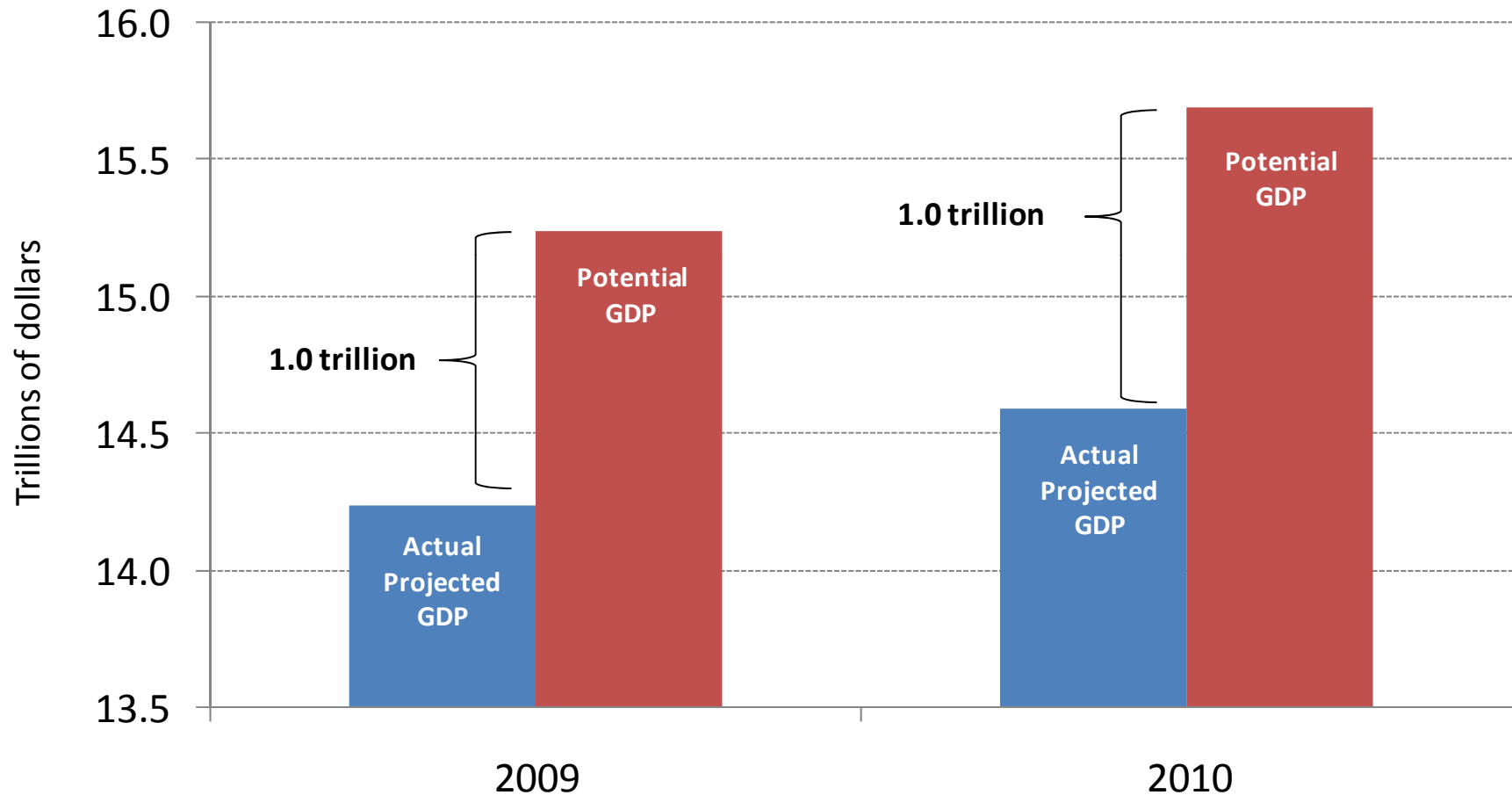
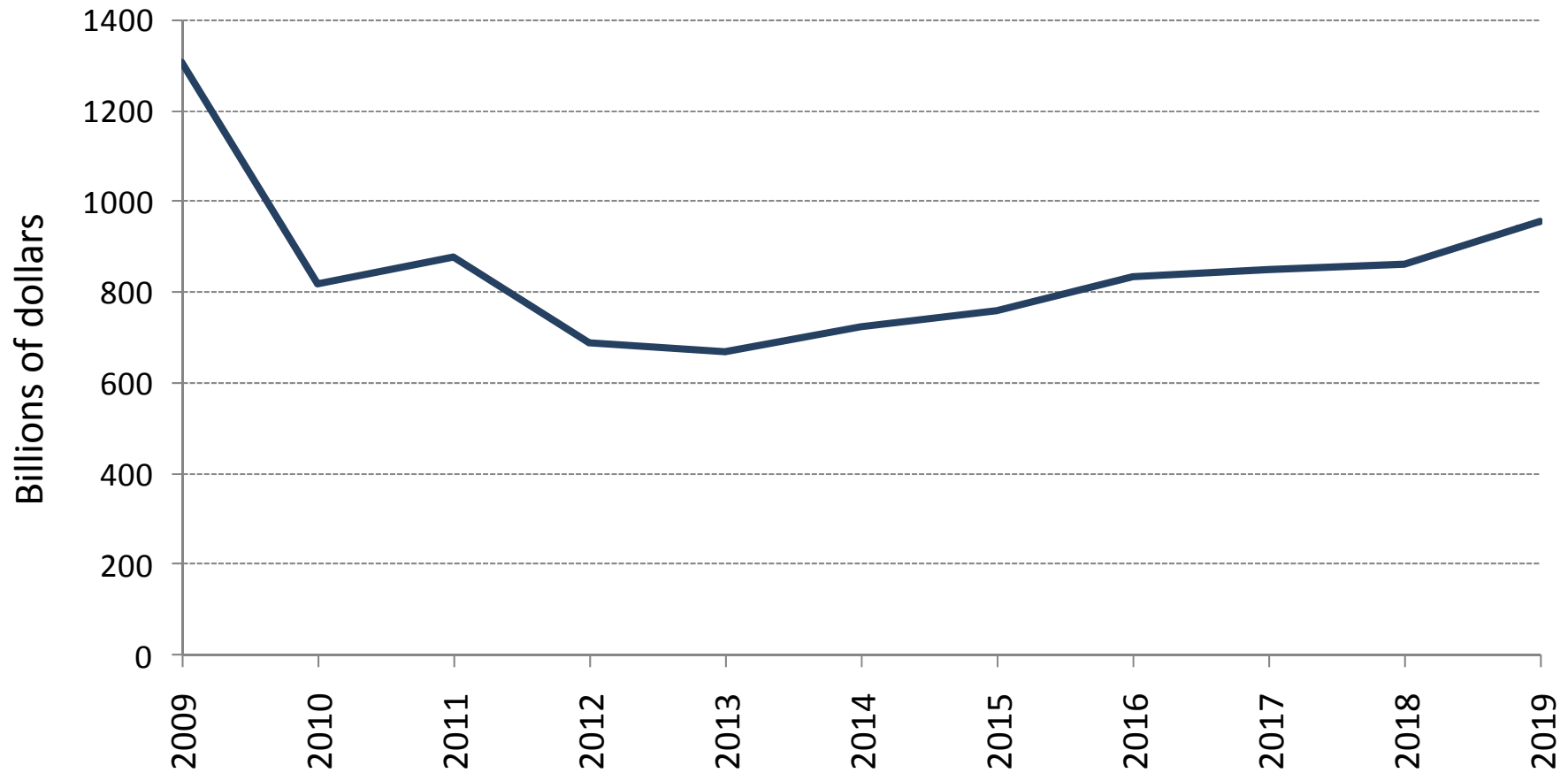


Inherited Twin Deficits – Output Gap



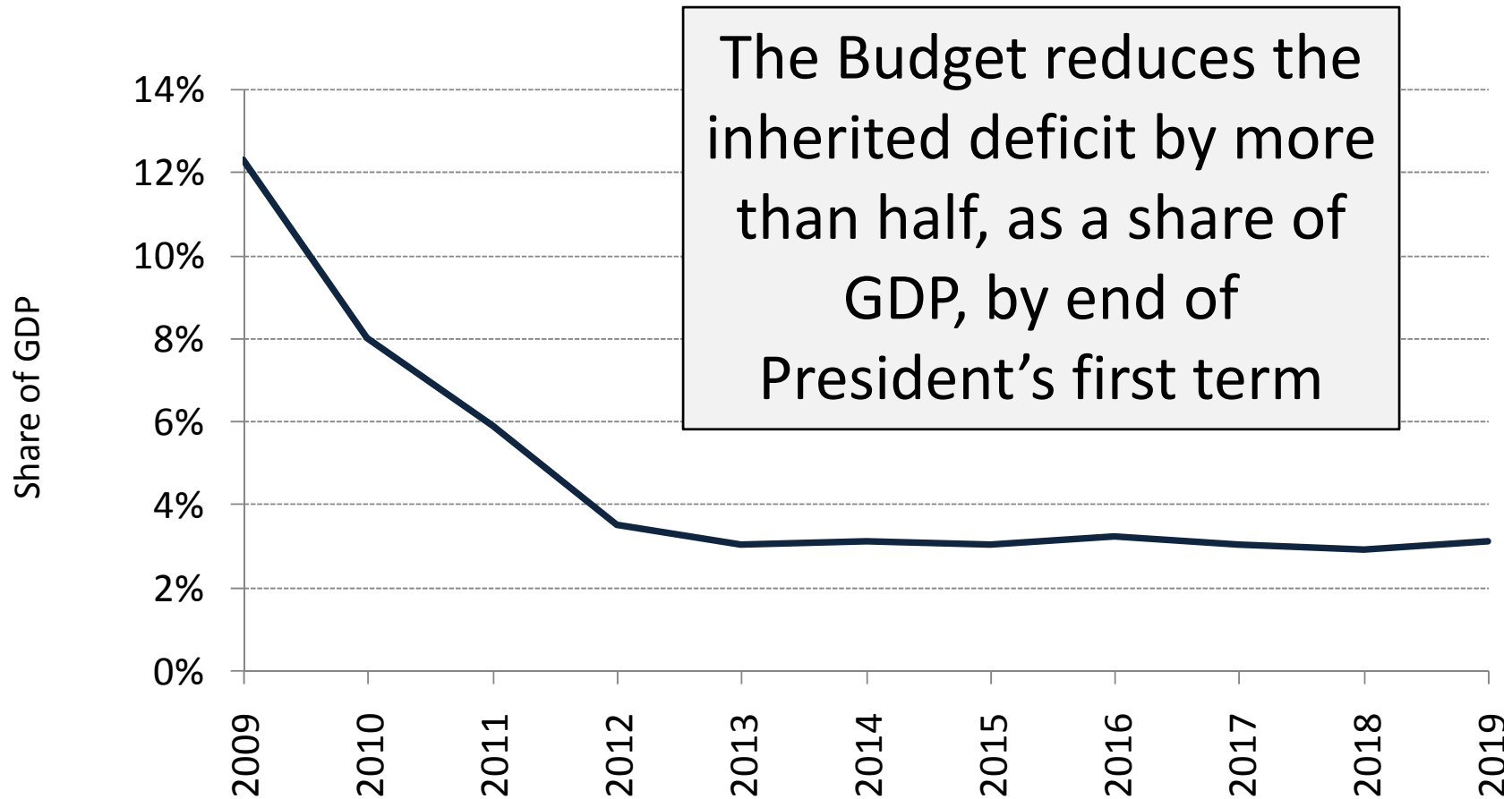
Source: CBO, January 2009 Outlook

Inherited Twin Deficits – Budget Deficits

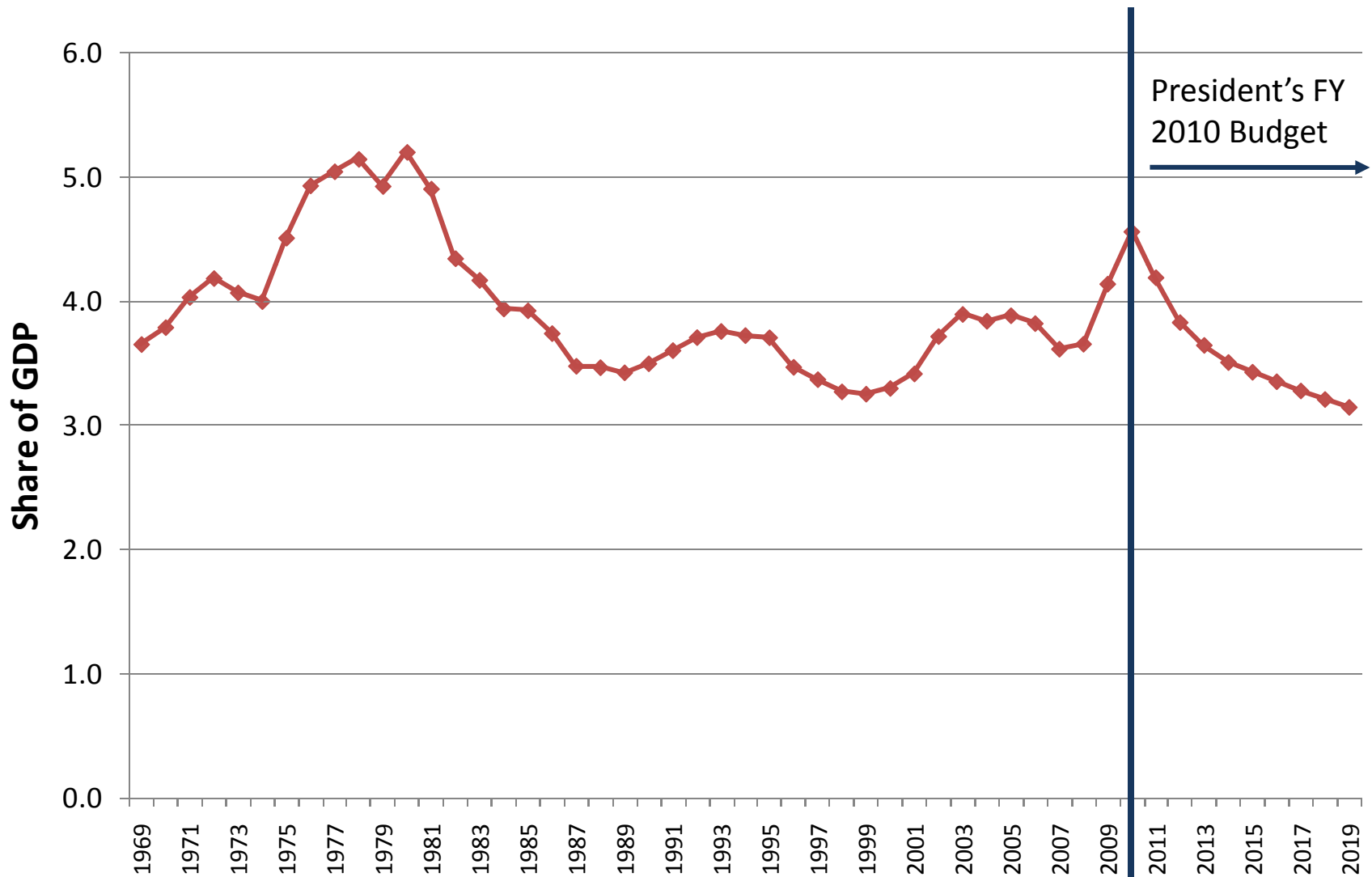


Note: Inherited projected deficits are the baseline projection of current policy minus the impact of the ARRA.

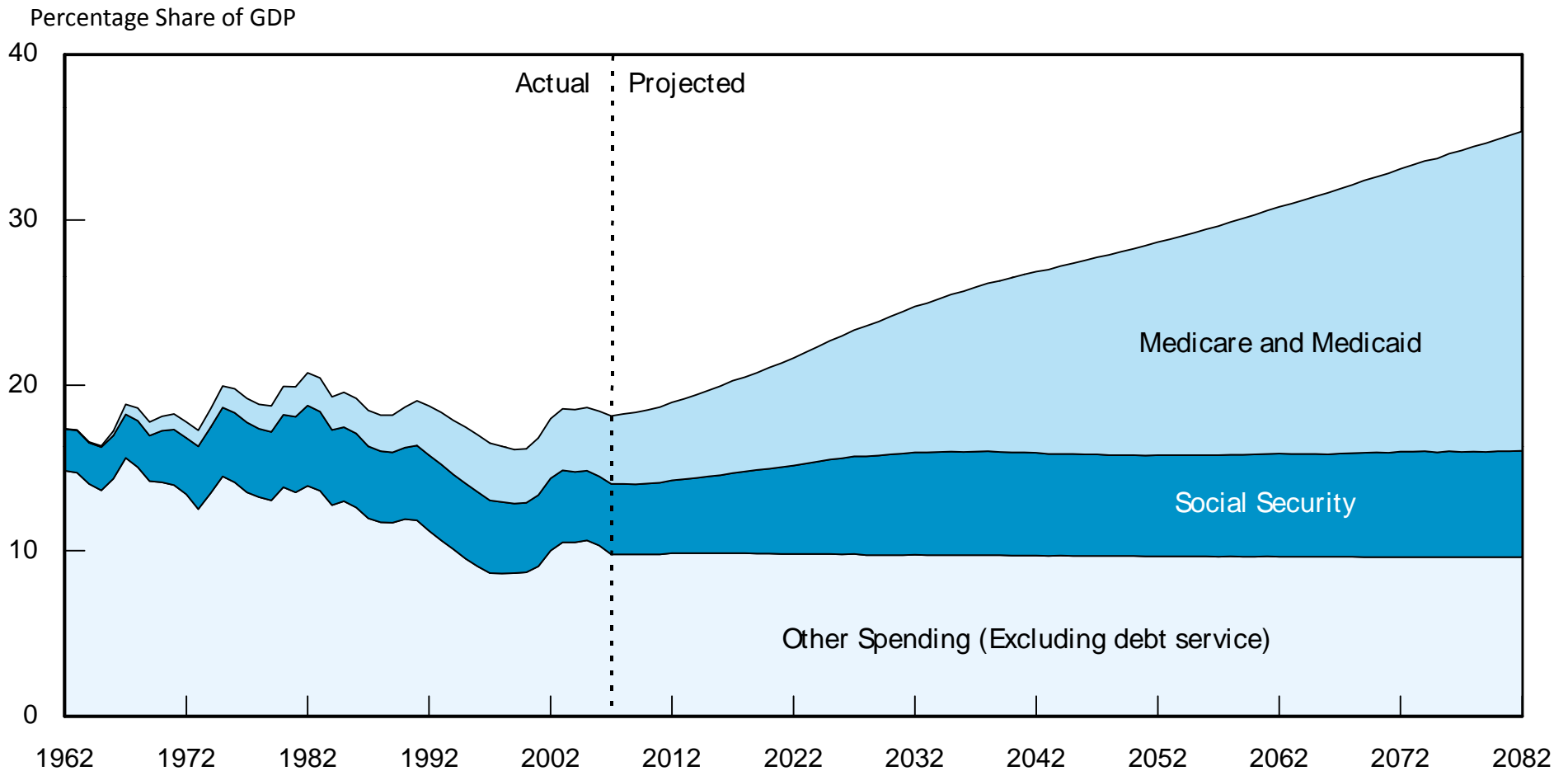
Medium-Term Deficit Reduction



NDD as a Share of GDP

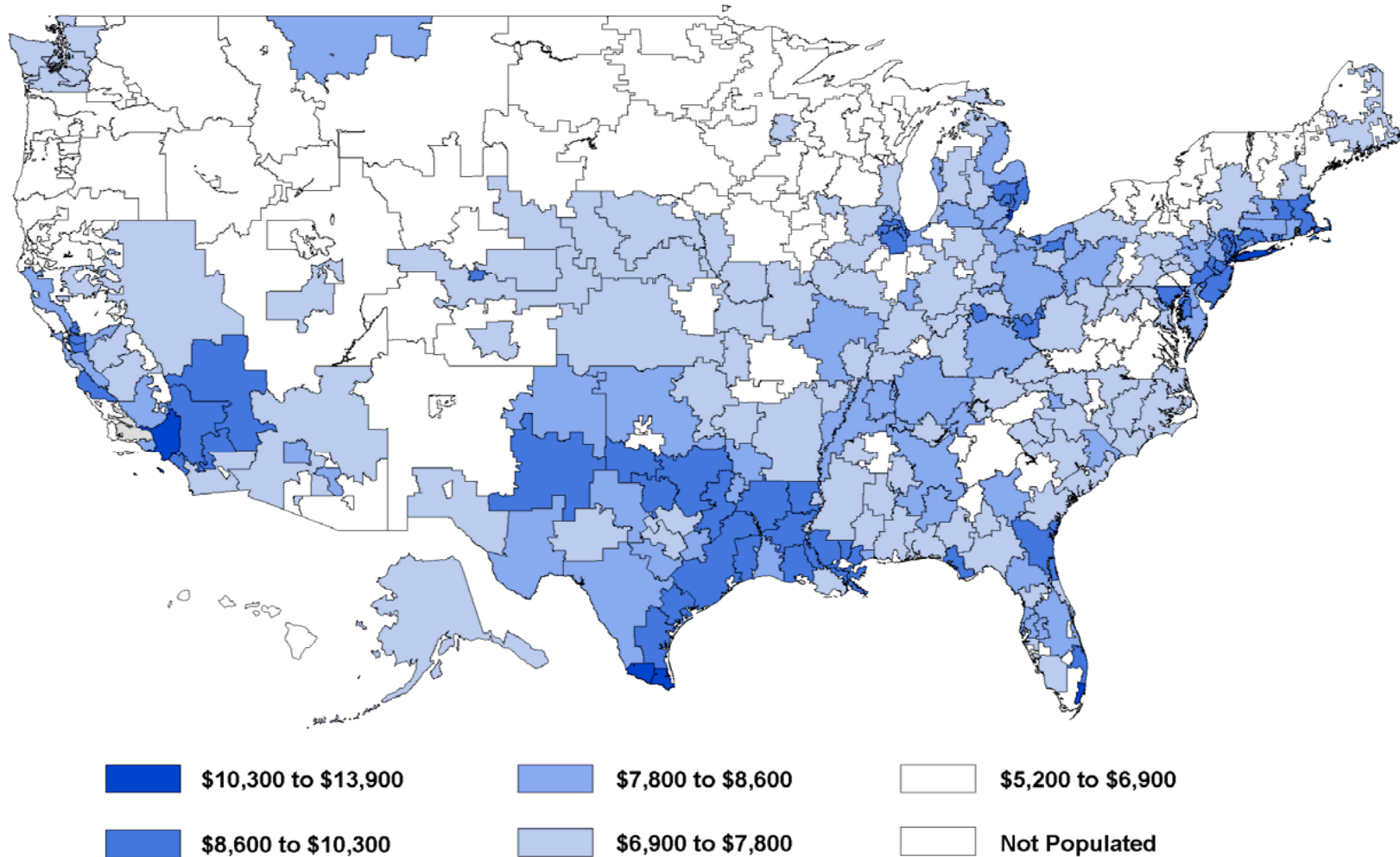


Fiscal Gap & Health Care Costs



Source: CBO

Medicare Spending per Beneficiary in the United States, by Hospital Referral Region, 2005



Source: CBO