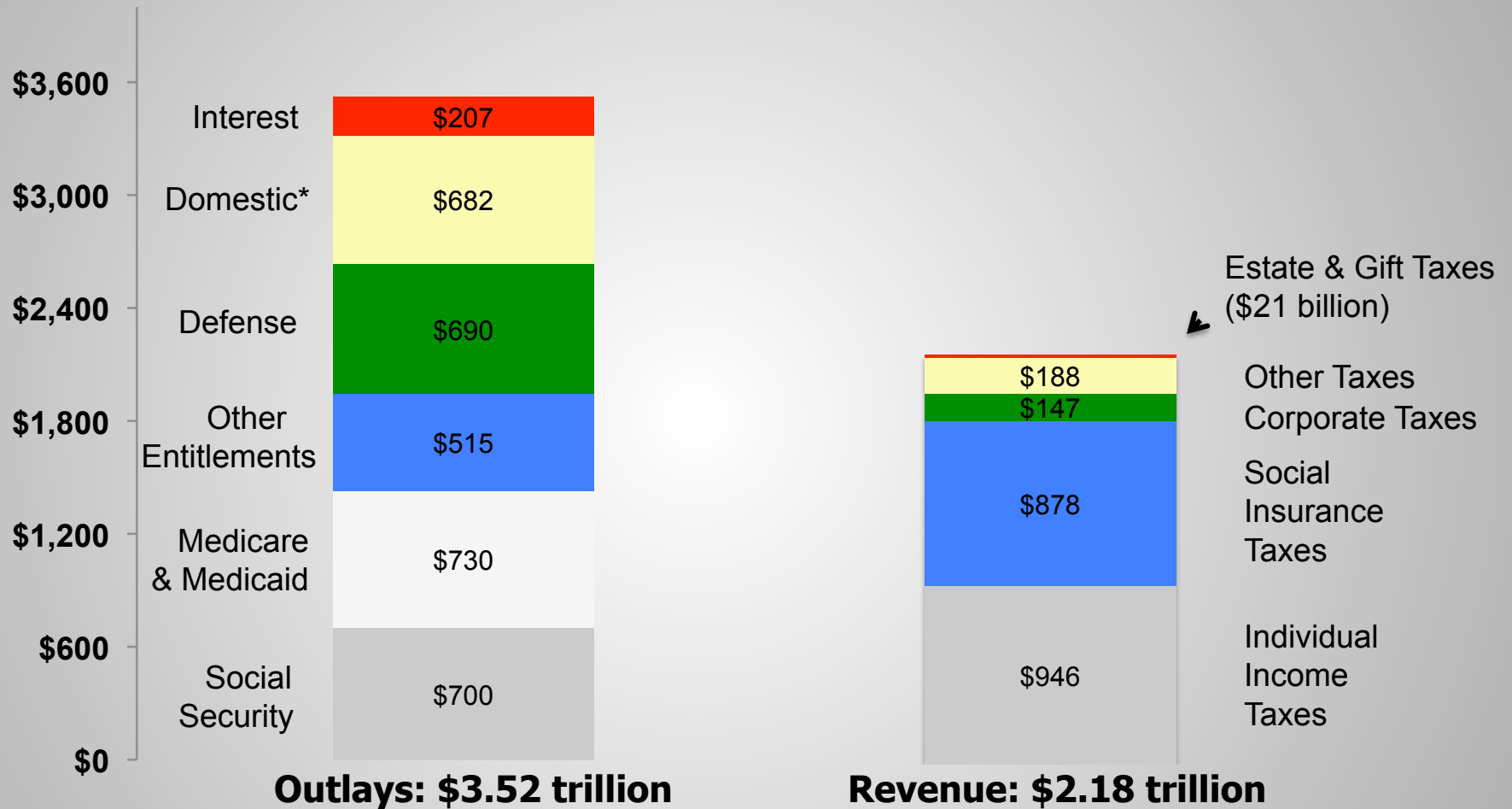


Composition of Projected FY 2010 Federal Government Revenues and Outlays (Deficit: \$1.35 Trillion)

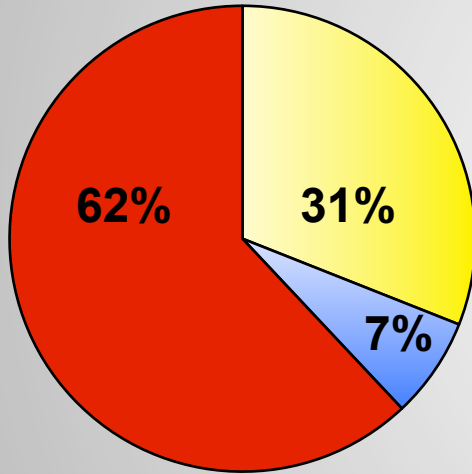


*Includes all appropriated domestic spending such as education, transportation, homeland security, housing assistance, and foreign aid.

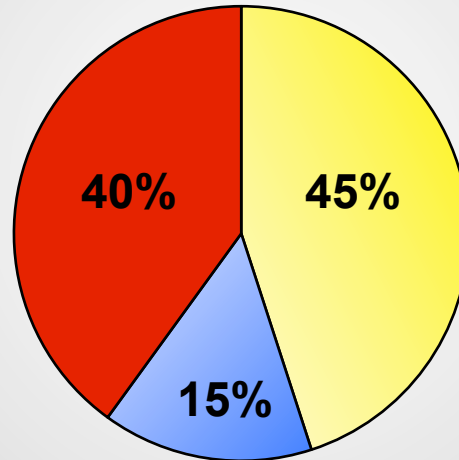
Source: CBO January 2010.

Mandatory spending is consuming a growing share of the budget

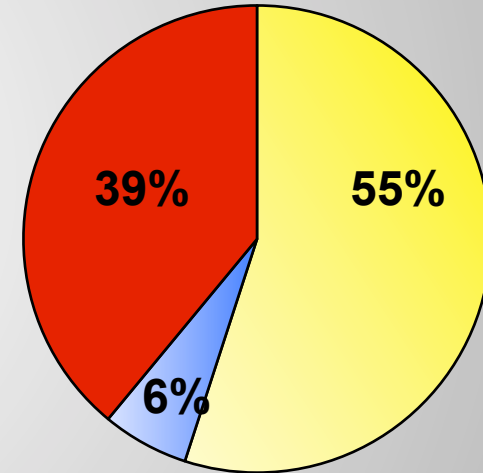
1970



1990



2010



 Mandatory

 Net Interest

 Discretionary

Source: Congressional Budget Office, January 2010.

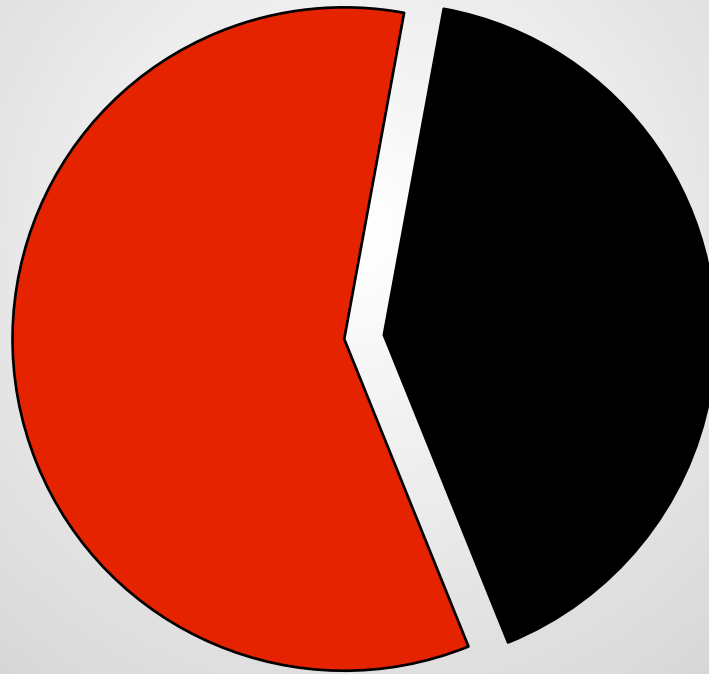
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Social Security, Medicare, & Medicaid as a Percentage of the Federal Budget

All other Federal
Spending

\$2.09 Trillion

59%



Social Security,
Medicare and Medicaid

\$1.43 Trillion

41%

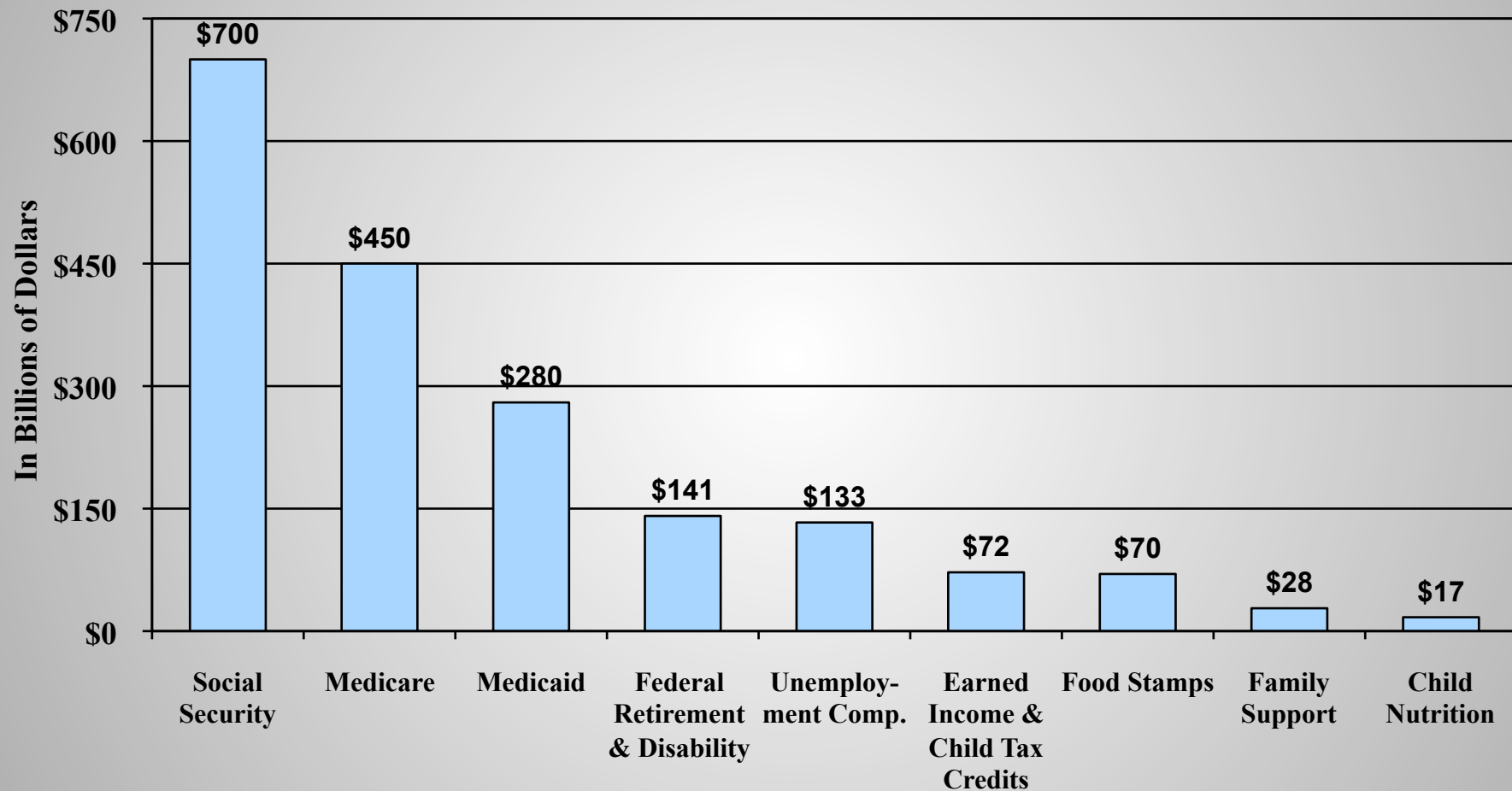
Source: Congressional Budget Office, January 2010.

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Outlays of Select Mandatory Spending Programs (FY 2010 Projected)



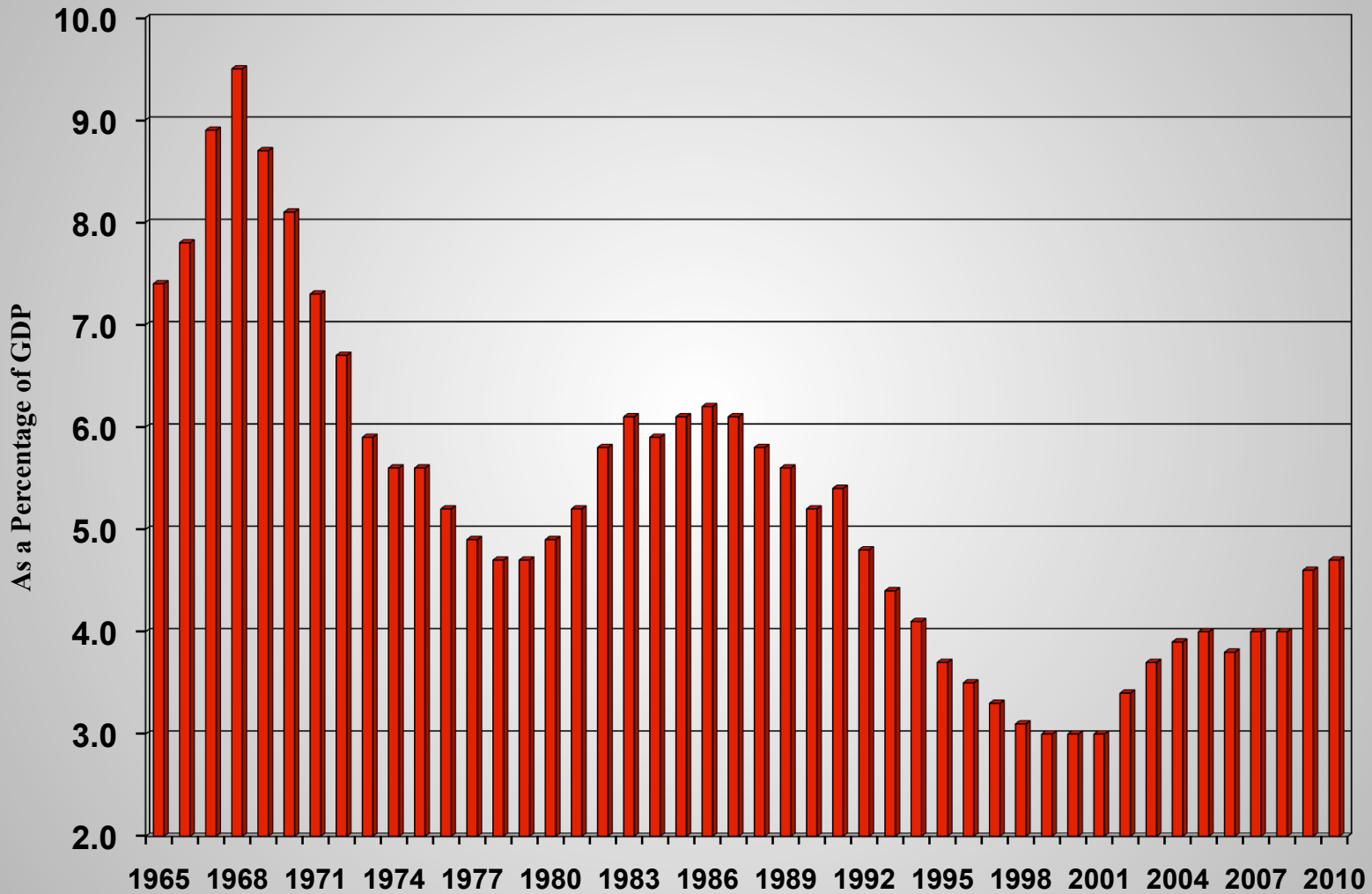
Source: Congressional Budget Office, January 2010.

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Defense Discretionary Spending as a Percentage of GDP



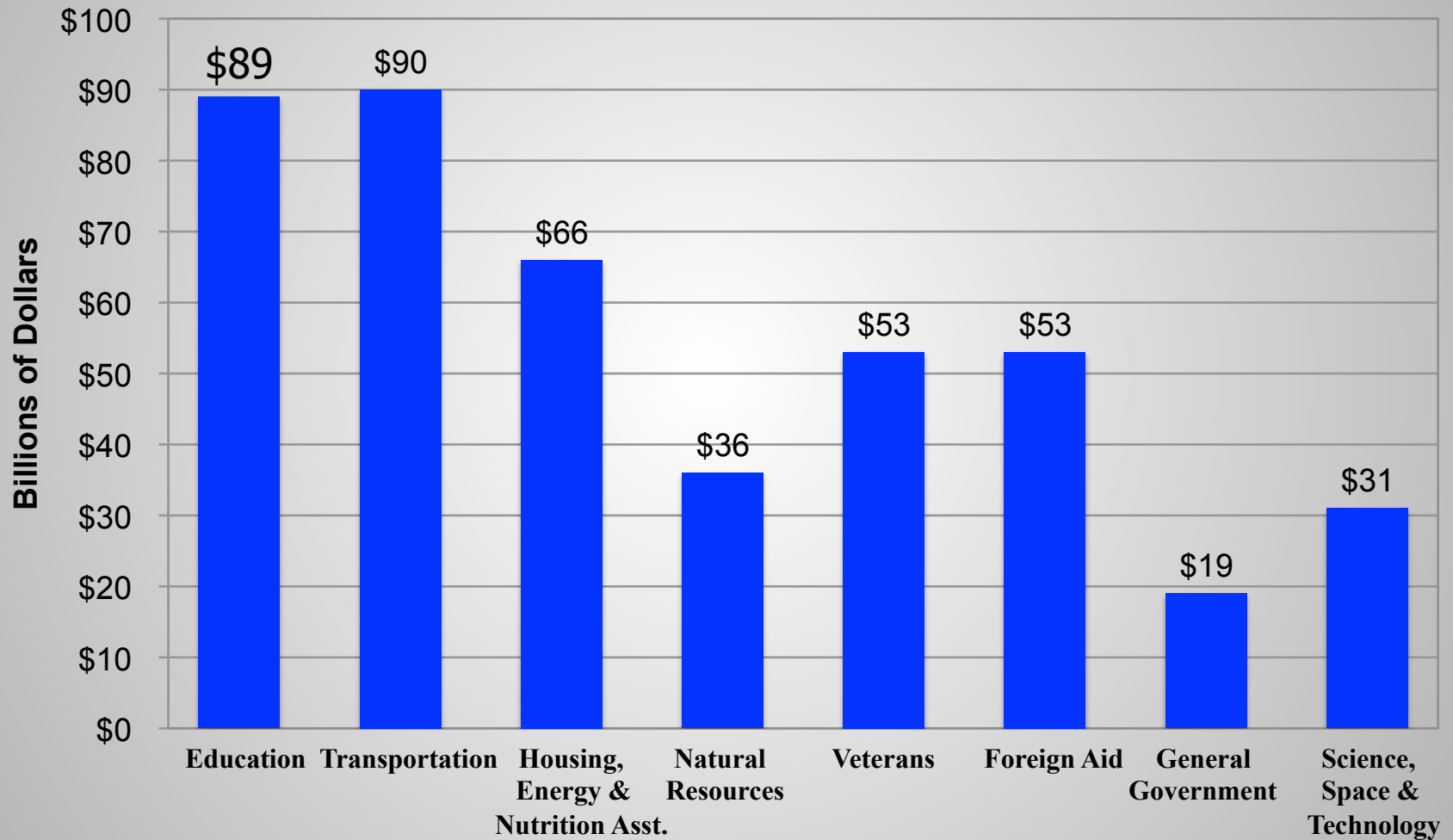
Source: Congressional Budget Office, January 2010.

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Outlays of Select Non-Defense Discretionary Programs (FY 2010 Projected)

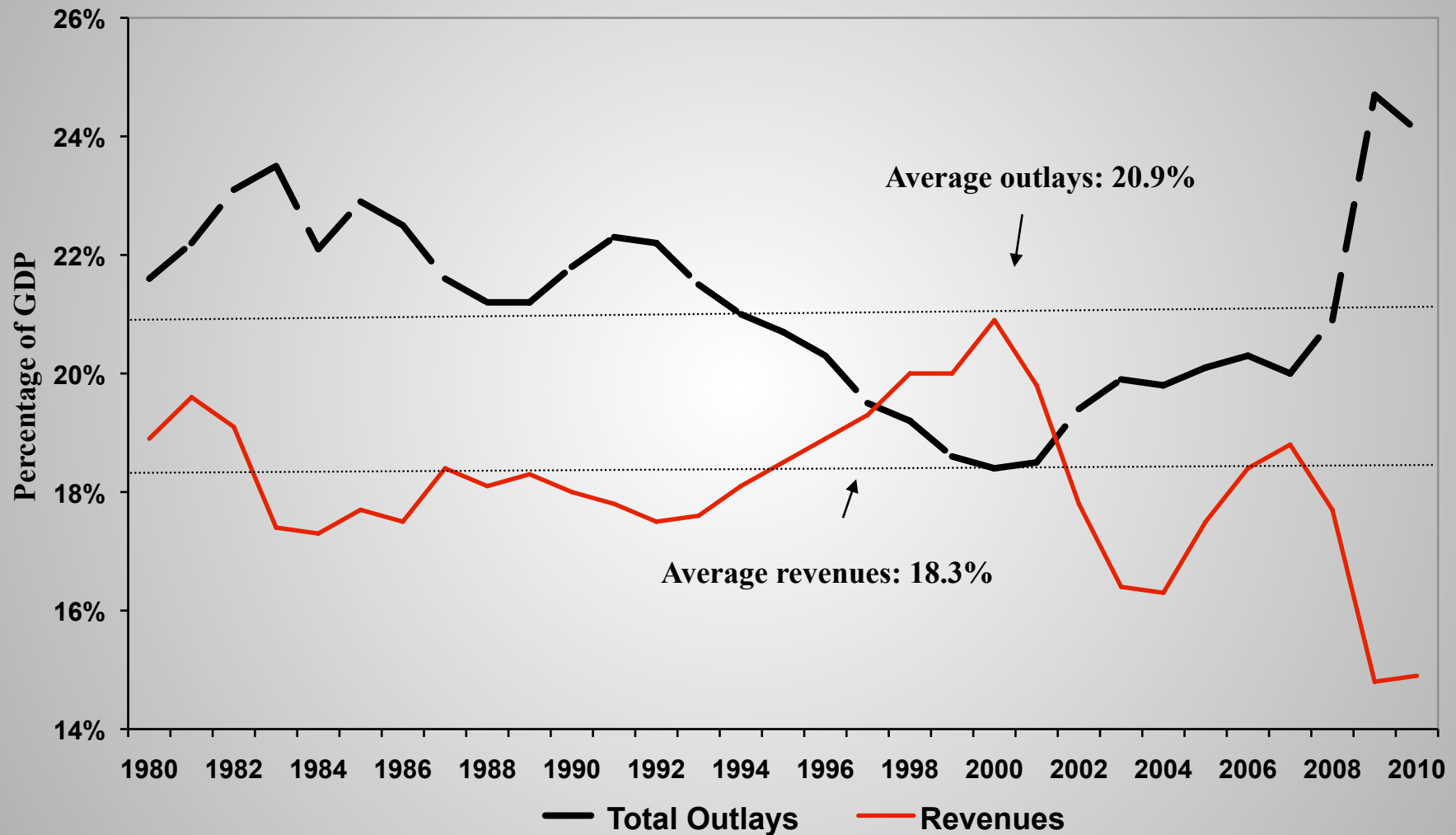


*includes ground, air, and water

Source: Congressional Budget Office, January 2010.

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Federal Spending vs. Revenues as a Percent of GDP (FY 1980-2010)



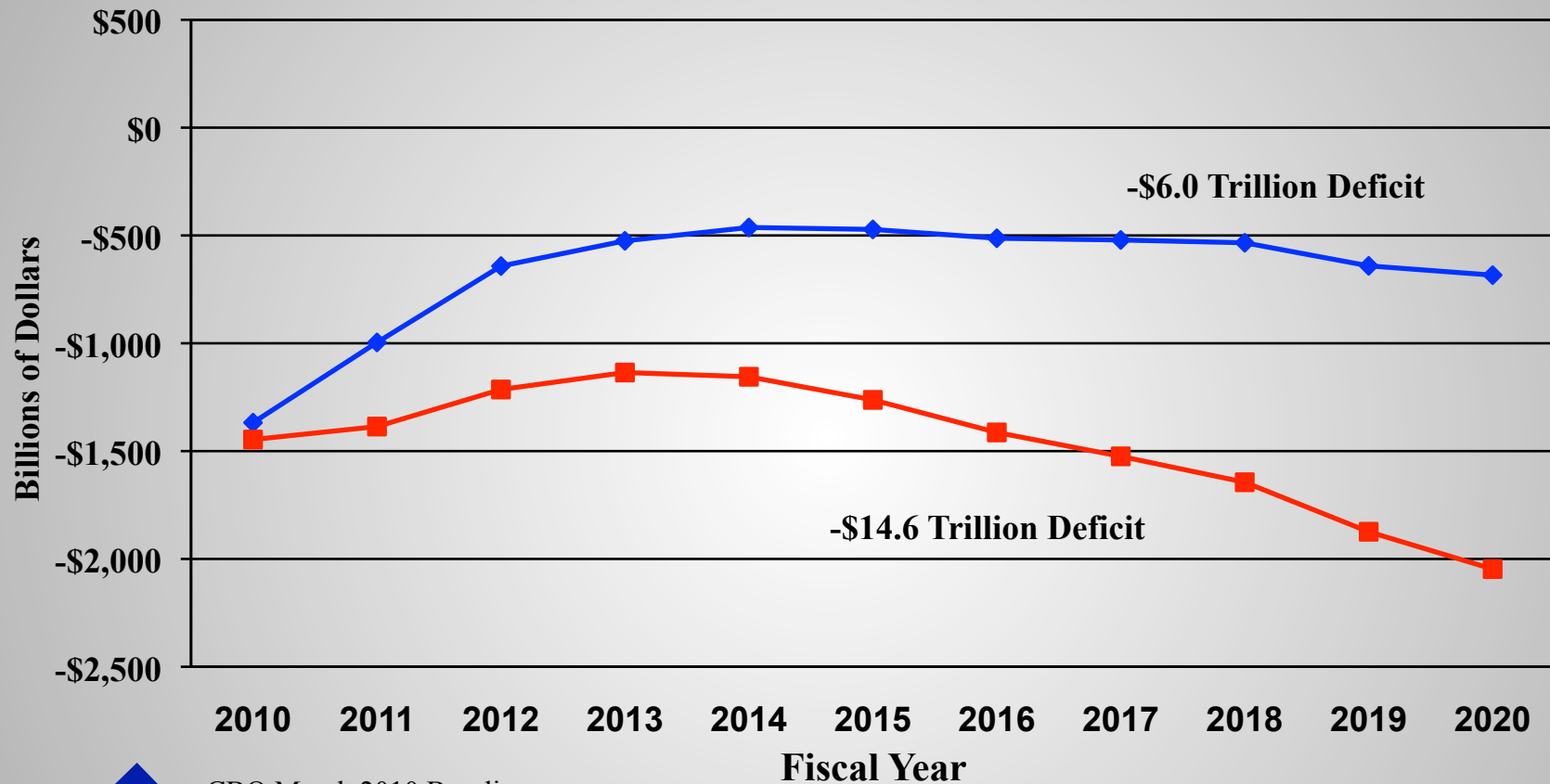
Source: Congressional Budget Office, January 2010.

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Current Policy Trends Lead to Large Sustained Deficits Fiscal Years 2011-2020



CBO March 2010 Baseline



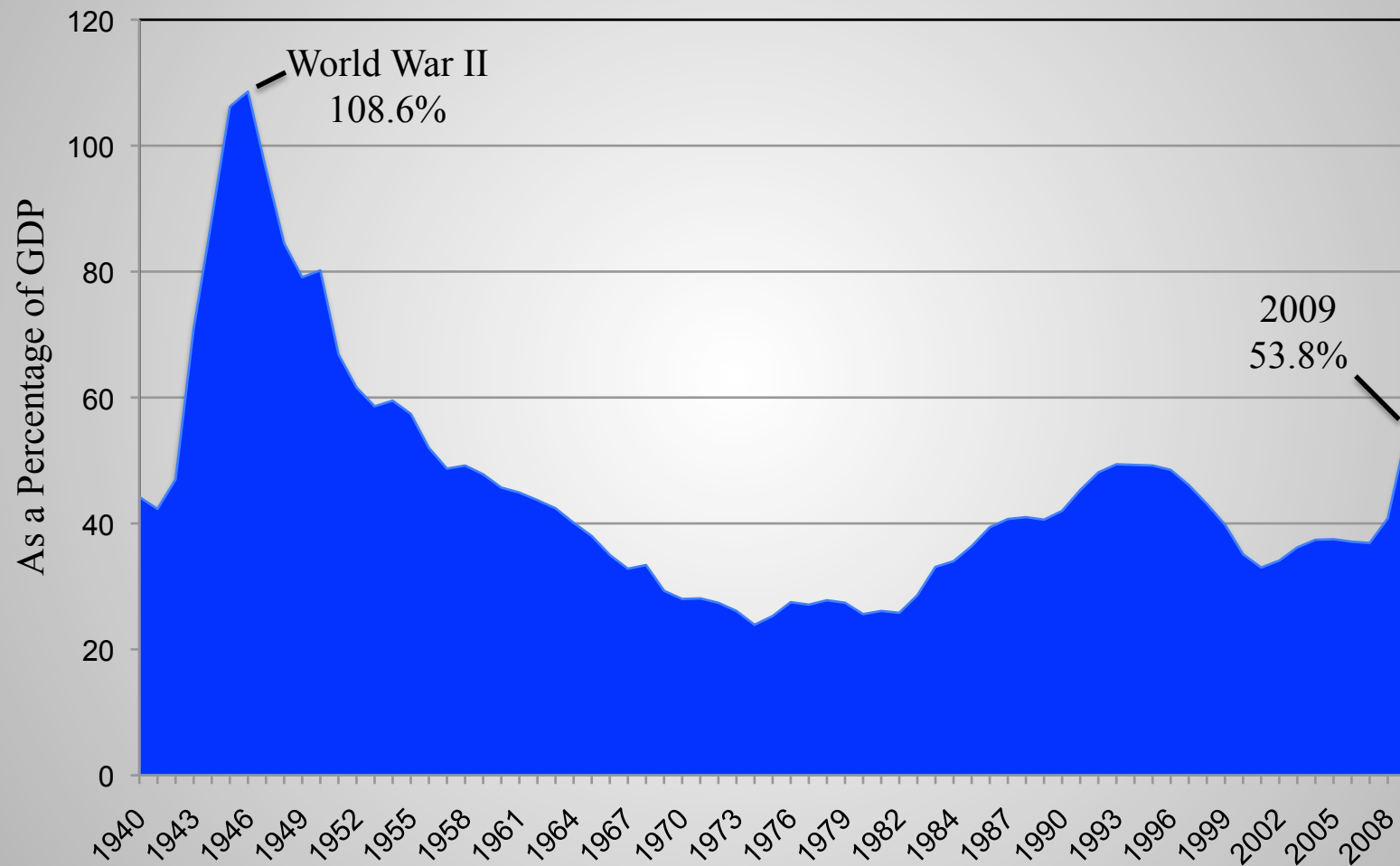
The Concord Coalition Plausible Baseline adds in the effects of the new Health Care Reform law and assumes that discretionary spending grows at the rate of nominal GDP, that war costs slow gradually, that Medicare physician payment cuts are postponed, and that all expiring tax provisions (including those from the 2009 stimulus package) are extended with AMT relief.

Source: Congressional Budget Office, March 2010 and Concord Coalition analysis.



Debt Held by the Public as a Percent of GDP

1940-2040



Source: OMB Historical Tables 2009.

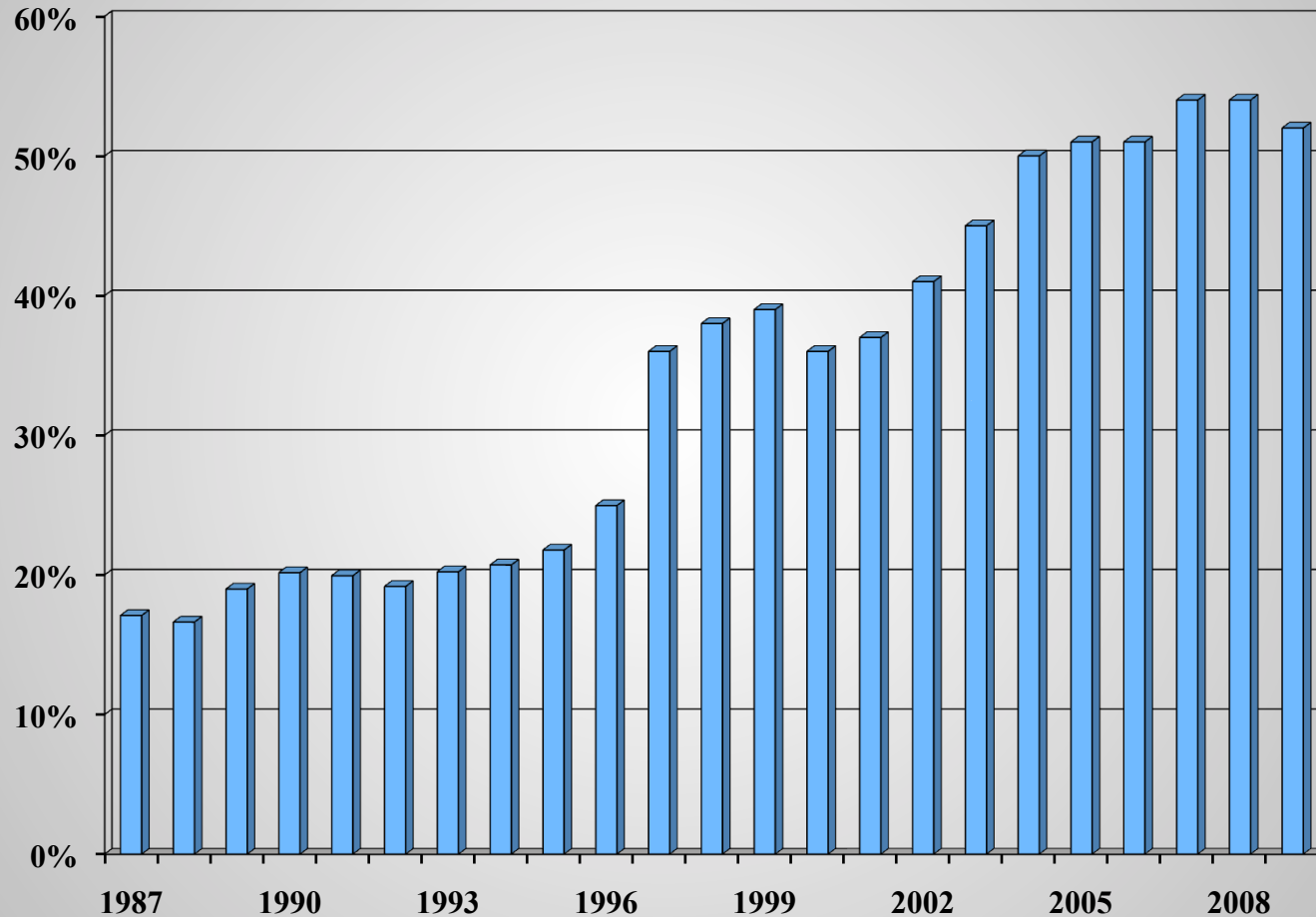
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Percent of Debt Held by the Public Owned by Foreigners

(1987-2009)



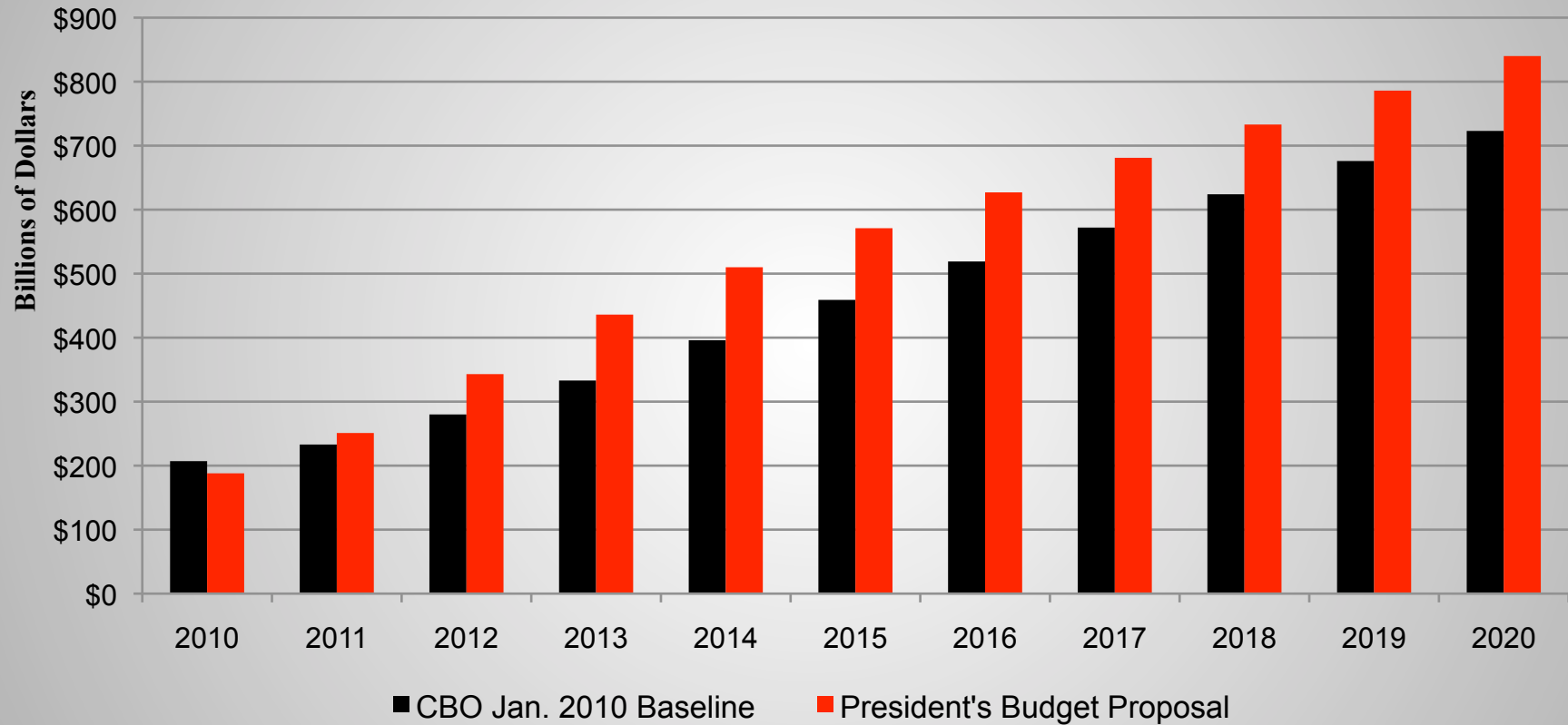
Source: United States Treasury Department, Treasury Bulletin, December 2009.

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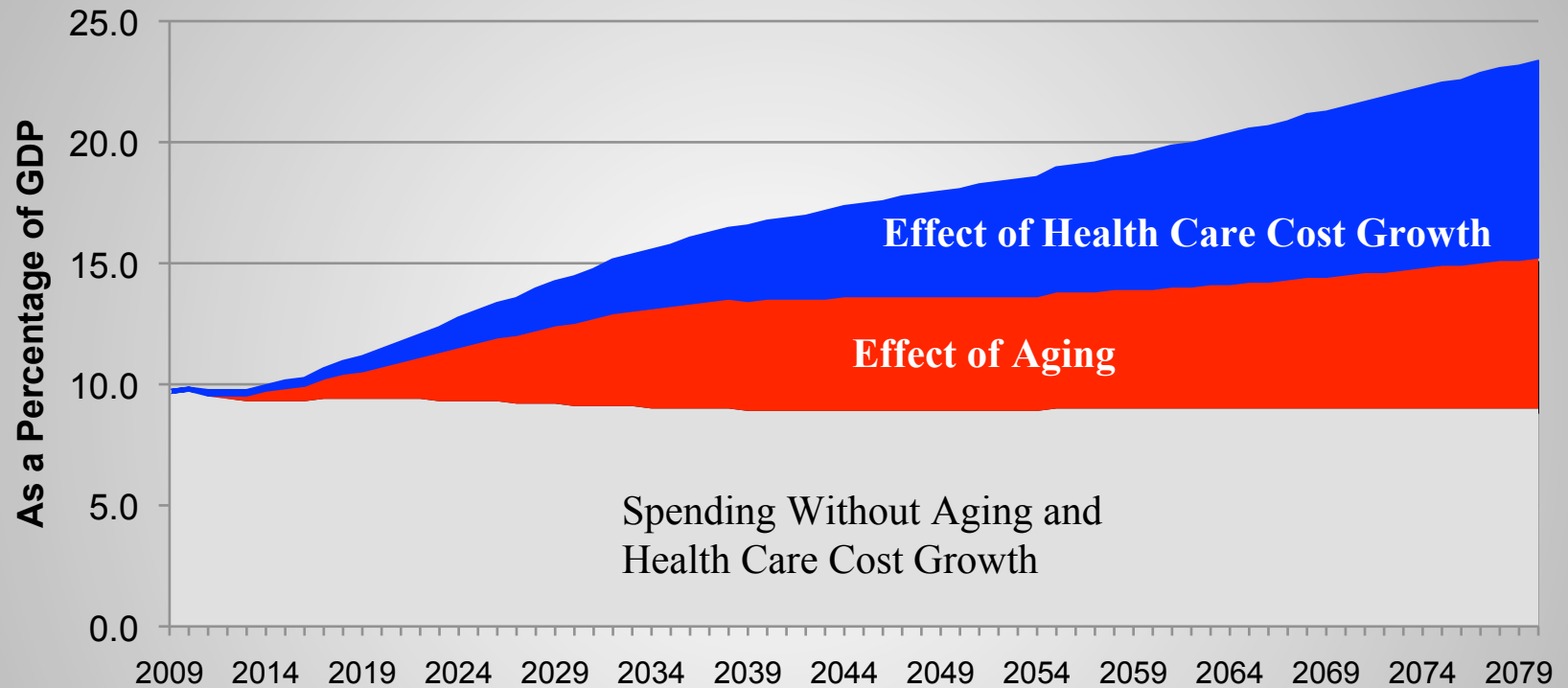
Interest Costs Go Through The Roof



Source: Congressional Budget Office, Jan. 2010 and Office of Management and Budget, Feb. 2010.

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Factors Explaining Future Federal Spending on Medicare, Medicaid, and Social Security

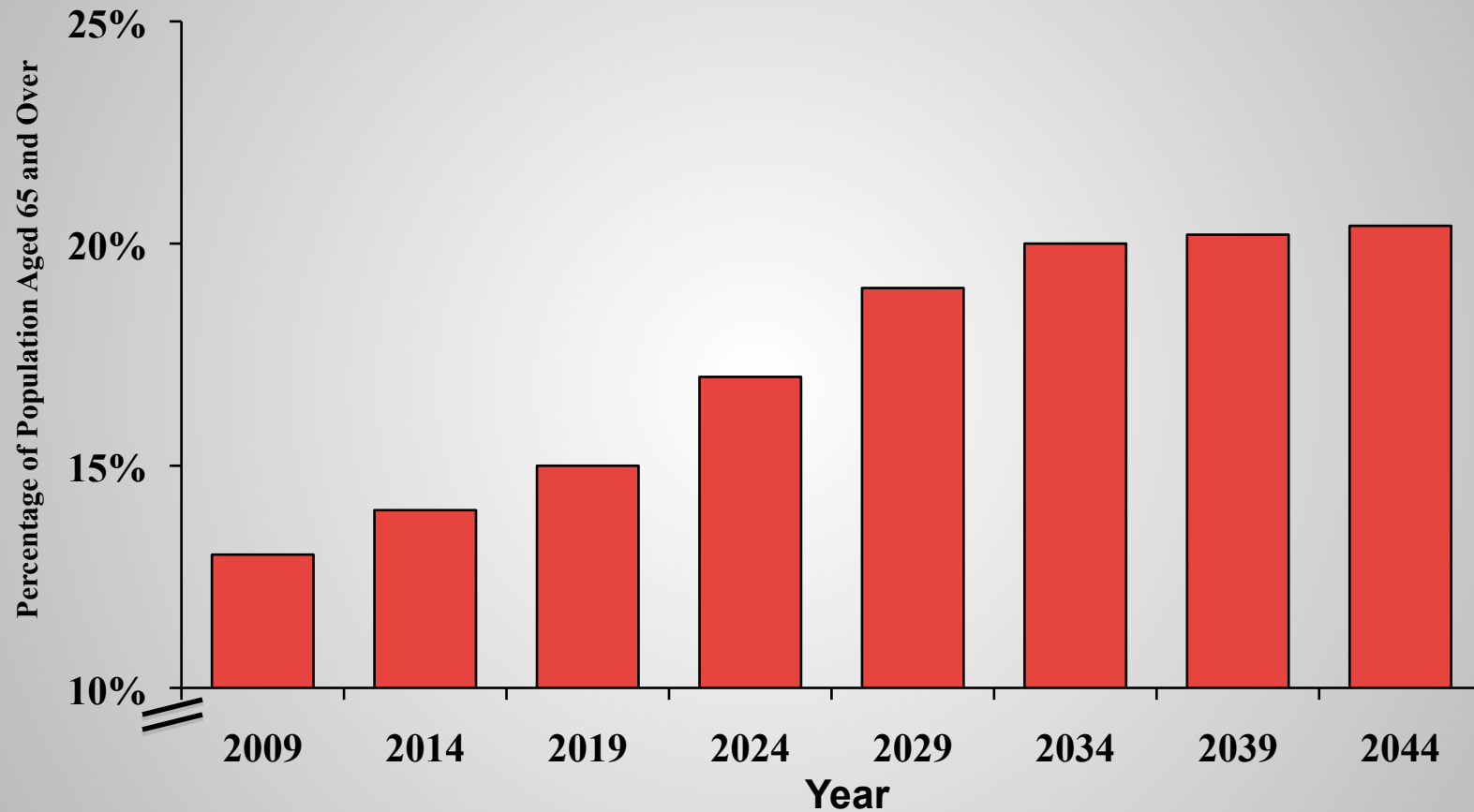


Percent of Growth Attributed to:	2035	2080
Health Care Cost Growth	36%	56%
Aging	64%	44%

Source: Congressional Budget Office, June 2009.
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America's Population is Aging

Population age 65 and Over



Source: Social Security and Medicare Trustees' Report, May 2009.

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Americans are living longer and having fewer children

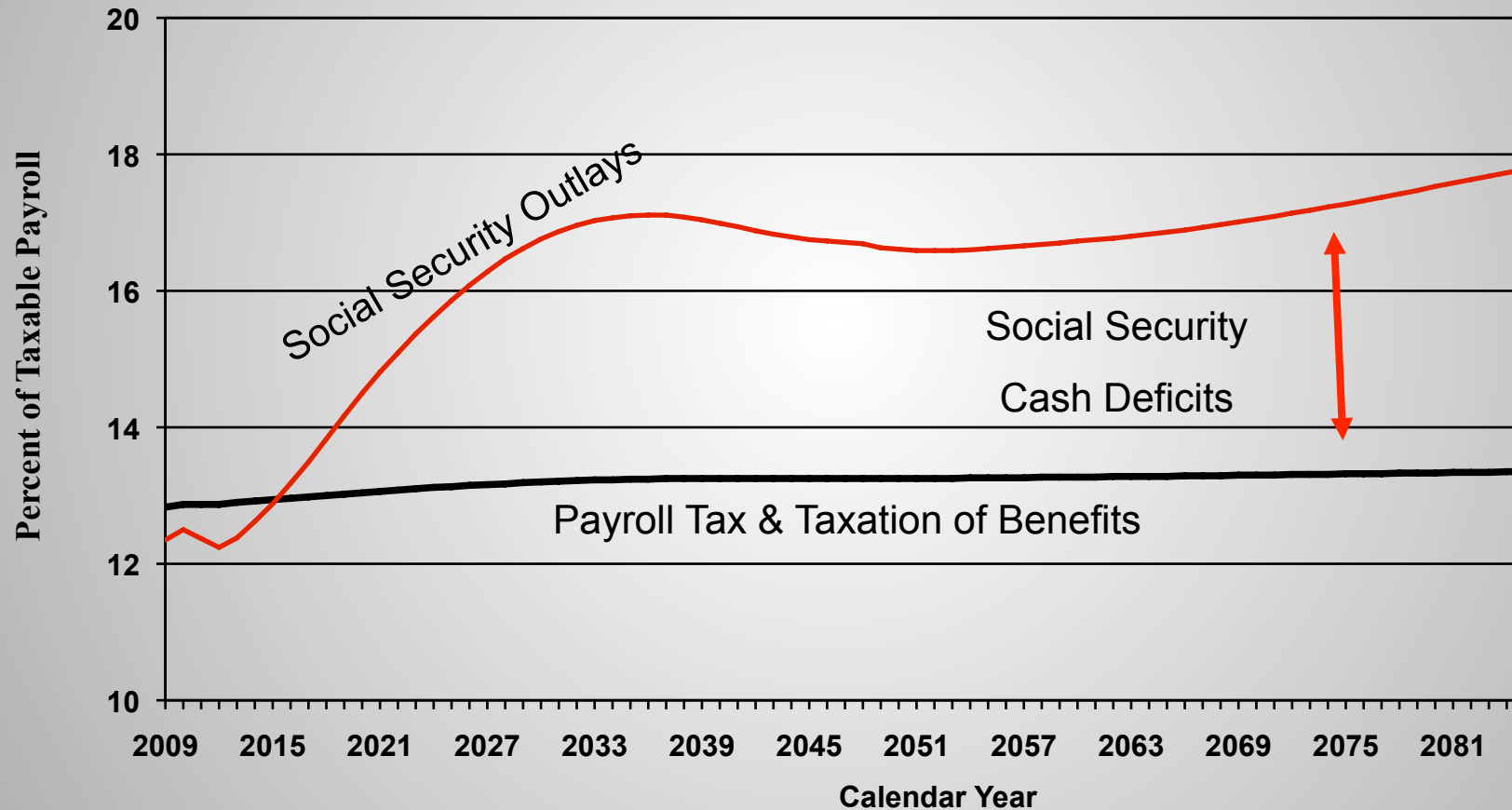
Consequently, fewer workers are available
to support each Social Security recipient



Source: Social Security Administration, April 2009.

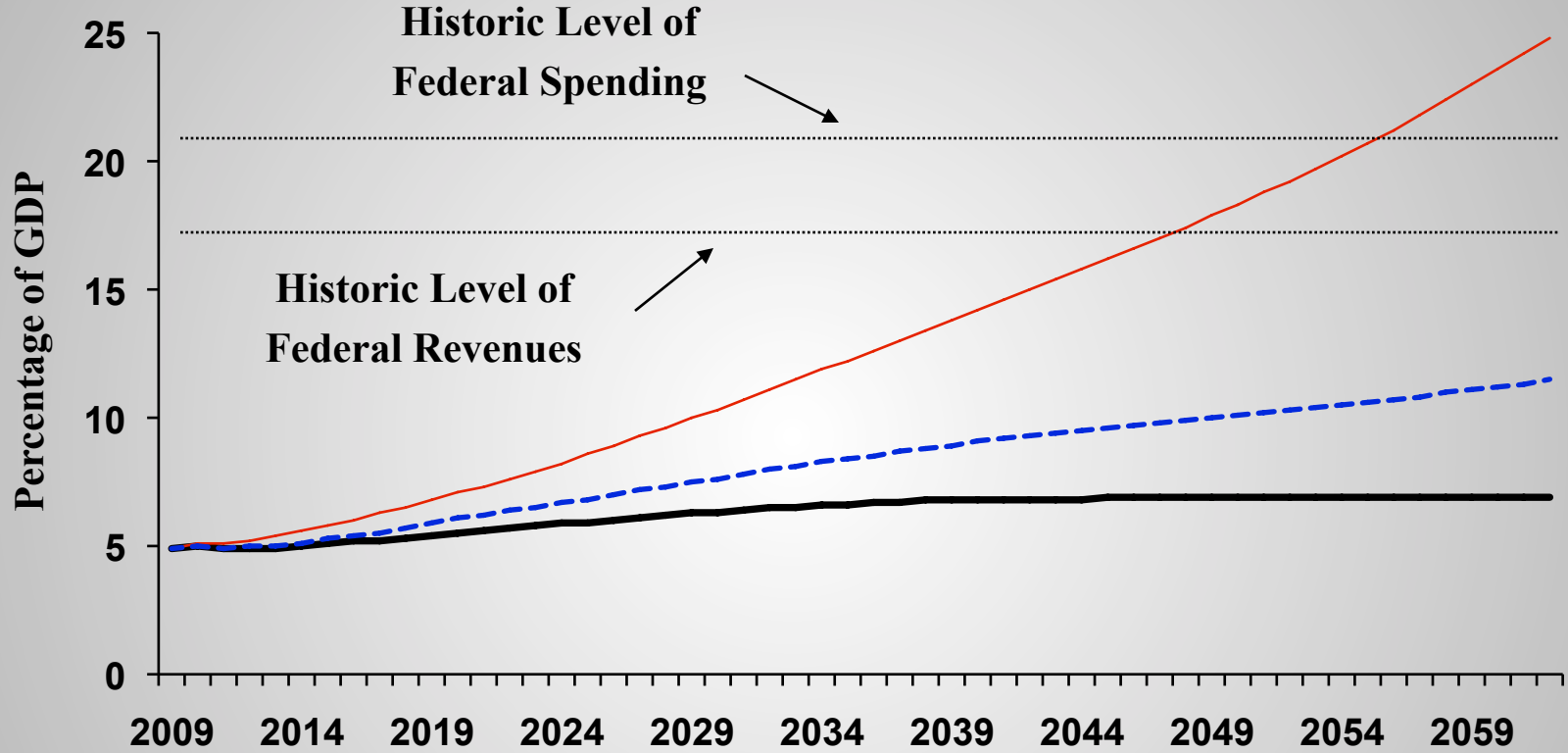
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Benefits promised far exceed dedicated tax revenues



Source: Social Security Trustees' Report—May 2009 (Intermediate Projections).

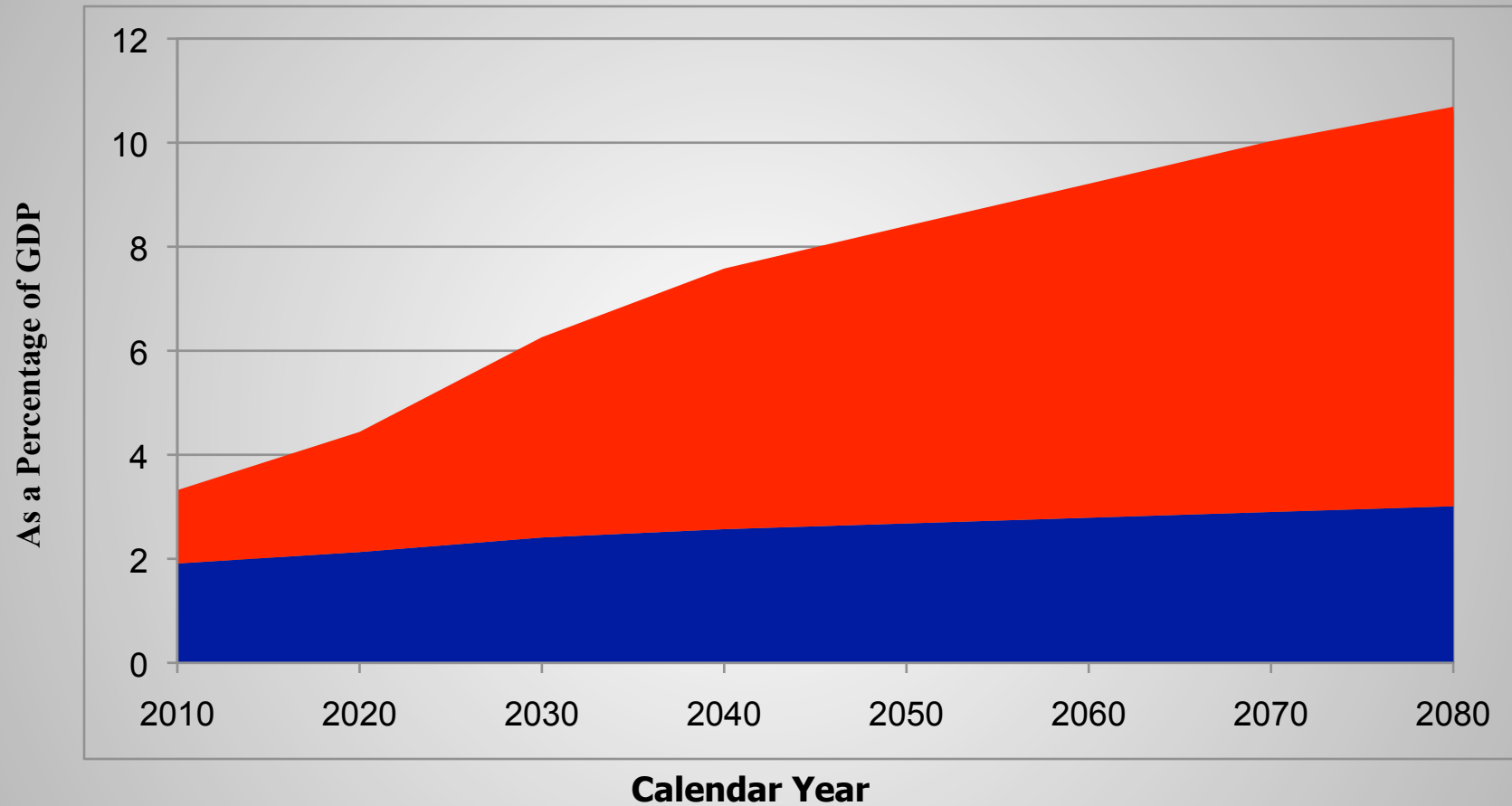
Health Care Costs are Rising Faster Than the Economy





- Assumes that health care cost growth will not exceed GDP growth.
- Assumes that health care cost growth continues at the average rate for the past 40 years (2.5 percentage points greater than GDP growth.)
- Assumes that health care cost growth rate declines to 1.0 percentage point greater than GDP growth—consistent with the assumption used by the Medicare Trustees.

Source: Congressional Budget Office, June 2009.
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Medicare Costs Soar in the Coming Decades



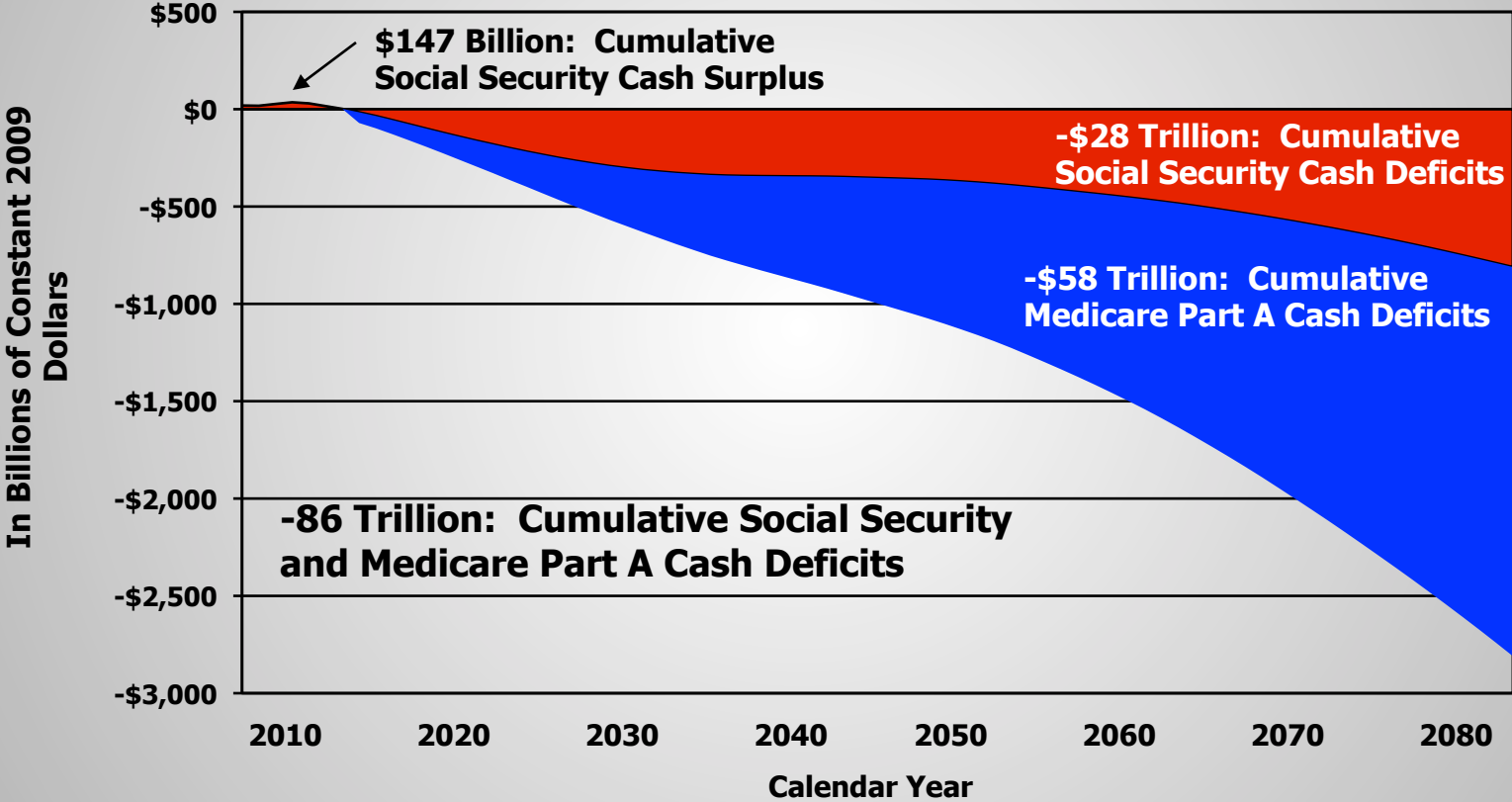
-  General Revenues required to fund the program
-  Income from dedicated taxes, premiums, and state transfers

Source: Medicare Trustees' Report, May 2009.

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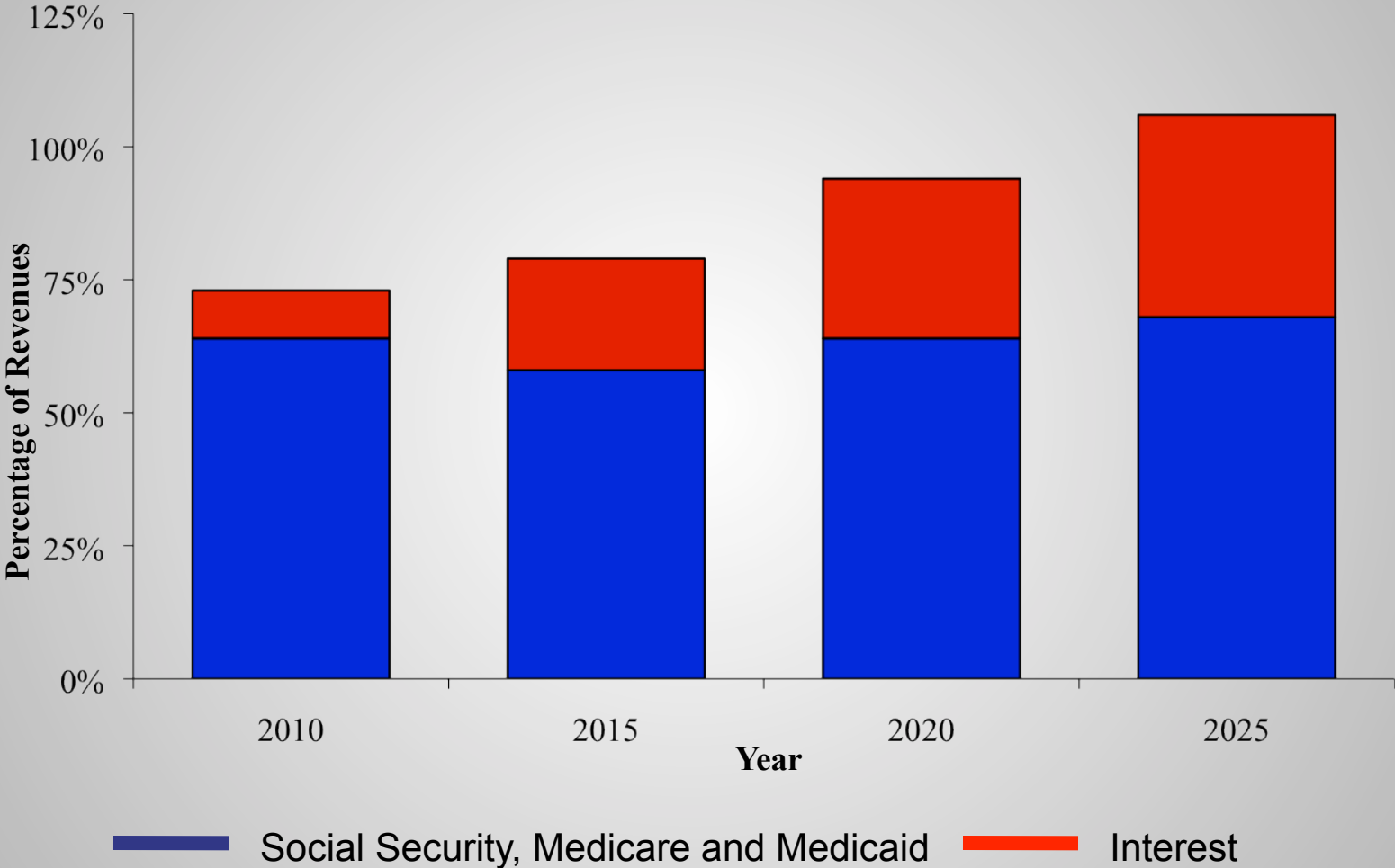
Social Security and Medicare Part A Cumulative Cash Surpluses and Deficits

In Constant 2009 Dollars — 2009 through 2085



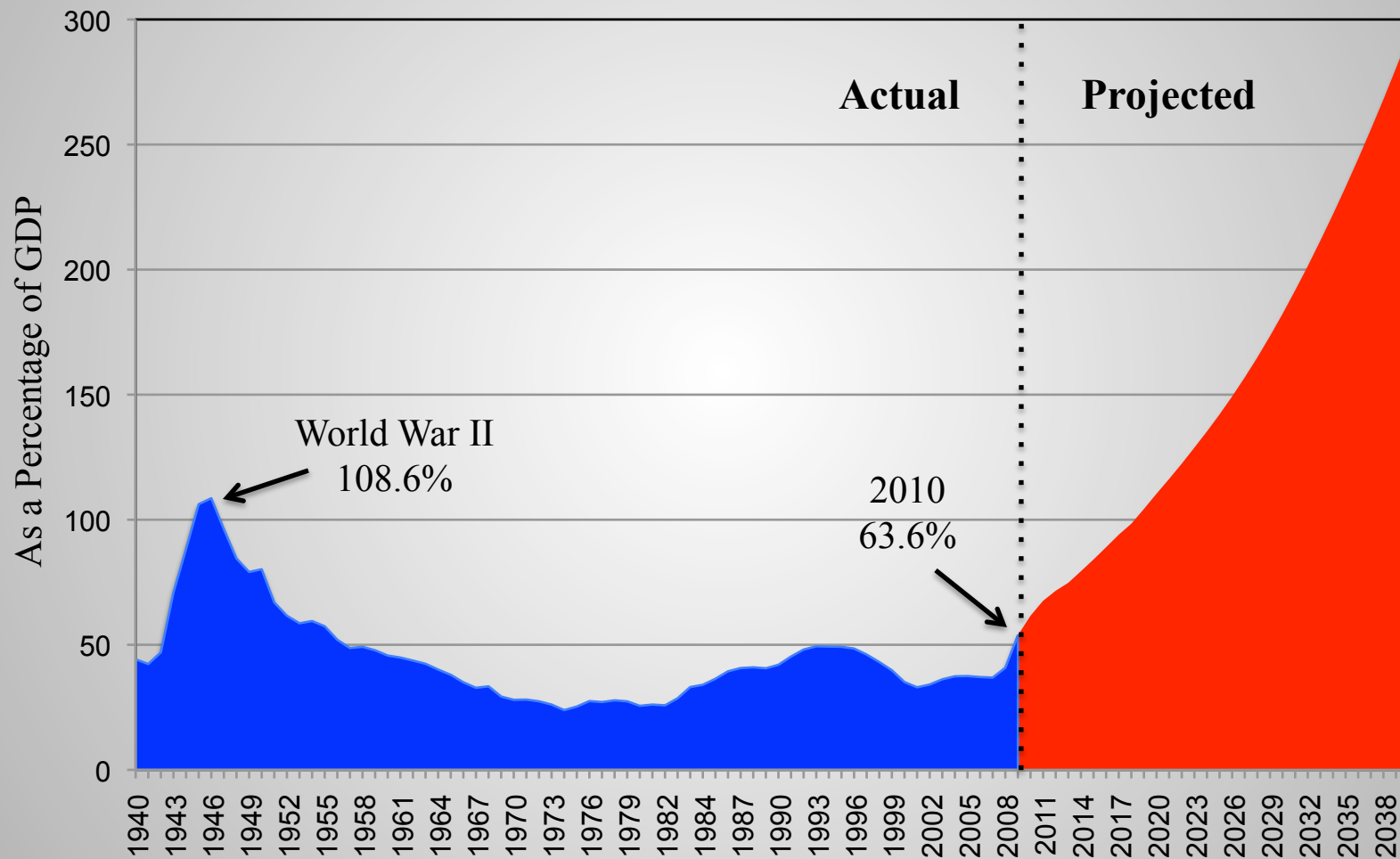
Source: Social Security Trustees' Report—May 2009 (Intermediate Projections)

Social Security, Medicare, Medicaid and Interest Consume All Federal Revenues in 15 Years



Source: Government Accountability Office, Fall 2009.

Debt Held by the Public as a Percent of GDP 1940-2040



Source: GAO Analysis, September 2009 and OMB Historical Tables 2010.

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