

Table 1-1.**Projected Deficits and Surpluses in CBO's Baseline**

(Billions of dollars)

	Actual												Total,	Total,
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019
On-Budget Deficit	-642	-1,720	-1,485	-1,029	-721	-684	-711	-710	-765	-761	-747	-834	-4,630	-8,446
Off-Budget Surplus ^a	183	133	104	108	131	146	152	151	145	136	125	111	642	1,310
Total Deficit	-459	-1,587	-1,381	-921	-590	-538	-558	-558	-620	-626	-622	-722	-3,988	-7,137
Memorandum:														
Total Deficit as a Percentage of GDP	-3.2	-11.2	-9.6	-6.1	-3.7	-3.2	-3.2	-3.1	-3.3	-3.2	-3.1	-3.4	-5.0	-4.0
Debt Held by the Public as a Percentage of GDP ^b	40.8	53.8	61.4	65.2	65.9	65.5	66.0	66.5	67.1	67.5	67.0	67.8	n.a.	n.a.
Net Subsidy Costs for Fannie Mae and Freddie Mac as Government Entities Included in Baseline Projections	0	291	26	21	16	14	5	4	3	3	3	3	82	99
Cash Infusions from the Treasury to Fannie Mae and Freddie Mac ^c	0	112	25	17	8	1	0	0	0	0	0	0	51	51
Projected Deficits if Fannie Mae and Freddie Mac Were Not Included in the Budget as Government Entities	-459	-1,409	-1,380	-917	-582	-525	-553	-554	-617	-623	-619	-719	-3,957	-7,089

Source: Congressional Budget Office.

Note: GDP = gross domestic product; n.a. = not applicable; Fannie Mae = Federal National Mortgage Association; Freddie Mac = Federal Home Loan Mortgage Corporation.

- Off-budget surpluses comprise surpluses in the Social Security trust funds as well as the net cash flow of the Postal Service.
- Debt held at the end of the year.
- Under CBO's proposed treatment of showing the government-sponsored enterprises (GSEs) within the budget, the cash equity injections from the Treasury to the GSEs would be intragovernmental transfers. The injections represent the primary cash flows from the Treasury to the GSEs.

Table 1-2.**CBO's Baseline Budget Projections**

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total, 2010- 2014	Total, 2010- 2019
In Billions of Dollars														
Revenues														
Individual income taxes	1,146	918	984	1,314	1,478	1,617	1,729	1,841	1,948	2,062	2,169	2,282	7,122	17,425
Corporate income taxes	304	142	199	271	313	320	333	344	354	367	383	394	1,437	3,279
Social insurance taxes	900	889	906	944	1,012	1,073	1,121	1,162	1,198	1,234	1,275	1,321	5,055	11,245
Other revenues	174	152	175	188	207	210	220	230	238	245	254	262	1,000	2,229
Total Revenues	2,524	2,100	2,264	2,717	3,010	3,221	3,403	3,577	3,737	3,908	4,081	4,260	14,614	34,177
On-budget	1,866	1,447	1,607	2,038	2,289	2,458	2,606	2,748	2,877	3,014	3,152	3,295	10,998	26,084
Off-budget	658	653	657	679	721	762	797	829	860	894	929	965	3,616	8,093
Outlays														
Mandatory spending	1,595	2,270	2,070	2,027	1,961	2,038	2,127	2,219	2,365	2,469	2,580	2,776	10,222	22,630
Discretionary spending	1,135	1,241	1,378	1,370	1,343	1,347	1,358	1,374	1,401	1,424	1,448	1,484	6,797	13,929
Net interest	253	177	196	240	296	374	476	542	592	640	675	722	1,583	4,754
Total Outlays	2,983	3,688	3,644	3,638	3,600	3,759	3,961	4,135	4,358	4,534	4,703	4,982	18,602	41,314
On-budget	2,508	3,168	3,091	3,067	3,009	3,143	3,317	3,458	3,642	3,776	3,898	4,128	15,627	34,530
Off-budget	475	520	553	571	590	616	644	678	715	758	804	854	2,974	6,784
Deficit (-) or Surplus	-459	-1,587	-1,381	-921	-590	-538	-558	-558	-620	-626	-622	-722	-3,988	-7,137
On-budget	-642	-1,720	-1,485	-1,029	-721	-684	-711	-710	-765	-761	-747	-834	-4,630	-8,446
Off-budget	183	133	104	108	131	146	152	151	145	136	125	111	642	1,310
Debt Held by the Public	5,803	7,612	8,868	9,782	10,382	10,870	11,439	11,986	12,581	13,174	13,611	14,324	n.a.	n.a.
Memorandum:														
Gross Domestic Product	14,222	14,140	14,439	14,993	15,754	16,598	17,319	18,019	18,760	19,524	20,308	21,114	79,103	176,828
As a Percentage of Gross Domestic Product														
Revenues														
Individual income taxes	8.1	6.5	6.8	8.8	9.4	9.7	10.0	10.2	10.4	10.6	10.7	10.8	9.0	9.9
Corporate income taxes	2.1	1.0	1.4	1.8	2.0	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.8	1.9
Social insurance taxes	6.3	6.3	6.3	6.3	6.4	6.5	6.5	6.4	6.4	6.3	6.3	6.3	6.4	6.4
Other revenues	1.2	1.1	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.2	1.2	1.3	1.3
Total Revenues	17.7	14.9	15.7	18.1	19.1	19.4	19.6	19.9	19.9	20.0	20.1	20.2	18.5	19.3
On-budget	13.1	10.2	11.1	13.6	14.5	14.8	15.0	15.3	15.3	15.4	15.5	15.6	13.9	14.8
Off-budget	4.6	4.6	4.6	4.5	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6
Outlays														
Mandatory spending	11.2	16.1	14.3	13.5	12.4	12.3	12.3	12.3	12.6	12.6	12.7	13.1	12.9	12.8
Discretionary spending	8.0	8.8	9.5	9.1	8.5	8.1	7.8	7.6	7.5	7.3	7.1	7.0	8.6	7.9
Net interest	1.8	1.2	1.4	1.6	1.9	2.3	2.8	3.0	3.2	3.3	3.3	3.4	2.0	2.7
Total Outlays	21.0	26.1	25.2	24.3	22.8	22.6	22.9	22.9	23.2	23.2	23.2	23.6	23.5	23.4
On-budget	17.6	22.4	21.4	20.5	19.1	18.9	19.1	19.2	19.4	19.3	19.2	19.6	19.8	19.5
Off-budget	3.3	3.7	3.8	3.8	3.7	3.7	3.7	3.8	3.8	3.9	4.0	4.0	3.8	3.8
Deficit (-) or Surplus	-3.2	-11.2	-9.6	-6.1	-3.7	-3.2	-3.2	-3.1	-3.3	-3.2	-3.1	-3.4	-5.0	-4.0
On-budget	-4.5	-12.2	-10.3	-6.9	-4.6	-4.1	-4.1	-3.9	-4.1	-3.9	-3.7	-3.9	-5.9	-4.8
Off-budget	1.3	0.9	0.7	0.7	0.8	0.9	0.9	0.8	0.8	0.7	0.6	0.5	0.8	0.7
Debt Held by the Public	40.8	53.8	61.4	65.2	65.9	65.5	66.0	66.5	67.1	67.5	67.0	67.8	n.a.	n.a.

Source: Congressional Budget Office.

Note: n.a. = not applicable.

Table 1-4.

CBO's Baseline Projections of Mandatory Spending

(Outlays, in billions of dollars)

	Actual												Total,	Total,
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019
Social Security	612	678	698	722	751	786	825	870	920	974	1,033	1,096	3,781	8,674
Medicare ^a	456	498	514	559	570	627	692	723	787	820	854	942	2,964	7,090
Medicaid	201	253	284	269	272	284	303	325	347	371	398	427	1,411	3,280
Income Security														
Supplemental Security Income	41	45	47	53	45	52	53	54	60	56	52	59	249	530
Earned income and child tax credits	75	68	71	69	41	42	44	44	44	44	44	45	267	487
Unemployment compensation	43	116	109	79	62	47	44	44	48	49	51	53	341	586
Supplemental nutrition assistance	39	55	66	69	69	66	63	60	56	54	53	52	333	608
Family support ^b	25	27	27	25	24	24	24	24	25	25	25	25	125	249
Child nutrition	15	16	17	18	19	19	20	21	21	22	23	24	94	204
Foster care	7	7	7	7	7	8	8	8	8	9	9	9	37	80
Making Work Pay and other tax credits ^c	15	11	21	19	1	1	1	1	1	1	1	1	42	45
Subtotal	260	345	366	339	269	259	256	255	262	260	257	267	1,488	2,789
Civilian and Military Retirement														
Federal civilian ^d	75	79	84	85	87	90	92	95	99	102	106	109	439	950
Military	46	50	51	51	51	51	52	53	54	55	56	57	256	531
Other	9	8	8	8	8	9	10	10	11	12	12	12	41	99
Subtotal	129	137	142	144	146	150	154	159	164	169	174	179	736	1,580
Veterans ^e														
Income security	41	46	47	49	42	46	47	48	52	50	48	54	230	483
Other	3	4	8	10	11	11	11	12	13	13	13	14	51	116
Subtotal	45	50	55	59	53	57	58	59	65	63	61	68	282	599
Other Programs														
Net subsidy costs of Fannie Mae and Freddie Mac ^f	0	291	26	21	16	14	5	4	3	3	3	3	82	99
Troubled Asset Relief Program	0	133	80	15	10	3	*	*	*	*	*	*	108	109
Agriculture	11	17	19	18	12	16	16	15	15	15	16	16	81	159
TRICARE for Life	8	8	8	9	9	10	10	11	12	12	13	14	46	108
Higher education	5	-23	-2	7	7	6	5	9	10	10	11	11	23	74
Universal Service Fund	8	8	9	9	9	9	9	9	9	10	10	10	46	93
CHIP	7	8	11	13	13	14	9	6	6	6	6	6	59	90
Social services	5	5	6	5	5	5	5	5	5	5	5	5	27	53
Deposit insurance	19	15	14	5	-3	-11	-16	-18	-16	-13	-12	-6	-11	-76
Other	23	40	28	28	26	23	22	21	21	25	25	26	127	245
Subtotal	85	502	198	130	104	90	66	64	66	74	77	86	587	954

Continued

Table 1-4.**Continued****CBO's Baseline Projections of Mandatory Spending**

(Outlays, in billions of dollars)

	Actual												Total,	Total,
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019
Offsetting Receipts														
Medicare ⁹	-70	-76	-79	-82	-88	-94	-103	-107	-113	-122	-130	-139	-445	-1,058
Employer's share of employees' retirement	-52	-56	-59	-61	-62	-64	-67	-69	-72	-75	-78	-81	-313	-688
Other	-71	-61	-49	-51	-54	-57	-57	-59	-61	-66	-67	-68	-269	-590
Subtotal	-193	-193	-187	-194	-204	-215	-226	-236	-246	-262	-275	-288	-1,027	-2,335
Total Mandatory Spending	1,595	2,270	2,070	2,027	1,961	2,038	2,127	2,219	2,365	2,469	2,580	2,776	10,222	22,630
Memorandum:														
Mandatory Spending Excluding														
Offsetting Receipts	1,788	2,463	2,257	2,222	2,165	2,253	2,353	2,454	2,611	2,731	2,855	3,065	11,249	24,966
Medicare Spending Net of														
Offsetting Receipts	386	422	436	477	483	533	589	616	674	699	724	802	2,518	6,033

Source: Congressional Budget Office.

Notes: Spending for the benefit programs shown above generally excludes administrative costs, which are discretionary.

* = between zero and \$500 million; CHIP = Children's Health Insurance Program.

- a. Excludes offsetting receipts (funds collected by government agencies from other government accounts or from the public in businesslike or market-oriented transactions that are recorded as offsets to outlays).
- b. Includes Temporary Assistance for Needy Families and various programs that involve payments to states for child support enforcement and family support, child care entitlements, and research to benefit children.
- c. Includes outlays from the first-time home buyer credit, the American Opportunity credit, the research and experimentation and alternative minimum tax credits used in lieu of bonus depreciation, along with the Build America and Recovery Zone bonds and the income tax rebates for 2008.
- d. Includes Civil Service, Foreign Service, Coast Guard, and other, smaller retirement programs as well as annuitants' health benefits.
- e. Income security includes veterans' compensation, pensions, and life insurance programs. Other benefits are primarily education subsidies.
- f. CBO's estimates of the expected value of the temporary authority granted to the Secretary of the Treasury to purchase any obligations of and securities issued by the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac).
- g. Includes Medicare premiums and amounts paid by states from savings on Medicaid's prescription drug costs.

Table 1-6.**CBO's Baseline Projections of Federal Interest Outlays and Debt**

(Billions of dollars)

	Actual												Total,	Total,
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-	2010-
Net Interest Outlays														
Interest on Treasury														
Debt Securities														
(Gross interest) ^a	451	382	425	472	536	624	739	817	880	940	980	1,060	2,797	7,473
Interest Received by Trust Funds														
Social Security	-114	-120	-118	-119	-122	-128	-135	-143	-151	-159	-166	-174	-622	-1,414
Other trust funds ^b	-78	-63	-63	-63	-67	-73	-79	-84	-87	-90	-93	-98	-345	-797
Subtotal	-192	-183	-181	-182	-189	-201	-214	-226	-237	-248	-259	-272	-967	-2,211
Other Interest ^c	-13	-25	-47	-49	-50	-49	-48	-48	-50	-51	-45	-65	-243	-502
Other Investment Income ^d	6	3	*	*	-1	-1	-1	-1	-1	-1	-1	-1	-3	-6
Total Net Interest Outlays	253	177	196	240	296	374	476	542	592	640	675	722	1,583	4,754
Federal Debt^e														
Debt Held by the Public	5,803	7,612	8,868	9,782	10,382	10,870	11,439	11,986	12,581	13,174	13,611	14,324	n.a.	n.a.
Debt Held by Government														
Accounts														
Social Security	2,367	2,504	2,612	2,722	2,853	2,999	3,151	3,303	3,447	3,583	3,708	3,819	n.a.	n.a.
Other government accounts ^b	1,816	1,786	1,824	1,864	1,935	2,014	2,093	2,195	2,282	2,368	2,460	2,524	n.a.	n.a.
Subtotal	4,183	4,290	4,435	4,586	4,788	5,013	5,244	5,498	5,730	5,951	6,167	6,343	n.a.	n.a.
Total Gross Federal Debt	9,986	11,901	13,303	14,367	15,170	15,883	16,683	17,484	18,310	19,125	19,778	20,667	n.a.	n.a.

Continued

Table 1-6.**Continued****CBO's Baseline Projections of Federal Interest Outlays and Debt**

(Billions of dollars)

	Actual												Total,	Total,
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-	2010-
													2014	2019
Memorandum:														
Total Federal Debt Subject to Limit ^d	9,960	11,876	13,277	14,341	15,144	15,856	16,656	17,456	18,282	19,097	19,750	20,639	n.a.	n.a.
Debt Held by the Public as a Percentage of GDP	40.8	53.8	61.4	65.2	65.9	65.5	66.0	66.5	67.1	67.5	67.0	67.8	n.a.	n.a.
Debt Held by the Public Net of Financial Assets ^g	5,293	6,453	7,898	8,852	9,484	9,996	10,521	11,041	11,622	12,240	12,711	13,422	n.a.	n.a.
Debt Held by the Public Net of Financial Assets as a Percentage of GDP ^g	37.2	45.6	54.7	59.0	60.2	60.2	60.7	61.3	62.0	62.7	62.6	63.6	n.a.	n.a.

Source: Congressional Budget Office.

Note: * = between -\$500 million and zero; n.a. = not applicable; GDP = gross domestic product.

- a. Excludes interest costs on debt issued by agencies other than the Treasury (primarily the Tennessee Valley Authority).
- b. Mainly the Civil Service Retirement, Military Retirement, Medicare, and Unemployment Insurance Trust Funds.
- c. Primarily interest on loans to the public.
- d. Earnings on private investments by the National Railroad Retirement Investment Trust.
- e. Debt held at the end of the year.
- f. Differs from gross federal debt primarily because most debt issued by agencies other than the Treasury and the Federal Financing Bank is excluded from the debt limit.
- g. Subtracts the value of financial assets (such as preferred stock) purchased from institutions participating in the Troubled Asset Relief Program, preferred stock holdings in Fannie Mae (the Federal National Mortgage Association) and Freddie Mac (the Federal Home Loan Mortgage Corporation), purchases of mortgage-backed securities by the Treasury, cash holdings, and other financial instruments from debt held by the public.

Table 1-7.**The Budgetary Effects of Selected Policy Alternatives Not Included in CBO's Baseline**

(Billions of dollars)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total, 2010- 2014	Total, 2010- 2019
Policy Alternatives That Affect Discretionary Spending													
Reduce the Number of Troops Deployed for Military Operations in Iraq and Afghanistan and Other War-Related Activities to 30,000 by 2013 ^a													
Effect on the deficit ^b	0	11	42	83	112	126	133	137	139	143	147	374	1,074
Debt service	0	*	1	3	7	14	21	30	39	49	60	24	224
Reduce the Number of Troops Deployed for Military Operations in Iraq and Afghanistan and Other War-Related Activities to 75,000 by 2014 ^c													
Effect on the deficit ^b	0	1	7	29	59	83	97	104	106	111	115	179	713
Debt service	0	*	*	1	3	6	11	17	24	31	39	9	131
Increase Regular Discretionary Appropriations at the Rate of Growth of Nominal GDP ^d													
Effect on the deficit ^b	0	-8	-33	-74	-120	-159	-194	-228	-261	-294	-328	-393	-1,698
Debt service	0	*	-1	-2	-6	-14	-24	-36	-52	-70	-91	-23	-296
Freeze Total Discretionary Appropriations at the Level Provided for 2009													
Effect on the deficit ^b	0	21	19	38	54	72	94	120	148	177	208	203	950
Debt service	0	*	1	2	4	7	12	19	27	37	50	13	158
Policy Alternatives That Affect the Tax Code													
Extend EGTRRA and JGTRRA ^e													
Effect on the deficit ^b	0	-4	-121	-217	-247	-260	-271	-281	-290	-298	-307	-849	-2,296
Debt service	0	*	-1	-6	-17	-32	-48	-65	-85	-107	-130	-57	-491
Extend Other Expiring Tax Provisions ^f													
Effect on the deficit ^b	0	-48	-141	-199	-203	-201	-199	-198	-199	-202	-205	-791	-1,794
Debt service	0	*	-2	-8	-18	-30	-43	-56	-71	-87	-103	-58	-419
Index the AMT for Inflation ^g													
Effect on the deficit ^b	0	-7	-69	-31	-34	-37	-41	-46	-53	-60	-70	-177	-448
Debt service	0	*	-1	-2	-4	-7	-9	-12	-16	-20	-25	-15	-98

Continued

Table 1-7.

Continued

The Budgetary Effects of Selected Policy Alternatives Not Included in CBO's Baseline

(Billions of dollars)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total, 2010- 2014	Total, 2010- 2019
Memorandum:													
Interactive Effect of Extending EGTRRA and JGTRRA and Indexing the AMT													
Effect on the deficit ^b	0	0	-13	-44	-49	-53	-58	-64	-70	-77	-85	-159	-514
Debt service	0	0	*	-1	-3	-6	-9	-13	-17	-22	-28	-10	-100
Total Discretionary Outlays in CBO's Baseline	1,241	1,378	1,370	1,343	1,347	1,358	1,374	1,401	1,424	1,448	1,484	6,797	13,929
Total Outlays for Operations in Iraq and Afghanistan in CBO's Baseline	160	165	160	157	159	161	161	164	166	168	172	803	1,634
Total Deficit in CBO's Baseline	-1,587	-1,381	-921	-590	-538	-558	-558	-620	-626	-622	-722	-3,988	-7,137

Source: Congressional Budget Office.

Notes: GDP = gross domestic product; EGTRRA = Economic Growth and Tax Relief Reconciliation Act of 2001; JGTRRA = Jobs and Growth Tax Relief Reconciliation Act of 2003; AMT = alternative minimum tax; * = between -\$500 million and \$500 million.

Positive amounts indicate a reduction in the deficit.

- a. This alternative does not extrapolate the \$154 billion in funding for military operations and associated costs in Iraq and Afghanistan provided for 2009. Future funding for operations in Iraq, Afghanistan, or elsewhere would total \$124 billion in 2010, \$82 billion in 2011, \$39 billion in 2012, and then about \$25 billion a year from 2013 on—for a total of \$416 billion over the 2010–2019 period.
- b. Excluding debt service.
- c. This alternative does not extrapolate the \$154 billion in funding for military operations and associated costs in Iraq and Afghanistan provided for 2009. Future funding for operations in Iraq, Afghanistan, or elsewhere would total \$150 billion in 2010, \$134 billion in 2011, \$108 billion in 2012, \$76 billion in 2013, and about \$55 billion a year from 2014 on—for a total of \$794 billion over the 2010–2019 period.
- d. Under this alternative, appropriations for 2009 for operations in Iraq and Afghanistan are extrapolated according to rules for the baseline.
- e. These estimates do not include the effects of extending the increased exemption amount or the treatment of personal credits for the AMT that are scheduled to expire at the end of 2009 under current law.
- f. The estimates include the effects of extending several expiring provisions that were enacted or modified in the American Recovery and Reinvestment Act of 2009 (Public Law 111-5), such as the Making Work Pay tax credit, the American Opportunity tax credit, and the exclusion from taxable income of certain amounts of unemployment benefits. They also include the impact of extending other expiring provisions that have been in effect for a number of years.
- g. This alternative incorporates the assumption that the exemption amount for the AMT (which was increased through 2009 in Public Law 111-5) is extended at its higher level and, together with the AMT tax brackets, is indexed for inflation after 2009. In addition, the treatment of personal credits against the AMT (which was also extended through the end of 2009) is assumed to be extended. The estimates shown are relative to figures under current law. If this alternative was enacted jointly with the extension of the expiring tax provisions, an interactive effect would occur after 2010 that would make the combined revenue loss over the 2011–2019 period greater than the sum of the two separate estimates by \$514 billion (plus \$100 billion in debt-service costs).