



FEBRUARY 4, 2008

DAILY
PRESS
BRIEFING



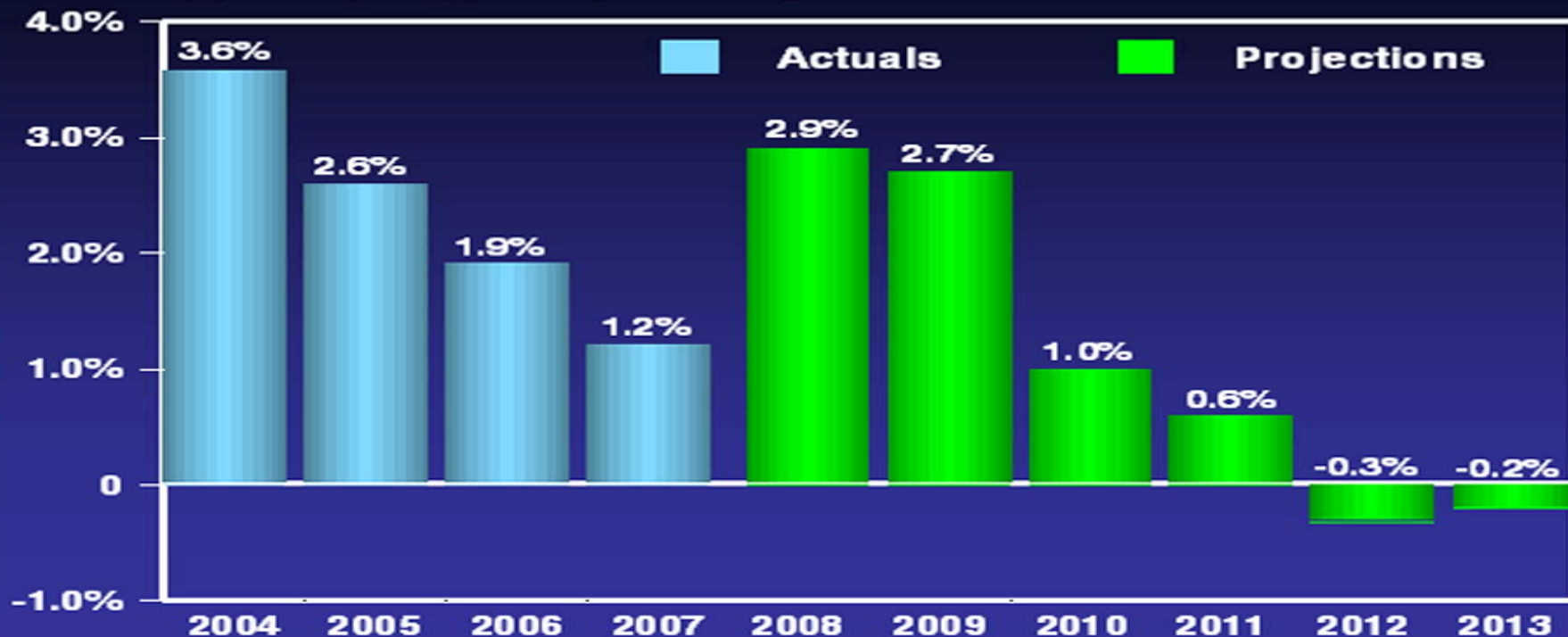
PRESIDENT'S FY09 BUDGET

- ★ Addresses Immediate Economic Challenges
- ★ Ensures Sustained Prosperity
- ★ Keeps America Safe
- ★ Balances the Budget by 2012
- ★ Addresses the Long-term Spending Challenge



BALANCING THE BUDGET

Deficit(+) / Surplus(-) as a percentage of GDP



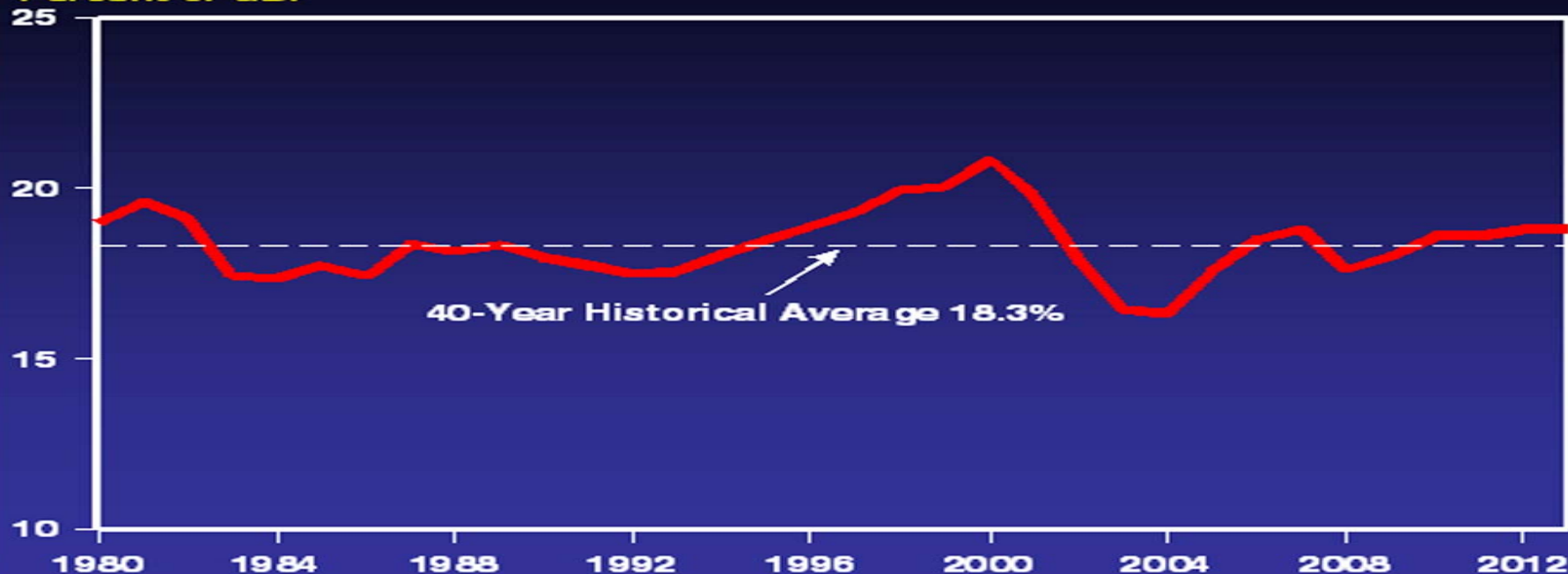
SOURCE: OMB



BALANCING THE BUDGET

Americans are Not Under-Taxed Receipts Near Historical Average

Percent of GDP



SOURCE: OMB



BALANCING THE BUDGET

Must Keep Spending In Check to Achieve Balanced Budget by 2012

Base discretionary, net budget authority in billions

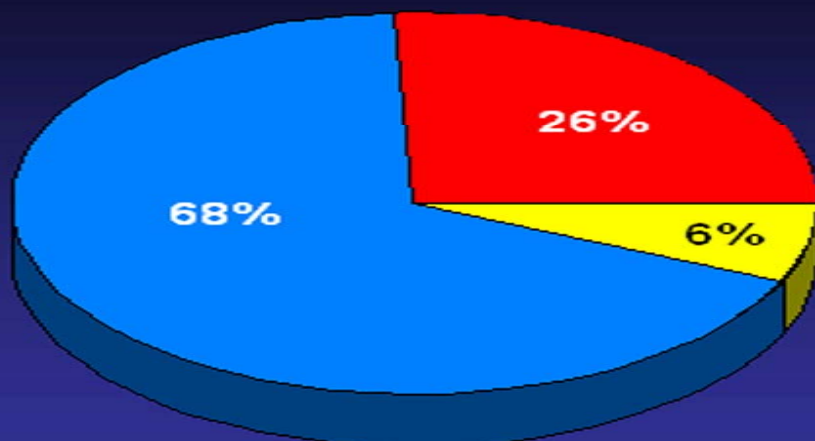


SOURCE: OMB

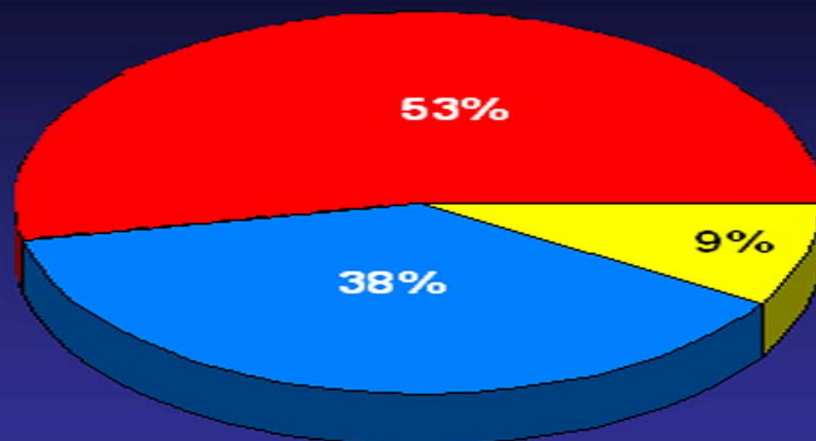


BALANCING THE BUDGET

Mandatory Spending is Overwhelming the Rest of the Budget



1962



2007



Mandatory



Discretionary



Interest

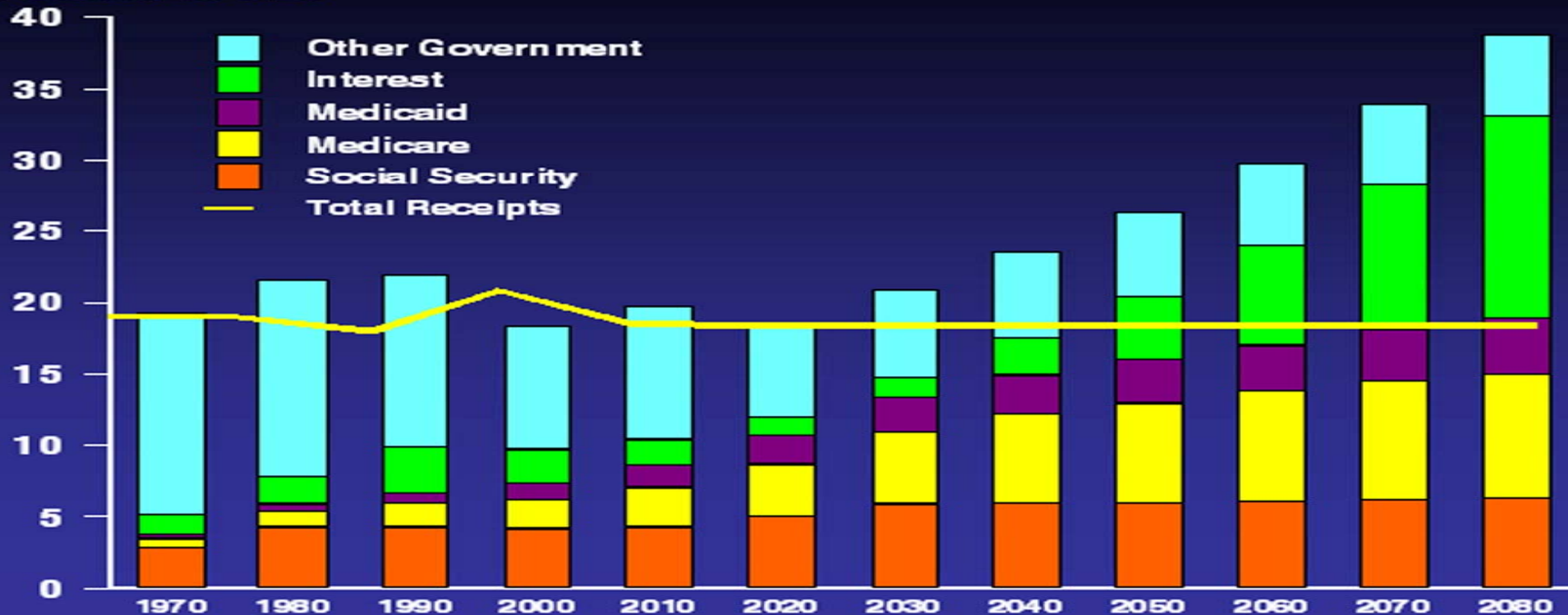
SOURCE: OMB



BALANCING THE BUDGET

Current Trends Are Not Sustainable

Percent of GDP



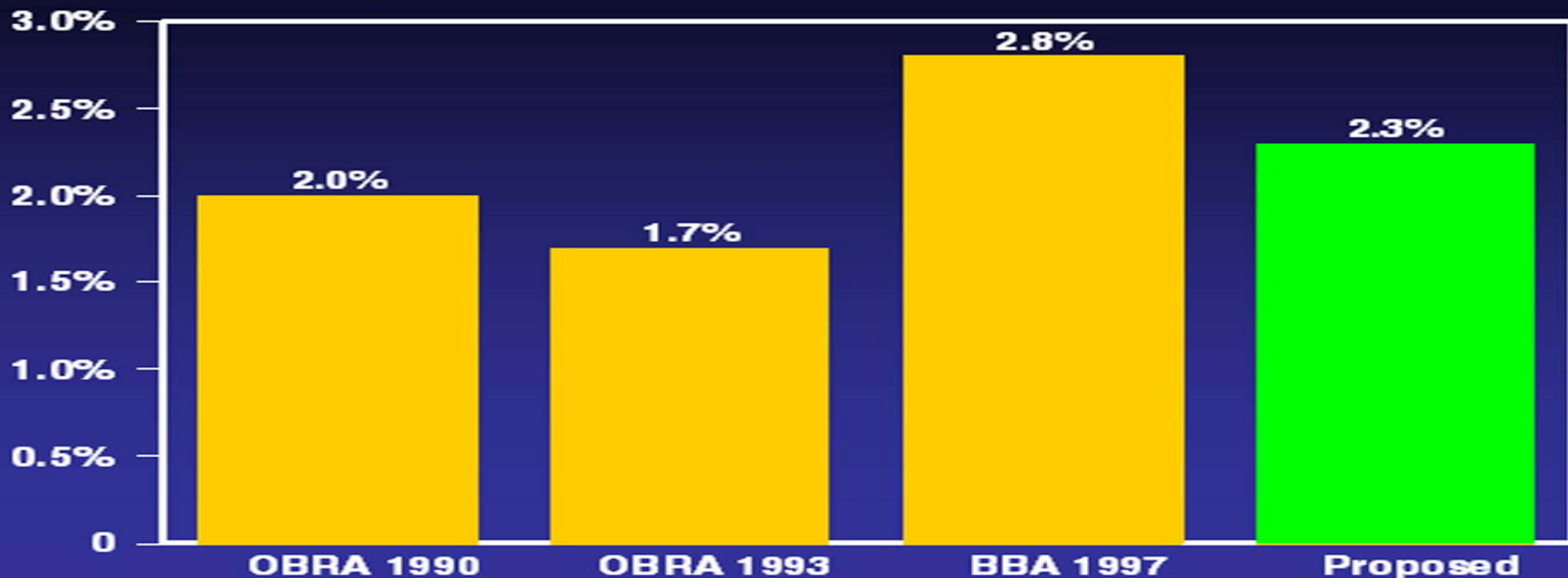
SOURCE: OMB



BALANCING THE BUDGET

Realistic Mandatory Savings Proposal

Savings over 5 years as a percent of baseline



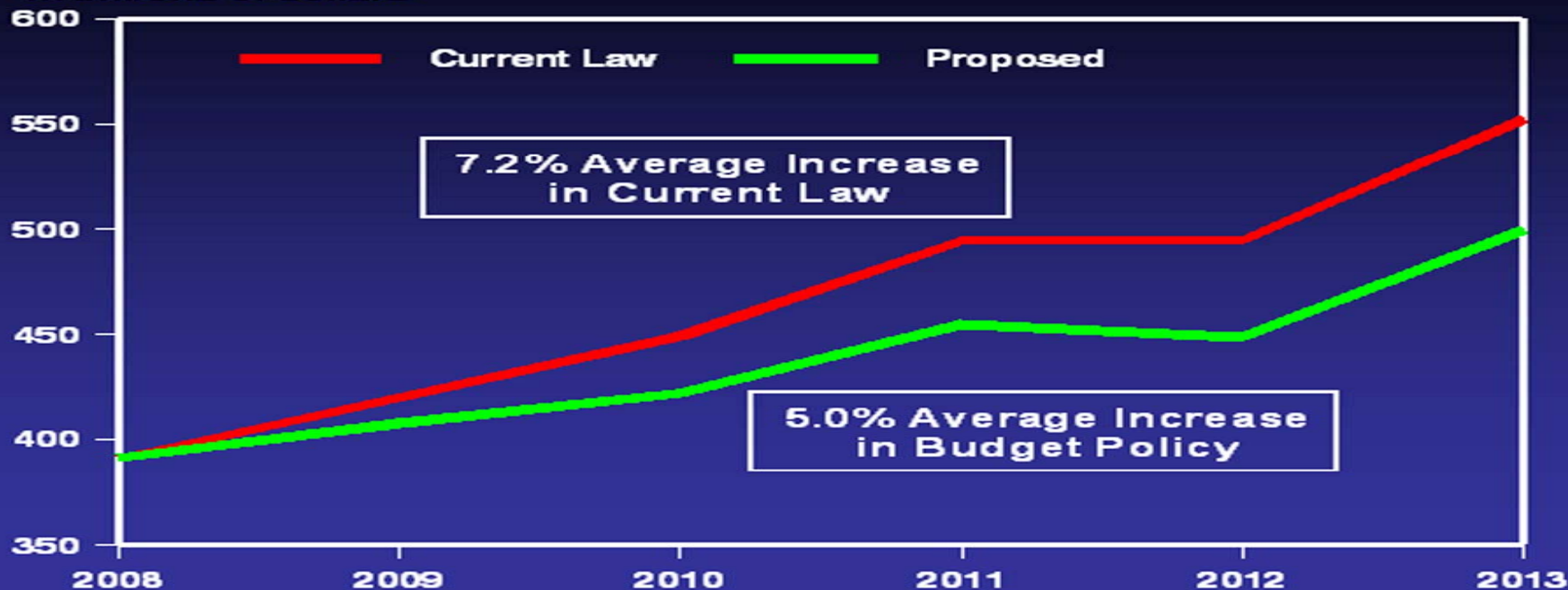
SOURCE: OMB



BALANCING THE BUDGET

Impact of Proposals on Medicare Spending

In billions of dollars



SOURCE: OMB