



Insight

CBO's Budget and Economic Outlook 2014-2024

GORDON GRAY | FEBRUARY 4, 2014

BY THE NUMBERS



Taxes: According to the Congressional Budget Office, tax revenue will remain above 18 percent of GDP over the next ten years. This is well above the average since 1974 of 17.7 percent, not including the last six years where revenues have been depressed.

Figure 1:



Spending: The federal government is projected to spend over \$48 trillion over ten years, maintaining spending levels over 1.6 percentage points above historical levels. Mandatory spending, which comprised 41 percent of the federal budget in 1974, will exceed 62 percent in 2024.

Figure 2:



Interest payments on the debt comprised 8 percent of the budget in 1974 and 6 percent in 2013. These payments will more than double, to almost 15 percent. Debt service payments will reach 3.3 percent of GDP by 2024 - the highest level seen in the preceding 50 years.

Figure 3:



Deficits: Projected deficits in the next 10 years will dip below half a trillion only once, and will surpass \$1 trillion again by 2022. The deficit outlook has worsened since CBO's last estimate, with deficits projected to be a cumulative \$1 trillion over 2014-2023.

Figure 4:



Debt Held by the Public: Borrowing from the public will reach the highest levels since 1950 in FY 2014, reaching 73.6percent of the economy and despite a temporary and modest improvement, will remain at levels not previously seen in over 60 years.

Figure 5:

