The federal budget deficit grew during the 2008–2009 recession and began to shrink soon afterward. However, at $680 billion, it was still larger in 2013 than in 2008. As a percentage of gross domestic product (GDP), the deficit in 2013 was also larger than the average of the past 40 years.

Federal outlays amounted to 20.8% of GDP, slightly higher than the 40-year average. Revenues were 16.7% of GDP, the highest percentage since 2008 but still below the 40-year average.

The large budget deficits recorded in recent years substantially increased federal debt, and the amount of debt relative to the size of the economy is now very high by historical standards. In 2013, federal debt reached 72% of GDP, the highest level in more than 60 years. Such debt could have serious negative consequences, including restraining long-term economic growth, giving policymakers less flexibility to respond to unexpected challenges, and eventually increasing the risk of a fiscal crisis.

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