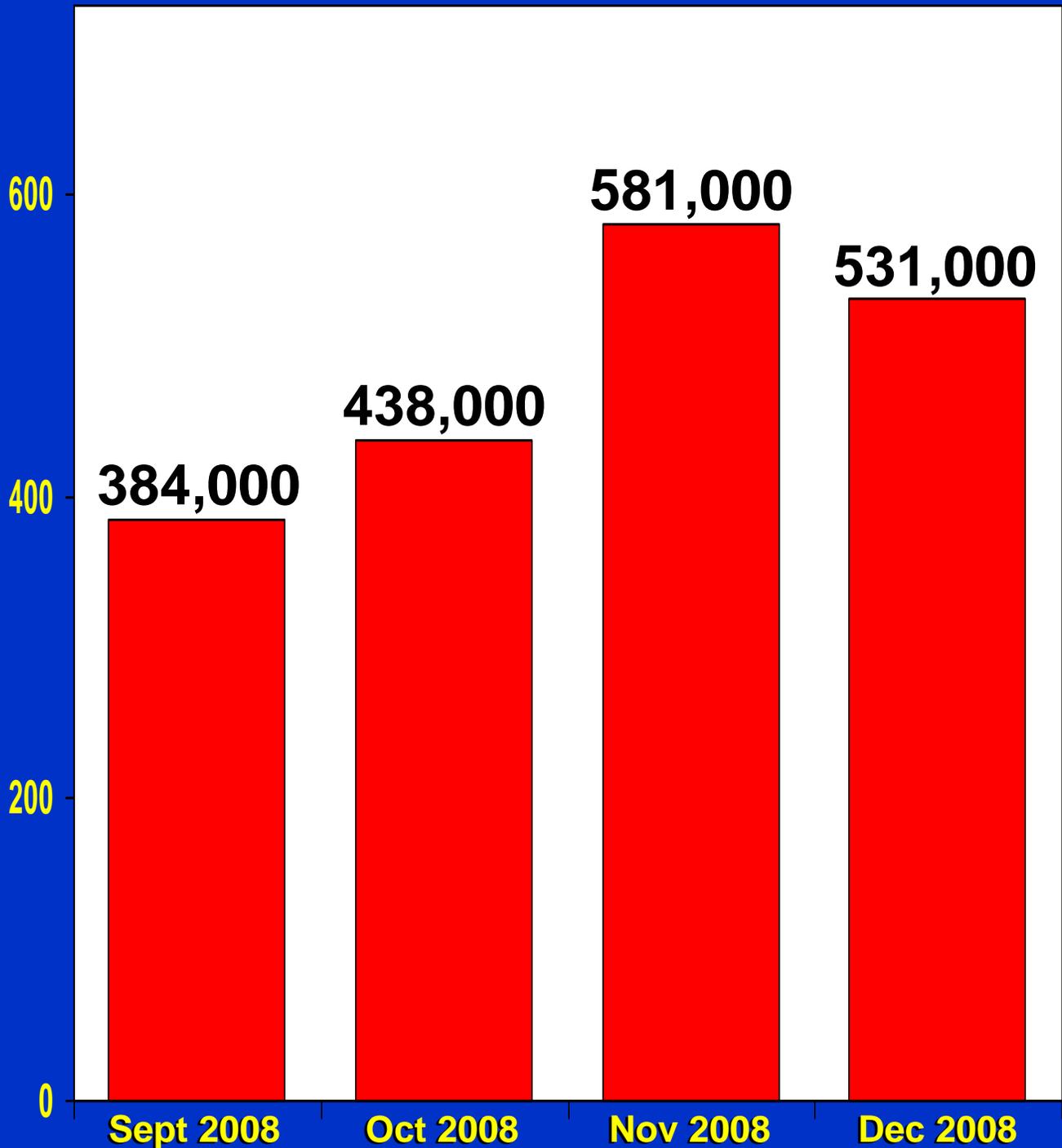


1.9 Million Private Sector Jobs Lost in Last Four Months

(Monthly change, thousands of jobs lost)



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

Economic Recovery Package

- **Designed to jumpstart economy, create jobs, and lay foundation for long-term economic growth**
- **Investments in infrastructure, energy, health, education**
- **Tax cuts for middle-class workers, families, and businesses**
- **Increased food stamp and unemployment insurance benefits**

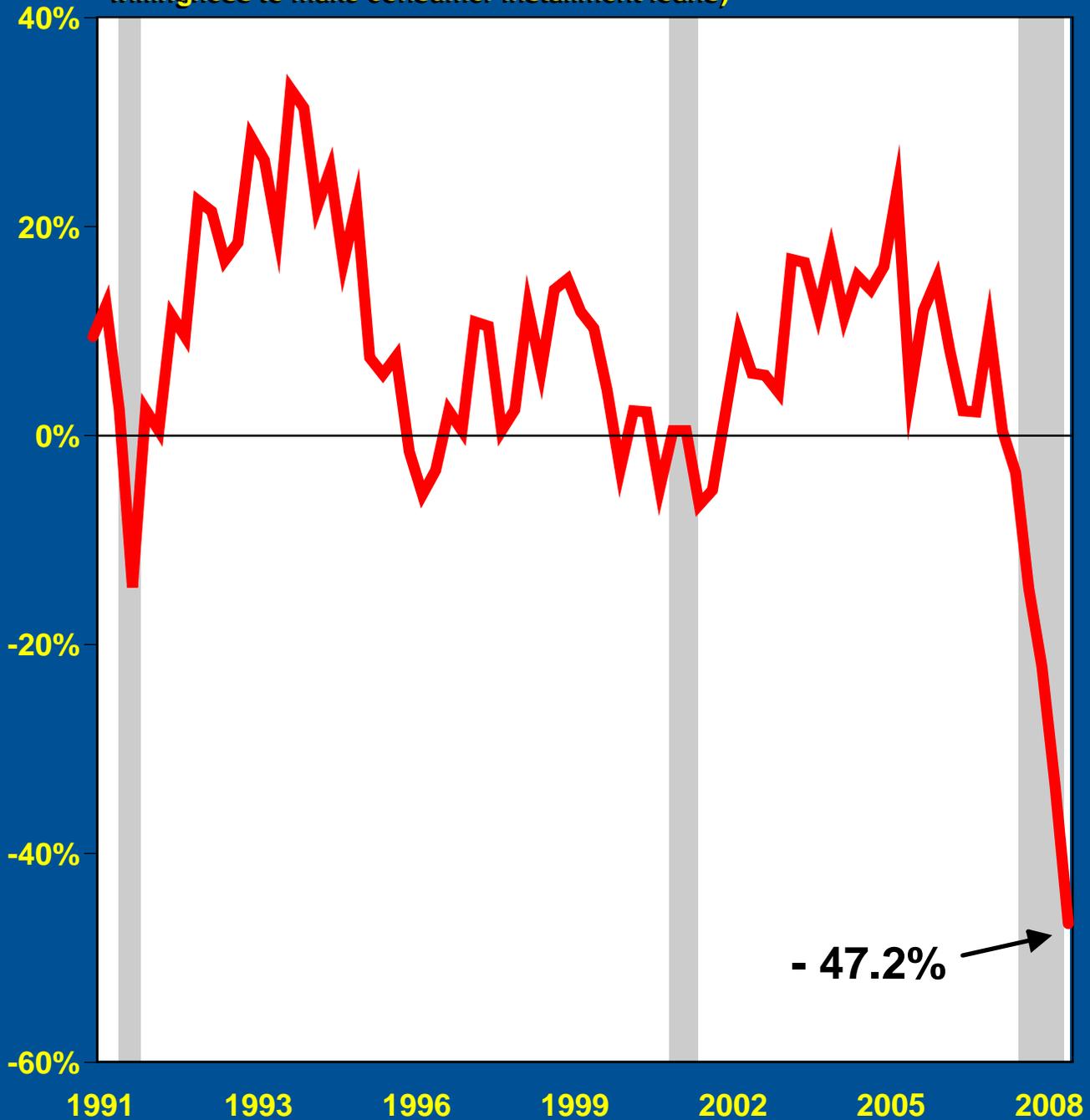
Housing Crisis Continues

- One out of five mortgages is “underwater” – with home worth less than remaining balance
- One out of ten mortgages is delinquent or in foreclosure

Credit Crisis Continues

Banks' Willingness to Lend Plummet

(Net percentage of U.S. banks reporting an increased willingness to make consumer installment loans)



Sources: Board of Governors, Federal Reserve;
National Bureau of Economic Research.
Note: Shaded regions indicate periods of recession.
Quarterly data through fourth quarter of 2008.

Economist on Need to Address Housing and Financial Crisis

“As you debate a new fiscal stimulus package, therefore, keep in mind that tax cuts and stepped up infrastructure outlays, whatever their merits, don’t get to the causes of this downturn. They mainly tackle its symptoms.

“In my view, two critical ingredients are still missing from the policy menu: first, cleaning up the lenders’ balance sheets and second, mitigating mortgage foreclosures. Lenders will start lending again when they feel secure about their balance sheets.... Likewise, mitigating foreclosures is necessary to stem the slide in home prices, slow credit losses and reduce the pressure on household wealth.”

**– Richard Berner, Managing Director and
Chief U.S. Economist, Morgan Stanley
Testimony before Senate Budget Committee
January 15, 2009**

President Obama on Need for a “Fiscal Responsibility Summit”

“What we have done is kicked this can down the road. We are now at the end of the road and are not in a position to kick it any further.... We have to signal seriousness in this by making sure some of the hard decisions are made under my watch, not someone else’s.”

**–Then-President-elect Barack Obama
As quoted in *The Washington Post*
January 16, 2009**