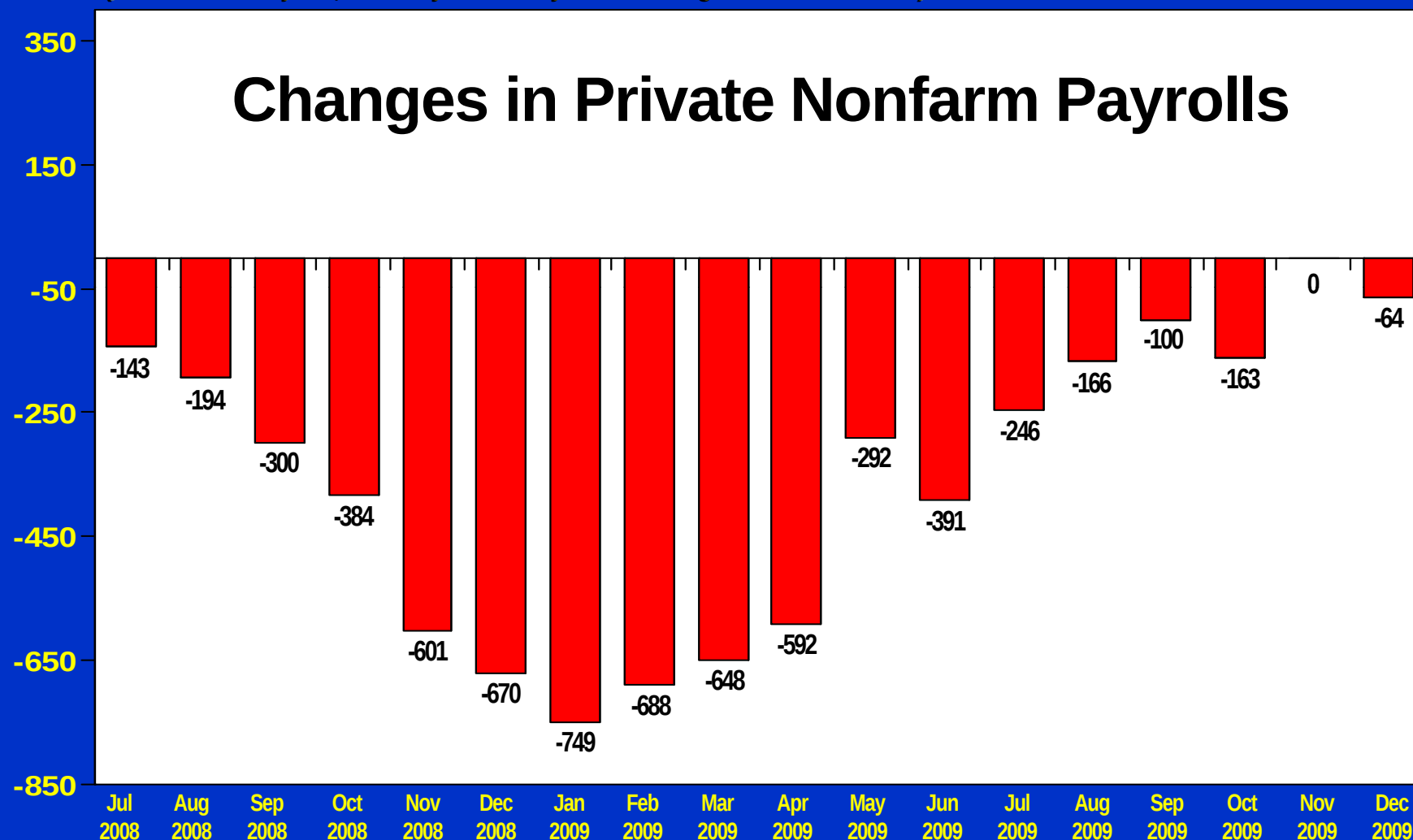


Jobs Picture

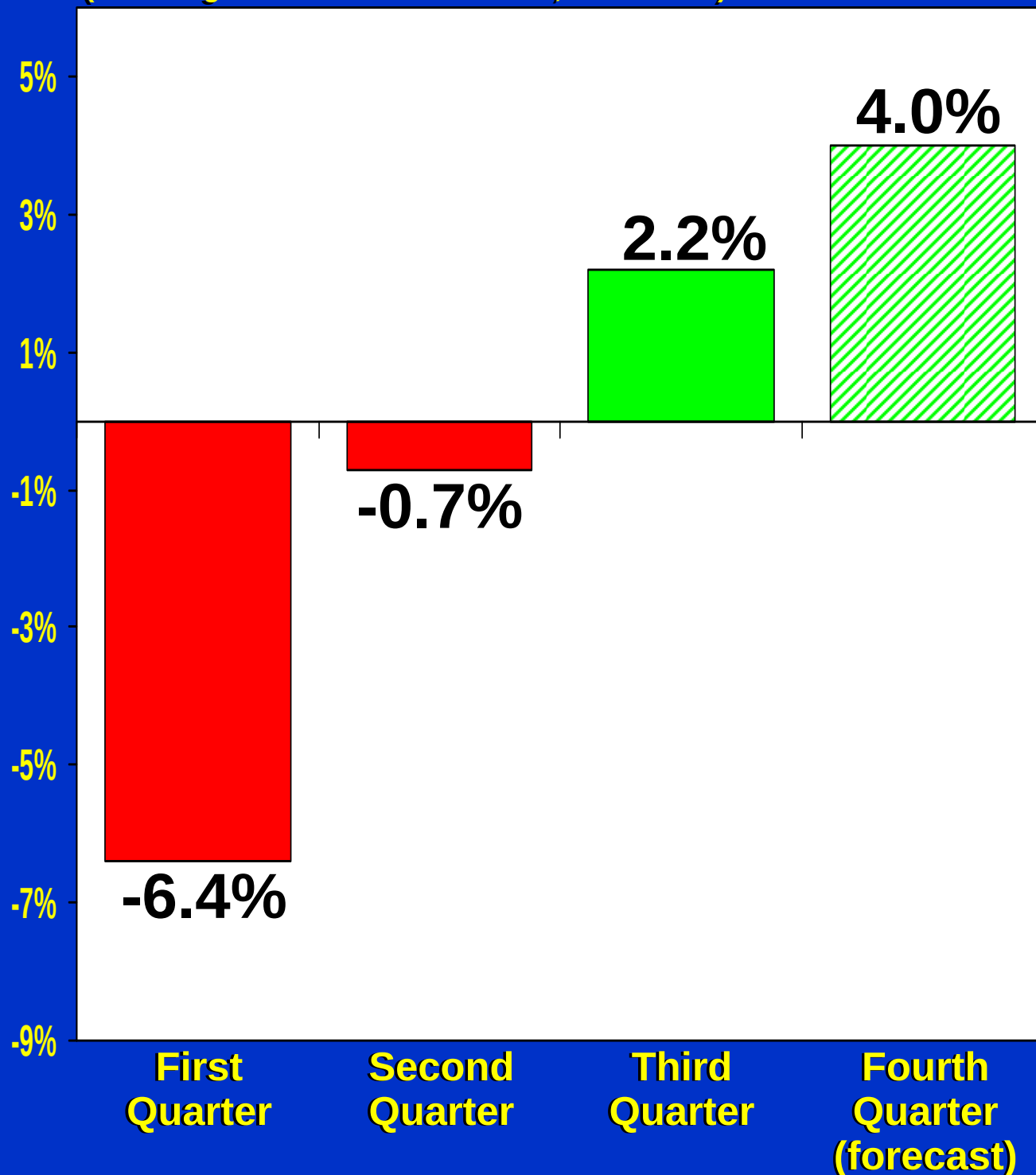
(Thousands of jobs, monthly from July 2008 through December 2009)



Sources: Bureau of Labor Statistics, U.S. Department of Labor

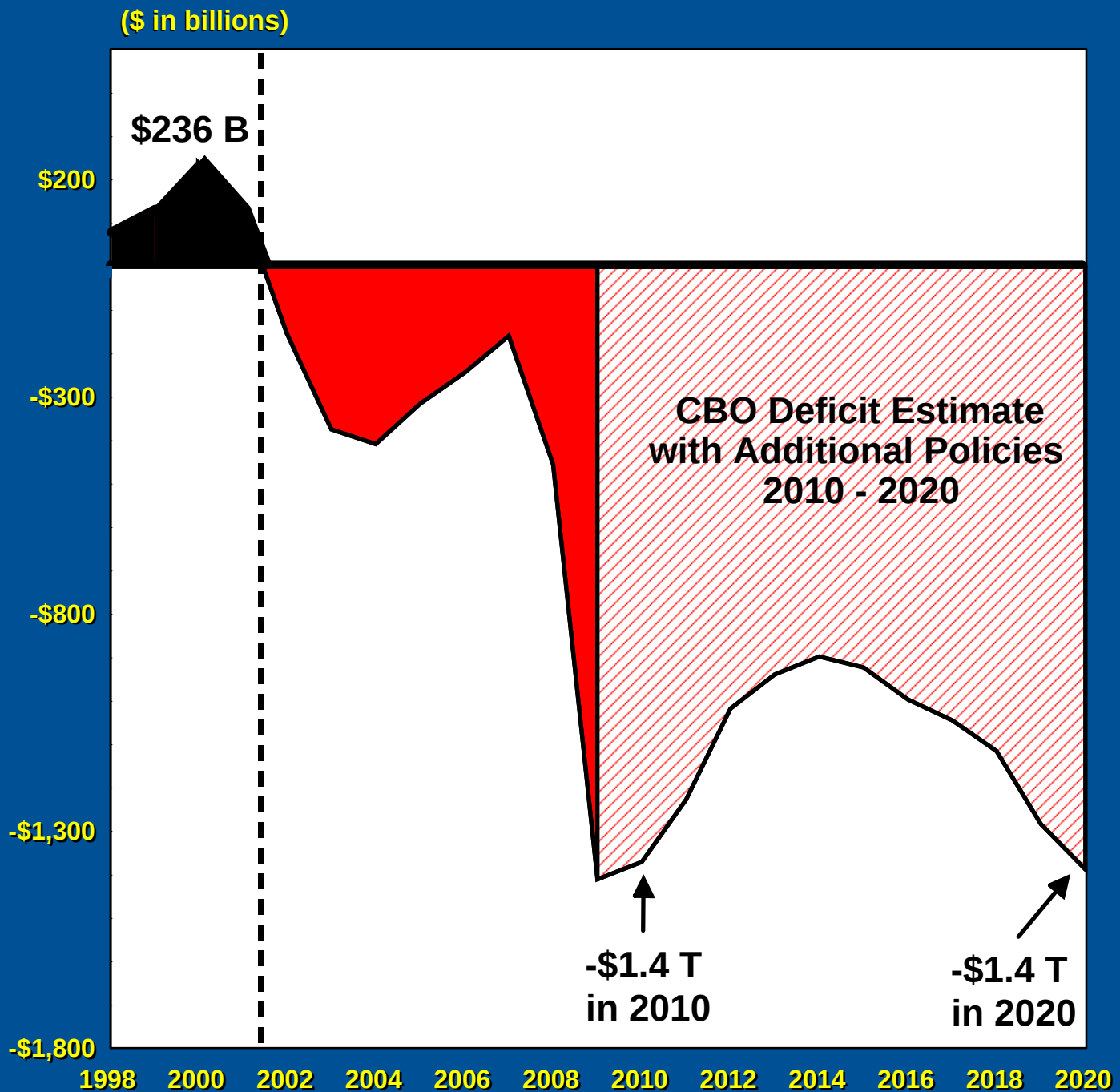
Economic Performance Improving

(Percent growth of real GDP in 2009, annual rate)



Sources: Bureau of Economic Analysis, U.S. Department of Commerce and Blue Chip Economic Indicators

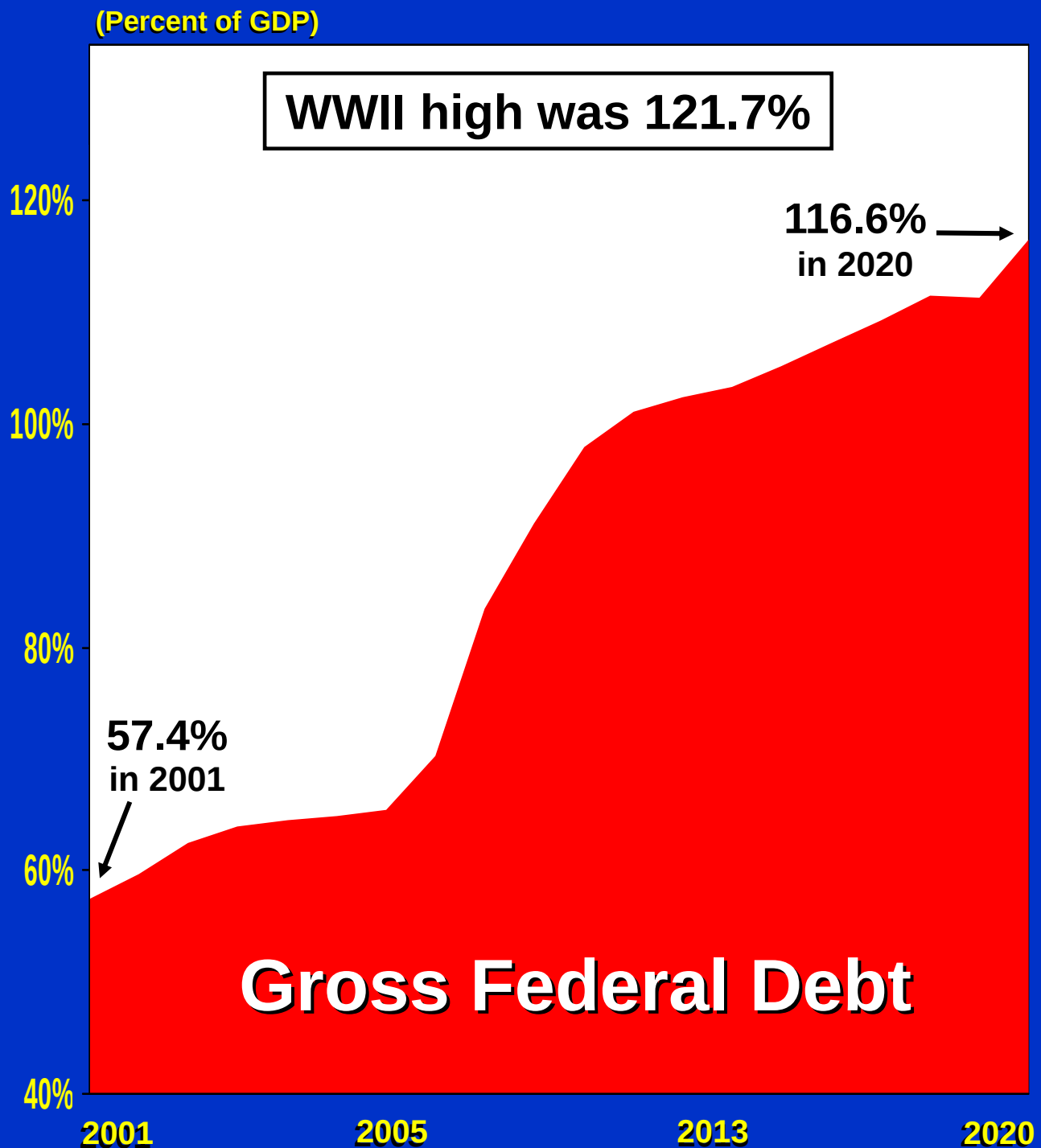
Ten-Year Budget Outlook



Sources: CBO and SBC

Note: CBO's "The Budget and Economic Outlook: Fiscal Years 2010 to 2020," adjusted for alternative policies: extension of 2001 and 2003 tax cuts, traditional tax extenders, AMT reform, and ongoing overseas military operations.

Gross Debt Approaches WWII Levels

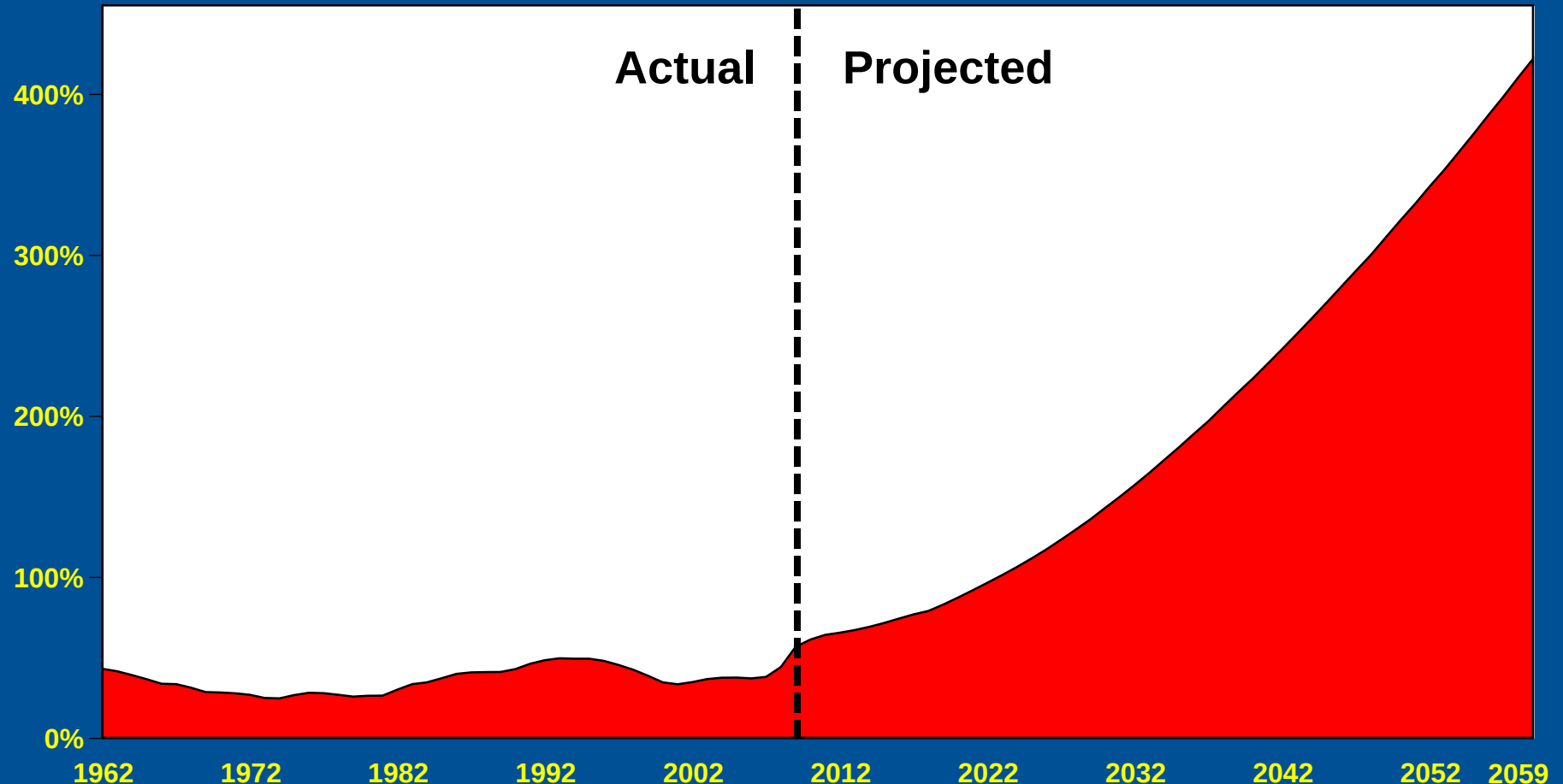


Sources: OMB, SBC, CBO

Note: Gross debt calculations by SBC staff using CBO's "The Budget and Economic Outlook: Fiscal Years 2010 to 2020," adjusted for alternative policies: extension of 2001 and 2003 tax cuts, traditional tax extenders, AMT reform, and ongoing overseas military operations.

Federal Debt Soars Under CBO Long-Term Budget Scenario

(Debt held by the public as a percent of GDP)



Source: CBO Long-Term Budget Outlook, June 2009

Note: CBO alternative fiscal scenario with tax cuts made permanent, AMT indexed for inflation, and Medicare physician payments growing with higher MEI rate.

CBO on the Budget Outlook

“...[T]he federal fiscal outlook beyond this year is daunting.... [A]ccumulating deficits will push federal debt held by the public to significantly higher levels....

“With such a large increase in debt, plus an expected increase in interest rates as the economic recovery strengthens, interest payments on the debt are poised to skyrocket....

“Without changes to federal fiscal policy – involving some combination of lower spending and higher revenues... – rising costs [in health care and from the aging population] will rapidly drive the size of federal debt....”

**– CBO’s *Budget and Economic Outlook: Fiscal Years 2010 to 2020*
January 2010**