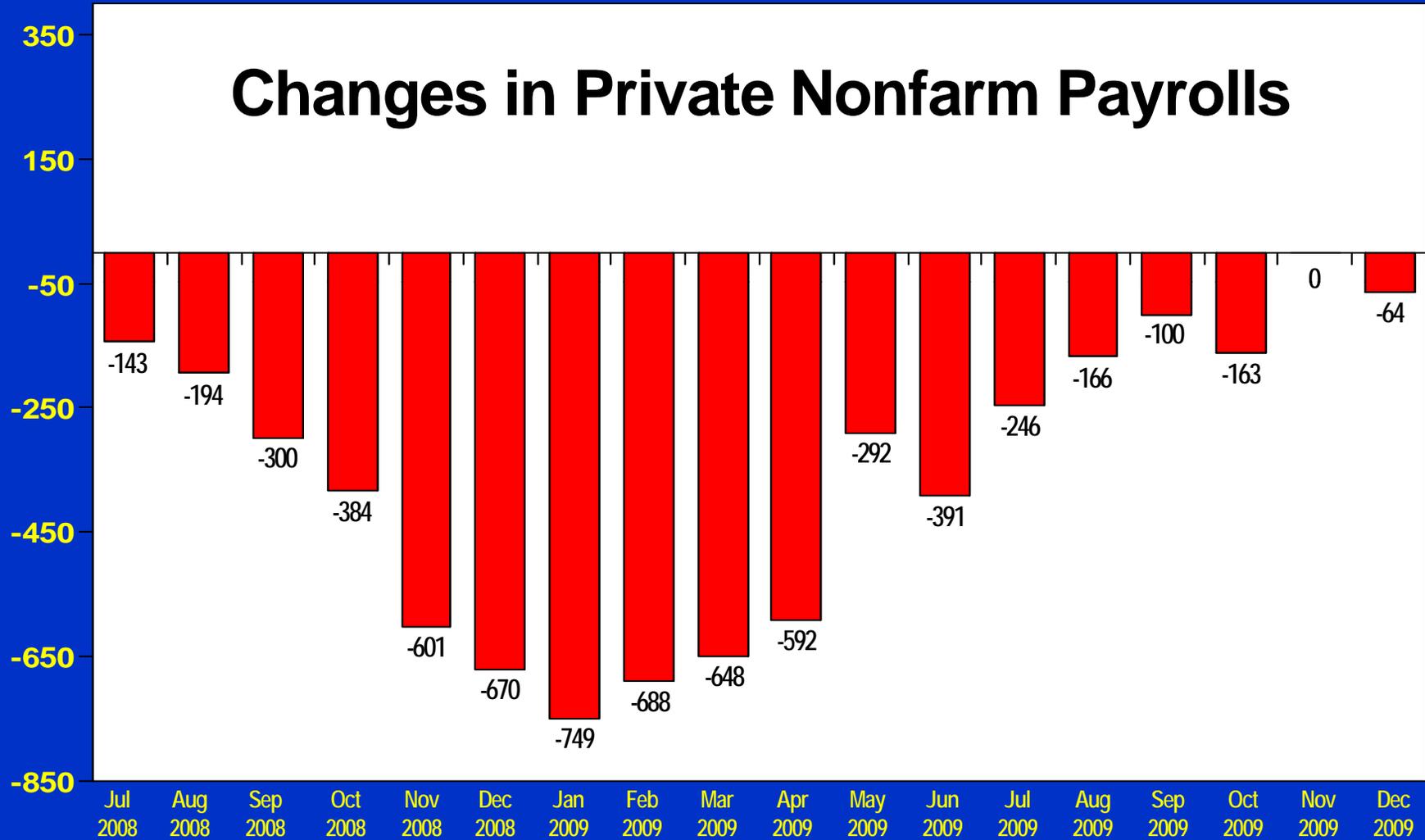


What President Obama Inherited

- **Record deficits, doubling of national debt**
- **Worst recession since Great Depression**
- **Financial market and housing crises**
- **Ongoing wars in Iraq and Afghanistan**
- **Unsustainable long-term budget outlook**
 - **rising health care costs**

Jobs Picture

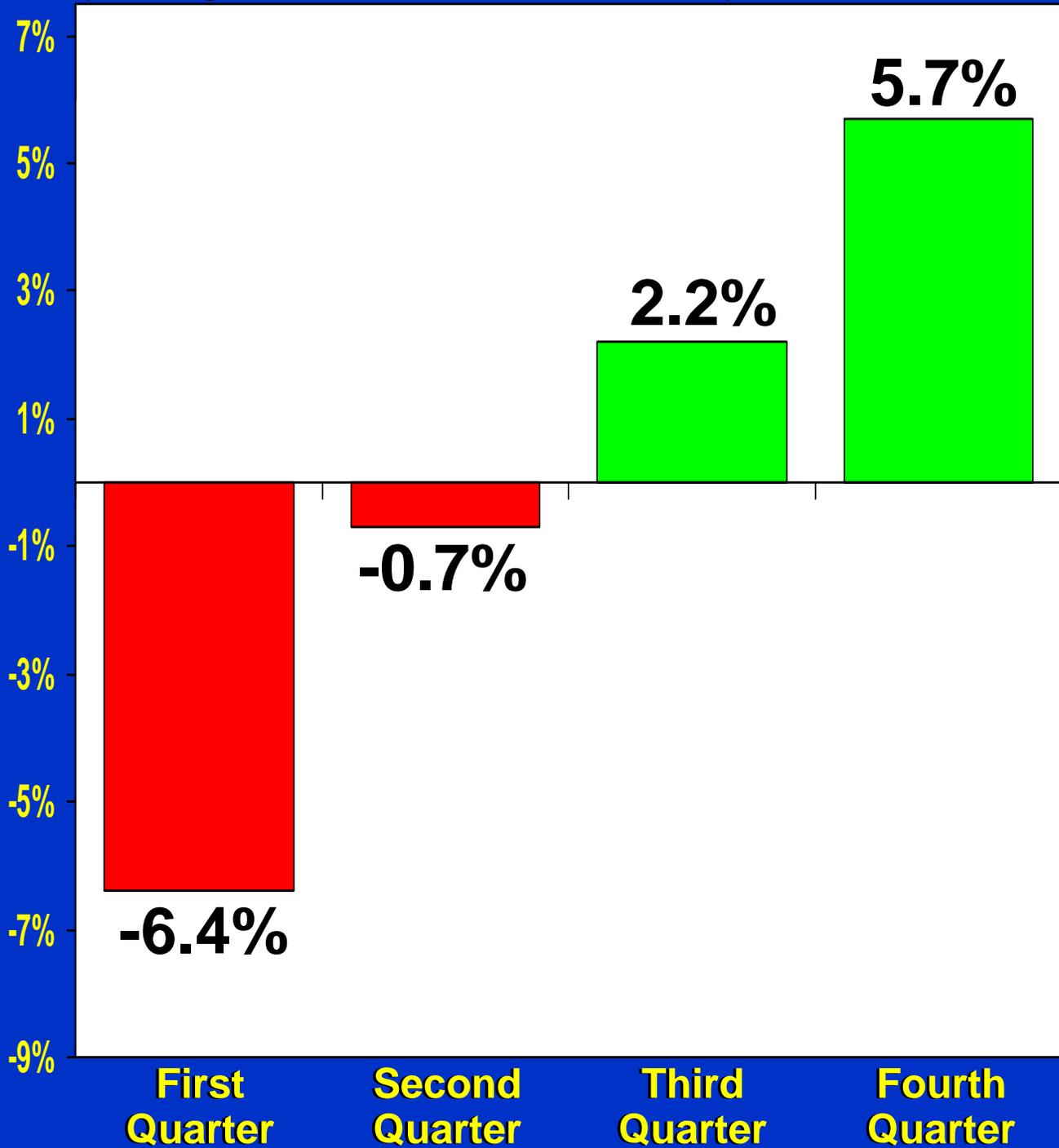
(Thousands of jobs, monthly from July 2008 through December 2009)



Sources: Bureau of Labor Statistics, U.S. Department of Labor

Economic Performance Improving

(Percent growth of real GDP in 2009, annual rate)



Sources: Bureau of Economic Analysis, U.S. Department of Commerce

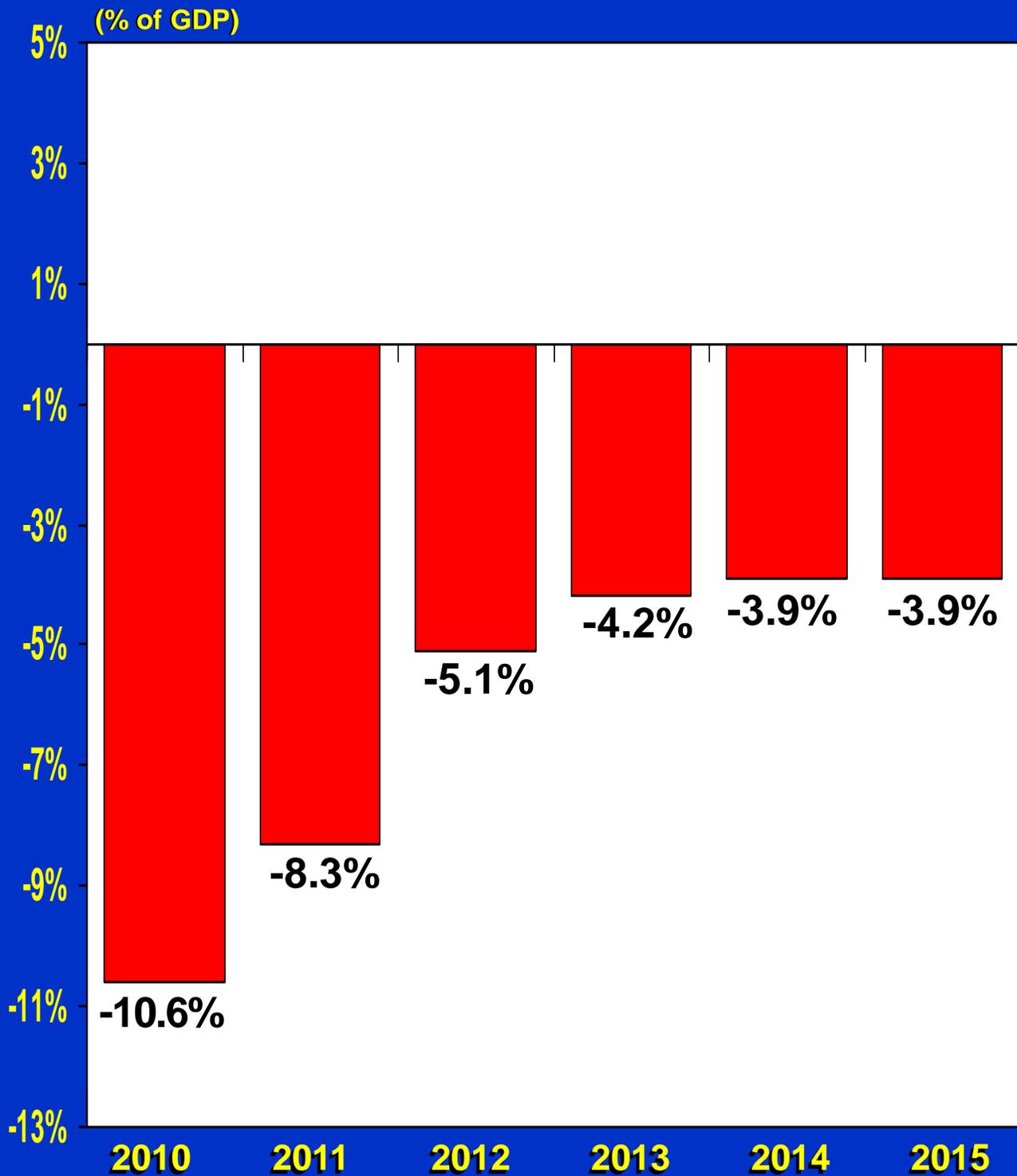
Revenue Proposals in Obama 2011 Budget

Extend 2001 and 2003 tax cuts for those under \$250,000; estate tax at 2009 level; AMT relief	-\$3.1 T
Other tax relief for families and businesses	-\$293 B
Temporary recovery measures (Making Work Pay, bonus depreciation, other jobs initiatives)	-\$83 B
Health reform revenue (placeholder)	\$743 B
Limit itemized deductions to 28% rate	\$291 B
International tax reforms	\$122 B
Financial crisis responsibility fee	\$90 B
Other loophole closers and reforms	<u>\$309 B</u>
Total Tax Cuts	-\$1.9 T

Source: OMB

Note: 2011-2020; totals include the refundable portion of tax proposals.

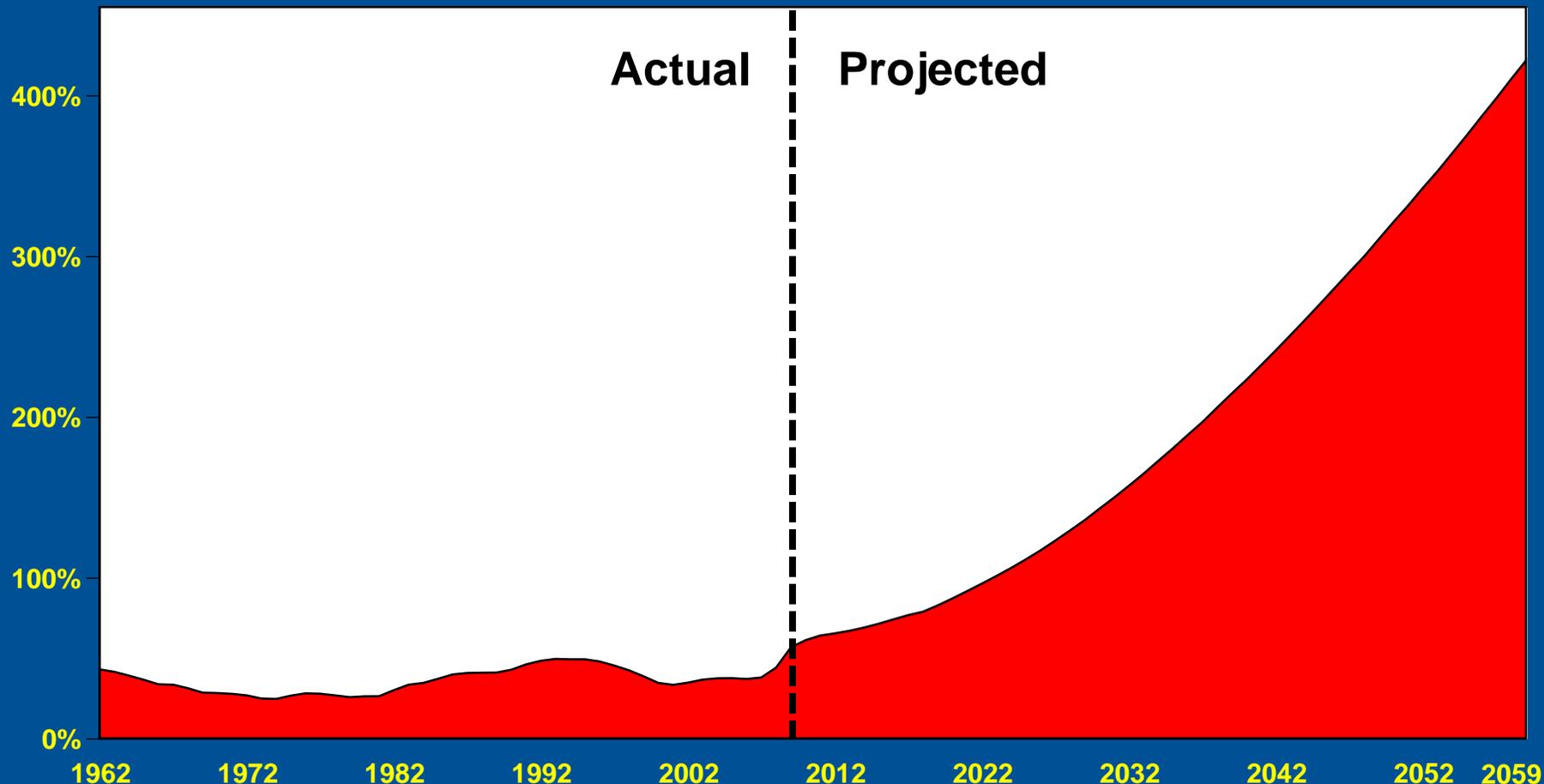
Deficit as Percent of GDP Under Obama Budget



Source: President Obama's FY 2011 Budget

Federal Debt Soars Under CBO Long-Term Budget Scenario

(Debt held by the public as a percent of GDP)



Source: CBO Long-Term Budget Outlook, June 2009

Note: CBO alternative fiscal scenario with tax cuts made permanent, AMT indexed for inflation, and Medicare physician payments growing with higher MEI rate.

President Obama on Establishing Bipartisan Fiscal Commission

“A decade of irresponsible choices has created a fiscal hole that will not be solved by a typical Washington budget process that puts partisanship and parochial interests above our shared national interests. That is why, working with Congress, we will establish a bipartisan fiscal commission charged with identifying additional policies to put our country on a fiscally sustainable path...”

**– President Barack Obama
The Budget Message of the President
The Budget for Fiscal Year 2011
February 1, 2010**