



Fiscal State of the Union: CBO's Grim Outlook

CBO Outlook on Debt & Deficits:

Our government continues to spend more than we make, leaving Americans to stare down an unsustainable federal deficit. As a result, the national debt is rising to a number without precedent in American history.

- CBO projects debt will reach \$154 trillion by 2053, equivalent to more than \$1 million per American household (\$540,000 after adjusting for inflation). This is more than four times current median household net worth (\$122,000).
- The debt increase in CBO's 30-year extended baseline would require an average yearly debt ceiling increase of \$4 trillion.
- Deficits average \$2 trillion, or 6.1 percent of GDP, over the next ten years. The federal government ran a lower deficit (as a portion of the economy) every year between 1946 and 2009.
- CBO projects the federal deficit to exceed 5 percent of GDP every year between 2020 and 2053. In American history, there have never been more than five successive years of deficits this high (World War II, 1942-46).
- CBO projects the slowest population growth in American history through 2053, less than 4 percent per decade—half the growth of the previous low (the 1930s) and in 2042, CBO projects deaths will exceed births in America. This growing population but slowing funding shows that we cannot support insolvent programs.

CBO Outlook on Revenue and Spending:

Our nation's revenue has had a substantial increase, but unfortunately under the current administration our spending has eclipsed the amount of money that we are bringing in. This irresponsible budgeting has led to our egregious debt.

- Since the 2017 tax law, revenue has increased by \$1.6 trillion or 48 percent.
- By 2033, CBO projects revenue to be \$3.8 trillion, or 114 percent, higher than pre-TCJA levels.
- Over the next three decades, CBO projects revenue to average 18.4 percent of GDP, a percentage point higher than the 50-year average (17.4 percent).
- CBO projects spending to reach 25.3 percent of GDP by 2033—a level previously only reached during World War II (1943-45) and in response to COVID (2020-21).
- This year, net interest spending is projected to be \$288 billion, or 81 percent, higher than 2021.
- Over the budget window, net interest spending triples from \$475 billion to \$1.4 trillion.
- Net interest spending is projected to grow from 8 percent of the federal budget today, to 14 percent in 2033, to 24 percent in 2053.
- Biden's inflationary economic policies have increased CBO's projection of interest payments on the debt by \$3.6 trillion over ten years.
- Legislation enacted since Biden took office has increased spending projections by \$6 trillion over ten years.
- Biden executive action have increased spending by more than \$1 trillion over ten years.
- Mandatory spending grows from 72 percent of the federal budget today, to 76 percent in 2033, to 81 percent in 2053.