

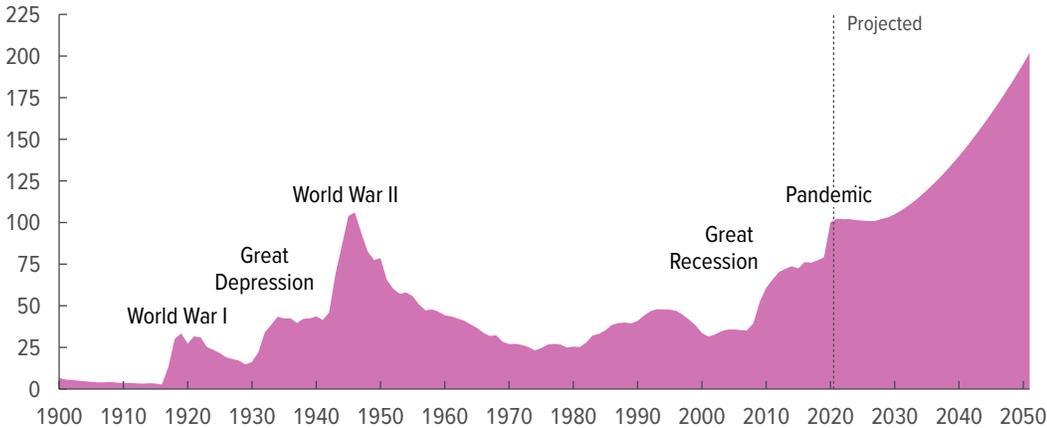
Visual Summary

Each year, the Congressional Budget Office issues a set of long-term budget projections—referred to as the extended baseline projections—that provide estimates of what federal debt, deficits, spending, and revenues would be over the next 30 years if current laws generally remained unchanged. Relative to the size of the economy, federal debt is slightly lower in most years over the next three decades than it was in last year’s projections.

Debt and Deficits

Federal debt held by the public is projected to equal 202 percent of gross domestic product (GDP) in 2051, and the deficit is projected to equal 13 percent of GDP.

Percentage of Gross Domestic Product



In CBO’s projections, federal debt held by the public reaches 107 percent of GDP (surpassing its historical high) in 2031 and continues to climb.

See Figure 1 on page 6

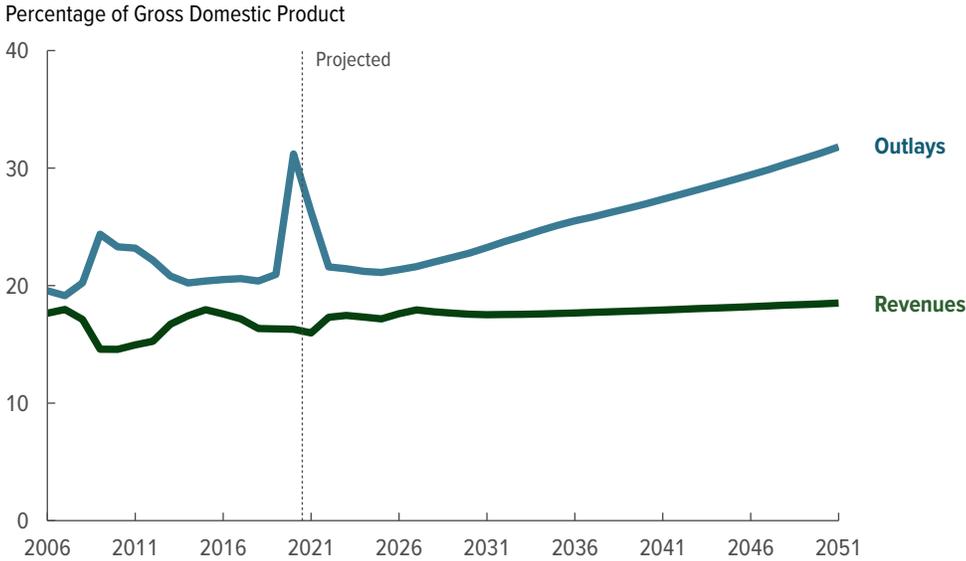
Percentage of Gross Domestic Product



After decreasing as the effects of the 2020–2021 coronavirus pandemic wane, deficits grow, largely because net spending for interest increases rapidly in the last two decades of the projection period. Deficits exceed their 50-year average of 3.3 percent of GDP in each year of that period.

See Figure 2 on page 8

Debt and Deficits (Continued)

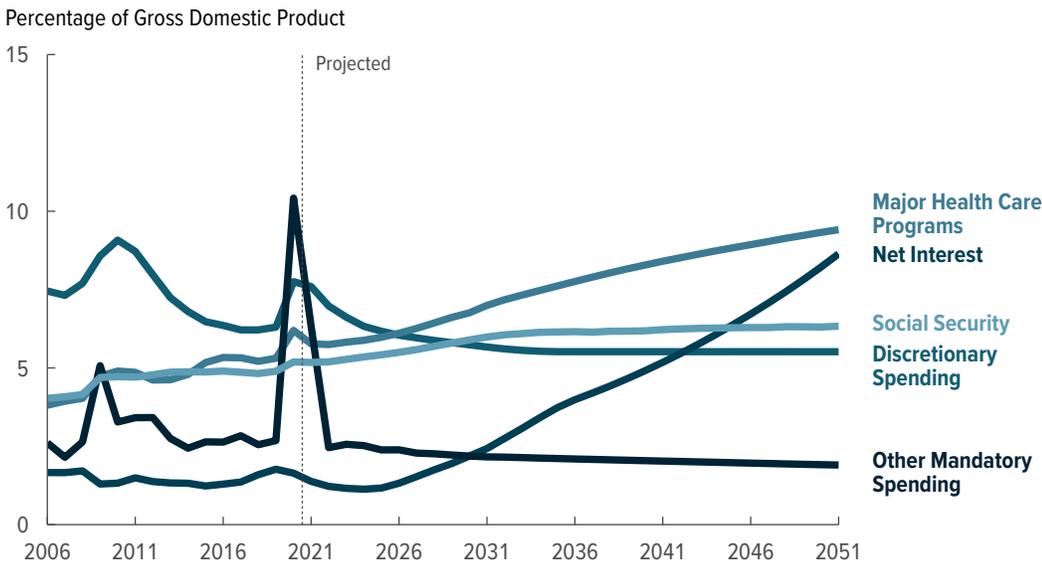


Growth in outlays outpaces growth in revenues, resulting in larger budget deficits over the long term.

See Figure 3 on page 9

Spending

Federal spending grows from an average of 21.3 percent of GDP over the 2010–2019 period to an average of 29.7 percent over the 2042–2051 period in CBO’s projections.



Net spending for interest, measured as a share of GDP, begins to increase in 2025 and more than triples over the last two decades of the projection period. Spending for the major health care programs and Social Security increases in almost every year of the period.

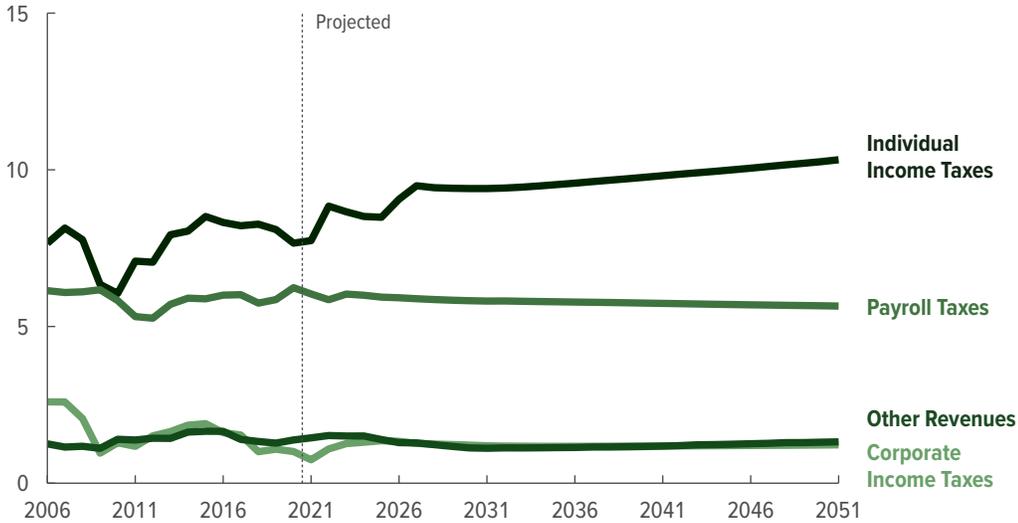
See Figure 3 on page 9



Revenues

In CBO’s projections, federal revenues increase from an average of 16.4 percent of GDP over the 2010–2019 period to an average of 18.2 percent over the 2024–2051 period.

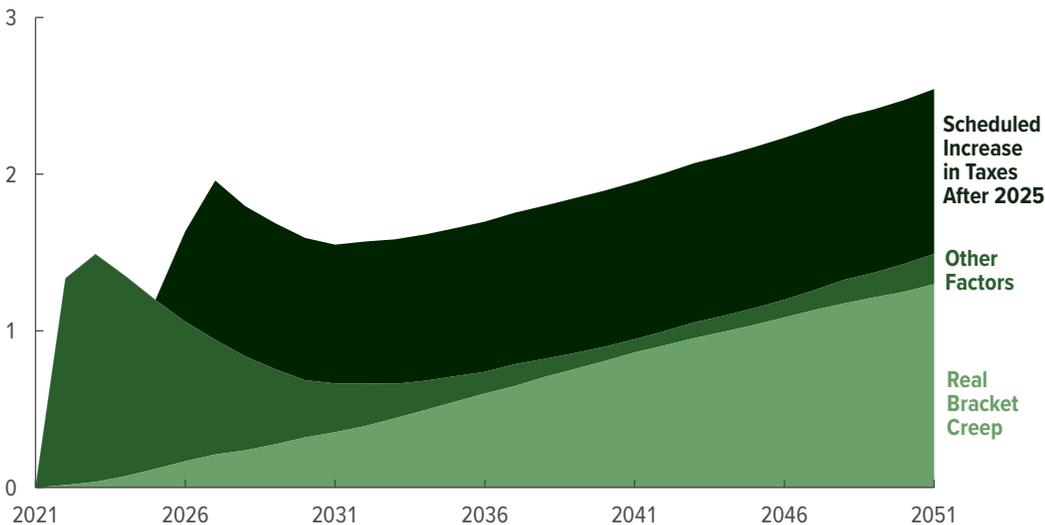
Percentage of Gross Domestic Product



Increases in receipts from individual income taxes account for most of the rise in total revenues. Those receipts increase after 2025, largely because nearly all provisions of the 2017 tax act that affect individual income taxes expire.

See Figure 3 on page 9

Percentage of Gross Domestic Product



Over the long term, the largest source of growth in tax revenues is real bracket creep—the process in which, as income rises faster than inflation, a larger proportion of income becomes subject to higher tax rates.

See Figure 11 on page 25