

Congressional Budget Office

BASELINE

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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.

FY 2024 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.
- 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.

Mandatory Spending:

- **\$51.0 trillion** over ten years.
- Grows from **\$3.8 trillion** (13.6 percent of GDP) in 2024 to **\$6.3 trillion** (15.2 percent of GDP) in 2034.

Net Interest Spending:

- **\$12.4 trillion** over ten years.
- Grows from \$870 billion (3.1 percent of GDP) in 2024 to **\$1.6 trillion** (3.9 percent of GDP) in 2034.

Discretionary Spending:

- **\$19.2 trillion** over ten years.
- Grows from \$1.7 trillion (6.2 percent of GDP) in 2024 to **\$2.1 trillion** (5.1 percent of GDP) in 2034.

Revenue:

- Totals **\$62.6 trillion** over ten years.
- 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.

Economic Growth:

- **1.8 percent** in 2024.
- **2.0 percent** annual average over the next decade.

CPI Inflation:

- **2.6 percent** in 2024.
- **2.2 percent** annual average over the next decade.

Interest Rates:

- 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**.