



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.](#)