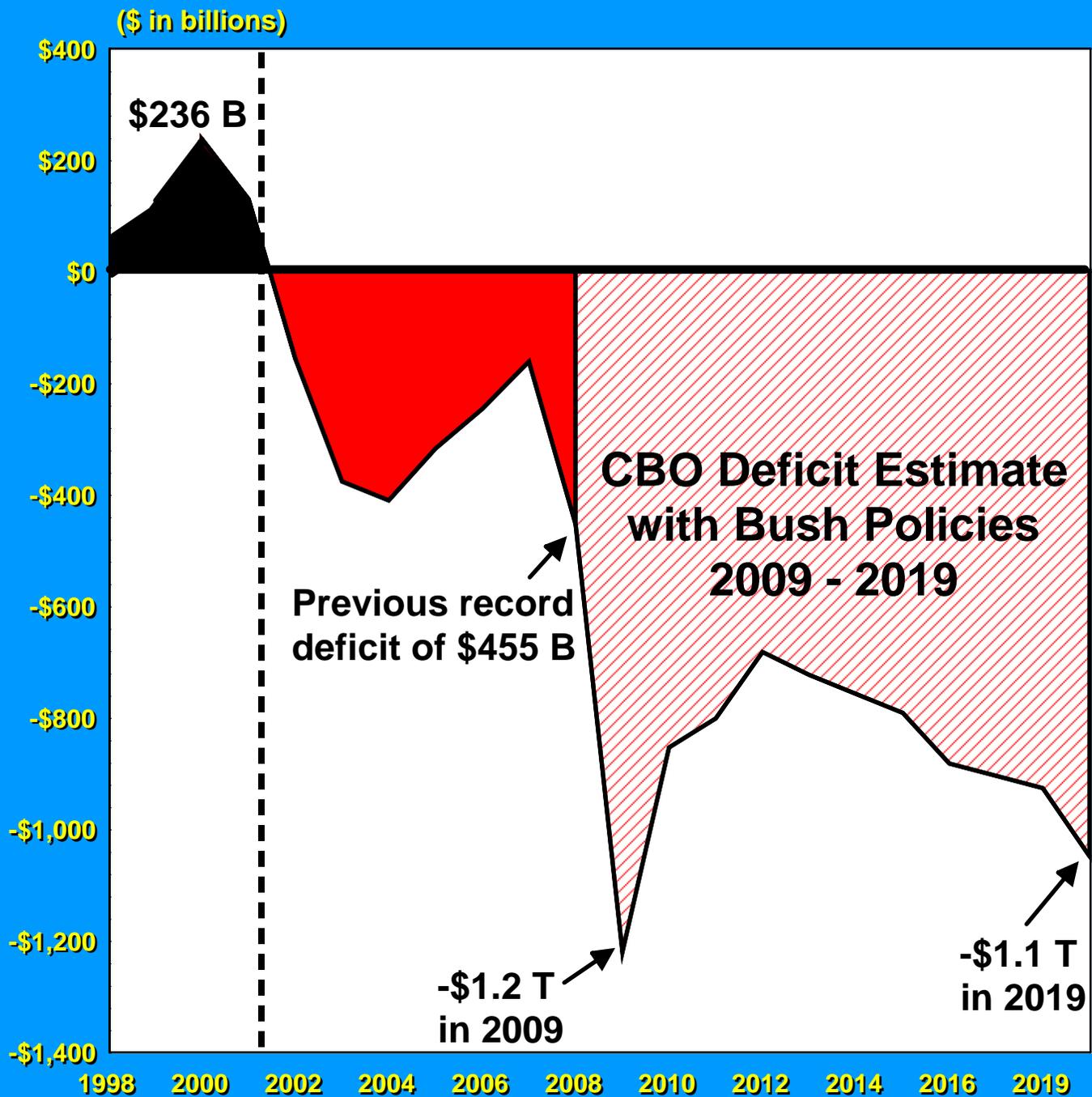


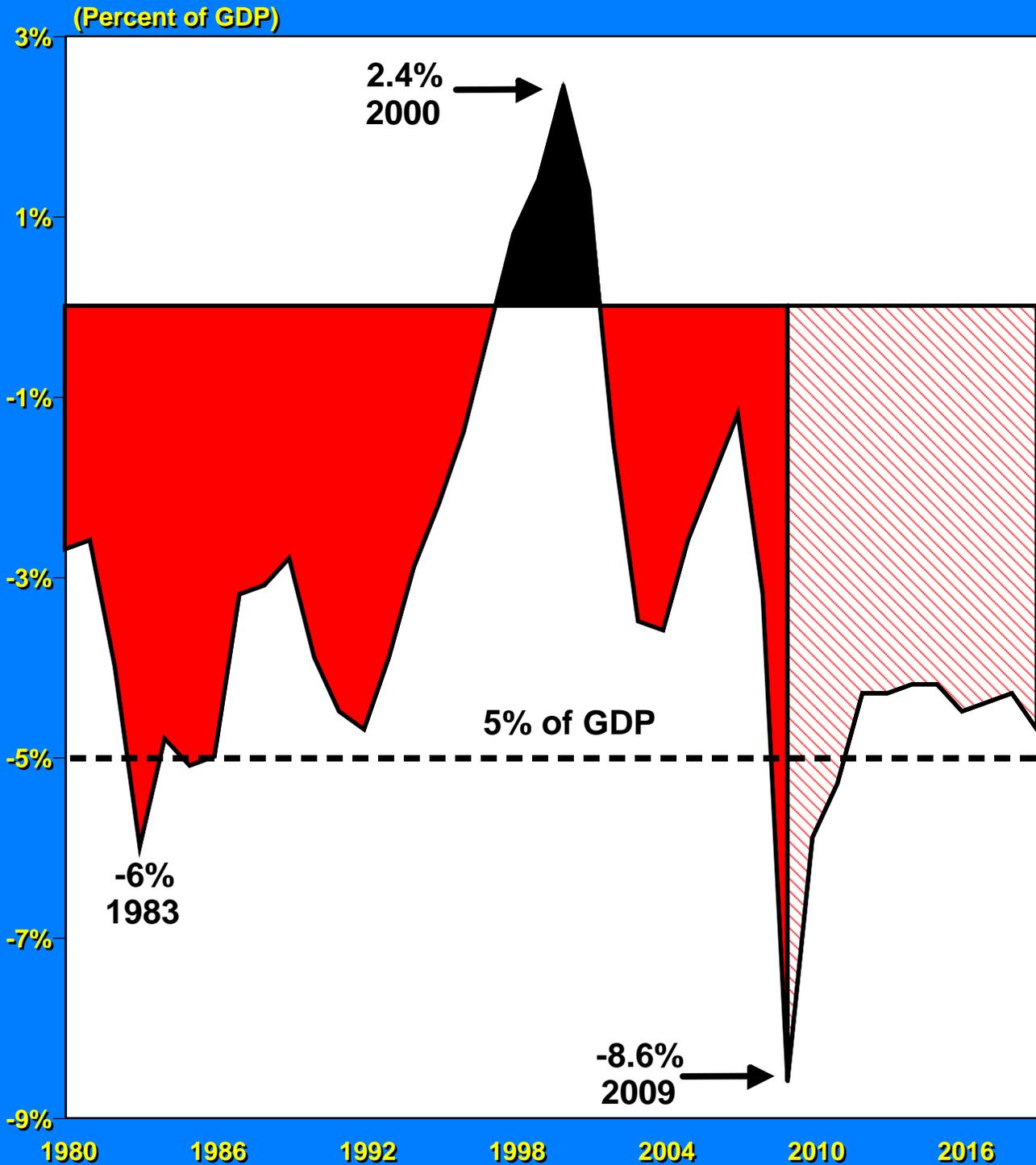
Ten-Year Budget Outlook



Sources: CBO and SBC

Note: CBO January 2009 estimate with tax cuts made permanent, AMT reform, ongoing war costs, and without extension of 2009 emergencies.

Deficit as a Percent of GDP

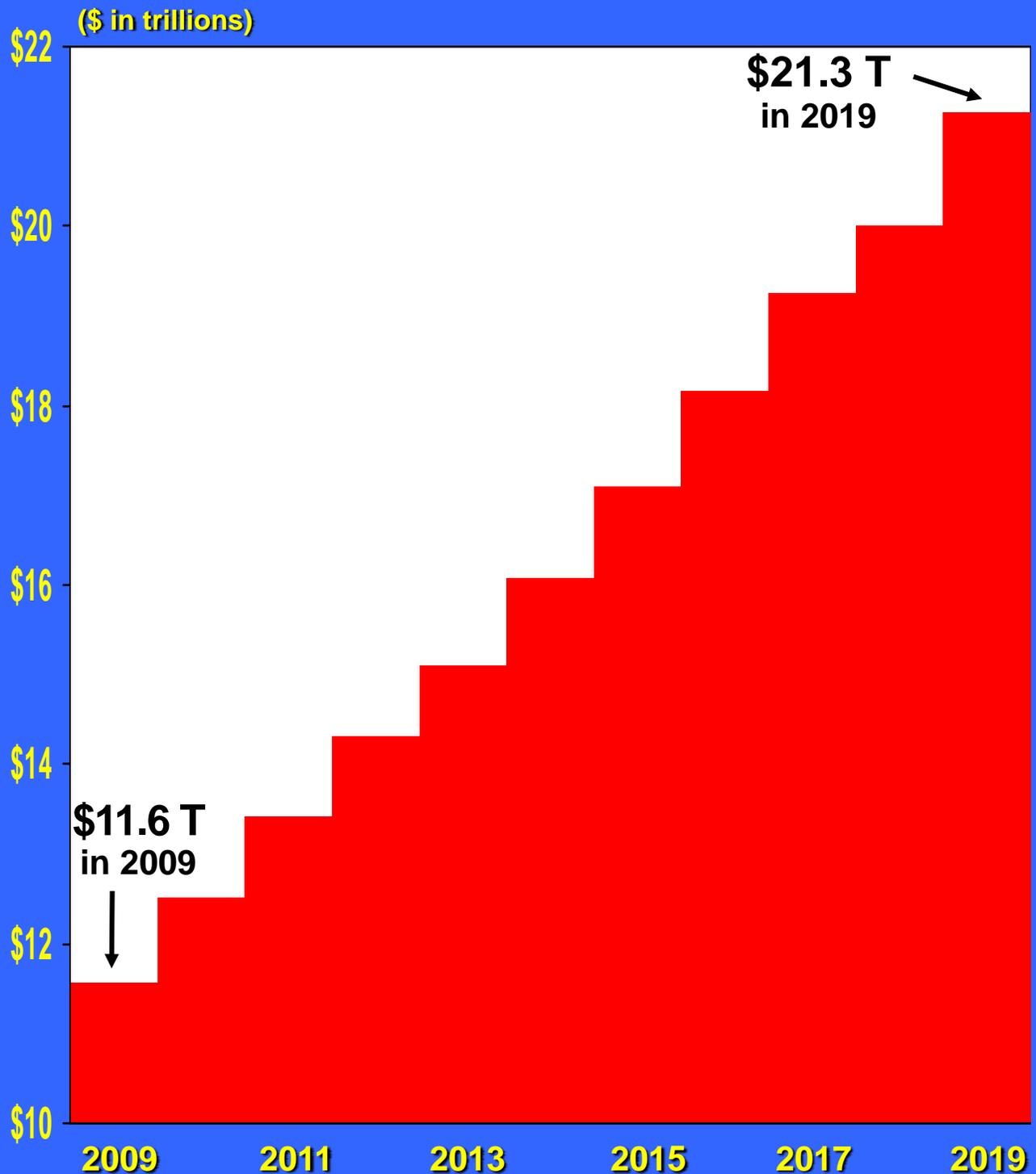


Source: CBO, SBC

Note: CBO January 2009 estimate with tax cuts extended, AMT reform, ongoing war costs, and without extension of 2009 emergencies.

Building a Wall of Debt

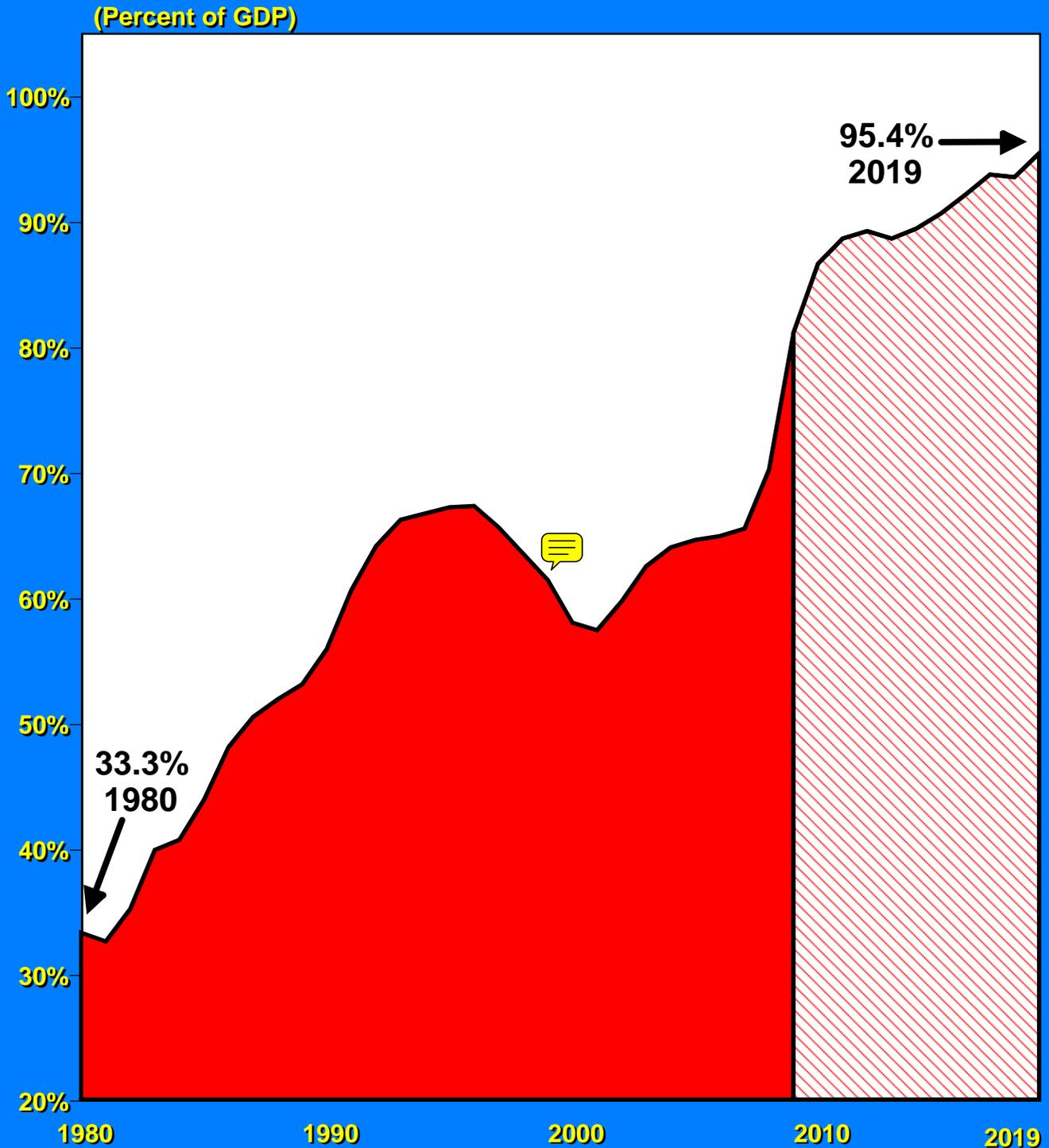
Gross Federal Debt Soars



Sources: CBO, SBC

Note: 2009 estimate from CBO January Budget Outlook with tax cuts extended, AMT reform, and ongoing war costs.

Gross Debt as a Percent of GDP



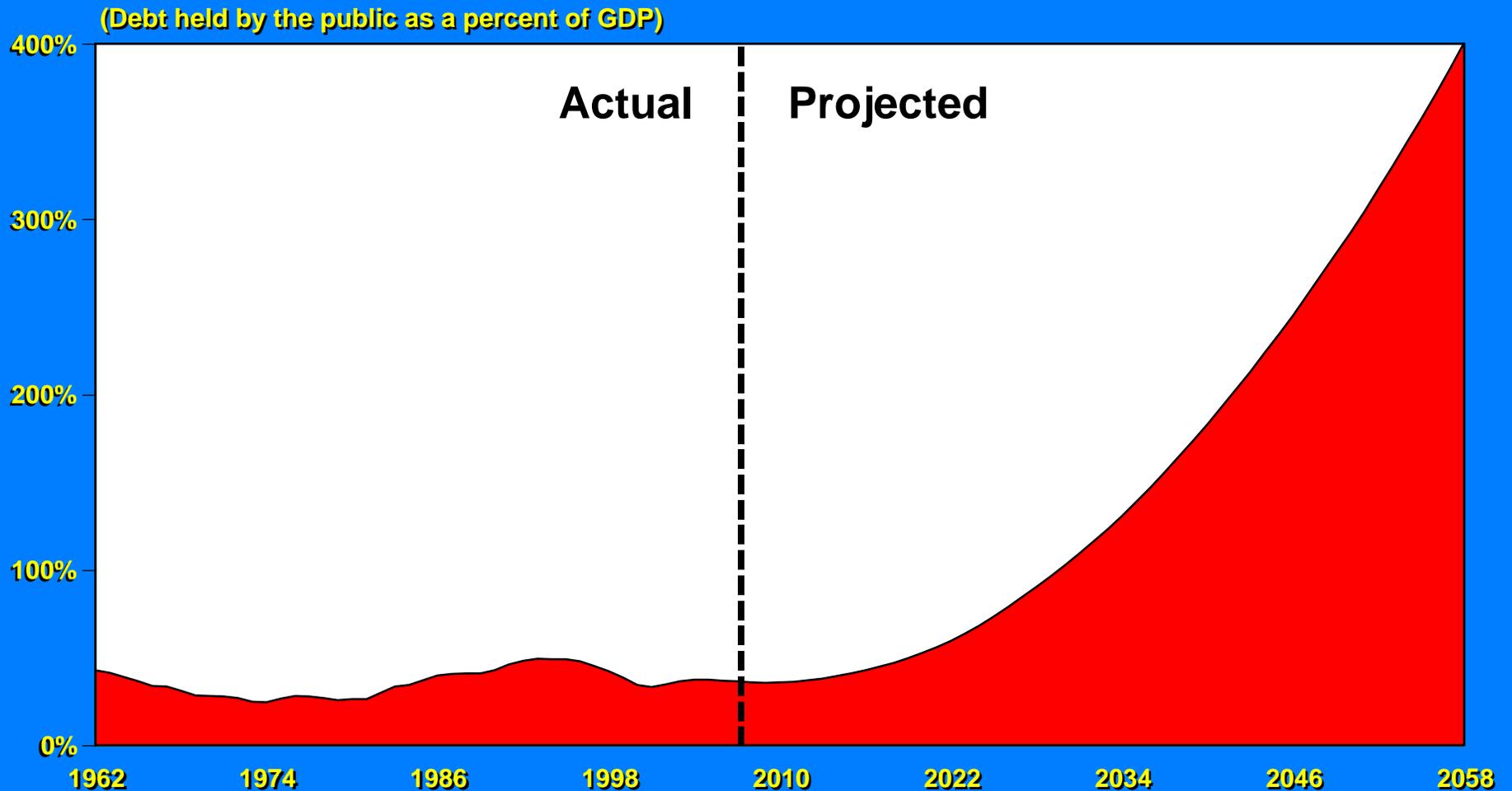
Source: CBO, SBC

Note: CBO January 2009 estimate with tax cuts extended, AMT reform, ongoing war costs, and without extension of 2009 emergencies.

Major Initiatives That Could Further Add to Debt

- Economic recovery package
- Additional tax cuts
- Health care reform
- Additional defense spending

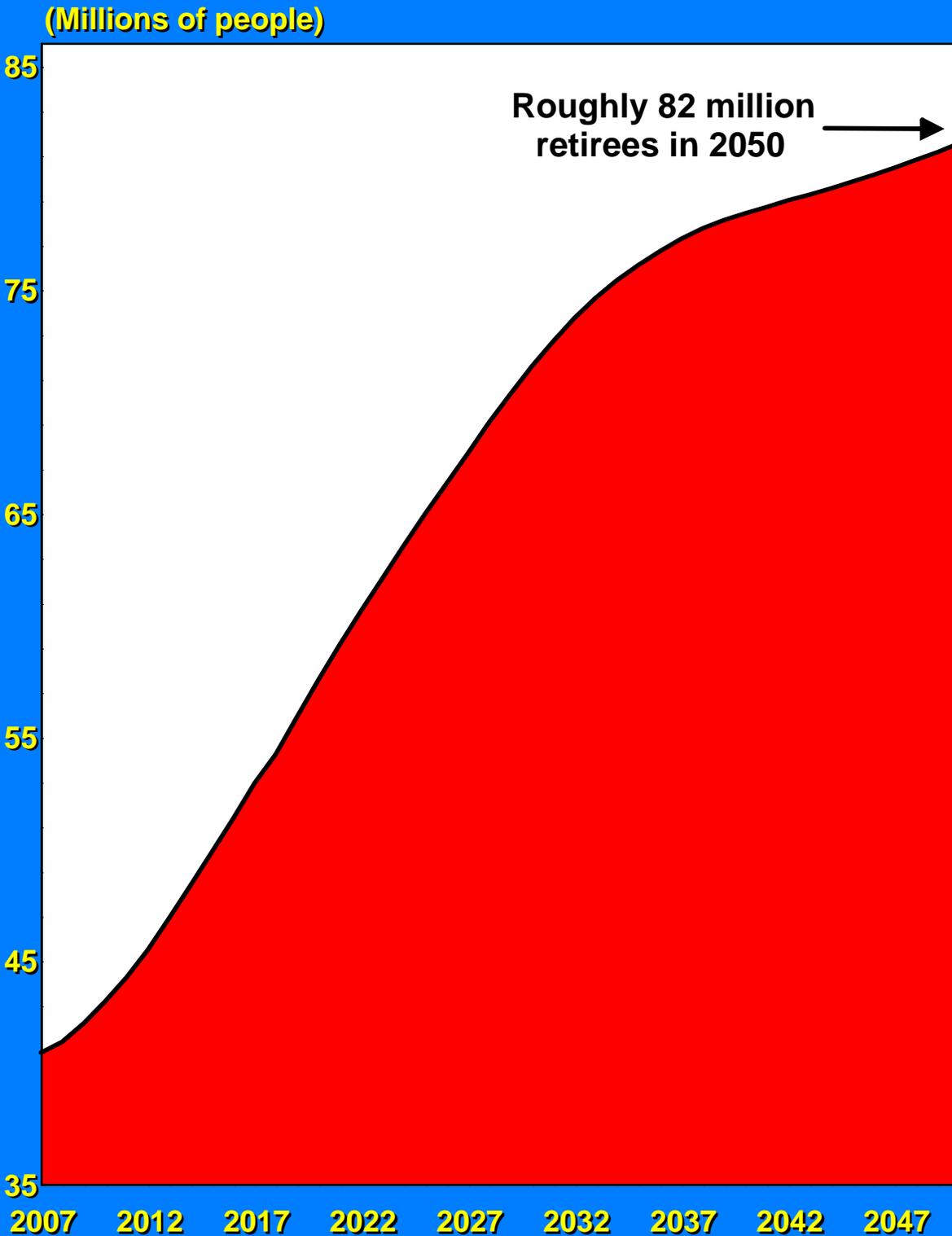
Federal Debt Soars Under CBO Long-Term Budget Scenario



Source: CBO Long-Term Budget Outlook, December 2007

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

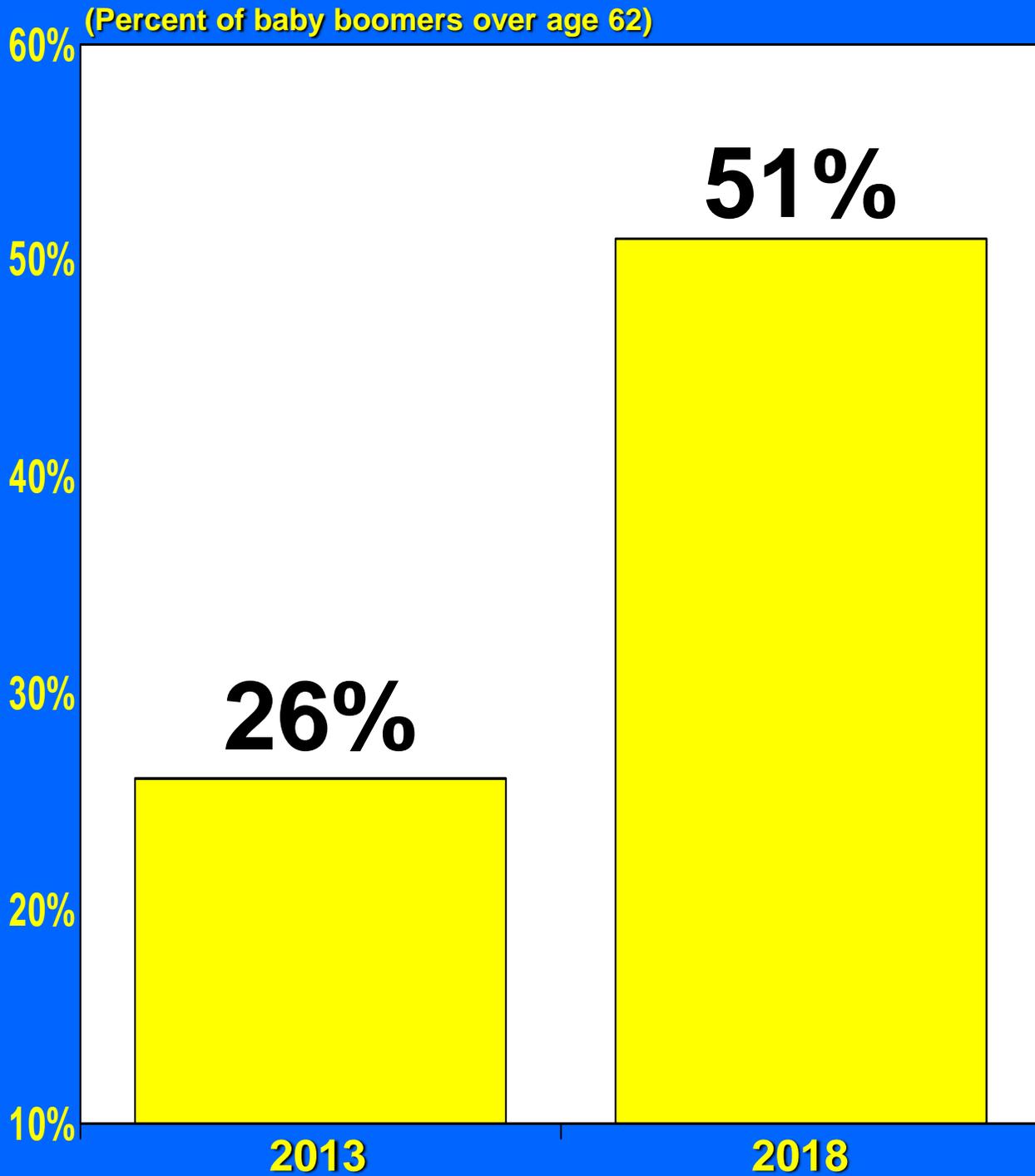
Baby Boom Generation Creates Demographic Tidal Wave



Source: 2008 Social Security Trustees Report

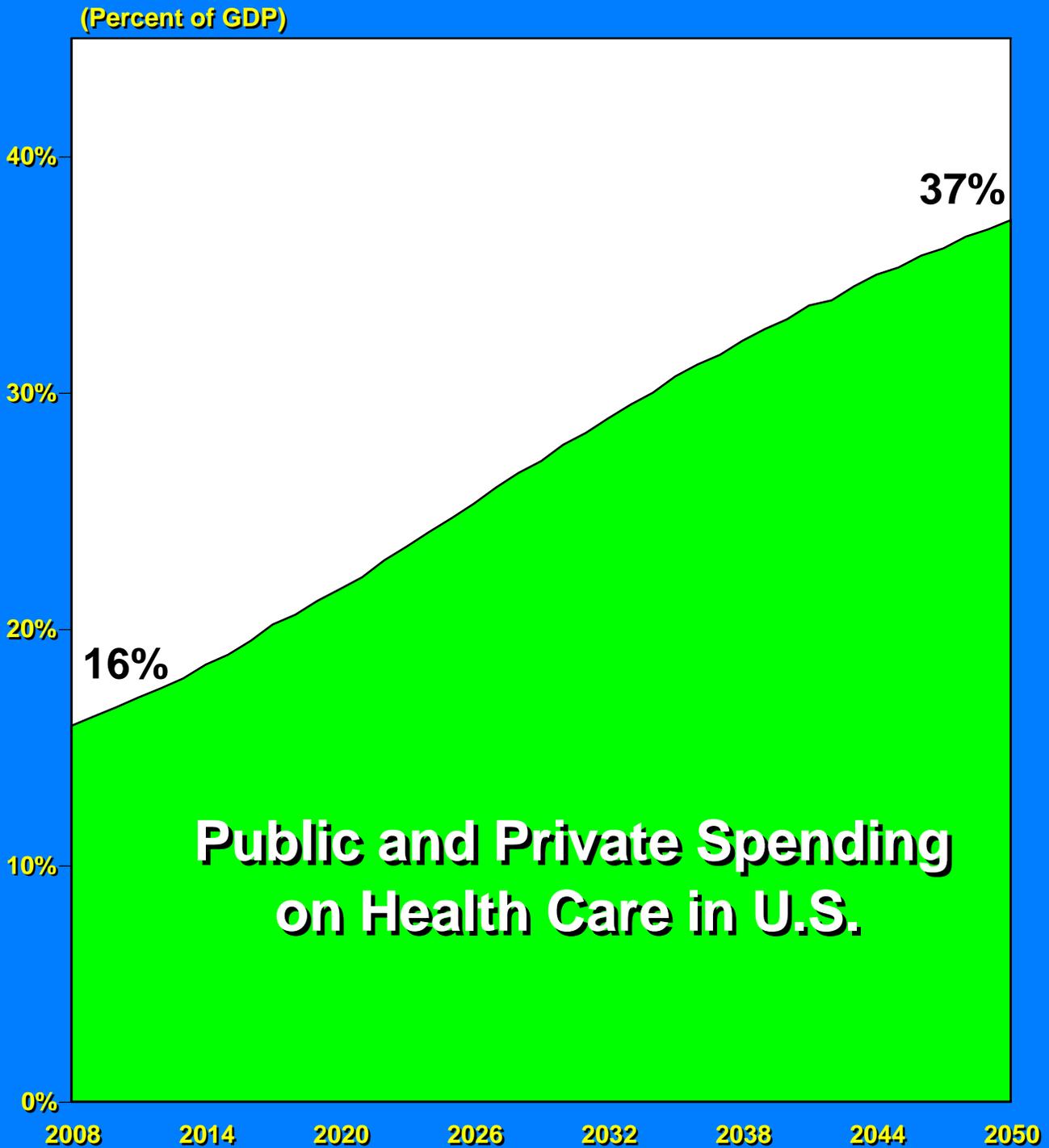
Note: OASI beneficiaries

Within Decade, More Than Half of Baby Boomers Will Reach Early Retirement Age



Source: CBO

Total Health Expenditures as Percent of GDP



Source: CBO Long-Term Outlook for Health Care Spending, November 2007.

Conrad-Gregg Bipartisan Fiscal Task Force

- **To address long-term fiscal imbalance**
- **Panel of lawmakers and Administration officials**
- **Everything on table**
- **Fast-track consideration; Congress must vote**
- **Bipartisan outcome**