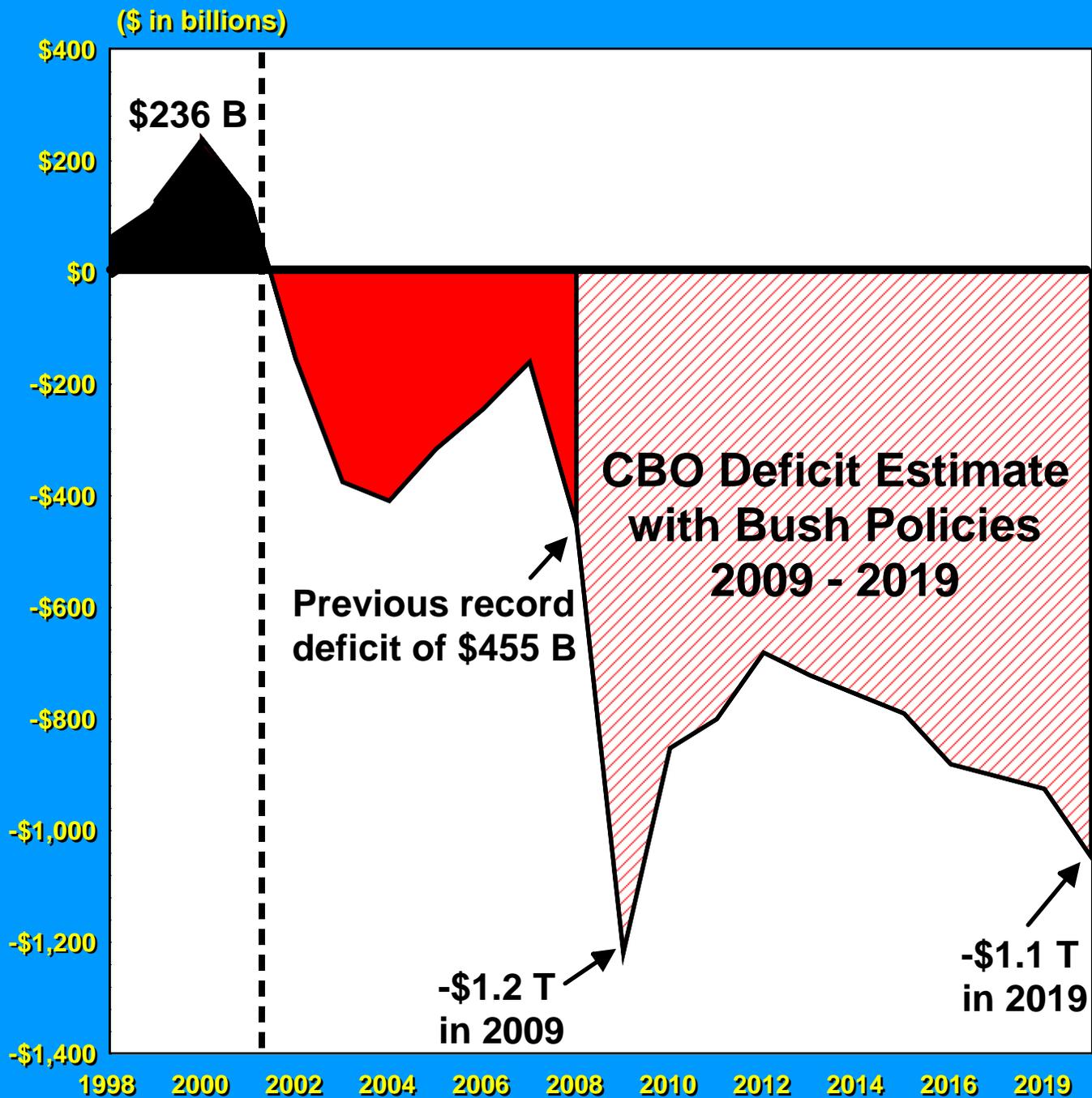


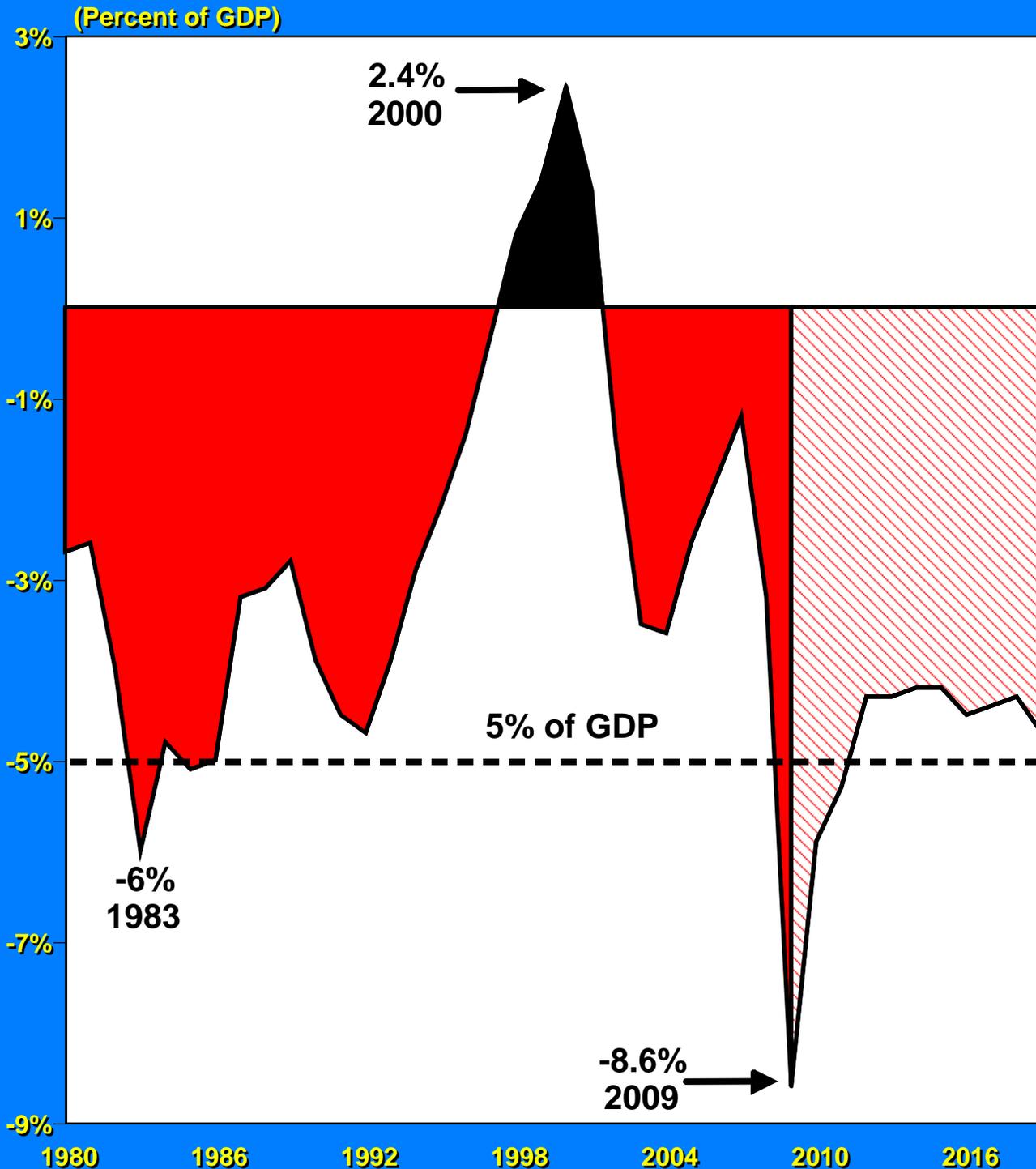
# Ten-Year Budget Outlook



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

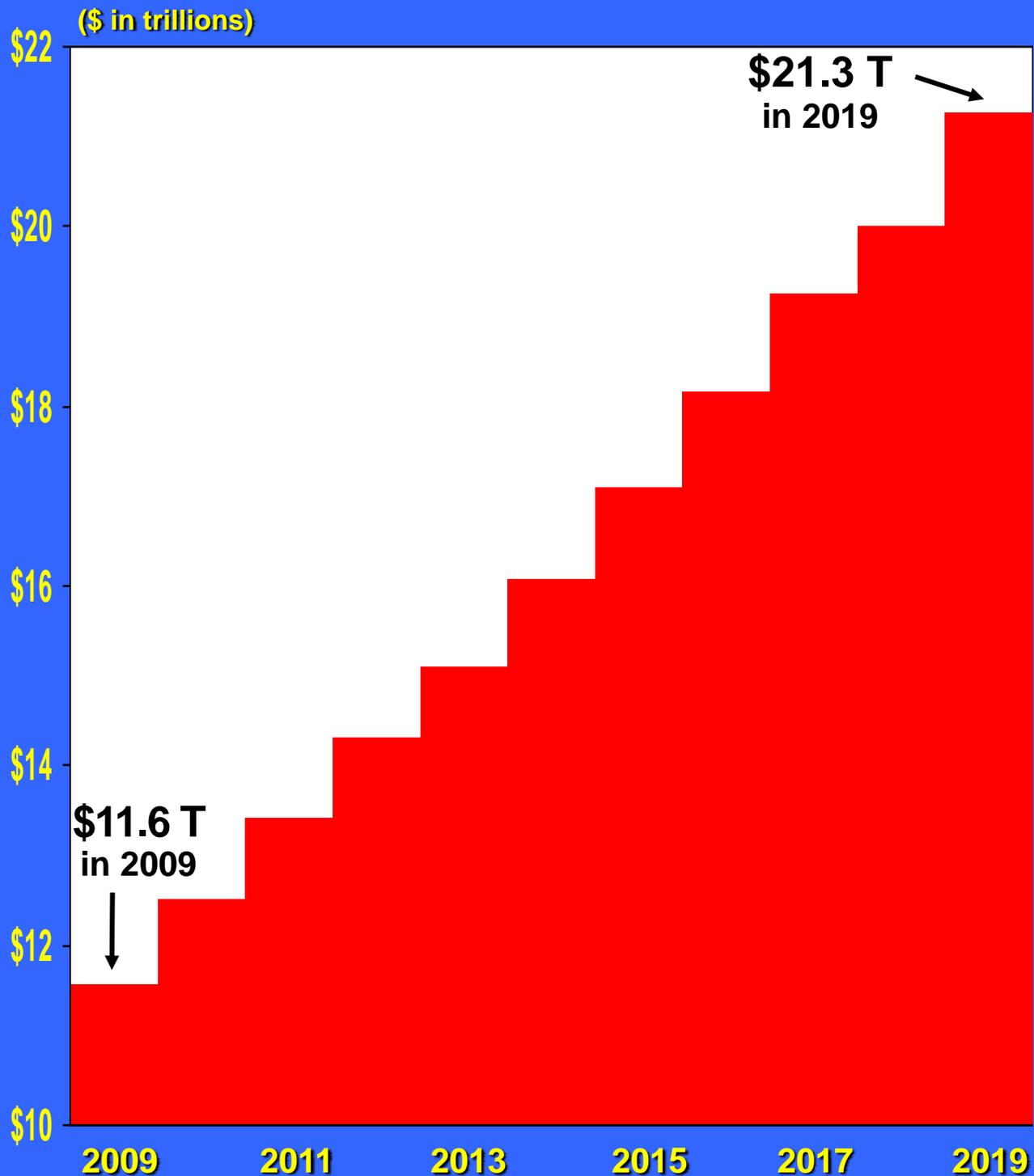


Source: CBO, SBC

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

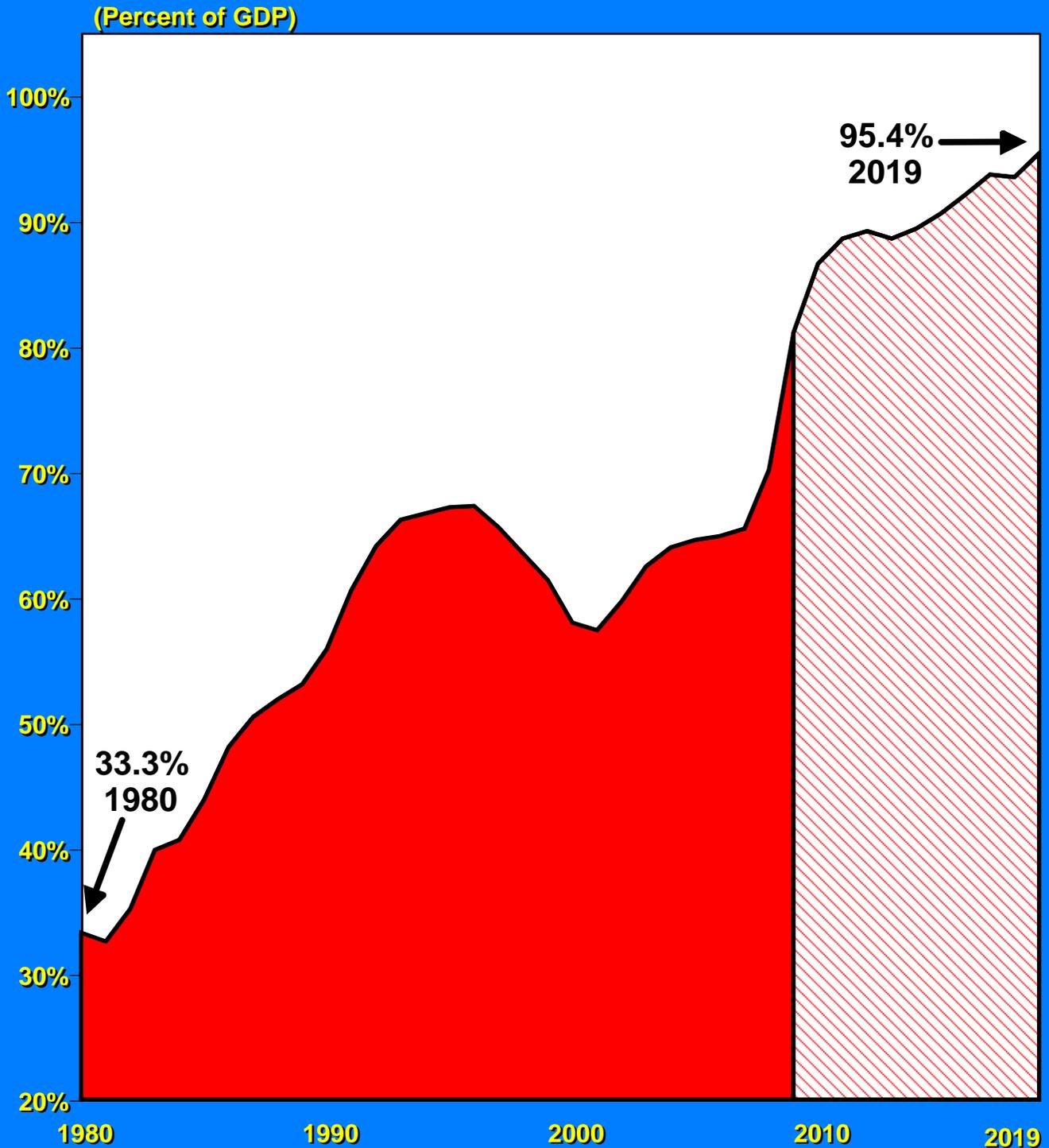
## Gross Federal Debt Soars



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



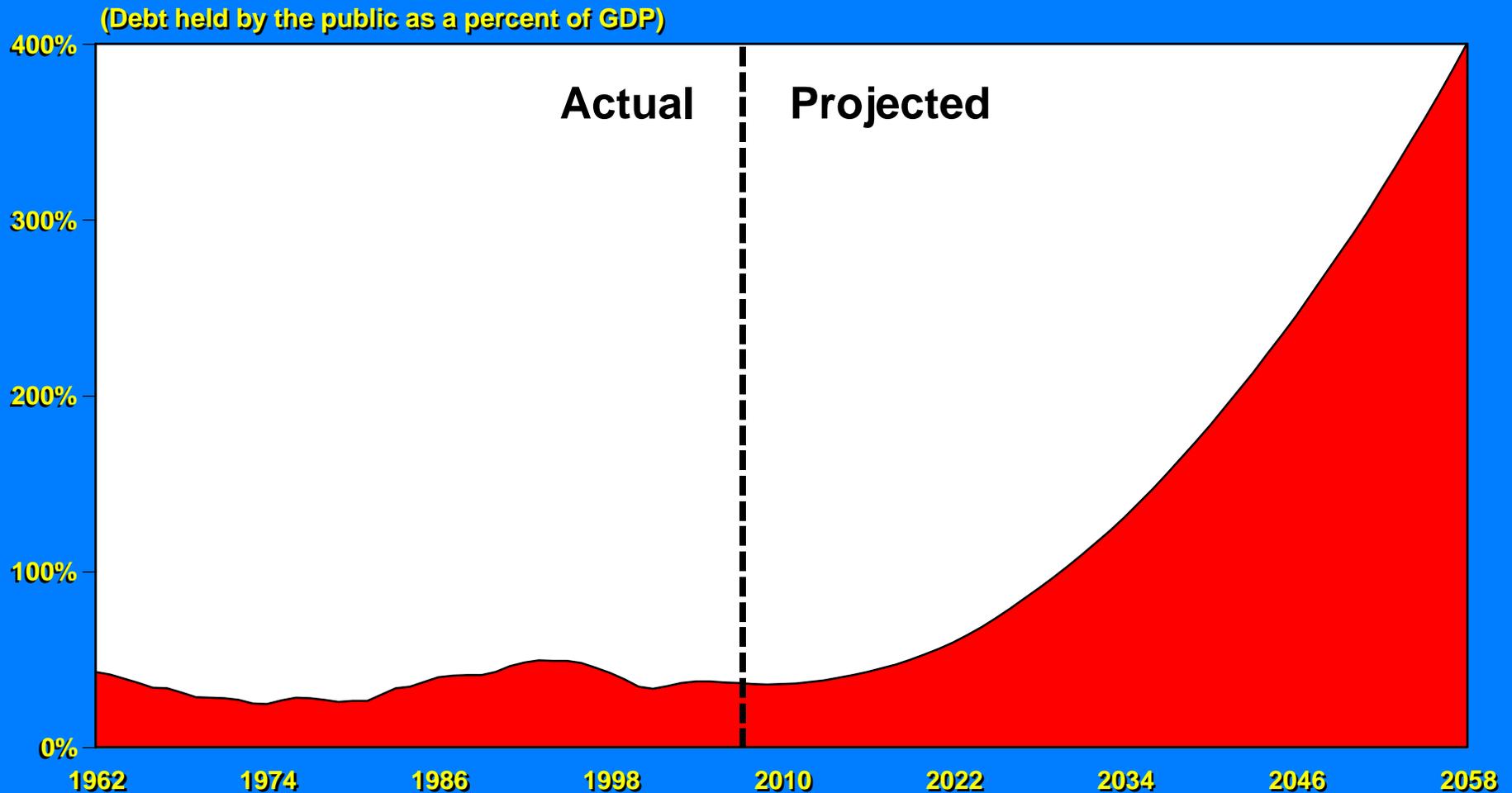
Source: CBO, SBC

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

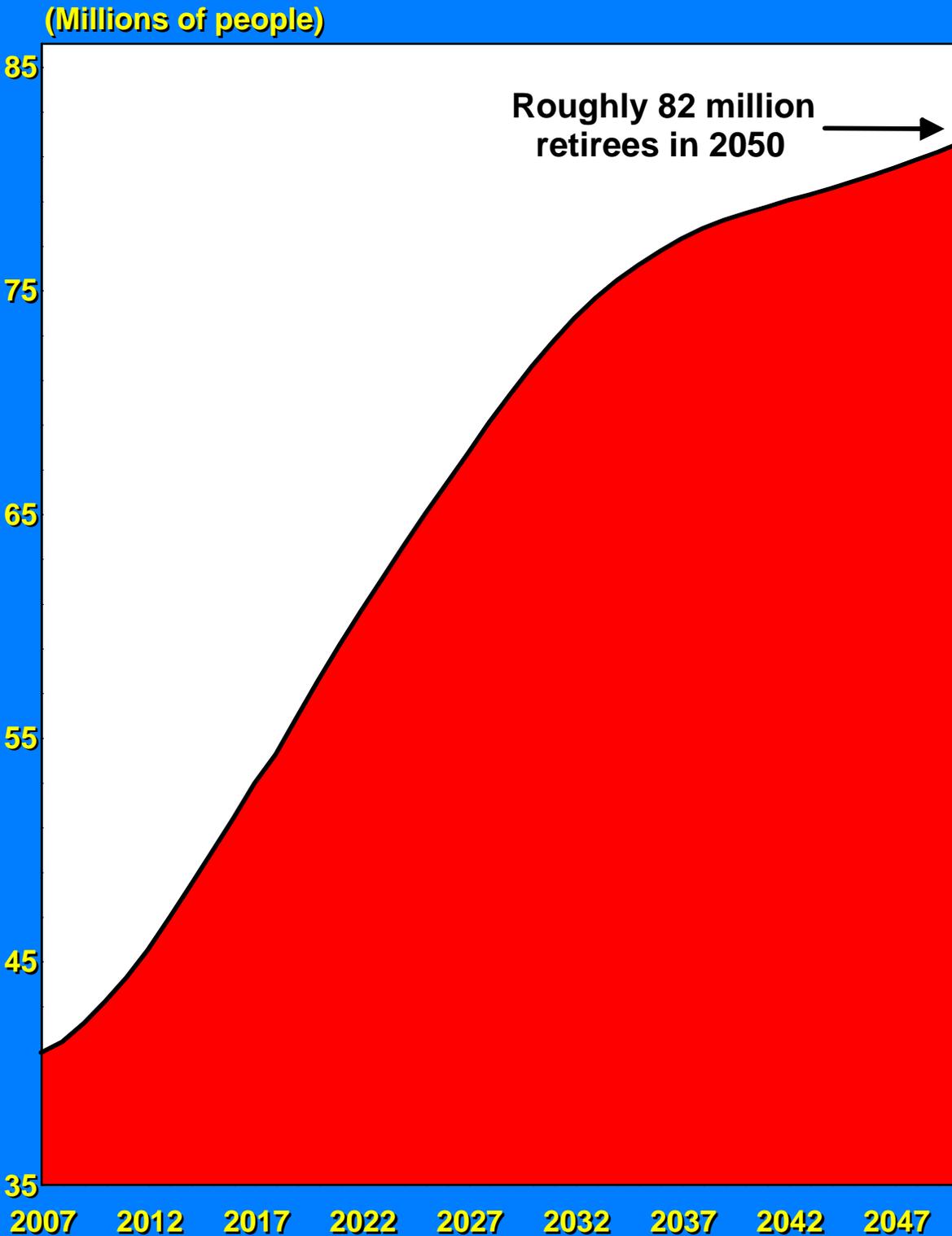
# Federal Debt Soars Under CBO Long-Term Budget Scenario



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

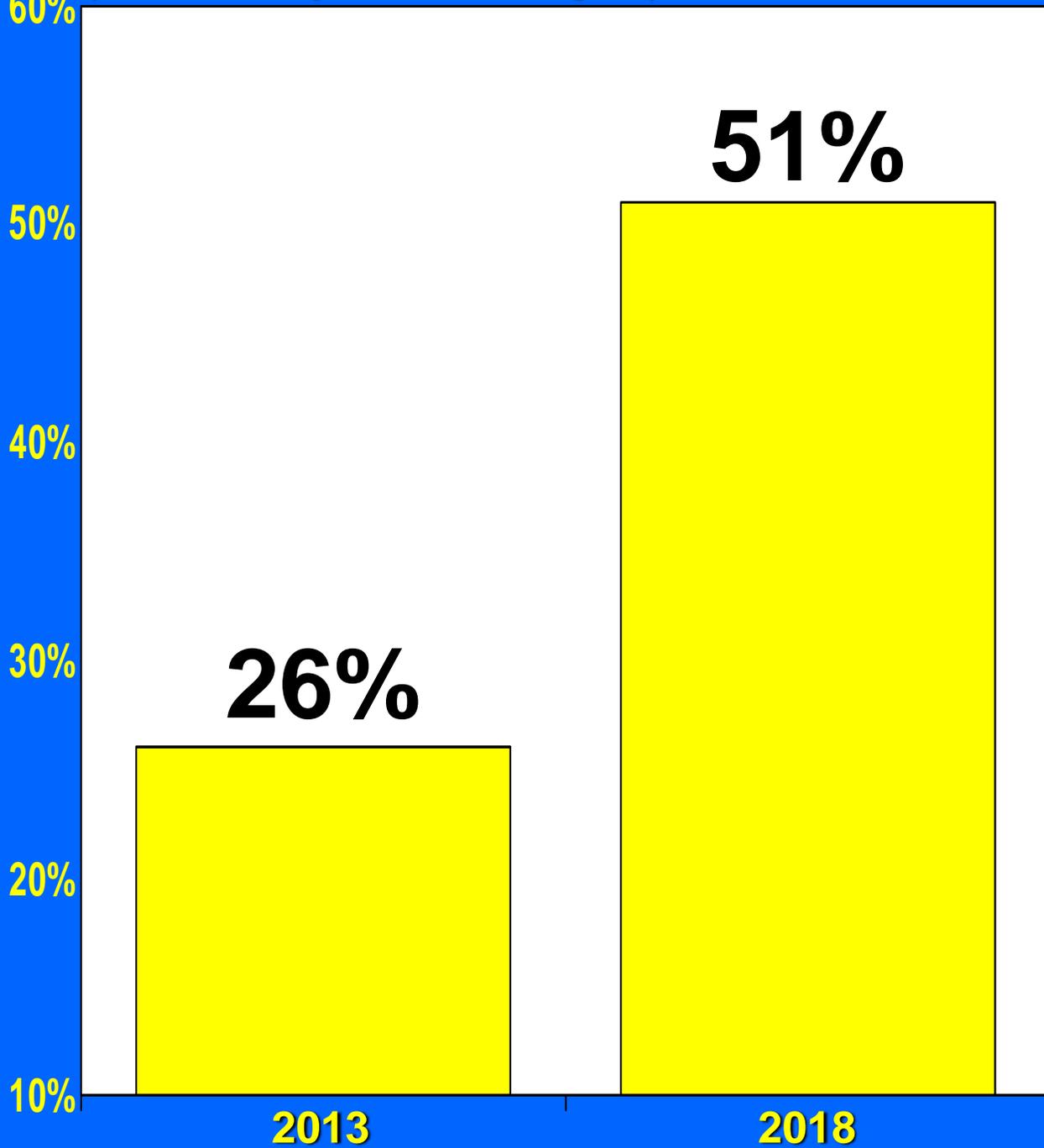


Source: 2008 Social Security Trustees Report

Note: OASI beneficiaries

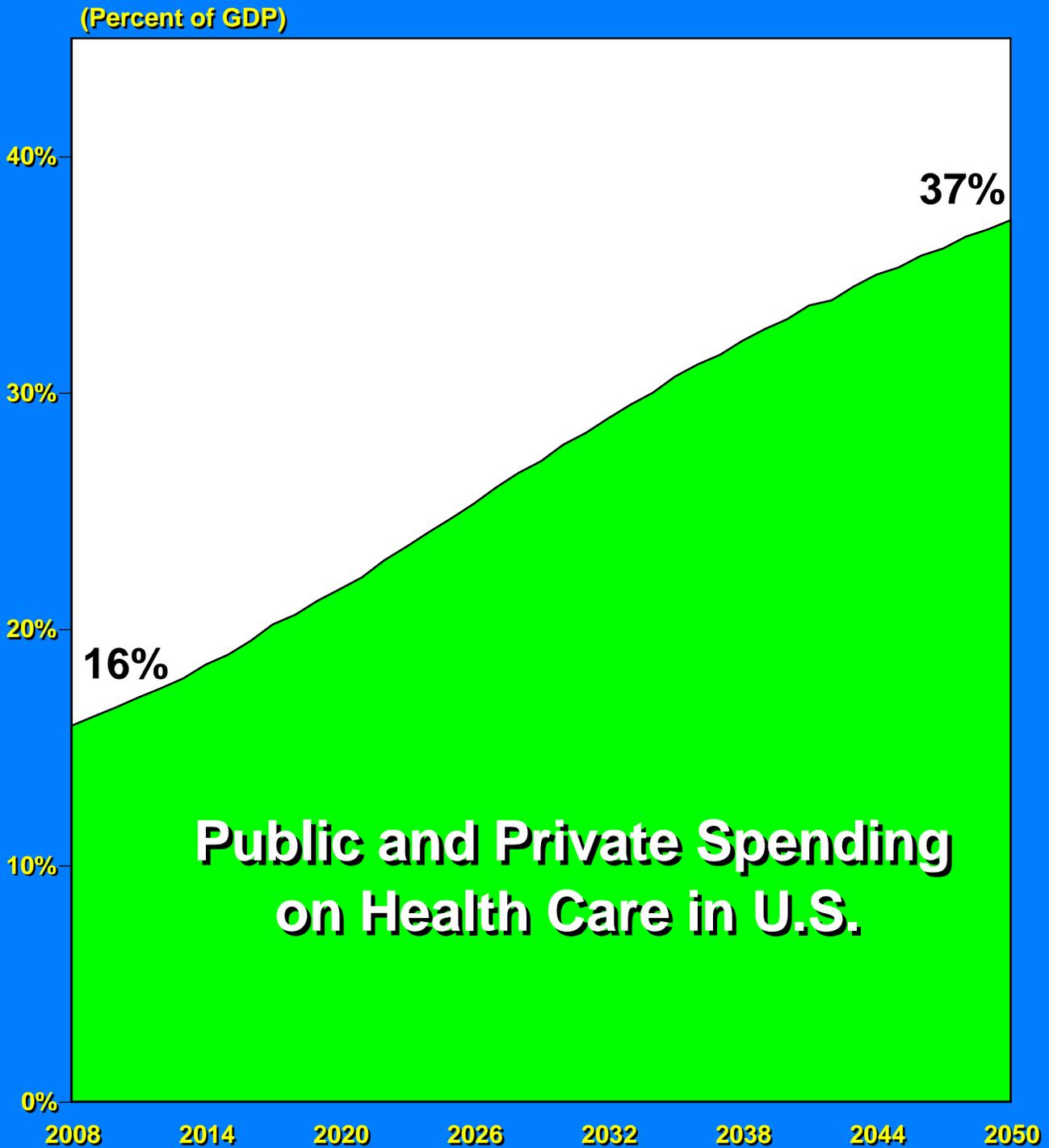
# Within Decade, More Than Half of Baby Boomers Will Reach Early Retirement Age

60% (Percent of baby boomers over age 62)



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