



CBO's Economic Projections for 2016 to 2026

The tables in this appendix expand on the information in Chapter 2 by showing the Congressional Budget Office's economic projections for each year from 2016 to 2026 (by calendar year in Table E-1 and by fiscal year in Table E-2). For years after 2020, CBO did not attempt to forecast the frequency or size of fluctuations in the business cycle. Instead, the values shown in these tables

for 2021 to 2026 reflect CBO's projections of underlying trends in key variables such as growth of the labor force, hours worked, capital formation, and productivity; federal tax and spending policies under current law; and the persistent effects of the 2007–2009 recession and subsequent weak economic recovery.

Table E-1.

CBO's Economic Projections, by Calendar Year

	Estimated, 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Percentage Change From Year to Year												
Gross Domestic Product												
Real (Inflation-adjusted)	2.4	2.5	2.6	2.2	1.8	1.9	2.1	2.1	2.0	2.0	2.0	2.0
Nominal	3.5	4.1	4.4	4.2	3.8	3.9	4.1	4.1	4.1	4.1	4.1	4.1
Inflation												
PCE price index	0.3	1.1	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Core PCE price index ^a	1.3	1.5	1.8	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Consumer price index ^b	0.1	1.3	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Core consumer price index ^a	1.8	2.0	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
GDP price index	1.1	1.6	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1
Employment Cost Index ^c	2.3	2.6	3.2	3.4	3.4	3.3	3.2	3.2	3.2	3.1	3.1	3.2
Calendar Year Average												
Unemployment Rate (Percent)	5.3 ^d	4.7	4.4	4.6	4.8	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Payroll Employment (Monthly change, in thousands) ^e	228 ^d	172	124	81	54	61	78	75	73	74	74	74
Interest Rates (Percent)												
Three-month Treasury bills	0.1 ^d	0.7	1.6	2.5	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Ten-year Treasury notes	2.1 ^d	2.8	3.5	3.8	4.0	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Tax Bases (Percentage of GDP)												
Wages and salaries	43.6	43.9	43.9	43.9	43.9	43.9	43.9	43.9	43.9	43.9	43.9	43.9
Domestic economic profits	9.2	8.7	8.6	8.3	8.0	7.8	7.7	7.6	7.5	7.5	7.4	7.5
Tax Bases (Billions of dollars)												
Wages and salaries	7,835	8,210	8,572	8,932	9,274	9,627	10,015	10,428	10,863	11,316	11,786	12,276
Domestic economic profits	1,657	1,626	1,676	1,695	1,698	1,718	1,758	1,807	1,861	1,924	1,997	2,095
Nominal GDP (Billions of dollars)	17,957	18,689	19,505	20,325	21,102	21,923	22,823	23,766	24,746	25,764	26,831	27,942

Source: Congressional Budget Office, using data from the Bureau of Labor Statistics and the Federal Reserve.

GDP = gross domestic product; PCE = personal consumption expenditures.

a. Excludes prices for food and energy.

b. The consumer price index for all urban consumers.

c. The employment cost index for wages and salaries of workers in private industries.

d. Actual value for 2015.

e. Calculated as the monthly average of the fourth-quarter-to-fourth-quarter change in payroll employment.

Table E-2.

CBO's Economic Projections, by Fiscal Year

	Actual, 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Percentage Change From Year to Year												
Gross Domestic Product												
Real (Inflation-adjusted)	2.6	2.3	2.6	2.3	1.9	1.8	2.0	2.1	2.0	2.0	2.0	2.0
Nominal	3.6	3.8	4.3	4.3	3.9	3.8	4.1	4.1	4.1	4.1	4.1	4.1
Inflation												
PCE price index	0.5	0.9	1.8	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Core PCE price index ^a	1.3	1.4	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Consumer price index ^b	0.3	1.0	2.2	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Core consumer price index ^a	1.8	2.0	2.1	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
GDP price index	1.1	1.5	1.7	1.9	1.9	2.0	2.0	2.0	2.0	2.0	2.1	2.1
Employment Cost Index ^c	2.3	2.5	3.1	3.4	3.4	3.3	3.2	3.2	3.2	3.2	3.1	3.2
Fiscal Year Average												
Unemployment Rate (Percent)	5.5	4.8	4.4	4.5	4.8	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Payroll Employment (Monthly change, in thousands) ^d	239	193	137	92	57	55	77	75	74	74	74	74
Interest Rates (Percent)												
Three-month Treasury bills	*	0.5	1.4	2.3	3.1	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Ten-year Treasury notes	2.2	2.6	3.3	3.8	4.0	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Tax Bases (Percentage of GDP)												
Wages and salaries	43.5	43.9	44.0	43.9	44.0	43.9	43.9	43.9	43.9	43.9	43.9	43.9
Domestic economic profits	9.4	8.8	8.6	8.4	8.1	7.9	7.7	7.6	7.5	7.5	7.4	7.5
Tax Bases (Billions of dollars)												
Wages and salaries	7,751	8,116	8,482	8,842	9,189	9,536	9,915	10,323	10,753	11,201	11,667	12,152
Domestic economic profits	1,669	1,631	1,664	1,695	1,695	1,711	1,748	1,794	1,846	1,909	1,977	2,068
Nominal GDP (Billions of dollars)	17,810	18,494	19,297	20,127	20,906	21,710	22,593	23,528	24,497	25,506	26,559	27,660

Source: Congressional Budget Office, using data from the Bureau of Economic Analysis, the Bureau of Labor Statistics, and the Federal Reserve.

GDP = gross domestic product; PCE = personal consumption expenditures; * = between zero and 0.05 percent.

a. Excludes prices for food and energy.

b. The consumer price index for all urban consumers.

c. The employment cost index for wages and salaries of workers in private industries.

d. Calculated as the monthly average of the fourth-quarter-to-fourth-quarter change in payroll employment.