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

Monthly Budget Review: November 2024

December 9, 2024

The federal budget deficit totaled $622 billion in October and November 2024, the first two months of fiscal year 2025, the Congressional Budget Office estimates. That amount is $242 billion more than the deficit recorded during the same period last fiscal year. Outlays were $191 billion (or 18 percent) higher, and revenues were $50 billion (or 7 percent) lower.

The change in the deficit was influenced by the timing of outlays and revenues alike. Outlays in October 2023 were reduced by shifts in the timing of certain federal payments that otherwise would have been due on October 1, 2023, which fell on a Sunday. (Those payments were made in September 2023.) Outlays in November 2024 were boosted by the shift to that month of payments due December 1, 2024, a Saturday. If not for those shifts, the deficit thus far in fiscal year 2025 would have been $541 billion, or $88 billion more than the shortfall at this point last year, and outlays would have been $38 billion more. Part of the increase in the deficit also stems from a postponement in some tax payment deadlines from 2023 into 2024. CBO estimates that those postponed payments, described in more detail below, boosted receipts in 2024 by about $70 billion.

Table 1.

Budget Totals, October–November

Billions of Dollars

				Estimated Change With Adjustments for Timing Shifts in Outlays[a]	
	Actual, FY 2024	Preliminary, FY 2025	Estimated Change	Billions of Dollars	Percent
Receipts	678	628	−50	−50	−7
Outlays	1,059	1,250	191	38	3
Deficit (−)	−381	−622	−242	−88	19

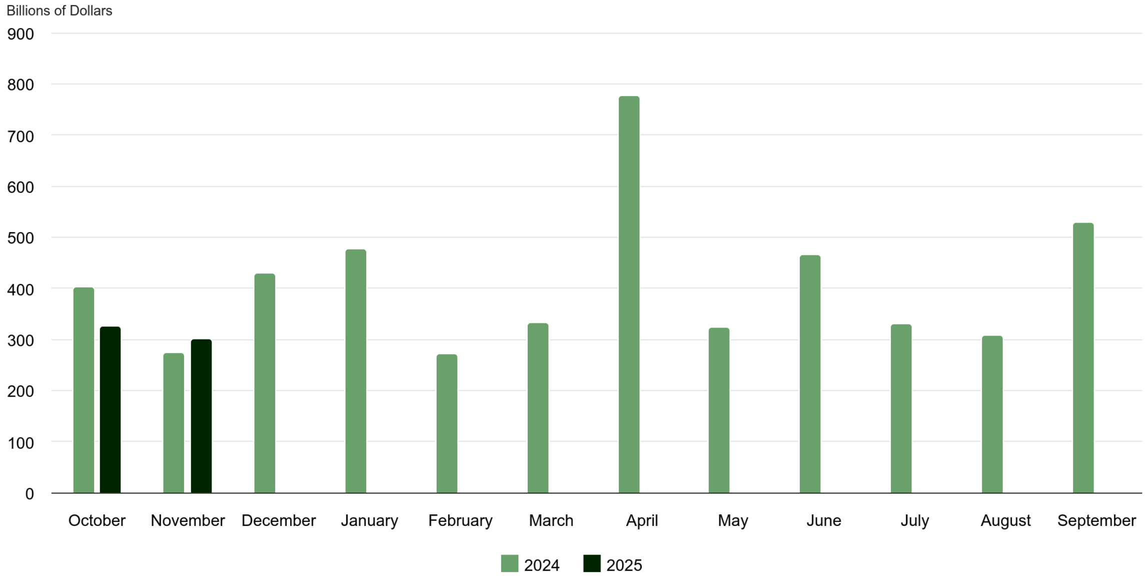
Data sources: Congressional Budget Office; Department of the Treasury. Based on the *Monthly Treasury Statement* for October 2024 and the *Daily Treasury Statements* for November 2024.

FY = fiscal year.

a. Adjusted amounts exclude the effects of shifting payments that otherwise would have been made on a weekend.

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.

Monthly Total Revenues
Fiscal Years 2024 and 2025



Data Sources: Congressional Budget Office; Department of the Treasury.
The value shown for November 2024 is CBO's estimate.

Total Receipts: Down by 7 Percent in Fiscal Year 2025

Receipts totaled $628 billion during the first two months of fiscal year 2025, CBO estimates—$50 billion less than during the same period a year ago. That decrease is the result of the Internal Revenue Service's postponement until early in fiscal year 2024 of various 2023 tax deadlines for some taxpayers in federally declared disaster areas.

The changes in receipts from last year to this year were as follows:

- Individual **income and payroll (social insurance) taxes** together fell by $19 billion (or 3 percent).
  - Nonwithheld payments of income and payroll taxes declined by $47 billion (or 44 percent), relative to payments in the same period in fiscal year 2024. CBO estimates that the postponement of tax deadlines for 2023 shifted $35 billion in payments into the beginning of fiscal year 2024.
  - Amounts withheld from workers' paychecks rose by $24 billion (or 5 percent), a reflection of rising wages and salaries.
  - Individual income tax refunds were $6 billion (or 14 percent) less than during the same period in 2023, further mitigating the decline in net receipts.
- Receipts from **corporate income taxes** decreased by $35 billion (or 63 percent) compared with the same period in fiscal year 2024. CBO estimates that the postponement of tax deadlines for 2023 shifted $35 billion in payments into the beginning of fiscal year 2024.
- Receipts from **other sources** rose by $4 billion (or 9 percent) compared with the same period last year.
  - Excise taxes increased by $3 billion (or 22 percent).
  - Customs duties increased by $2 billion (or 13 percent).
  - Estate and gift taxes decreased by $2 billion (or 28 percent).

Table 2.

Receipts, October–November

Billions of Dollars

Major Program or Category	Actual, FY 2024	Preliminary, FY 2025	Estimated Change: Billions of Dollars	Estimated Change: Percent
Individual Income Taxes	347	310	−36	−11
Payroll Taxes	236	254	18	8
Corporate Income Taxes	56	21	−35	−63
Other Receipts	39	43	4	9
Total	**678**	**628**	**−50**	**−7**
Memorandum: Combined Individual Income and Payroll Taxes				
Withheld taxes	510	534	24	5
Other, net of refunds	73	31	−42	−58
Total	**583**	**565**	**−19**	**−3**

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

FY = fiscal year.

Total Outlays: Up by 18 Percent in Fiscal Year 2025

Outlays in the first two months of fiscal year 2025 were $1,250 billion, CBO estimates, $191 billion more than during the same period last year. If not for the timing shifts discussed above, outlays so far in fiscal year 2025 would have been $38 billion (or 3 percent) greater than outlays during the same two months in fiscal year 2024. The discussion below reflects adjustments to exclude the effects of those timing shifts.

The largest change was the estimated $66 billion decrease in outlays of the **Federal Deposit Insurance Corporation** (FDIC). The FDIC's spending on the resolution of bank failures was significantly greater in the first two months of fiscal year 2024 than during the first two months of this fiscal year. In October and November, the FDIC also continued its liquidation of the failed banks' assets. Those proceeds are recorded in the budget as offsetting collections (that is, as reductions in outlays).

Outlays for the largest mandatory spending programs increased by $32 billion (or 7 percent) in total. The largest increases were for two of those programs:

- Spending for **Social Security** benefits rose by $17 billion (or 7 percent) because of increases in the average benefit payment (stemming mostly from cost-of-living adjustments) and in the number of beneficiaries.
- **Medicaid** outlays increased by $9 billion (or 9 percent), largely because of rising costs per enrollee.

Table 3.

Outlays, October–November

Billions of Dollars

Major Program or Category	Actual, FY 2024	Preliminary, FY 2025	Estimated Change	Estimated Change With Adjustments for Timing Shifts in Outlays[a]: Billions of Dollars	Estimated Change With Adjustments for Timing Shifts in Outlays[a]: Percent
Social Security Benefits	232	249	17	17	7
Medicare[b]	102	205	103	6	4
Medicaid	96	104	9	9	9
Subtotal, Largest Mandatory Spending Programs	**430**	**559**	**128**	**32**	**7**
FDIC	62	−3	−66	−66	−106
Environmental Protection Agency	2	19	17	17	n.m.
Department of Veterans Affairs	40	74	34	8	15
Refundable Tax Credits[c]	16	24	7	7	46
DoD—Military[d]	150	169	20	10	6
Net Interest on the Public Debt	152	163	11	11	7
Other	206	246	40	19	9
Total	**1,059**	**1,250**	**191**	**38**	**3**

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

DoD = Department of Defense; FDIC = Federal Deposit Insurance Corporation; FY = fiscal year; n.m. = not meaningful.

a. Adjusted amounts exclude the effects of shifting payments that otherwise would have been made on a weekend. Outlays excluding the effects of the timing shifts would have been $1,131 billion in fiscal year 2024 and $1,169 billion in 2025.

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.

Other areas with large increases were the following:

- Spending by the **Environmental Protection Agency** (EPA) increased by $17 billion, CBO estimates, primarily because in November that agency spent $17 billion for a grant program established by the 2022 reconciliation act ($27 billion was provided in that law for the program). EPA selected 68 entities—including nonprofit organizations, state governments, and Indian tribes—to administer grants to finance clean technologies, provide capital for energy-efficiency projects in disadvantaged communities, and support solar power projects in low-income communities.
- Outlays for **net interest on the public debt** increased by $11 billion (or 7 percent) primarily because the debt was larger than it was in the first two months of fiscal year 2024.
- Spending by the **Department of Defense** was $10 billion (or 6 percent) greater than in the same period in fiscal year 2024; the largest increase was for procurement.
- Spending by the **Department of Veterans Affairs** increased by $8 billion (or 15 percent), because more people used veterans' benefits and because of increased spending per person.

- Outlays for certain **refundable tax credits** increased by $7 billion (or 46 percent), primarily because of increased enrollment in health insurance purchased through the marketplaces established under the Affordable Care Act.[1]

Estimated Deficit in November 2024: $365 Billion

The federal government incurred a deficit of $365 billion in November 2024, CBO estimates—$51 billion more than the deficit recorded last November. Revenues and outlays were greater this November than they were a year ago; the increase in outlays exceeded the increase in revenues, resulting in a larger deficit. Outlays in November 2024 were greater than they otherwise would have been because certain federal payments that were due on December 1, 2024, a Sunday, were made in November. If not for that shift, the deficit in November 2024 would have been $31 billion *less* than in the same month last year.

Table 4.

Budget Totals for November

Billions of Dollars

				Estimated Change With Adjustments for Timing Shifts in Outlays[a]	
	Actual, FY 2024	Preliminary, FY 2025	Estimated Change	Billions of Dollars	Percent
Receipts	275	301	26	26	10
Outlays	589	666	77	−4	−1
Deficit (−)	−314	−365	−51	31	−10

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

FY = fiscal year.

a. Adjusted amounts exclude the effects of shifting payments that otherwise would have been made on a weekend. If not for those timing shifts, the budget would have shown a deficit of $283 billion in November 2024, CBO estimates.

CBO estimates that receipts in November 2024 totaled $301 billion—$26 billion (or 10 percent) more than the amounts recorded in the same month last year. That increase was almost entirely driven by collections of income and payroll taxes, which rose by $25 billion (or 10 percent). Collections of customs duties were $1 billion (or 20 percent) more than they were last year.

Total spending in November 2024 was $666 billion, CBO estimates—$77 billion more than in November 2023. If not for the timing shifts discussed above, outlays in November 2024 would have been $4 billion *less* than in the same month last year. The discussion below reflects adjustments to exclude the effects of timing shifts.

The largest decrease was in outlays of the **FDIC,** which declined by $51 billion.

The largest increases were as follows:

- Outlays for the **Environmental Protection Agency** increased by $17 billion.
- Outlays for **Social Security** increased by $9 billion (or 8 percent).
- Net outlays for **interest on the public debt** increased by $8 billion (or 11 percent).

Spending for other programs and activities increased or decreased by smaller amounts.

1. 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.

Actual Deficit in October 2024: $257 Billion

The Treasury Department reported a deficit of $257 billion for October—$2 billion more than CBO estimated last month, on the basis of the *Daily Treasury Statements,* in the *Monthly Budget Review: Summary for Fiscal Year 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. Justin Latus and Jennifer Shand prepared the report with assistance from Aaron Feinstein and with guidance from Christina Hawley Anthony, Barry Blom, Chad Chirico, John McClelland, and Sam Papenfuss. The report 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/60844.

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