

# President's Budget Omits Major Costs

*The President's Budget Understates the True Costs of His Policies*

## **Omitted Costs**

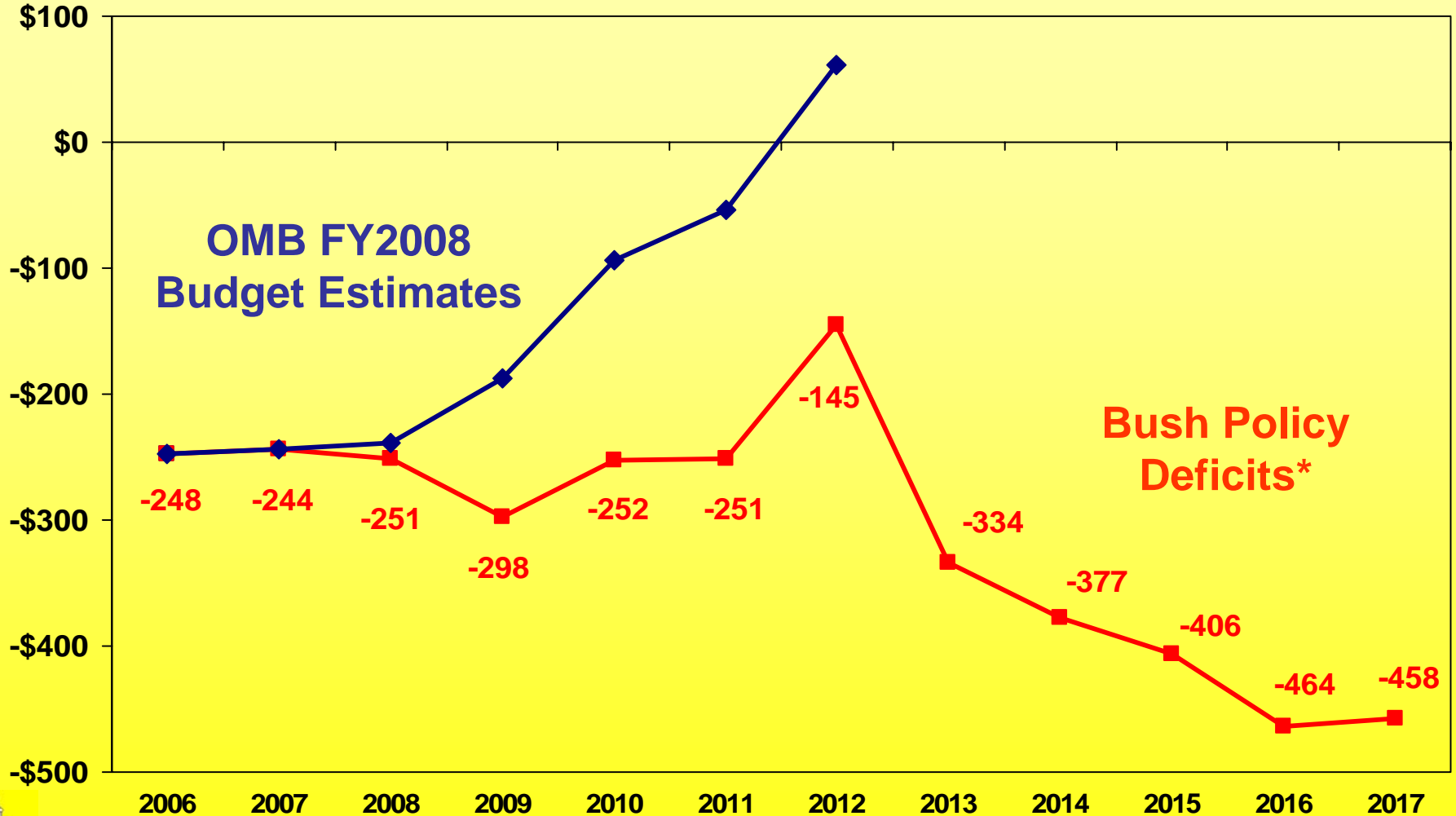
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- Likely War Costs
- Fix the Alternative Minimum Tax
- Realistic Revenue Growth



# Bush Policy Deficit Shows That The Budget Never Reaches Balance

*Deficits in Billions of Dollars*



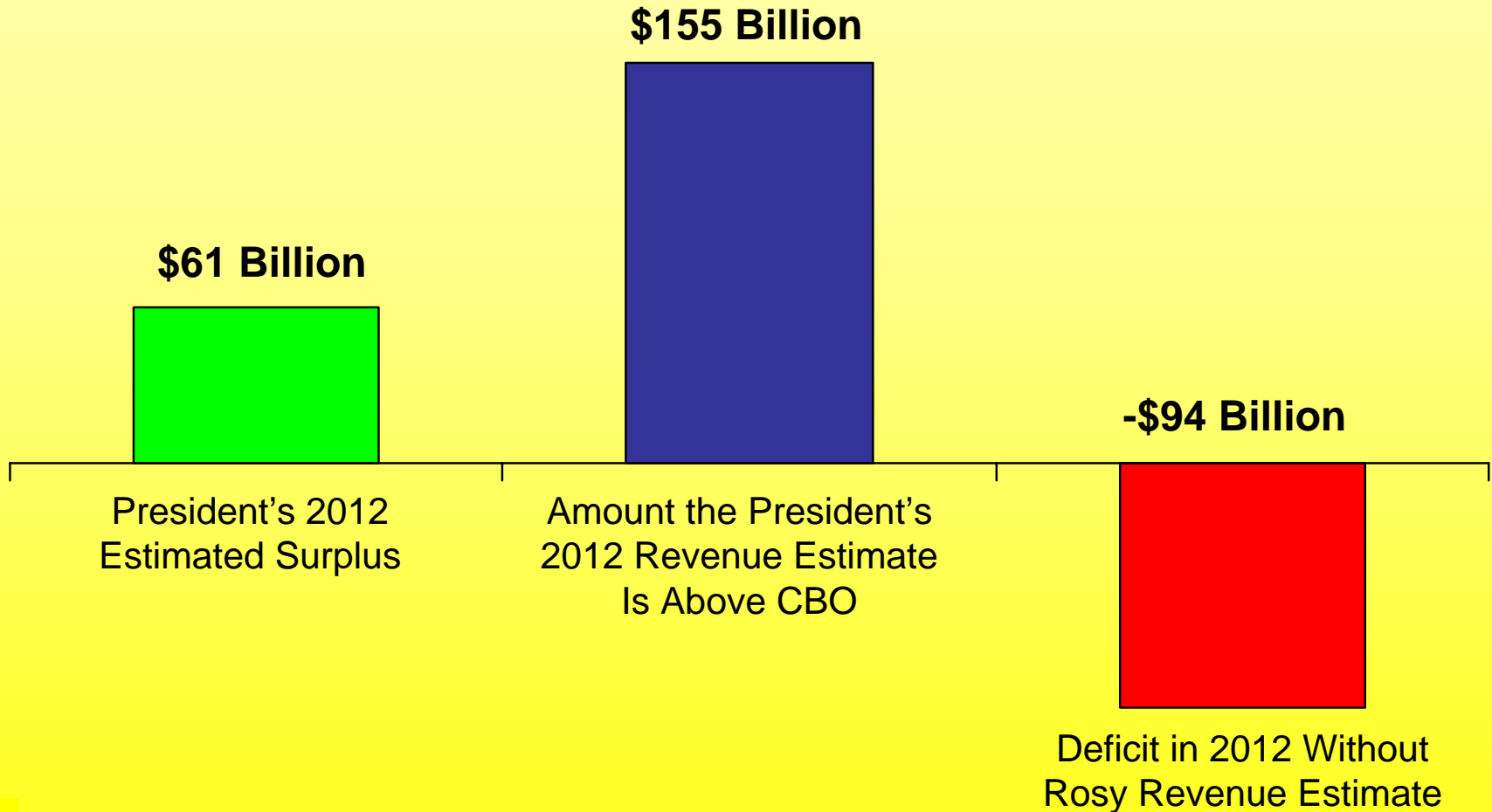
\* Bush Policy Deficits include omitted costs

Source: OMB & CBO  
2/5/2007



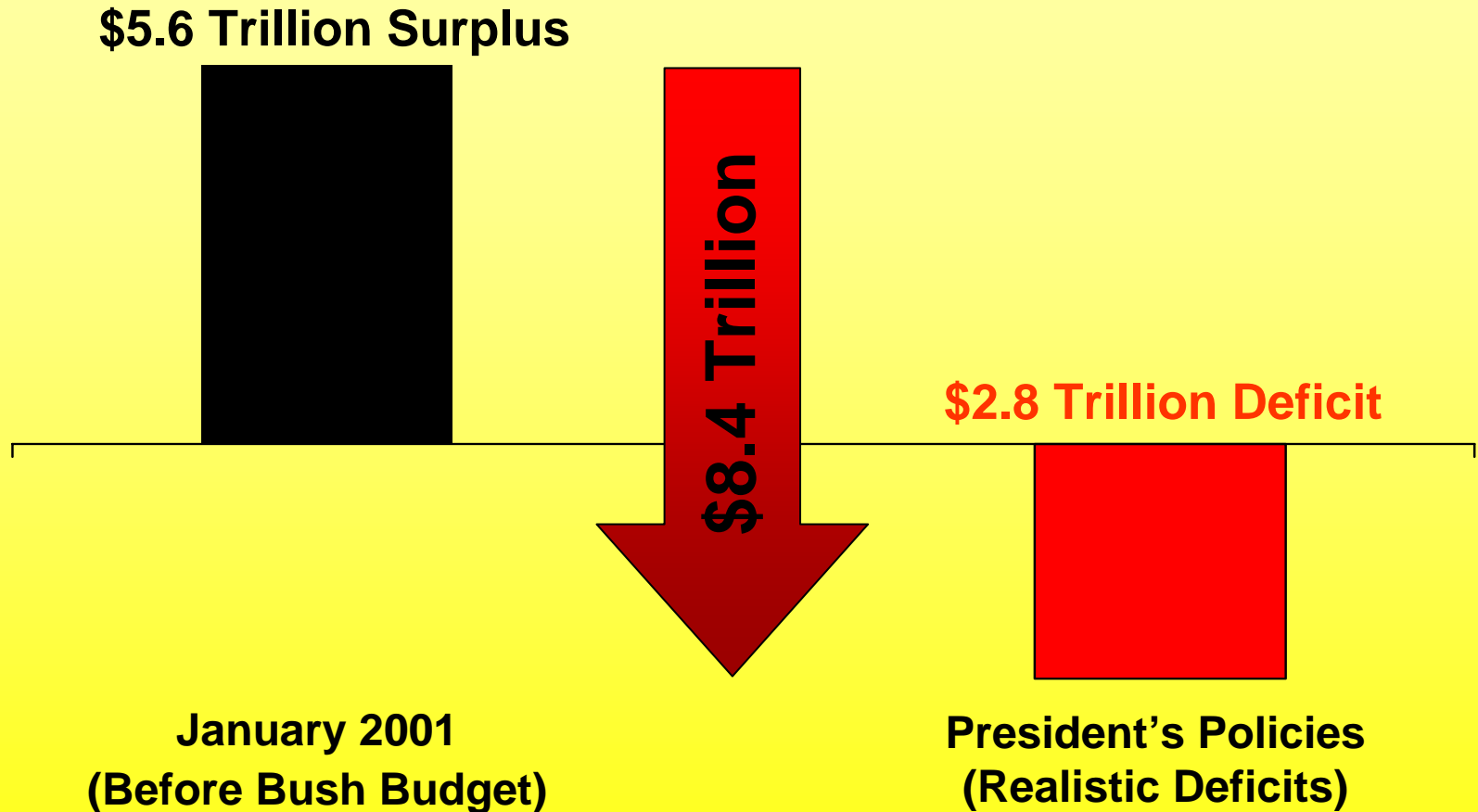
# Bush Budget in Deficit in 2012

*Without Rosy Revenue Assumptions, Bush Budget Never Reaches Balance*



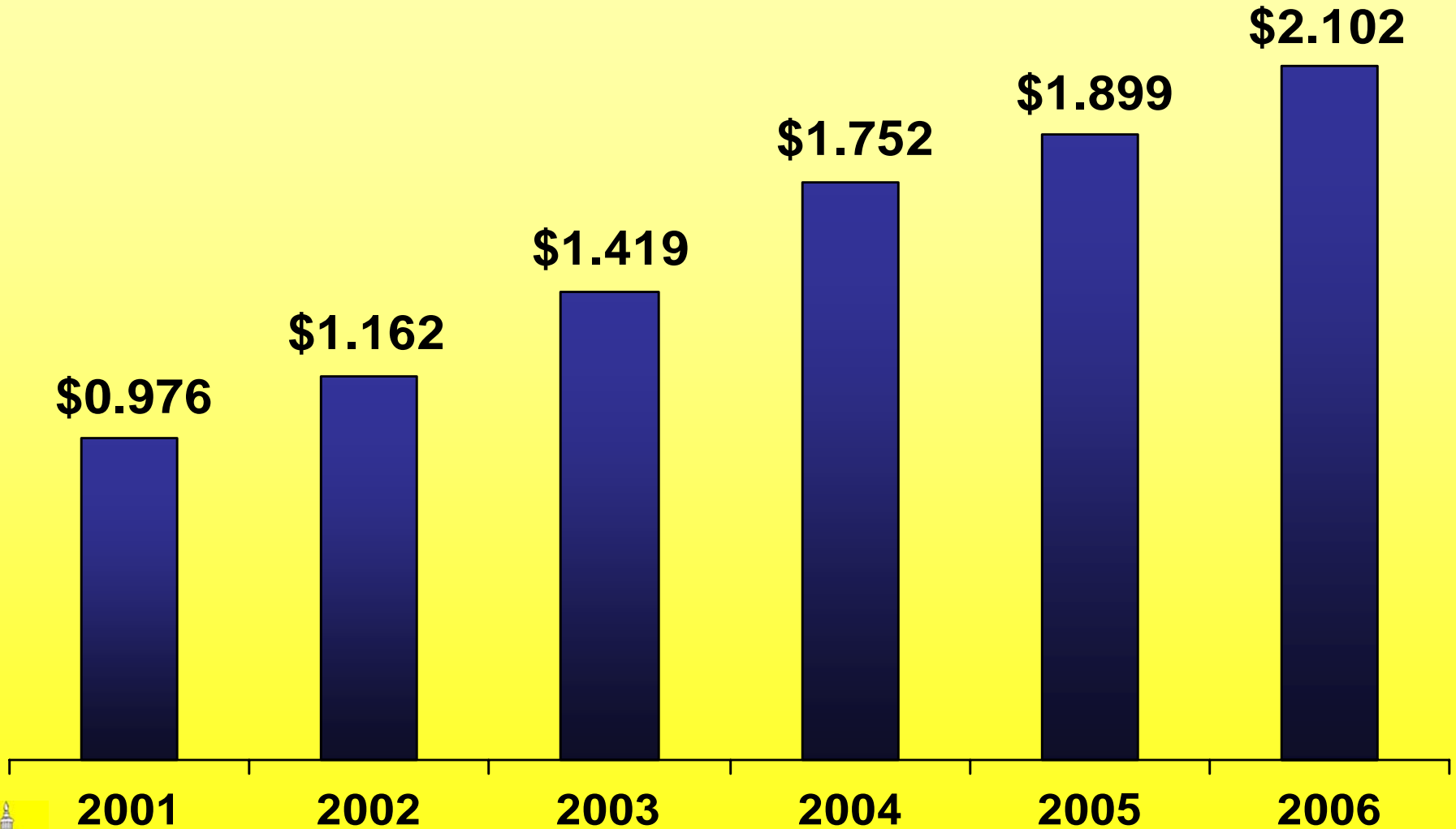
# Surplus Declines \$8.4 Trillion Under President's Policies

*Total Surplus/Deficit 2002-2011*



# Amount of Foreign-Held Debt More Than Doubles Under Bush Administration

*Trillions of Nominal Dollars*



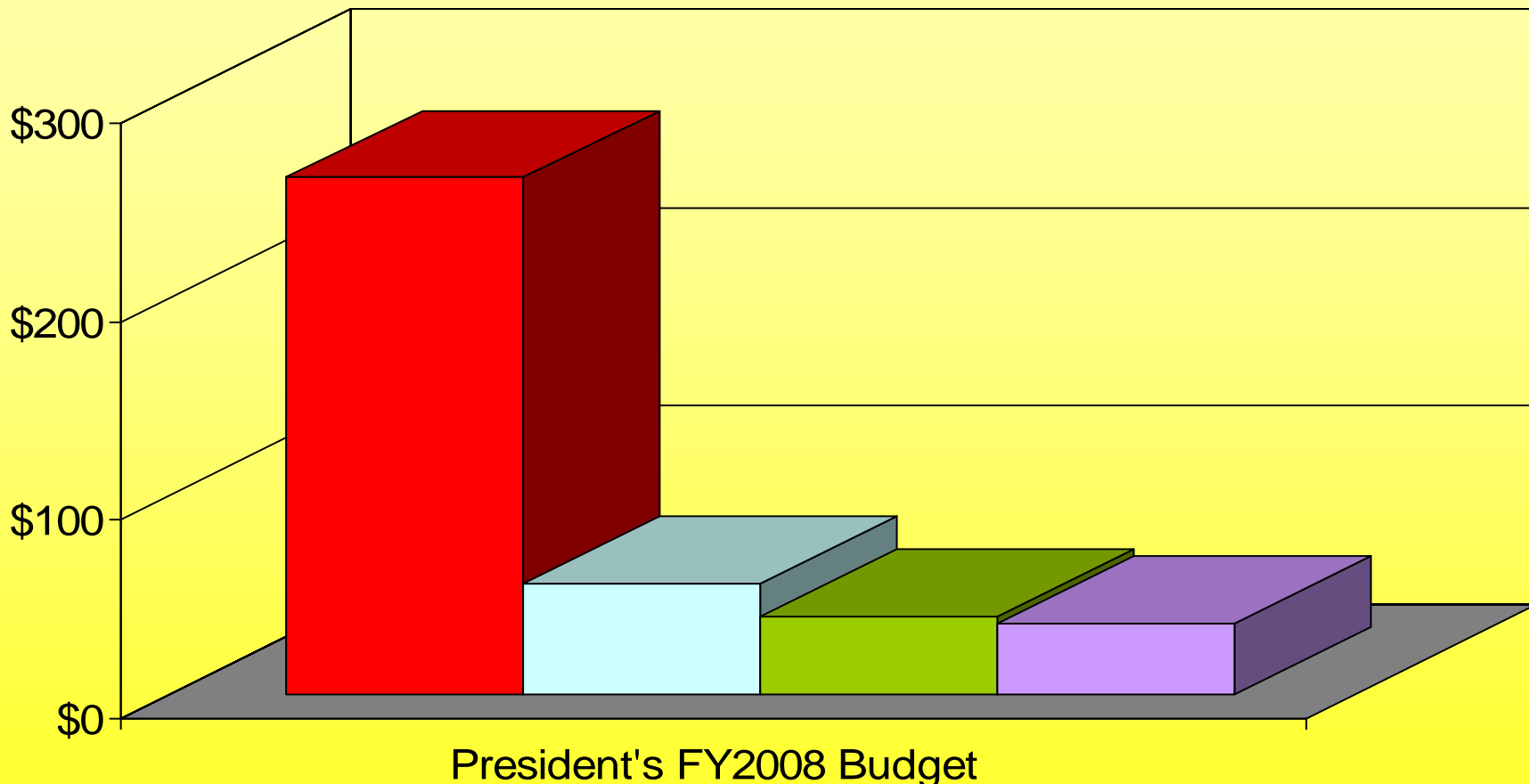
*Annual totals calculated in July of each year*

*2/5/2007*



# Interest Payments on Debt Dwarf Other Priorities

*2008 Budget Authority in Billions*



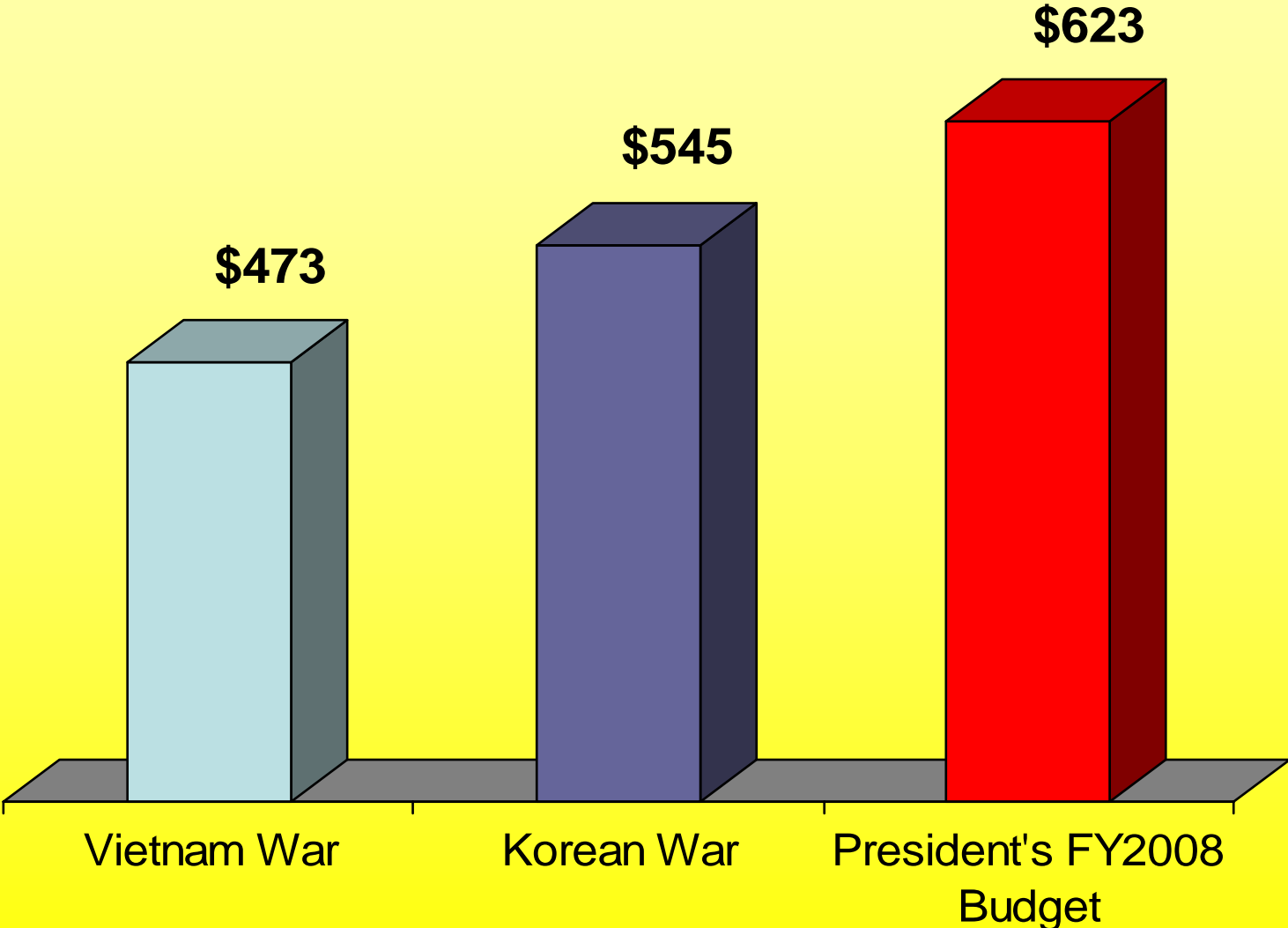
■ Net Interest    ■ Education    ■ Veterans    ■ Homeland Security

*Education, Veterans and Homeland Security are Discretionary Budget Authority Only*



# 2008 Budget Includes More Money for Defense Than at the Height of the Vietnam and Korean Wars

*Billions of Constant 2007 Dollars*



## Statutory Debt

Debt When Bush Took Office	\$5.7 Trillion
Debt Today	\$8.7 Trillion
Debt Added So Far	\$3.0 Trillion
Debt Projected At The End of Bush Presidency	\$9.5 Trillion
<b>Total Bush Increases To The Debt</b>	<b>\$3.9 Trillion</b>

## Deficits Without Social Security Surplus

On-Budget Deficit, 2007	\$427 Billion
On-Budget Deficit, 2008	\$451 Billion

## Cost of Debt Service

Net Interest, 2002	\$171 Billion
Net Interest, 2008	\$261 Billion



## The President's 2008 Budget

Billions of Dollars

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	Total 2008-2017	Total 2013-2017
CBO Baseline	-172	-98	-116	-137	-12	170	159	185	208	192	249	800	
Remove Repeating Supplemental	---	43	65	78	86	92	98	104	111	118	125	920	
CBO Baseline w/o repeating supp	-172	-55	-51	-59	73	262	257	289	319	309	374	1720	
<b>The President's Budget</b>	<b>-244</b>	<b>-239</b>	<b>-187</b>	<b>-94</b>	<b>-54</b>	<b>61</b>							
<b>Omitted Items and the Second Five Years</b>													
Tax Policies*							-269	-273	-273	-267	-259		-1342
Entitlement Programs							31	35	41	48	55		210
Defense Appropriations							-50	-50	-50	-51	-53		-254
Non-Defense Appropriations							34	36	37	38	39		184
Social Security Reform							-67	-109	-130	-142	-160		-608
													---
Repair AMT**	---	-11	-70	-69	-80	-93	-106	-120	-135	-151	-168	-1004	-681
Ongoing Military Operations**	---	---	-39	-79	-100	-87	-69	-59	-58	-56	-57	-603	-299
Subtotal of Omitted Items	---	-11	-108	-148	-180	-179	-495	-541	-569	-582	-604	-3417	-2790
Debt Service	---	-0	-3	-9	-17	-27	-96	-125	-157	-191	-228	-852	-796
Total Changes	---	-11	-111	-157	-198	-206	-591	-666	-725	-773	-831	-4270	-3586
<b>Resulting Deficits</b>	<b>-244</b>	<b>-251</b>	<b>-298</b>	<b>-252</b>	<b>-251</b>	<b>-145</b>	<b>-334</b>	<b>-377</b>	<b>-406</b>	<b>-464</b>	<b>-458</b>	<b>-3235</b>	<b>-2038</b>

\* Includes outlay effects

\*\* CBO estimates of policy adjusted for what is already included in President's Budget.

negative items make deficits worse

Debt Service costs based on CBO's January estimates

Baseline estimates assume tax cuts expire as written in law and 2007 emergency supplemental funding repeats every year and grows with inflation