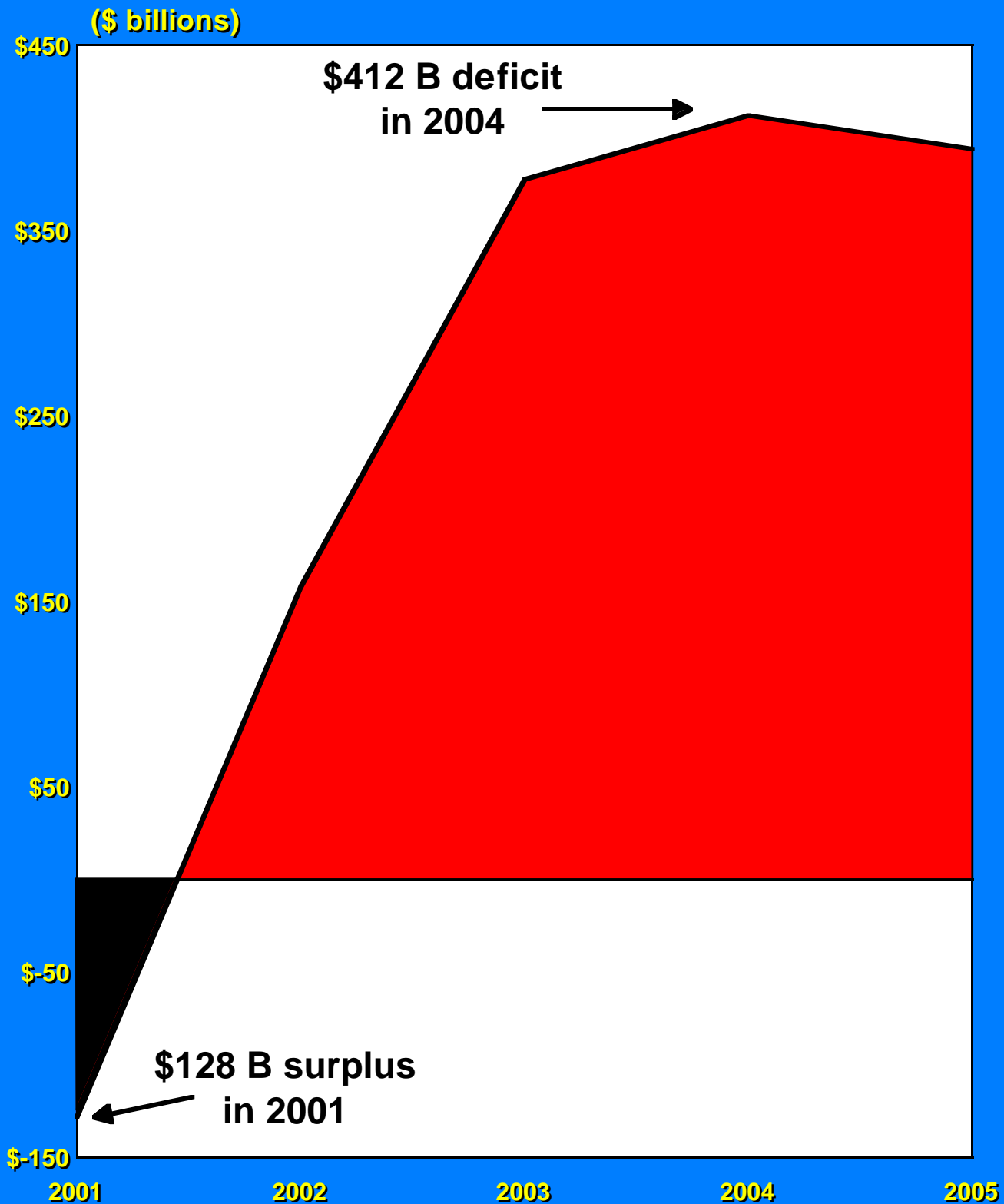


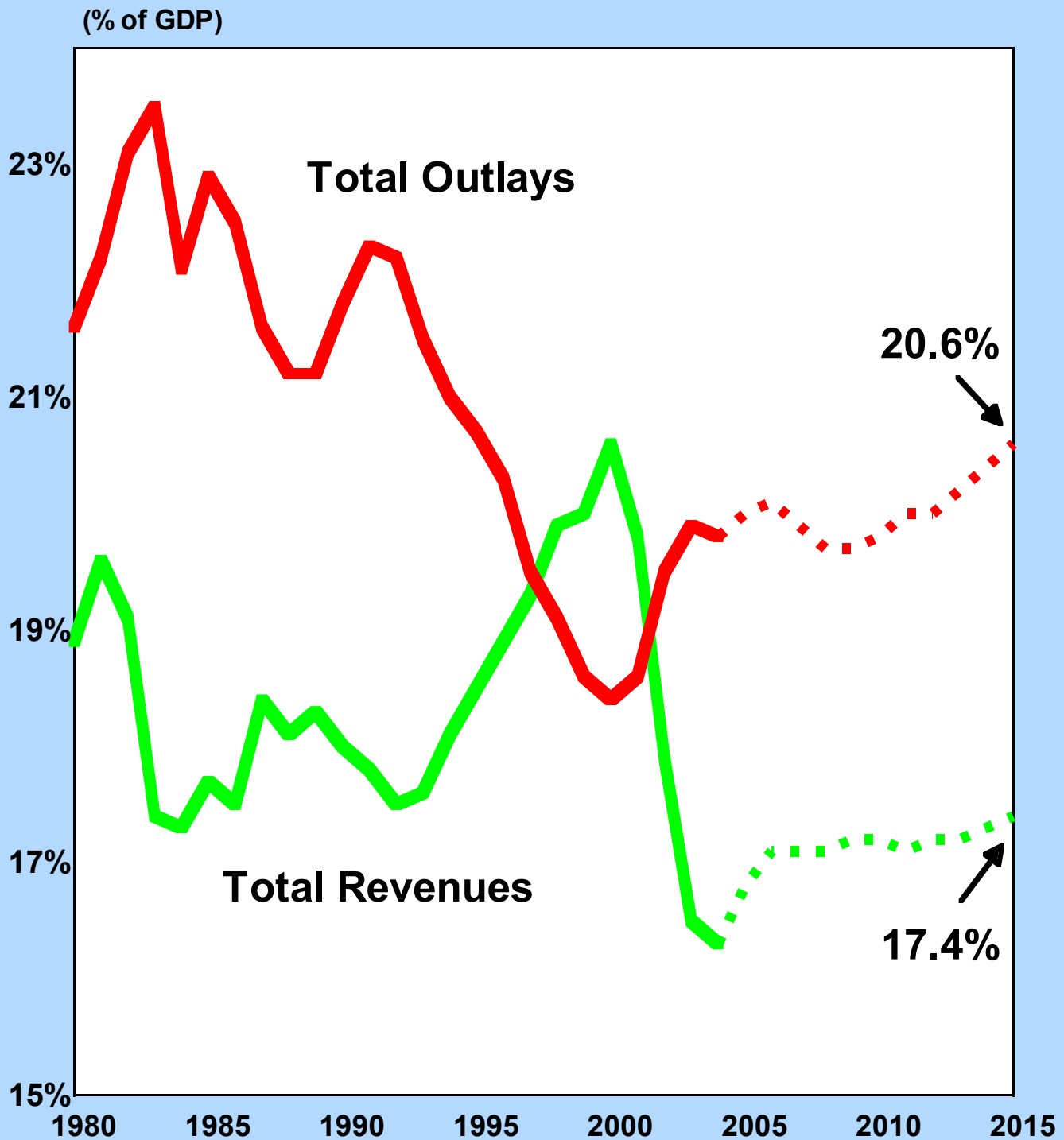
# Deficits Soar Since 2001



Note: All years are fiscal years.

Source: CBO

# Deficits Primarily Caused by Drop in Revenues, Not Increase in Spending



Source: SBC Democratic staff

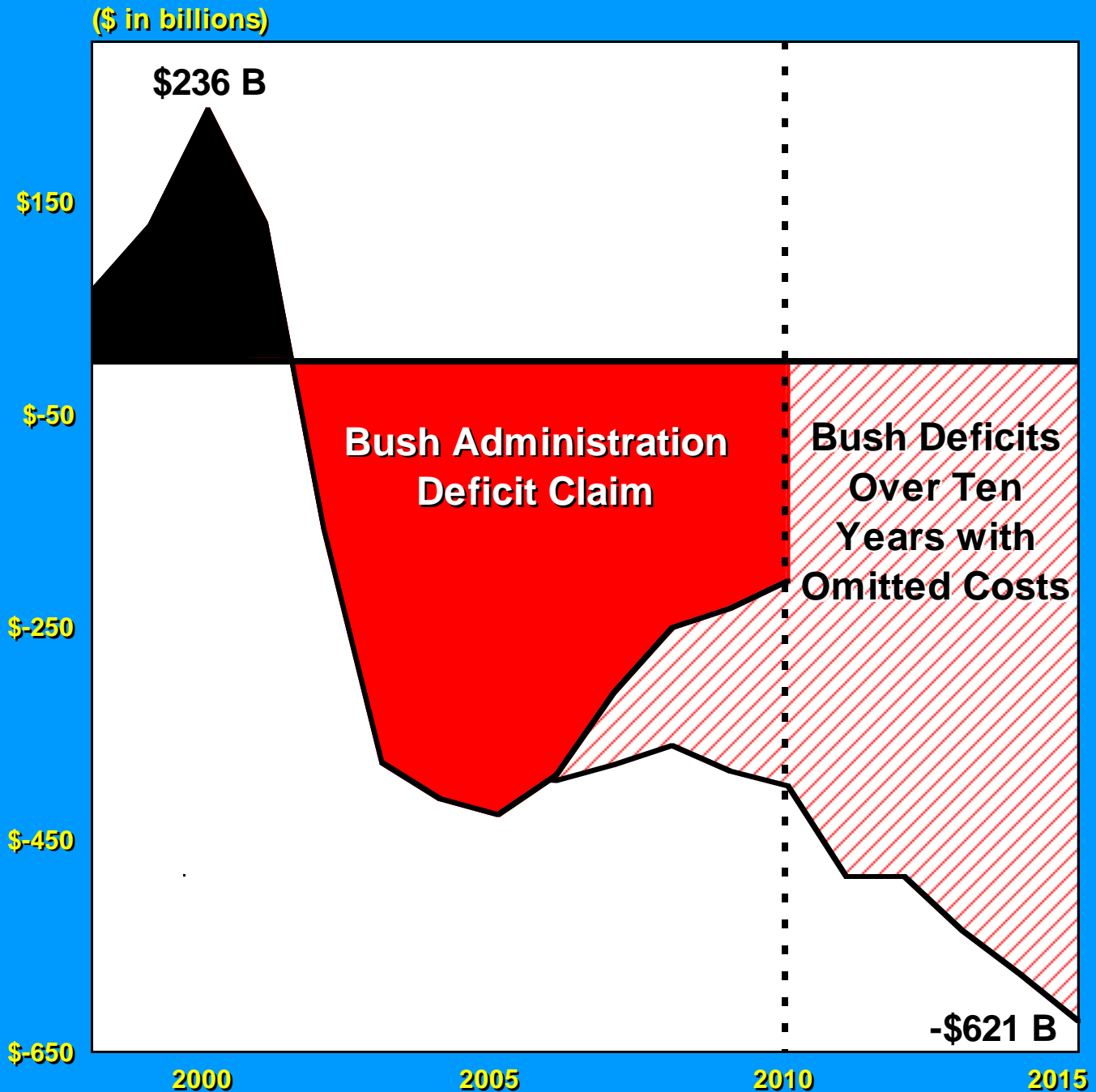
Note: CBO March 2005 reestimate of Bush FY 2006 budget with AMT reform, ongoing war costs, and the President's Social Security privatization plan.

# **Comptroller General Walker Warns That Fiscal Outlook is Worse Than Claimed**

**“The simple truth is that our  
nation’s financial condition is  
much worse than advertised.”**

**–GAO Comptroller General David M. Walker  
Speech to National Press Club  
February 2, 2005**

# Bush Budget Hides Worsening Budget Outlook



Source: OMB, CBO, SBC Democratic staff  
Note: CBO March 2005 reestimate of Bush FY 2006 budget with AMT reform, ongoing war costs, and the President's Social Security privatization plan.

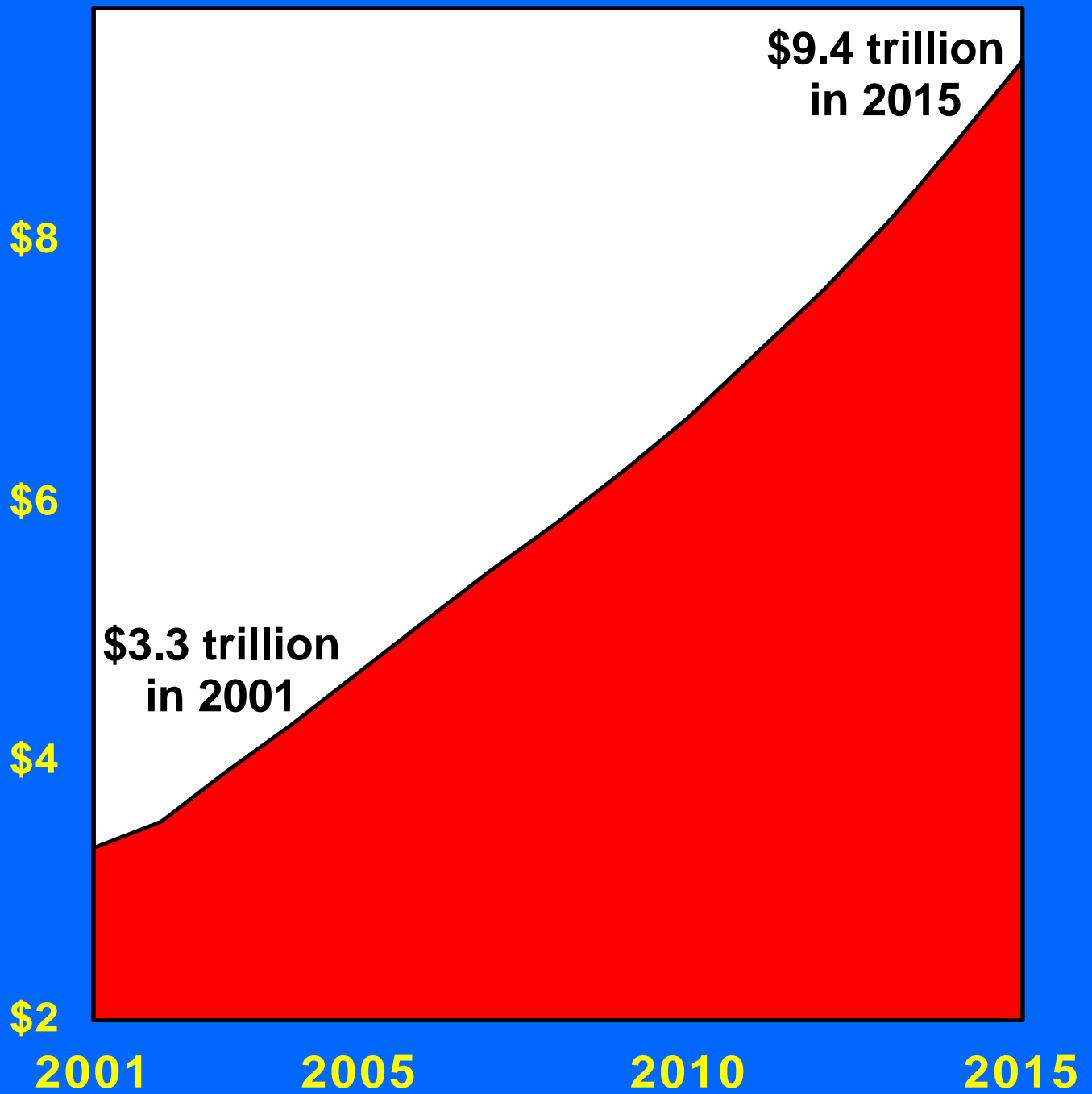
# **Bush Administration on Importance of Paying Down Debt**

**“...(M)y budget pays down a record amount of national debt. We will pay off \$2 trillion of debt over the next decade. That will be the largest debt reduction of any country, ever. Future generations shouldn't be forced to pay back money that we have borrowed. We owe this kind of responsibility to our children and grandchildren.”**

**–President George W. Bush  
Radio Address  
March 3, 2001**

# Publicly-Held Debt

## Assuming Bush Budget Policies



Source: SBC Democratic staff

Note: CBO March 2005 reestimate of Bush FY 2006 budget with AMT reform, ongoing war costs, and the President's Social Security privatization plan.

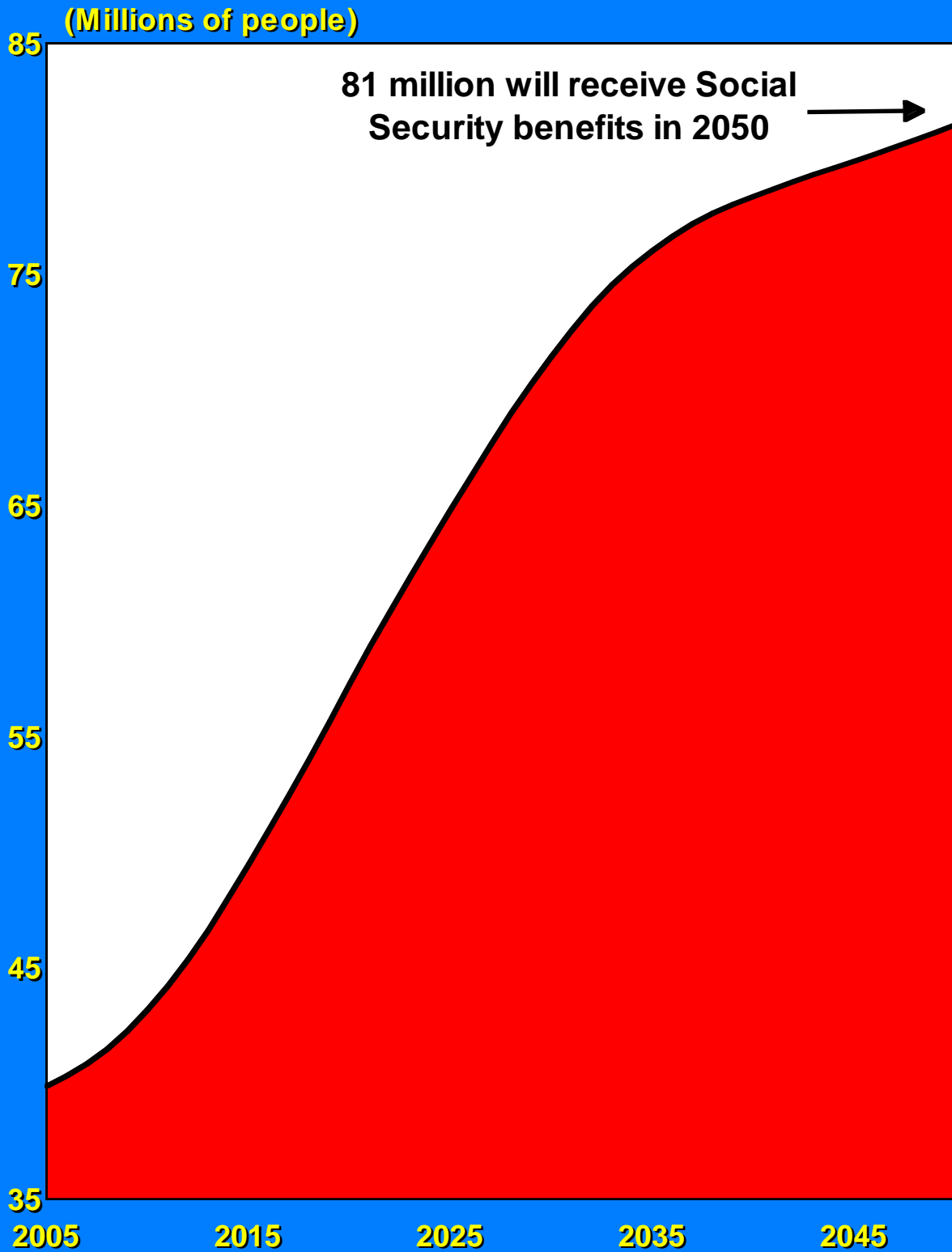
# Senate-Passed GOP Budget Increases Debt Every Year Over Five-Year Period

(In billions of dollars)

<b>Fiscal year</b>	2005	2006	2007	2008	2009	2010
<b>Summary</b>						
<b>Debt Held by the Public (end of year)</b>	4,689	5,067	5,395	5,686	5,956	6,199
<b>Debt Subject to Limit (end of year)</b>	7,962	8,637	9,289	9,931	10,575	11,210
	<i>675</i>	<i>651</i>	<i>643</i>	<i>644</i>	<i>635</i>	

Note: SBC calculations based on Senate GOP budget and subsequent floor action.

# Number of Social Security Beneficiaries Explodes with Retirement of Baby Boom Generation



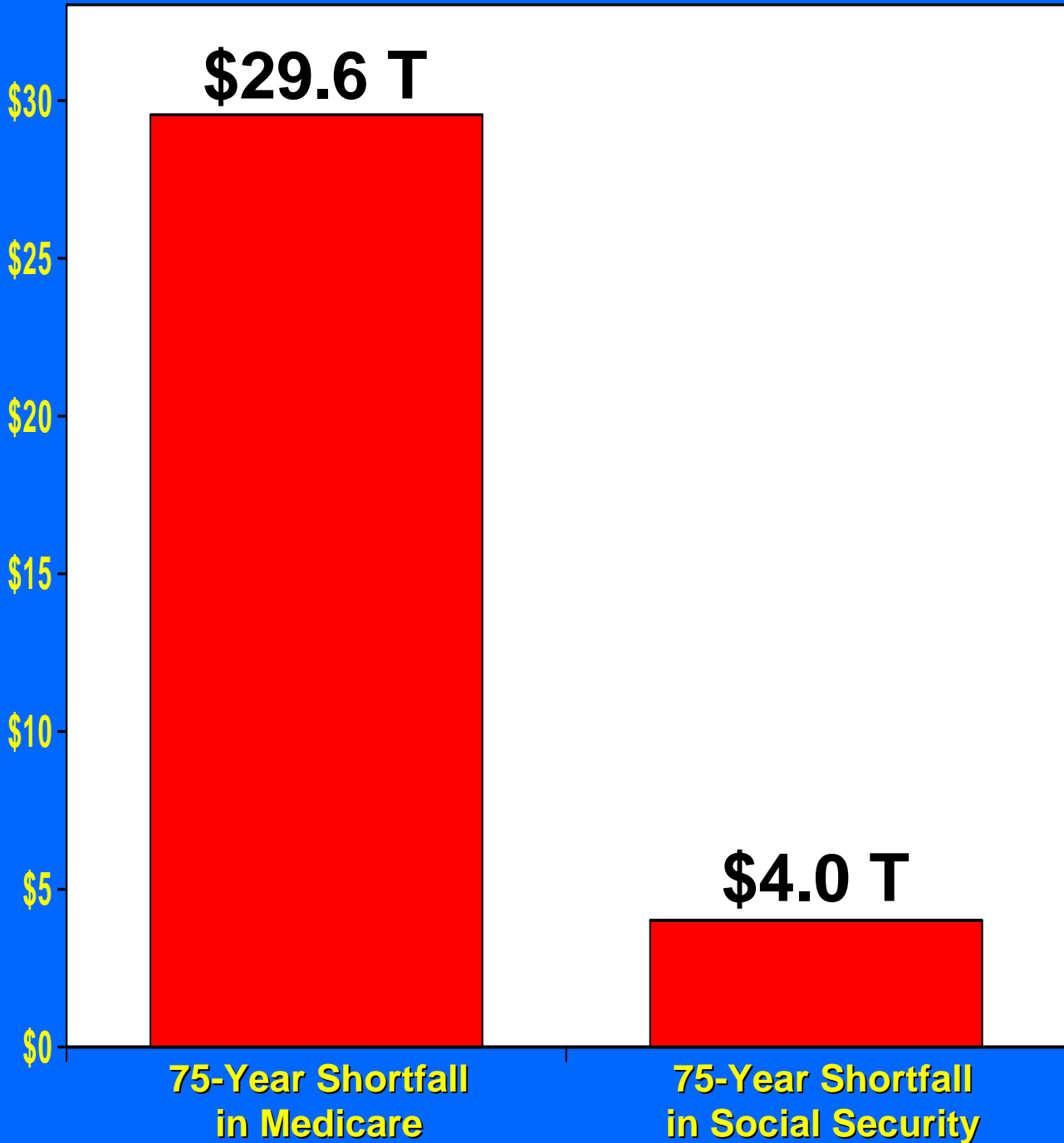
Source: 2005 Social Security Trustees Report  
Note: OASI beneficiaries



# Comparing Long-Term Costs of Medicare and Social Security

## Present Value of Costs Over Next 75 Years

(\$ in trillions)



Source: Social Security Trustees 2005 Annual Report