

# CBO's Updated Budget Projections

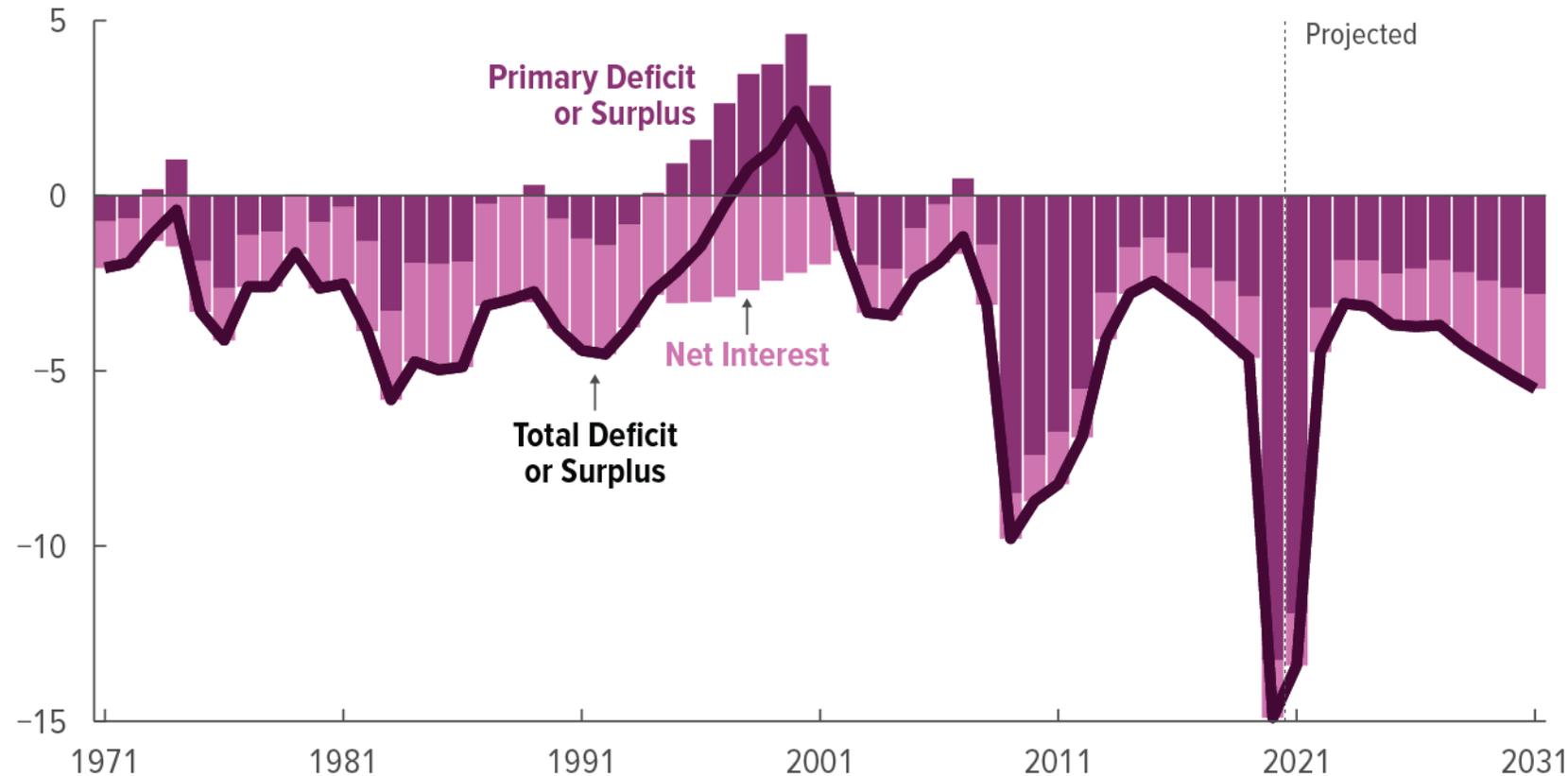
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# Total Deficits, Primary Deficits, and Net Interest

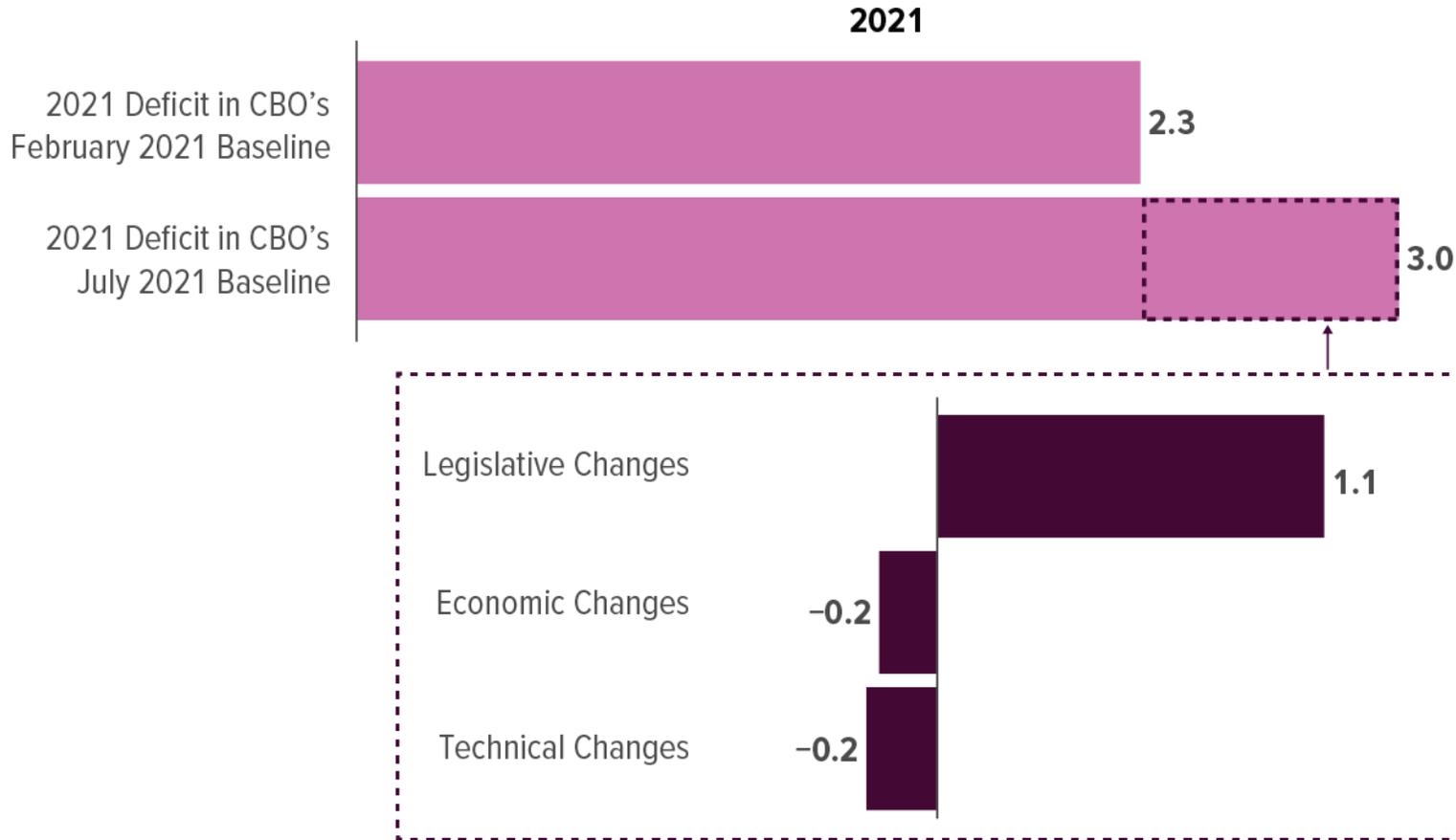
Percentage of GDP



In CBO's projections, total deficits and primary deficits shrink as a percentage of GDP for the next few years. Over the latter part of the projection period, growing primary deficits (which reflect underlying trends related to the aging of the population and the rising costs of health care) and rising net interest costs increase total deficits.

# Changes in CBO's Baseline Projections of the Deficit Since February 2021

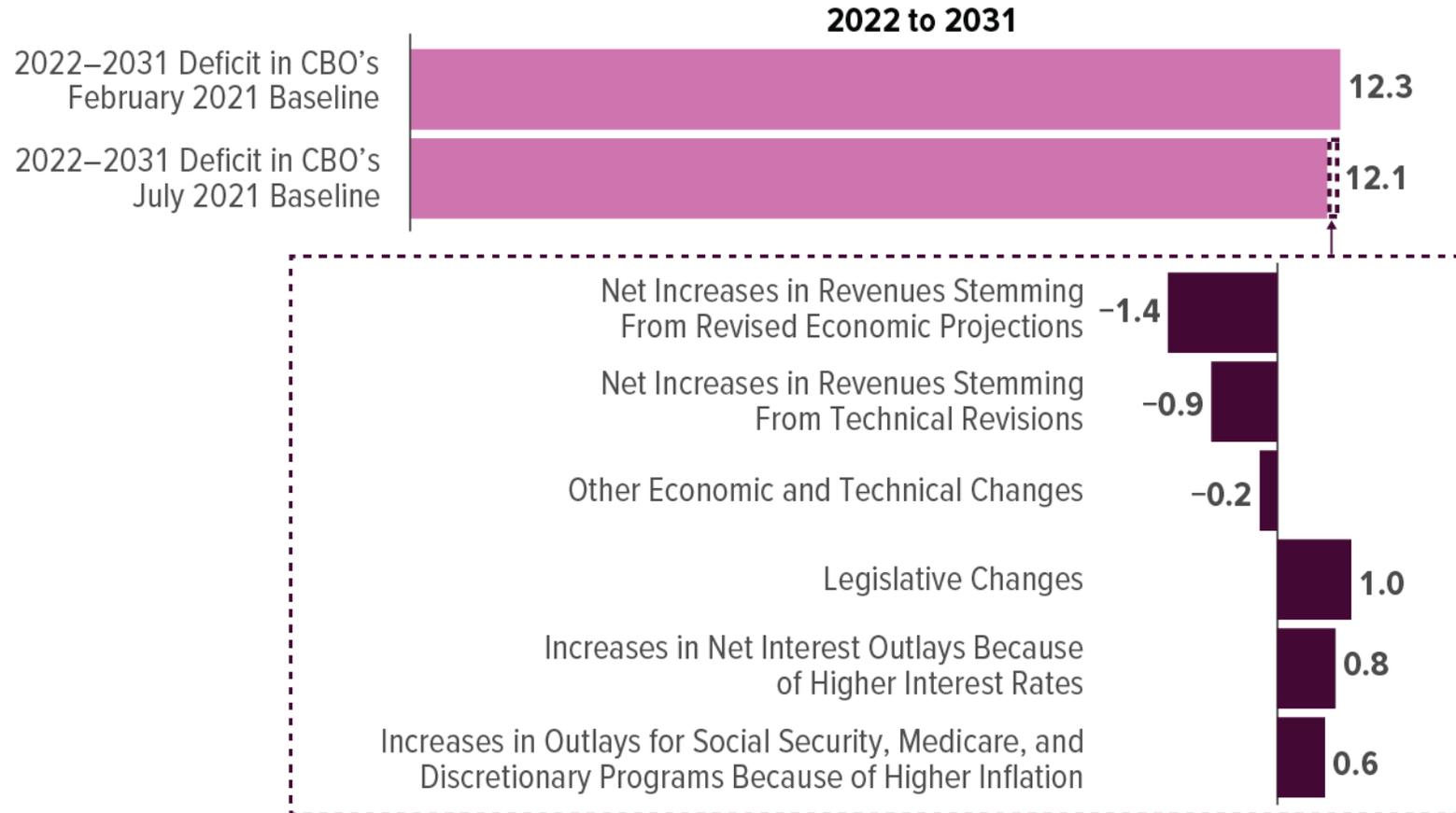
Trillions of Dollars



For 2021, the projected deficit is \$0.7 trillion more than it was in the February 2021 baseline, primarily because of the effects of the American Rescue Plan Act of 2021.

# Changes in CBO's Baseline Projections of the Deficit Since February 2021, Continued

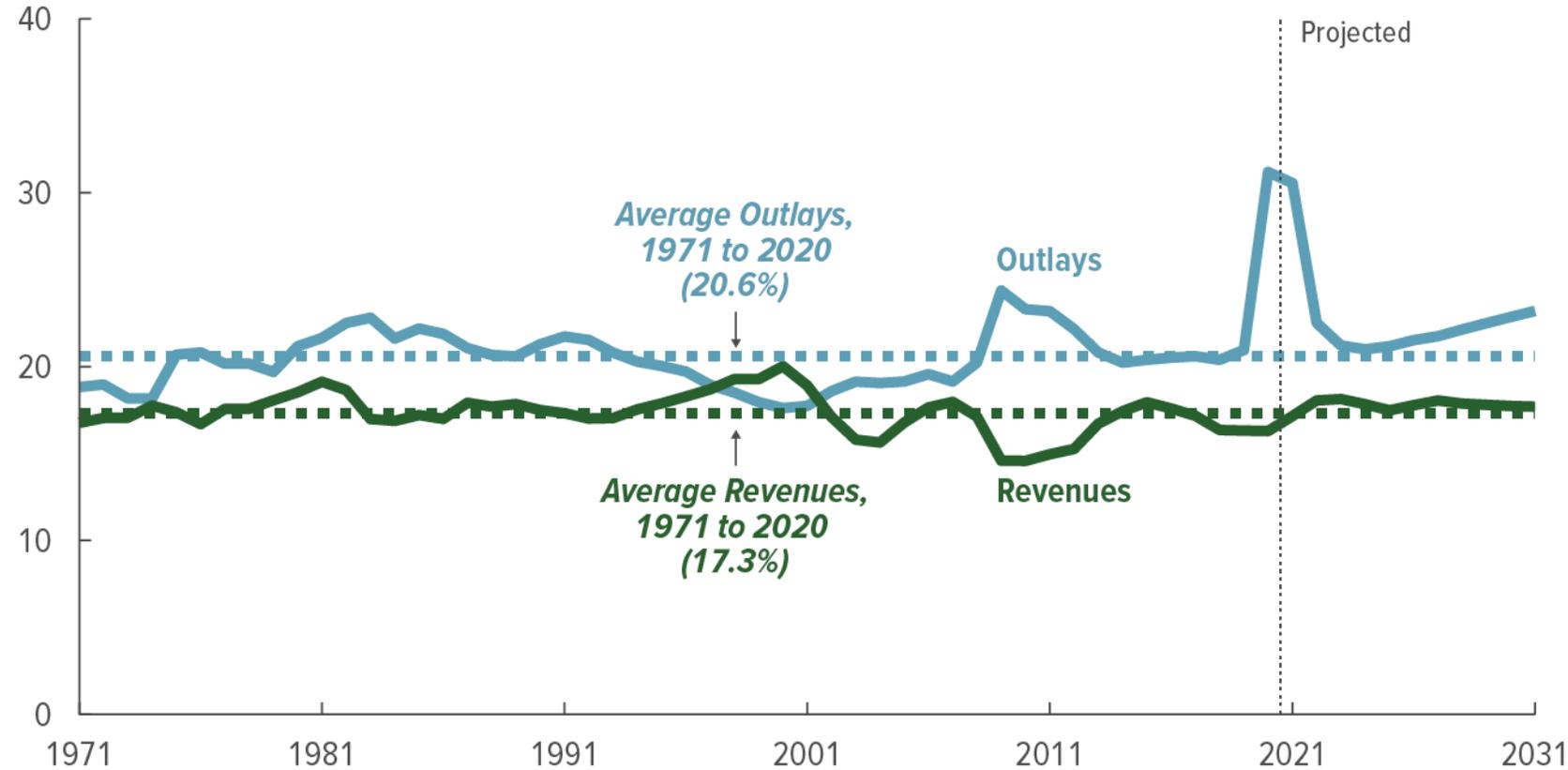
Trillions of Dollars



For the 2022–2031 period, the projected deficit is \$0.2 trillion less than it was in the February 2021 baseline. Revenue increases—which decrease deficits—are nearly offset by increases in deficits that stem from legislation, higher net interest costs, and increases in other types of spending.

# Total Outlays and Revenues

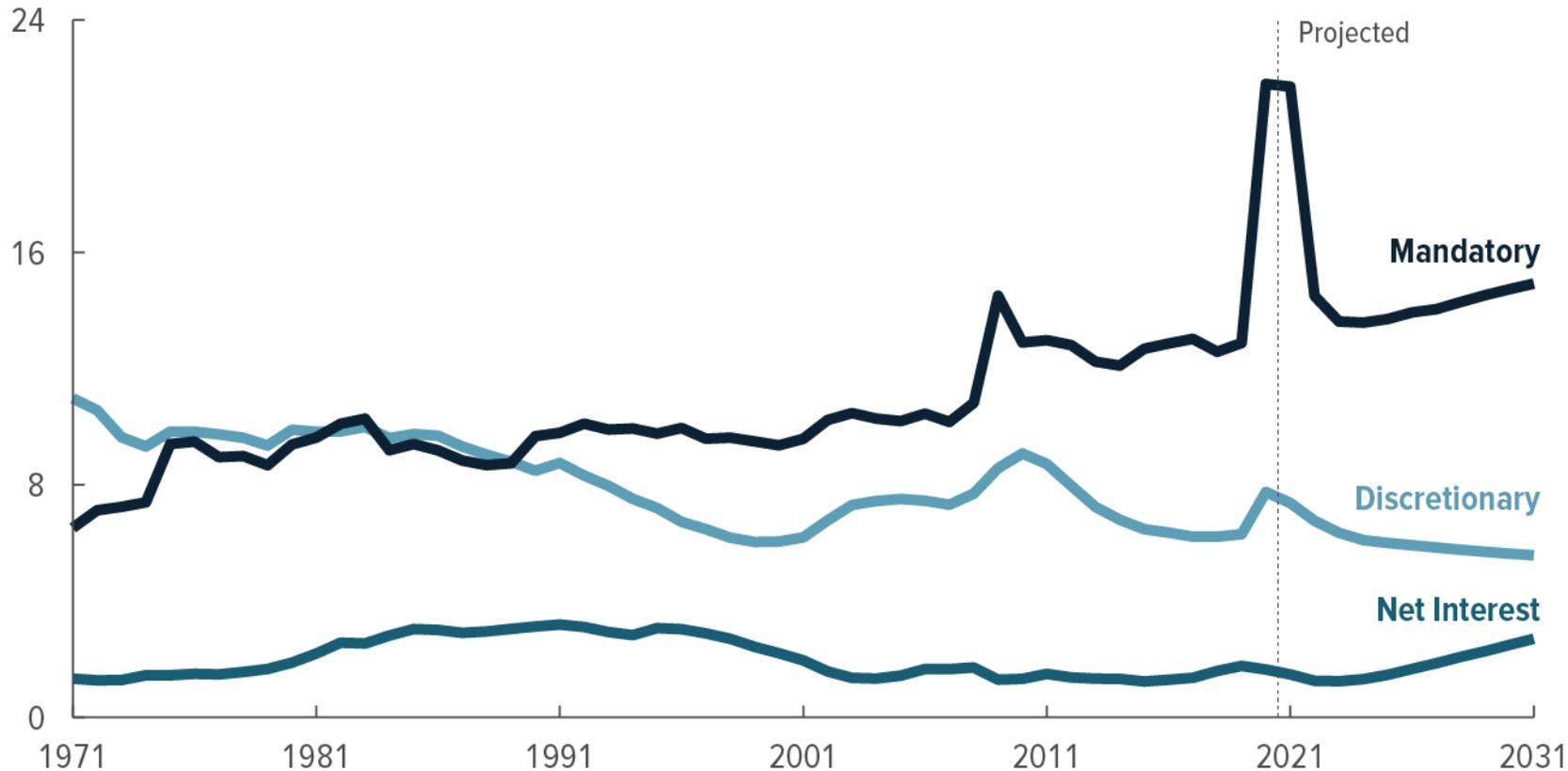
Percentage of GDP



Outlays are projected to drop from recent highs as pandemic-related spending wanes and then trend upward, as they did before the pandemic. Revenues are projected to hover around their historical average as a share of the economy.

# Outlays, by Category

Percentage of GDP



Every category of spending drops in the near term. In later years, rising spending for Social Security and the major health care programs boosts mandatory outlays, and net interest costs increase as interest rates and federal debt rise.

# Revenues, by Category

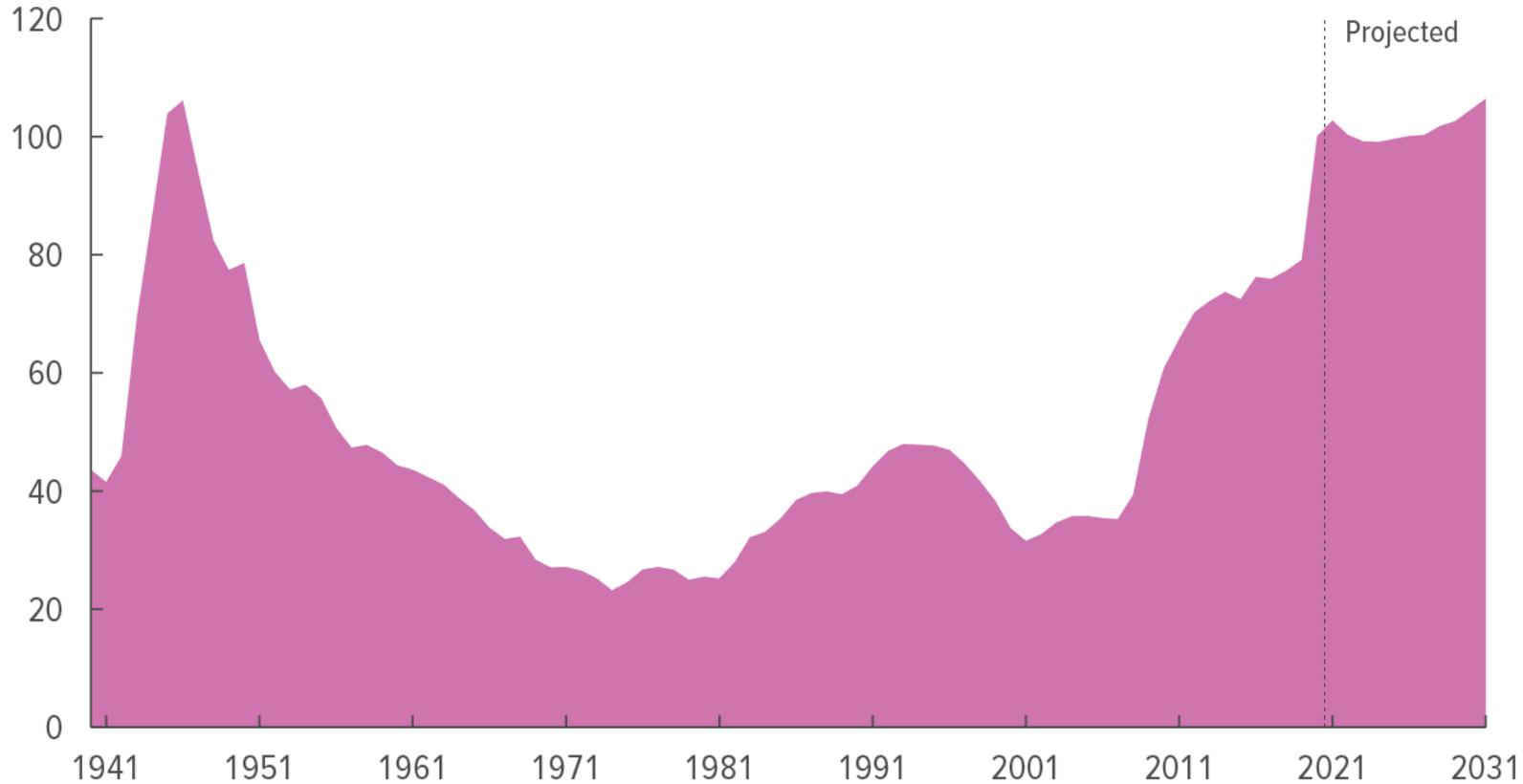
Percentage of GDP



Receipts of individual and corporate income taxes are expected to rise in 2022 as the economy recovers and temporary provisions enacted in response to the pandemic expire. Individual income taxes are projected to rise again following scheduled increases in taxes after 2025.

# Federal Debt Held by the Public, 1940 to 2031

Percentage of GDP



By 2031, federal debt held by the public is projected to exceed 106 percent of GDP—about equal to debt in 1946, when it was the highest it has ever been.