

What President Obama Is Inheriting

- **Record deficits, doubling of national debt**
- **Worst recession since Great Depression**
- **Financial market and housing crises**
- **3.3 million jobs lost in last six months**
- **Ongoing wars in Iraq and Afghanistan**

Obama Budget Has Key Improvements Over Bush Budgets

- **More transparency, accounts for war costs**
- **Better priorities – key investments in energy, education, health care**
- **Cuts deficit in half**

Revenue Changes in Obama Budget

Extend 2001 and 2003 tax cuts for those under \$250,000	-\$2.0 T
Making Work Pay / other provisions for individuals, businesses	-\$940 B
AMT relief	-\$576 B
Cap and Trade	\$646 B
Loophole closures, international reforms	\$353 B
Limit itemized deductions (not in budget totals)	<u>\$318 B</u>
Total Tax Cuts	-\$2.2 T

Source: OMB

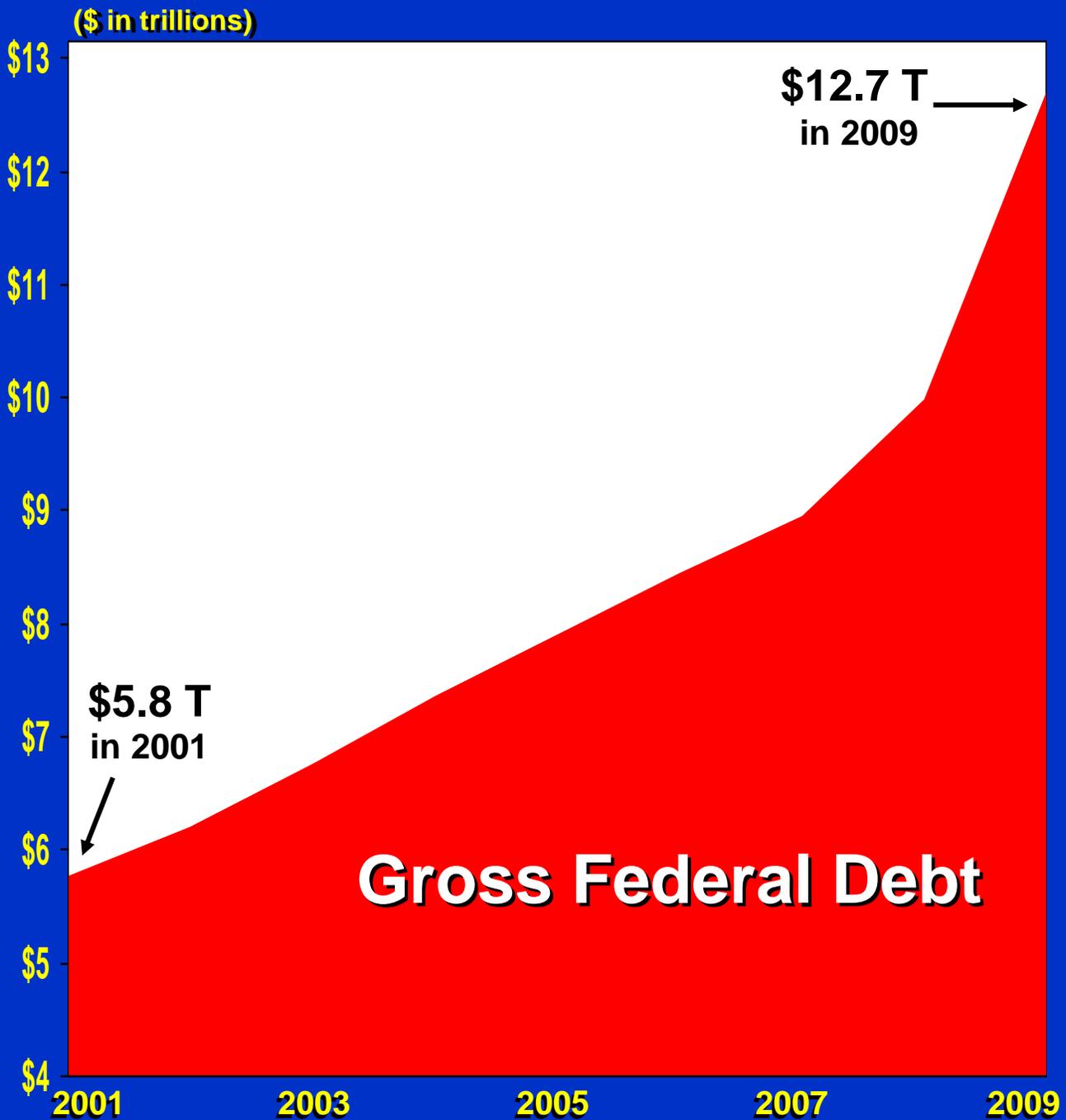
Note: Revenue totals include outlays associated with refundable tax provisions.

President Obama Committed to Paying for Cost of Health Reform

“We’ve also set aside in our budget a health care reserve fund to finance comprehensive reform. I know that more will be required, but this is a significant down payment that’s fully paid for, does not add one penny to our deficit.”

**–President Barack Obama
Remarks at White House Health Summit
March 5, 2009**

Federal Debt Soars Under Bush Administration



Source: OMB, CBO

Note: 2009 estimate includes debt related to policies begun under the Obama administration including the economic recovery package.