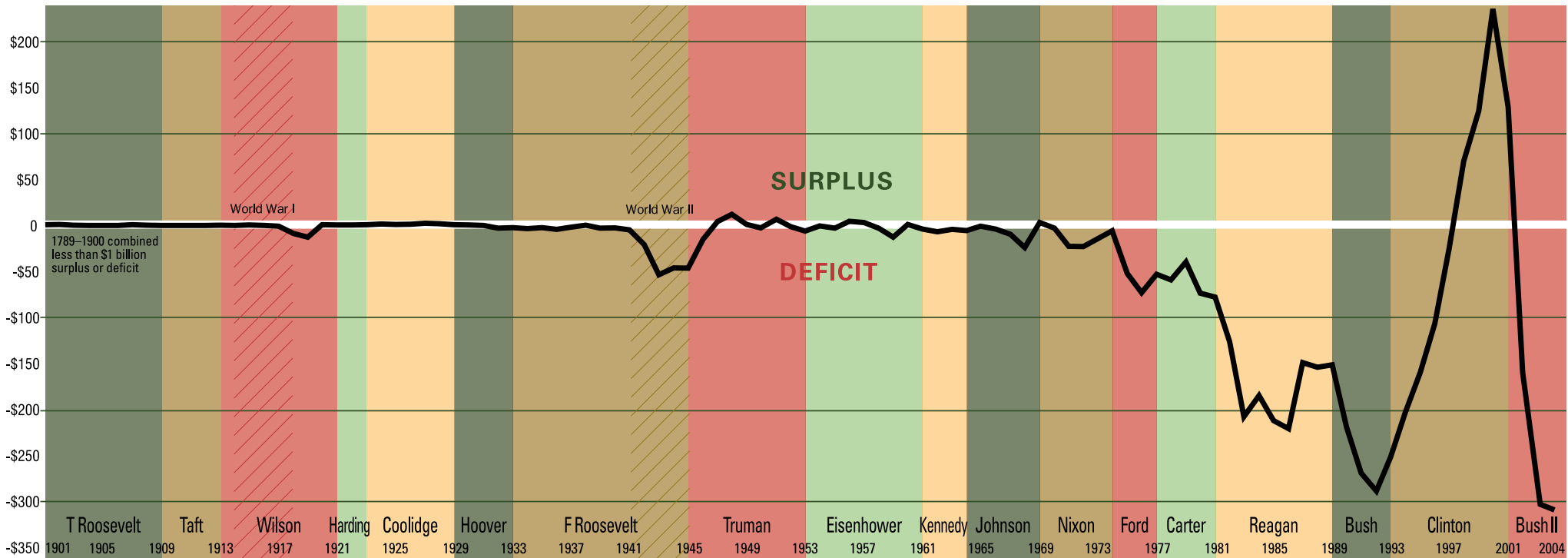


United States Federal Budget Deficits and Surpluses

IN BILLIONS OF DOLLARS



BALANCED BUDGET: when the government takes in the same amount it spends.

DEFICIT: when they spend more than they collect and have to borrow money to keep providing services.

DEBT: the total amount the government has borrowed over the years and still owes to other countries and banks.

SURPLUS: when the government collects more than it spends, they can use the extra money to pay off the debt faster. Bush II opted to send everybody a tax refund, then the economy collapsed and Sept 11 happened. When people make less money they pay fewer taxes and the government collects less money. When Bush took office in 2001 there was a surplus for the first time in half a century. Within two years the government is running one of the biggest deficits in history.