



## Press Release

# Highlights from CBO's Long-Term Budget Outlook 2020

ALLISON EDWARDS | SEPTEMBER 21, 2020

The Congressional Budget Office (CBO) released its updated Long-Term Budget Outlook today and projected that U.S. debt will be nearly double the size of the economy by 2050, a marked increase from its January projection. AAF's Director of Fiscal Policy Gordon Gray notes while the COVID-19 pandemic has had a significant impact on the *level* of debt as a share of gross domestic product, the overall trajectory of debt accumulation is still driven by demographics.

His central points:

- According to CBO, debt held by the public will reach 195 percent of gross domestic product in 2050, which is 15 percentage points higher than what the agency projected in its January estimate;
- The pace of projected debt accumulation tracks previous estimates, but the significant federal borrowing due to the COVID-19 pandemic has substantially increased existing federal indebtedness; and
- Before long, the accumulation of debt will require an unprecedented fiscal consolidation.

[Read the analysis.](#)