



Monthly Budget Review: November 2025

December 8, 2025

The federal budget deficit totaled \$439 billion in October and November 2025, the first two months of fiscal year 2026, the Congressional Budget Office estimates. That amount is \$185 billion less than the deficit recorded during the same period last fiscal year. Outlays were \$73 billion (or 6 percent) lower, and revenues were \$112 billion (or 18 percent) higher.

Outlays in November 2024 were boosted by the shifts to that month of certain payments that were due on December 1, 2024, a Saturday. If not for those shifts, the deficit thus far in fiscal year 2026 would have been \$103 billion less than the shortfall at this point last year, and outlays would have been \$9 billion *more*.

Table 1.
Budget Totals, October–November

Billions of Dollars

	Actual, FY 2025	Preliminary, FY 2026	Estimated Change	Estimated Change With Adjustments for Timing Shifts in Outlays ^a	
				Billions of Dollars	Percent
Receipts	629	741	112	112	18
Outlays	<u>1,253</u>	<u>1,180</u>	<u>-73</u>	<u>9</u>	1
Deficit (-)	-624	-439	185	103	-19

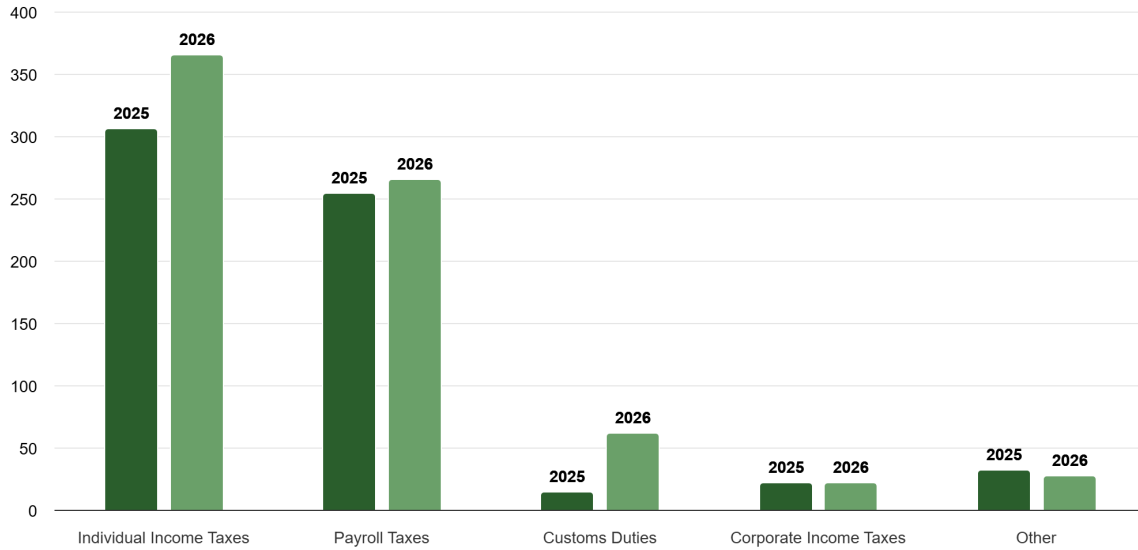
Data sources: Congressional Budget Office; Department of the Treasury. Based on the *Monthly Treasury Statement* for October 2025 and the *Daily Treasury Statements* for November 2025.

FY = fiscal year.

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

October–November Revenues Fiscal Years 2025 and 2026

Billions of Dollars



Data sources: Congressional Budget Office; Department of the Treasury.
Amounts included for November 2025 (in fiscal year 2026) are CBO's estimates.

Total Receipts: Up by 18 Percent in Fiscal Year 2026

Receipts totaled \$741 billion during the first two months of fiscal year 2026, CBO estimates—\$112 billion more than during the same period a year ago. That increase was caused largely by changes in tariff rates that began in February 2025 and reflects the enactment in July of the 2025 reconciliation act.

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

- **Individual income and payroll (social insurance) taxes** together increased by \$69 billion (or 12 percent).
 - Nonwithheld payments of income and payroll taxes increased by \$41 billion (or 68 percent), relative to payments in the same period in fiscal year 2025. Some final tax payments for 2024 and estimated payments of taxes for 2025 were due in October 2025.
 - Amounts withheld from workers' paychecks rose by \$20 billion (or 4 percent), a reflection of rising wages and salaries.
 - Individual income tax refunds were \$8 billion (or 23 percent) less than during the same period in 2025, boosting net receipts.
- **Customs duties**, which include tariff revenues, collected this year were more than four times the amount recorded in October and November of last year, an increase of \$48 billion. The Administration began raising tariff rates for most imported goods in February 2025; those rates have changed frequently throughout the year.
- Receipts from **corporate income taxes** were nearly unchanged compared with the same period in fiscal year 2025. The enactment of the 2025 reconciliation act allowed corporations to take larger deductions for certain investments in 2025, thereby reducing some estimated payments and mitigating growth in receipts.
- Receipts from **other sources** declined by \$5 billion (or 17 percent) compared with the same period last year, primarily reflecting a decrease in excise taxes of \$5 billion (or 27 percent).

Table 2.
Receipts, October–November

Billions of Dollars

Major Program or Category	Actual, FY 2025	Preliminary, FY 2026	Estimated Change	
			Billions of Dollars	Percent
Individual Income Taxes	306	365	58	19
Payroll Taxes	254	265	11	4
Corporate Income Taxes	22	22	*	**
Customs Duties (Including tariffs)	14	62	48	344
Other Receipts	<u>32</u>	<u>27</u>	<u>-5</u>	-17
Total	629	741	112	18
Memorandum:				
Combined Individual Income and Payroll Taxes				
Withheld taxes	530	550	20	4
Other, net of refunds	<u>30</u>	<u>80</u>	<u>50</u>	166
Total	560	630	69	12

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

FY = fiscal year; * = between -\$500 million and zero; ** = between -0.5 percent and zero.

Total Outlays: Down by 6 Percent in Fiscal Year 2026

Outlays in the first two months of fiscal year 2026 were \$1,180 billion, CBO estimates, \$73 billion less than during the same period last year. If not for the timing shifts noted above, outlays so far in fiscal year 2026 would have been \$9 billion (or 1 percent) *greater* than outlays during the same two months in fiscal year 2025. The discussion below reflects adjustments to exclude the effects of those timing shifts.

Outlays for the three largest mandatory spending programs rose by \$46 billion (or 9 percent):

- Spending for **Social Security** benefits rose by \$18 billion (or 7 percent) because of increases in average benefits and in the number of beneficiaries. Average benefits increased mostly because of cost-of-living adjustments that affected all beneficiaries and because the Social Security Fairness Act of 2023, enacted in January 2025, increased benefit payments to certain recipients. That law accounted for about \$3 billion of the \$18 billion increase.
- **Medicare** outlays increased by \$21 billion (or 14 percent) primarily because a onetime \$16 billion payment to Part D prescription drug plans was settled in November 2025. That payment compensated for higher-than-expected spending by those plans in 2024.
- **Medicaid** outlays increased by \$7 billion (or 6 percent), largely because of rising costs per enrollee.

Outlays for **net interest on the public debt** rose—by \$22 billion (or 14 percent)—because the debt was larger than it was in the first two months of fiscal year 2025 and because of higher long-term interest rates and an increase in the rate of inflation.

Table 3.
Outlays, October–November

Billions of Dollars

Major Program or Category	Actual, FY 2025	Preliminary, FY 2026	Estimated Change	Estimated Change With Adjustments for Timing Shifts in Outlays ^a	
				Billions of Dollars	Percent
Social Security Benefits	249	267	18	18	7
Medicare ^b	205	175	-30	21	14
Medicaid	<u>104</u>	<u>111</u>	<u>7</u>	<u>7</u>	6
Subtotal, Largest Mandatory Spending Programs	558	553	-5	46	9
Environmental Protection Agency	18	3	-15	-15	-85
Department of Agriculture	47	36	-11	-11	-23
Department of Homeland Security	19	12	-7	-7	-38
Department of Education	32	25	-7	-7	-21
DoD—Military ^c	171	161	-11	-6	-3
Net Interest on the Public Debt	163	185	22	22	14
Other	<u>244</u>	<u>206</u>	<u>-39</u>	<u>-13</u>	-6
Total	1,253	1,180	-73	9	1

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

DoD = Department of Defense; FY = fiscal year.

- 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 \$1,171 billion in fiscal year 2025; total outlays for the first two months of fiscal year 2026 were not affected by timing shifts.
- Medicare outlays are net of offsetting receipts.
- Excludes a small amount of spending by DoD on civil programs.

The largest decreases were the following:

- Spending by the **Environmental Protection Agency** decreased by \$15 billion (or 85 percent), CBO estimates, primarily because in November 2024 that agency spent \$17 billion for a grant program established by the 2022 reconciliation act to finance clean technologies, provide capital for energy-efficiency projects in disadvantaged communities, and support solar power projects in low-income communities. No such spending occurred this year.
- Outlays of the **Department of Agriculture** decreased by \$11 billion (or 23 percent) largely because the lapse in federal appropriations during October and November 2025 disrupted spending for disaster relief and farm loan programs and spending by the Commodity Credit Corporation.
- Spending by the **Department of Homeland Security** decreased by \$7 billion (or 38 percent) primarily because the Federal Emergency Management Agency spent more for hurricane relief during the same period last year.

- Outlays of the **Department of Education** decreased by \$7 billion (or 21 percent) largely because spending from the Education Stabilization Fund declined.

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

Estimated Deficit in November 2025: \$155 Billion

The federal government incurred a deficit of \$155 billion in November 2025, CBO estimates—\$212 billion less than the deficit recorded last November. Revenues were greater and outlays were smaller this November than they were a year ago. Outlays in November 2025 were smaller than they otherwise would have been because certain federal payments that were due on November 1, 2025, a Saturday, were made in October. By contrast, outlays in November 2024 were larger 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 those shifts, the deficit in November 2025 would have been \$24 billion less than in the same month last year.

Table 4.
Budget Totals for November

Billions of Dollars

	Actual, FY 2025	Preliminary, FY 2026	Estimated Change	Estimated Change With Adjustments for Timing Shifts in Outlays ^a	
				Billions of Dollars	Percent
Receipts	302	336	35	35	11
Outlays	<u>669</u>	<u>491</u>	<u>-177</u>	<u>10</u>	2
Deficit (-)	-367	-155	212	24	-9

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 \$285 billion in November 2024 (in fiscal year 2025) and \$261 billion in November 2025 (in fiscal year 2026), CBO estimates.

CBO estimates that receipts in November 2025 totaled \$336 billion—\$35 billion (or 11 percent) more than the amounts recorded in the same month last year. That increase was principally driven by collections of customs duties, which were \$24 billion more than they were last year (a more than triple increase). Additionally, income and payroll taxes were \$15 billion (or 6 percent) more than last year. Partially offsetting those increases were collections of corporate income taxes and miscellaneous receipts—amounts in each category were \$2 billion lower (or 24 percent and 46 percent, respectively) than they were last November.

Total spending in November 2025 was \$491 billion, CBO estimates—\$177 billion less than in November 2024. If not for the timing shifts discussed above, outlays in November 2025 would have been \$10 billion *more* than in the same month last year. The discussion below reflects adjustments to exclude the effects of timing shifts.

The largest increases were as follows:

- Outlays for **Medicare** increased by \$22 billion (or 28 percent) primarily because of the Part D payment noted above.
- Outlays for **Social Security** increased by \$9 billion (or 7 percent).
- Net outlays for **interest on the public debt** increased by \$9 billion (or 11 percent).

The largest decrease was for the **Environmental Protection Agency**—those outlays declined by \$16 billion (or 93 percent).

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

Actual Deficit in October 2025: \$284 Billion

The Treasury Department reported a deficit of \$284 billion for October—\$65 billion more than CBO estimated last month, on the basis of the *Daily Treasury Statements*, in the *Monthly Budget Review: Summary for Fiscal Year 2025*. CBO’s estimate of outlays was \$68 billion too low, primarily because the agency did not account for a timing shift for certain Medicare payments.

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, Jeff Holland, 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/61308.



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