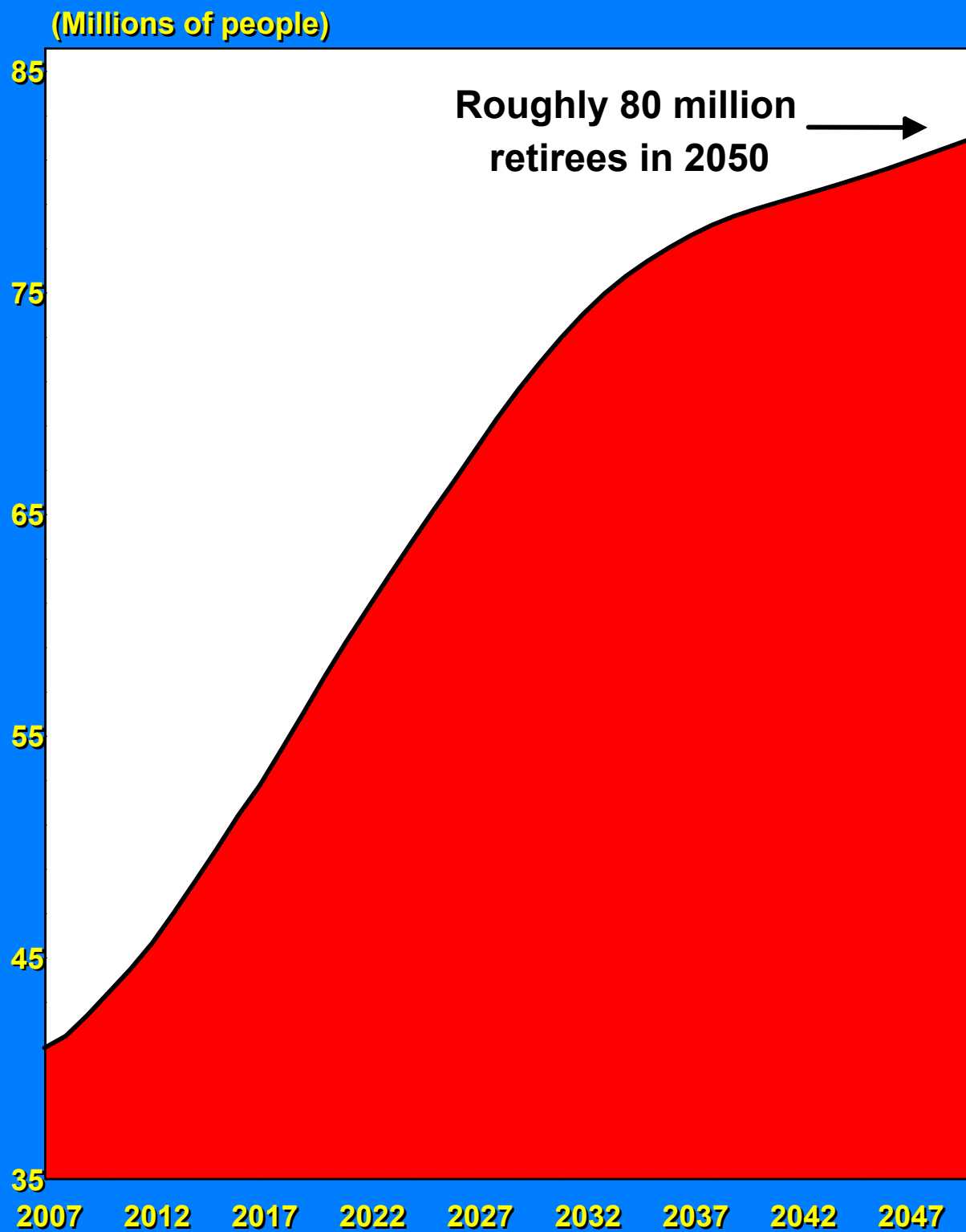


Baby Boom Generation Creates Demographic Tidal Wave

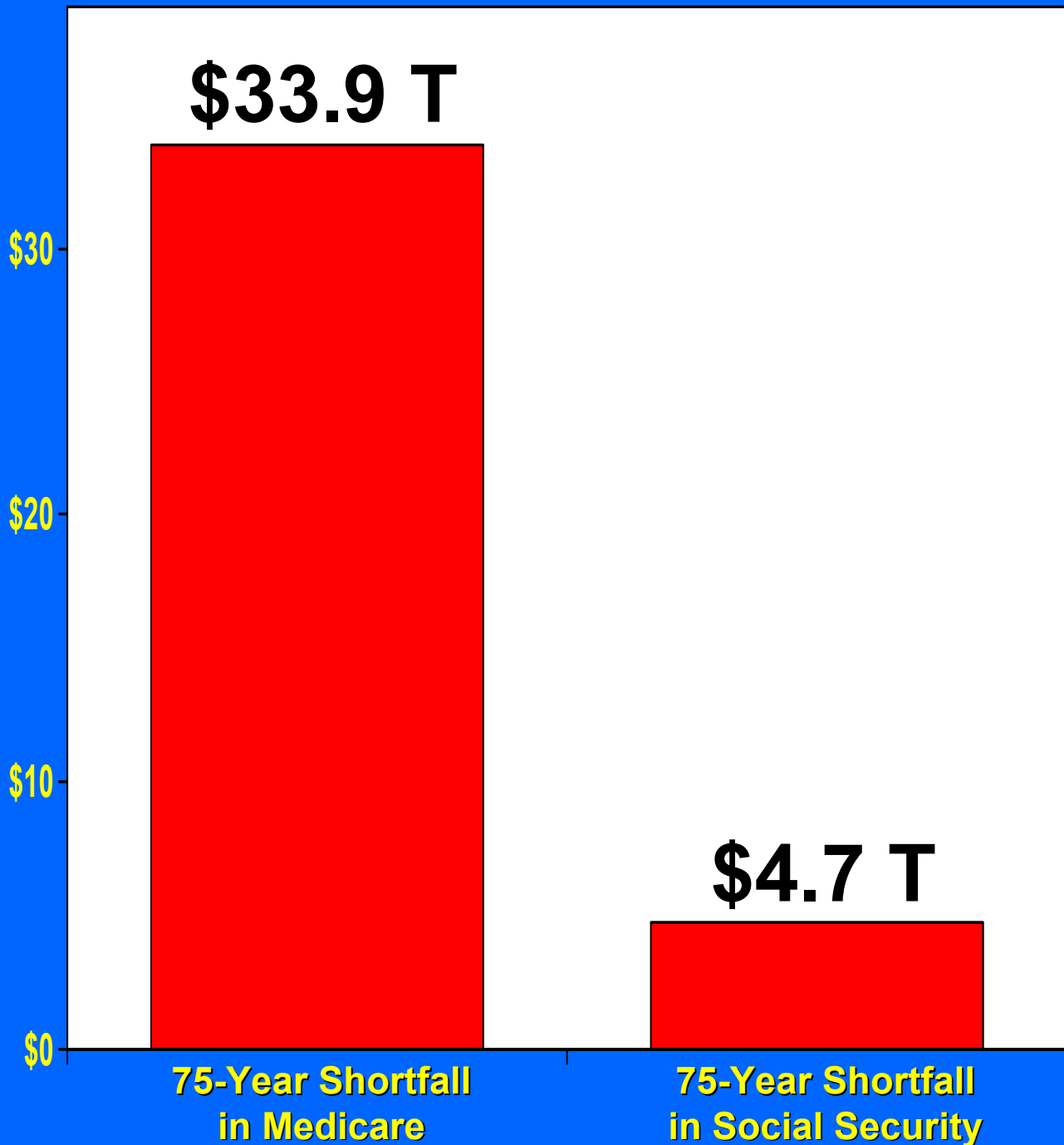


Source: 2007 Social Security Trustees Report
Note: OASI beneficiaries

Comparing Long-Term Costs of Medicare and Social Security

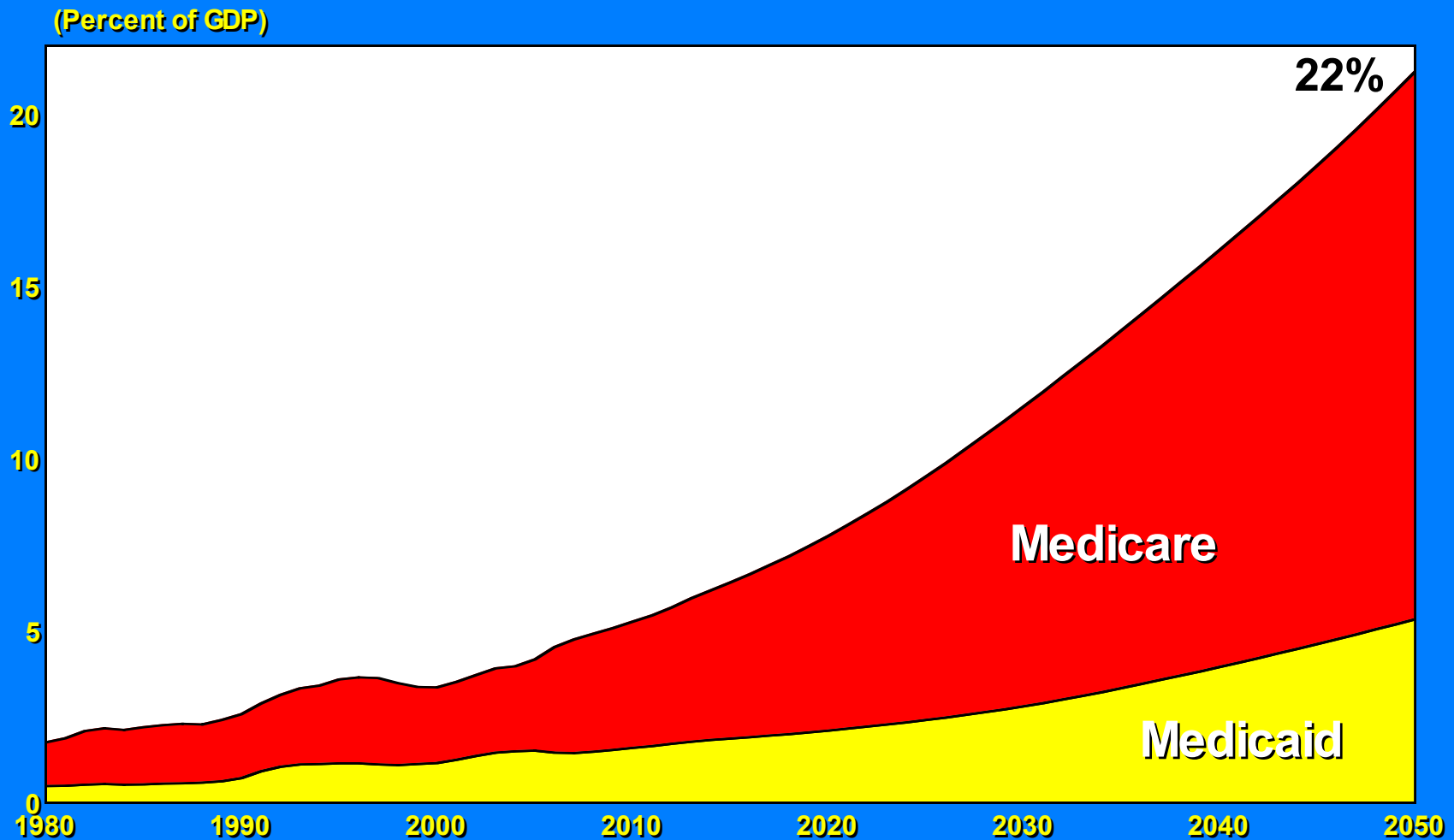
Present Value of Costs Over Next 75 Years

(\$ in trillions)



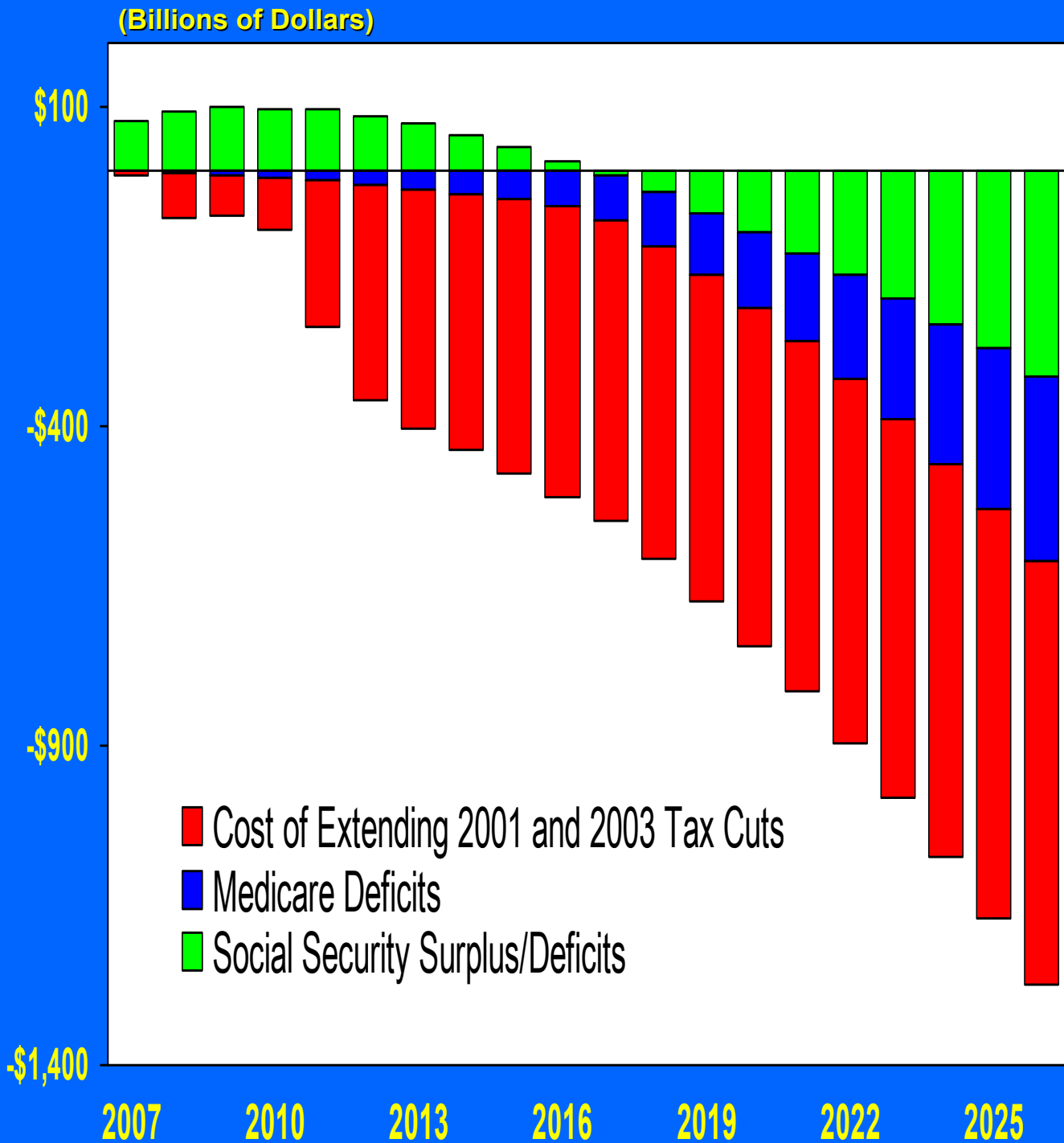
Source: Social Security Trustees 2007 Annual Report

Medicare and Medicaid Spending as a Percent of GDP 1980-2050



Source: CBO Long-Term Budget Outlook, December 2005. Projections assume excess cost growth of 2.5 percent for Medicare and Medicaid.

Tax Cuts Explode as Trust Fund Cash Surpluses Become Deficits FY 2007-2026



Source: Social Security Trustees 2007 Annual Report, CBO, CBPP, and SBC Democratic staff

Federal Reserve Chairman Bernanke on Budget Outlook

“... [O]ne might look at these projections and say, ‘Well, these are about 2030 and 2040 and ... so we don’t really have to start worrying about it yet.’ But, in fact, the longer we wait, the more severe, the more draconian, the more difficult ... the adjustments are going to be. I think the right time to start is about 10 years ago.”

**–Federal Reserve Chairman Ben Bernanke
Testimony before Senate Budget Committee
January 18, 2007**

Bipartisan Task Force for Responsible Fiscal Action

- **To address unsustainable long-term imbalance between spending and revenues**
- **Everything on the table**
- **16 members – 8 Democrats, 8 Republicans (two from Administration, including Treasury Secretary)**
- **All task force members must be currently serving in Congress or Administration**
- **Report to be submitted on December 9, 2008**
- **12 of 16 members must agree to report**
- **Fast-track consideration in Senate and House**
- **Final passage requires supermajority – 3/5 vote in Senate, 3/5 vote in House**