



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503**

FOR IMMEDIATE RELEASE

August 30, 2006

Contact: OMB Communications: (202) 395-7254

Budget Deficit is Shrinking Because of Strong Economy

WASHINGTON-Today OMB Director Rob Portman issued a statement on the latest economic growth figures.

“The economy is on a sound footing. Today’s report shows the economy has grown 3.6 percent in the past four quarters, well above the 40-year historical average of 3.2 percent.

“A strong economy generated the most revenue in history last year. And the numbers show we’re poised to build on that with another year of strong economic growth.

“Increased revenue is driving down the deficit. Despite challenges like Katrina and the War on Terror, the deficit declined for the second year in a row.

“We’re making real progress in getting our fiscal house in order. But there is more work to do to cut wasteful spending. That’s why we will continue to pursue the President’s proposal for a line item veto.”

###