



Insight

Economic Roundup

DOUGLAS HOLTZ-EAKIN | JULY 26, 2010

The Administration released its Mid-Session Review of the Budget this past Friday. There were few surprises:

- The FY2010 deficit was revised down to \$1.47 trillion on the basis of estimating assumptions.
- The FY2011 deficit is estimated to be \$1.41 trillion.
- There was no explicit accounting of the enormous cost of the taxpayer takeover of Fannie Mae and Freddie Mac – or a hint when it might end.
- The costs of Medicare and Medicaid were revised up – so much for health care reform – but the cost of the new law was buried in the details.

The Bottom Line: Red ink as far as the eye can see and a continued insistence that the deus ex machina of a budget commission will save the day.