



House Budget Committee

SOUNDING THE ALARM: CBO Outlook Shows Share of Debt is Projected to Grow to \$1 million per American Household

Today, the Congressional Budget Office (CBO) released its [annual long-term budget outlook](#) detailing the nation's dismal fiscal health. **The report projects the debt growing to historic levels and the slowest extended period of economic growth in U.S. history.**

Key findings from the report:

Debt and Deficits: Projected to grow to \$1 million per American household.

- CBO projects debt will reach \$144 trillion by 2053, equivalent to \$1 million per American household (\$500,000 after adjusting for projected inflation). This is more than four times median household net worth (\$122,000).
- The Congressional Budget Office's latest long-term budget outlook shows the public debt rising from 98 percent of GDP in 2023 to 181 percent of GDP in 2053, the highest level in American history.
 - Debt has averaged 47 percent of GDP over the past fifty years.
- Since enactment of the Fiscal Responsibility Act, CBO reduced its projection of 2053 debt by \$10 trillion or 14 percent of GDP.
- 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).

Spending: Set to increase almost 40 percent higher than five-decade average.

- Federal spending is projected to increase from its 50-year average of 21.0 percent of GDP to 29.1 percent of GDP by 2053.
- Mandatory spending grows from 73 percent of the federal budget today, to 77 percent in 2033, to 81 percent in 2053.
- The growth of spending is driven by health care entitlement programs that are projected to increase spending faster than economic growth, rising interest costs, and Social Security payments.

Net Interest Spending: On track to become largest program in federal budget.

- Interest spending on the national debt is projected to grow from 2.5 percent of GDP in 2023 to 6.7 percent by 2053.
 - Interest spending will exceed all discretionary spending by 2047 and exceed spending on Medicare by 2046 and Social Security by 2051.
- Interest spending will consume 35 percent of all tax revenues by 2053, growing from less than 10 percent in 2022.



Revenues: Estimated to remain above the historical average.

- 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).

Economic Growth: Lowest projected sustained growth in U.S. history.

- Over the next 30 years, CBO projects economic growth will average only 1.7 percent a year. In American history, economic growth has never been this low for such an extended period of time. U.S. economic growth has averaged 3.1 percent since World War II.

Demographics: Slowest anticipated population growth in American history.

- CBO projects the slowest population growth in American history through 2053, 3 percent per decade—half the growth of the previous low.
 - Annual population growth is projected to be just 0.3 percent, one-third of the average population growth of the past 30 years.
- By 2042, CBO projects deaths will exceed births in America.

