



Congressional Budget Office

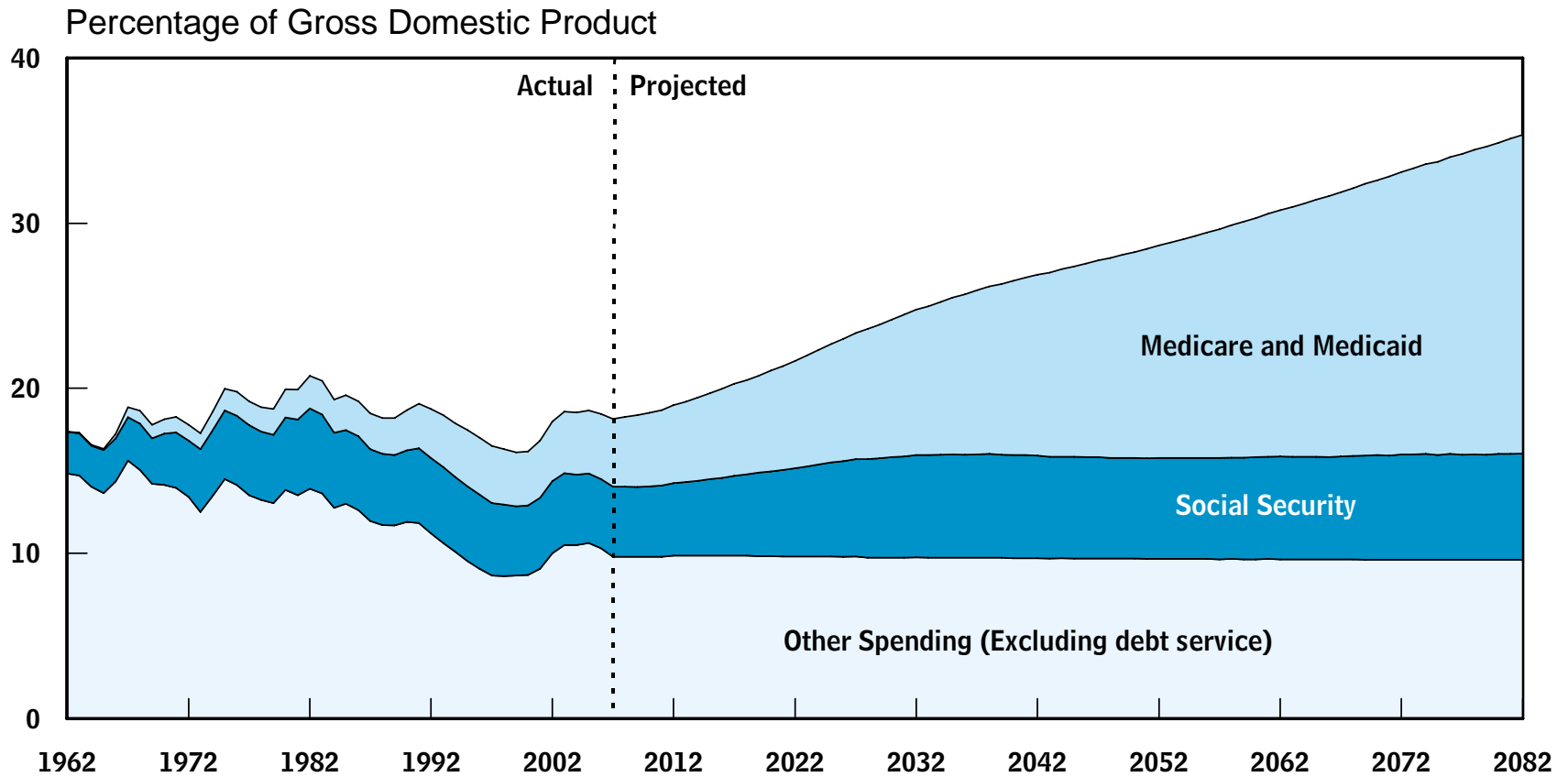
Society of Government Economists Distinguished Lecture on Economics

Peter R. Orszag

January 5, 2008

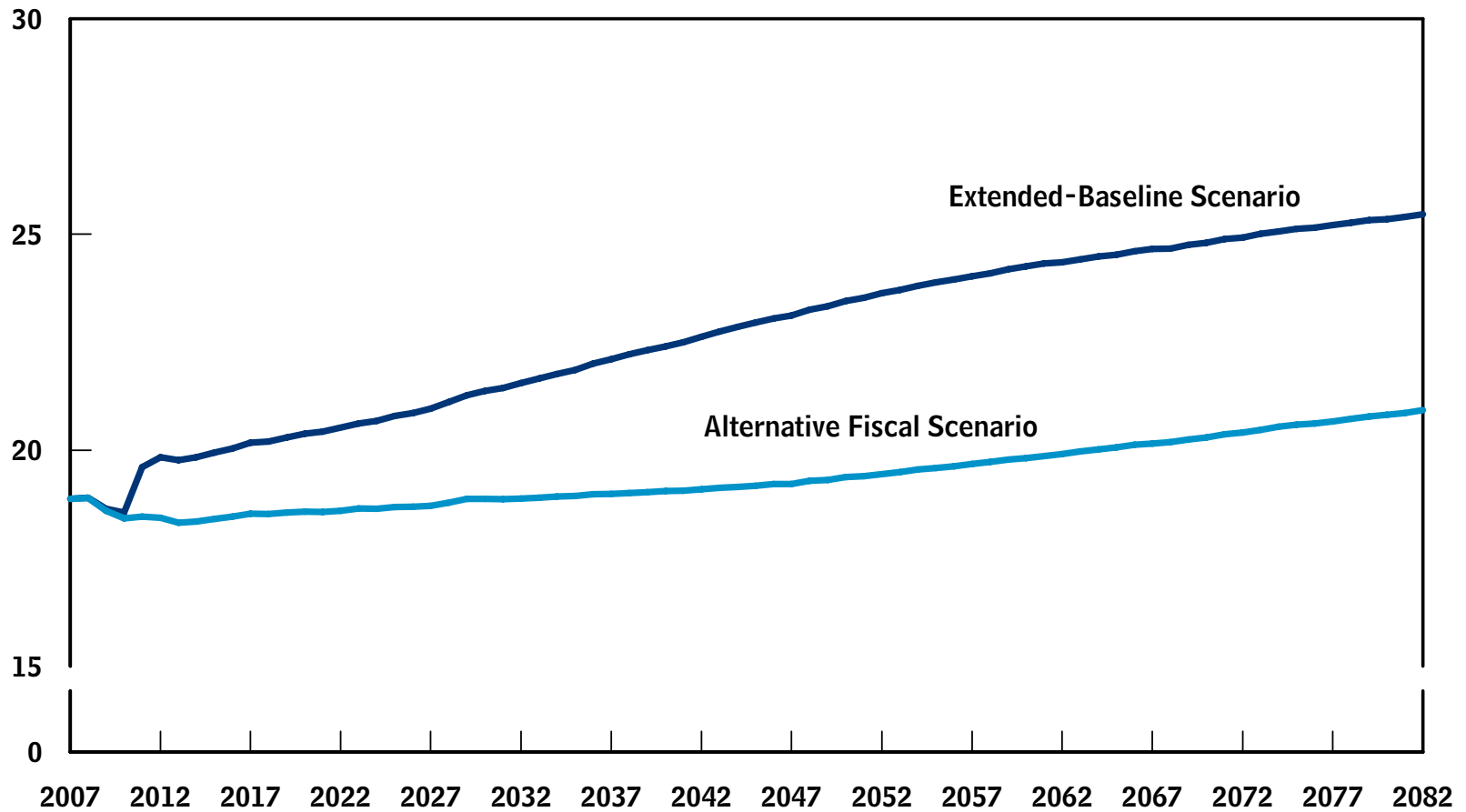


Federal Spending Under CBO's Alternative Fiscal Scenario



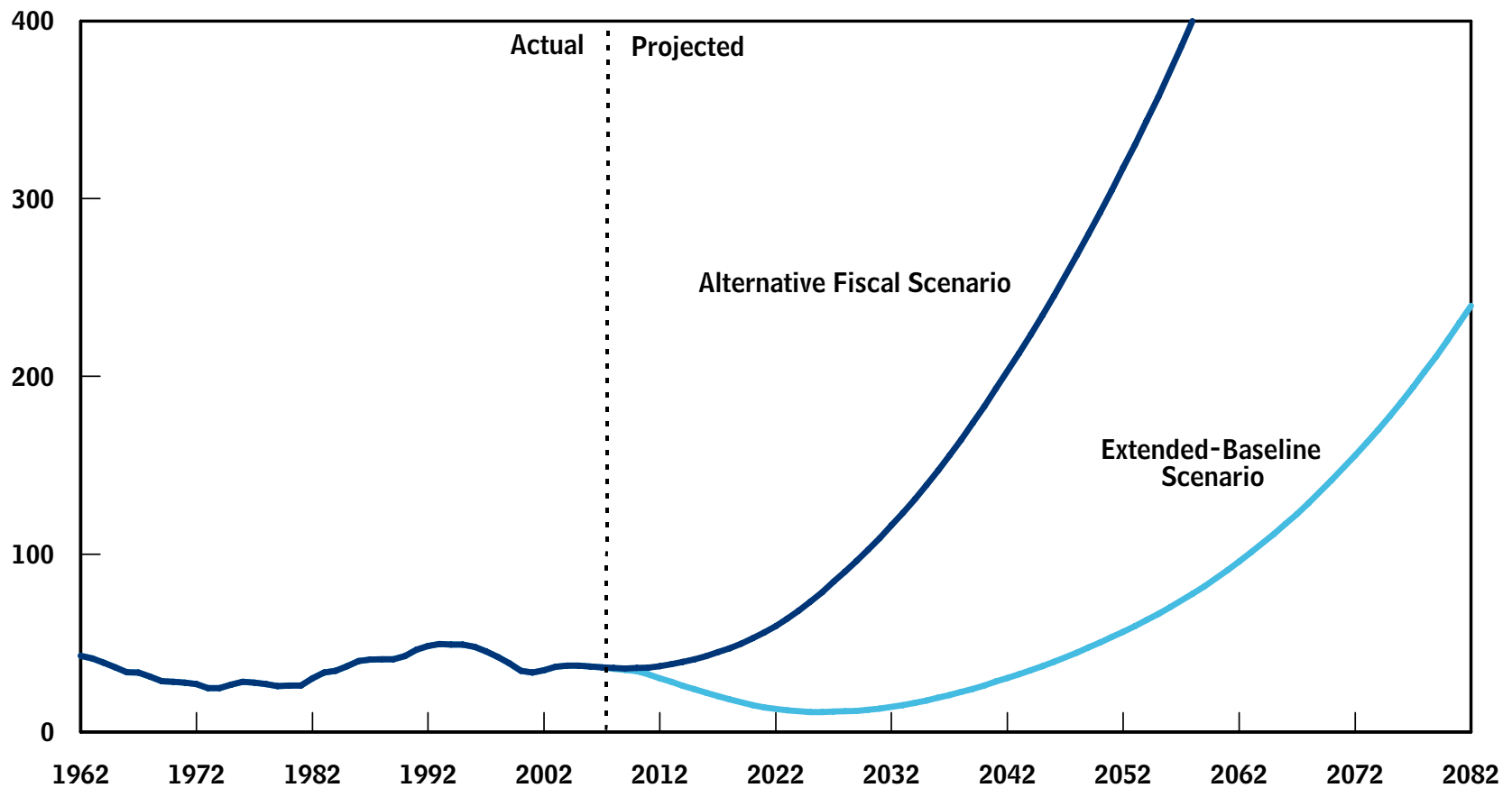


Total Federal Revenues as a Percentage of Gross Domestic Product Under CBO's Long-Term Budget Scenarios





Federal Debt Held by the Public as a Percentage of Gross Domestic Product Under CBO's Long-Term Budget Scenarios





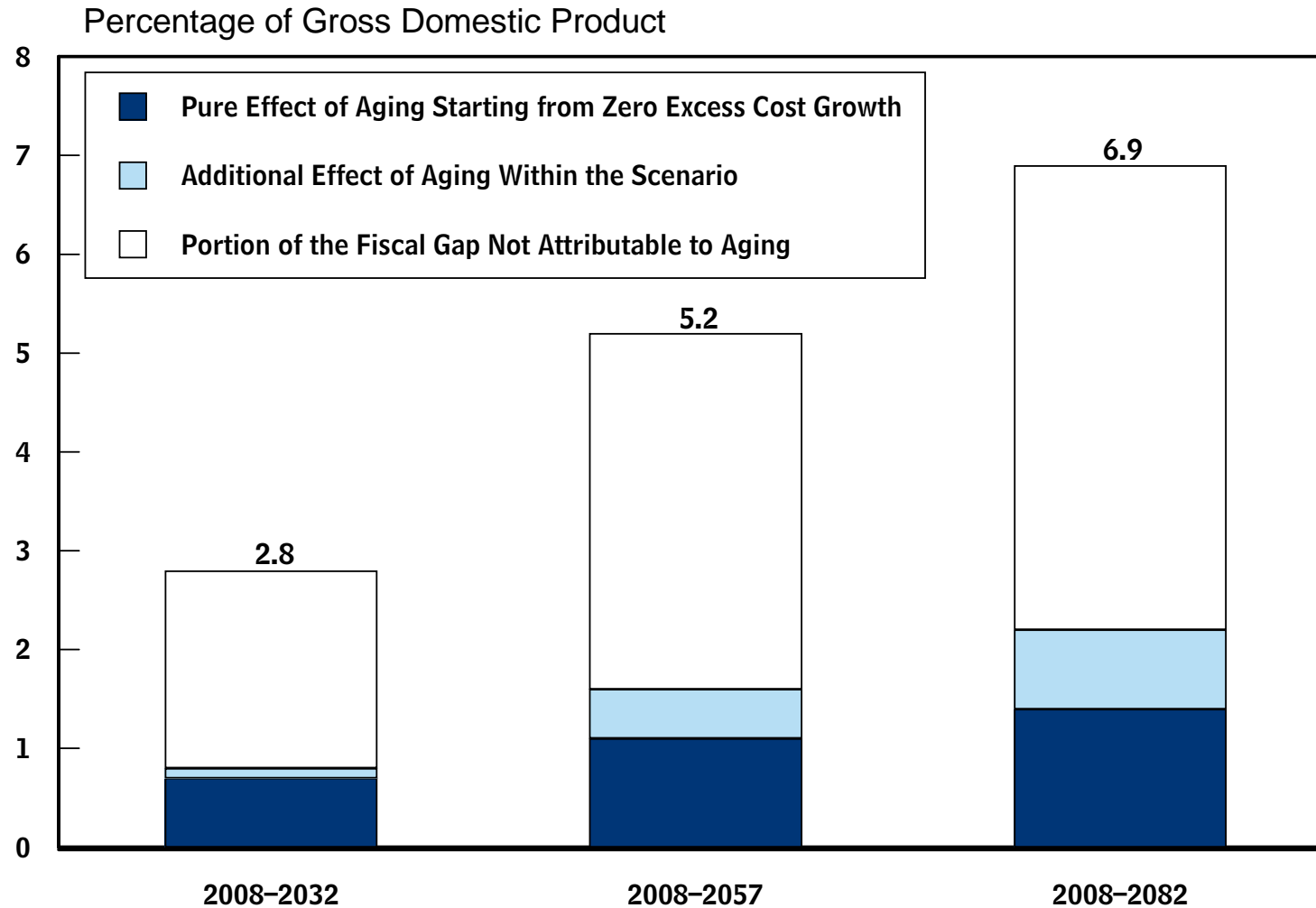
Federal Fiscal Imbalance Under CBO's Long-Term Budget Scenarios

Percentage of Gross Domestic Product

Projection Period	Revenues	Outlays	Fiscal Gap
Extended-Baseline Scenario			
25 Years (2008–2032)	20.2	19.5	-0.7
50 Years (2008–2057)	21.3	21.9	0.6
75 Years (2008–2082)	22.1	23.8	1.7
Alternative Fiscal Scenario			
25 Years (2008–2032)	18.6	21.4	2.8
50 Years (2008–2057)	18.8	24.1	5.2
75 Years (2008–2082)	19.2	26.1	6.9

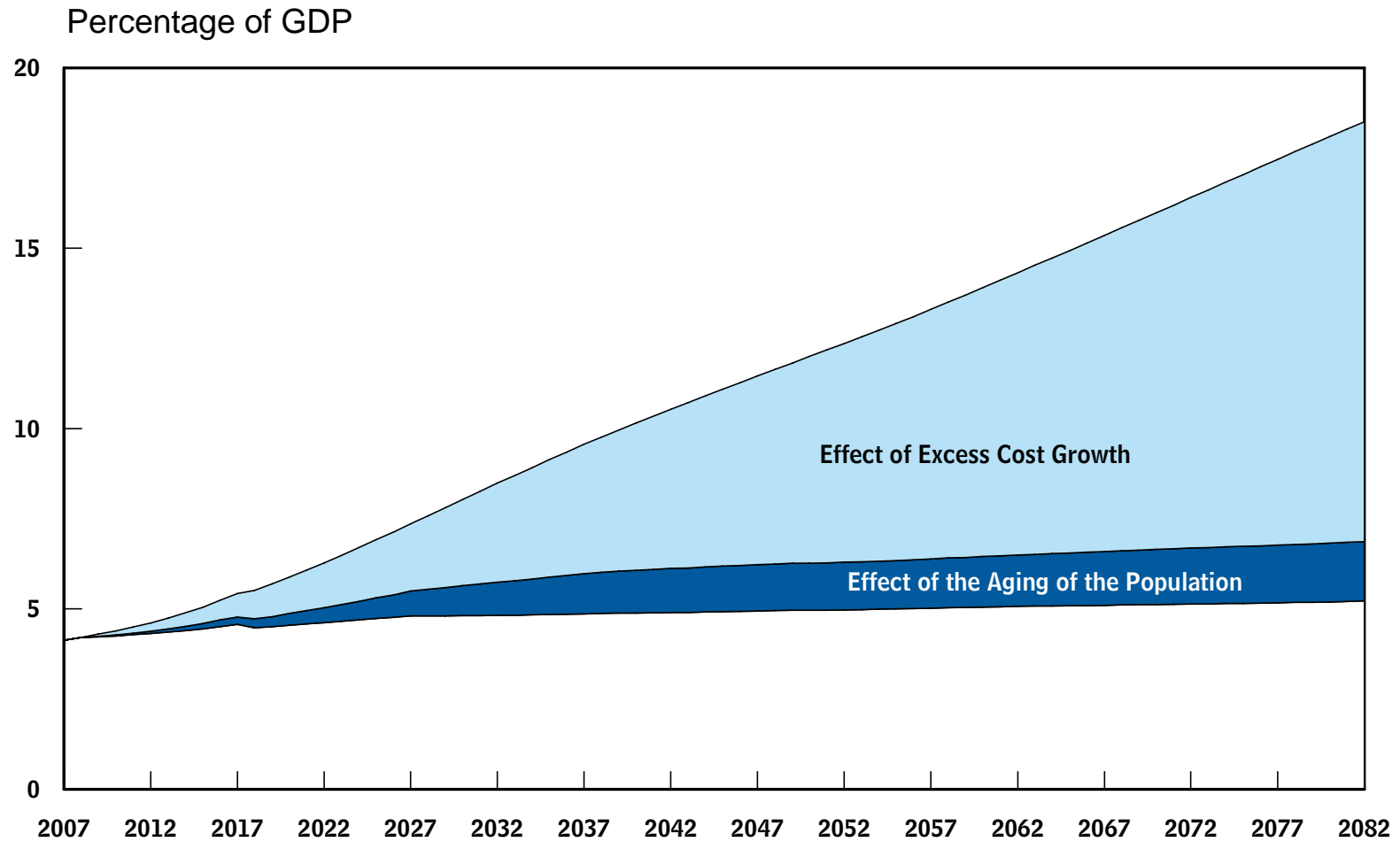


Contribution of Aging to the Fiscal Gap Under CBO's Alternative Fiscal Scenario



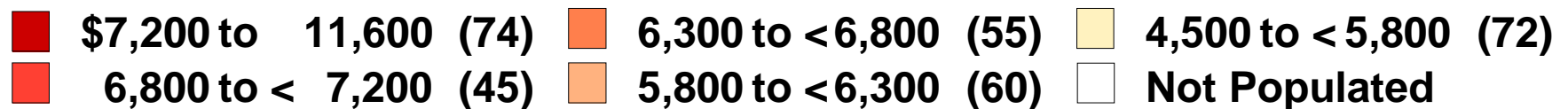
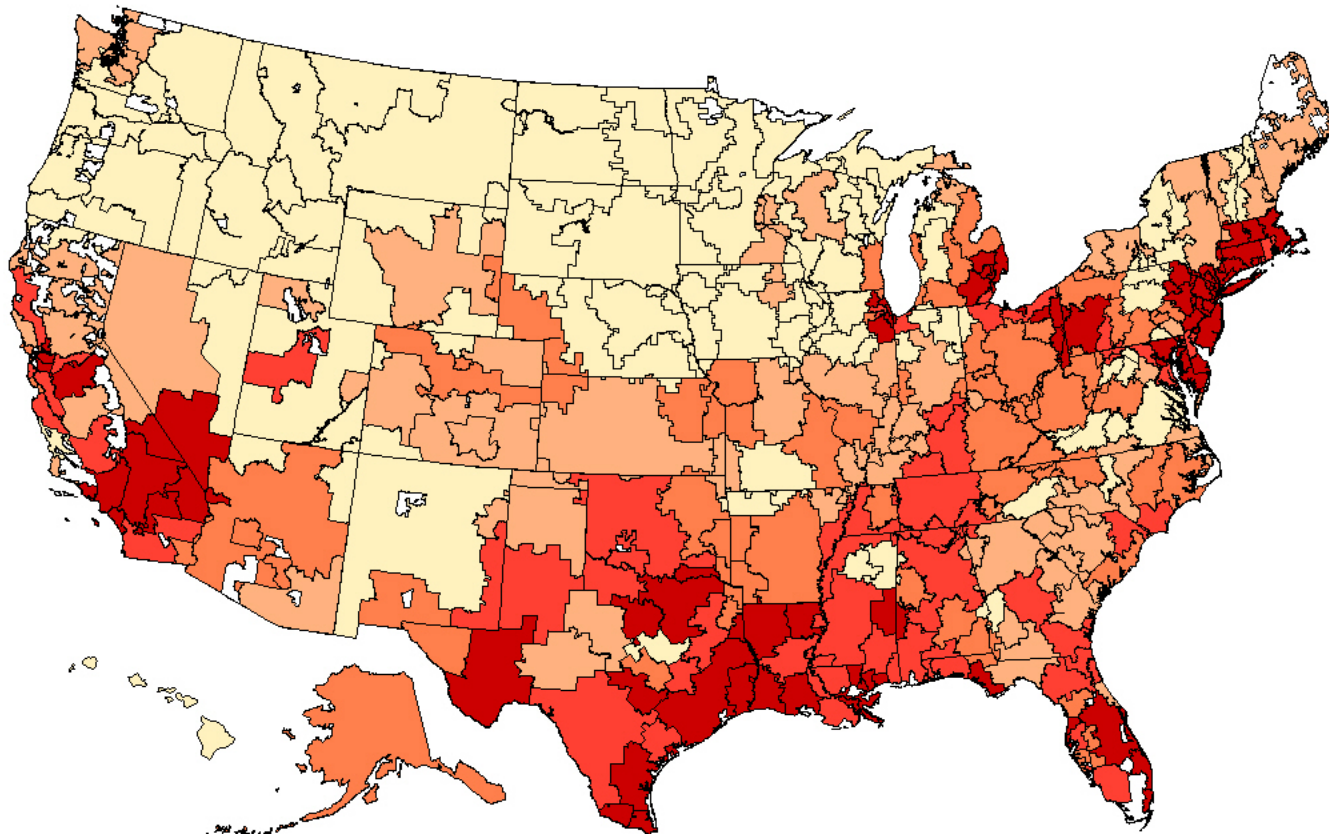


Sources of Growth in Projected Federal Spending on Medicare and Medicaid





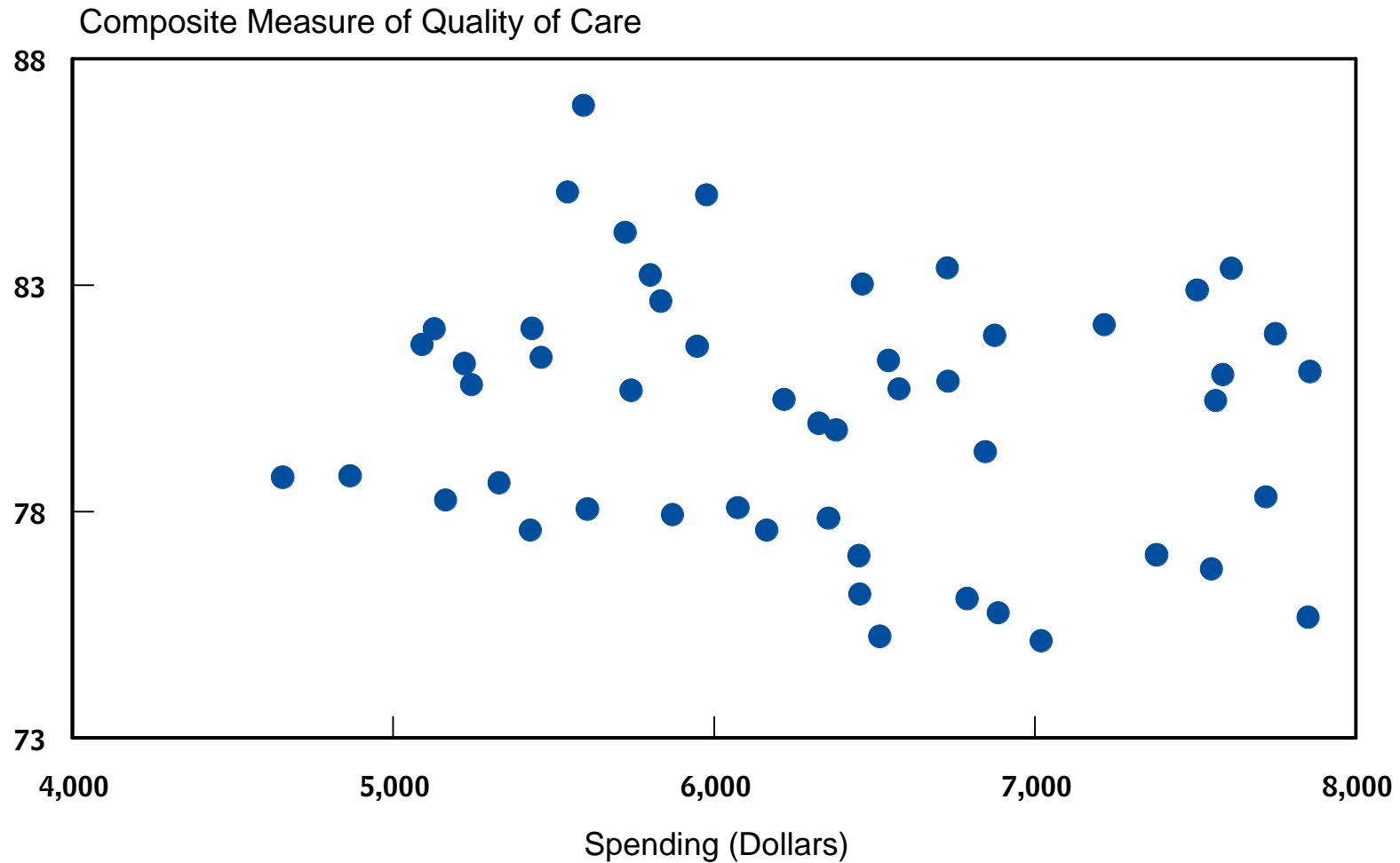
Medicare Spending per Capita in the United States, by Hospital Referral Region, 2003



Source: www.dartmouthatlas.org.



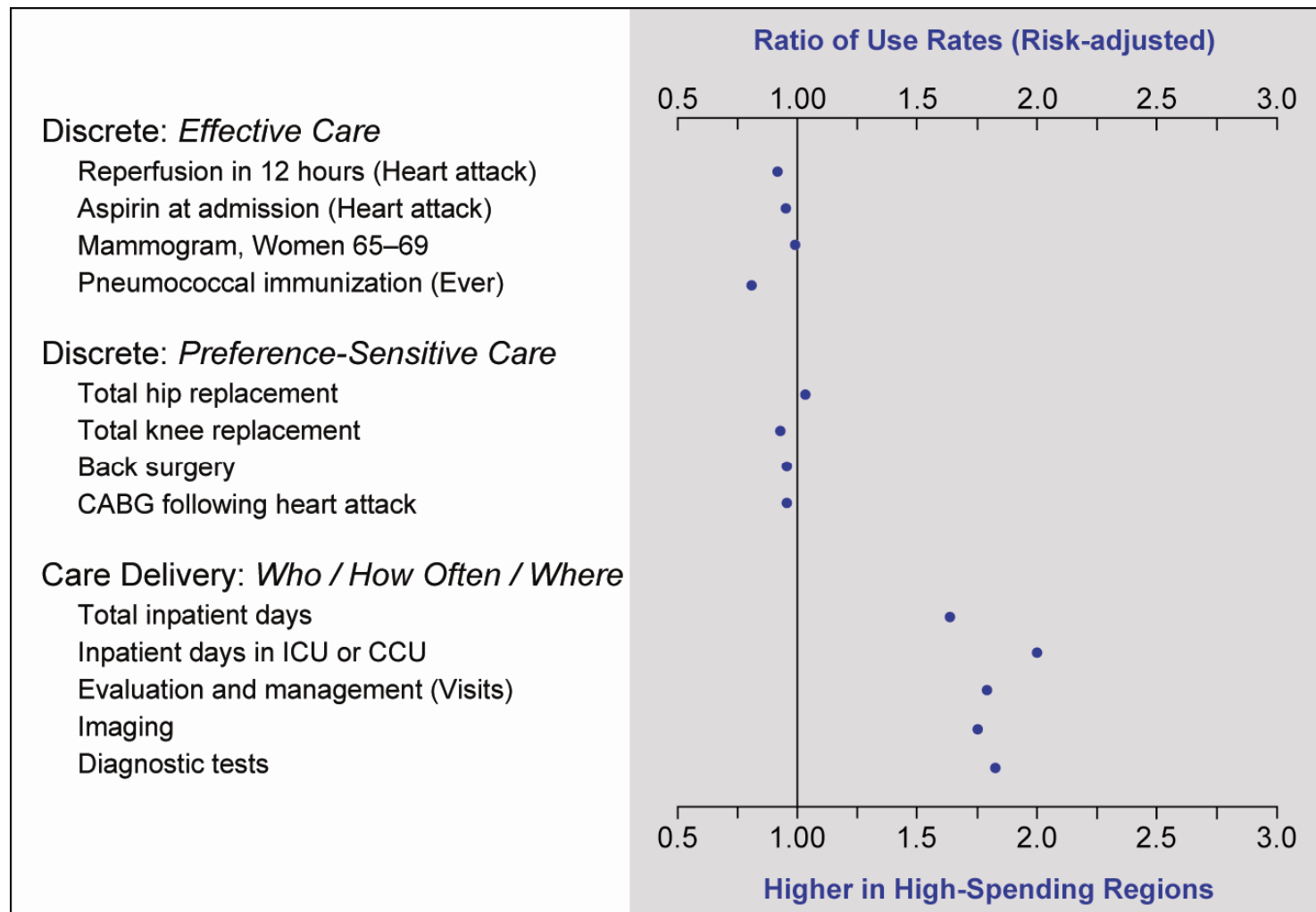
The Relationship Between Quality and Medicare Spending, by State, 2004



Source: Data from AHRQ and CMS.



What Additional Services Are Provided in High-Spending Regions?



Source: Elliot Fisher, Dartmouth Medical School.



Variations Among Academic Medical Centers

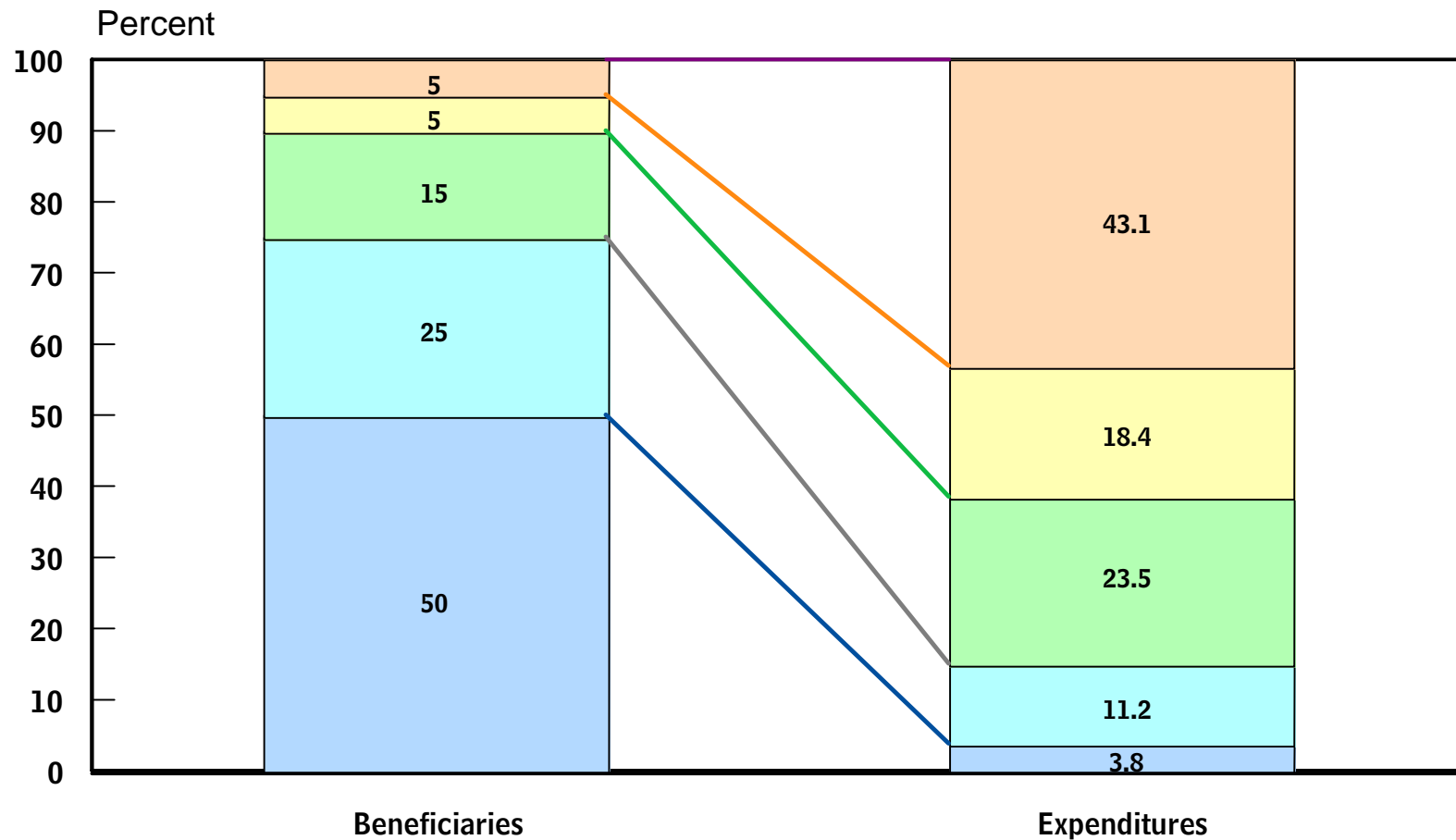
Use of Biologically Targeted Interventions and Care-Delivery Methods Among Three of U.S. News and World Report's "Honor Roll" AMCs

	UCLA Medical Center	Massachusetts General Hospital	Mayo Clinic (St. Mary's Hospital)
Biologically Targeted Interventions: Acute Inpatient Care			
CMS composite quality score	81.5	85.9	90.4
Care Delivery—and Spending—Among Medicare Patients in Last Six Months of Life			
Total Medicare spending	50,522	40,181	26,330
Hospital days	19.2	17.7	12.9
Physician visits	52.1	42.2	23.9
Ratio, medical specialist / primary care	2.9	1.0	1.1

Source: Elliot Fisher, Dartmouth Medical School.



Concentration of Total Annual Medicare Expenditures Among Beneficiaries, 2001



Source: CBO based on data from CMS.



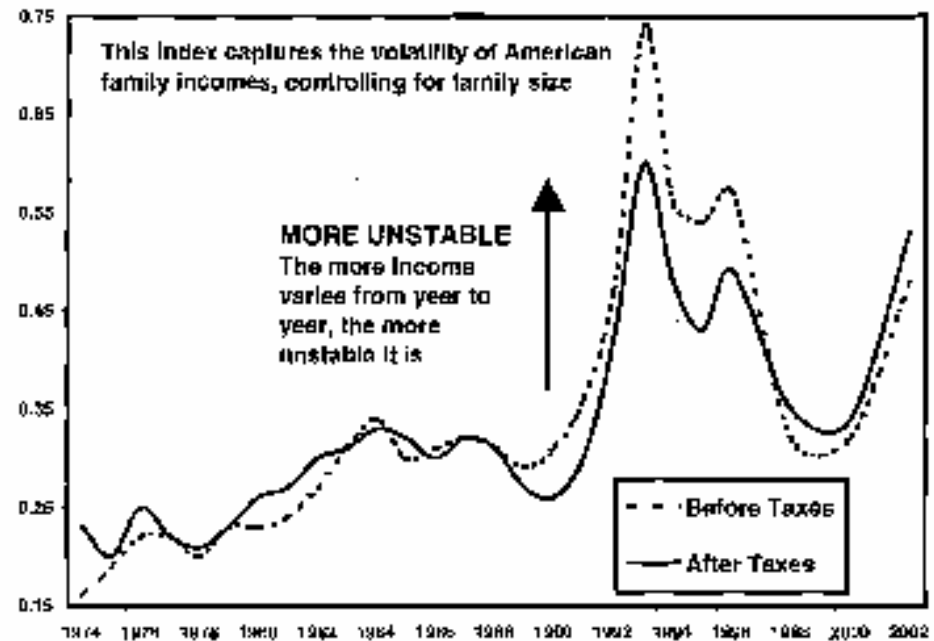
Jacob Hacker's *The Great Risk Shift*

The Assault on American Jobs,
Families, Health Care and Retirement
And How You Can Fight Back

The Great Risk Shift

JACOB S. HACKER

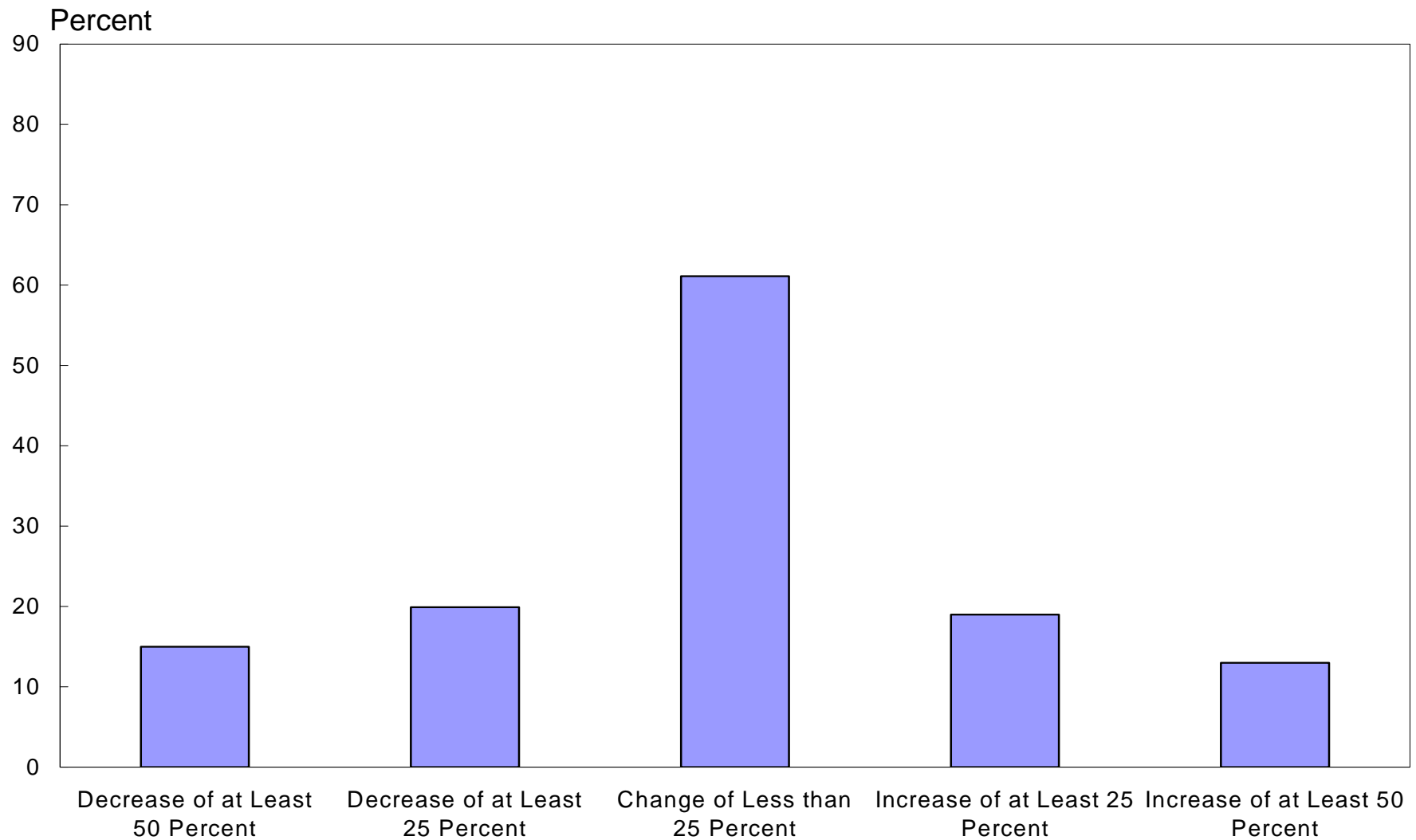
Figure 1: The Rising Volatility of American Family Incomes, 1974–2002



Source: Panel Study of Income Dynamics, University of Michigan; Cross-National Equivalent File, Cornell University.



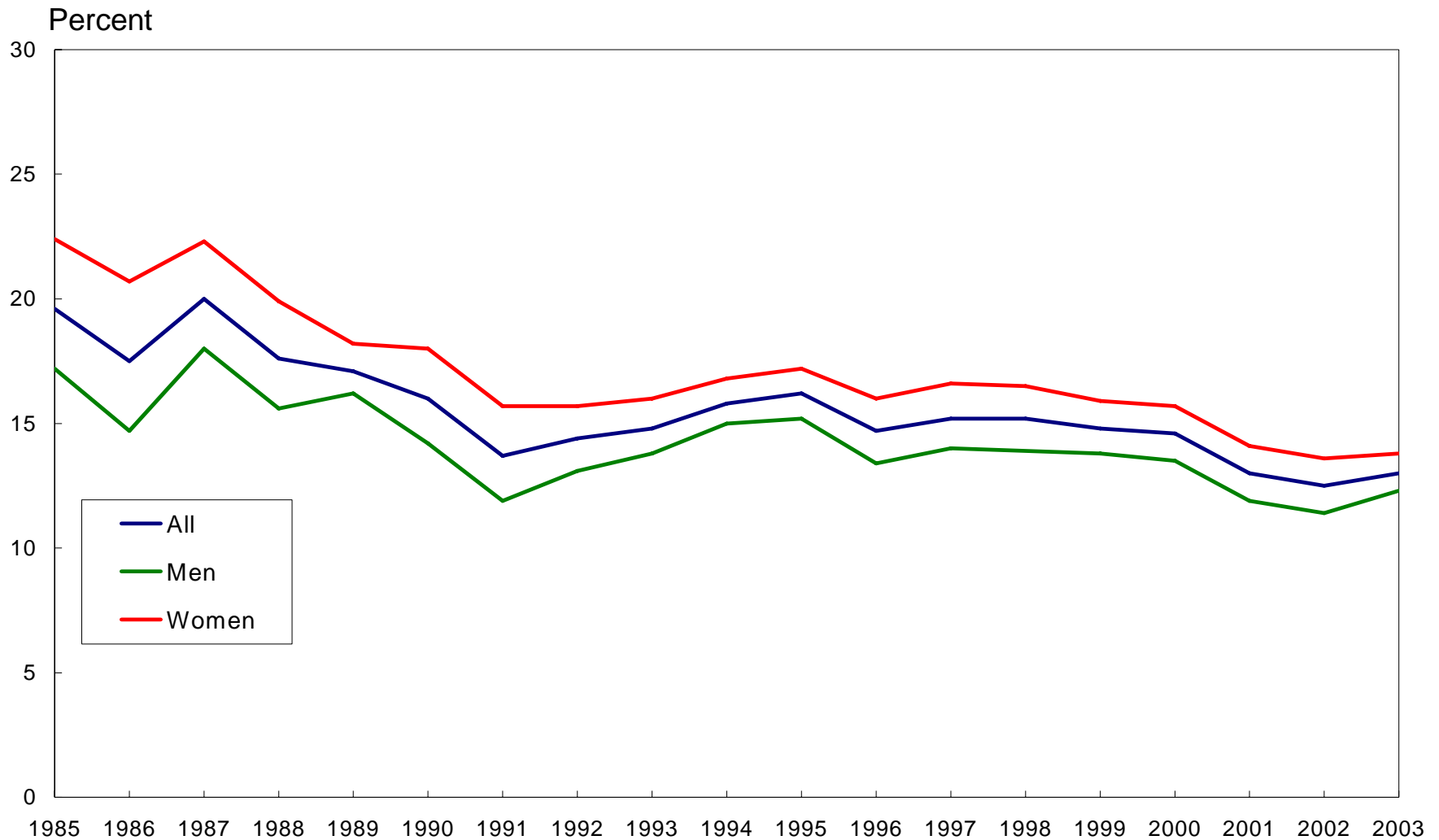
Distribution of Changes in Workers' Annual Real Earnings, 2002 to 2003



Source: Congressional Budget Office based on data from the Social Security Administration's Continuous Work History Sample.



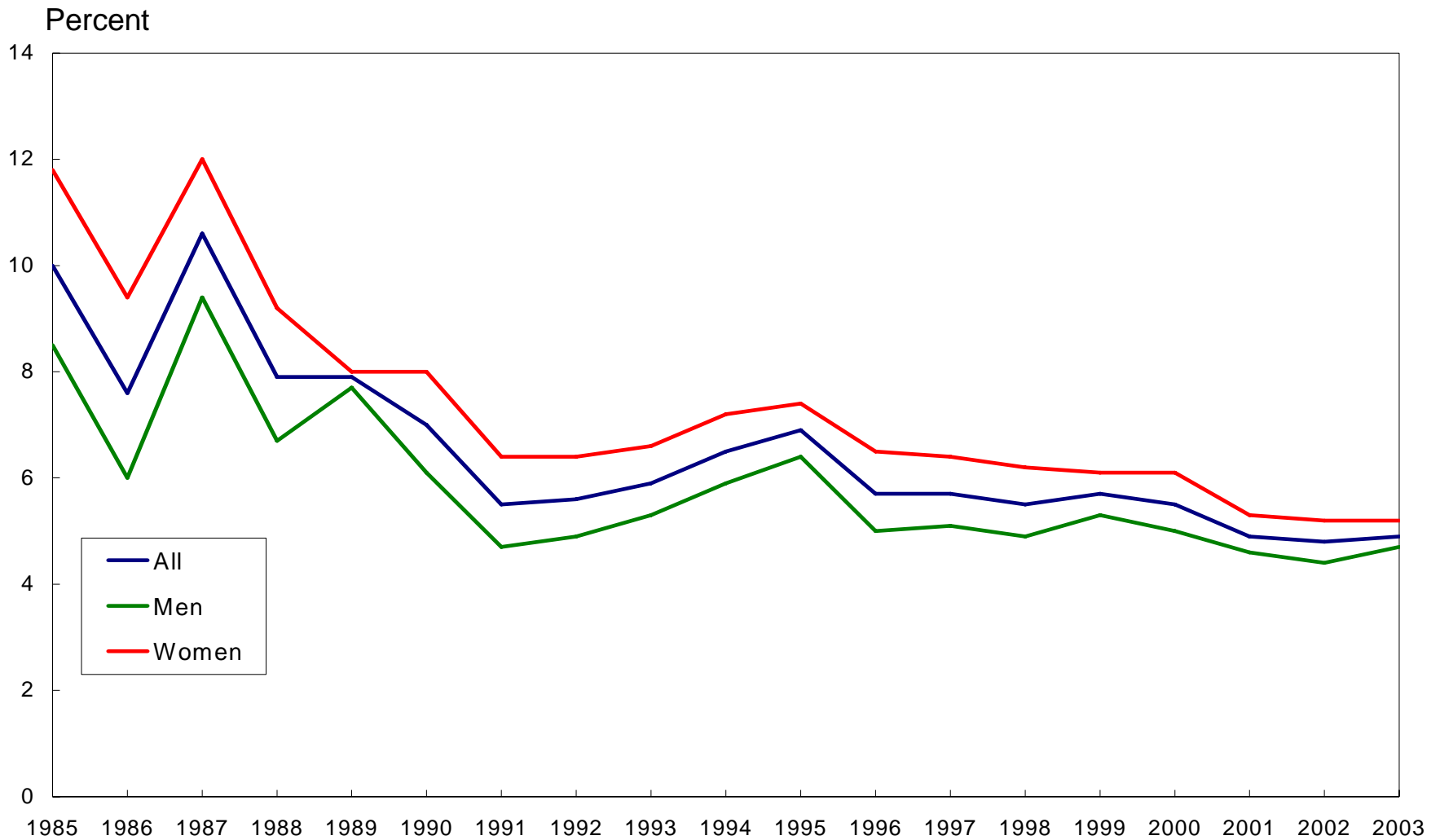
Percentage of Workers for Whom Total Wage Earnings Rose by 50 Percent or More, by Sex



Source: Congressional Budget Office based on data from the Social Security Administration's Continuous Work History Sample.



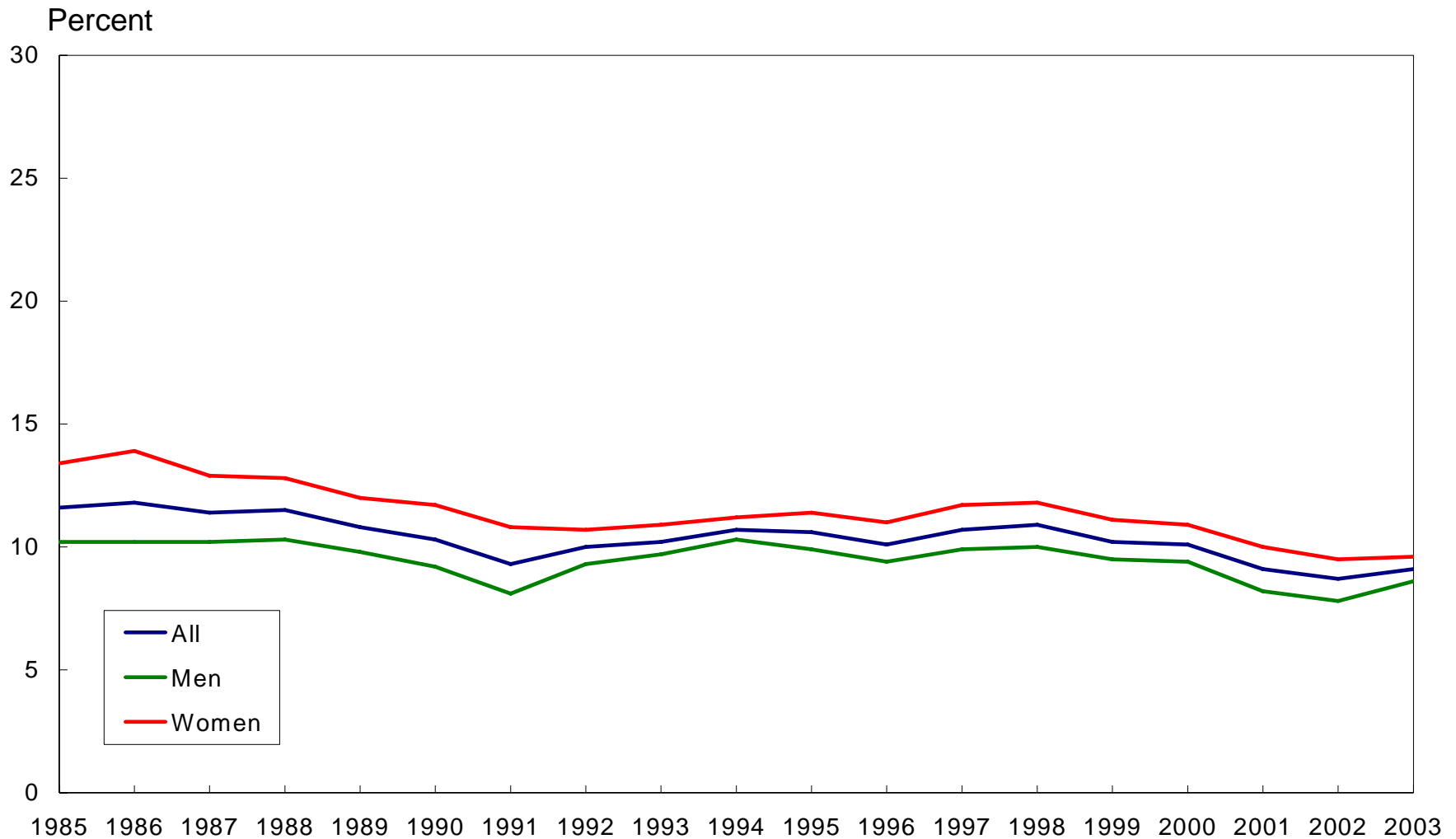
Percentage of Workers Entering Employment, by Sex



Source: Congressional Budget Office based on data from the Social Security Administration's Continuous Work History Sample.



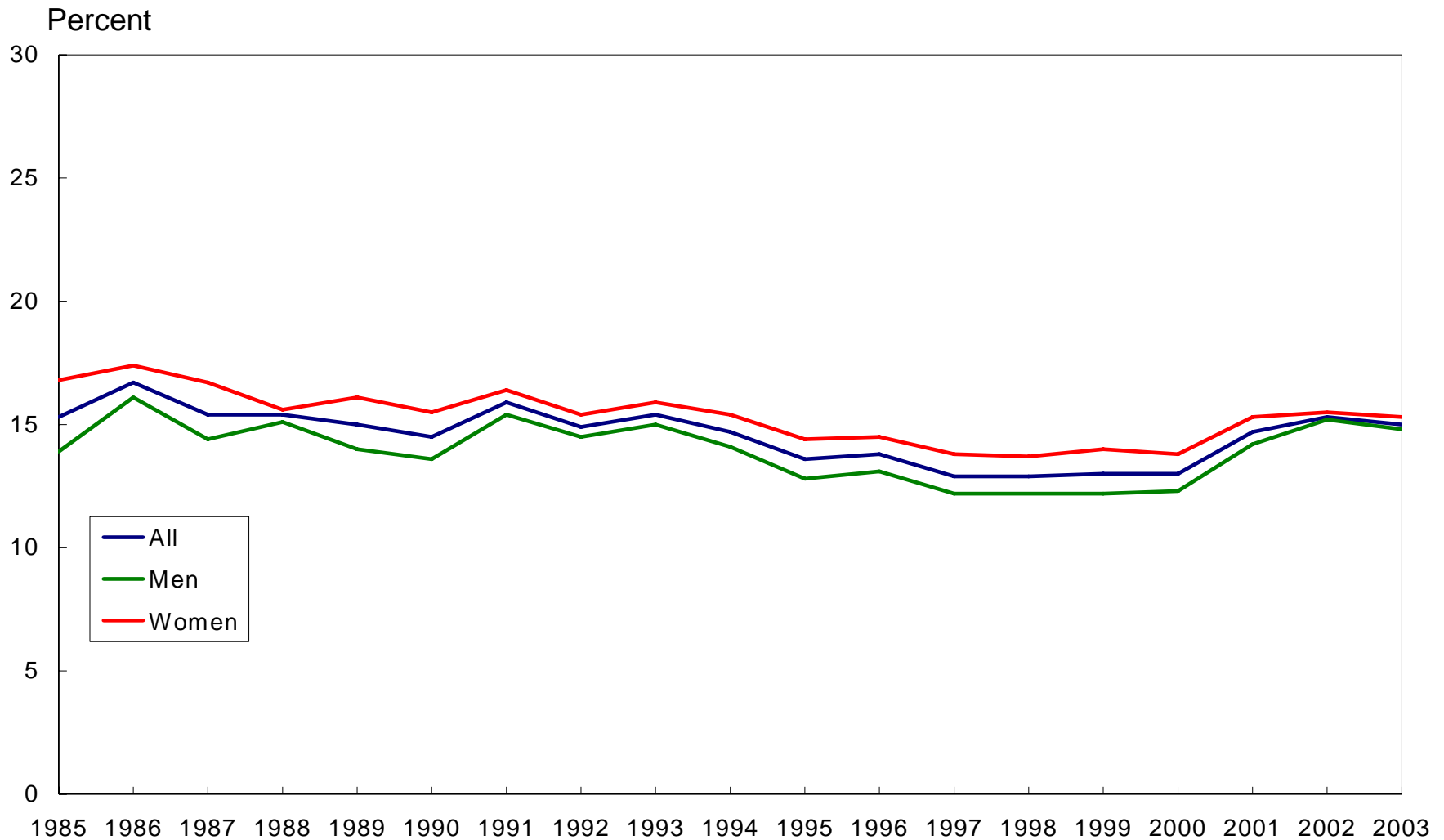
Percentage of Workers with Positive Earnings in Both Years for Whom Total Wage Earnings Rose by 50 Percent or More, by Sex



Source: Congressional Budget Office based on data from the Social Security Administration's Continuous Work History Sample.



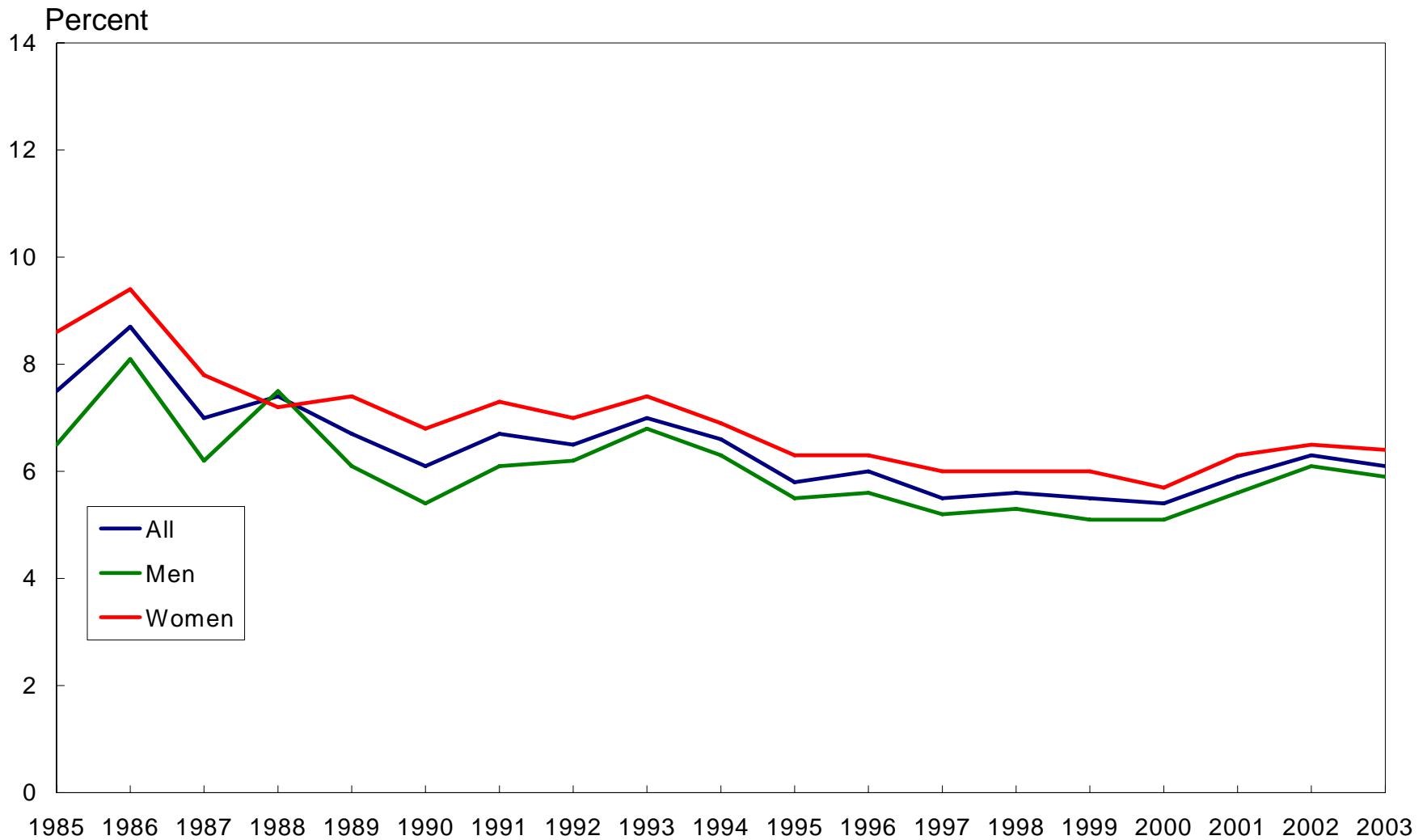
Percentage of Workers for Whom Total Wage Earnings Declined by 50 Percent or More, by Sex



Source: Congressional Budget Office based on data from the Social Security Administration's Continuous Work History Sample.



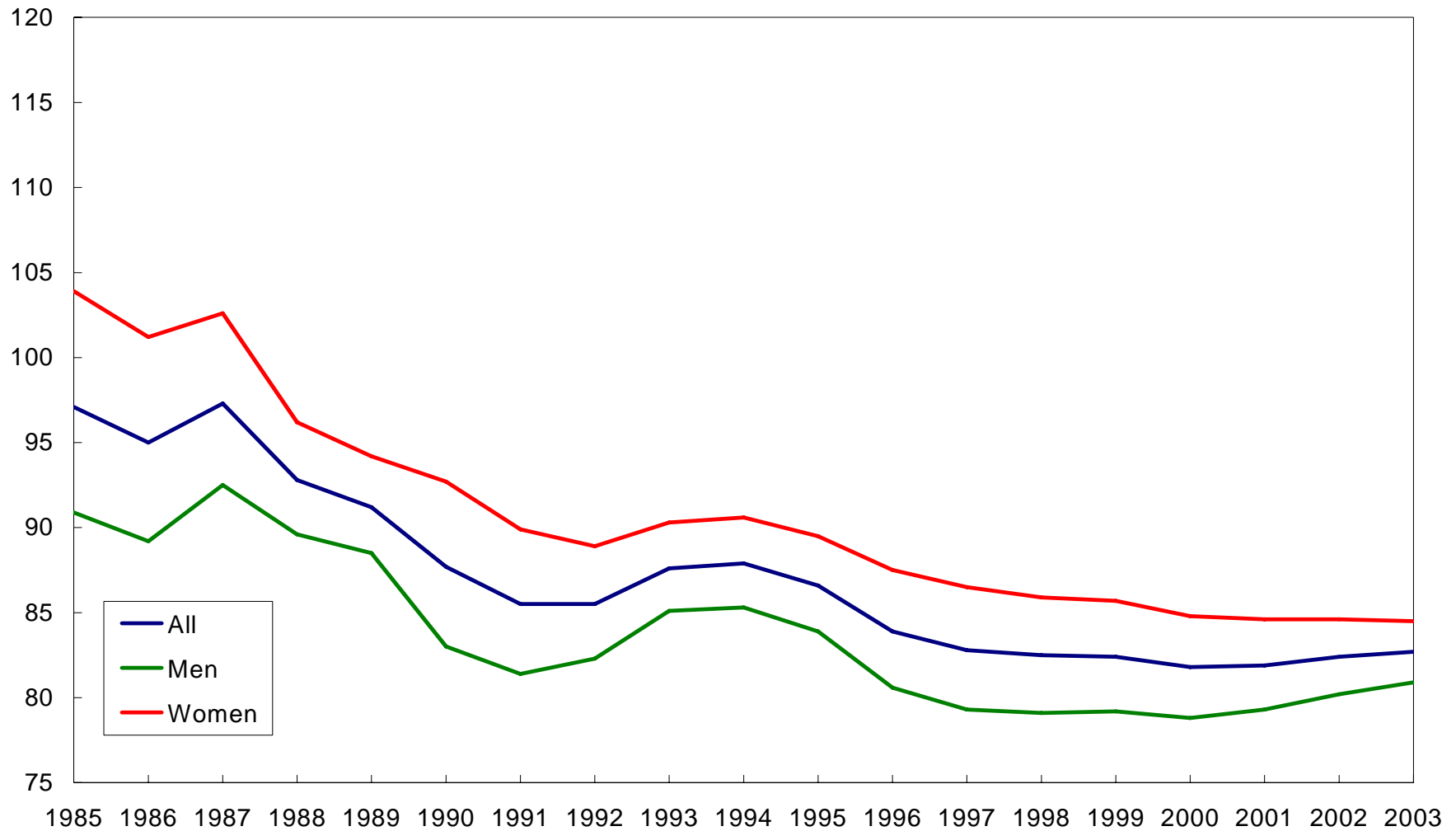
Percentage of Workers Exiting Employment, by Sex



Source: Congressional Budget Office based on data from the Social Security Administration's Continuous Work History Sample.



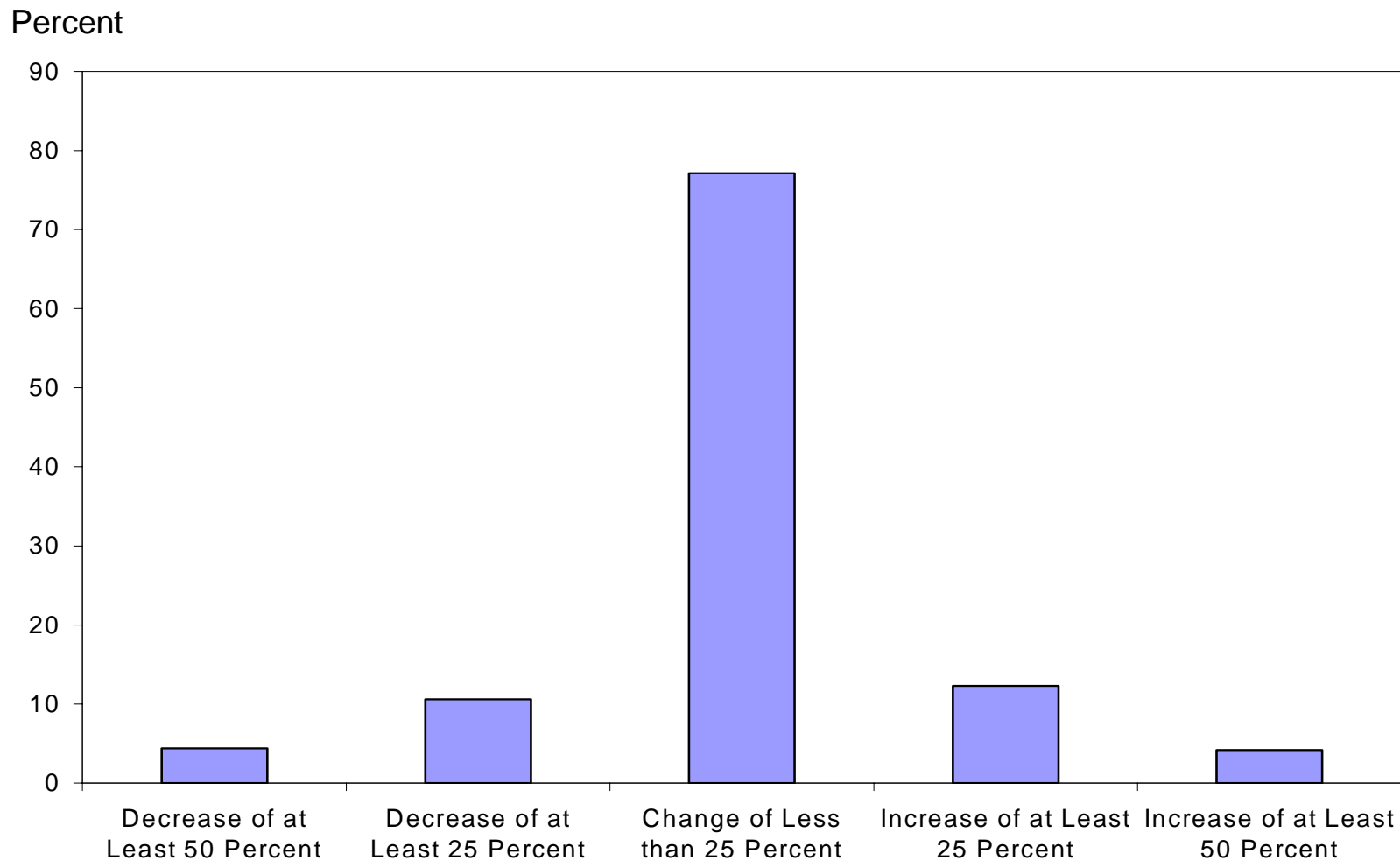
Standard Deviation of the Percentage Change in Workers' Total Wage Earnings, by Sex



Source: Congressional Budget Office based on data from the Social Security Administration's Continuous Work History Sample.



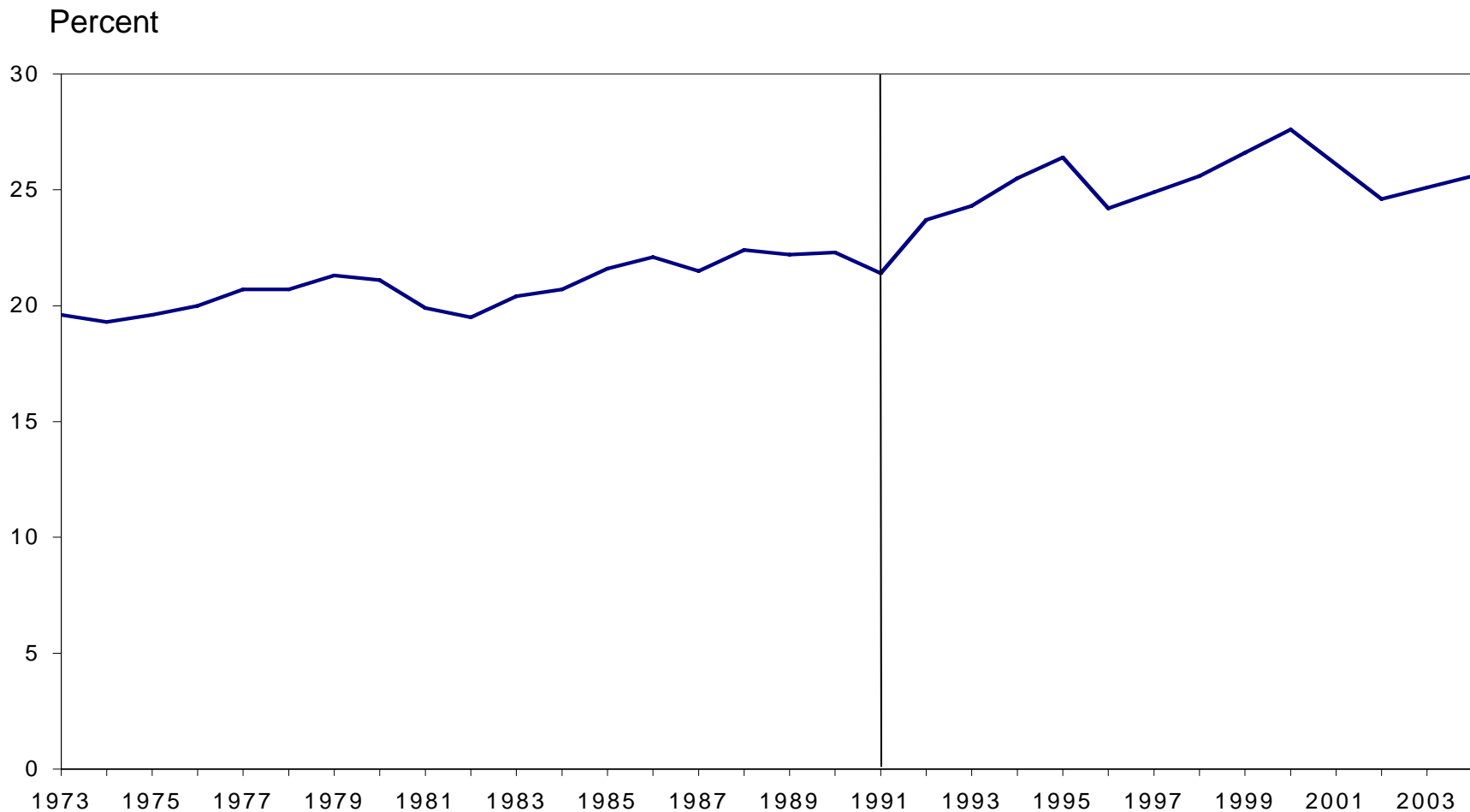
Distribution of Changes in Households' Annual Incomes from 2001 to 2002



Source: Congressional Budget Office based on the 2001 panel of the Bureau of the Census's Survey of Income and Program Participation matched to administrative earnings data from the Social Security Administration.



Volatility of Total Household Income: Standard Deviation of Percent Changes from Dynan et al (2007)

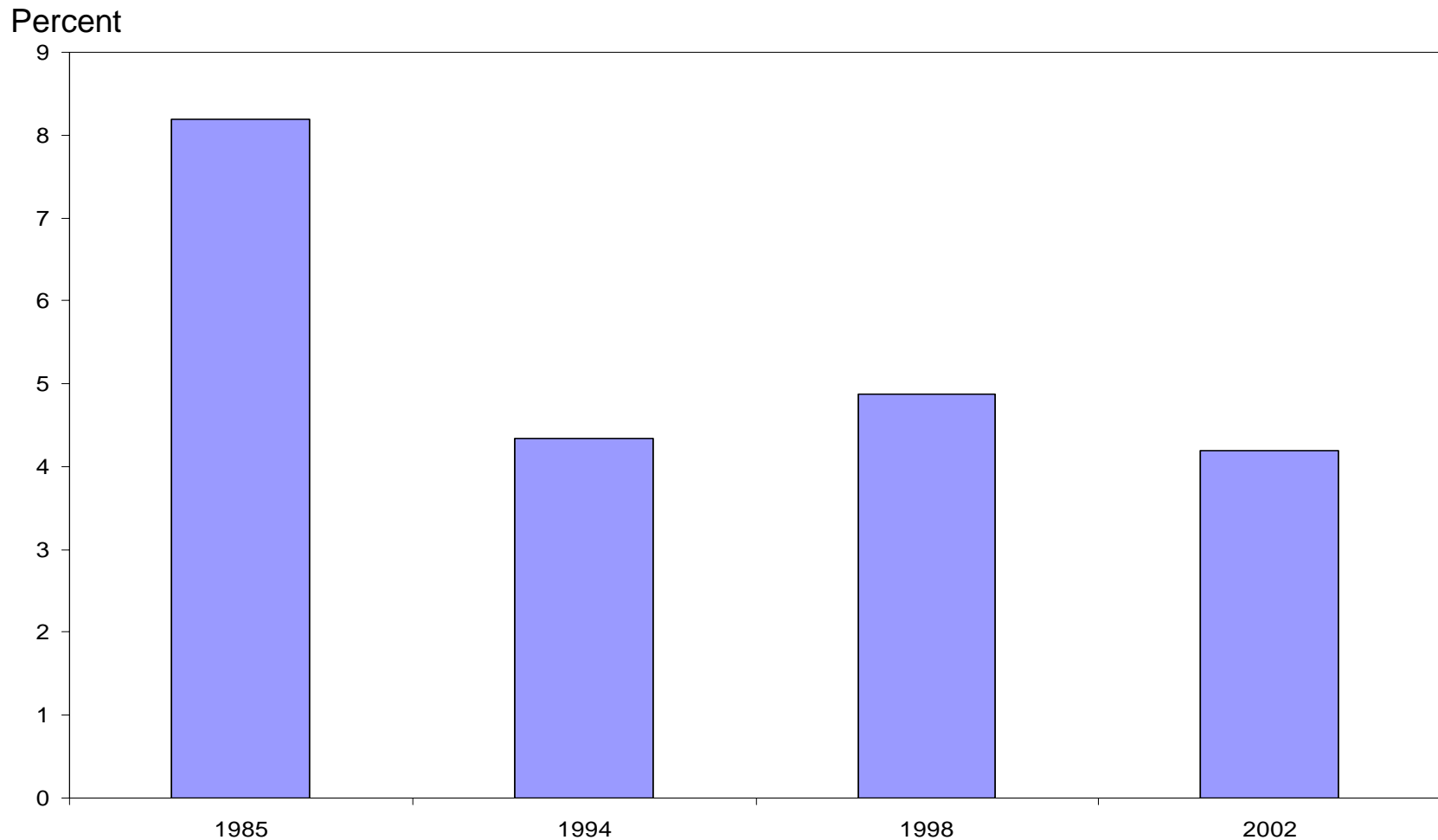


Source: Dynan, Elmendorf and Sichel (2007), Figure 6.

Notes: 3-Yr Rolling Windows; Annualized 2-Yr Change Scaled by 3-Yr Average Lagged Income, Topcoded at 100 Percent; Representative Sample; 1973-2004 (Vertical Line at 1991).



Percentage of Households Whose Income Increased by 50 Percent or More Over the Previous Year



Source: Congressional Budget Office based on the Bureau of the Census's Survey of Income and Program Participation matched to administrative earnings data from the Social Security Administration.



Percentage of Households Whose Income Declined by 50 Percent or More Over the Previous Year

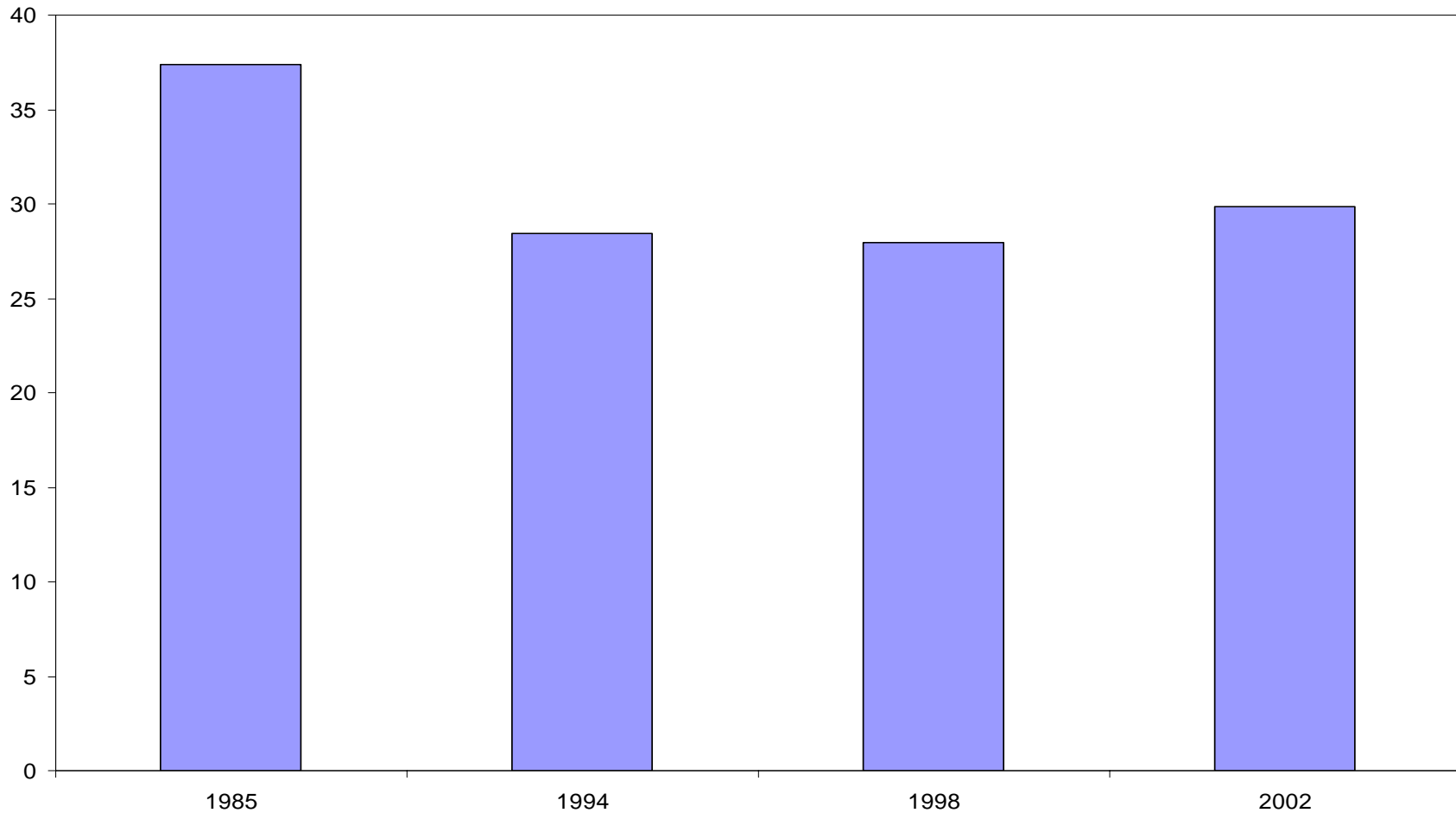
Percent



Source: Congressional Budget Office based on the Bureau of the Census's Survey of Income and Program Participation matched to administrative earnings data from the Social Security Administration.



Standard Deviation of the Percentage Change in Households' Total Income Over the Previous Year



Source: Congressional Budget Office based on the Bureau of the Census's Survey of Income and Program Participation matched to administrative earnings data from the Social Security Administration.