



CBO's Economic Projections for 2018 to 2028

The tables in this appendix expand on the information in Chapter 1 by showing the Congressional Budget Office's economic projections for each year from 2018 to 2028 (by calendar year in Table D-1 and by fiscal year in Table D-2). CBO's projections for 2018 to 2022 reflect the economy's strong initial momentum at near-full employment as well as significant fiscal stimulus in those years. They also reflect a modest increase in the growth of

potential output—the economy's maximum sustainable level of production. The projections for 2023 to 2028 are primarily based on underlying trends for those years 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. For 2025 and 2026, however, CBO projects a modest temporary slowdown in the growth of actual output that results from fiscal policy under current law.

Table D-1.

CBO's Economic Projections, by Calendar Year

	Actual, 2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Percentage Change From Year to Year												
Gross Domestic Product												
Real ^a	2.3	3.0	2.9	2.0	1.5	1.5	1.6	1.7	1.8	1.7	1.8	1.8
Nominal	4.1	5.0	4.9	4.1	3.7	3.7	3.8	3.9	3.9	3.8	3.9	3.9
Inflation												
PCE price index	1.7	1.8	1.9	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0
Core PCE price index ^b	1.5	1.8	2.0	2.2	2.2	2.1	2.1	2.0	2.0	2.0	2.0	2.0
Consumer price index ^c	2.1	2.2	2.2	2.4	2.5	2.5	2.4	2.4	2.4	2.4	2.4	2.4
Core consumer price index ^b	1.8	2.1	2.4	2.6	2.6	2.5	2.4	2.4	2.4	2.3	2.3	2.4
GDP price index	1.8	1.9	2.0	2.1	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.1
Employment Cost Index ^d	2.6	2.9	3.4	3.6	3.6	3.4	3.3	3.2	3.2	3.1	3.1	3.1
Calendar Year Average												
Unemployment Rate (Percent)	4.4	3.8	3.3	3.6	4.1	4.6	4.7	4.8	4.8	4.9	4.8	4.8
Payroll Employment (Monthly change, in thousands) ^e	181	211	182	62	21	28	41	53	62	56	65	66
Interest Rates (Percent)												
Three-month Treasury bills	0.9	1.9	2.9	3.6	3.8	3.6	3.1	2.8	2.7	2.7	2.7	2.8
Ten-year Treasury notes	2.3	3.0	3.7	4.1	4.2	4.0	3.8	3.7	3.7	3.7	3.7	3.7
Tax Bases (Percentage of GDP)												
Wages and salaries	43.1	43.2	43.5	43.9	44.0	44.1	44.1	44.2	44.2	44.3	44.3	44.4
Domestic economic profits	8.9	9.5	9.6	9.0	8.6	8.2	8.1	8.0	8.0	8.0	8.0	8.0
Tax Bases (Billions of dollars)												
Wages and salaries	8,351	8,795	9,304	9,759	10,160	10,559	10,973	11,408	11,867	12,337	12,837	13,361
Domestic corporate profits ^f	1,732	1,931	2,045	2,004	1,975	1,970	2,006	2,078	2,161	2,233	2,325	2,410
Nominal GDP (Billions of dollars)	19,391	20,362	21,369	22,247	23,079	23,937	24,857	25,832	26,849	27,866	28,957	30,087

Source: Congressional Budget Office.

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

a. Real values are nominal values that have been 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 change in payroll employment from the fourth quarter of one calendar year to the fourth quarter of the next, divided by 12 (the average monthly amount).

f. Consists of domestic profits, adjusted to remove distortions in depreciation allowances caused by tax rules and to exclude the effect of inflation on the value of inventories.

Table D-2.

CBO's Economic Projections, by Fiscal Year

	Actual, 2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Percentage Change From Year to Year												
Gross Domestic Product												
Real ^a	2.1	2.8	3.1	2.1	1.6	1.5	1.6	1.7	1.8	1.7	1.8	1.8
Nominal	3.8	4.8	5.1	4.2	3.8	3.7	3.8	3.9	4.0	3.8	3.9	3.9
Inflation												
PCE price index	1.7	1.8	1.9	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0
Core PCE price index ^b	1.6	1.7	2.0	2.2	2.2	2.1	2.1	2.1	2.0	2.0	2.0	2.0
Consumer price index ^c	2.1	2.2	2.1	2.4	2.5	2.5	2.5	2.4	2.4	2.4	2.4	2.4
Core consumer price index ^b	2.0	2.0	2.3	2.6	2.6	2.6	2.4	2.4	2.4	2.3	2.3	2.4
GDP price index	1.7	1.9	2.0	2.1	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.1
Employment Cost Index ^d	2.5	2.8	3.3	3.6	3.6	3.4	3.3	3.2	3.2	3.1	3.1	3.1
Fiscal Year Average												
Unemployment Rate (Percent)	4.5	3.9	3.3	3.5	4.0	4.5	4.7	4.8	4.8	4.9	4.9	4.8
Payroll Employment (Monthly change, in thousands) ^e	181	199	206	88	24	25	38	50	60	56	64	66
Interest Rates (Percent)												
Three-month Treasury bills	0.7	1.6	2.7	3.5	3.8	3.7	3.3	2.8	2.7	2.7	2.7	2.8
Ten-year Treasury notes	2.3	2.8	3.5	4.0	4.2	4.1	3.8	3.7	3.7	3.7	3.7	3.7
Tax Bases (Percentage of GDP)												
Wages and salaries	43.1	43.1	43.4	43.8	44.0	44.1	44.1	44.2	44.2	44.3	44.3	44.4
Domestic economic profits	9.0	9.4	9.7	9.1	8.7	8.3	8.1	8.0	8.1	8.0	8.0	8.0
Tax Bases (Billions of dollars)												
Wages and salaries	8,257	8,663	9,179	9,653	10,061	10,457	10,868	11,297	11,751	12,218	12,709	13,228
Domestic corporate profits ^f	1,719	1,899	2,047	2,012	1,983	1,966	1,993	2,058	2,142	2,213	2,301	2,390
Nominal GDP (Billions of dollars)	19,178	20,103	21,136	22,034	22,872	23,716	24,621	25,583	26,595	27,608	28,677	29,803

Source: Congressional Budget Office.

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

- a. Real values are nominal values that have been 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 change in payroll employment from the fourth quarter of one calendar year to the fourth quarter of the next, divided by 12 (the average monthly amount).
- f. Consists of domestic profits, adjusted to remove distortions in depreciation allowances caused by tax rules and to exclude the effect of inflation on the value of inventories.

