Congressional Budget Office
Nonpartisan Analysis for the U.S. Congress

Monthly Budget Review: Summary for Fiscal Year 2024

November 8, 2024

In fiscal year 2024, which ended on September 30, the federal budget deficit totaled $1.8 trillion—an increase of $138 billion (or 8 percent) from the shortfall recorded in the previous year. Revenues and outlays alike increased from 2023 totals: Revenues rose by 11 percent, or $479 billion, and outlays increased by 10 percent, or $617 billion. Revenues in all major categories, but notably individual income taxes, were greater than they were in fiscal year 2023. The largest increase in outlays was for education ($309 billion). Net outlays for interest on the public debt rose by $239 billion (or 34 percent) to a total of $949 billion. Those amounts differ only slightly from the amounts CBO estimated and discussed in last month's *Monthly Budget Review*.

Table 1.

Totals, Fiscal Years 2019 to 2024

Billions of Dollars

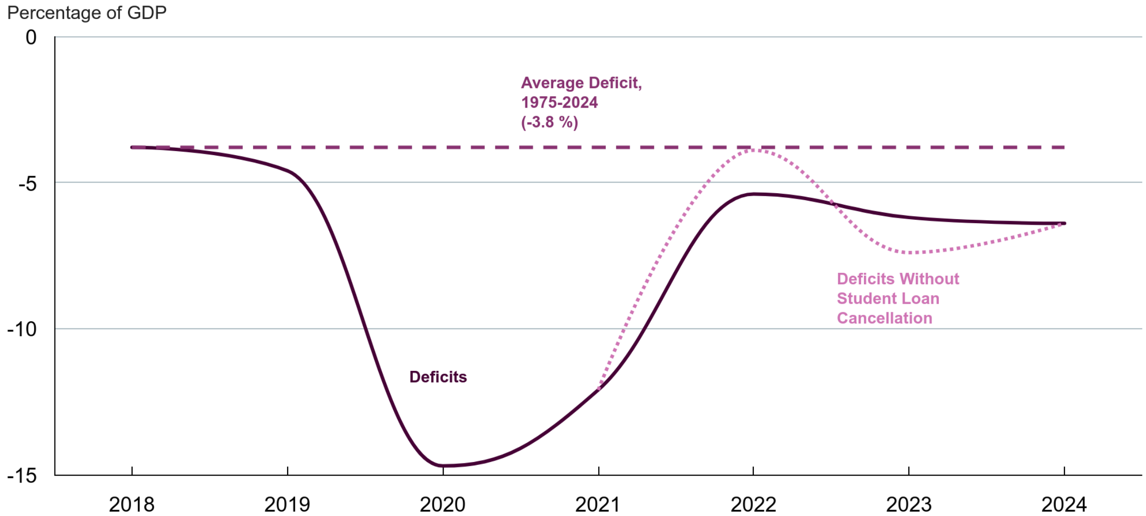
	2019	2020	2021	2022	2023	2024
Receipts	3,463	3,421	4,047	4,897	4,439	4,919
Outlays	4,447	6,554	6,822	6,273	6,135	6,752
Deficit (−)						
Amount	−984	−3,132	−2,775	−1,376	−1,695	−1,833
Percentage of Gross Domestic Product	−4.6	−14.7	−12.1	−5.4	−6.2	−6.4

Data sources: Congressional Budget Office; Department of the Treasury; Office of Management and Budget.

In 2024, the deficit was equal to 6.4 percent of the nation's gross domestic product (GDP), an increase from 6.2 percent of GDP in 2023. The 2024 deficit as a share of GDP is greater than the 50-year average of 3.8 percent and has been exceeded only six times since 1946 (from 2009 through 2012 and in 2020 and 2021). Compared with the size of the economy, federal debt held by the public also increased in 2024—rising to 97.8 percent of GDP from 96.0 percent of GDP at the end of fiscal year 2023.

The amounts shown in this report include the surplus or deficit in the Social Security trust funds and the net cash flow of the Postal Service, which are off-budget. Numbers may not sum to totals because of rounding.

Figure 1.
Total Deficits
Fiscal Years 2018 to 2024



Data Sources: Congressional Budget Office; Department of the Treasury.
Values exclude the effects of timing shifts.
Dotted line excludes the effects in 2022 and 2023 of the Administration's plan to cancel certain borrowers' student loans and the Supreme Court's action in response.

Outlays in fiscal years 2023 and 2024 were affected because October 1 (the first day of the fiscal year) fell on a weekend in each of those years. As a result, certain payments were shifted into the prior fiscal year—$64 billion from 2023 into 2022 and $75 billion from 2024 into 2023. If not for those shifts, the deficit in 2024 would have been 13 percent larger—instead of 8 percent larger—than it was in 2023.

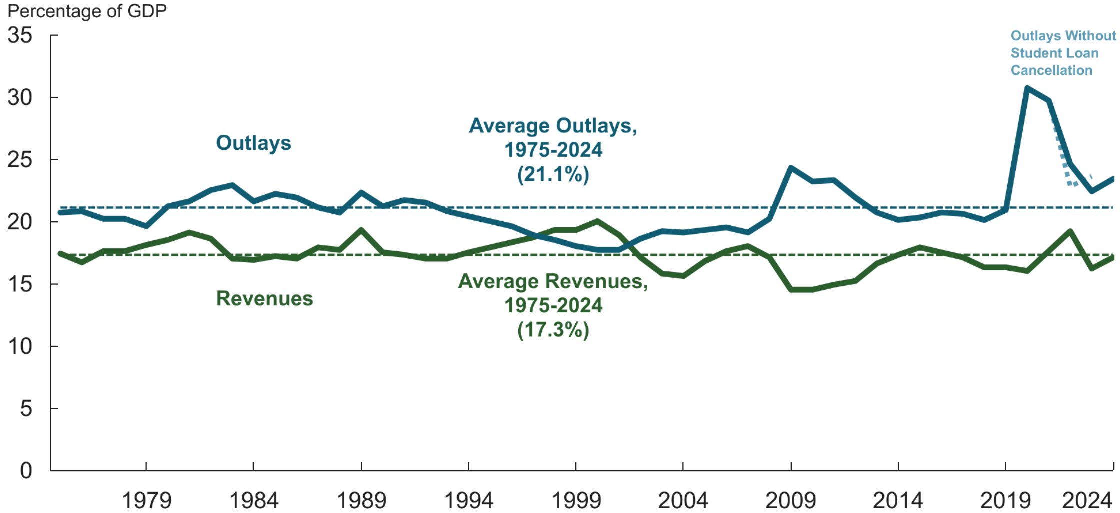
The 2023 deficit of $1.7 trillion would have been larger if not for the recording of budgetary effects related to the Supreme Court's decision to overturn a plan the Administration announced in 2022 to cancel many borrowers' outstanding student loans.[1] If those effects, and the effects of timing shifts, were excluded for fiscal year 2023, the deficit for that year would have been $2.0 trillion instead of $1.7 trillion. Thus, without the savings related to the unwinding of the proposed debt cancellation (and excluding the effects of timing shifts in 2023 and 2024), CBO estimates that the federal deficit would have been $106 billion smaller in 2024 than in 2023.

The deficit in 2024 was $82 billion (or 4 percent), smaller than the shortfall estimated in CBO's most recent baseline budgetary projections, which were issued in June 2024.[2] Revenues were greater than CBO projected in that baseline—by $29 billion (or 1 percent) and outlays were less than projected, by $53 billion (or 1 percent).

1. For more on this topic, see Congressional Budget Office, *Monthly Budget Review: September 2023* (October 2023), p. 2, www.cbo.gov/publication/59544.

2. See Congressional Budget Office, *An Update to the Budget and Economic Outlook: 2024 to 2034* (June 2024), www.cbo.gov/publication/60039.

Figure 2.
Federal Revenues and Outlays
Fiscal Years 1975 to 2024



Data Sources: Congressional Budget Office; Department of the Treasury.
Values exclude the effects of timing shifts.
Dotted line excludes the effects in 2022 and 2023 of the Administration's plan to cancel certain borrowers' student loans and the Supreme Court's action in response.

Total Receipts: Up by 11 Percent in Fiscal Year 2024

Receipts totaled $4.9 trillion during fiscal year 2024, CBO estimates—$479 billion more than during fiscal year 2023. Receipts increased from 16.2 percent of GDP in 2023 to 17.1 percent in 2024, just below the average of 17.3 percent for the past 50 years. A portion of that increase is the result of the postponement until fiscal year 2024 of various 2023 tax deadlines for some taxpayers in federally declared disaster areas.

- Reported receipts from **individual income taxes,** the largest source of revenue, increased by $250 billion (or 11 percent). Such collections increased from 8.0 percent of GDP in 2023 to 8.4 percent in 2024, remaining close to the average of 8.0 percent over the past 50 years.
  - Individual income taxes withheld from workers' paychecks increased by $72 billion (or 4 percent), reflecting increases in wages and salaries.
  - Nonwithheld income tax payments increased by $104 billion (or 12 percent), relative to payments in the same period in fiscal year 2023. That increase includes the effects of delayed payments from taxpayers in areas affected by natural disasters for whom, beginning in February 2023, the Internal Revenue Service (IRS) postponed some 2023 filing deadlines. Most of those payments were due by November 2023.

    The increase in nonwithheld income tax payments would have been even larger were it not for an adjustment of $8.5 billion in fuel tax refunds and credits that were recorded originally in fiscal year 2023. In that year, the IRS reported payments of fuel tax refunds and credits that were not actually paid, incorrectly reducing amounts reported for excise tax collections and increasing amounts reported for collections of individual income taxes. A recertification of the fuel tax credit in July 2024 resulted in an increase in the reported amounts of excise tax collections for that year and a reduction in the amount recorded for collections of individual income taxes. As a result, the year-over-year change in individual income taxes was reduced by $17 billion.

- Individual income tax refunds declined by $74 billion (or 20 percent), in part because of a moratorium placed on new claims for the Employee Retention Tax Credit, which increased individual income tax refunds in 2023. The IRS announced the moratorium in September 2023. In August 2024, the IRS began processing claims while continuing efforts to identify improper and ineligible claims.

Table 2.

Total Receipts

Billions of Dollars

Major Source	FY 2022	FY 2023	FY 2024	Percentage Change From 2023 to 2024
Individual Income Taxes	2,632	2,176	2,426	11.5
Payroll Taxes	1,484	1,614	1,710	5.9
Corporate Income Taxes	425	420	530	26.3
Other Receipts	357	229	253	10.7
Total	**4,897**	**4,439**	**4,919**	**10.8**
Percentage of Gross Domestic Product	19.2	16.2	17.1	n.a.

Data sources: Congressional Budget Office; Department of the Treasury; Office of Management and Budget

FY = fiscal year; n.a. = not applicable.

- Receipts recorded from **payroll (social insurance) taxes,** the second-largest revenue source, rose by $95 billion (or 6 percent), remaining at 5.9 percent of GDP and close to the 6.0 percent average for the past 50 years. Payroll tax collections typically rise or fall with rising or falling wages and salaries, which constitute the largest part of the payroll tax base. Unemployment insurance receipts (one type of payroll tax) declined by $1 billion (or 2 percent).
- Receipts from **corporate income taxes** increased by $110 billion (or 26 percent), from 1.5 percent of GDP in 2023 to 1.8 percent in 2024—equal to the average of the past 50 years. However, a significant part of that increase was caused by the IRS's postponement until November 2023 of the deadline for payments that ordinarily would have been due in fiscal year 2023 for many corporations in areas affected by natural disasters, particularly in California.
- Reported receipts from **other sources** rose, on net, by $24 billion (or 11 percent). Most of that increase is the result of the recertification of fuel tax refunds and credits; without that effect, receipts from other sources would have shown an increase of only 3 percent in 2024. Regardless of that timing effect, receipts from other sources remained below 1 percent of GDP and below the 50-year average of 1.5 percent of GDP.
  - Excise taxes in 2024 increased by $26 billion (or 34 percent), compared with 2023, largely as a result of the recertification of fuel tax credits.
  - Remittances from the Federal Reserve increased by $3 billion, from less than $1 billion in 2023. Those amounts represented significantly less than 0.1 percent of GDP. Those amounts are well below the $107 billion remitted in 2022 and also well below the 50-year average of 0.3 percent of GDP. Since 2022, higher short-term interest rates have raised the central bank's interest expenses above its income, eliminating the profits of most of the Federal Reserve banks.

- Miscellaneous fees and fines increased by $2 billion (or 4 percent).
- Customs duties declined by $3 billion (or 4 percent).
- Estate and gift taxes declined by $2 billion (or 6 percent).

Total Outlays: Up by 10 Percent in Fiscal Year 2024

Outlays in fiscal year 2024 were $6.8 trillion—$617 billion (or 10 percent) more than in 2023. In total, outlays were equal to 23.4 percent of GDP in 2024, down from the recent high of 30.7 percent in 2020, but still above the 50-year average of 21.1 percent.

Table 3.

Total Outlays

Billions of Dollars

				Percentage Change From 2023 to 2024	
Major Program or Category	**FY 2022**	**FY 2023**	**FY 2024**	**Actual**	**Adjusted[a]**
Social Security Benefits	1,206	1,342	1,448	7.9	7.9
Medicare[b]	752	844	870	3.1	9.4
Medicaid	592	616	618	0.3	0.3
Subtotal, Largest Mandatory Spending Programs	**2,550**	**2,802**	**2,935**	**4.8**	**6.7**
Department of Education	639	−41	268	n.m.	n.m.
Veterans Affairs	274	301	325	8.0	13.8
Refundable Tax Credits[c]	292	171	199	16.2	16.2
FDIC	−9	92	37	−59.5	−59.5
U.S Coronavirus Refundable Credits	29	52	1	−98.5	−98.5
PBGC	2	40	12	−70.2	−70.2
Food and Nutrition Service	192	171	147	−14.0	−14.0
DoD—Military[d]	726	776	826	6.5	7.2
Net Interest on the Public Debt	534	710	949	33.7	33.7
Other	1,044	1,061	1,051	−0.9	0.2
Total	**6,273**	**6,135**	**6,752**	**10.1**	**11.5**
Percentage of Gross Domestic Product	24.6	22.4	23.4	n.a.	n.a.

Data sources: Congressional Budget Office; Department of the Treasury; Office of Management and Budget.

DoD = Department of Defense; FDIC = Federal Deposit Insurance Corporation; FY = fiscal year; PBGC = Pension Benefit Guaranty Corporation; n.a. = not applicable; n.m. = not meaningful.

a. Adjusted amounts exclude the effects of shifting payments that otherwise would have been made on a weekend. If not for those timing shifts, total outlays would have been $6,123 billion in 2023 and $6,827 billion in 2024. (In 2022, total outlays excluding timing shifts would have been $6,209 billion.)

b. Medicare outlays are net of offsetting receipts.

c. Recovery rebates, earned income tax credit, child tax credit, premium tax credits, and American Opportunity Tax Credit.

d. Excludes a small amount of spending by DoD on civil programs.

Outlays in 2023 and 2024 were affected by the shifts of payments from October 1, 2023, and October 1, 2024—both of which fell on a weekend—into the previous fiscal year. Because of those shifts, outlays were lower by $75 billion in 2024 and higher by a net of $11 billion in 2023. If not for those shifts, the increase in outlays from 2023 to 2024 would have been larger—$703 billion rather than $617 billion. (The discussion below reflects adjustments to exclude the effects of those timing shifts.)

If the 2024 savings related to the unwinding of the proposed cancellation of student loans (discussed below) and the effects of timing shifts are excluded, CBO estimates that outlays in 2024 would have been $373 billion (or 6 percent) greater than in 2023.

Outlays by the **Department of Education** increased by $309 billion, largely because the Administration recorded a decrease of $330 billion in August 2023 to reflect the June 2023 Supreme Court decision prohibiting the cancellation of outstanding loans for many borrowers. Excluding the reversal of that proposed debt cancellation, net outlays by the department decreased by $21 billion, primarily because increases in the estimated costs of outstanding loans recorded in fiscal year 2023 were larger than the increases recorded for those costs in 2024. Partly offsetting that decrease, the costs recorded for loans originated in 2024 were higher than the costs of loans originated in 2023. The totals do not include the costs of the debt cancellation policy described in a proposed rule published in April 2024; that rule is currently paused by litigation.

The next-largest increase in outlays was for **net interest on the public debt.** Those outlays rose substantially—increasing by $239 billion (or 34 percent)—primarily because interest rates were significantly higher in fiscal year 2024 than they were in fiscal year 2023.

Outlays for the largest mandatory spending programs increased by $186 billion (or 7 percent):

- Spending for **Social Security** benefits rose by $106 billion (or 8 percent) because of increases in the average benefit payment (stemming mostly from cost-of-living adjustments) and in the number of beneficiaries.
- **Medicare** outlays increased, on net, by $78 billion (or 9 percent) because of increased enrollment and higher payment rates for services.
- **Medicaid** outlays increased by $2 billion (or less than 1 percent) because states have largely completed reassessing the eligibility of enrollees who remained in the program for the duration of the coronavirus public health emergency. (The continuous-enrollment requirement ended on March 31, 2023.) Despite millions of disenrollments during the period in which states reassessed eligibility, Medicaid outlays rose in 2024 because per-person costs for enrollees remaining on Medicaid were greater in 2024 than they were in 2023.

Outlays increased in several other areas:

- Spending by the **Department of Defense** was $56 billion (or 7 percent) greater than in fiscal year 2023; the largest increases were for research and development and operation and maintenance.
- Spending by the **Department of Veterans Affairs** increased by $41 billion (or 14 percent), mostly because of increased spending per person and veterans' increased use of health care facilities.
- Outlays for certain **refundable tax credits** increased by $28 billion (or 16 percent).[3] Those outlays include subsidies for health insurance purchased through the marketplaces established under the Affordable Care Act, which were boosted by higher enrollments.

3. Those credits are the recovery rebates, earned income tax credit, child tax credit, premium tax credits (which subsidize the purchase of health insurance under the Affordable Care Act), and American Opportunity Tax Credit.

- Net outlays by the **Department of Energy** (included in "Other" in Table 3) increased by $15 billion (or 43 percent), primarily because in fiscal year 2023 the Administration sold a substantial amount of oil from the Strategic Petroleum Reserve. No such receipts were recorded in 2024. From October 2023 through May 2024, the Administration spent $1 billion to purchase oil to replenish the reserve.

Outlays declined in several areas:

- Outlays of the **Federal Deposit Insurance Corporation** (FDIC) decreased by $55 billion (or 60 percent). Outlays in fiscal year 2023 were $92 billion as the FDIC began to resolve two major bank failures that occurred in March 2023. The FDIC's outlays totaled $37 billion during fiscal year 2024 while that agency continued to resolve those failures along with four more that occurred after March 2023. Starting in June 2024, the FDIC began charging special assessments to recover the losses that resulted from covering uninsured depositors at two of the failed institutions. Over the next decade, the FDIC expects to continue to recover much of the amounts spent by liquidating the failed banks' assets and by collecting higher premiums from FDIC-insured institutions.
- Outlays related to **U.S. Coronavirus Refundable Credits,** a group of temporary tax credits to help employers cover the costs of sick and family leave, employee retention, and continuation of health insurance for certain workers, decreased by $51 billion (or 98 percent). That result is attributable in part to the IRS's moratorium on processing claims for the Employee Retention Tax Credit.
- Net spending by the **Pension Benefit Guaranty Corporation** decreased by $28 billion (or 70 percent) primarily because of a decline in onetime payments to certain multiemployer pension plans under the Special Financial Assistance Program. Such payments amounted to $15 billion in fiscal year 2024, compared with $46 billion during 2023.
- Spending by the Department of Agriculture's **Food and Nutrition Service** decreased by $24 billion (or 14 percent), in part because emergency allotments for the Supplemental Nutrition Assistance Program ended in March 2023.
- Outlays from the **Public Health and Social Services Emergency Fund** (also in "Other") declined by $14 billion (or 50 percent), as expenditures decreased for pandemic-related activities.

Estimated Deficit in October 2024: $255 Billion

The federal government incurred a deficit of $255 billion in October 2024, CBO estimates—$189 billion more than the shortfall recorded last October. Revenues were lower this October (the first month of fiscal year 2025) than a year ago and outlays were higher.

Revenues in October 2024 were $77 billion less than they were last October, when individual and corporate income taxes had been boosted by deferred payments. Outlays in October 2023 were affected by shifts in the timing of certain federal payments that otherwise would have been due on October 1, which fell on a weekend (those payments were made in September 2023, the last month of fiscal year 2023). If not for those shifts, the increase in outlays in October compared with the same month last year would have been smaller—$39 billion rather than $112 billion. Correspondingly, the increase in the deficit for October also would have been smaller—$116 billion rather than $189 billion.

Actual Surplus in September 2024: $64 Billion

The Treasury Department reported a surplus of $64 billion for September—$1 billion more than CBO estimated last month, on the basis of the *Daily Treasury Statements,* in the *Monthly Budget Review: September 2024*.

Each month, CBO issues an analysis of federal spending and revenues for the previous month and the fiscal year to date. This report is the latest in that series, found at https://tinyurl.com/yazr58zb.
In keeping with CBO's mandate to provide objective, impartial analysis, this report makes no recommendations. Nathaniel Frentz and Amber Marcellino prepared the report with assistance from Aaron Feinstein and with guidance from Christina Hawley Anthony, Barry Blom, Chad Chirico, Sam Papenfuss, and Joshua Shakin. It was reviewed by Mark Hadley, edited by Kate Kelly, and prepared for publication by Janice Johnson. An electronic version is available on CBO's website, www.cbo.gov/publication/60843.

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