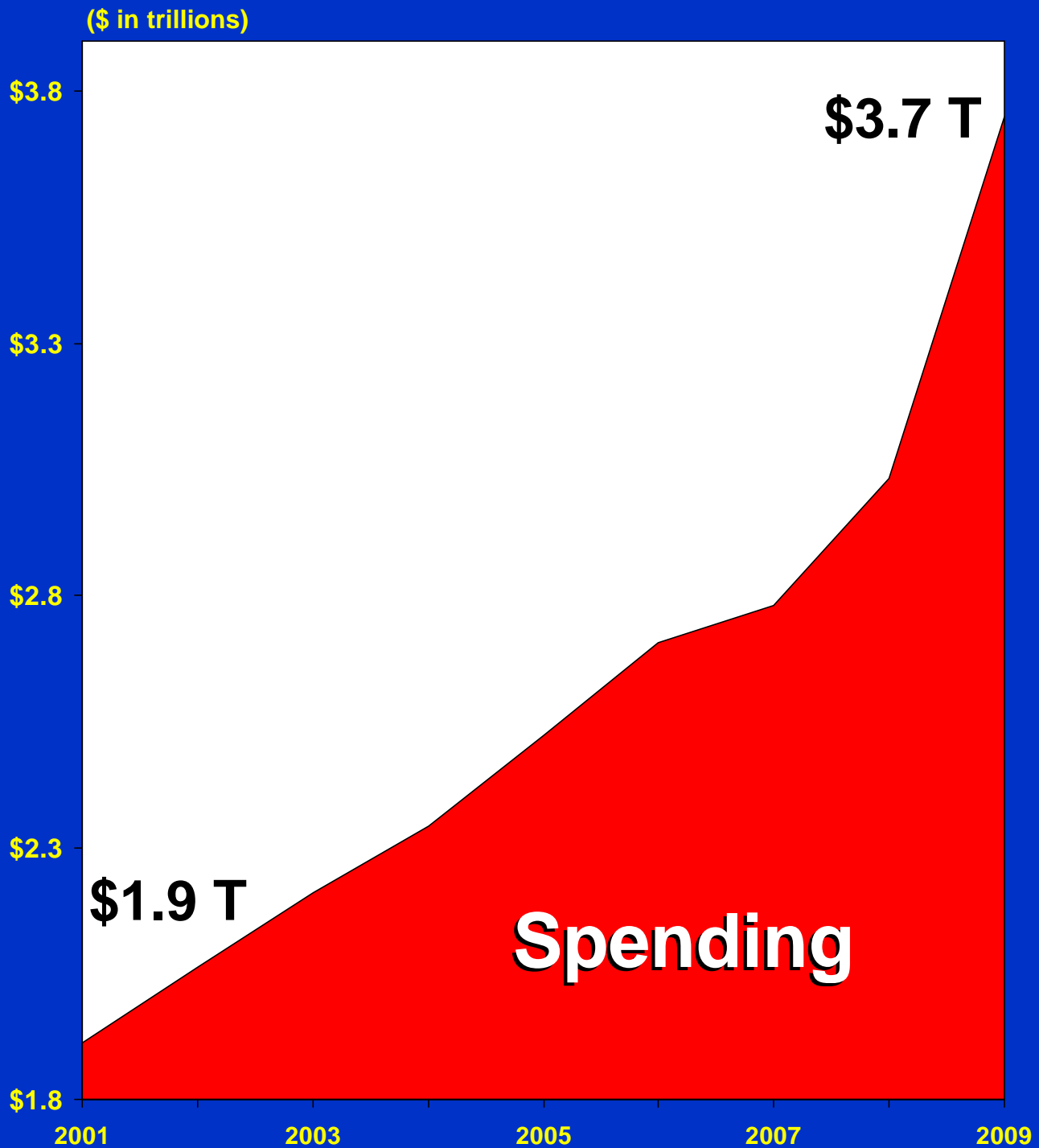


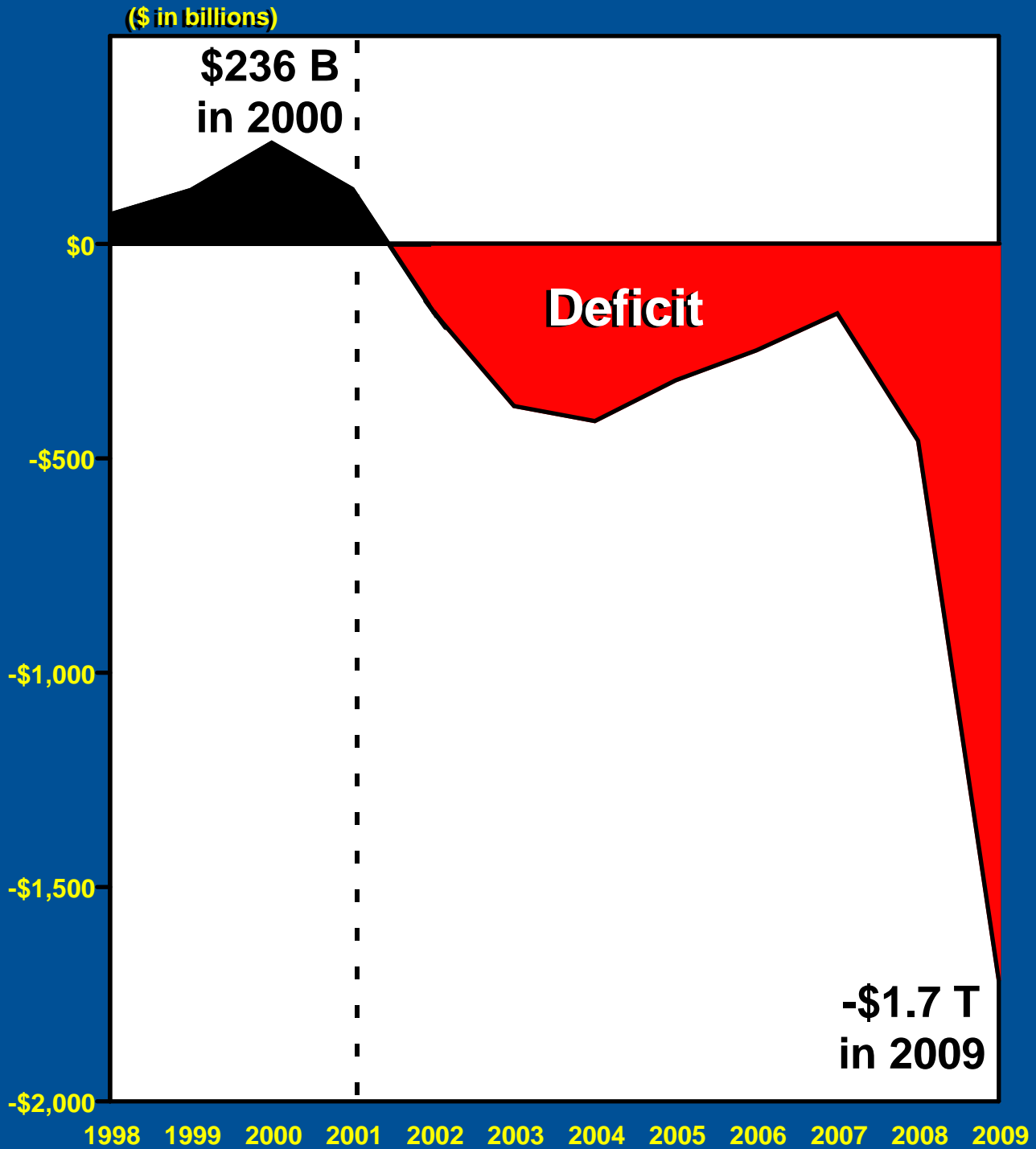
# Spending Nearly Doubled Under Bush Administration



Sources: CBO, SBC

Note: Spending totals are outlays. (Adjusts CBO March 2009 estimate for 2009 to exclude outlays associated with the economic recovery package and other legislative changes made since President Obama took office.)

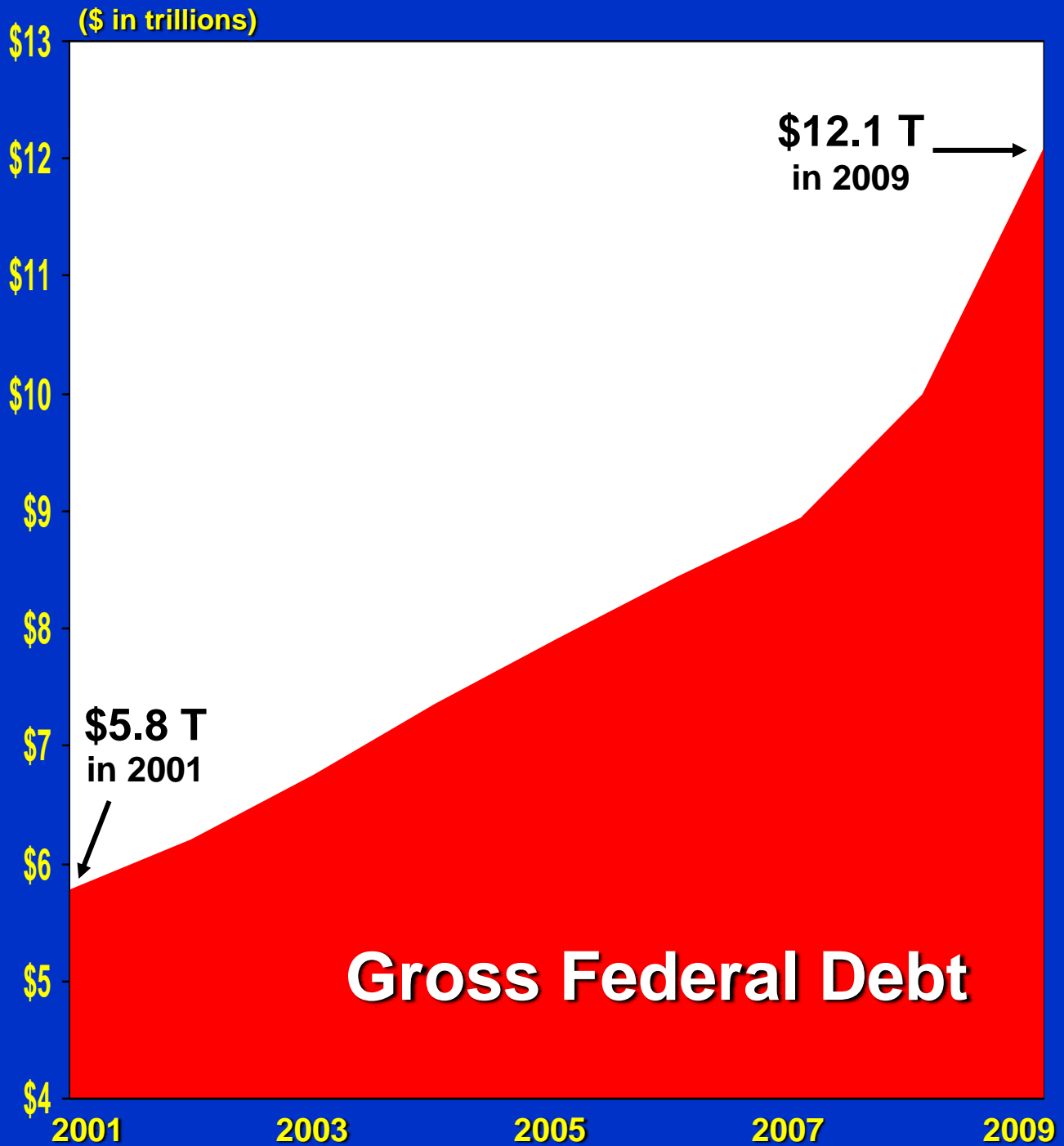
# Dramatic Deterioration in Budget Picture Under Bush Administration



Sources: OMB, SBC

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

# Federal Debt Soars Under Bush Administration



Sources: OMB, CBO

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

# **What President Obama Inherited**

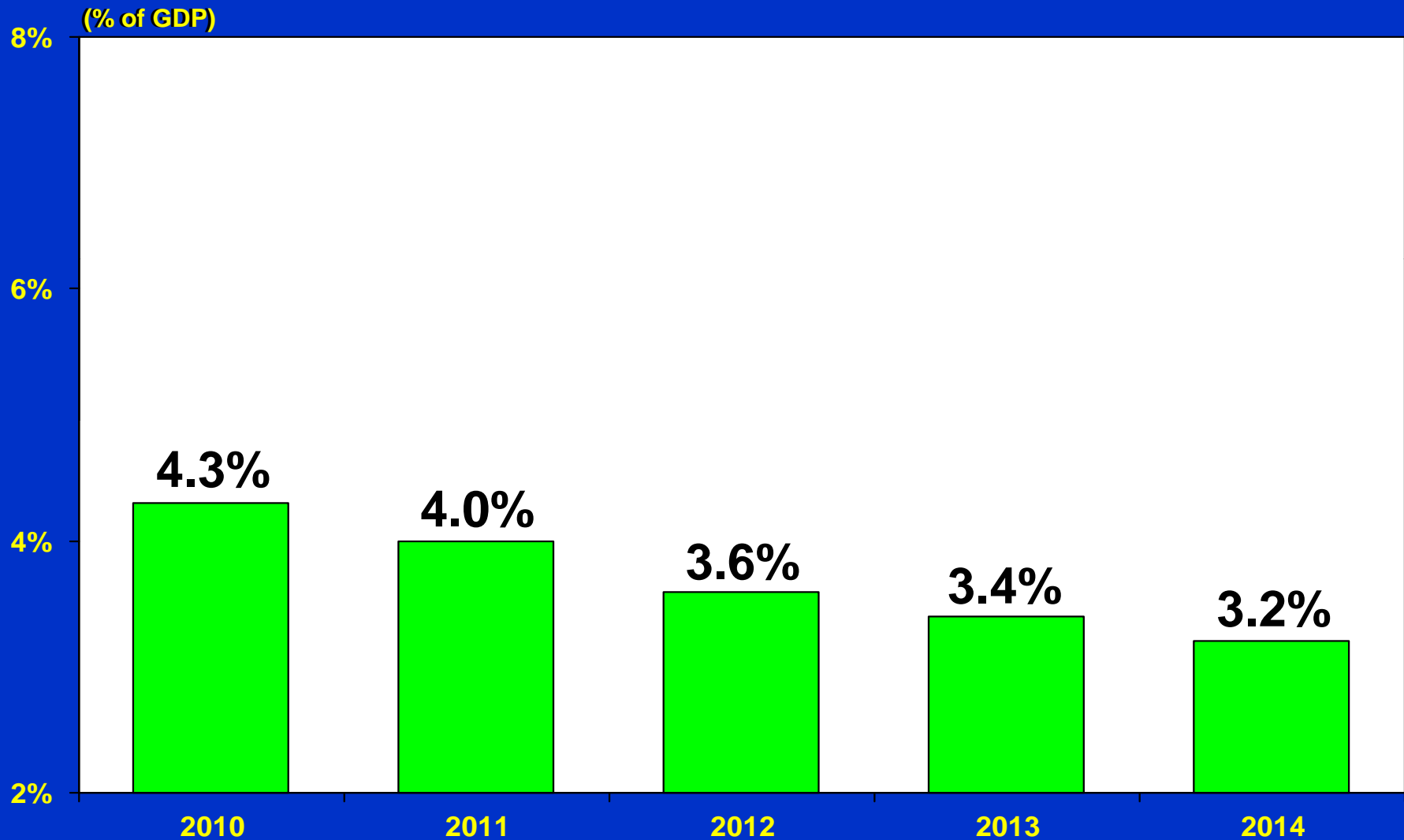
- **Record deficits, doubling of national debt**
- **Worst recession since Great Depression**
- **Financial market and housing crises**
- **3.7 million jobs lost in last six months**
- **Ongoing wars in Iraq and Afghanistan**

# **Senator Gregg on Need to Increase Short-Term Deficit**

**“I’m willing to accept this [short-term deficit] number and not debate it, because we are in a recession, and it’s necessary for the government to step in and be aggressive, and the government is the last source of liquidity. And so you can argue that this number, although horribly large, is something we will simply have to live with.”**

**– Senator Judd Gregg (R-NH)  
Floor Statement on President Obama’s  
FY 2010 Budget  
March 11, 2009**

# Domestic Discretionary Spending as Percent of GDP Under Budget Resolution

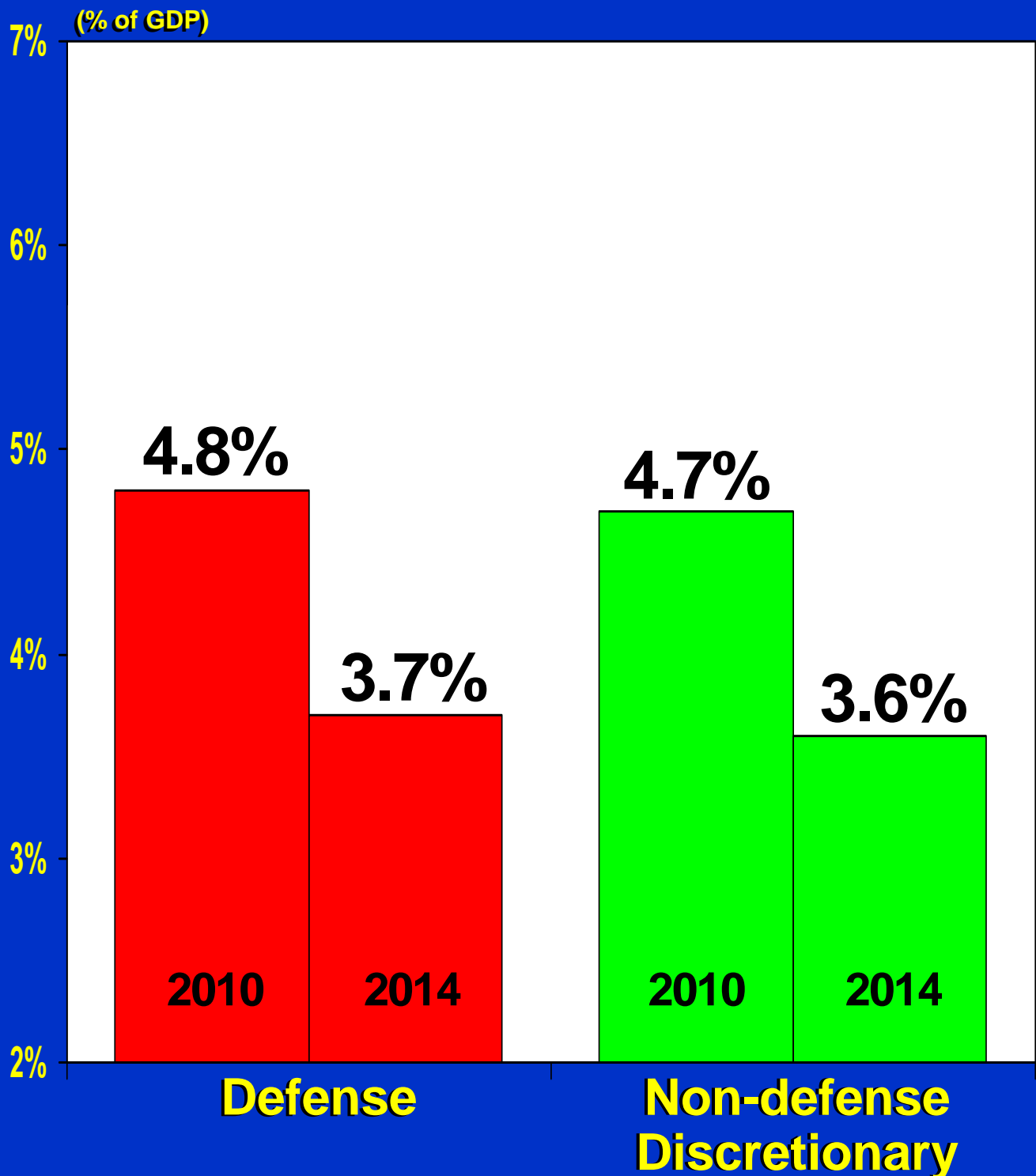


Source: SBC

**Non-defense Discretionary  
Average Annual Increase  
Under Budget Resolution**

**2.5%**

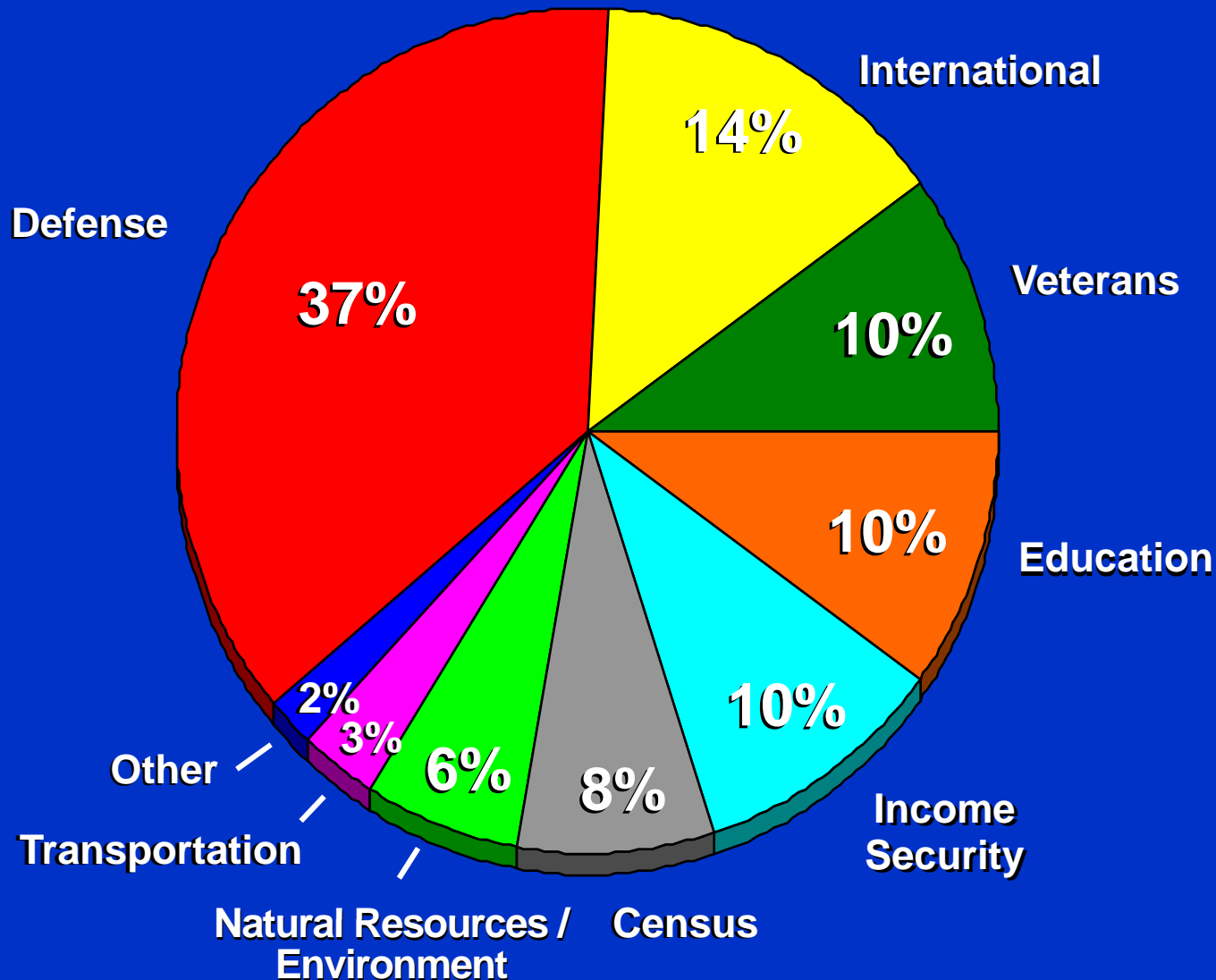
# Discretionary Spending as Percent of GDP Under Budget Resolution



Source: SBC



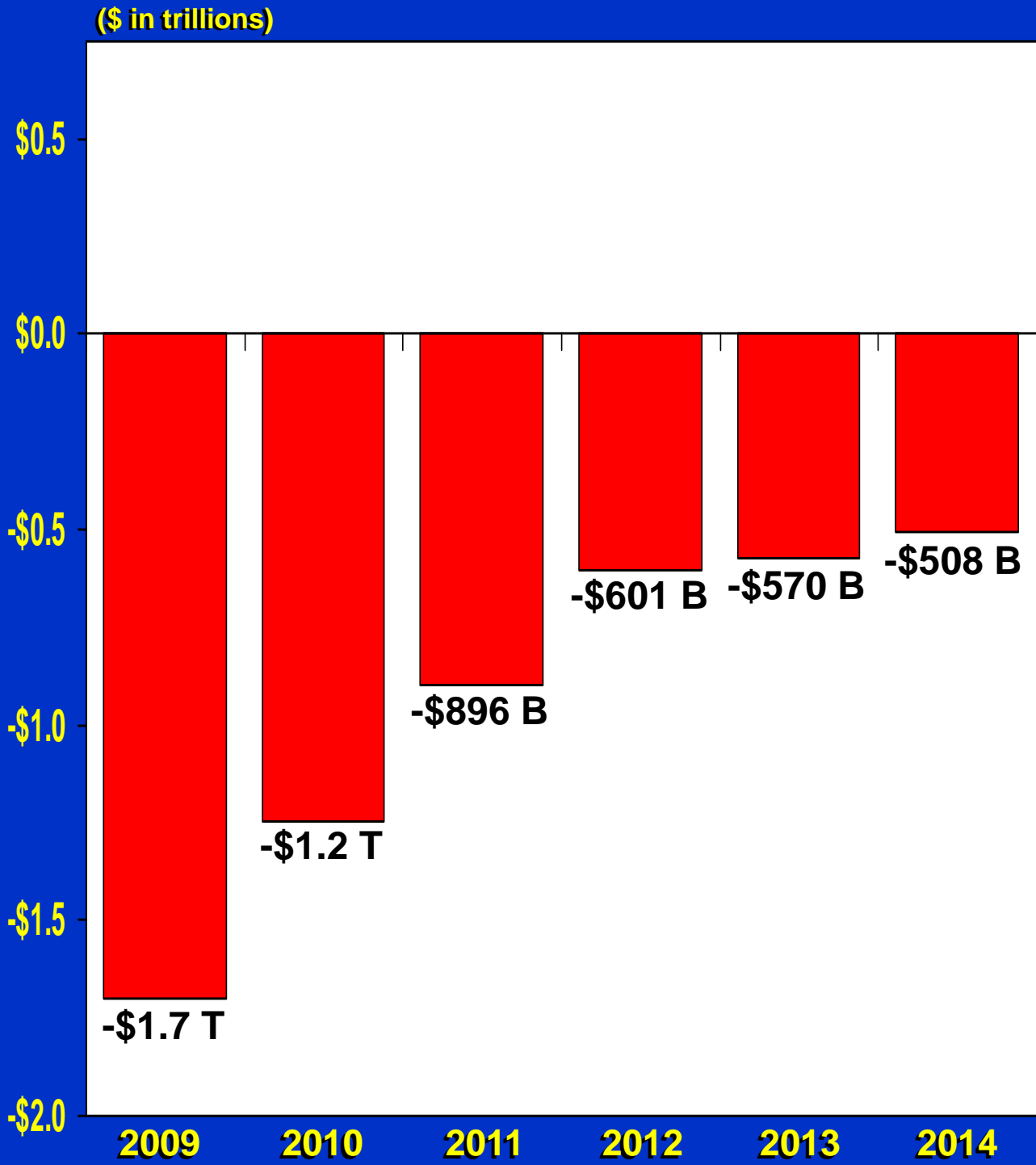
# What Accounts for Discretionary Increase Under Budget Resolution



Sources: CBO, SBC

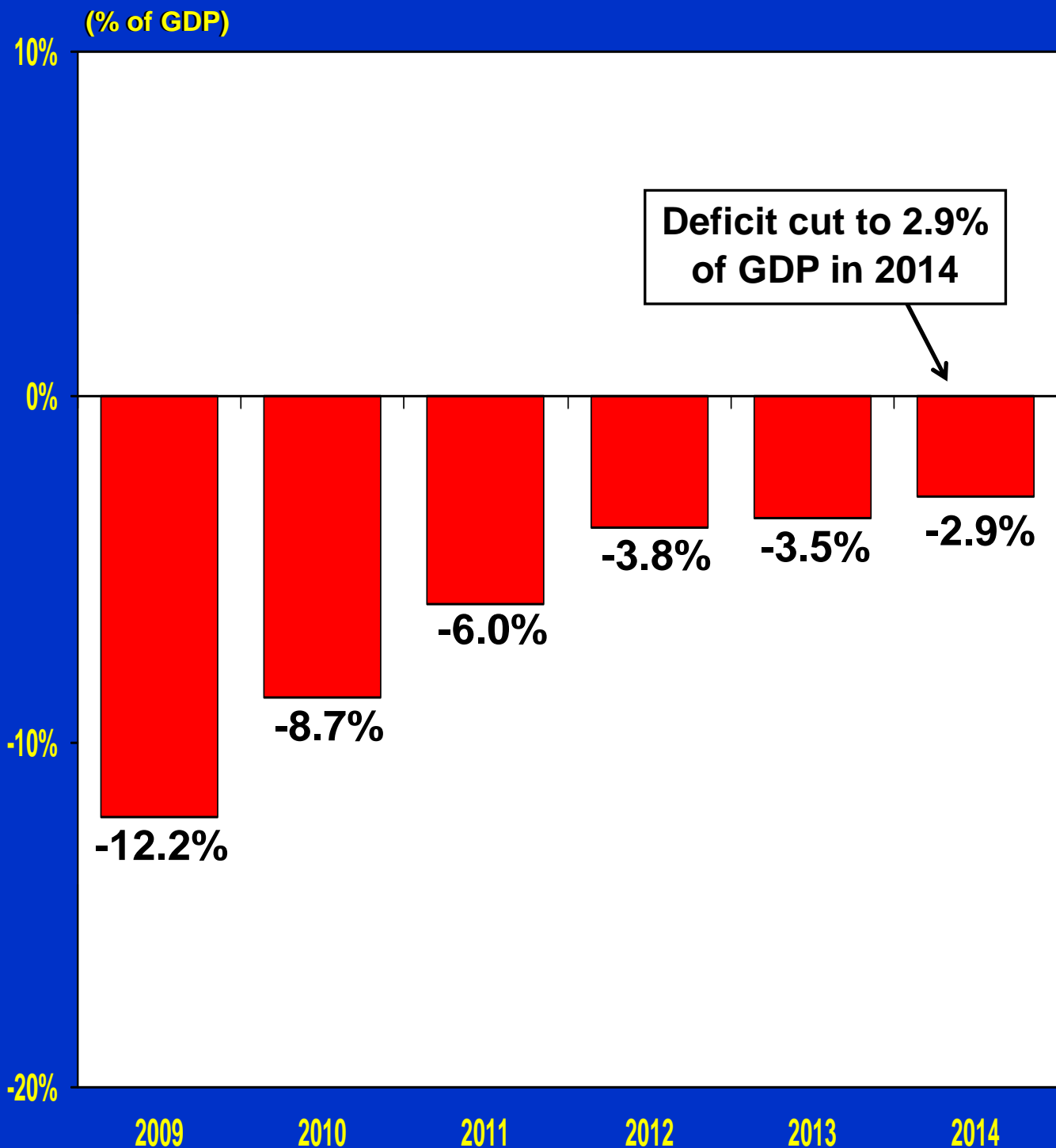
Note: 2010 discretionary increase above 2009 enacted level; regular budget authority; 2009 adjusted to include \$4.1 billion in enacted emergency international affairs funding.

# Deficit Cut by Two-Thirds by 2014 Under Budget Resolution



Source: SBC

# Deficit as Percent of GDP Under Budget Resolution



Source: SBC

# President Bush More than Tripled Foreign-Held Debt

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



**\$1.01 T**

**224 Years**  
(1776-2000)



**\$2.05 T**

**President Bush**  
(2001-2009)

Sources: U.S. Treasury  
Monthly data through January 2009