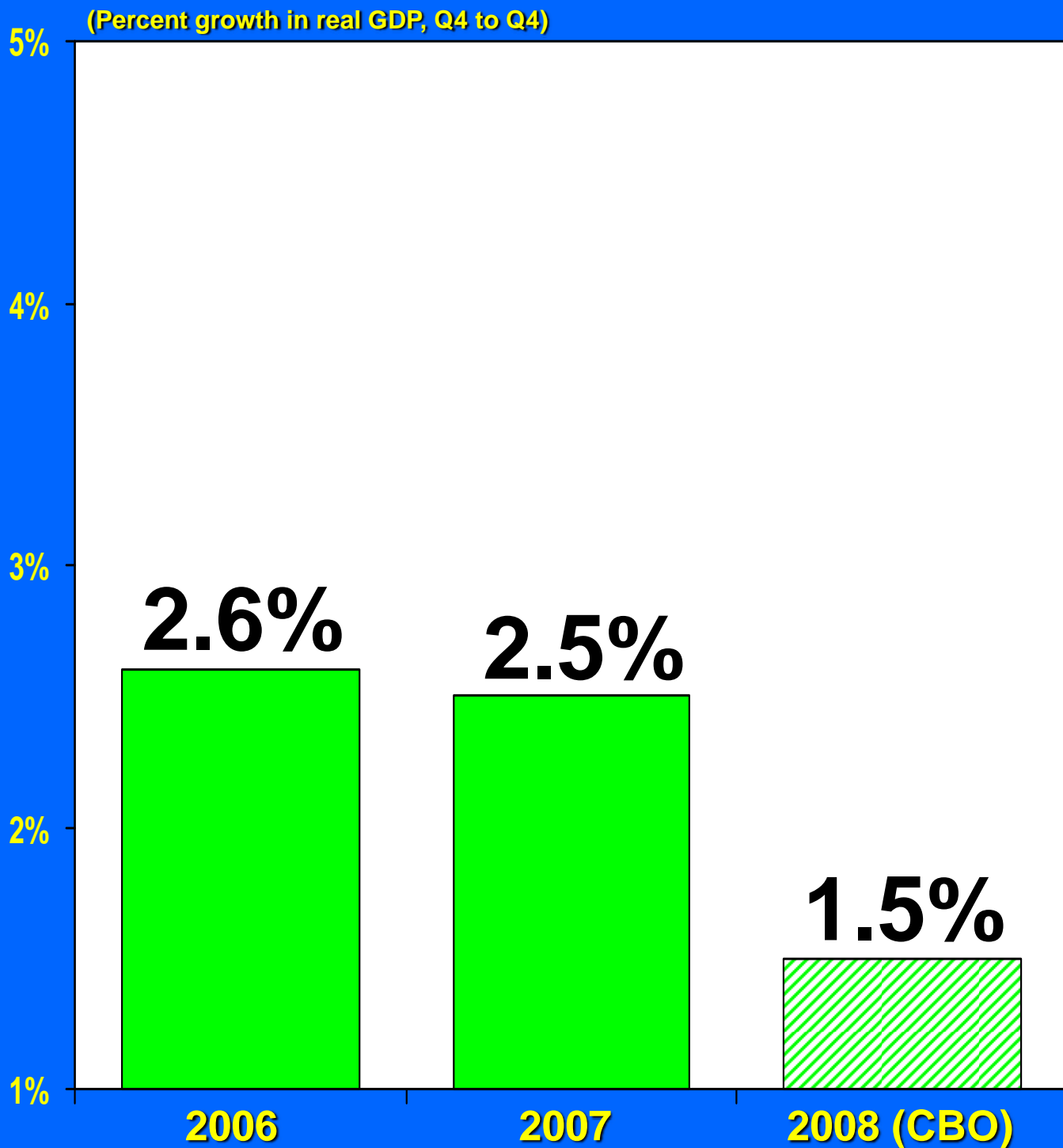
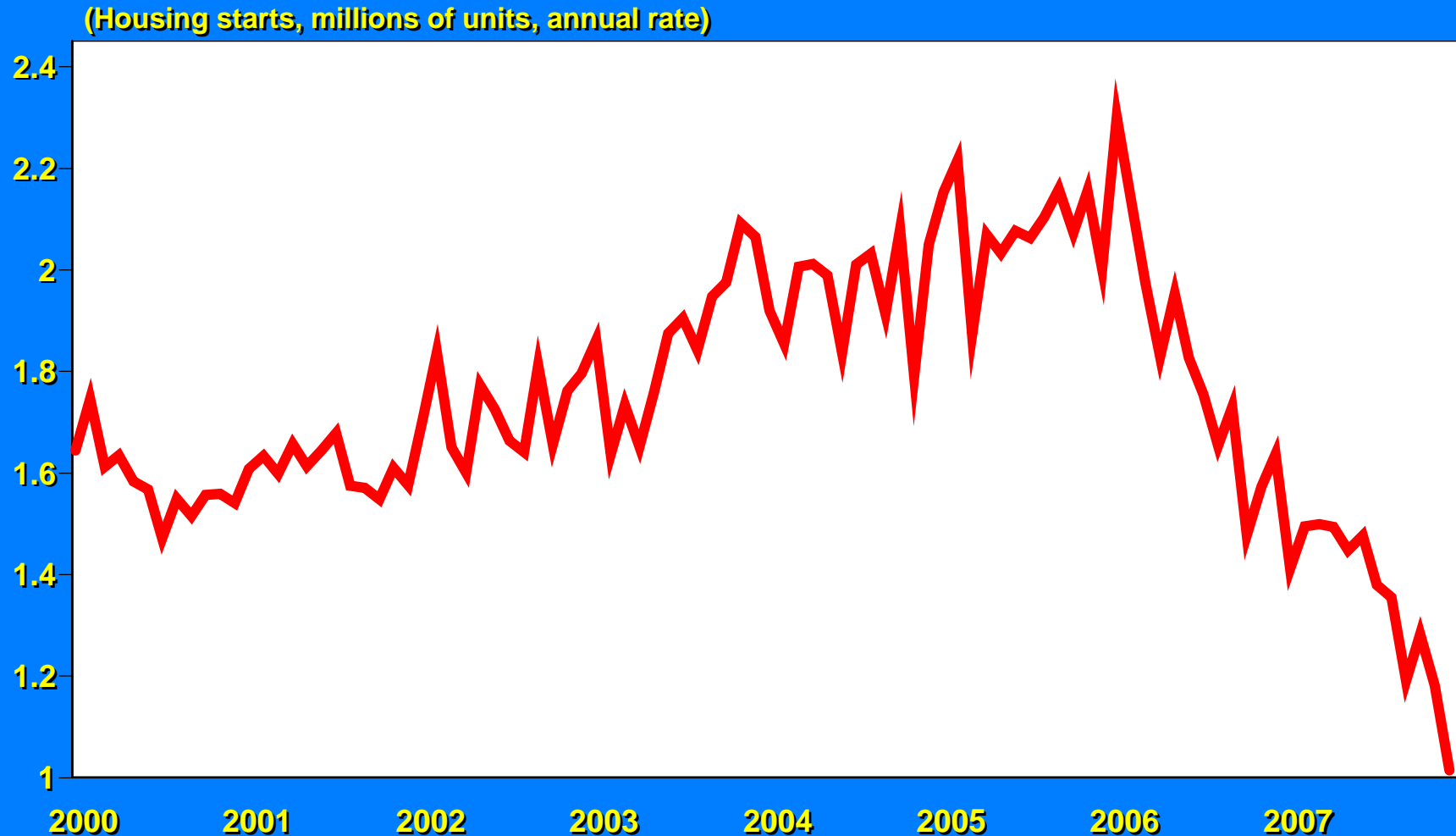


# Economic Growth Expected to Slow Sharply in 2008



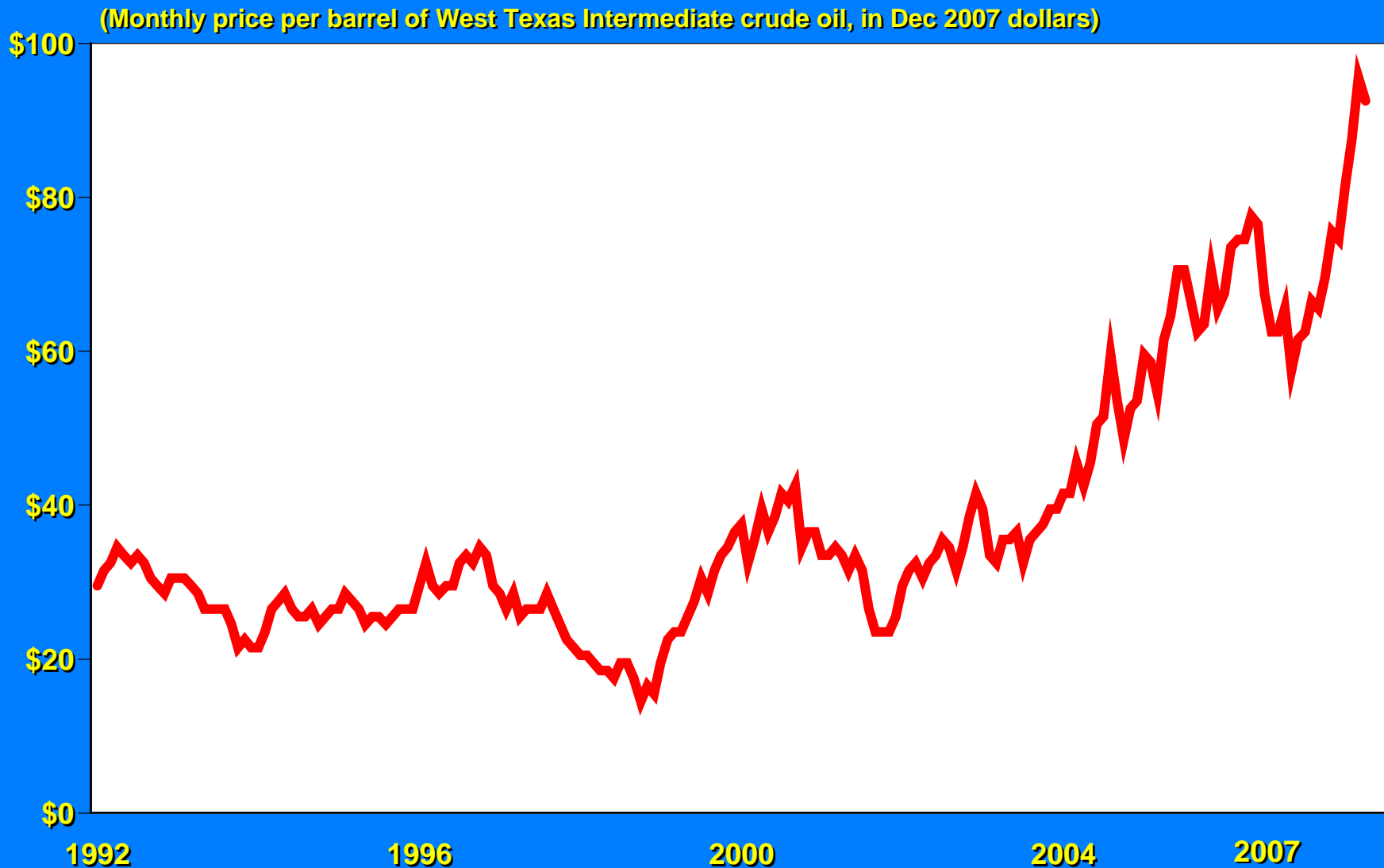
Source: Bureau of Economic Analysis, U.S. Department of Commerce; and CBO

# Housing Slump: New Homebuilding Falls Dramatically



Source: Census Bureau, U.S. Department of Commerce  
Note: Monthly data through December 2007

# Energy Costs: Real Price of Oil Soars



Source: Energy Information Administration, U.S. Department of Energy; and Bureau of Labor Statistics, U.S. Department of Labor

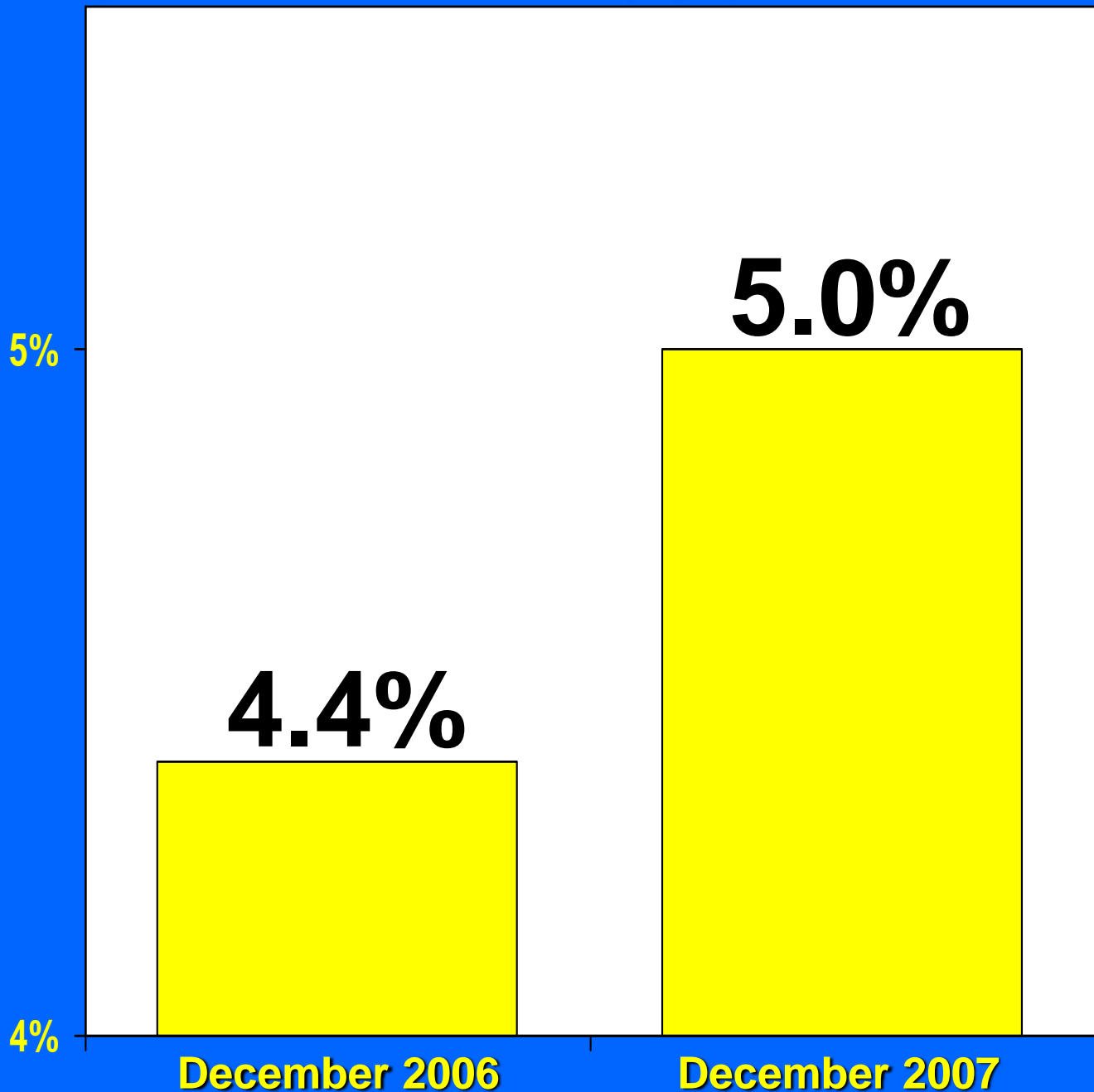
# Consumer Confidence Continues to Deteriorate



Source: Conference Board  
Note: Monthly data through January 2008

# Unemployment Rate Climbs

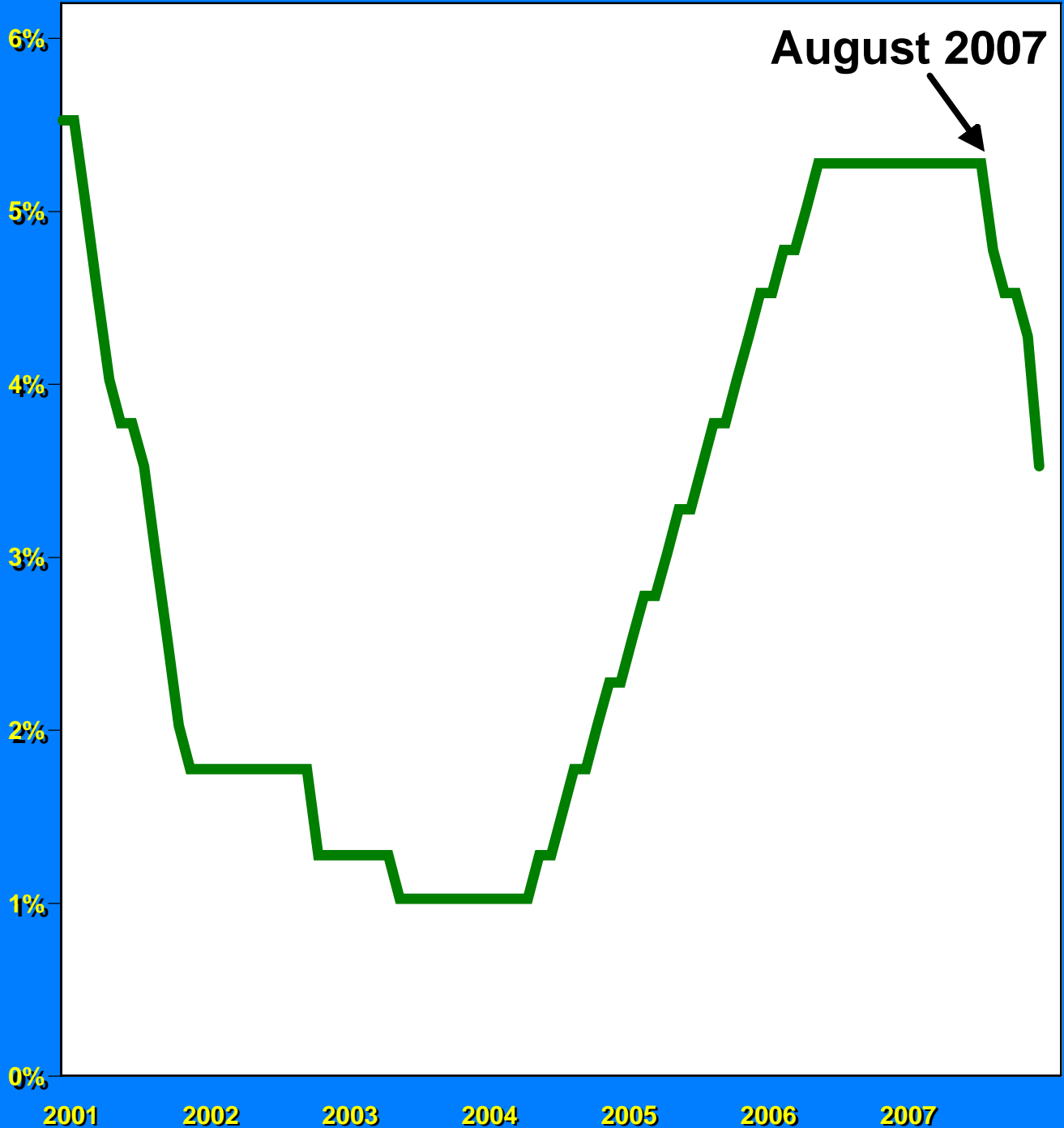
(Percent of civilian labor force unemployed)



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

# Federal Reserve Action on Interest Rates

(Fed's target rate for overnight federal funds; percent)



Source: Board of Governors, Federal Reserve

Note: End-of-month levels through January 22, 2008

# **Fed Chairman Bernanke Calls for “Explicitly Temporary” Stimulus Measure**

**“...[A]ny program should be explicitly temporary, both to avoid unwanted stimulus beyond the near-term horizon and, importantly, to preclude an increase in the federal government's structural budget deficit.”**

**– Federal Reserve Chairman Ben Bernanke  
Testimony before House Budget Committee  
January 17, 2008**

# Fed Chairman Bernanke on “Effective” Stimulus

“...[T]here is good evidence that cash that goes to low- and moderate-income people is more likely to be spent in the near term.... Getting money to people quickly is good, and getting money to low and moderate-income people is good, in the sense of getting bang for buck.”

– Federal Reserve Chairman Ben Bernanke  
Testimony before House Budget Committee  
January 17, 2008



# Comparing House and Senate Stimulus Packages

## HOUSE

## SENATE

### Rebate

\$300 - \$600 Per Individual (Refundable)  
\$300 Per Child  
Income Limit

\$500 Per Individual (Refundable)  
\$300 Per Child  
No Income Limit  
Seniors Eligible

### Business

Small Business Expensing  
Bonus Depreciation

Small Business Expensing  
Bonus Depreciation  
NOL Carryback

### Unemployment Insurance

No Provision

UI Extension

### Cost

\$146 B in 2008  
\$161 B in 2008-2009  
\$117 B over 2008-2018

\$161 B in 2008  
\$196 B in 2008-2009  
\$151 B over 2008-2018