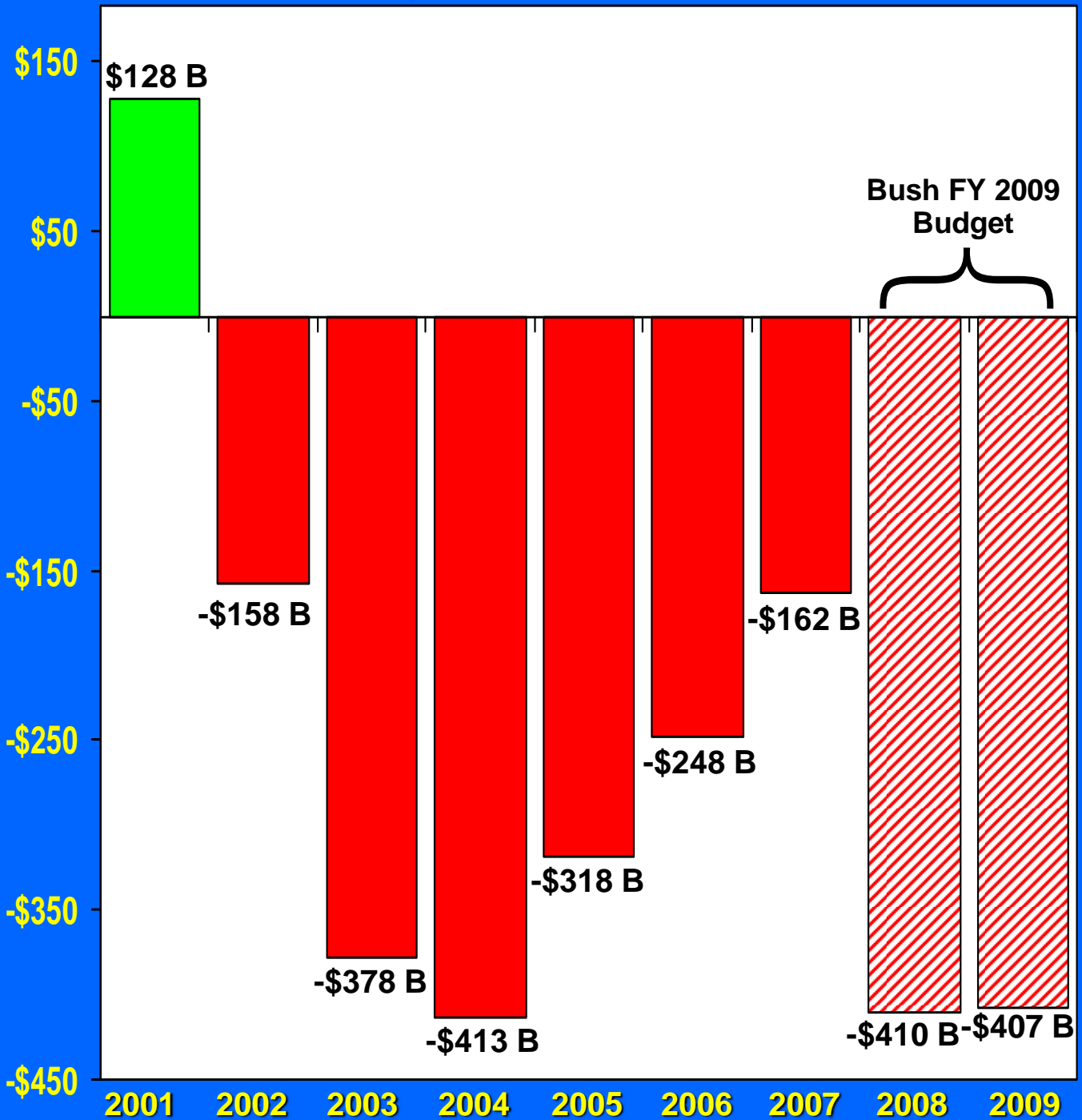


# Dramatic Deterioration in Budget Picture

(Deficit in billions of \$)

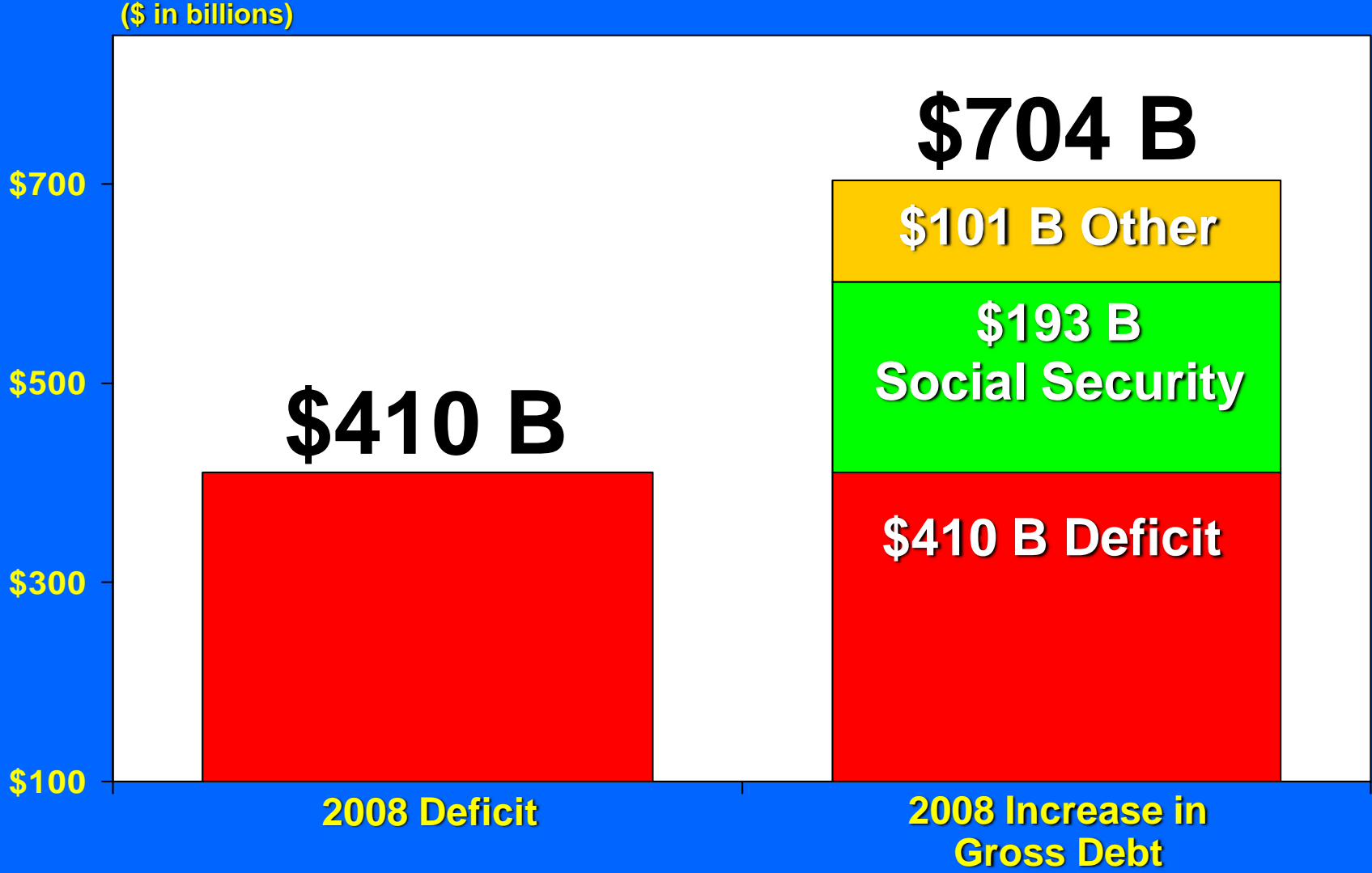


Source: OMB

Note: 2008 and 2009 estimates from Bush FY 2009 Budget.

**The Debt is  
the Threat.**

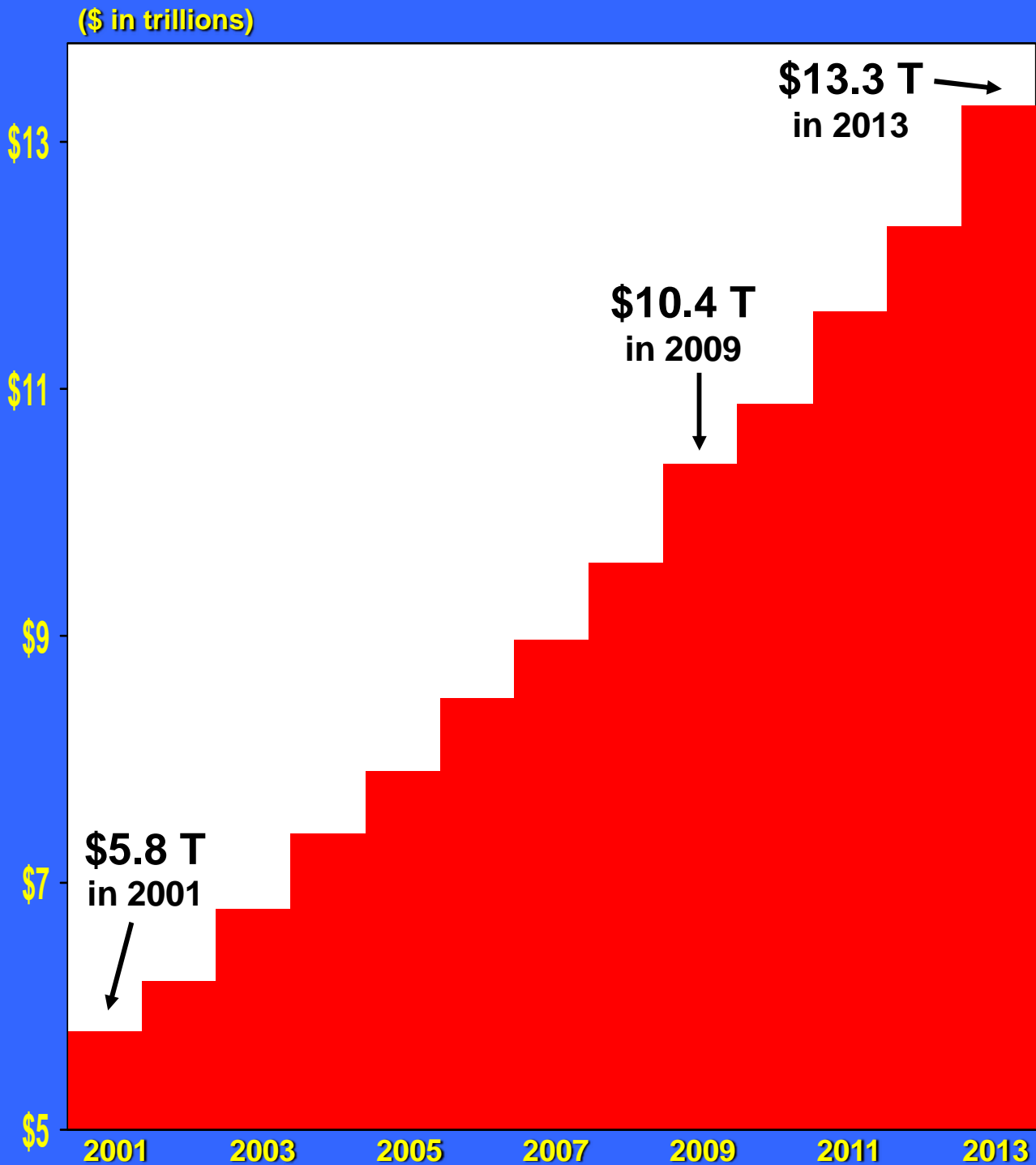
# Increase in Debt in 2008 is Far Greater Than the \$410 Billion Deficit



Source: OMB, SBC

# Building a Wall of Debt

## Gross Federal Debt Soars



Source: OMB, CBO and SBC

Note: Bush FY 2009 Budget with AMT reform, ongoing war costs, and associated debt service.

# President Bush More than Doubles Foreign-Held Debt

It Took 42 Presidents 224 Years to  
Build Up \$1 Trillion of Foreign-Held Debt



**224 Years**  
(1776-2000)

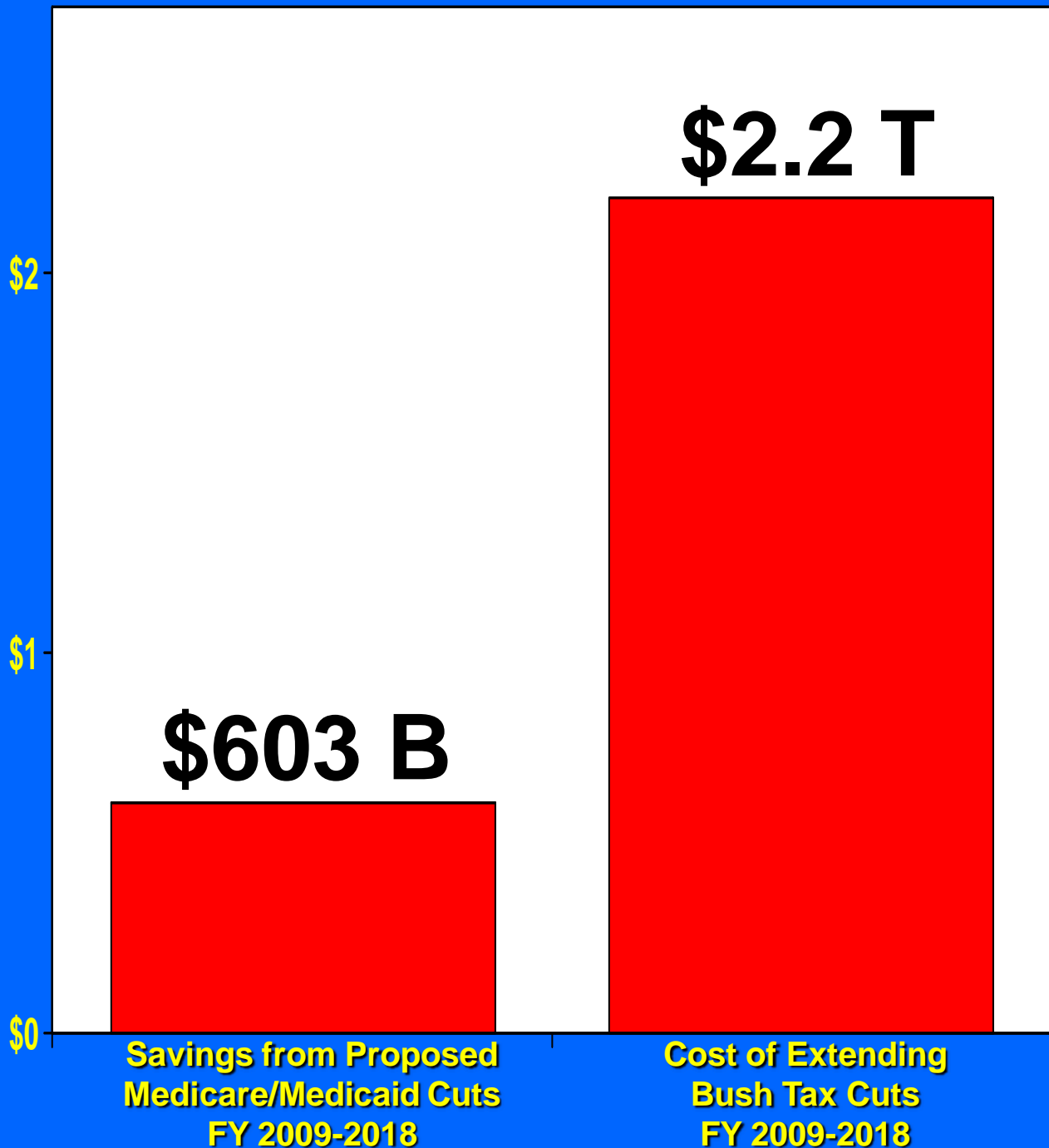


**7 Years**  
(2001-2007)

Source: U.S. Treasury  
As of November 2007

# Savings from Medicare/Medicaid Cuts More than Wiped Out by Cost of Extending Bush Tax Cuts

(\$ in trillions)



Source: OMB

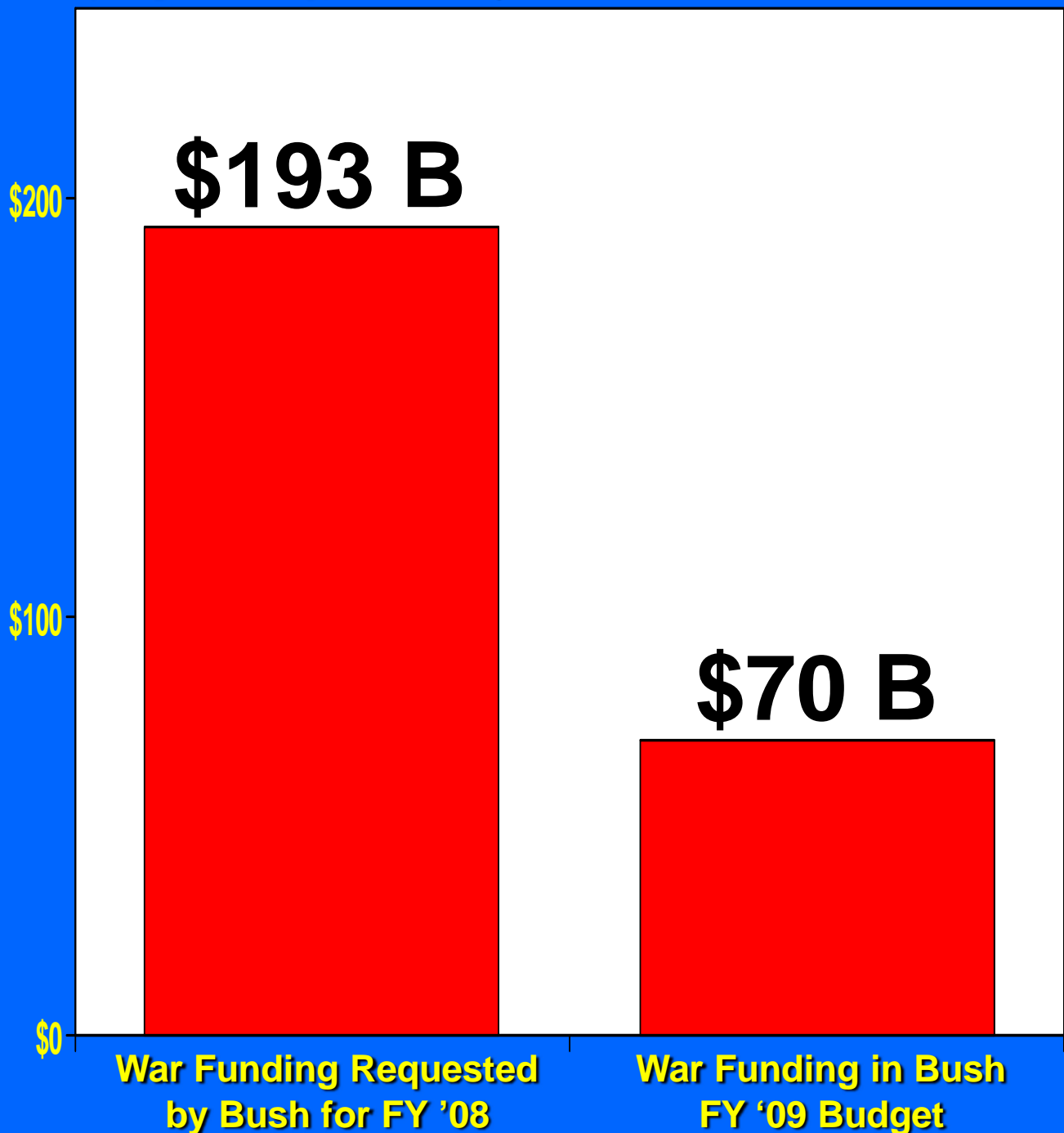
Note: OMB estimate of savings from new legislative proposals and of extending 2001 and 2003 tax cuts.

# What's Left Out of Bush Budget

- ✗ War Costs Beyond First Half of FY 2009**
- ✗ AMT Reform Beyond 2008**
- ✗ Spending Policy Details Beyond FY 2009  
(Discretionary)**

# Bush Understates War Costs

(Budget authority; \$ in billions)



Source: CBO, OMB



# President Proposes Deep Cuts in Key Priorities

<u>Program</u>	<u>% Cut</u>
COPS	100%
Weatherization Assistance	100%
DHS State First Responder Grants	78%
EPA Clean Water Grants	21%
Community Development Block Grants (CDBG)	20%
Low Income Home Energy Assistance Program (LIHEAP)	17%

Source: OMB, SBC

Note: Percent cut below 2009 OMB baseline

## What Bush Inherited

Record \$5.6 T Surplus

On Track to Pay Down All Publicly-Held Debt

Strongest Economy in Three Decades

Robust Job Growth



## What Bush is Leaving Behind...

\$400 B Annual Deficits

Exploding Debt Burden

Economy Slowing Sharply

Weakest Job Growth Since Hoover Administration