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, David Autor, Olivier Blanchard, Markus Brunnermeier, Mary Daly, Steven Davis, Robert Hall, Jan Hatzius, 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. Diego Comin, Ronald Lee, Kathleen Mullen, Patrick Newport, and Maurice Obstfeld attended the panel’s meeting as guests. Although CBO’s outside advisers provided considerable assistance, they are not responsible for the content 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 (at www.cbo.gov/publication/52370); and providing other support—are listed on the following pages.

Keith Hall
Director

January 2017
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.

Gloria Chen  
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

Claire Sleigh  
Motor vehicle sector, research assistance

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 John McClelland, Mark Booth, Ed Harris, and Janet Holtzblatt. In addition, the staff of the Joint Committee on Taxation offered valuable assistance.

Paul Burnham  
Retirement income

Dorian Carloni  
Corporate income taxes

Jacob Fabian  
Customs duties

Nathaniel Frentz  
Federal Reserve System earnings, miscellaneous fees and fines

Pamela Greene  
Corporate income taxes

Bilal Habib  
Wage distribution, refundable tax credits

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

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**

- **Kent Christensen**
  - Defense (projections, working capital funds, operation and maintenance, procurement, scorekeeping)
- **Sunita D’Monte**
  - International affairs
- **Ann Futrell**
  - Veterans’ health care and employment training services, international food assistance
- **Raymond Hall**
  - Defense (research and development, stockpile sales, atomic energy, Navy procurement)
- **William Ma**
  - Defense (operation and maintenance, procurement, compensation for radiation exposure and energy employees’ occupational illness, other defense programs)
- **David Newman**
  - Defense (military construction and family housing, military activities in Afghanistan), veterans’ housing and education benefits, reservists’ education benefits
- **David Rafferty**
  - Military retirement
- **Dawn Sauter Regan**
  - Defense (military personnel)
- **Matthew Schmit**
  - Military health care
- **Dwayne Wright**
  - Veterans’ compensation and pensions, other benefits for disabled veterans

**Health**

- **Susan Yeh Beyer**
  - Health insurance coverage
- **Julia Christensen**
  - Food and Drug Administration, prescription drugs
- **Kate Fritzschew**
  - Health insurance marketplaces, other programs
- **Daniel Hoople**
  - Medicaid, Children’s Health Insurance Program
- **Lori Housman**
  - Medicare
- **Jamease Kowalczyk**
  - Medicare
- **Sean Lyons**
  - Health insurance coverage
- **Paul Masi (formerly of CBO)**
  - Medicare, Federal Employees Health Benefits program
- **Sarah Masi**
  - Health insurance marketplaces, other programs
- **Kevin McNellis**
  - Medicare
- **Alexandra Minicozzi**
  - Health insurance coverage
- **Eamon Molloy**
  - Health insurance coverage
### Health (Continued)

<table>
<thead>
<tr>
<th>Name</th>
<th>Responsibilities</th>
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<tbody>
<tr>
<td>Andrea Noda</td>
<td>Medicaid prescription drugs, long-term care, Public Health Service</td>
</tr>
<tr>
<td>Romain Parsad</td>
<td>Health insurance coverage</td>
</tr>
<tr>
<td>Allison Percy</td>
<td>Health insurance coverage</td>
</tr>
<tr>
<td>Ezra Porter</td>
<td>Health insurance coverage</td>
</tr>
<tr>
<td>Lisa Ramirez-Branum</td>
<td>Medicaid, health insurance coverage, Health Resources and Services Administration</td>
</tr>
<tr>
<td>Lara Robillard</td>
<td>Medicare</td>
</tr>
<tr>
<td>Robert Stewart</td>
<td>Medicaid, Children’s Health Insurance Program, Indian Health Service</td>
</tr>
<tr>
<td>Ellen Werble</td>
<td>Prescription drugs, Public Health Service, National Institutes of Health</td>
</tr>
<tr>
<td>Zoe Williams</td>
<td>Medicare</td>
</tr>
<tr>
<td>Rebecca Yip</td>
<td>Medicare Part D, prescription drugs, Public Health Service</td>
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### Income Security and Education

<table>
<thead>
<tr>
<th>Name</th>
<th>Responsibilities</th>
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<tbody>
<tr>
<td>Christina Hawley Anthony</td>
<td>Unemployment insurance, training programs, Administration on Aging, Smithsonian Institution, arts and humanities</td>
</tr>
<tr>
<td>Elizabeth Cove Delisle</td>
<td>Housing assistance</td>
</tr>
<tr>
<td>Kathleen FitzGerald</td>
<td>Supplemental Nutrition Assistance Program, other nutrition programs</td>
</tr>
<tr>
<td>Jennifer Gray</td>
<td>Social Services Block Grant program, support programs for children and families, child nutrition and other nutrition programs</td>
</tr>
<tr>
<td>Justin Humphrey</td>
<td>Student loans, higher education</td>
</tr>
<tr>
<td>Wendy Kiska</td>
<td>Pension Benefit Guaranty Corporation</td>
</tr>
<tr>
<td>Leah Koestner</td>
<td>Elementary and secondary education, Pell grants</td>
</tr>
<tr>
<td>Alec MacMillen</td>
<td>Child Care and Development Block Grant, refugee assistance</td>
</tr>
<tr>
<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>
</tr>
<tr>
<td>Noah Meyerson</td>
<td>Old-Age and Survivors Insurance, Social Security trust funds, Pension Benefit Guaranty Corporation</td>
</tr>
<tr>
<td>Emily Stern</td>
<td>Disability Insurance, Supplemental Security Income</td>
</tr>
</tbody>
</table>
Natural and Physical Resources

Tiffany Arthur Agriculture, science, space exploration
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, Federal Housing Administration, 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, administration of justice, Federal Emergency Management Agency, Bureau of Indian Affairs, other natural resources
Jon Sperl Pollution control and abatement, recreational resources
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 Interest on the public debt, automatic budget enforcement and sequestration, Troubled Asset Relief Program
Amber Marcellino Federal civilian retirement, historical data
Jeffrey Perry Fannie Mae and Freddie Mac, Federal Housing Administration
Dan Ready Various federal retirement programs, national income and product accounts, federal pay
Mitchell Remy Fannie Mae and Freddie Mac, Federal Housing Administration
Other Areas and Functions (Continued)

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<th>Name</th>
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<tr>
<td>Justin Riordan</td>
<td>Commerce, Justice, and Science; Financial Services and General Government</td>
</tr>
<tr>
<td>Mark Sanford</td>
<td>Agriculture and Food and Drug Administration; Defense</td>
</tr>
<tr>
<td>Esther Steinbock</td>
<td>Energy and Water Development; Military Construction and Veterans Affairs; Transportation and Housing and Urban Development</td>
</tr>
<tr>
<td>J’nell Blanco Suchy</td>
<td>Homeland Security; Interior, authorization bills</td>
</tr>
<tr>
<td>Patrice Watson</td>
<td>Database system administrator</td>
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Long-Term Projections

The long-term projections were prepared by the Health, Retirement, and Long-Term Analysis Division and the Macroeconomic Analysis Division. That work was supervised by Julie Topoleski and Felix Reichling. Stephanie Hugie Barello, Jonathan Huntley, and Michael Simpson prepared the projections.

Writing

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

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 Benjamin Plotinsky, and the agency’s web team, supervised by Deborah Kilroe.

Christine Bogusz, Kate Kelly, Loretta Lettner, Bo Peery, and Benjamin Plotinsky edited the report; Maureen Costantino, Christian Howlett, and Gabe Waggoner produced the graphics and prepared the report for publication; and Robert Dean, Annette Kalicki, Adam Russell, and Simone Thomas published the report on CBO’s website.

Zachary Byrum, Kent Christensen, Meredith Decker, Jacob Fabian, Ann Futrell, Peter Huether, Alec MacMillen, David Newman, Stephen Rabent, Robert Reese, Claire Sleigh, and Adam Staveski fact-checked the report.

Jacob Fabian, Lori Housman, Amber Marcellino, Dan Ready, Lara Robillard, Claire Sleigh, and Adam Staveski compiled supplemental data, which are posted with this report on CBO’s website. Bo Peery and Simone Thomas coordinated the presentation of those materials.