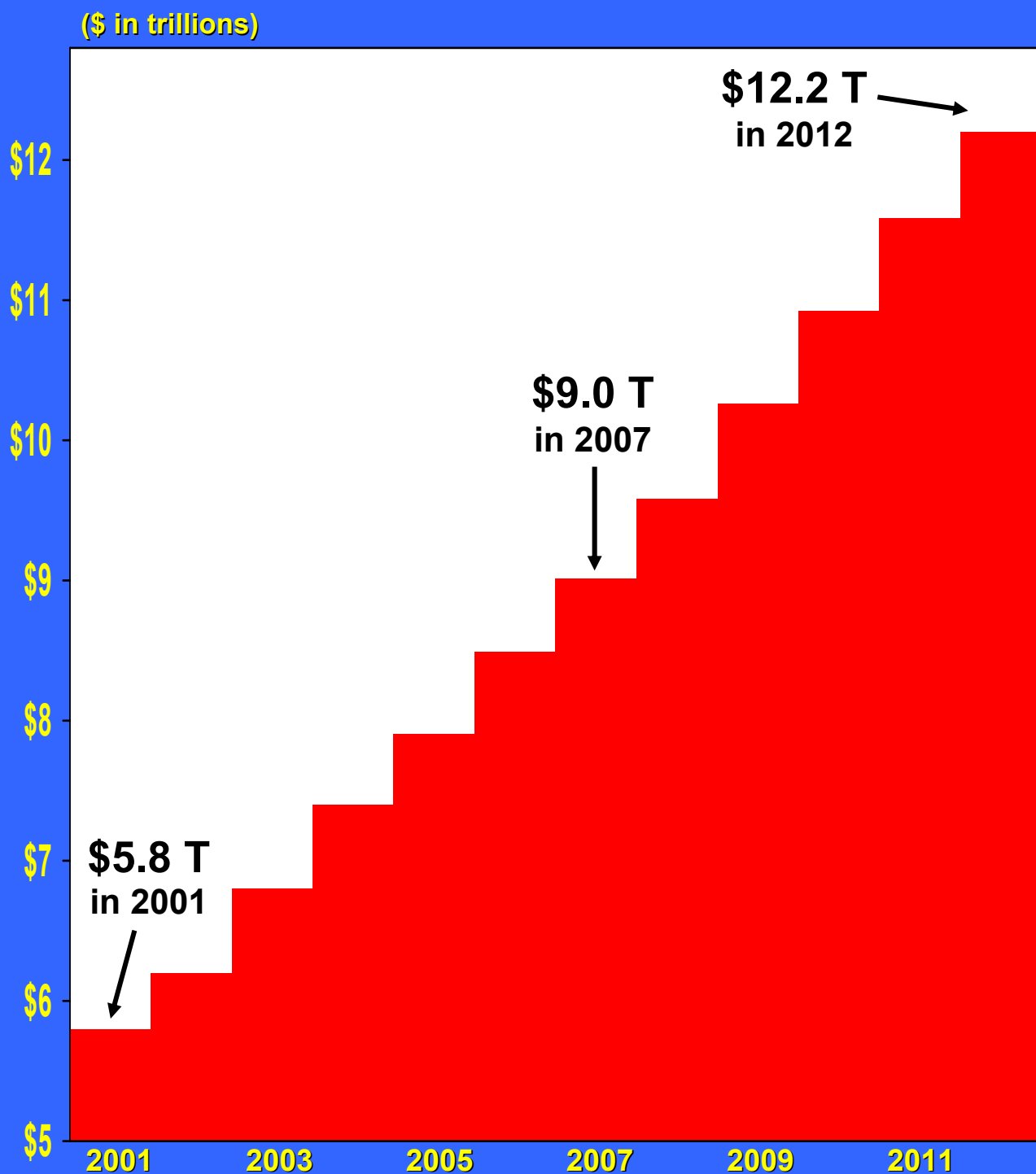


# Building a Wall of Debt

## Gross Federal Debt Soars

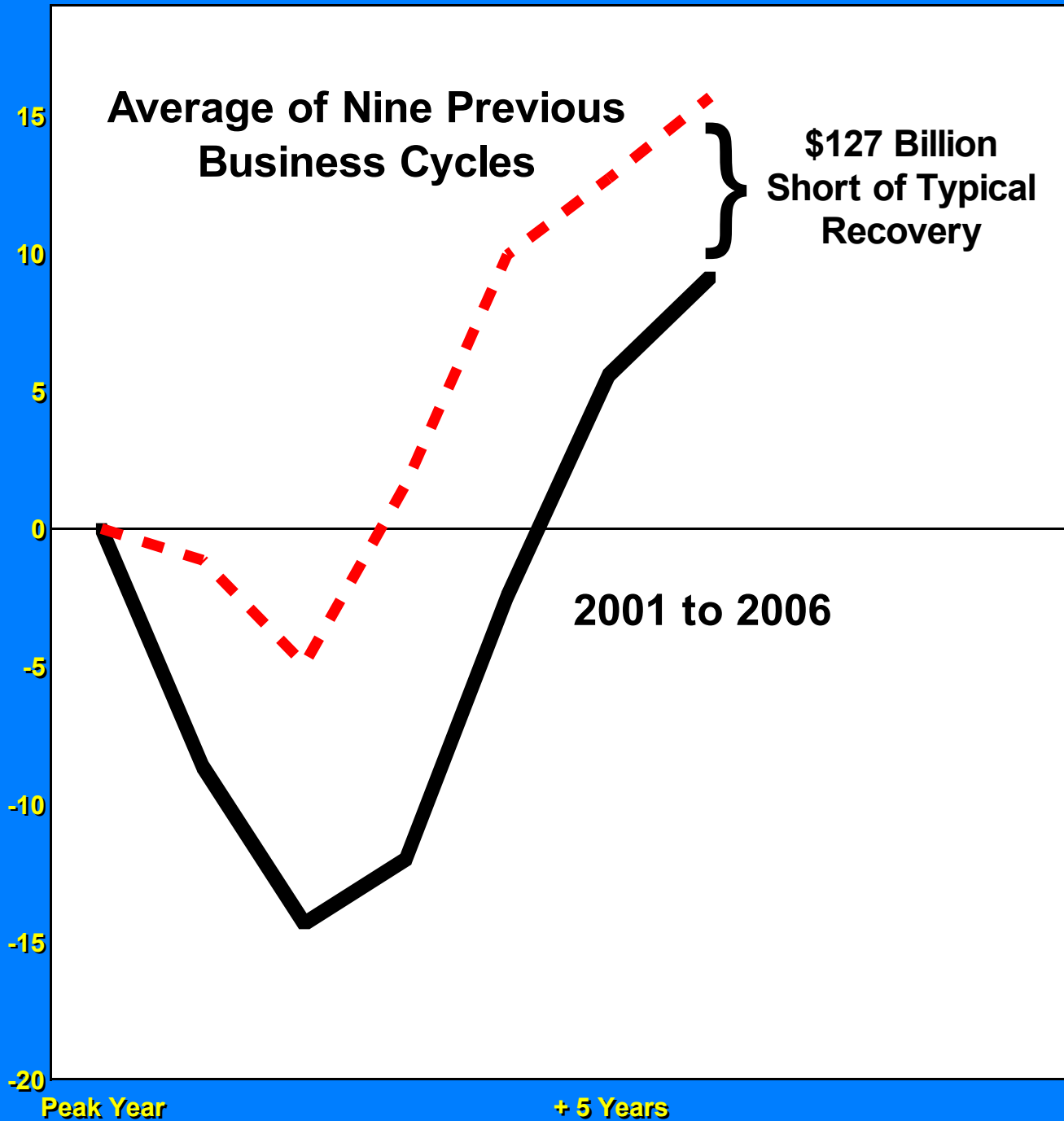


Source: OMB, CBO and SBC Democratic staff

Note: Bush FY 2008 budget extended over ten years with AMT reform and ongoing war costs.

# Real Revenues Lag Typical Recovery Even with Recent Revenue Gains

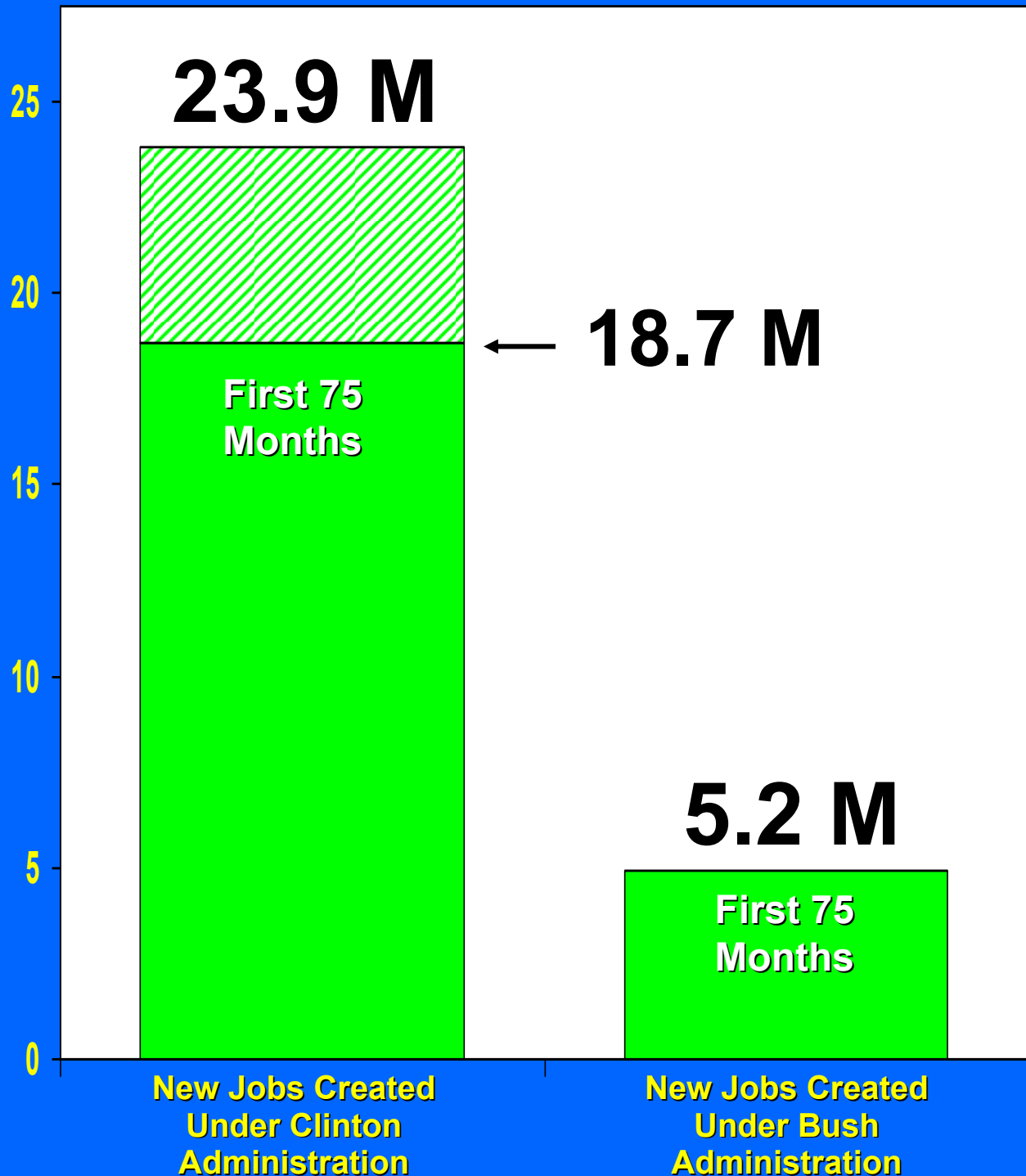
(Inflation-Adjusted Federal Revenues, Percent Change from Business-Cycle Peak)



Source: CBO, OMB

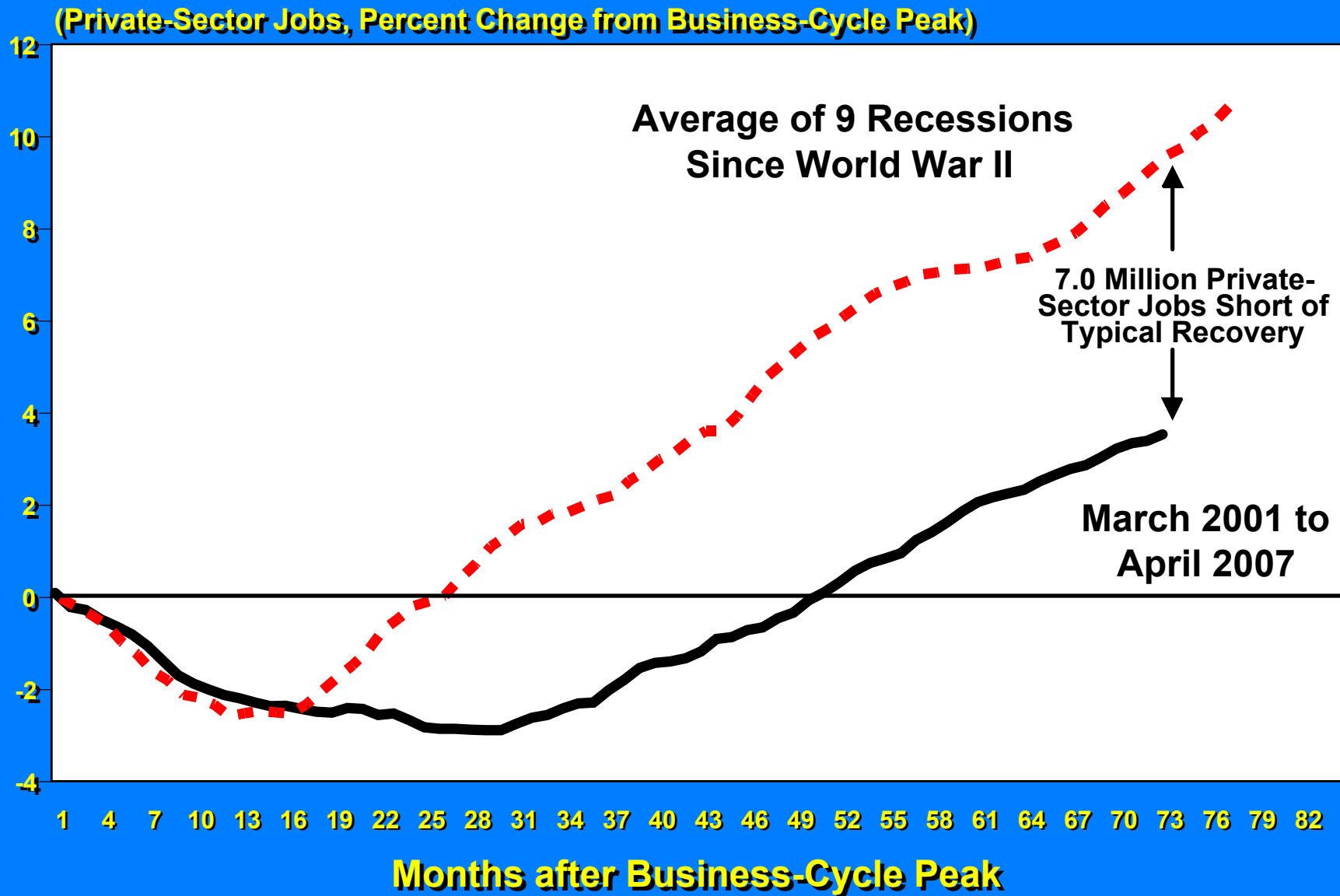
# Bush Job Creation Weak Compared to Clinton

(Millions of new jobs)



Source: BLS

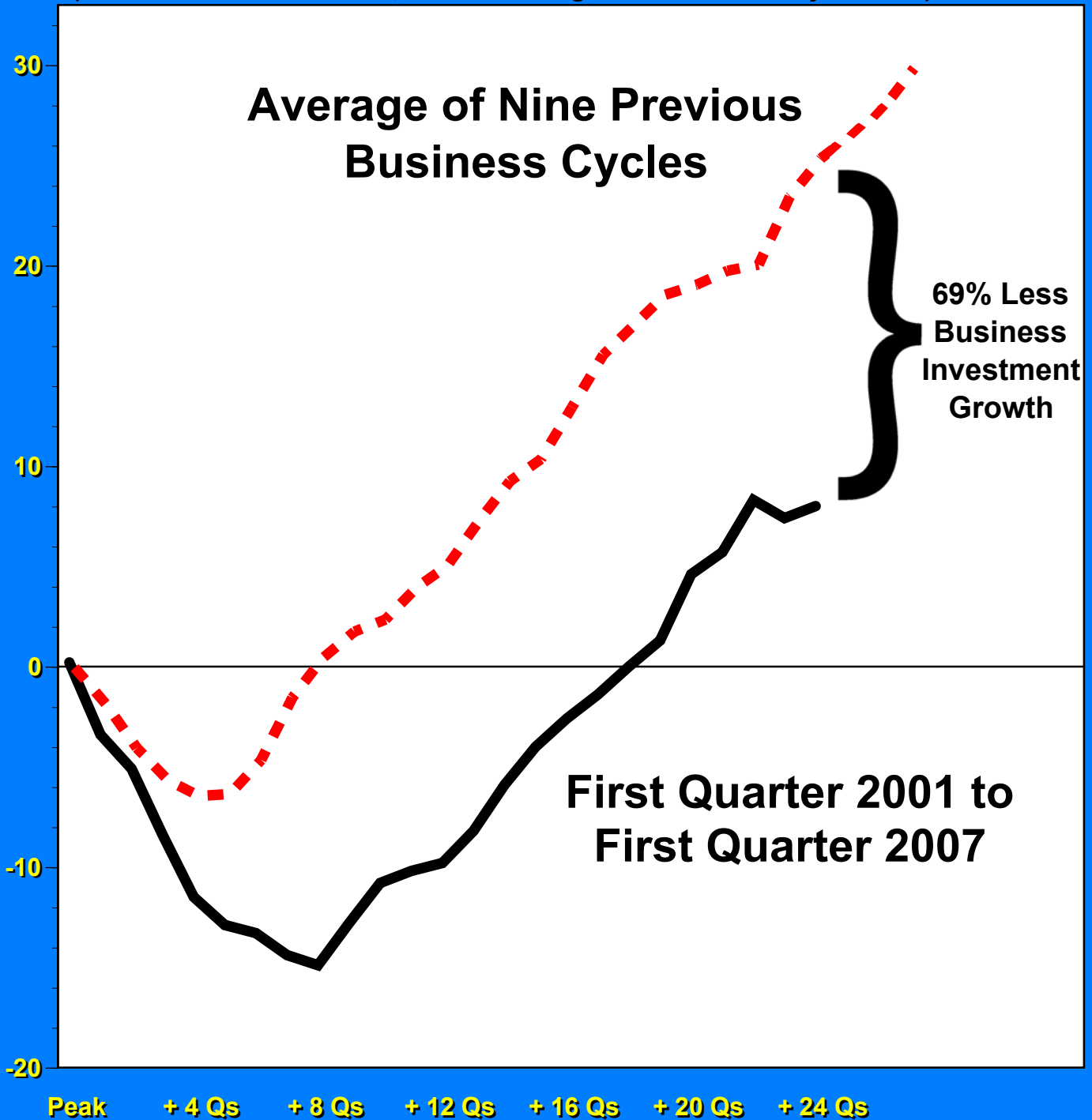
# Job Creation Lags Behind Typical Recovery



Source: BLS

# Business Investment Lags Behind Typical Recovery

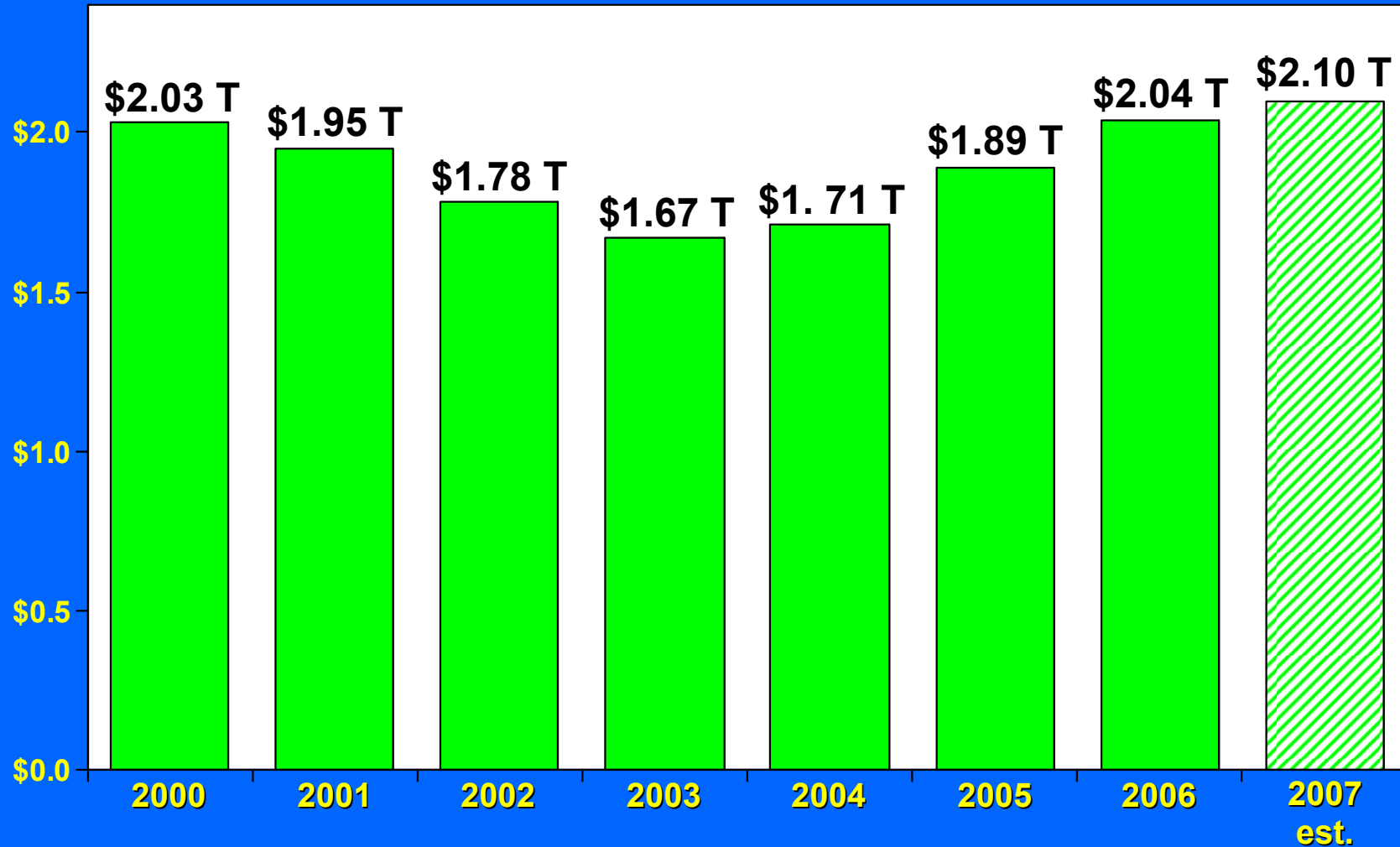
(Real Business Investment, Percent Change from Business-Cycle Peak)



Source: Department of Commerce

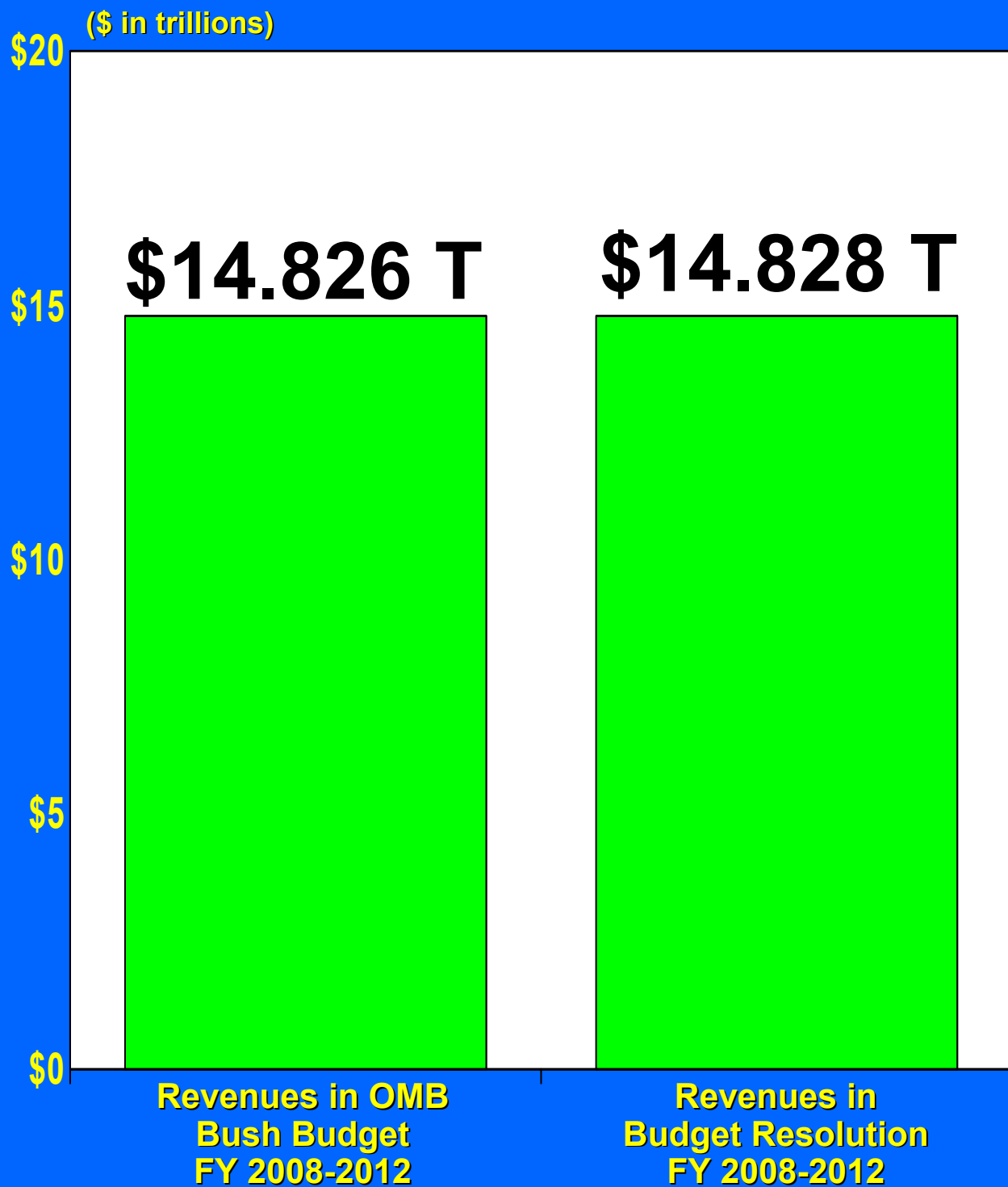
# Real Revenues Only Recently Exceeded 2000 Level

(Trillions of 2000 \$)



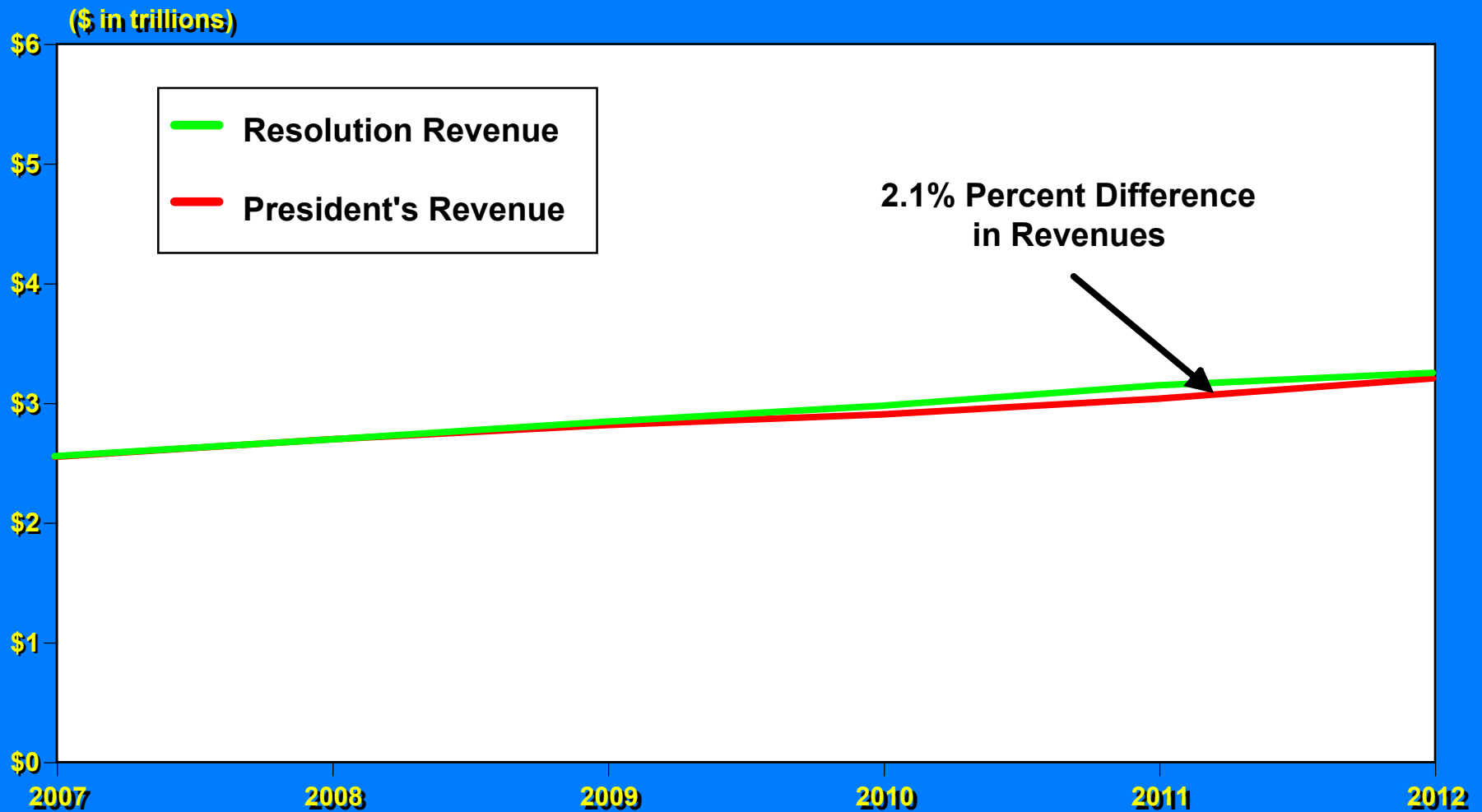
Source: OMB, CBO

# Budget Resolution Revenues Virtually Identical to Bush Budget Revenues



Source: OMB, SBC

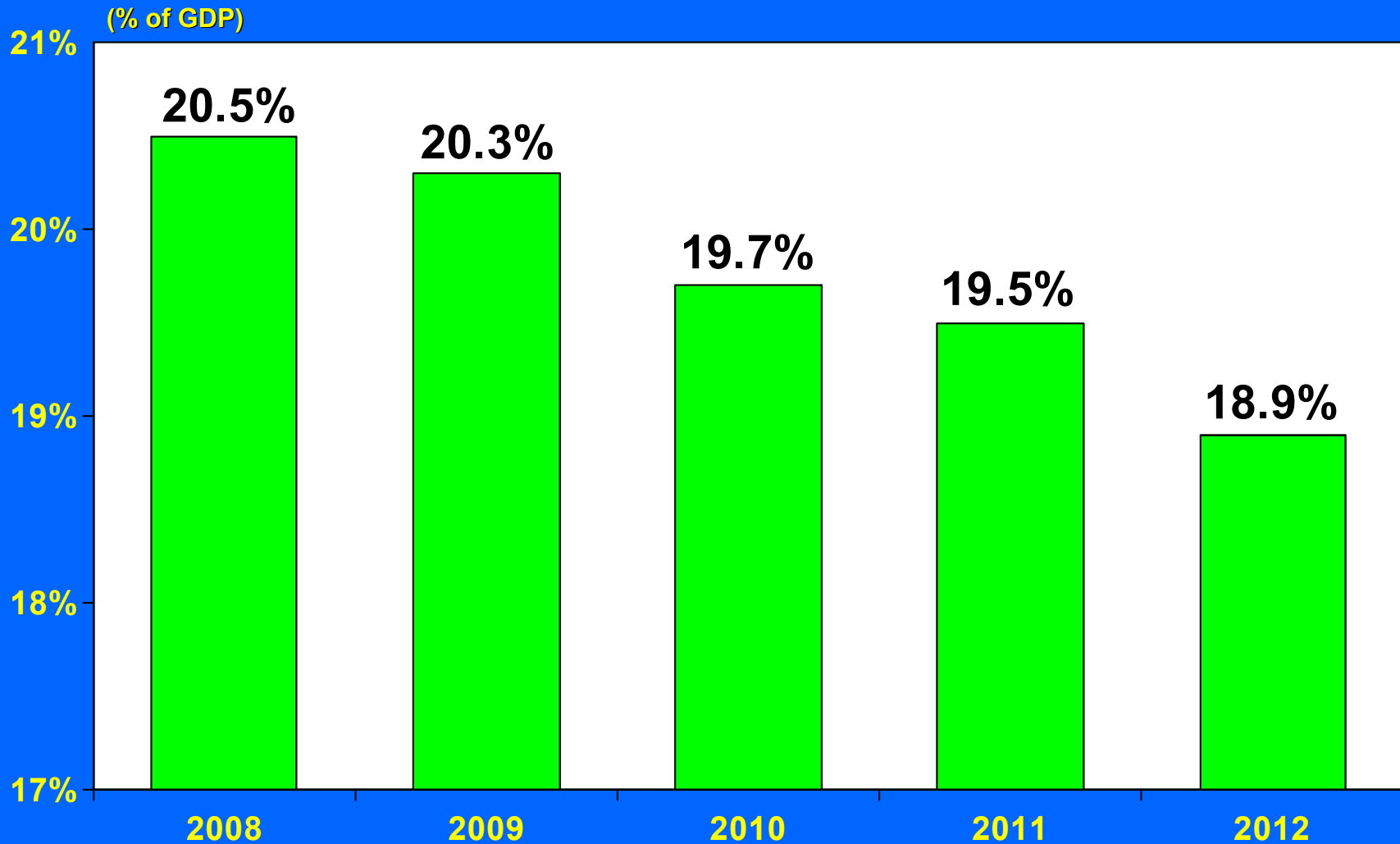
# Comparison of Revenues Under Resolution and President's Budget



Source: SBC, CBO



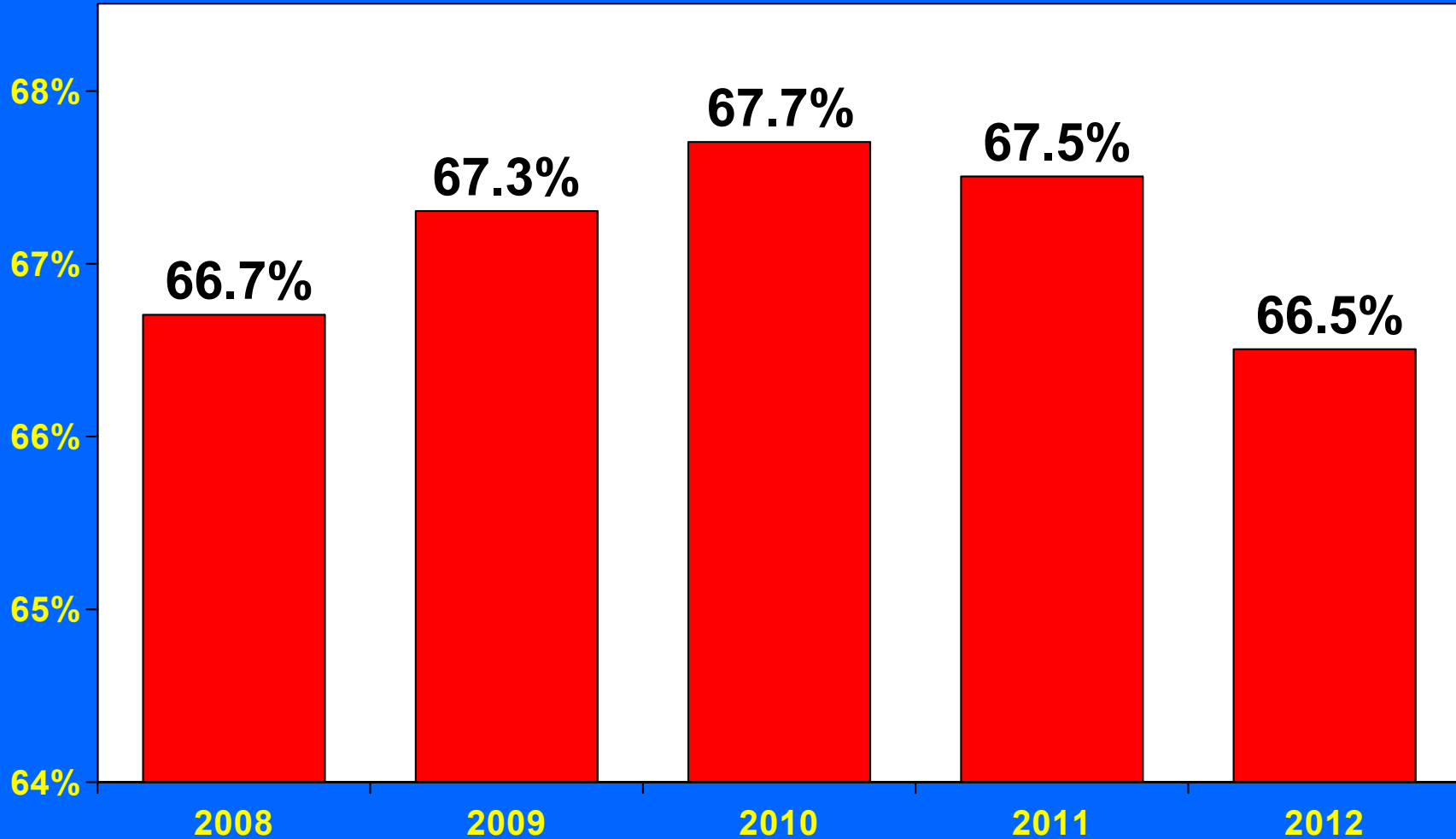
# Spending Under Budget Resolution



Source: SBC

# Debt Under Budget Resolution

(Gross debt, % of GDP)



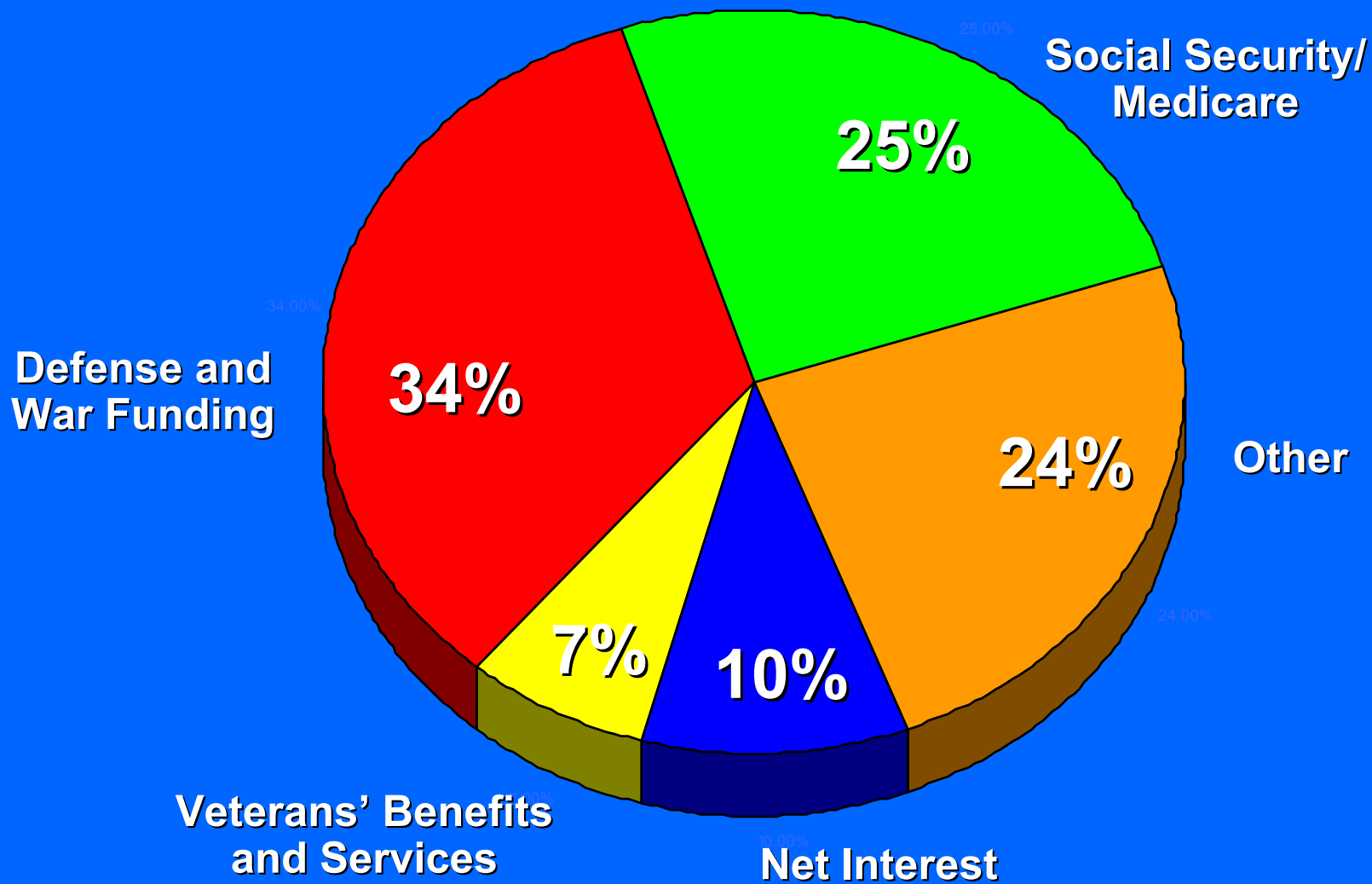
Source: SBC Democratic staff

# Budget Resolution Funds Domestic Priorities

<u>Priorities</u>	<u>Increase in Budget Resolution Over 2007 Level</u>
Veterans' Benefits	\$6.7 billion
Education and Training	\$3.6 billion
Justice/Law Enforcement	\$3.1 billion
Health	\$2.9 billion

Source: SBC

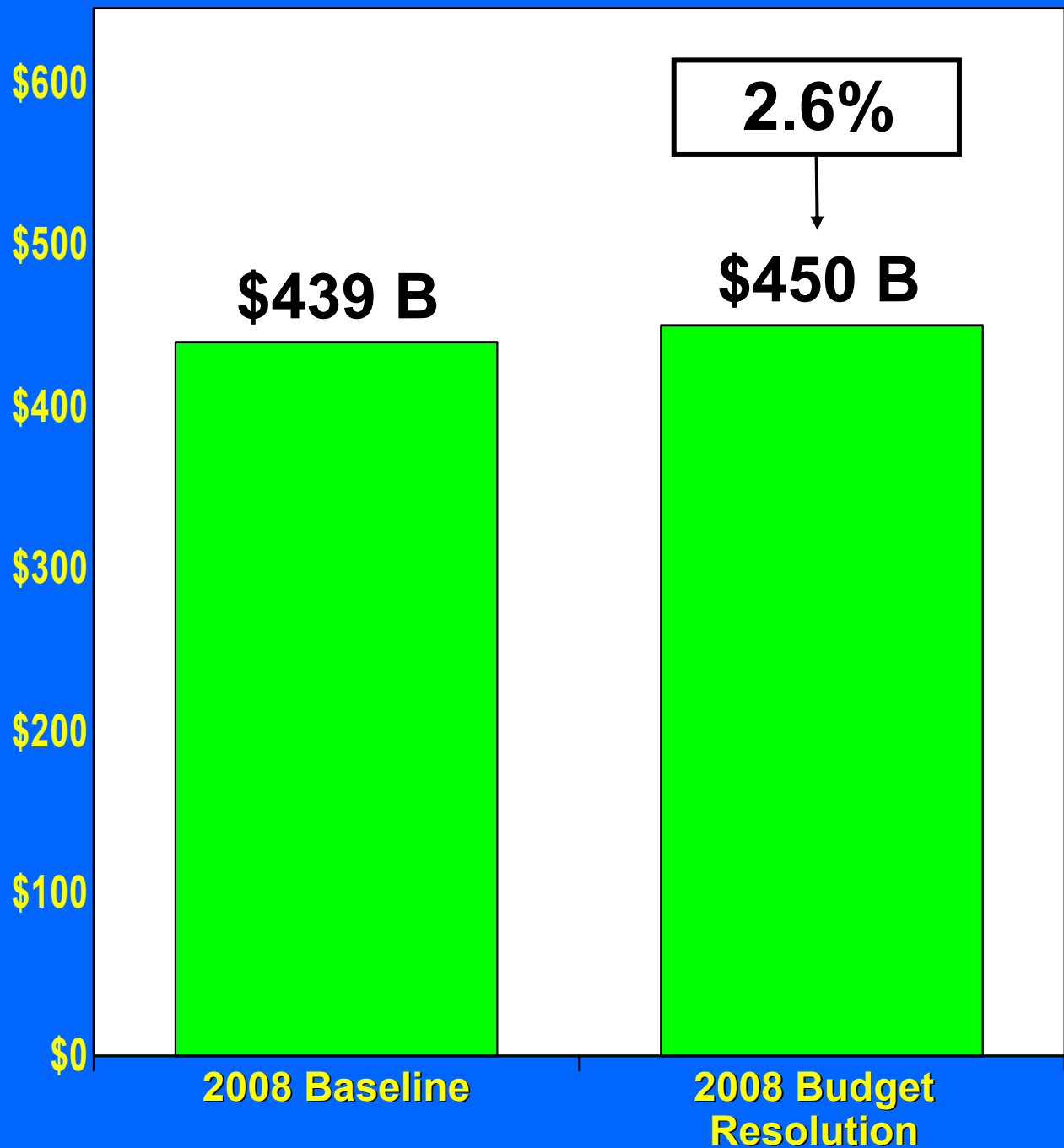
# Reasons for Increase in Spending in 2008 Under Budget Resolution



Source: SBC

# Budget Resolution Only Slightly Above Baseline for Nondefense Discretionary Funding

(Nondefense discretionary BA, excluding emergencies; \$ in billions)



Source: CBO, SBC

Note: 2008 baseline represents CBO's estimate of 2007 enacted level, adjusted for inflation.

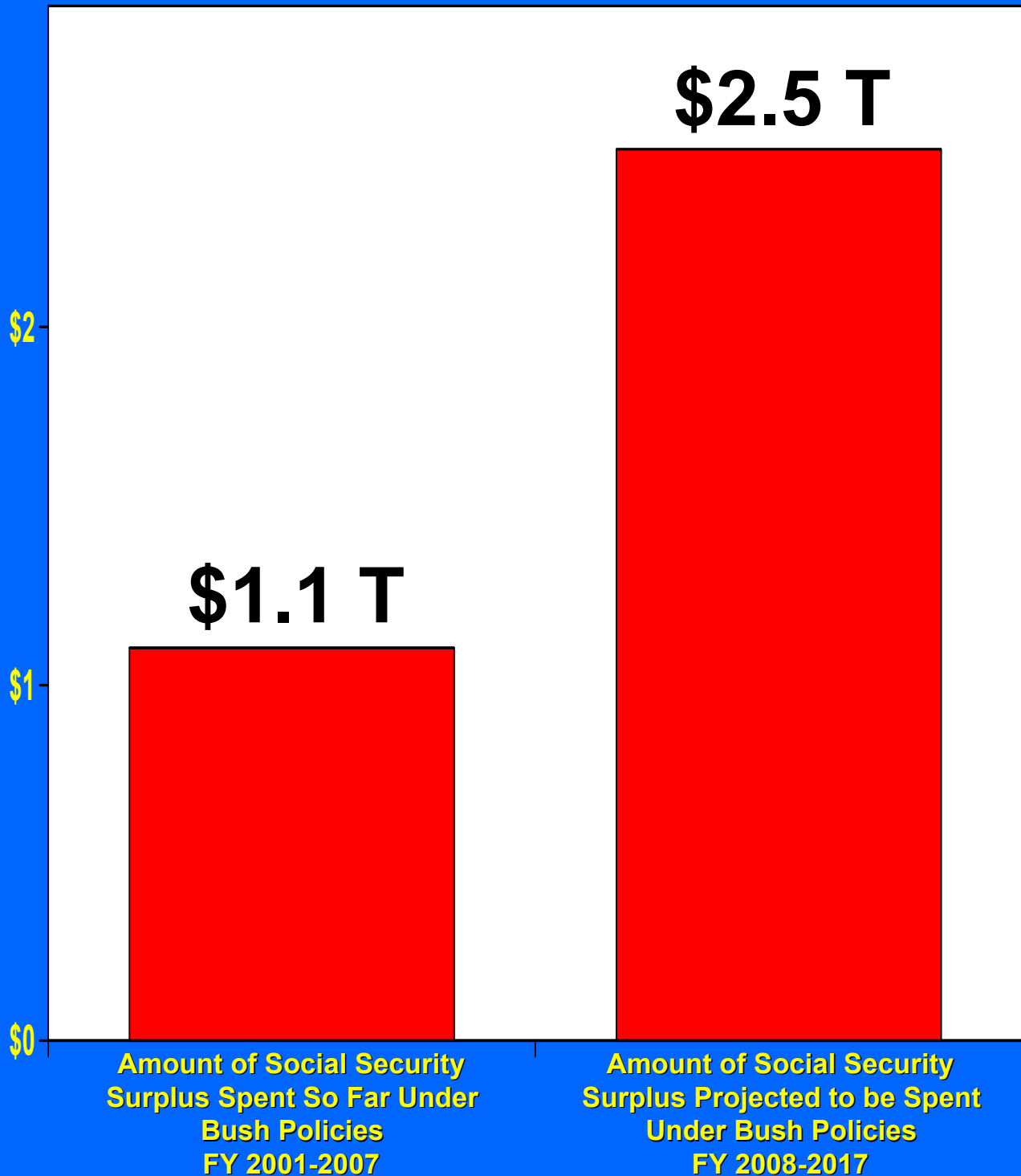
# Under OMB Numbers, Surplus in 2012 Will Exceed Amount Needed to Fully Implement Baucus Amendment

	<u>2012</u>
Budget Resolution Surplus, Excluding Baucus Amendment (OMB):	\$290 B
80%:	<b>\$232 B</b>
Baucus Amendment (Revenues):	<b>\$180 B</b>

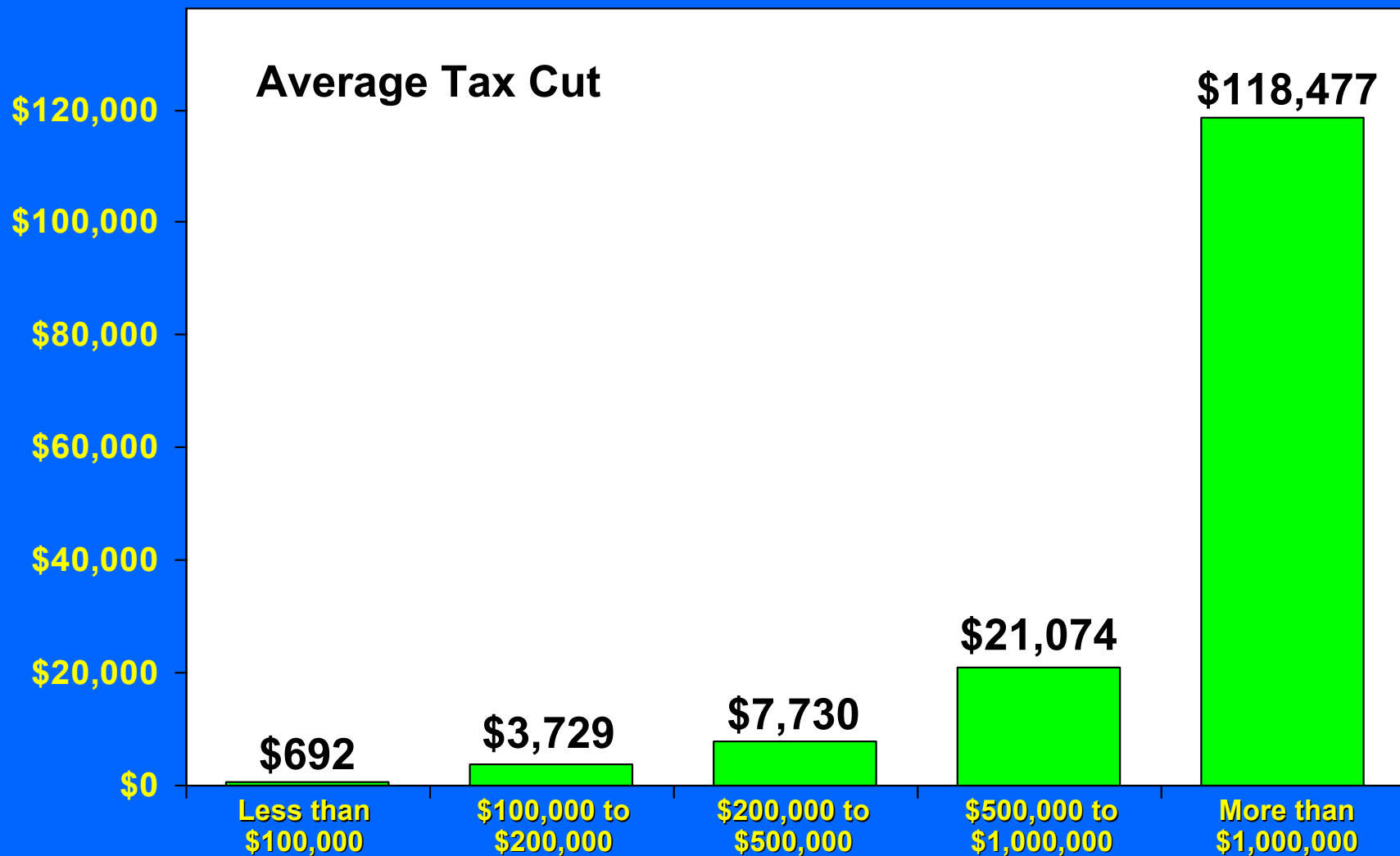
Source: OMB, CBO, SBC

# Amount of Social Security Surplus Spent Under Bush Policies

(\$ in trillions)



# Millionaires Got More Than \$100,000 From Bush Tax Cuts in 2006



Source: Urban-Brookings Tax Policy Center



# **Reserve Funds in GOP FY 2007 Budget Resolution**

- **Reserve Fund for the Uninsured**
- **Reserve Fund for Prescription Drug Importation**
- **Reserve Fund for Health Information Technology**
- **Reserve Fund for County Payments**
- **Reserve Fund for Indian Tribal Payments**
- **Reserve Fund for Comprehensive Immigration Reform**
- **Reserve Fund for the National Flood Insurance Program**
- **Reserve Fund for Conservation Programs**
- **Reserve Fund to Protect America's Competitive Edge**
- **Reserve Fund for Asbestos Injury Trust Fund**