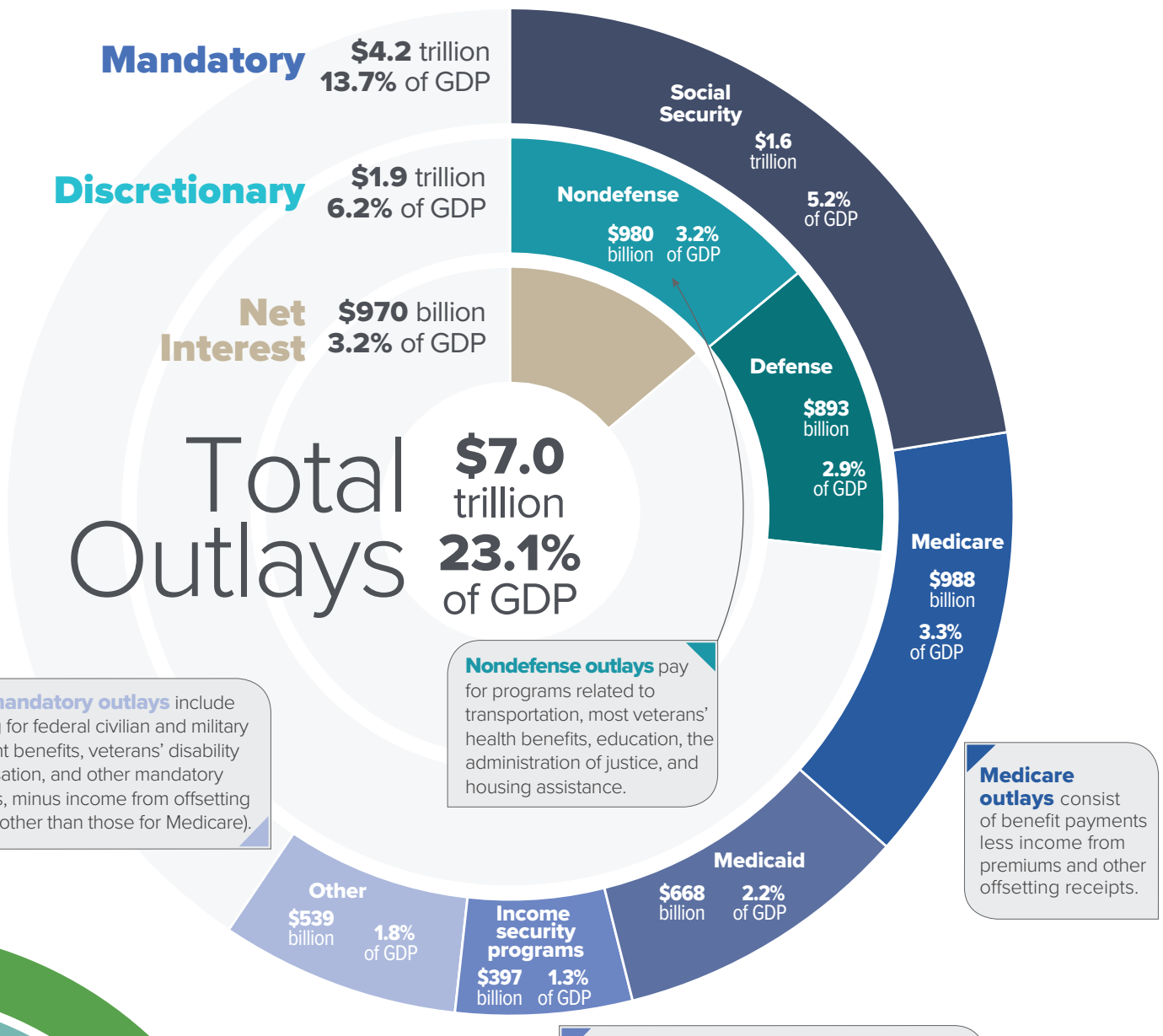
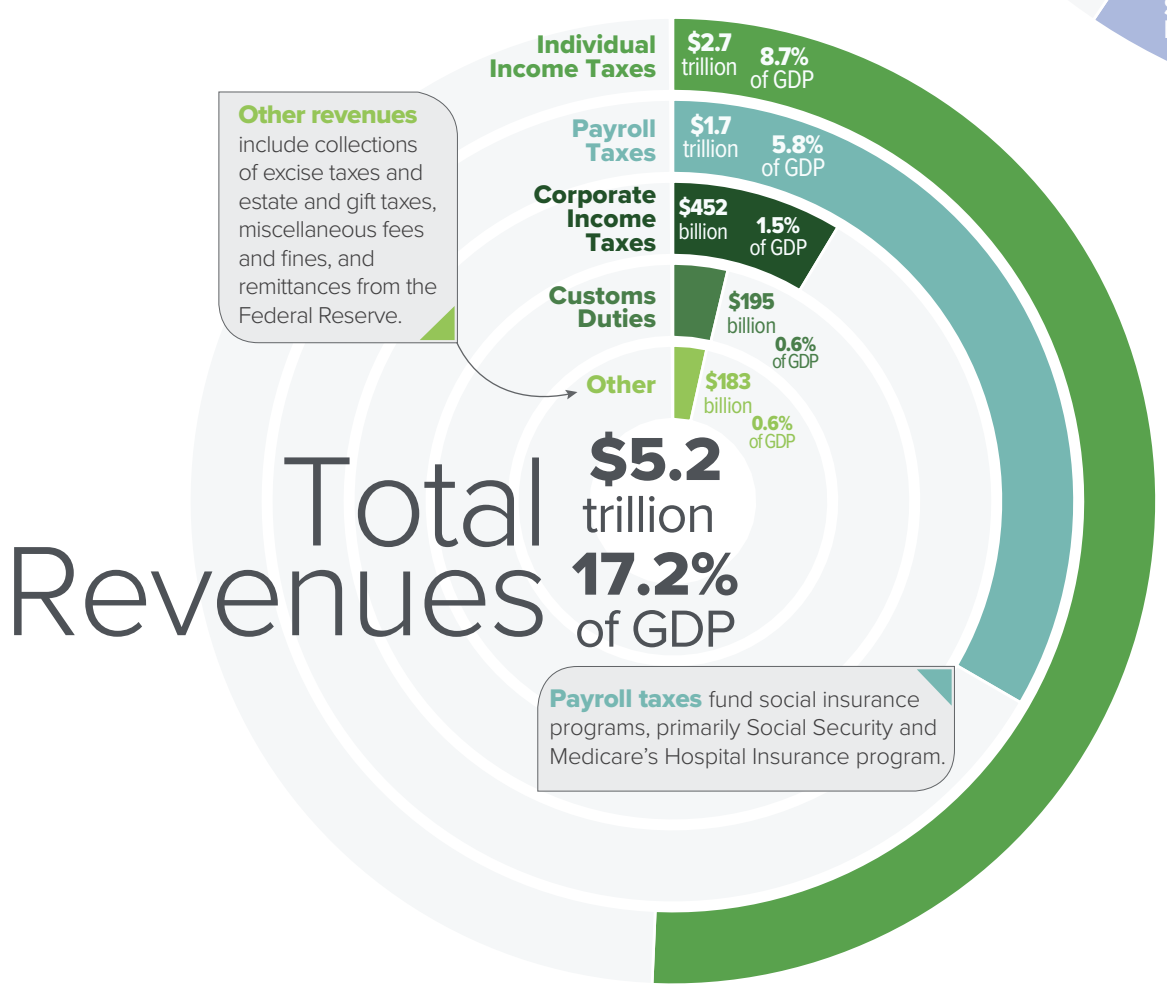
THE FEDERAL BUDGET IN FISCAL YEAR 2025





Categories of the Budget

Mandatory Spending

Primarily payments for benefit programs whose eligibility rules and benefit formulas are set by law

Discretionary Spending

Spending that lawmakers control through appropriation acts

Net Interest

The government's interest payments on debt held by the public, offset by the interest income that the government receives

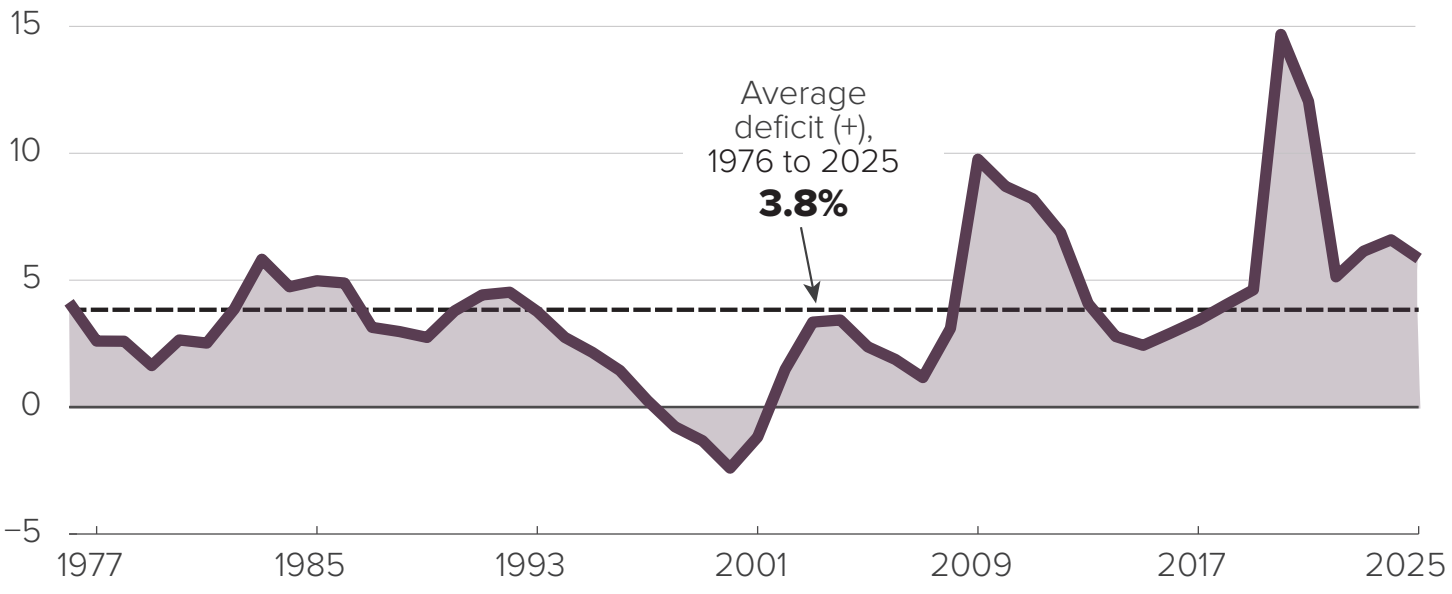
Revenues

Taxes and other funds collected from the public that arise from the federal government's exercise of its sovereign powers

Deficits and Debt

Federal Deficits or Surpluses, 1976 to 2025

Percentage of GDP



Annual Deficit: Amount by Which Outlays Exceed Revenues

To fund government spending in years of deficits, the Treasury borrows from individuals, businesses, the Federal Reserve, and other countries.

5.8% of GDP
Deficit in 2025

3.8% of GDP
Average deficit over the past 50 years

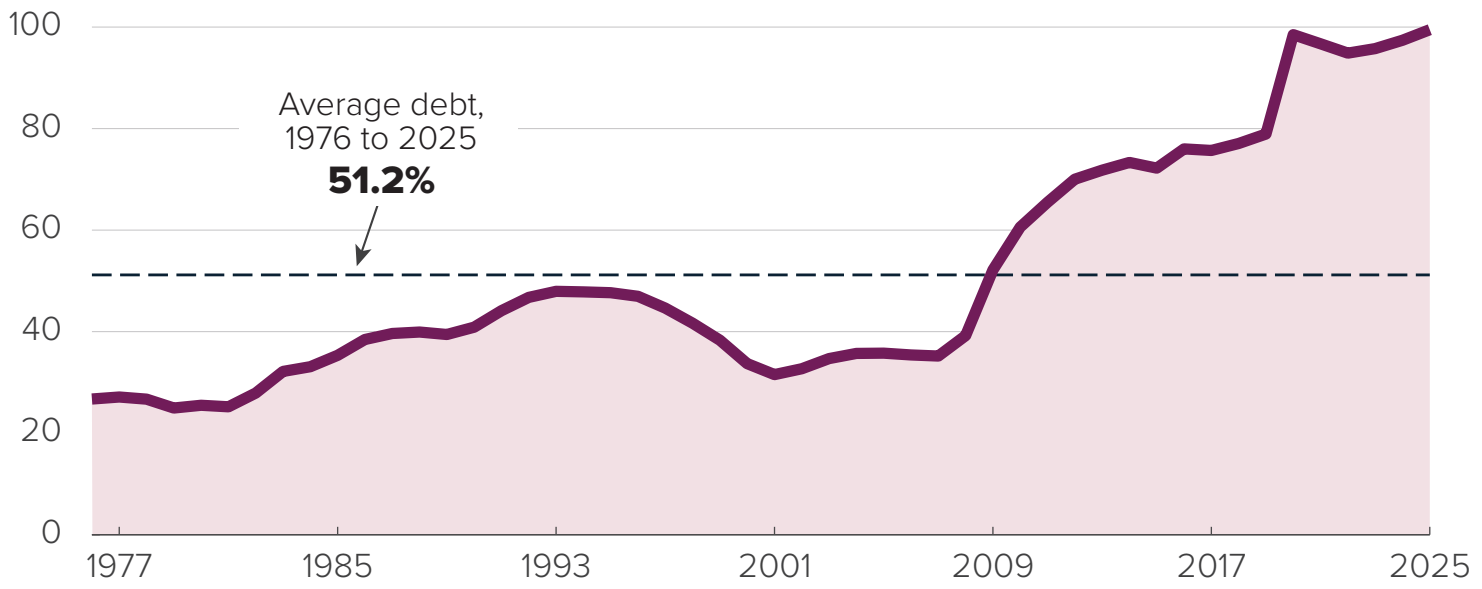
$1.8 trillion
Deficit in 2025

99% of GDP
Debt held by the public at the end of 2025

51% of GDP
Debt held by the public, on average, over the past 50 years

Federal Debt Held by the Public, 1976 to 2025

Percentage of GDP



Debt

Debt held by the public is issued to finance annual deficits, the Treasury's cash balances, and federal loans. Surpluses can be used to pay down debt.

Prepared by Dan Ready, Jorge Salazar, and Caitlin Verboon
Data source: Congressional Budget Office, March 2026

All data are for federal fiscal years, which run from October 1 to September 30.
Components may not add up to totals because of rounding. GDP = gross domestic product.
Amounts are based on data prepared for *The Accuracy of CBO's Budget Projections for Fiscal Year 2025* (January 2026).