

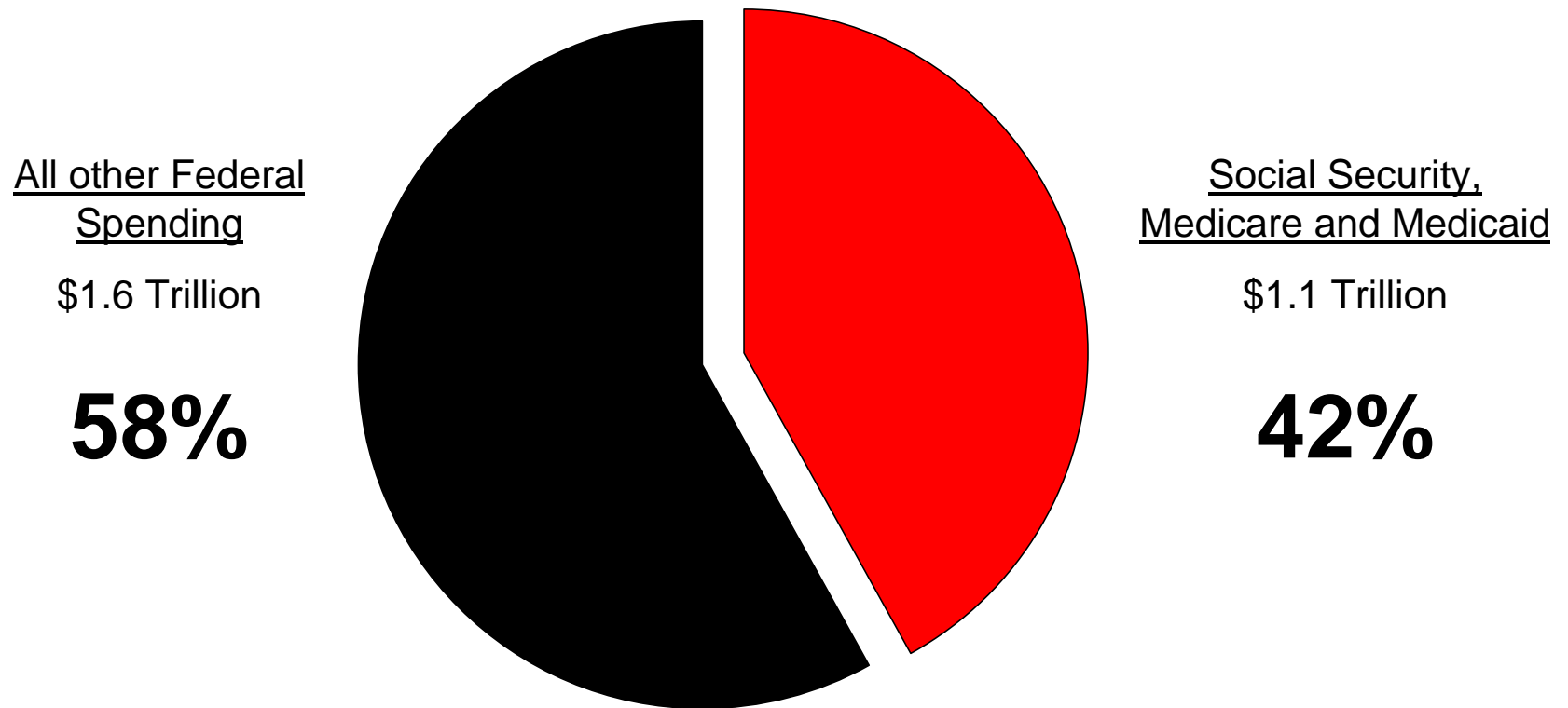
Medicare's Daunting Fiscal Outlook

presented by
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The Concord Coalition
www.concordcoalition.org

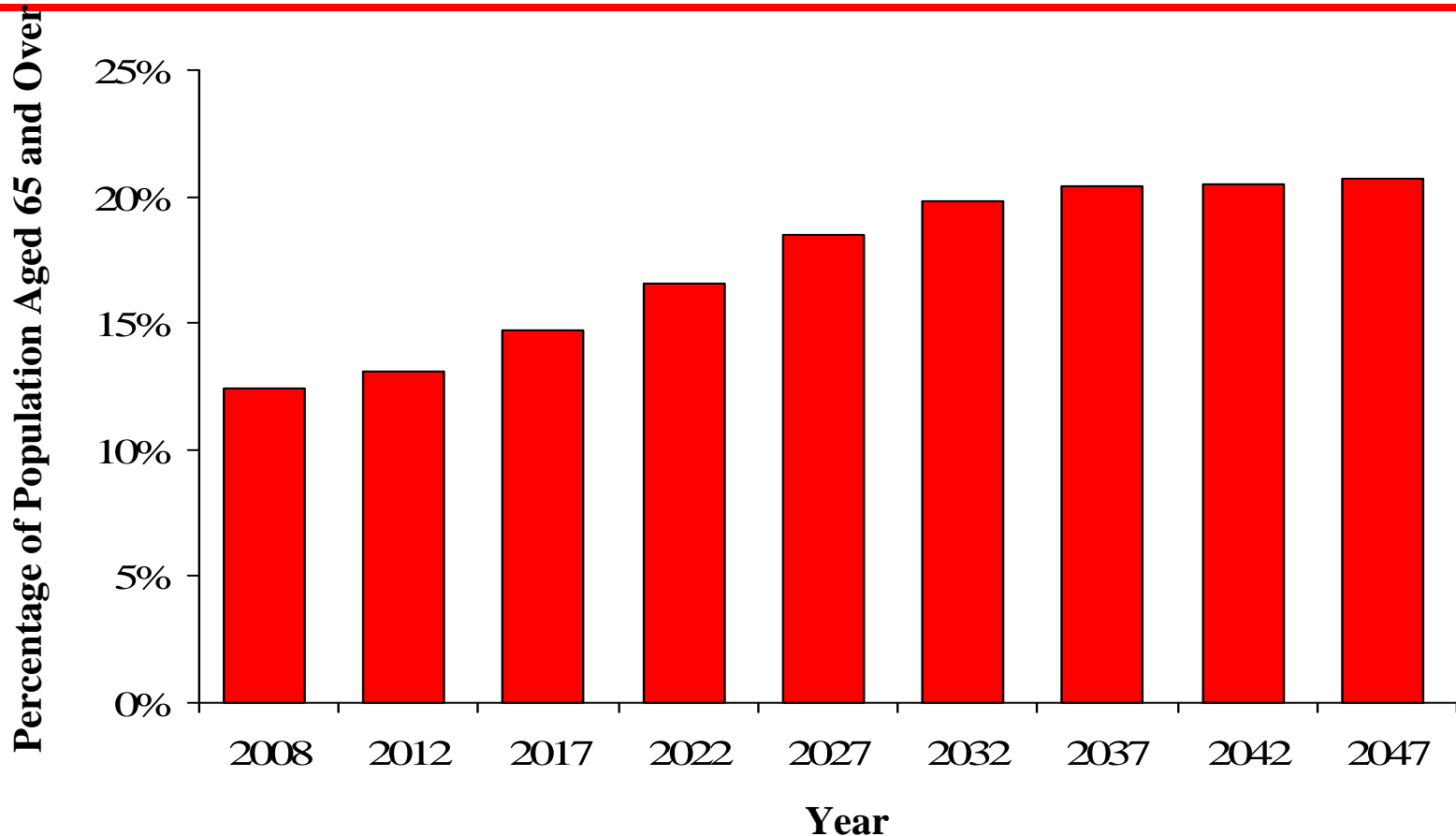
Social Security, Medicare, & Medicaid as a Percentage of the Federal Budget



Source: Congressional Budget Office, January 2008.

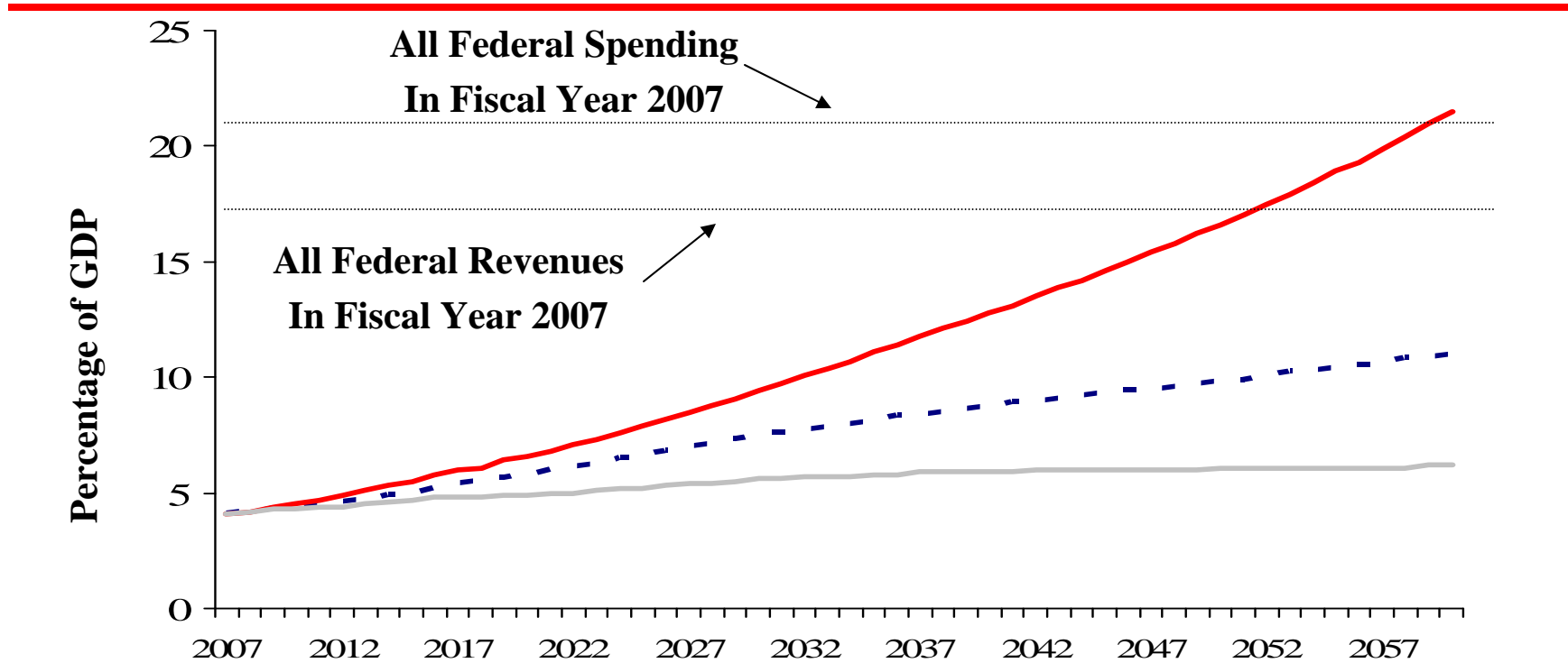
America's Population is Aging

Population age 65 and Over



Source: Social Security and Medicare Trustees' Report, March 2008

Health Care Costs are Rising Faster Than the Economy

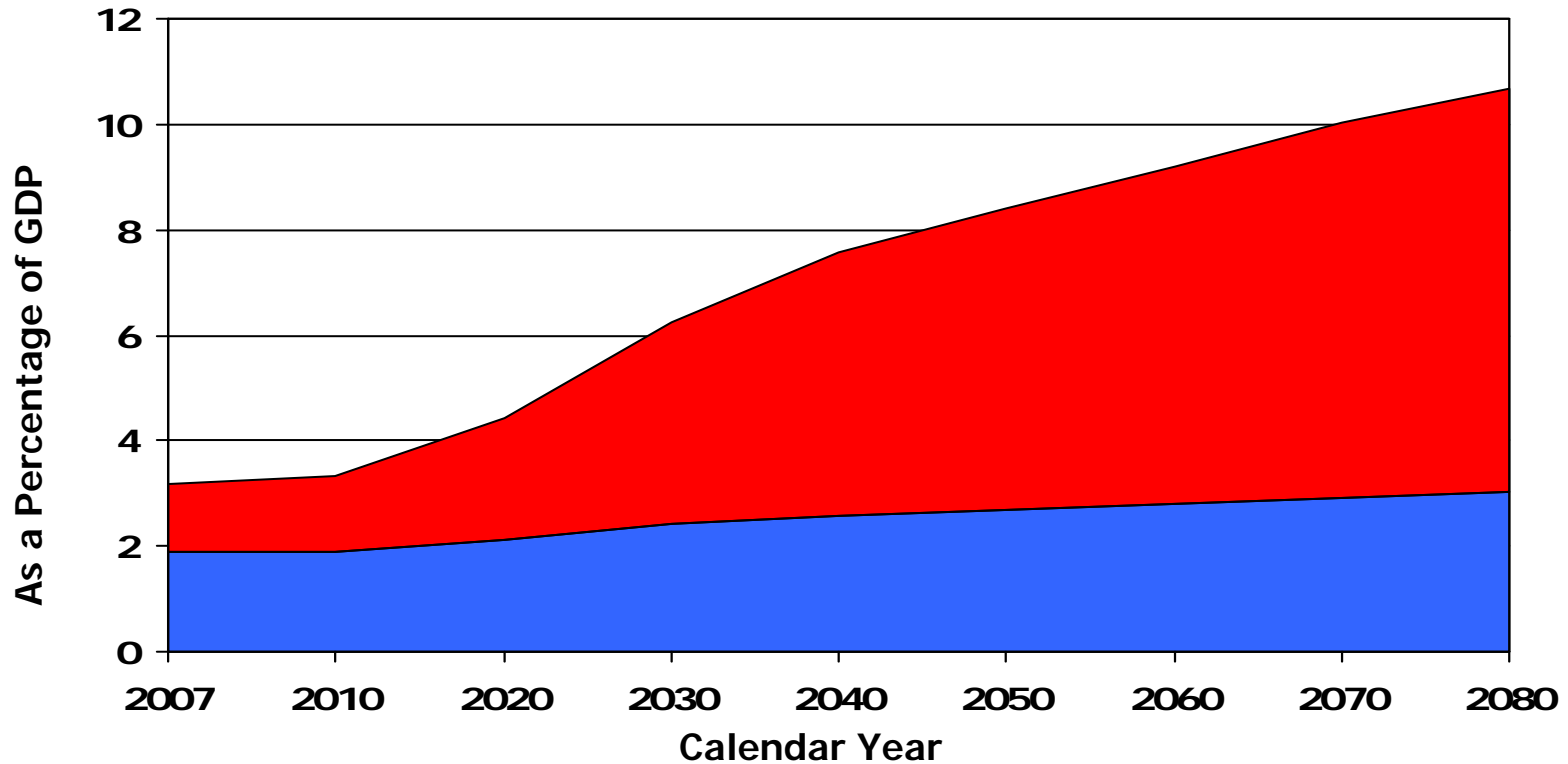




Year

- Assumes that health care cost growth will not exceed GDP growth.
- Assumes that health care cost growth continues at the average rate for the past 40 years (2.5 percentage points greater than GDP growth.)
- Assumes that health care cost growth rate declines to 1.0 percentage point greater than GDP growth—consistent with the assumption used by the Medicare Trustees.

Source: Congressional Budget Office, December 2007

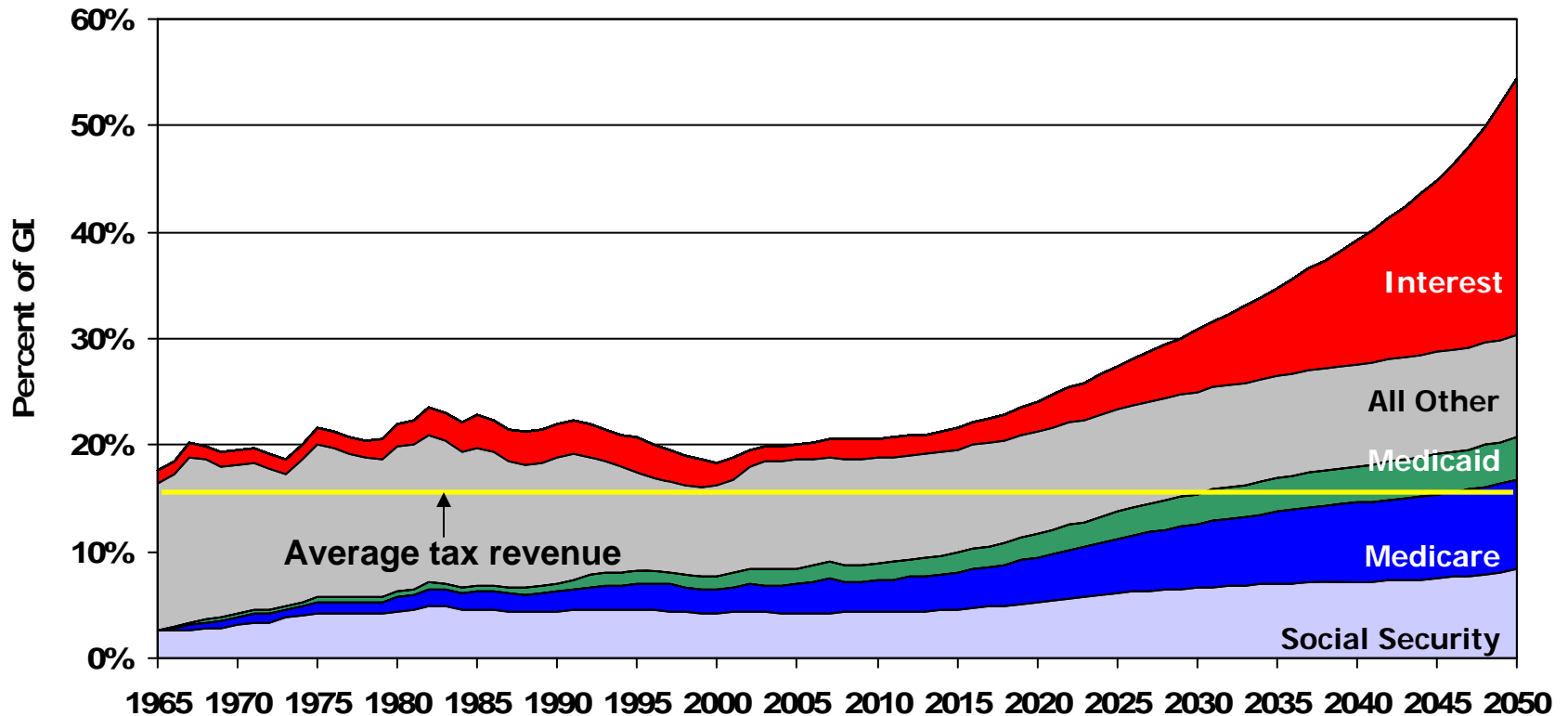
Medicare Costs Soar in the Coming Decades



-  General Revenues required to fund the program
-  Income from dedicated taxes, premiums, and state transfers

Current fiscal policy is on an unsustainable path

Federal Outlays as a Percent of GDP, 1965-2050



Source: Government Accountability Office

Key Points of Agreement

Members of the Fiscal Wake-Up Tour do not necessarily agree on the ideal levels of spending, taxes and debt, but we do agree on the following key points:

- **Current fiscal policy is unsustainable**
- **There are no easy solutions, such as cutting waste fraud and abuse or growing our way out of the problem.**
- **Finding solutions will require bipartisan cooperation and a willingness to discuss all options.**
- **Public engagement and understanding is vital in finding solutions.**
- **This is not about numbers. It is a moral issue.**