



CBO's Economic Projections for 2017 to 2027

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 2017 to 2027 (by calendar year in Table C-1 and by fiscal year in Table C-2). CBO's projections for 2021 to 2027—unlike its projections for 2017 and 2018—are not based on forecasts of cyclical developments in the economy. Rather, they are based on projections of underlying trends in key variables that determine the growth of potential output,

such as the size of the labor force, the number of hours worked, capital investment, and productivity—that is, the trends those variables follow after the effects of business-cycle fluctuations are removed. CBO also considers the effects on those variables of the federal tax and spending policies specified in current law. CBO's projections for 2019 and 2020 do not reflect expected cyclical developments in the economy. Instead, they serve as transitions to the values that CBO projects for the 2021–2027 period.

Table C-1.

CBO's Economic Projections, by Calendar Year

	Estimated, 2016 ^a	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Percentage Change From Year to Year												
Gross Domestic Product												
Real ^b	1.6	2.3	2.0	1.7	1.5	1.8	1.9	1.9	1.9	1.9	1.9	1.9
Nominal	2.9	4.2	3.9	3.6	3.5	3.8	3.9	4.0	4.0	4.0	4.0	4.0
Inflation												
PCE price index	1.1	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Core PCE price index ^c	1.7	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Consumer price index ^d	1.3 ^e	2.4	2.3	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Core consumer price index ^c	2.2 ^e	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.4	2.4
GDP price index	1.3	1.9	1.9	1.9	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Employment Cost Index ^f	2.4	2.7	3.1	3.3	3.2	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Calendar Year Average												
Unemployment Rate (Percent)	4.9 ^e	4.6	4.4	4.5	4.9	5.0	5.0	5.0	4.9	4.9	4.9	4.9
Payroll Employment (Monthly change, in thousands) ^g	188 ^e	138	94	45	29	60	64	64	64	64	64	65
Interest Rates (Percent)												
Three-month Treasury bills	0.3 ^e	0.7	1.1	1.7	2.3	2.7	2.8	2.8	2.8	2.8	2.8	2.8
Ten-year Treasury notes	1.8 ^e	2.3	2.5	2.8	3.1	3.4	3.5	3.6	3.6	3.6	3.6	3.6
Tax Bases (Percentage of GDP)												
Wages and salaries	44.1	44.2	44.3	44.4	44.4	44.4	44.4	44.4	44.3	44.3	44.2	44.2
Domestic economic profits	9.1	8.9	8.4	8.1	7.9	7.7	7.5	7.4	7.4	7.5	7.5	7.6
Tax Bases (Billions of dollars)												
Wages and salaries	8,190	8,559	8,913	9,249	9,578	9,939	10,326	10,726	11,142	11,570	12,015	12,476
Domestic economic profits	1,682	1,719	1,699	1,694	1,702	1,718	1,746	1,801	1,871	1,950	2,040	2,136
Nominal GDP (Billions of dollars)	18,563	19,352	20,114	20,838	21,565	22,381	23,261	24,182	25,143	26,142	27,181	28,258

Source: Congressional Budget Office.

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

- a. Values for 2016 do not reflect the values for GDP and related series released by the Bureau of Economic Analysis since early December 2016.
- b. Nominal GDP adjusted to remove the effects of inflation.
- c. Excludes prices for food and energy.
- d. The consumer price index for all urban consumers.
- e. Actual value for 2016.
- f. The employment cost index for wages and salaries of workers in private industries.
- g. Calculated as the monthly average of the fourth-quarter-to-fourth-quarter change in payroll employment.

Table C-2.

CBO's Economic Projections, by Fiscal Year

	Actual, 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Percentage Change From Year to Year												
Gross Domestic Product												
Real ^a	1.6	2.2	2.1	1.8	1.5	1.7	1.9	1.9	1.9	1.9	1.9	1.9
Nominal	2.8	4.1	4.0	3.7	3.5	3.7	3.9	4.0	4.0	4.0	4.0	4.0
Inflation												
PCE price index	0.8	1.8	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Core PCE price index ^b	1.6	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Consumer price index ^c	0.9	2.2	2.3	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Core consumer price index ^b	2.2	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.4	2.4
GDP price index	1.2	1.8	1.9	1.9	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.1
Employment Cost Index ^d	2.3	2.6	3.1	3.3	3.3	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Fiscal Year Average												
Unemployment Rate (Percent)	4.9	4.7	4.5	4.5	4.8	5.0	5.0	5.0	4.9	4.9	4.9	4.9
Payroll Employment (Monthly change, in thousands) ^e	205	155	101	59	25	55	64	64	64	64	64	65
Interest Rates (Percent)												
Three-month Treasury bills	0.2	0.6	1.0	1.5	2.1	2.6	2.8	2.8	2.8	2.8	2.8	2.8
Ten-year Treasury notes	1.9	2.2	2.5	2.7	3.0	3.4	3.5	3.6	3.6	3.6	3.6	3.6
Tax Bases (Percentage of GDP)												
Wages and salaries	44.1	44.2	44.3	44.4	44.4	44.4	44.4	44.4	44.3	44.3	44.2	44.2
Domestic economic profits	9.0	9.0	8.5	8.2	8.0	7.7	7.5	7.5	7.4	7.4	7.5	7.5
Tax Bases (Billions of dollars)												
Wages and salaries	8,108	8,474	8,826	9,169	9,492	9,846	10,228	10,625	11,036	11,462	11,902	12,360
Domestic economic profits	1,647	1,721	1,701	1,692	1,702	1,712	1,736	1,785	1,853	1,928	2,017	2,111
Nominal GDP (Billions of dollars)	18,403	19,157	19,926	20,661	21,378	22,168	23,037	23,948	24,899	25,889	26,917	27,985

Source: Congressional Budget Office.

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

- a. Nominal GDP adjusted to remove the effects of inflation.
- b. Excludes prices for food and energy.
- c. The consumer price index for all urban consumers.
- d. The employment cost index for wages and salaries of workers in private industries.
- e. Calculated as the monthly average of the fourth-quarter-to-fourth-quarter change in payroll employment.

