



CHAIR JODEY ARRINGTON

HOUSE BUDGET COMMITTEE

Chairman Arrington Releases Statement on Congressional Budget Office Budget Baseline

WASHINGTON D.C. — Today, House Budget Committee Chairman Jodey Arrington issued the following statement following the Congressional Budget Office's (CBO) release of its February 2024 budget baseline.

“Today’s CBO baseline reveals that when Republicans stand firm on fiscal responsibility and force Congress to reduce spending, America’s fiscal outlook improves.

“While our debt trajectory remains unsustainable driven by Biden’s executive actions, mandatory spending, and interest on our debt, the Republican-led debt ceiling deal to reduce discretionary spending has strengthened our balance sheet.

“However, if we are going to ensure economic security for future generations, Congress must be serious about providing a check on expensive and overreaching executive actions, reforming healthcare and welfare entitlement programs, and continuing to rein-in the bloated federal bureaucracy.”

Background:

Today, the Congressional Budget Office (CBO) released their budget projections for fiscal years (FY) 2024-2034. CBO’s annual report helps Congress understand the fiscal and economic challenges facing the country. **According to the report:**

- **Gross Federal Debt** totals **\$54.4 trillion** (130.6 percent of GDP) in 2034, up from **\$34.2 trillion** (122.2 percent of GDP) now.
- **FY2024 Deficit** totals **\$1.5 trillion**, the **fourth highest figure** in American history. The FY 2024 deficit is equivalent to **5.3 percent of GDP** (the 50-year average is 3.7 percent).
- **Ten Year Deficit** totals **\$20.0 trillion**. The deficit increases by **71 percent** over the budget window, growing from \$1.5 trillion this year to \$2.6 trillion (6.2 percent of GDP) in 2034.
- **Spending** totals \$82.7 trillion over ten years, and grows from **\$6.4 trillion** (22.9 percent of GDP) in 2024 to **\$10.1 trillion** (24.1 percent of GDP) in 2034. CBO projects mandatory spending (including interest) will increase from **73 percent of the budget** in 2024 to **79 percent of the budget** in 2034.

- **Revenue** totals **\$62.6 trillion** over ten years, and grows from \$4.9 trillion (17.5 percent of GDP) in 2024 to **\$7.5 trillion** (17.9 percent of GDP) in 2034. Revenue averages **17.8 percent of GDP** over the decade, above the 50-year average of 17.4 percent of GDP.
- **CPI inflation** clocks in at **2.6 percent** in 2024, and a **2.2 percent** annual average over the next decade.
- **The projected interest rate** on 10-year Treasury notes for 2024 has increased from 1.5 percent when President Biden took office to **4.6 percent** in CBO's latest projection. The 10-year average interest rate projection is **4.1 percent**.