



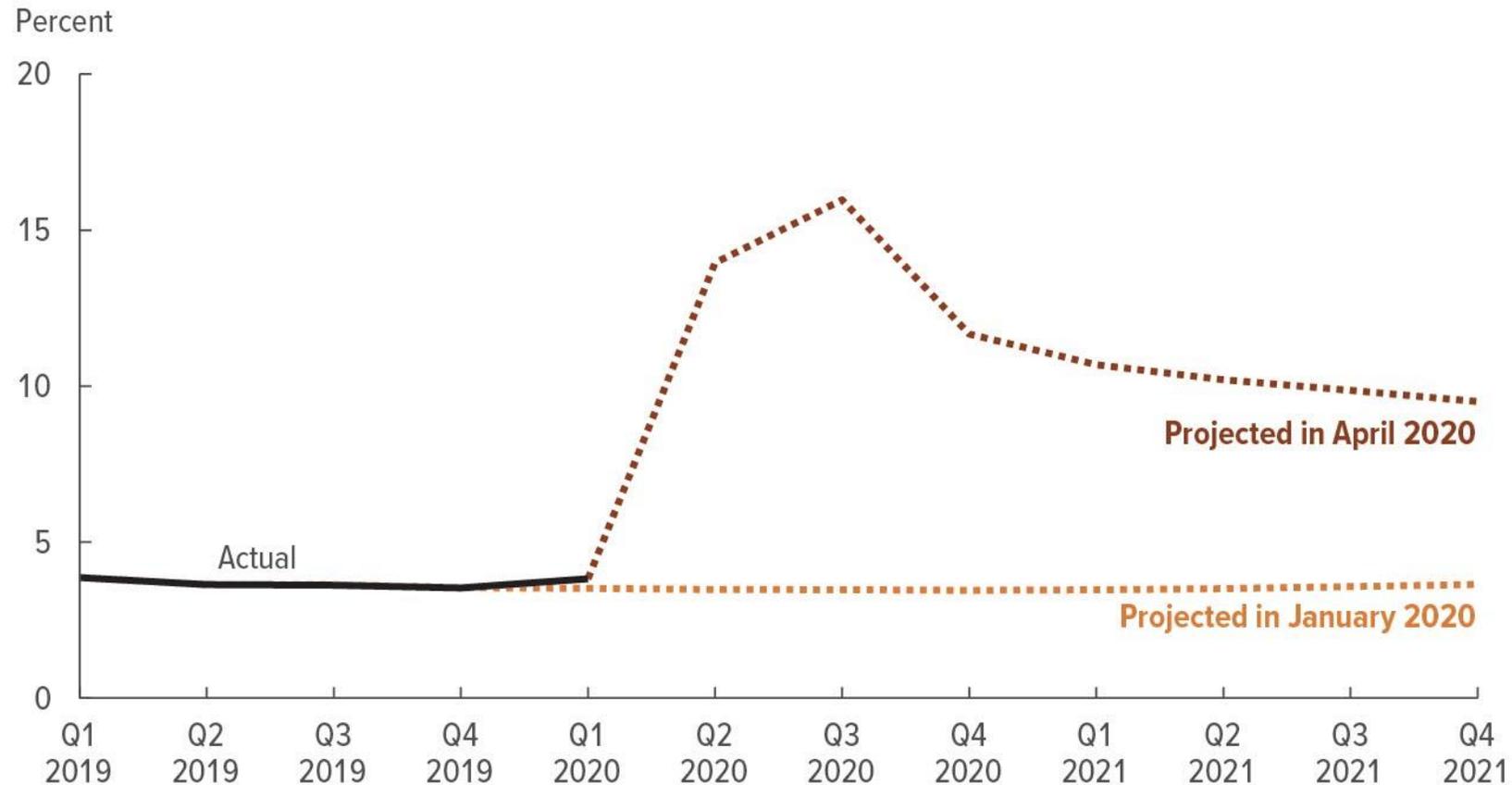
April 28, 2020

CBO's Current Economic Projections and a Preliminary Look at Federal Deficits and Debt for 2020 and 2021

A Presentation to the House Budget Committee

Phillip L. Swagel, Director

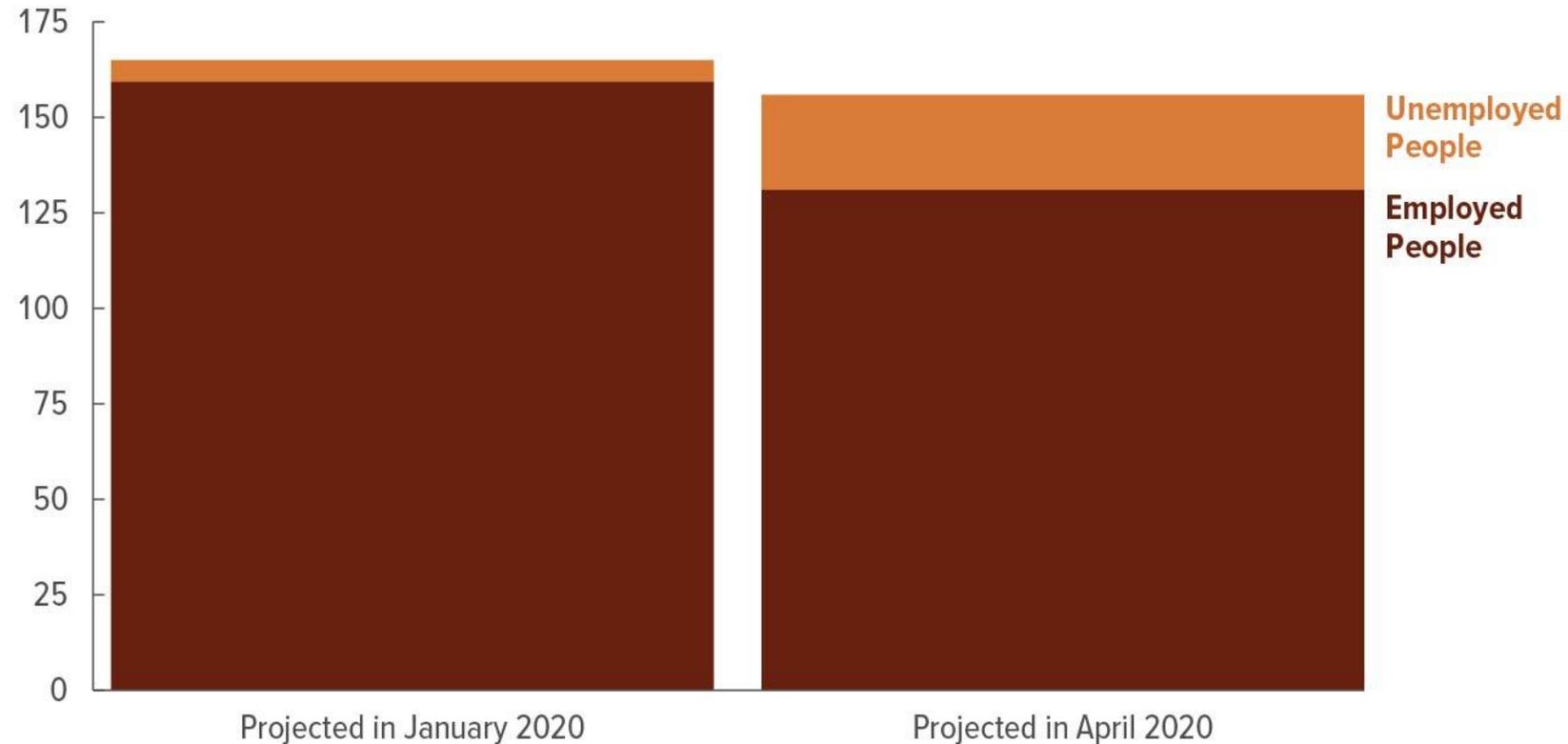
Unemployment Rate



CBO expects the unemployment rate to average 15 percent in the second and third quarters of 2020, higher than at any point since the early 1930s.

Labor Force in the Third Quarter of 2020

Millions of People



By the third quarter of this year, about 28 million fewer people will be employed and about 9 million fewer people will be in the labor force than CBO projected in January.

CBO's Economic Projections for 2020 and 2021

	2020				Annual	
	Q1	Q2	Q3	Q4	2020	2021
Real GDP (Percentage change from preceding quarter) ^a	-0.9	-11.8	5.4	2.5	n.a.	n.a.
Real GDP (Percentage change, annual rate) ^a	-3.5	-39.6	23.5	10.5	-5.6 ^b	2.8 ^b
GDP (Trillions of dollars)	21.6	19.1	20.1	20.7	20.4	21.3
Unemployment Rate (Percent)	3.8	14.0	16.0	11.7	11.4	10.1
Interest Rate on Three-Month Treasury Bills (Percent)	1.1	0.1	0.1	0.1	0.4	0.1
Interest Rate on Ten-Year Treasury Notes (Percent)	1.4	0.6	0.7	0.7	0.8	0.7

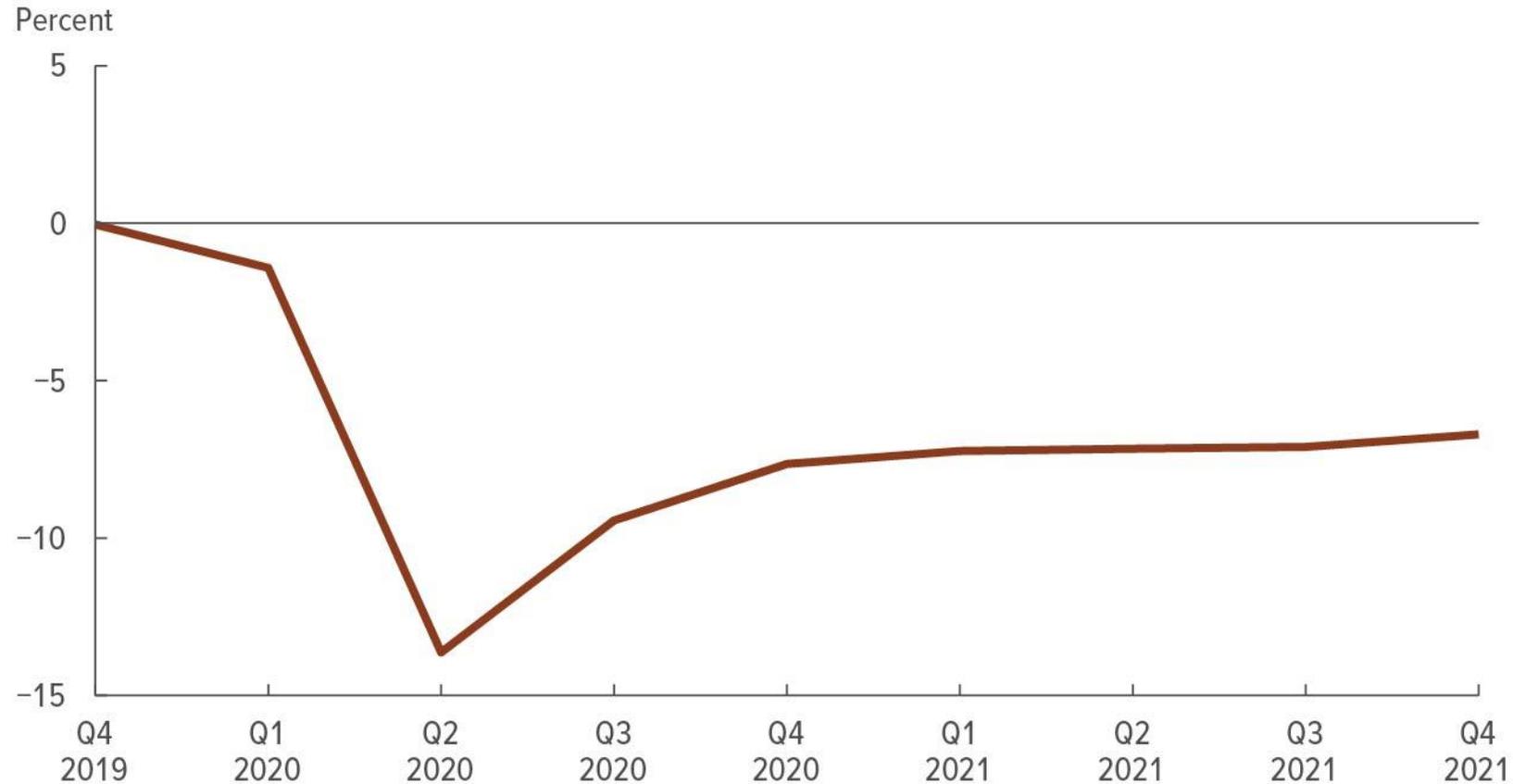
The nation's output is projected to decline sharply in the second quarter of this year and to begin rising thereafter.

GDP = gross domestic product; n.a. = not applicable.

a. Real values are nominal values that have been adjusted to remove the effects of changes in prices.

b. Data are shown on a fourth-quarter-to-fourth-quarter basis.

Real GDP Relative to CBO's January 2020 Projection



Output at the end of 2021 would be more than 6 percent lower than CBO projected in January.

Budget Deficits

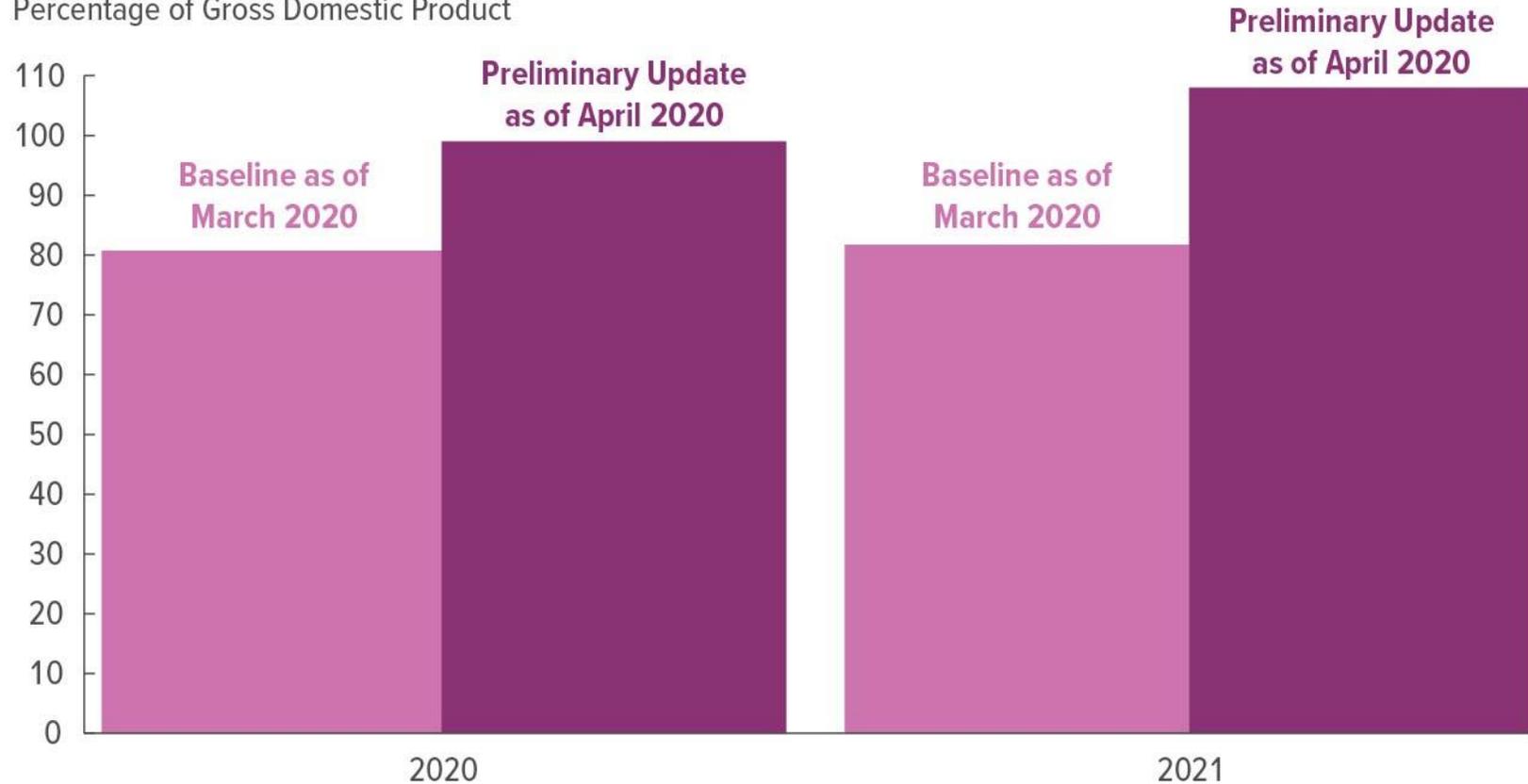
Trillions of Dollars



CBO projects that if current laws generally did not change, the federal deficit would be roughly \$3.7 trillion in fiscal year 2020 and \$2.1 trillion in fiscal year 2021. At 17.9 percent of GDP, the 2020 deficit would be the largest since 1945.

Federal Debt Held by the Public

Percentage of Gross Domestic Product



CBO projects that federal debt held by the public would grow to 108 percent of GDP by the end of fiscal year 2021, up from 79 percent at the end of fiscal year 2019—again, if current laws generally did not change. That percentage in 2021 would be the highest in U.S. history.

CBO is working to inform the Congress about the economic and budgetary consequences of the coronavirus pandemic, providing analysis that supports the Congress as it continues to respond to the crisis.

To find other work by CBO related to the pandemic, see www.cbo.gov/topics/covid-19.