

The BASELINE: DEFICITS *and* DEBT

CBO Projects Deficit of \$1.5 Trillion in FY 2024

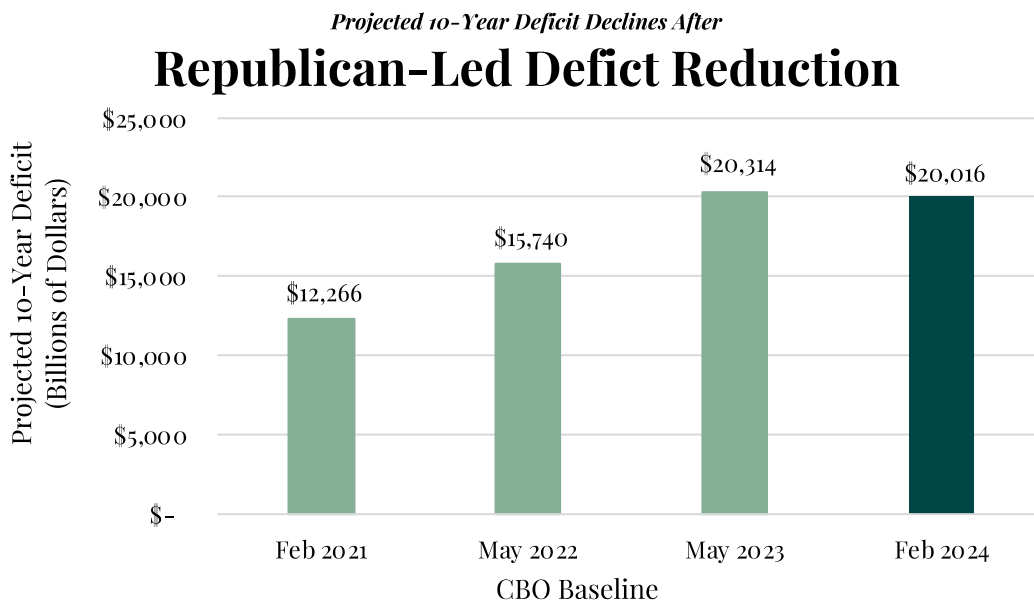
The FY24 budget deficit is projected to be **\$1.5 trillion** (5.3 percent of GDP). The budget deficit will then increase to **\$1.8 trillion** in FY25 and reach **\$2.6 trillion** by FY34.

Over the decade, cumulative deficits are projected to be **\$20.0 trillion**. This is greater than *all cumulative deficit spending* by the federal government from *1789 to 2019*.

CBO revised their projections of spending *downward* by **\$2.6 trillion** due to changes to discretionary spending enacted by this Congress, primarily the result of the **Fiscal Responsibility Act (FRA)**. On net, however, CBO reduced its overall deficit projection for the 2024-2033 timeframe (from the May 2023 baseline) by **\$1.4 trillion** over ten years, from \$20.3 trillion to \$18.9 trillion, due to factors like increased mandatory spending and interest costs.

As a result, the 10-year deficit declined in CBO's updated baseline.

- By comparison, it increased by an average of **\$4 trillion** in each of the past two years.



Comparison of FY 2024 Projected Deficit by Baseline

FY 2024 Deficit Projections (billions)	Feb 2021	Feb 2024	Change (\$)	Change (%)
Revenues.....	\$4,352	\$4,935	\$583	13.4%
Spending.....				
<i>Mandatory</i>	\$3,389	\$3,838	\$449	13.2%
<i>Discretionary</i>	\$1,585	\$1,734	\$149	9.4%
<i>Net Interest</i>	\$284	\$870	\$586	206.3%
<i>Spending Total</i>	\$5,258	\$6,442	\$1,184	22.5%
Deficit.....	\$905	\$1,507	\$602	66.5%

Gross Federal Debt

Gross federal debt is projected to be **\$34.8 trillion** (122.2 percent of GDP) at the end of FY24.

- *By comparison, gross federal debt was just \$27.8 trillion when President Biden took office.*

Debt is then projected to grow to **\$54.4 trillion** (130.6 percent of GDP) by the end of FY34.

- *To put this in perspective, at the end of FY 2000, the gross federal debt was just \$5.7 trillion.*

Debt Per Person

Debt per person is projected to equal more than **\$100,000 in FY24**, or **\$400,000 per family of four**.

This will increase to **\$150,000 per person**, or **\$600,000 per family of four**, by FY34.