



# **Can Budget Process Reform Really Save America?**

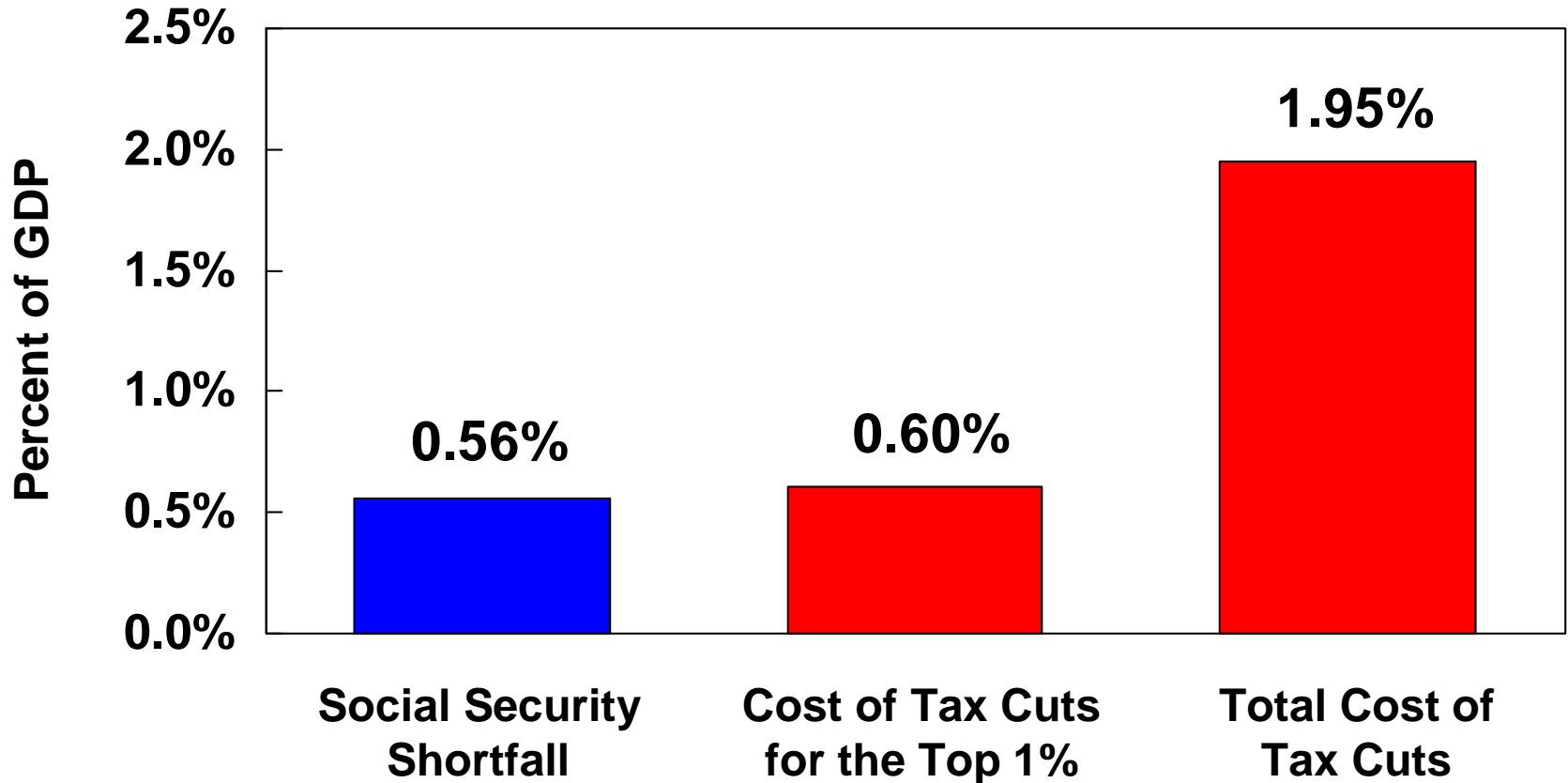
Bob Greenstein

Center on Budget and Policy Priorities

April 15, 2008

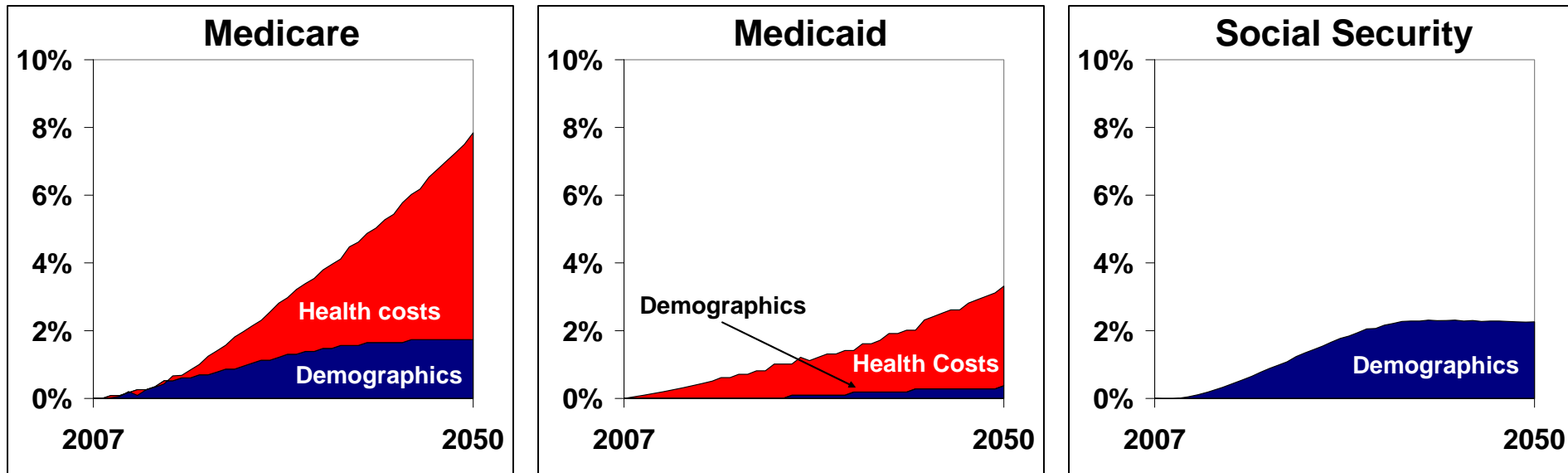
# 75-Year Shortfall of Social Security and the Cost of the Tax Cuts If Made Permanent

*As Share of Economy (GDP)*



Source: Social Security Trustees Report estimate of Social Security shortfall, CBPP calculation of tax cut costs based on CBO estimates.

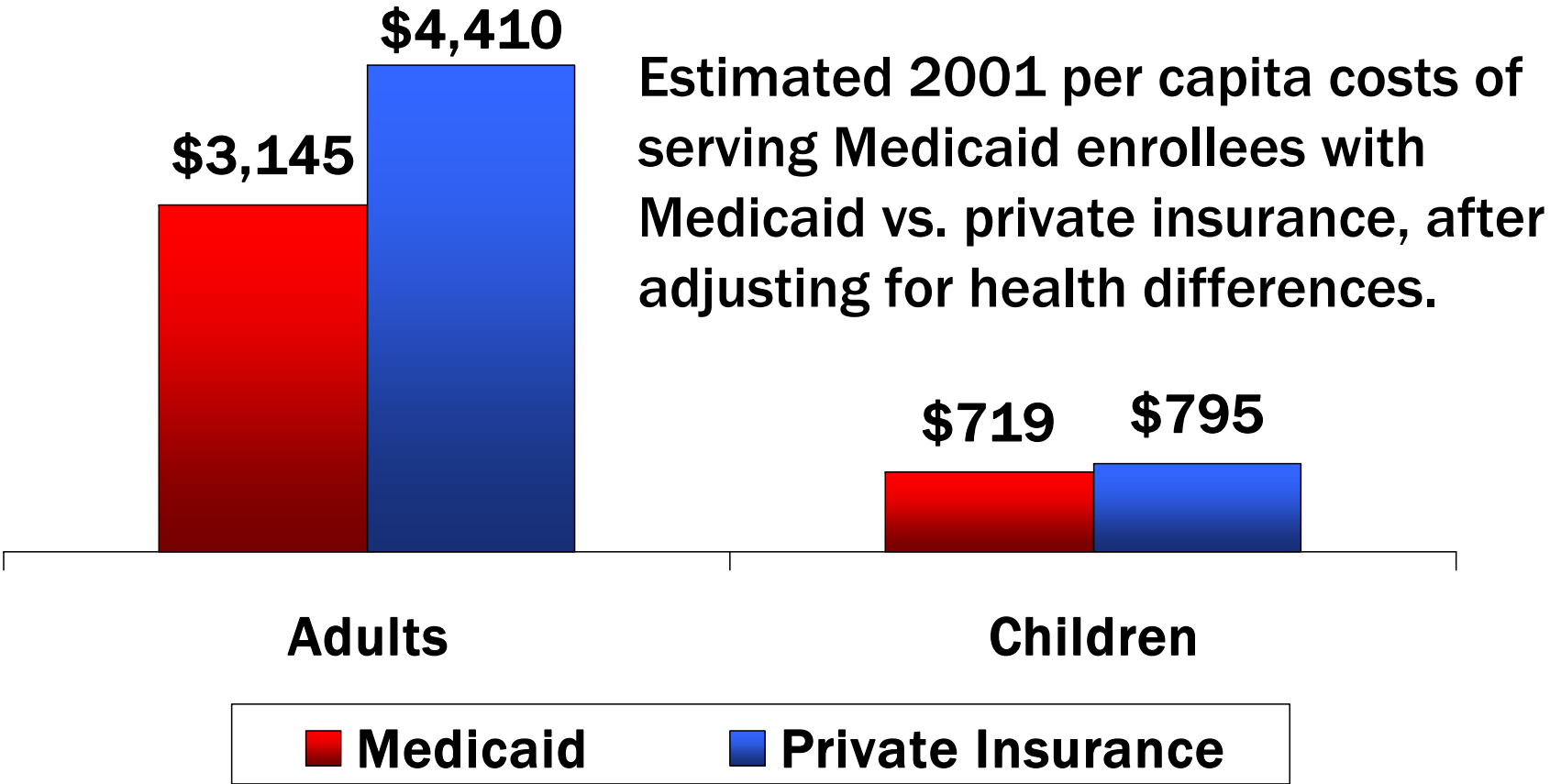
# Sources of Cost Growth in the “Big Three” as a Share of GDP



Source: CBPP calculations based on CBO data.

Note: “Demographics” denotes the program growth that would occur solely due to demographic changes if per-beneficiary health costs merely rose with per-person GDP. “Health costs” denotes the additional growth due to the fact that per-beneficiary health costs are growing faster than per-person GDP.

# Medicaid Costs Less Than Private Health Insurance



Source: Hadley and Holahan, *Inquiry*, 2004



## Federal Spending Under CBO's Alternative Fiscal Scenario

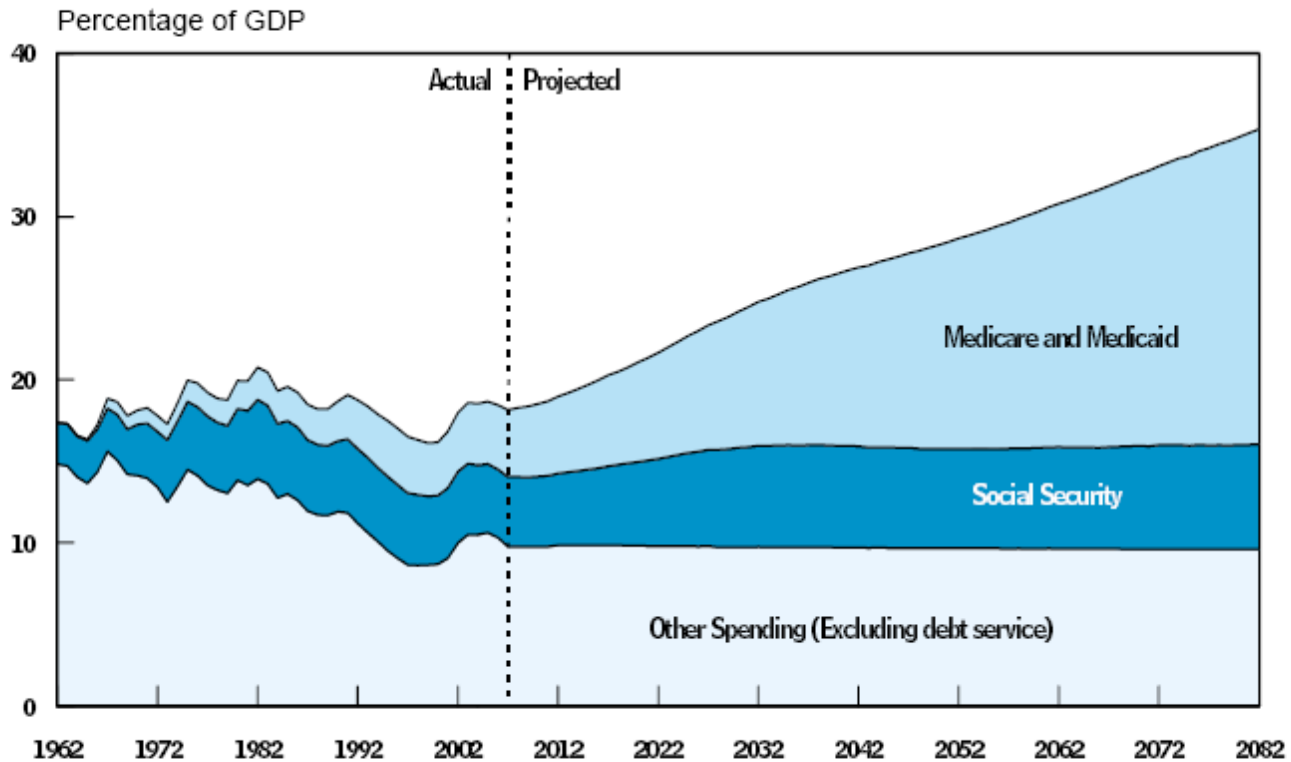


Chart from the Congressional Budget Office



## Projected Spending on Health Care

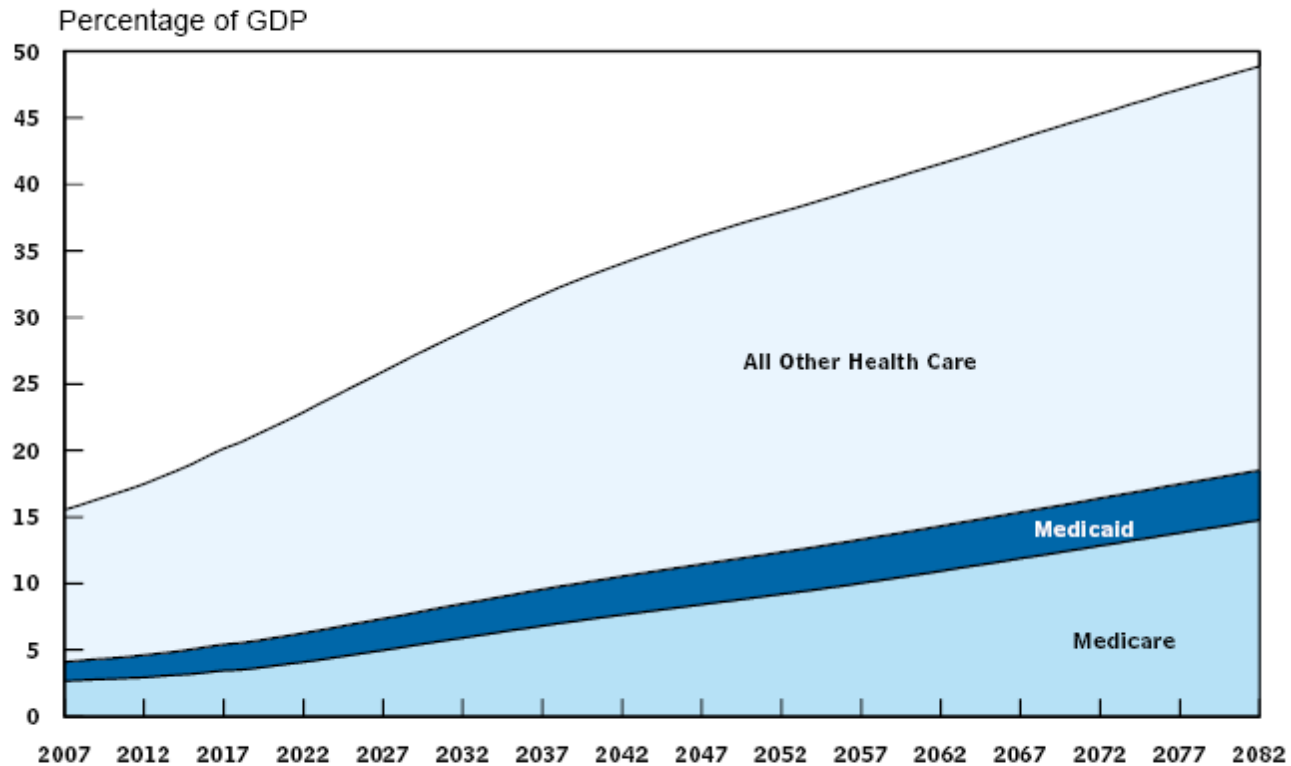
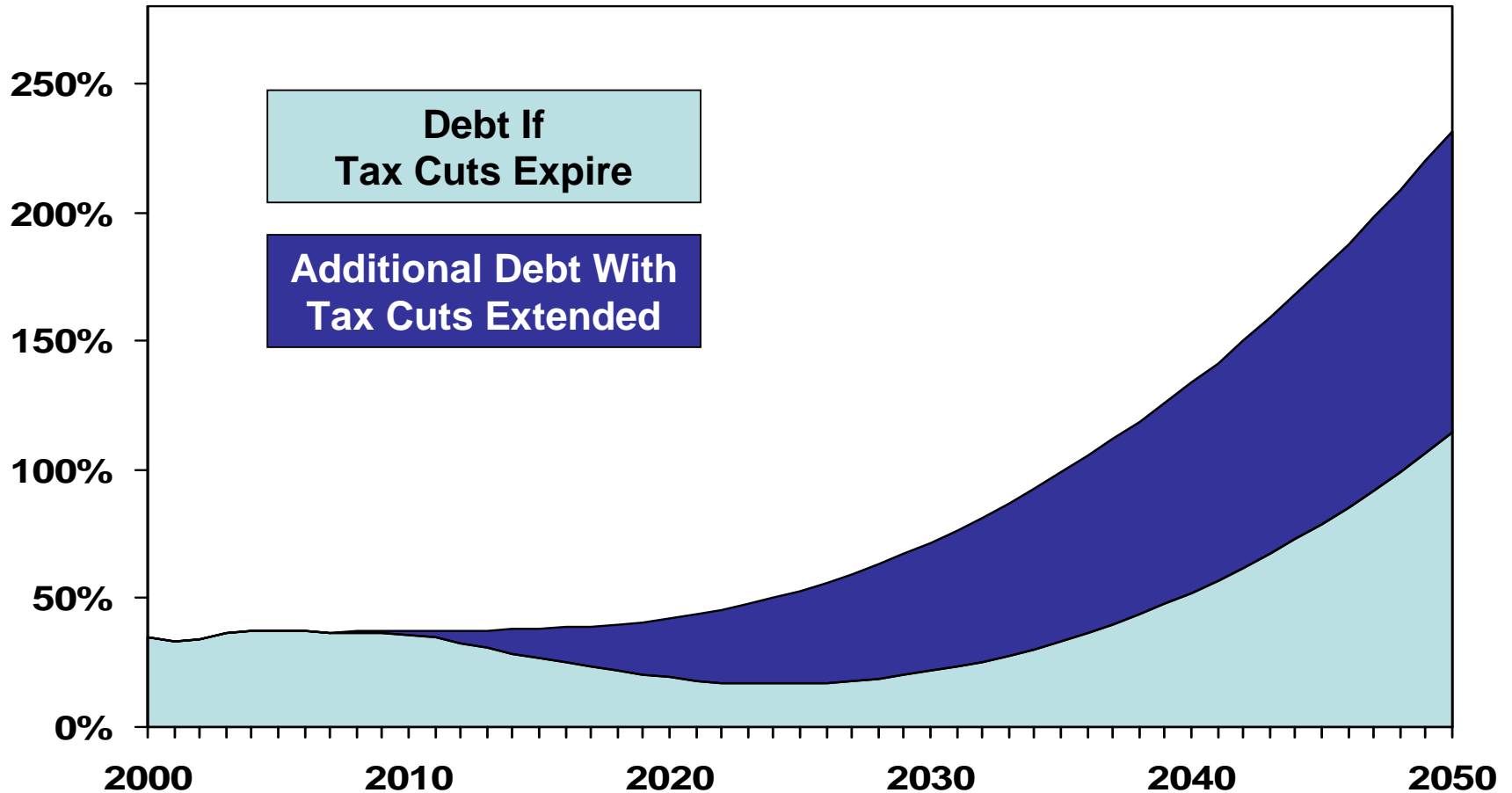


Chart from the Congressional Budget Office

# Debt With and Without Unpaid for Extension of Recent Tax Cuts

*Debt as a Share of the Economy*



Source: CBPP calculations based on Congressional Budget Office data.