Press Release

CBO: FY 2025 Budget Deficit Totaled $1.8 Trillion

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The Congressional Budget Office (CBO) has released its final Monthly Budget Review for fiscal year (FY) 2025, showing a $1.8 trillion budget deficit for the year, an estimated 5.9 percent of gross domestic product. In a new insight, Director of Fiscal Policy Jordan Haring walks through the details of the report.

Key points:

> - *The FY 2025 deficit is $8 billion lower than the $1.8 trillion deficit recorded in FY 2024 and $56 billion lower than the $1.9 trillion deficit CBO projected in its most recent baseline.*
> - *This reduction in the deficit can be explained by $221 billion in greater mandatory and discretionary spending, $80 billion in higher interest payments on the national debt, and $308 billion in higher revenue collections.*
> - *Interest payments on the national debt surpassed $1 trillion, making net interest the second-largest federal government expenditure behind Social Security.*

Read the analysis.