How Selected Economic Changes Might Affect CBO's Baseline Budget Projections

Billions of Dollars

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total 2018-2022	Total 2018-2027
Productivity Growth Is 0.1 Percentage Point Slower per Year													
Changes in Revenues	-2	-6	-10	-15	-20	-26	-32	-39	-47	-55	-63	-78	-315
Changes in Outlays													
Mandatory outlays	*	*	*	*	-1	-1	-1	-1	-1	-1	-1	-2	-5
Net interest													
Lower interest rates	*	-1	-1	-2	-4	-5	-7	-8	-10	-12	-14	-13	-63
Debt service	*	*	*	*	1	2	2	3	5	6	8	3	27
Subtotal, net interest	*	-1	-1	-2	-3	-3	-4	-5	-5	-6	-6	-10	-36
Total Change in Outlays	*	-1	-1	-2	-3	-4	-5	-5	-6	-6	-7	-12	-42
Increase (-) in the Deficit	**-2**	**-5**	**-9**	**-13**	**-17**	**-22**	**-28**	**-34**	**-41**	**-48**	**-56**	**-67**	**-273**
Interest Rates Are 1 Percentage Point Higher per Year													
Changes in Revenues	-19	-21	-16	-10	-7	-3	1	4	6	9	11	-58	-27
Changes in Outlays													
Higher interest rates	17	48	70	90	109	129	146	163	177	193	210	446	1,335
Debt service	1	2	4	8	13	19	26	34	43	52	63	46	264
Total Change in Outlays	17	49	74	98	122	148	172	197	220	246	272	492	1,599
Increase (-) in the Deficit	**-36**	**-71**	**-90**	**-108**	**-130**	**-151**	**-171**	**-193**	**-214**	**-237**	**-262**	**-550**	**-1,626**
Inflation Is 1 Percentage Point Higher per Year													
Changes in Revenues	1	33	75	118	163	212	265	325	387	455	528	601	2,561
Changes in Outlays													
Mandatory outlays	3	16	40	68	99	136	172	210	260	313	372	359	1,687
Discretionary outlays	0	1	2	3	4	12	23	36	50	65	82	22	278
Net interest													
Higher interest rates	26	64	90	114	137	161	183	204	223	245	267	567	1,688
Debt service	*	1	3	5	9	13	18	24	31	40	49	32	194
Subtotal, net interest	26	66	93	119	146	174	201	228	255	284	316	599	1,882
Total Change in Outlays	29	83	135	190	249	322	396	474	565	663	769	980	3,847
Increase (-) in the Deficit	**-28**	**-50**	**-60**	**-72**	**-86**	**-110**	**-131**	**-150**	**-178**	**-208**	**-241**	**-378**	**-1,286**
Labor Force Growth Is 0.1 Percentage Point Slower per Year													
Changes in Revenues	-1	-4	-7	-10	-13	-17	-21	-26	-32	-38	-44	-50	-211
Changes in Outlays													
Mandatory outlays	*	*	*	*	*	*	*	*	*	*	1	*	2
Net interest													
Lower interest rates	*	*	-1	-2	-3	-4	-5	-6	-8	-9	-11	-9	-48
Debt service	*	*	*	*	1	1	2	2	3	4	5	2	19
Subtotal, net interest	*	*	-1	-1	-2	-3	-3	-4	-4	-5	-5	-7	-28
Total Change in Outlays	*	*	-1	-1	-2	-2	-3	-4	-4	-4	-5	-7	-26
Increase (-) in the Deficit	**-1**	**-3**	**-6**	**-8**	**-11**	**-15**	**-18**	**-23**	**-28**	**-33**	**-40**	**-43**	**-185**
Memorandum:													
Deficit in CBO's January 2017 Baseline	**-559**	**-487**	**-601**	**-684**	**-797**	**-959**	**-1,000**	**-1,027**	**-1,165**	**-1,297**	**-1,408**	**-3,528**	**-9,426**

Source: Congressional Budget Office. Posted to accompany "How Economic Changes Affect CBO's Budget Projections," *CBO Blog* (April 24, 2017), www.cbo.gov/publication/52524.

* = between -$500 million and $500 million.