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 Katharine Abraham, Alan Auerbach, Olivier Blanchard, Markus Brunnermeier, Mary Daly, Steven Davis, Robert Hall, Jan Hatzius, Anil Kashyap, Donald Kohn, Nellie Liang, Gregory Mankiw, Emi Nakamura, Jonathan Parker, Adam Posen, James Poterba, Valerie Ramey, Brian Sack, Robert Shimer, Justin Wolfers, and Mark Zandi. Howard Gruenspecht, Simon Johnson, Kevin Logan, and Peter Petri 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, fact-checking, and publishing it; compiling the supplemental materials posted along with it on CBO’s website (www.cbo.gov/publication/51908); and providing other support—are listed on the following pages.

Keith Hall
Director
August 2016
**Economic Projections**
The economic projections were prepared by the Macroeconomic Analysis Division, with contributions from analysts in other divisions. That work was supervised by Jeffrey Werling, Robert Arnold, and Kim Kowalewski.

Robert Arnold  
Inflation, house prices

Daniel Fried  
Net exports, exchange rates, energy prices

Edward Gamber  
Interest rates, monetary policy, current-quarter analysis

Ronald Gecan  
Energy prices

Mark Lasky  
Business investment, housing

Jason Levine  
Financial markets

Joshua Montes  
Labor markets

Jeffrey Perry  
Financial markets

John Seliski  
Federal, state, and local government spending and revenues

Robert Shackleton  
Potential output, productivity

Adam Staveski  
Housing, model and data management

Christopher Williams  
Consumer spending, incomes

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

Paul Burnham  
Retirement income

Nathaniel Frentz  
Federal Reserve System earnings, customs duties, miscellaneous fees and fines

Pamela Greene  
Corporate income taxes

Peter Huether  
Excise taxes

Shannon Mok  
Estate and gift taxes, refundable tax credits

Kevin Perese  
Tax modeling, Federal Reserve System earnings

Molly Saunders-Scott  
International taxation, business taxation

Kurt Seibert  
Payroll taxes, depreciation, tax modeling

Joshua Shakin  
Individual income taxes, refundable tax credits

Naveen Singhal  
Capital gains realizations, 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 Theresa Gullo, Holly Harvey, Sam Papenfuss, Tom Bradley, Kim Cawley, Chad Chirico, Sheila Dacey, Jeffrey Holland, Sarah Jennings, and Adam Wilson 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

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<td>Sunita D’Monte</td>
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<td>Ann Futrell</td>
<td>Veterans’ health care and employment training services, international food assistance</td>
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<td>Raymond Hall</td>
<td>Defense (research and development, stockpile sales, atomic energy, Navy procurement)</td>
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<td>William Ma</td>
<td>Defense (operation and maintenance, procurement, compensation for radiation exposure and energy employees’ occupational illness, other defense programs)</td>
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<td>David Newman</td>
<td>Defense (military construction and family housing, military activities in Afghanistan), veterans’ housing and education benefits, reservists’ education benefits</td>
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<td>David Rafferty</td>
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<td>Dawn Sauter Regan</td>
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<td>Matthew Schmit</td>
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<td>Dwayne Wright</td>
<td>Veterans’ compensation and pensions, other benefits for disabled veterans</td>
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<td>Paul Masi</td>
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<td>Eamon Molloy</td>
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<td>Andrea Noda</td>
<td>Medicaid prescription drugs, long-term care, Public Health Service</td>
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<td>Romain Parsad</td>
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<td>Allison Percy</td>
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<td>Lisa Ramirez-Branum</td>
<td>Medicaid, health insurance coverage, Health Resources and Services Administration</td>
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<td>Lara Robillard</td>
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<td>Robert Stewart</td>
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<td>Ellen Werble</td>
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<td>Rebecca Yip</td>
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### Income Security and Education

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<td>Elizabeth Cove Delisle</td>
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<td>Kathleen FitzGerald</td>
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<td>Jennifer Gray</td>
<td>Social Services Block Grant, support programs for children and families, child nutrition and other nutrition programs</td>
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<td>Justin Humphrey</td>
<td>Student loans, higher education</td>
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<td>Leah Koestner</td>
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<td>Alec MacMillen</td>
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<td>Susanne Mehlman</td>
<td>Temporary Assistance for Needy Families, Child Support Enforcement program, foster care, child care programs, Low Income Home Energy Assistance Program</td>
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<td>Noah Meyerson</td>
<td>Old-Age and Survivors Insurance, Social Security trust funds, Pension Benefit Guaranty Corporation</td>
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<td>Emily Stern</td>
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### Natural and Physical Resources

Tiffany Arthur  
Agriculture

Marin Burnett  
Administration of justice, science and space exploration, recreational resources

Megan Carroll  
Energy, air and water transportation

Mark Grabowicz  
Administration of justice, Postal Service

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

Jeff LaFave  
Conservation and land management, other natural resources, Federal Housing Administration and other housing credit programs

James Langley  
Agriculture

Matthew Pickford  
General government, legislative branch

Sarah Puro  
Highways, mass transit, Amtrak, deposit insurance, credit unions

Stephen Rabent  
Commerce, Small Business Administration, Universal Service Fund

Robert Reese  
Community and regional development, Federal Emergency Management Agency, Bureau of Indian Affairs

Jon Sperl  
Pollution control and abatement

Aurora Swanson  
Water resources, Fannie Mae and Freddie Mac

### Other Areas and Functions

Shane Beaulieu  
Computer support

Barry Blom  
Federal pay, monthly Treasury data

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

Meredith Decker  
Other interest, debt limit

Karen Dinh  
Computer support

Avi Lerner  
Troubled Asset Relief Program, automatic budget enforcement and sequestration, interest on the public debt

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 (Energy and Water Development; Military Construction and Veterans Affairs; Transportation and Housing and Urban Development)
J’nell Blanco Suchy  Appropriation bill (Interior), authorization bills
Patrice Watson  Database system administrator
Adam Wilson  Appropriation bill (Homeland Security)

Writing
Christina Hawley Anthony wrote the summary. Barry Blom wrote Chapter 1, with assistance from Nathaniel Frentz and Joshua Shakin. Edward Gamber and Charles Whalen wrote Chapter 2. Amber Marcellino wrote Appendix A, with assistance from Pamela Greene. Claire Sleigh compiled Appendix B.

Reviewing, Editing, Fact-Checking, and Publishing
Wendy Edelberg, 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, Loretta Lettner, Bo Peery, and Benjamin Plotinsky edited the report; 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.

Zachary Byrum, Meredith Decker, Ann Futrell, Peter Huether, Alec MacMillen, David Newman, Robert Reese, Claire Sleigh, Adam Staveski, and Zoe Williams fact-checked the report.

Peter Huether, Dan Ready, Claire Sleigh, and Adam Staveski compiled supplemental data, which are posted with this report on the agency’s website. Jeanine Rees and Simone Thomas coordinated the presentation of those materials.