

CBO Estimates Surpluses As Far As the Eye Can See

- Fiscal year 2001 surplus of \$153 billion—“the fourth consecutive year of budget surpluses, an accomplishment last achieved more than 70 years ago.” (Congressional Budget Office)
- Fiscal year 2002 surplus of \$176 billion.
- Total surpluses of \$3.4 trillion for fiscal years 2002-2011.
- Non-Social Security surpluses total \$846 billion over the next 10 years.
- Medicare surpluses total \$404 billion.

CBO Projects Fundamentally Sound Economic Outlook

- Real GDP growth expected to average 3.0 percent over the next 10 years, (same as assumed in the budget resolution).
- Potential GDP growth unchanged at 3.3 percent for 2001-2011 period.
- Tax cuts buoy consumer spending near-term.
- Soft economy results in short-term reduction in surplus.
- On course to redeem all available public debt within the decade.

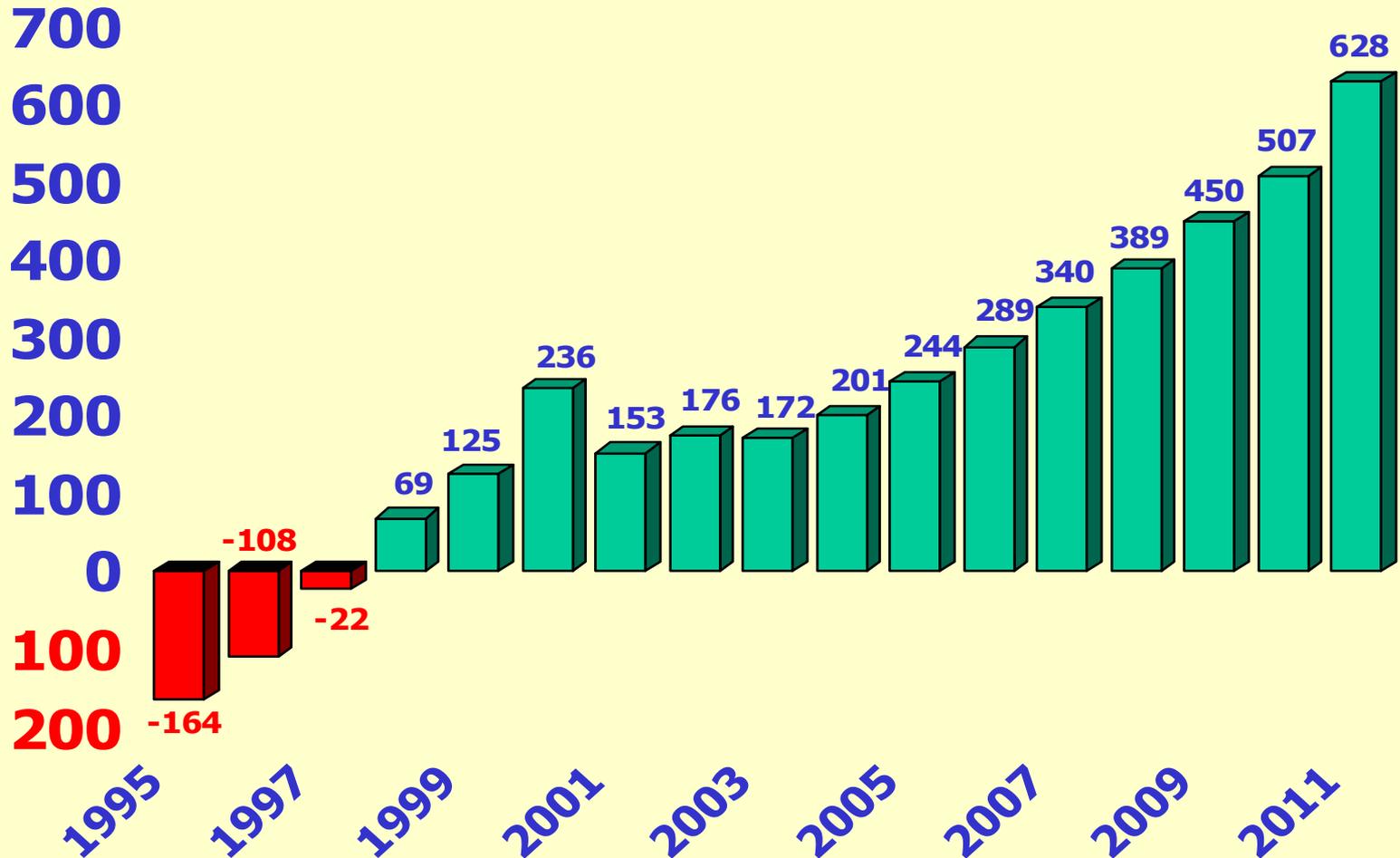
Comparison of CBO and OMB Estimates of the Surplus

(By fiscal year in billions of dollars)

	<u>2001</u>	<u>2002</u>	<u>2002-06</u>	<u>2002-11</u>
CBO				
Total Surplus	153	176	1,082	3,397
Social Security Surplus	163	176	1,036	2,551
Medicare HI Surplus	29	38	206	404
OMB				
Total Surplus	158	187	1,293	3,842
Social Security Surplus	157	171	1,058	2,535
Medicare HI Surplus	32	34	224	537

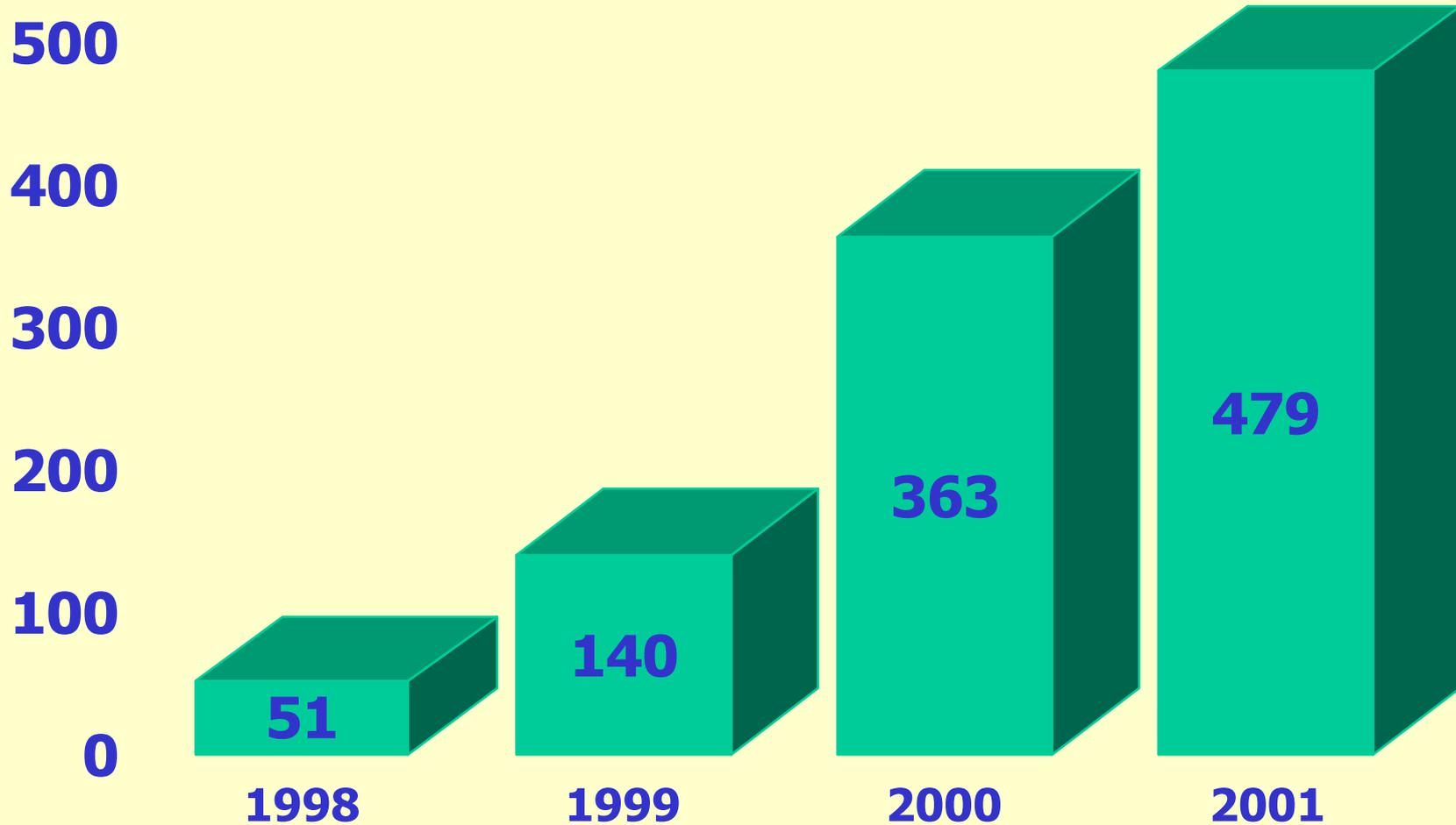
Our Record of Accomplishment: From Deficit to Surplus

(Unified Budget Surpluses, 1995 thru 2011, in Billions)



Our Record of Accomplishment: \$479 Billion in Debt Paid Off

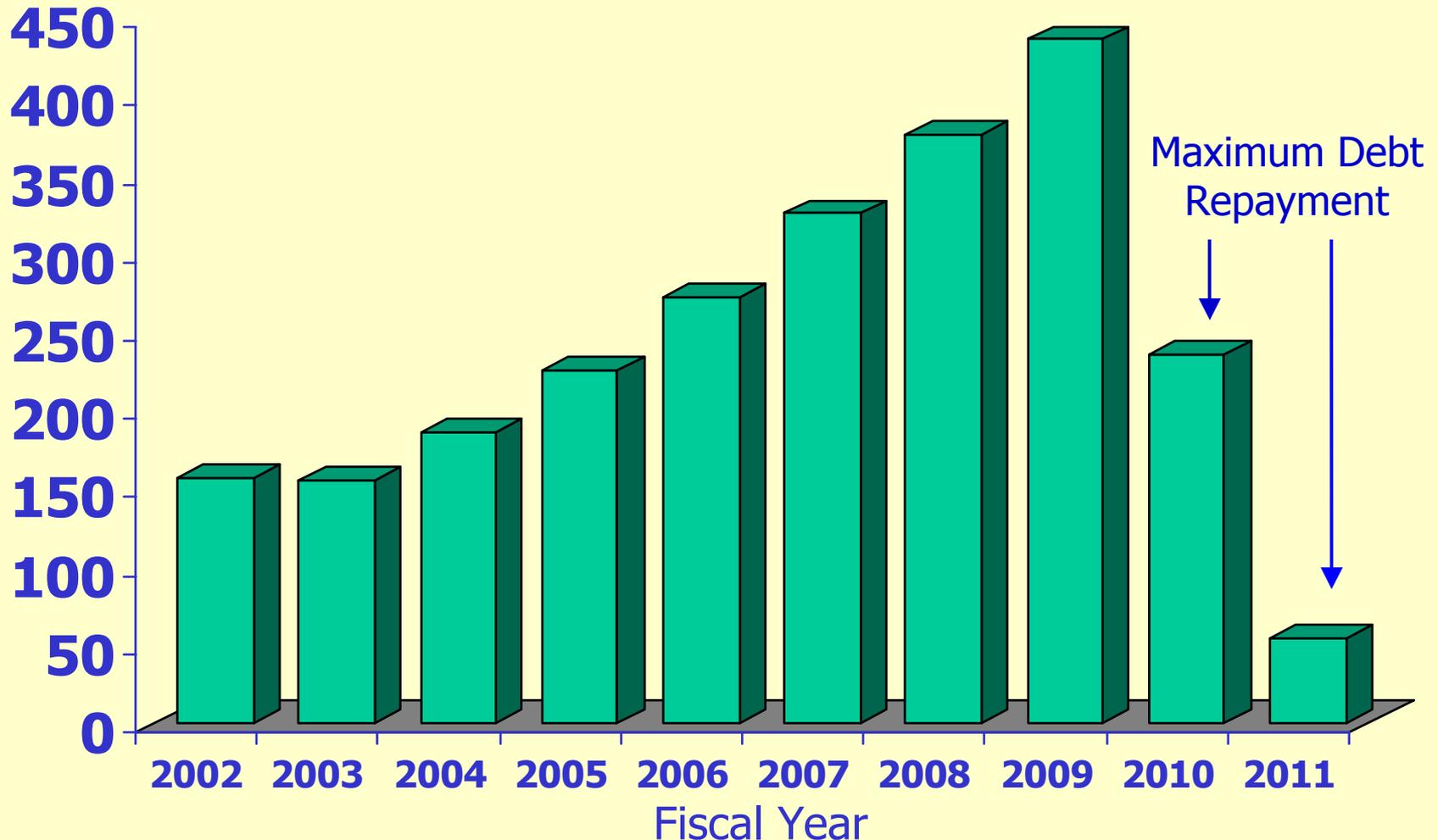
(Cumulative Reduction in Billions of Dollars)



End of fiscal year reduction in Debt Held by the Public.
Prepared by the House Budget Committee. Source: '98-'00 Actual; '01 CBO Estimate.

Every Penny of Debt Available for Repayment Is Paid Off Within 10 Years

Annual Public Debt Repayment in Billions of Dollars

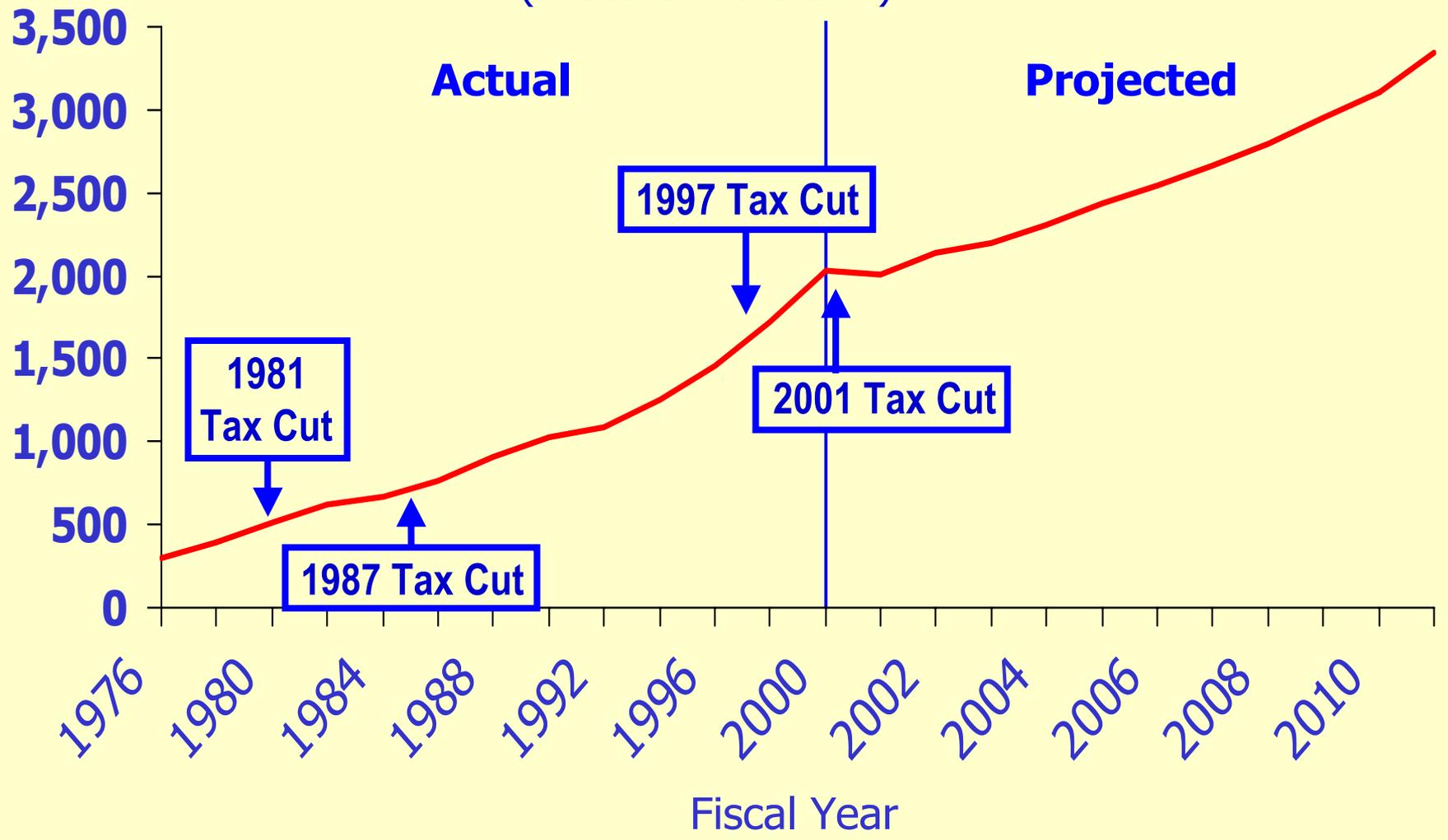


Prepared by the House Budget Committee. Figures based on CBO August 2001 Baseline.

Tax Cuts Don't Cause Deficits

Revenues Grow Following Tax Cuts

(In billions of dollars)



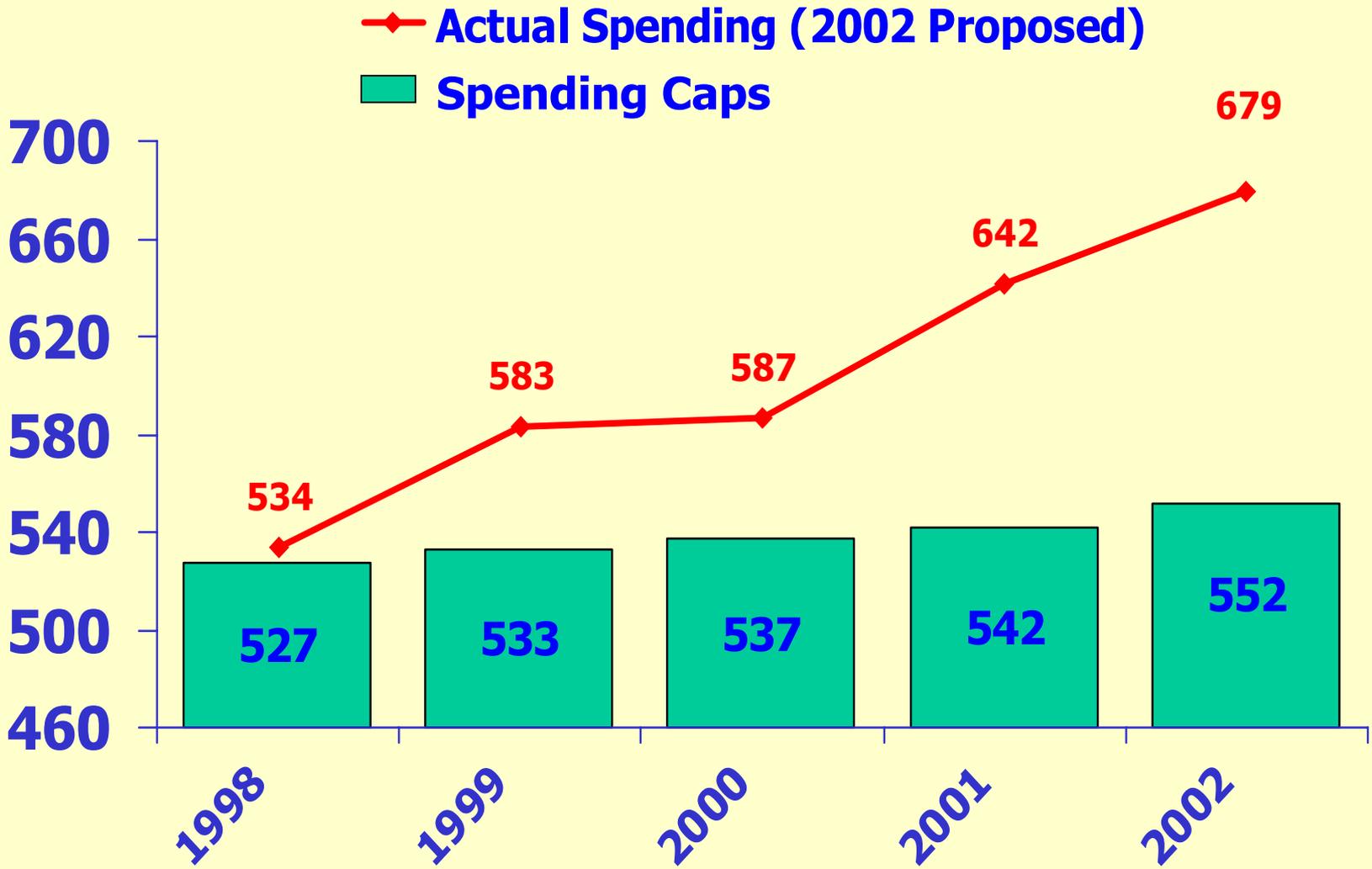
Tight Budgets Are Good: Budget Surpluses Lead to Bigger Government

Total Outlays in Billions of Dollars



Money Left in Washington Is Spent

Discretionary Budget Authority in Billions of Dollars



Fiscal Year

Prepared by the House Budget Committee.

Continuing Recent Growth in Spending Devours \$1 Trillion of Debt Reduction

Effect of 5.1 Percent Increase in Discretionary Spending

