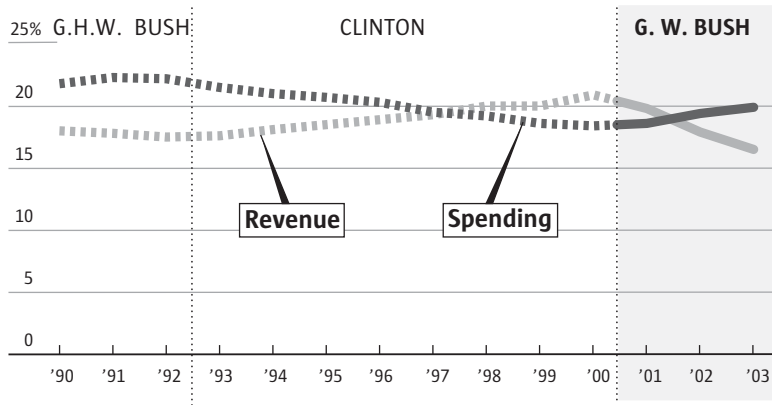


Where the pluses went

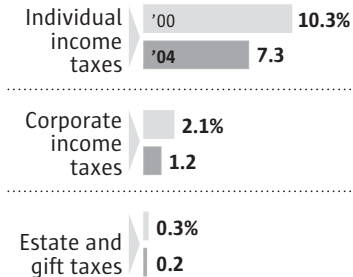
Over the past four years, the U.S. government has gone from record budget surpluses to huge deficits—the result of a slumping economy, tax cuts and billions in increased spending. An overview of what happened:

Declining revenue and increased spending . . .

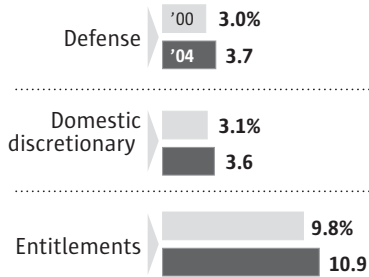
Revenue and spending, as percentage of GDP



Revenue by major source, as percentage of GDP

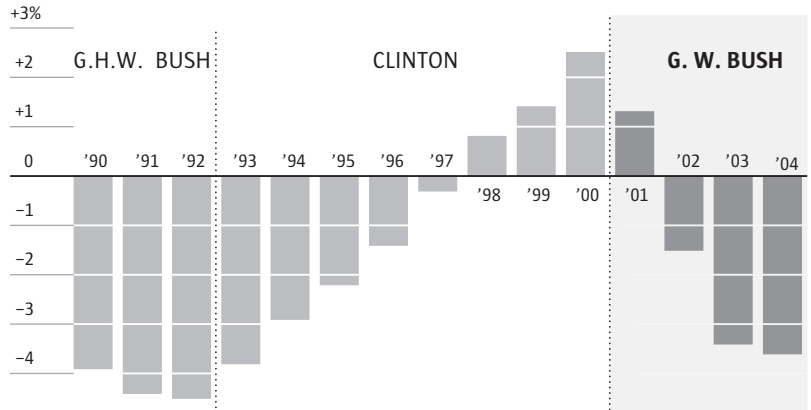


Spending by major category, as percentage of GDP

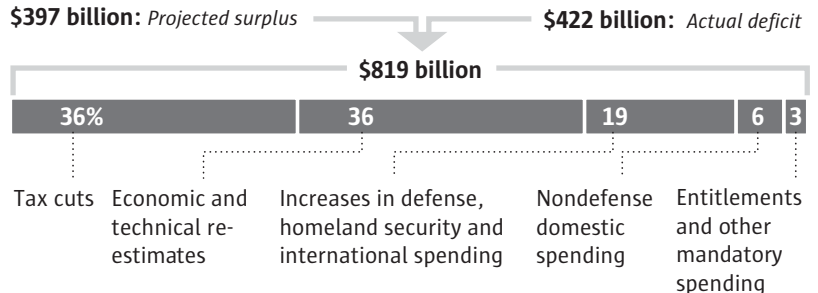


. . . made the surplus disappear

Federal-budget deficits or surpluses, as percentage of GDP



What happened to the projected surplus? In January 2001, the Congressional Budget Office projected a \$397 billion surplus for 2004. In fact, there will be a deficit of \$422 billion. Where the money went, according to the Center on Budget and Policy Priorities:



SOURCES: Congressional Budget Office, Treasury Department