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 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, Alan J. Auerbach, Markus K. Brunnermeier, Mary C. Daly, Steven J. Davis, Roger W. Ferguson Jr., Claudia Goldin, Robert E. Hall, Jan Hatzius, Simon Johnson, Anil Kashyap, Lawrence Katz, Donald Kohn, N. Gregory Mankiw, Adam S. Posen, James Poterba, Joel Prakken, Valerie A. Ramey, Carmen M. Reinhart, Brian Sack, Robert Shimer, Justin Wolfers, and Mark Zandi. John Fernald and Erica Groshen 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; reviewing, editing, and publishing it; compiling the supplemental materials posted along with it on CBO’s website (www.cbo.gov/publication/49892); and providing other support—are listed on the following pages.

Douglas W. Elmendorf
Director

January 2015
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
Lauren Bresnahan
Gabriel Ehrlich
Daniel Fried
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Ronald Gecan
Mark Lasky
Leah Loversky
Joshua Montes
Frank Russek
Robert Shackleton
Christopher Williams
Shiqi Zheng

Housing, research assistance
Inflation
Interest rates, monetary policy, house prices
Net exports, exchange rates, energy prices
Current quarter analysis
Energy prices
Business investment, housing
Motor vehicle sector, model and data management
Labor markets
Federal, state, and local government spending and revenues
Potential output, productivity
Consumer spending, incomes
Research assistance

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

Paul Burnham
Nathaniel Frentz
Jennifer Gravelle
Pamela Greene
Robert McClelland
Shannon Mok
Kevin Perese
Molly Saunders-Scott
Kurt Seibert
Joshua Shakin
Logan Timmerhoff
Marvin Ward

Retirement income
Federal Reserve System earnings, customs duties, miscellaneous fees and fines
International taxation, depreciation
Corporate income taxes
Capital gains realizations
Estate and gift taxes, refundable tax credits
Tax modeling, Federal Reserve System earnings
International taxation, business taxation
Payroll taxes, depreciation, tax modeling
Individual income taxes, refundable tax credits
Excise taxes
Tax modeling
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 Abris, Tom Bradley, Kim Cawley, Chad Chirico, 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, operation and maintenance, 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, procurement, compensation for radiation exposure and energy employees’ occupational illness, other defense programs)
Dwayne Wright  Veterans’ compensation and pensions

Health
Julia Christensen  Food and Drug Administration, prescription drugs
Kate Fritzschke  Health insurance exchanges, other programs
Daniel Hoople  Medicaid, Children’s Health Insurance Program
Lori Housman  Medicare
Paul Jacobs  Health insurance coverage
Sean Lyons  Health insurance coverage
Paul Masi  Medicare, Federal Employees Health Benefits program
Sarah Masi  Health insurance exchanges, other programs
Jamease Miles  Medicare, Public Health Service
Alexandra Miniccozzi  Health insurance coverage
Eamon Molloy  Health insurance coverage
Andrea Noda  Medicaid prescription drugs, long-term care, Public Health Service
Romain Parsad  Health insurance coverage
Health (Continued)

Allison Percy  Health insurance coverage
Lisa Ramirez-Branum  Medicaid, health insurance coverage, Health Resources and Services Administration
Lara Robillard  Medicare
Erica Socker  Medicare
Robert Stewart  Medicaid, Children’s Health Insurance Program, Indian Health Service
Sam Trachtman  Health insurance coverage
Ellen Werble  Prescription drugs, Public Health Service
Zoe Williams  Medicare
Rebecca Yip  Medicare Part D, prescription drugs, Public Health Service

Income Security and Education

Christina Hawley Anthony  Unemployment insurance, training programs, Administration on Aging, Smithsonian Institution, arts and humanities
Sheila Dacey  Old-Age and Survivors Insurance, Social Security trust funds, Pension Benefit Guaranty Corporation
Elizabeth Cove Delisle  Housing assistance
Kathleen FitzGerald  Supplemental Nutrition Assistance Program and other nutrition programs
Jennifer Gray  Social Services Block Grant, Child and Family Services, child nutrition 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, refugee assistance
Emily Stern  Disability Insurance, Supplemental Security Income

Natural and Physical Resources

Marin Burnett  Administration of justice, science and space exploration, recreational resources
Megan Carroll  Energy, air transportation
**Natural and Physical Resources (Continued)**

Martin von Gnechten  
Community and regional development,  
Federal Emergency Management Agency,  
Bureau of Indian Affairs, credit unions

Mark Grabowicz  
Administration of justice, Postal Service

Kathleen Gramp  
Energy, Outer Continental Shelf receipts,  
spectrum auction receipts, Orderly Liquidation Fund

David Hull  
Agriculture

Jeff LaFave  
Conservation and land management, other natural resources

James Langley  
Agriculture

Susanne Mehlman  
Pollution control and abatement, Federal Housing Administration and other housing credit programs

Matthew Pickford  
General government, legislative branch

Sarah Puro  
Highways, mass transit, Amtrak, water transportation

Aurora Swanson  
Water resources, Fannie Mae and Freddie Mac

Susan Willie  
Commerce, Small Business Administration,  
Universal Service Fund, agricultural trade and credit

**Other Areas and Functions**

Janet Airis  
Appropriation bill (Legislative Branch)

Shane Beaulieu  
Computer support

Barry Blom  
Federal pay, monthly Treasury data

Joanna Capps  
Appropriation bills (Labor, Health and Human Services, and Education; State and Foreign Operations)

Gabriel Ehrlich  
Fannie Mae and Freddie Mac, Federal Housing Administration

Mary Froehlich  
Computer support

Avi Lerner  
Troubled Asset Relief Program, automatic budget enforcement and sequestration, interest on the public debt, other interest, Federal Deposit Insurance Corporation

Amber Marcellino  
Federal civilian retirement, historical data

Virginia Myers  
Appropriation bills (Commerce, Justice, and Science; Financial Services and General Government)

Jeffrey Perry  
Fannie Mae and Freddie Mac, Federal Housing Administration

Dan Ready  
Various federal retirement programs, national income and product accounts, federal pay
Other Areas and Functions (Continued)

Mitchell Remy  Fannie Mae and Freddie Mac, Federal Housing Administration
Mark Sanford  Appropriation bills (Agriculture and Food and Drug Administration; Defense)
Esther Steinbock  Appropriation bills (Transportation and Housing and Urban Development; Military Construction and Veterans Affairs; Energy and Water Development)
J’nell Blanco Suchy  Authorization bills
Patrice Watson  Database system administrator
Adam Wilson  Appropriation bills (Homeland Security; Interior)

Writing
Christina Hawley Anthony wrote the summary. Barry Blom wrote Chapter 1, with assistance from Mark Booth and Jeffrey Holland. Daniel Fried and Charles Whalen wrote Chapter 2. Christina Hawley Anthony, Megan Carroll, Avi Lerner, and Amber Marcellino wrote Chapter 3. Mark Booth, Pamela Greene, Joshua Shakin, and David Weiner wrote Chapter 4. Amber Marcellino wrote Appendix A, with assistance from Nathaniel Frentz. Sarah Masi and Kate Fritzsche wrote Appendix B, with assistance from Jessica Banthin, Holly Harvey, and Chad Chirico. Dan Ready wrote Appendix C, with assistance from Nathaniel Frentz. Frank Russek wrote Appendix D; Jeffrey Holland wrote Appendix E. Shiqi Zheng compiled Appendix F, and Amber Marcellino compiled Appendix G.

Review, Editing, and Publishing
Jeffrey Kling and Robert Sunshine reviewed the report. The editing and publishing 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, Kate Kelly, Loretta Lettner, Bo Peery, Benjamin Plotinsky, Jeanine Rees, and John Skeen edited the report; Leigh Angres, Maureen Costantino, and Jeanine Rees prepared it for publication; and Robert Dean, Annette Kalicki, Adam Russell, and Simone Thomas published it on CBO’s website.

Sarah Puro 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.