About This Document

This volume is one of a series of reports on the state of the budget and the economy that the Congressional Budget Office (CBO) issues each year. It satisfies the requirement of section 202(e) of the Congressional Budget Act of 1974 for CBO to submit to the Committees on the Budget periodic reports about fiscal policy and to provide baseline projections of the federal budget. In keeping with CBO’s mandate to provide objective, impartial analysis, this report makes no recommendations.

CBO's Panel of Economic Advisers commented on an early version of the economic forecast underlying this report. Members of the panel are Rosanne Altshuler, Raj Chetty, Dan L. Crippen, Steven J. Davis, Kristin J. Forbes, Robert E. Hall, Jan Hatzius, Simon Johnson, Charles I. Jones, Anil Kashyap, Lawrence Katz, Donald Kohn, N. Gregory Mankiw, June E. O'Neill, Adam S. Posen, James Poterba, Joel Prakken, Carmen M. Reinhart, Robert Shimer, Matthew Slaughter, and Mark Zandi. Andrew Haughwout and Thomas Laubach attended the panel’s meeting as guests. Although CBO’s outside advisers provided considerable assistance, they are not responsible for the contents of this report.

The CBO staff members who contributed to this report—by preparing the economic, revenue, and spending projections; writing the report; editing and publishing it; compiling the supplemental materials posted along with it on CBO’s website (www.cbo.gov/publication/45010); and providing other support—are listed on the following pages.

Douglas W. Elmendorf
Director

February 2014
Economic Projections
The economic projections were prepared by the Macroeconomic Analysis Division, with contributions from analysts in other divisions. That work was supervised by Wendy Edelberg, Kim Kowalewski, Robert Arnold, and Benjamin Page.

Alexander Arnon: Model and data management
David Brauer: Inflation, labor markets
Gabriel Ehrlich: Interest rates, monetary policy, energy prices, house prices
Daniel Fried: Net exports, exchange rates
Ronald Gecan: Energy prices
Mark Lasky: Business investment, housing
Leah Loversky: Motor vehicle sector, research assistance
Frank Russek: Federal, state, and local government spending and revenues
Robert Shackleton: Potential output, productivity
Christopher Williams: Consumer spending, incomes

Revenue Projections
The revenue projections were prepared by the Tax Analysis Division, supervised by David Weiner, Mark Booth, and Janet Holtzblatt. In addition, the staff of the Joint Committee on Taxation provided valuable assistance.

Paul Burnham: Retirement income
Barbara Edwards: Federal Reserve System earnings, customs duties, miscellaneous receipts
Jennifer Gravelle: International taxation
Pamela Greene: Corporate income taxes, estate and gift taxes
Edward Harris: Individual income taxes, social insurance taxes, tax modeling
Robert McClelland: Capital gains realizations
Shannon Mok: Estate and gift taxes
Kevin Perese: Tax modeling, Federal Reserve System earnings
Kurt Seibert: Social insurance taxes, refundable tax credits, depreciation, tax modeling
Joshua Shakin: Individual income taxes
Logan Timmerhoff: Excise taxes
Spending Projections
The spending projections were prepared by the Budget Analysis Division, with contributions from analysts in other divisions; that work was supervised by Peter Fontaine, Theresa Gullo, Holly Harvey, Janet Airis, Tom Bradley, Kim Cawley, Jean Hearne, Jeffrey Holland, Sarah Jennings, and Sam Papenfuss of the Budget Analysis Division, as well as by Jessica Banthin of the Health, Retirement, and Long-Term Analysis Division and Damien Moore of the Financial Analysis Division.

Defense, International Affairs, and Veterans’ Affairs

Kent Christensen  
Defense (projections, working capital funds, procurement, scorekeeping)

Sunita D’Monte  
International affairs

Ann Futrell  
Veterans’ health care, international food assistance

Raymond Hall  
Defense (research and development, stockpile sales, atomic energy, other programs)

William Ma  
Veterans’ readjustment benefits, reservists’ education benefits

David Newman  
Defense (military construction and family housing, military activities in Afghanistan), veterans’ housing

Dawn Sauter Regan  
Defense (military personnel)

Matthew Schmit  
Military retirement, military health care

Jason Wheelock  
Defense (operation and maintenance, compensation for radiation exposure, compensation for energy employees’ occupational illness, other programs)

Dwayne Wright  
Veterans’ compensation and pensions

Health

Kirstin Blom  
Medicaid, Children’s Health Insurance Program

Julia Christensen  
Food and Drug Administration, prescription drugs

Philip Ellis  
Health insurance coverage

Lori Housman  
Medicare

Paul Jacobs  
Health insurance coverage

Paul Masi  
Medicare

Sarah Masi  
Health insurance exchanges, other programs

Jamease Miles  
Medicare, Public Health Service

Alexandra Minicozzi  
Health insurance coverage

Julia Mitchell  
Federal Employees Health Benefits program

Andrea Noda  
Medicaid prescription drugs, long-term care, Public Health Service

Allison Percy  
Health insurance coverage

Lisa Ramirez-Branum  
Medicaid, health insurance coverage, Public Health Service

Lara Robillard  
Medicare
**Health (Continued)**

Robert Stewart
- Medicaid, Children’s Health Insurance Program, Indian Health Service

Andrew Stocking
- Health insurance coverage

Santiago Vallinas
- Medicare, Public Health Service

Ellen Werble
- Health insurance coverage, other programs

Rebecca Yip
- Medicare Part D, prescription drugs

**Income Security and Education**

Christina Hawley Anthony
- Unemployment insurance, training programs, Administration on Aging, Smithsonian Institution, arts and humanities

Chad Chirico
- Housing assistance, Fannie Mae and Freddie Mac, Troubled Asset Relief Program, Pension Benefit Guaranty Corporation

Sheila Dacey
- Old-Age and Survivors Insurance, Social Security trust funds, Pension Benefit Guaranty Corporation

Elizabeth Cove Delisle
- Social Services Block Grant, Children and Families Services, child nutrition and other nutrition programs

Kathleen FitzGerald
- Supplemental Nutrition Assistance Program and other nutrition programs

Justin Humphrey
- Elementary and secondary education, Pell grants, student loans

Deborah Kalcevic
- Student loans, higher education

David Rafferty
- Temporary Assistance for Needy Families, Child Support Enforcement, foster care, child care programs, Low Income Home Energy Assistance Program, Supplemental Security Income, refugee assistance

Emily Stern
- Disability Insurance

**Natural and Physical Resources**

Megan Carroll
- Energy, air transportation

Mark Grabowicz
- Administration of justice, Postal Service

Kathleen Gramp
- Energy, Outer Continental Shelf receipts, spectrum auction receipts

Daniel Hoople
- Community and regional development, Federal Emergency Management Agency, deposit insurance

David Hull
- Agriculture

Jeff LaFave
- Conservation and land management, other natural resources

James Langley
- Agriculture
### Natural and Physical Resources (Continued)

<table>
<thead>
<tr>
<th>Name</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Susanne Mehlman</td>
<td>Pollution control and abatement, Federal Housing Administration and other housing credit programs</td>
</tr>
<tr>
<td>Matthew Pickford</td>
<td>General government, legislative branch</td>
</tr>
<tr>
<td>Sarah Puro</td>
<td>Highways, Amtrak, water transportation</td>
</tr>
<tr>
<td>Aurora Swanson</td>
<td>Water resources, Fannie Mae and Freddie Mac</td>
</tr>
<tr>
<td>Martin von Gnechten</td>
<td>Administration of justice, science and space exploration, Bureau of Indian Affairs, recreation</td>
</tr>
<tr>
<td>Susan Willie</td>
<td>Mass transit, commerce, Small Business Administration, Universal Service Fund</td>
</tr>
</tbody>
</table>

### Other Areas and Functions

<table>
<thead>
<tr>
<th>Name</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Janet Airis</td>
<td>Appropriation bill (Legislative Branch)</td>
</tr>
<tr>
<td>Shane Beaulieu</td>
<td>Computer support</td>
</tr>
<tr>
<td>Edward Blau</td>
<td>Authorization bills</td>
</tr>
<tr>
<td>Barry Blom</td>
<td>Federal pay, monthly Treasury data</td>
</tr>
<tr>
<td>Jared Brewster</td>
<td>Interest on the public debt</td>
</tr>
<tr>
<td>Joanna Capps</td>
<td>Appropriation bills (Labor, Health and Human Services, and Education; State and Foreign Operations)</td>
</tr>
<tr>
<td>Gabriel Ehrlich</td>
<td>Fannie Mae and Freddie Mac, Federal Housing Administration</td>
</tr>
<tr>
<td>Mary Froehlich</td>
<td>Computer support</td>
</tr>
<tr>
<td>Avi Lerner</td>
<td>Troubled Asset Relief Program, automatic budget enforcement and sequestration, other interest</td>
</tr>
<tr>
<td>Amber Marcellino</td>
<td>Federal civilian retirement, historical data</td>
</tr>
<tr>
<td>Virginia Myers</td>
<td>Appropriation bills (Commerce, Justice, and Science; Financial Services and General Government)</td>
</tr>
<tr>
<td>Jeffrey Perry</td>
<td>Fannie Mae and Freddie Mac, Federal Housing Administration</td>
</tr>
<tr>
<td>Mitchell Remy</td>
<td>Fannie Mae and Freddie Mac, Federal Housing Administration</td>
</tr>
<tr>
<td>Mark Sanford</td>
<td>Appropriation bills (Agriculture and Food and Drug Administration; Defense)</td>
</tr>
<tr>
<td>Esther Steinbock</td>
<td>Appropriation bills (Transportation and Housing and Urban Development; Military Construction and Veterans Affairs; Energy and Water Development)</td>
</tr>
<tr>
<td>Santiago Vallinas</td>
<td>Various federal retirement programs, national income and product accounts, federal pay</td>
</tr>
<tr>
<td>Patrice Watson</td>
<td>Database system administrator</td>
</tr>
<tr>
<td>Adam Wilson</td>
<td>Appropriation bills (Homeland Security; Interior)</td>
</tr>
</tbody>
</table>
Writing
Christina Hawley Anthony wrote the summary. Barry Blom wrote Chapter 1, with assistance from Mark Booth and Jared Brewster; Jeffrey Holland wrote Box 1-1. Mark Lasky and Charles Whalen wrote Chapter 2. Christina Hawley Anthony, Jared Brewster, Amber Marcellino, and Santiago Vallinas wrote Chapter 3. Mark Booth and Joshua Shakin wrote Chapter 4. Amber Marcellino wrote Appendix A, with assistance from Mark Booth. Sarah Masi wrote Appendix B, with assistance from Jessica Banthin, Philip Ellis, Holly Harvey, and Jean Hearne. Devrim Demirel, Philip Ellis, and Benjamin Page wrote Appendix C, with assistance from Wendy Edelberg, Edward Harris, Janet Holtzblatt, Jonathan Huntley, Shannon Mok, Felix Reichling, and David Weiner. Avi Lerner wrote Appendix D, with assistance from Barbara Edwards. Frank Russek wrote Appendix E; and Jared Brewster, Appendix F. Alexander Arnon compiled Appendix G, and Amber Marcellino did the same for Appendix H.

Editing and Publishing
The editing and publishing of the report were handled by CBO’s editing and publishing group, supervised by John Skeen, and the agency’s web team, supervised by Deborah Kilroe.

Christine Bogusz, Christian Howlett, Kate Kelly, Loretta Lettner, Benjamin Plotinsky, and John Skeen edited the report. Maureen Costantino and Jeanine Rees prepared the report for publication, and Leigh Angres, Robert Dean, Annette Kalicki, and Simone Thomas published the report on CBO’s website.

Chad Chirico coordinated the preparation of tables of baseline projections for selected programs, and Leah Loversky and Logan Timmerhoff compiled supplemental economic and tax data—all posted with this report on the agency’s website. Jeanine Rees and Simone Thomas coordinated the presentation of those materials.