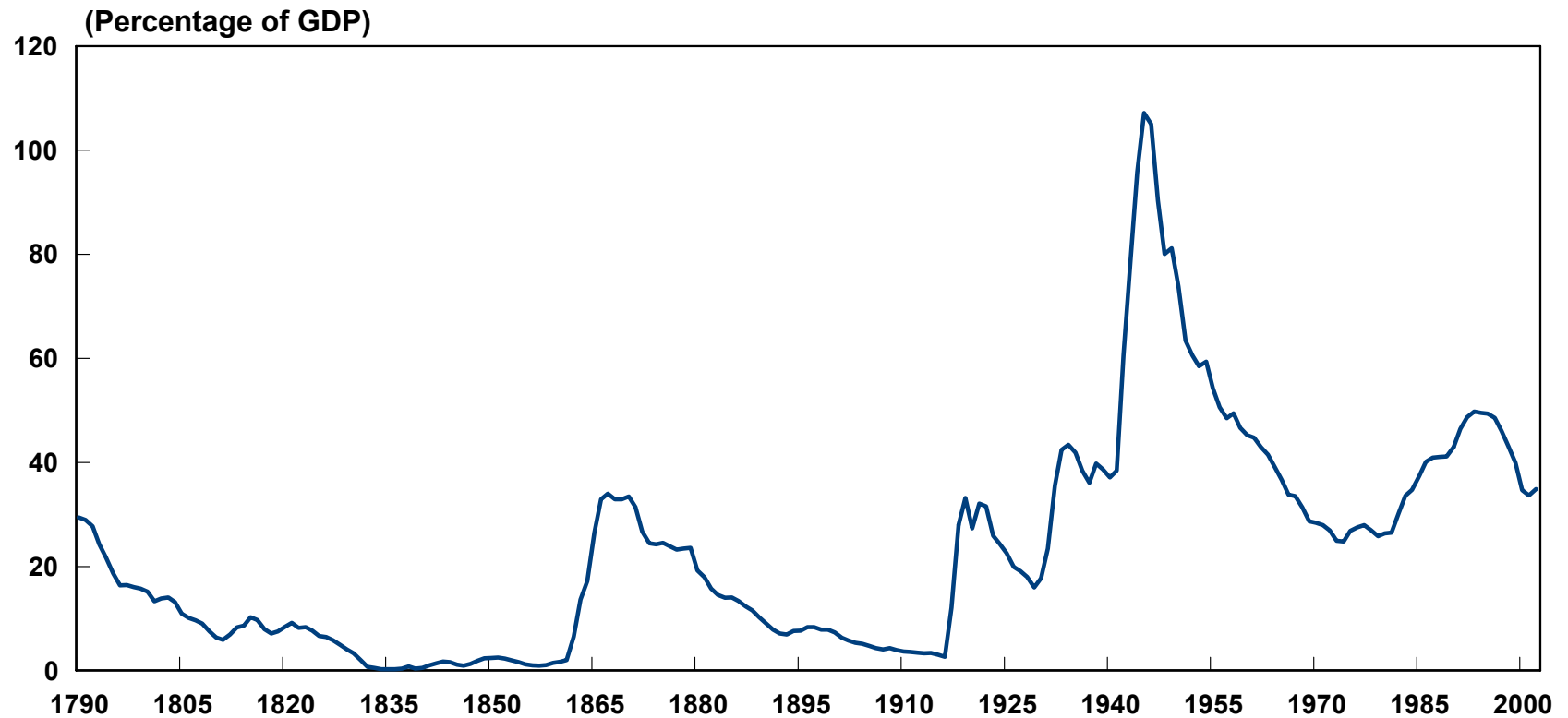


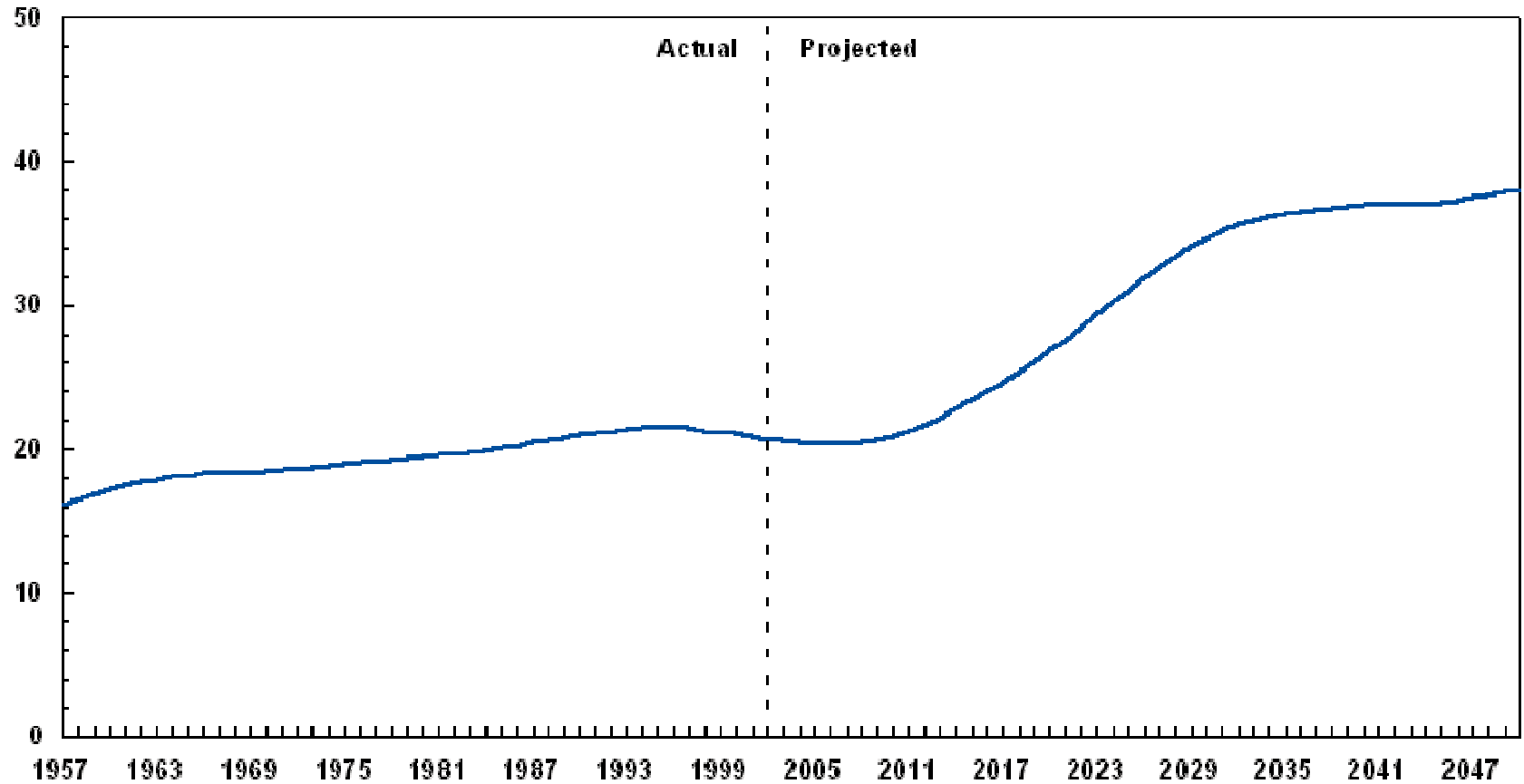
Douglas Holtz-Eakin
Paul A. Volcker Fellow, Council on Foreign Relations
Senior Adviser, Macroeconomic Advisers, LLC

Alternative Fiscal Scenarios: Train Wreck or Return to Sanity?

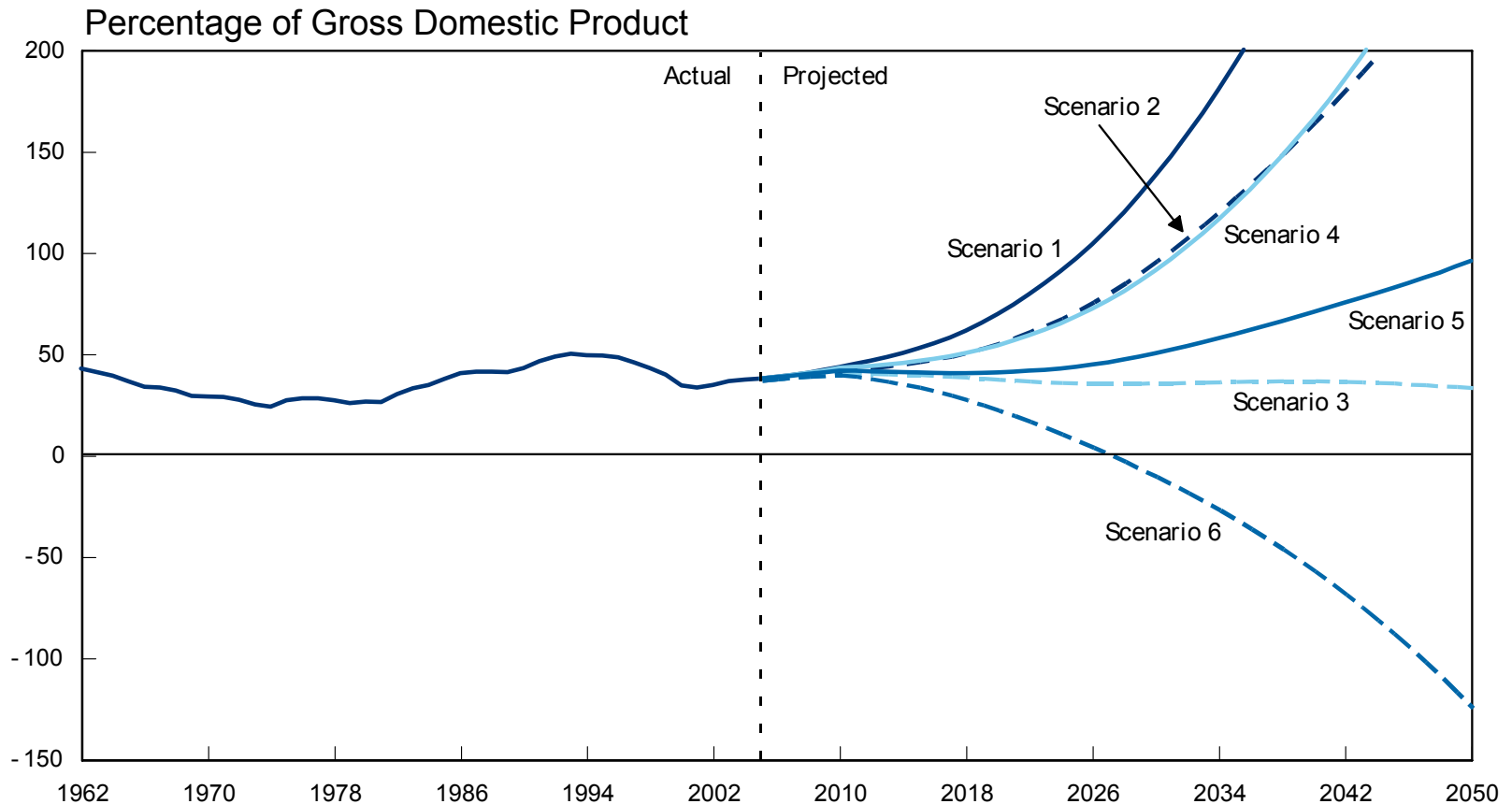
Federal Debt, 1790 to 2002



The Population Age 65 or Older as a Percentage of the Population Ages 20 to 64 (Percent)



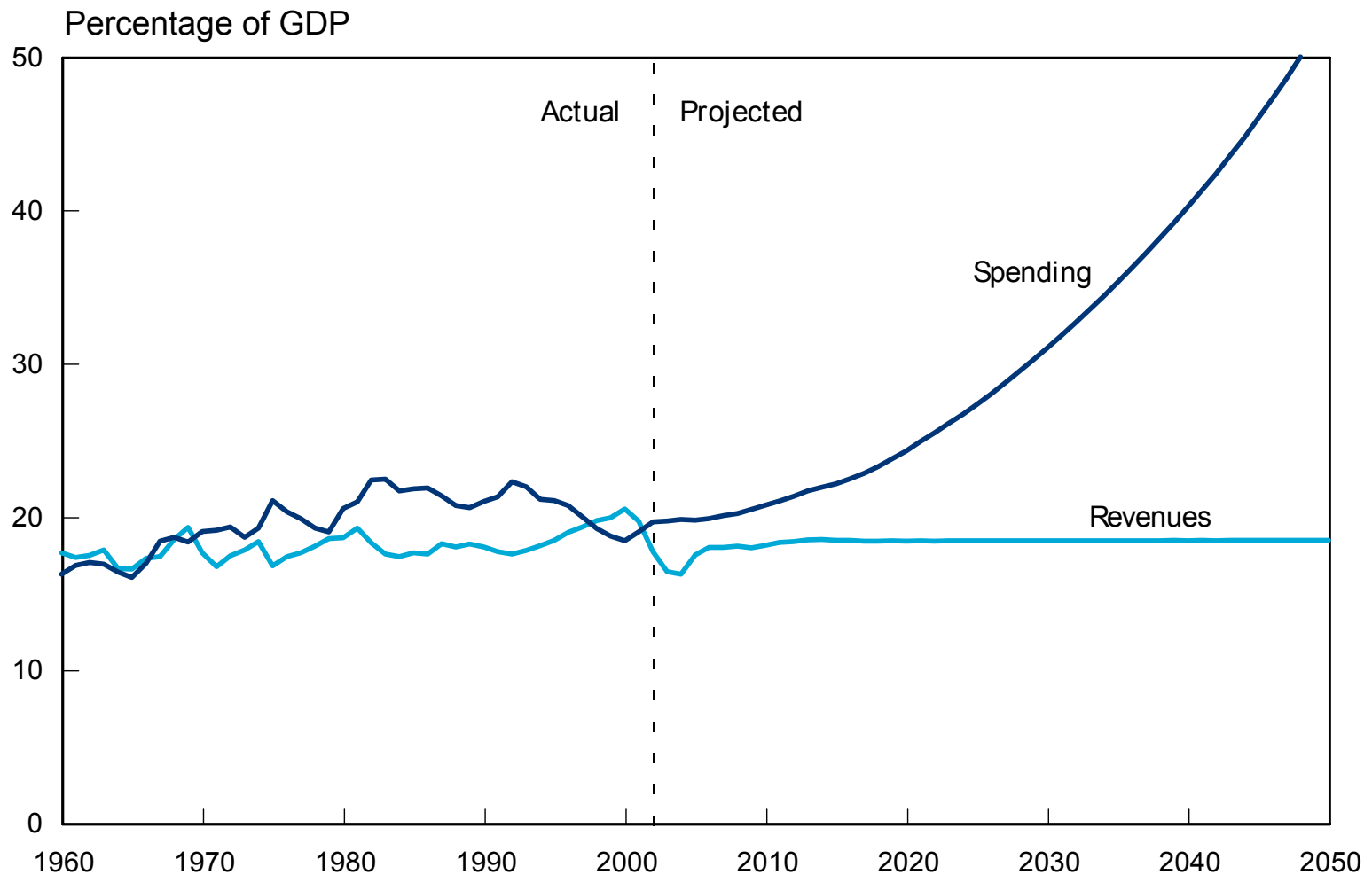
Federal Debt Held by the Public Under CBO's Long-Term Budget Scenarios



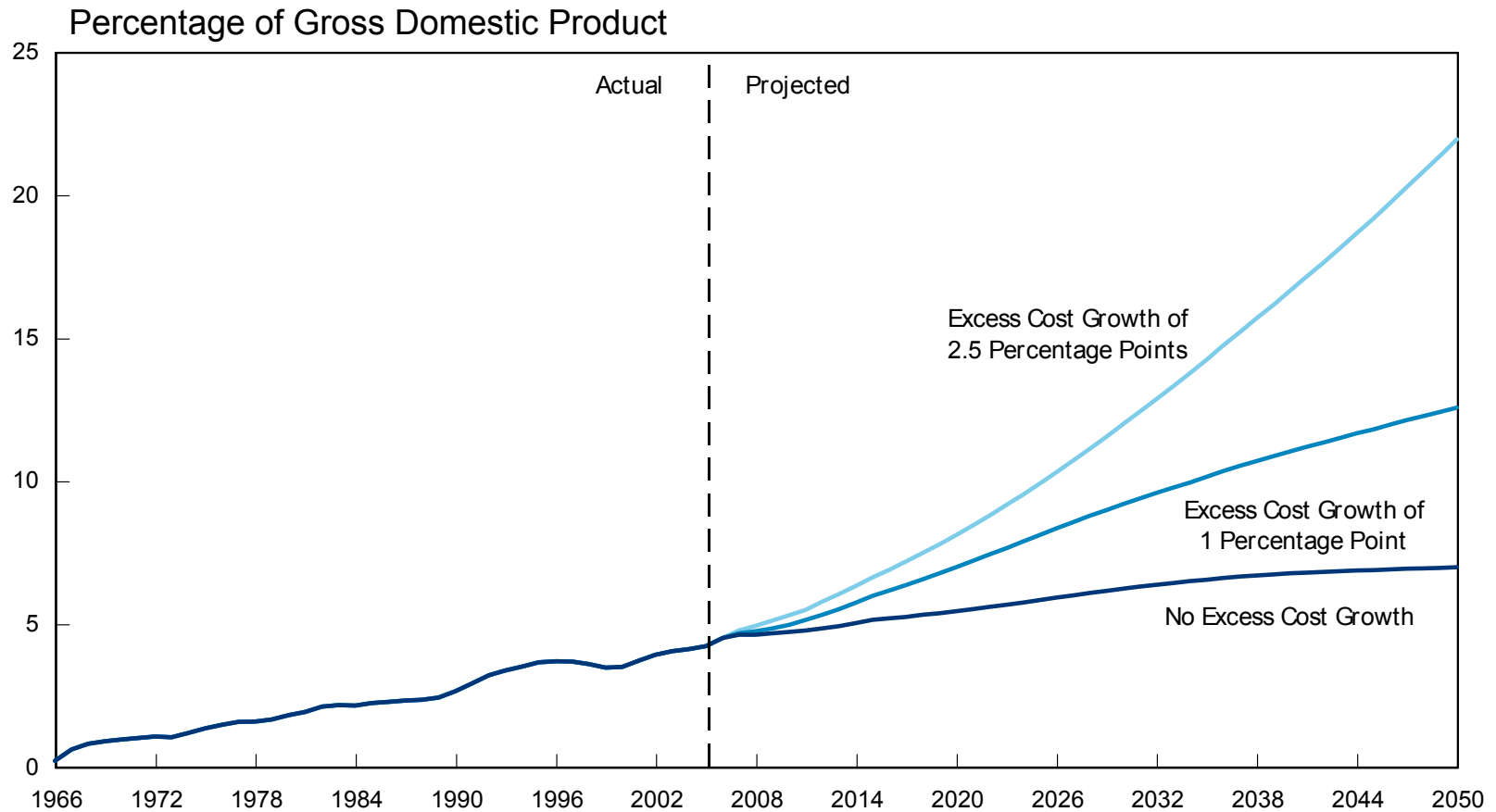
Scenario 1 = higher spending/lower revenues
Scenario 2 = intermediate spending/lower revenues
Scenario 3 = lower spending/lower revenues

Scenario 4 = higher spending/higher revenues
Scenario 5 = intermediate spending/higher revenues
Scenario 6 = lower spending/higher revenues

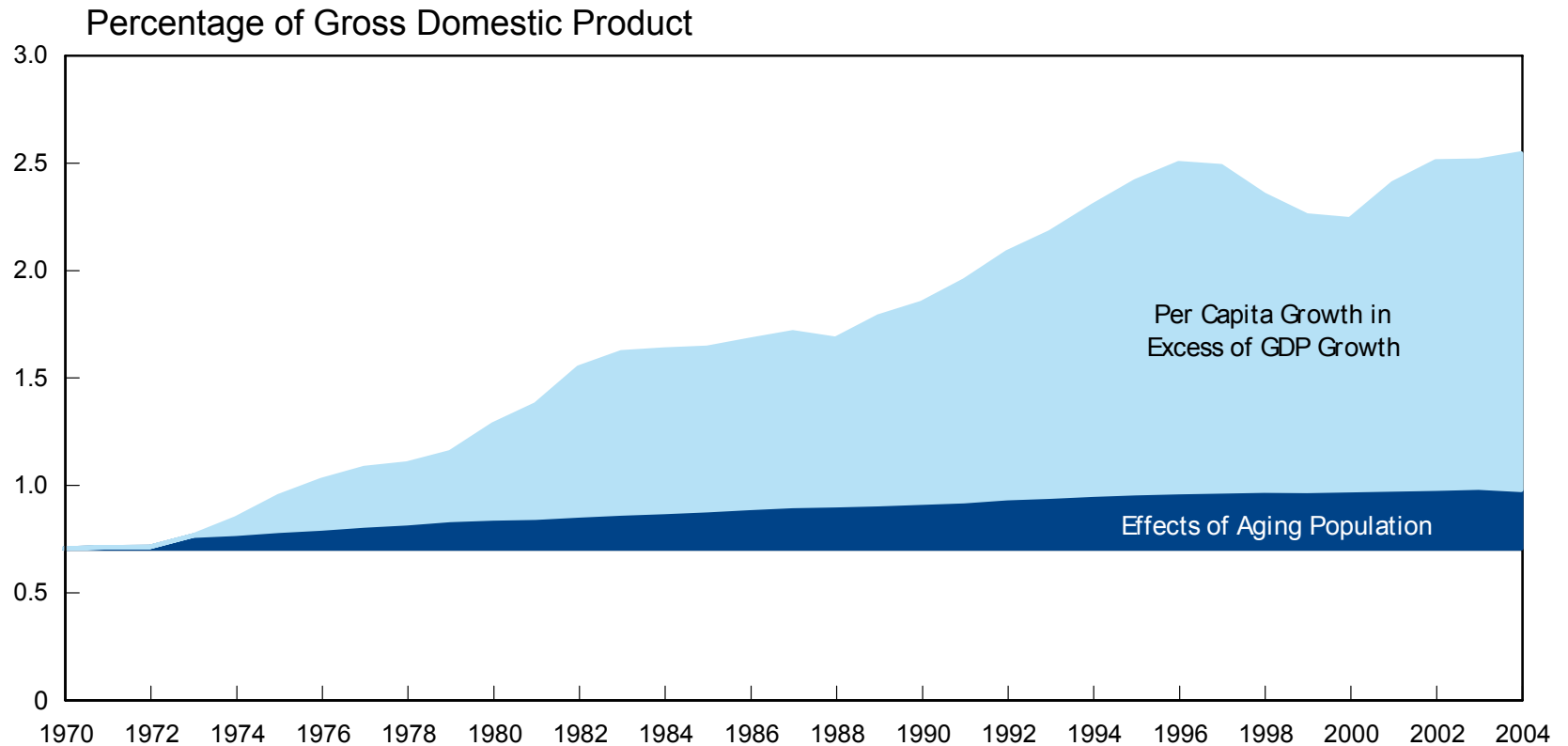
A Scenario for Total Federal Spending and Revenues



Total Federal Spending for Medicare and Medicaid Under Different Assumptions About Excess Cost Growth



Sources of Medicare Cost Growth Since 1970



Social Security Outlays and Revenues Under the Scheduled Benefits Scenario

