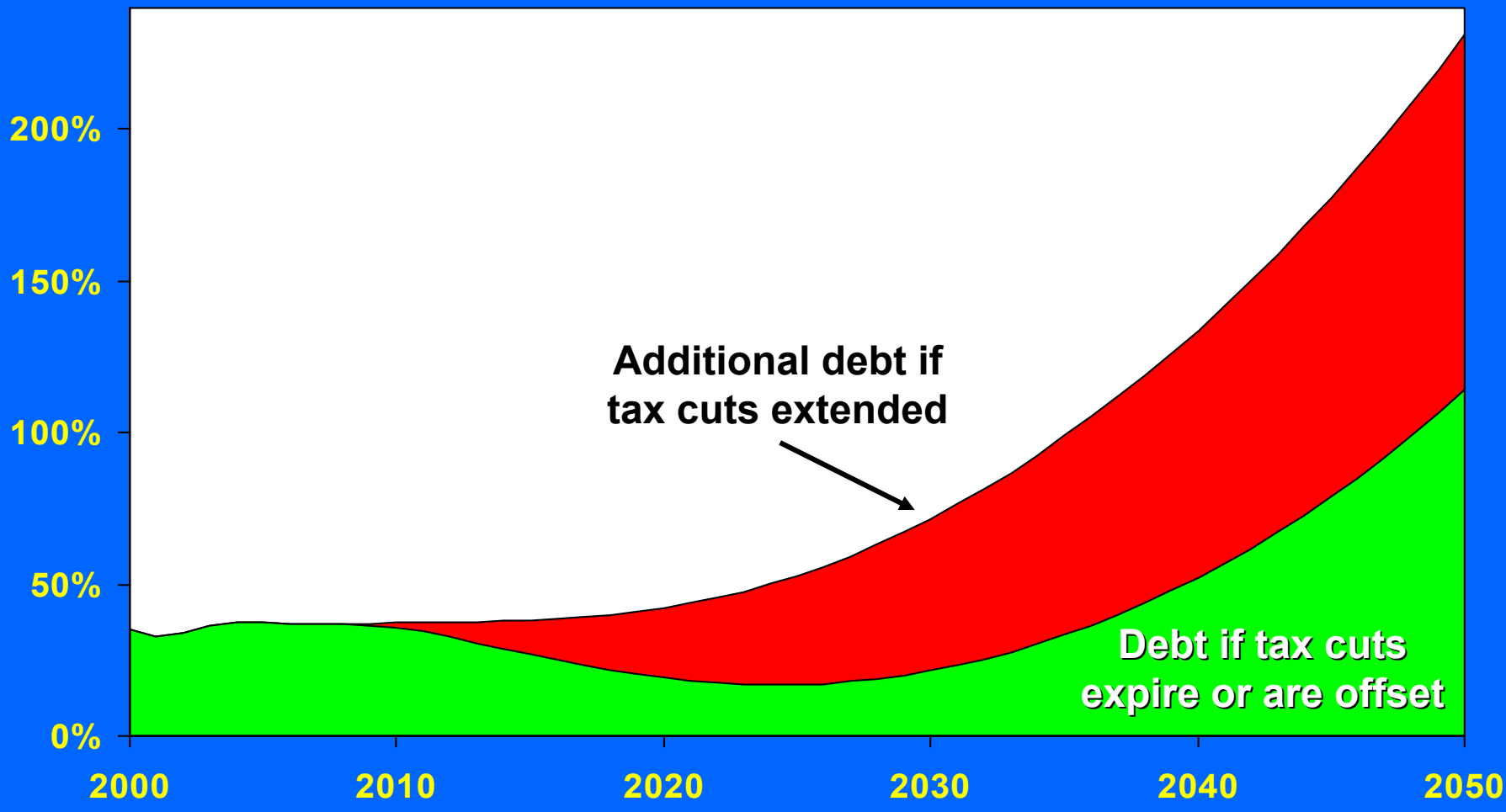


Source: Social Security Trustees 2006 Annual Report, CBO, CBPP, and SBC Democratic staff

Jan 10

Debt Explodes if All Tax Cuts are Extended Without Offsets

Debt as a Share of the Economy



Source: CBPP projections based on CBO data.

Fed Chairman Bernanke Believes Tax Cuts Do Not Pay for Themselves

"I don't think that, as a general rule, that tax cuts pay for themselves."

–Federal Reserve Chairman Ben Bernanke
Testimony before Joint Economic Committee
April 27, 2006

Former Federal Reserve Chairman Greenspan Rejects Claims That Tax Cuts Will Pay For Themselves

"It is very rare and very few economists believe that you can cut taxes and you will get the same amount of revenues."

– Former Federal Reserve Chairman
Alan Greenspan
Testimony before House Budget Committee
September 8, 2004

Former Chairman of Bush Council of Economic Advisers Believes Tax Cuts Do Not Pay For Themselves

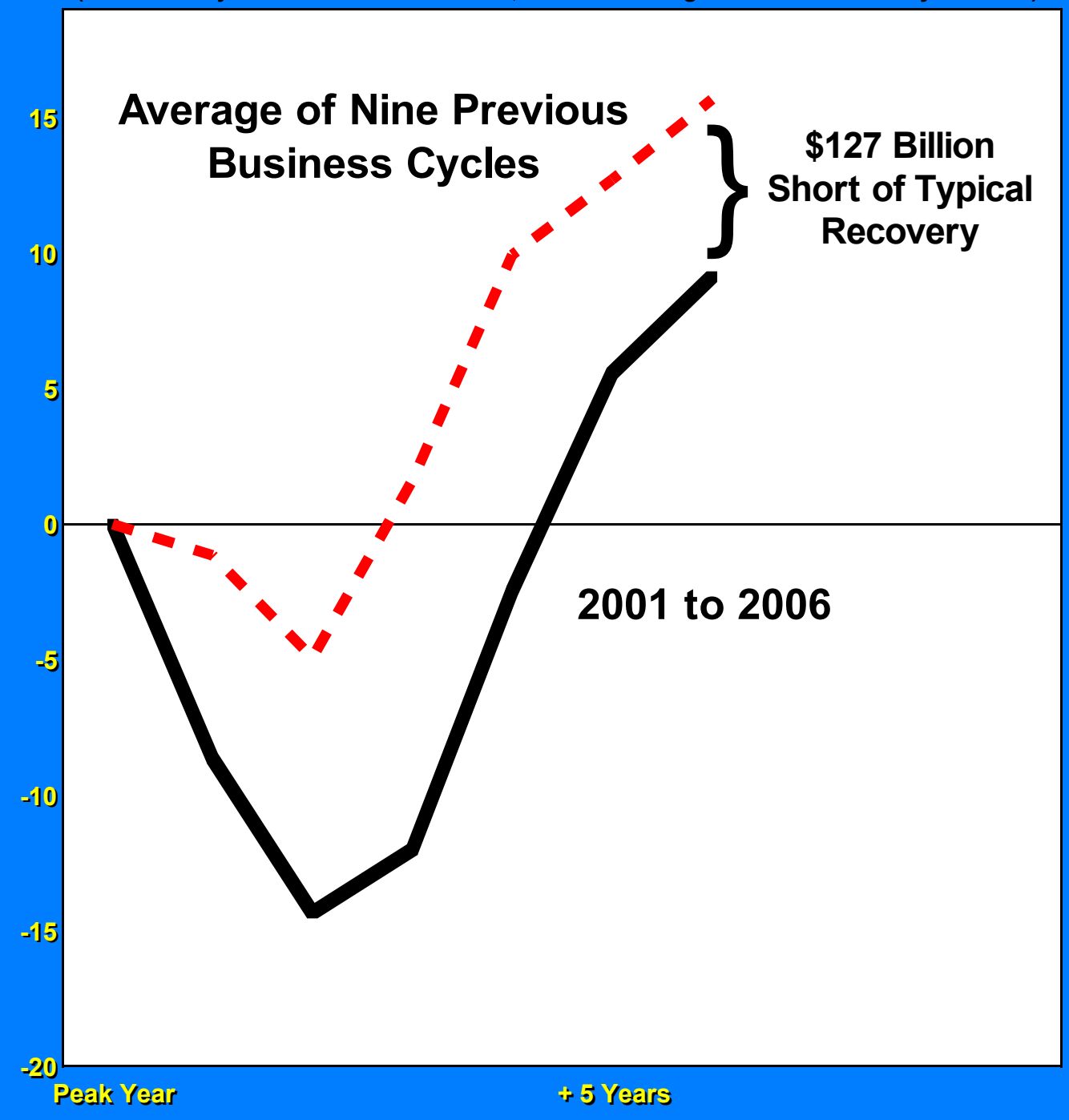
"[There is] no credible evidence that tax revenues ... rise in the face of lower tax rates."

"[An economist claiming tax cuts pay for themselves is like a] snake oil salesman who is trying to sell a miracle cure."

– Former Chairman of President's Council of Economic Advisers N. Gregory Mankiw
Introductory college economics textbook,
"Principles of Economics," 1998

Real Revenues Lag Typical Recovery Even with Recent Revenue Gains

(Inflation-Adjusted Federal Revenues, Percent Change from Business-Cycle Peak)



Source: CBO, OMB