



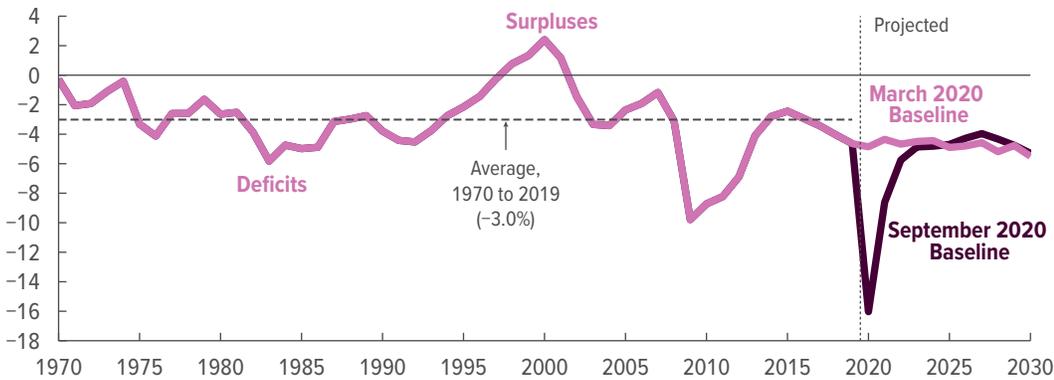
Visual Summary

In this report, the Congressional Budget Office provides detailed projections of the federal budget under current law for this year and for the following decade. The deficit currently estimated for 2020 is more than three times what CBO projected in March, mostly because of the economic disruption caused by the 2020 coronavirus pandemic and the enactment of legislation in response. In CBO's current projections, deficits over the 2021–2030 period are similar to those the agency reported in March, because the deficit increases resulting from lower projected wages, salaries, and corporate profits, as well as from new legislation and other changes, are more than offset by the deficit-reducing effects of lower projected interest rates and inflation.

Deficits

CBO estimates that the deficit will total \$3.3 trillion in 2020, or 16.0 percent of gross domestic product (GDP)—the largest shortfall relative to the size of the economy since 1945. The deficit is projected to generally narrow through 2027 and then begin to grow, totaling 5.3 percent of GDP in 2030. Deficits remain larger than their average over the past 50 years throughout the 10-year period.

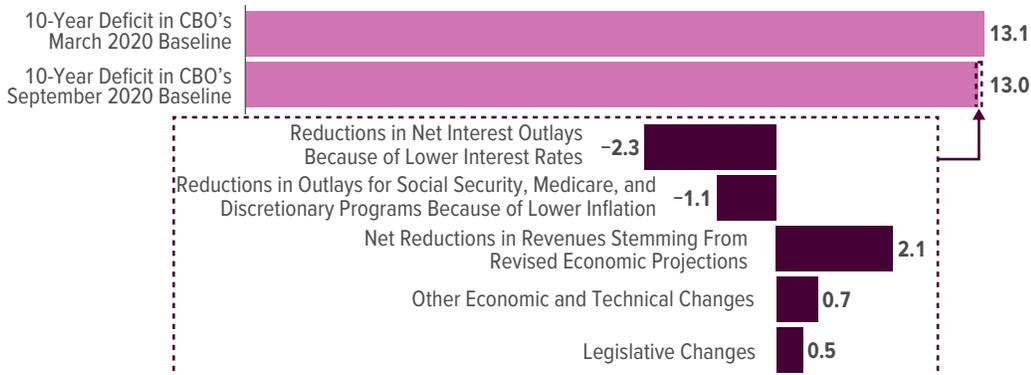
Percentage of Gross Domestic Product



CBO has increased its estimate of the 2020 deficit by \$2.2 trillion since the agency prepared its March 2020 projections, mostly as a result of legislation enacted since that time. Deficits over the 2021–2030 period total \$13.0 trillion, similar to what CBO projected in March.

See Figure 1 on page 4

Trillions of Dollars



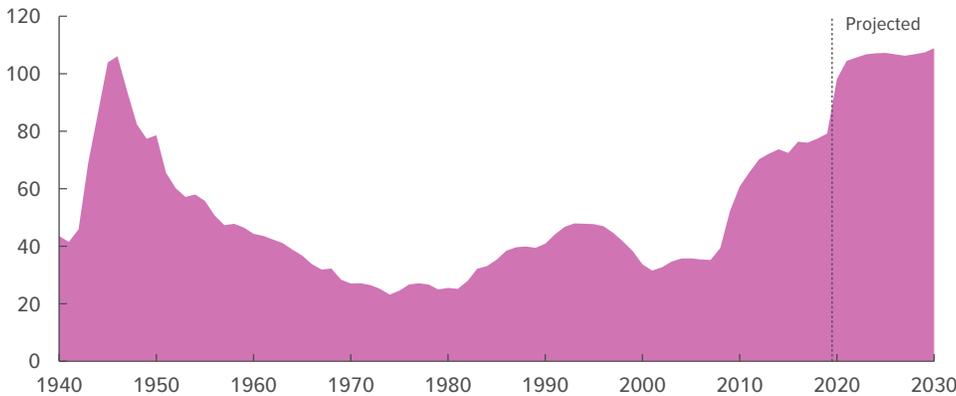
Over the 2021–2030 period, the effects of changes in CBO's economic forecast, the estimated effects of legislation, and other changes largely offset. On net, projected deficits over the 10-year period are \$0.1 trillion smaller than CBO projected in March 2020.

See Figure A-1 on page 28

Debt

Federal debt held by the public is projected to increase to 98 percent of GDP in 2020 (compared with 79 percent in 2019 and 35 percent in 2007, before the start of the last recession). It would exceed 100 percent in 2021 and rise to 107 percent in 2023, the highest in the nation’s history. The previous peak occurred in 1946 following the large deficits incurred during World War II.

Percentage of Gross Domestic Product



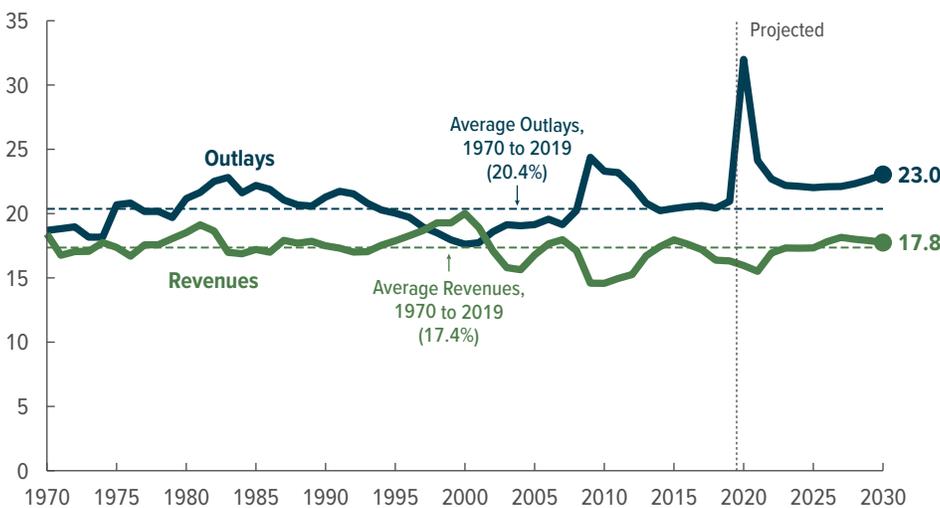
Federal debt in 2030 would equal 109 percent of GDP, nearly 30 percentage points higher than it was at the end of 2019. At the end of 2030, debt is projected to be more than two and a half times its average over the past 50 years.

See Figure 3 on page 9

Outlays and Revenues

Outlays in 2020 are projected to be about 50 percent greater than spending in 2019, equaling 32 percent of GDP—the highest since 1945. In CBO’s projections, they decline to 23 percent in 2030, still well above their 50-year average. Revenues are estimated to equal 16 percent of GDP in 2020. After falling slightly next year, they are higher thereafter, reaching almost 18 percent of GDP by the end of the projection period.

Percentage of Gross Domestic Product



Outlays as a share of GDP fall over the first half of the projection period as pandemic-related spending wanes and low interest rates reduce net interest costs. Outlays rise in later years, boosted by increased spending for programs affected by the aging of the population and rising health care costs, as well as by higher interest costs.

Revenues as a share of GDP initially fall, primarily because of the economic disruption caused by the coronavirus pandemic and the federal government’s response. They are higher after 2021 as temporary provisions enacted in response to the pandemic expire and scheduled tax increases take effect.

See Figure 4 on page 18