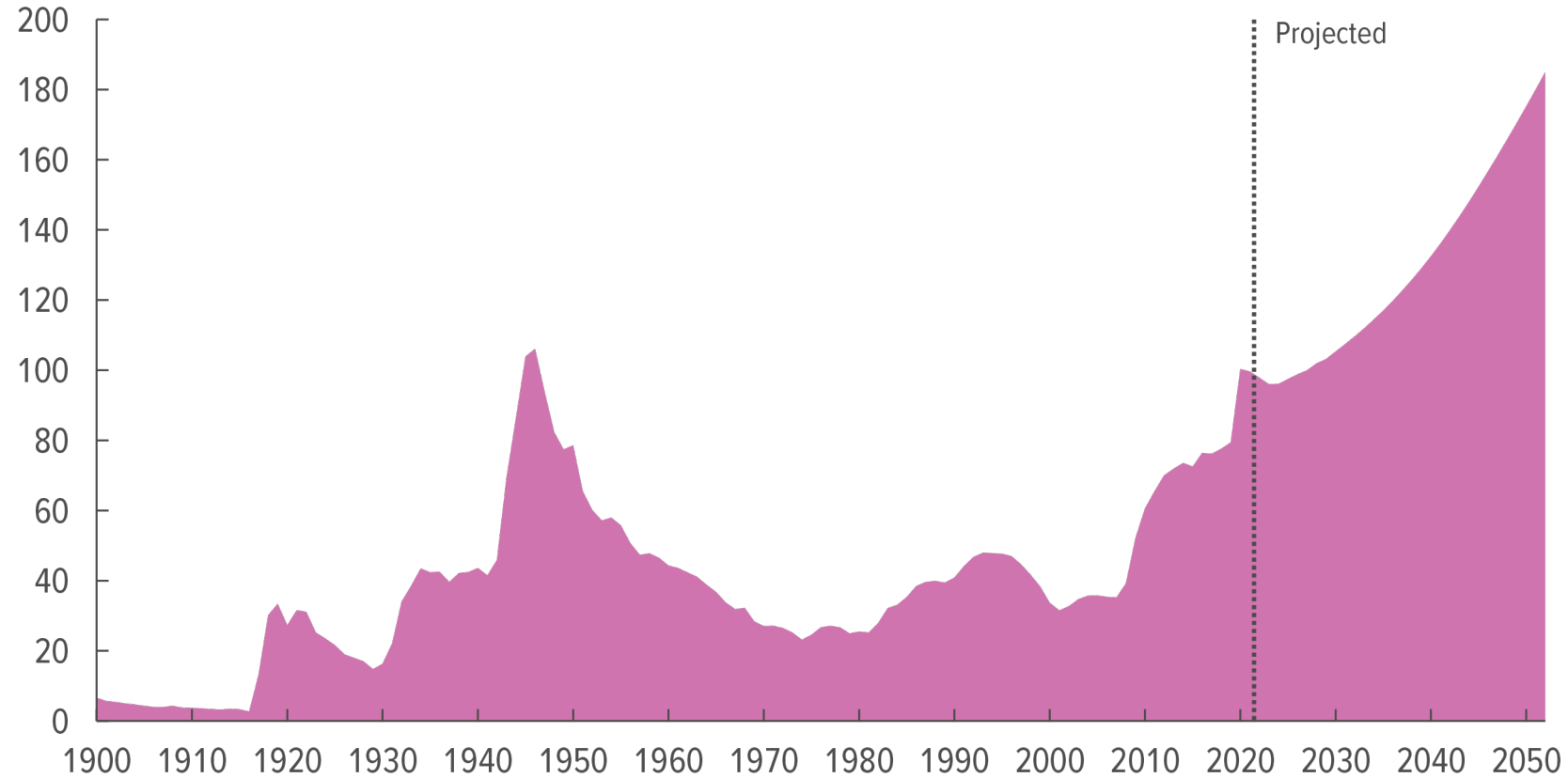


# **The Budget Outlook for 2022 to 2032 in 8 Slides**

June 2022

# Federal Debt Held by the Public, 1900 to 2052

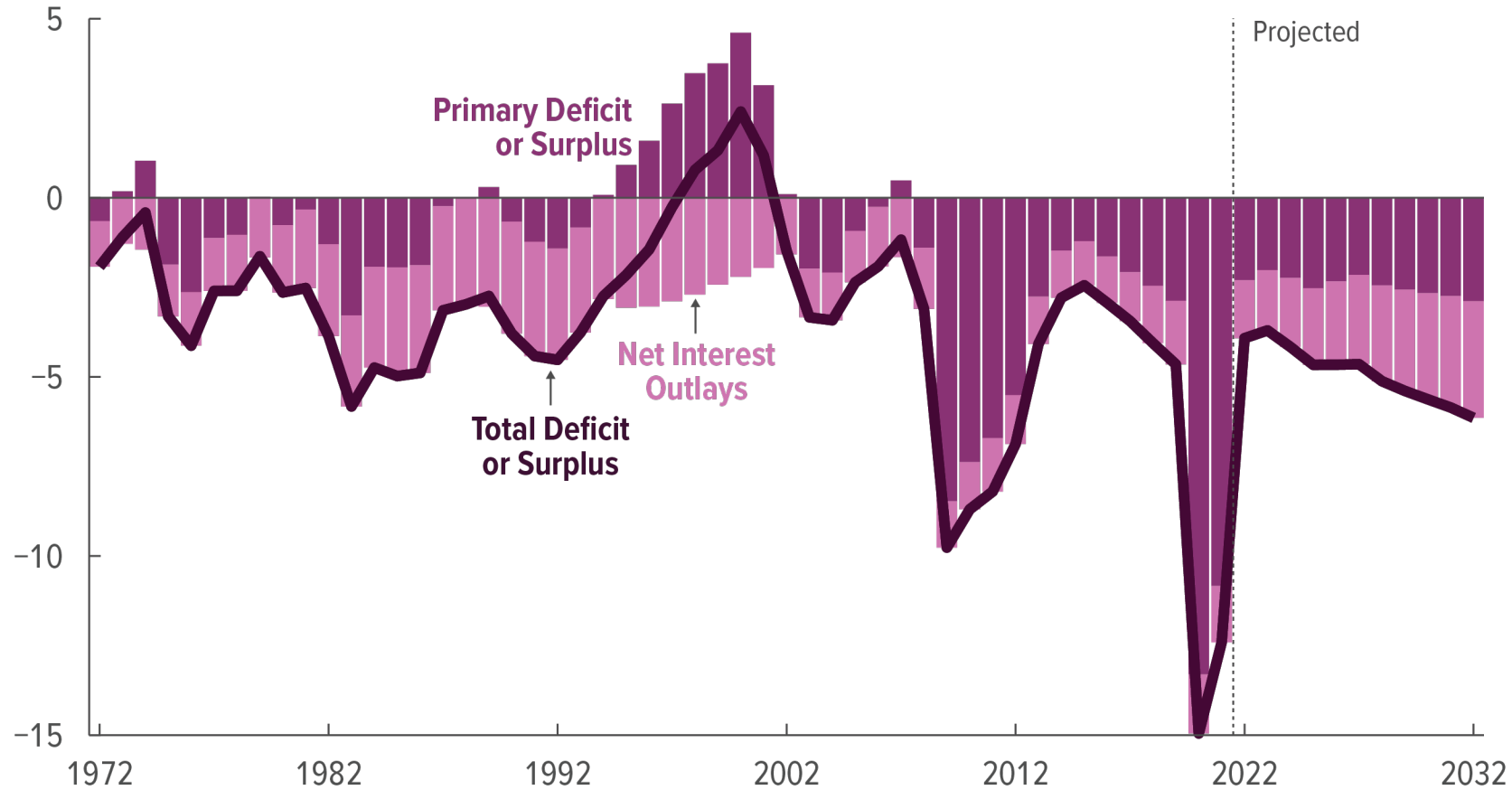
Percentage of Gross Domestic Product



Federal debt held by the public is projected to increase in most years in the projection period, reaching 110 percent of GDP in 2032—higher than it has ever been. In the two decades that follow, growing deficits are projected to push federal debt higher still, to 185 percent in 2052.

# Total Deficits, Primary Deficits, and Net Interest Outlays

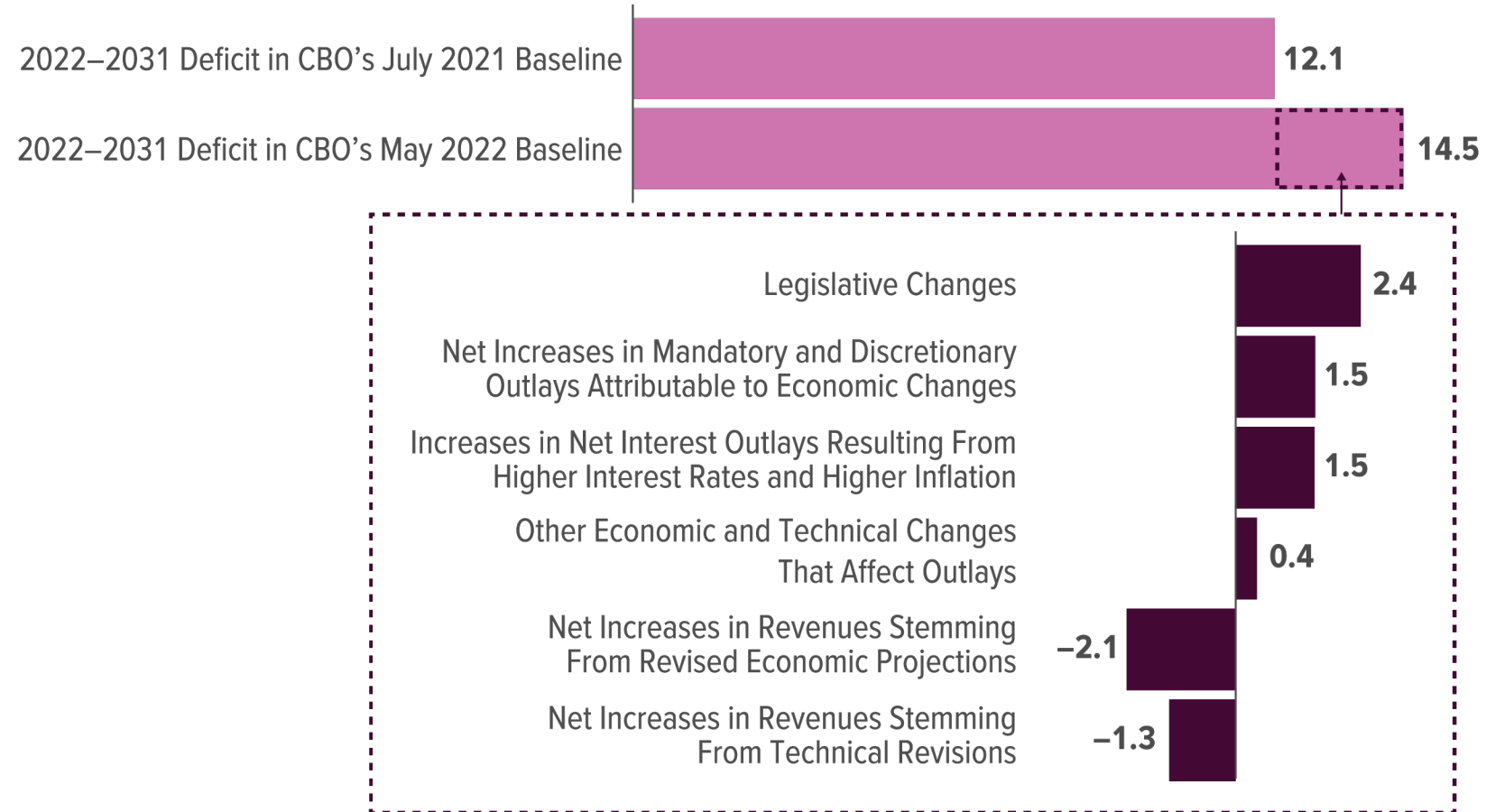
Percentage of Gross Domestic Product



In CBO's projections, primary and total deficits initially shrink as a percentage of GDP and then generally increase, particularly in the second half of the projection period. The aging of the population and the rising costs of health care boost primary deficits; net interest outlays, which double as a percentage of GDP over the projection period, further increase total deficits.

# Changes in CBO's Baseline Projections of the 10-Year Deficit Since July 2021

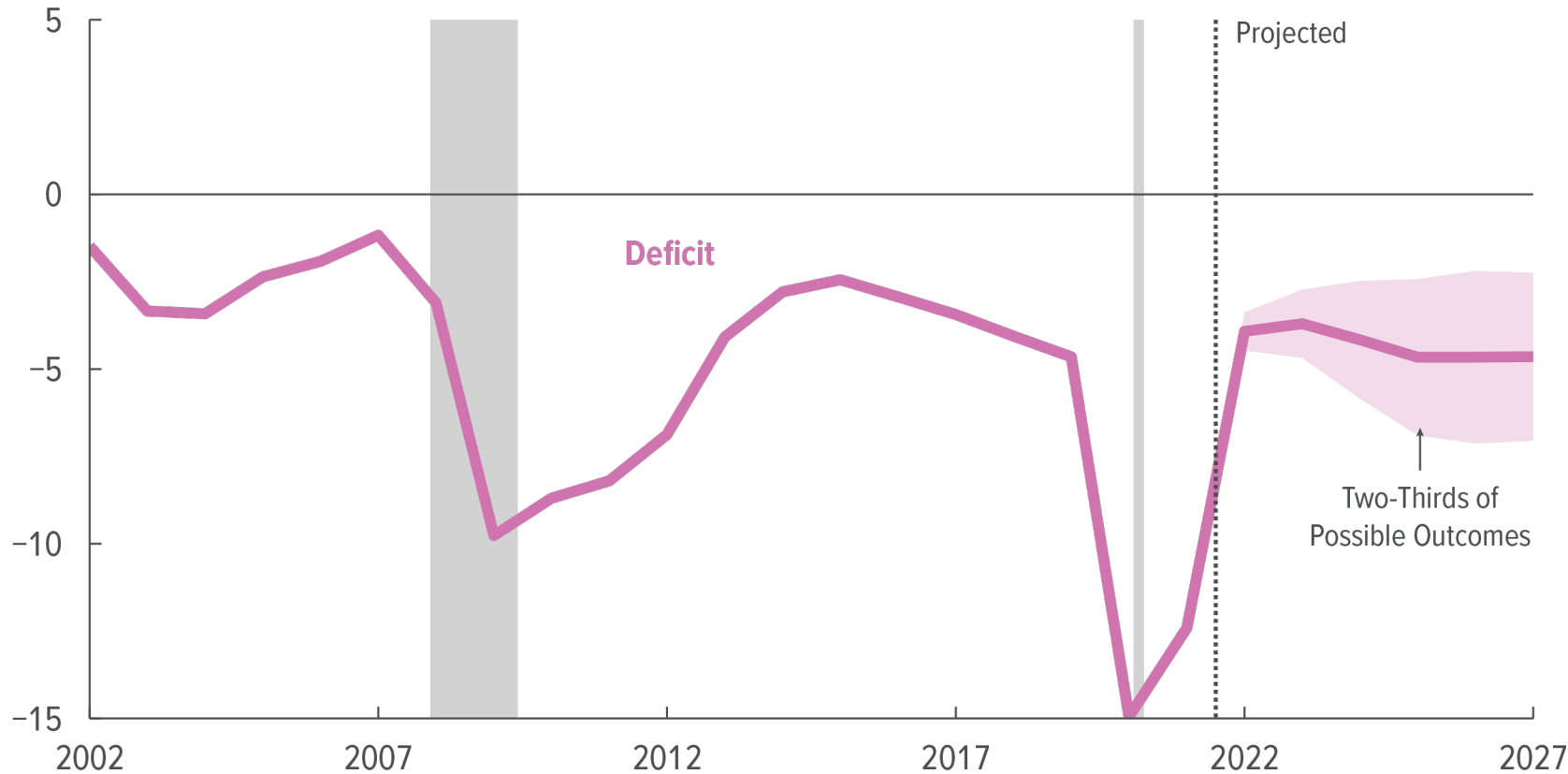
Trillions of Dollars



The cumulative deficit for 2022 to 2031 is \$2.4 trillion larger in CBO's current baseline projections than it was in the agency's July 2021 projections. Legislative changes account for most of that increase. Revenue increases, which reduce deficits, were mostly offset by economic changes that increased outlays, particularly those for interest and Social Security.

# The Uncertainty of CBO's Baseline Projections of the Budget Deficit

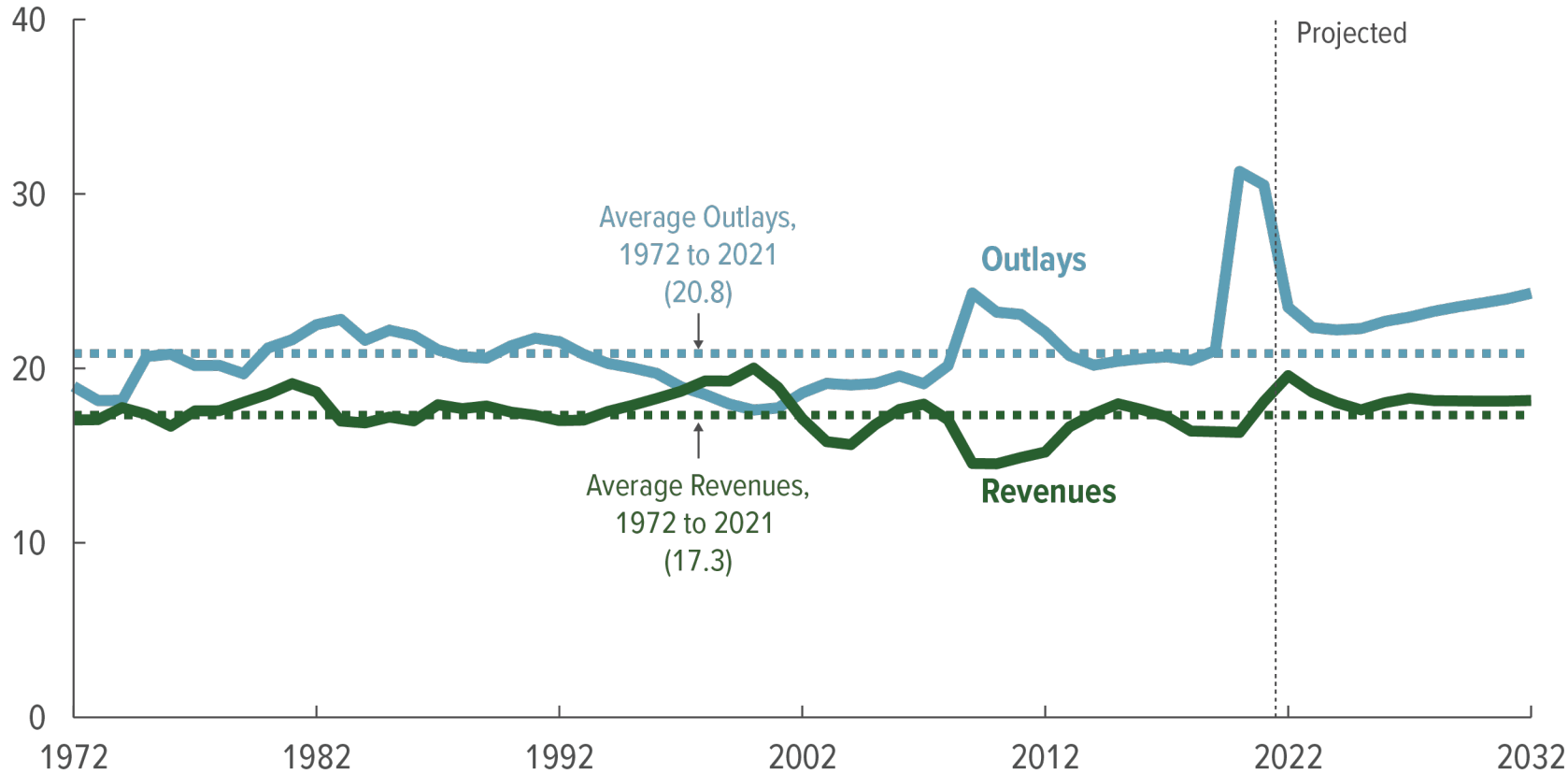
Percentage of Gross Domestic Product



CBO estimates that there is a roughly two-thirds chance that by 2027, the deficit as a share of gross domestic product would be 2.4 percentage points smaller or larger than the agency projects.

# Total Outlays and Revenues

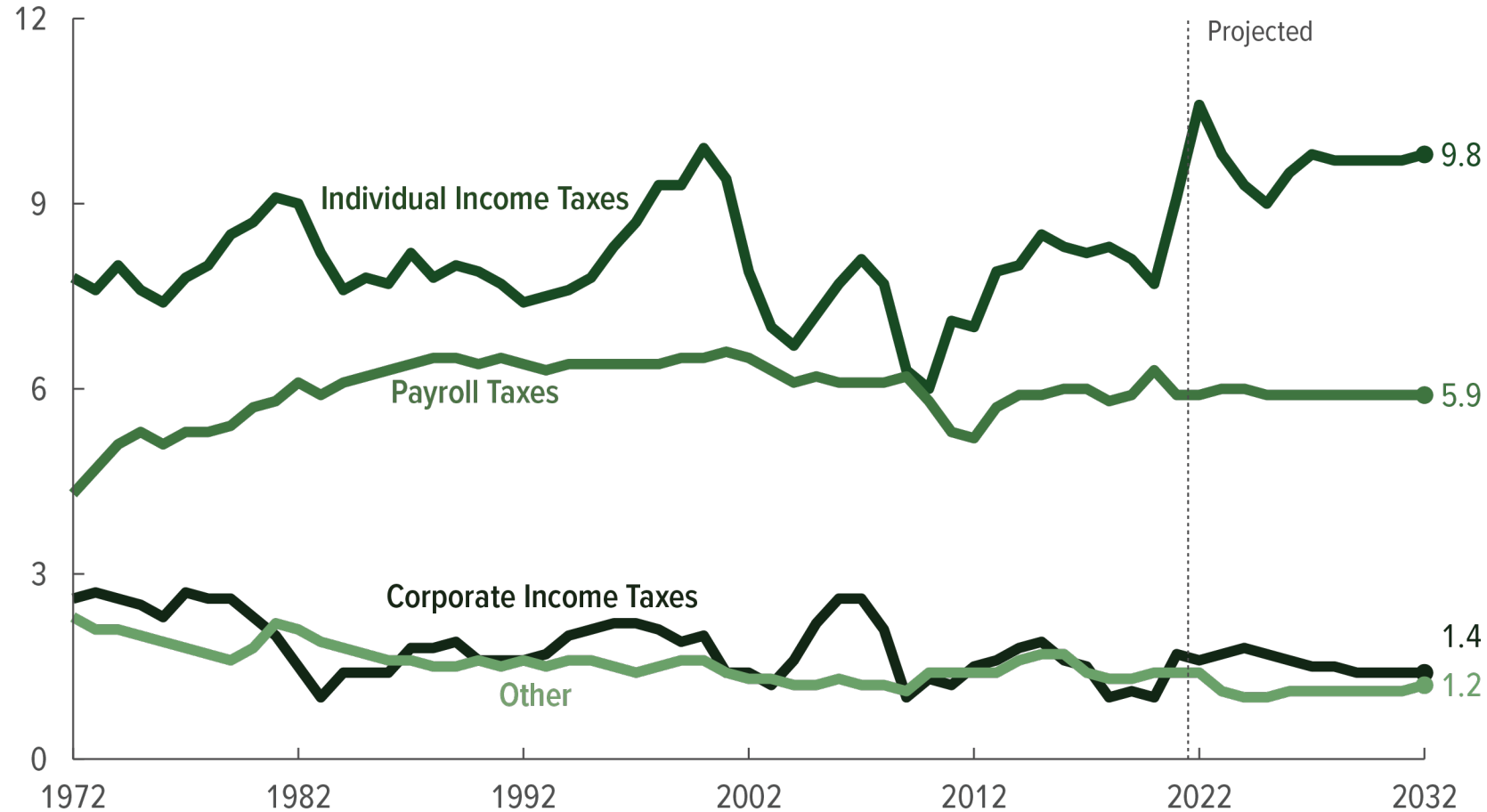
Percentage of Gross Domestic Product



Outlays are projected to drop from recent highs, as pandemic-related spending wanes, and then trend upward, as they did before the pandemic. Revenues are projected to increase sharply this year and then hover around their historical average as a share of the economy.

# Revenues, by Category

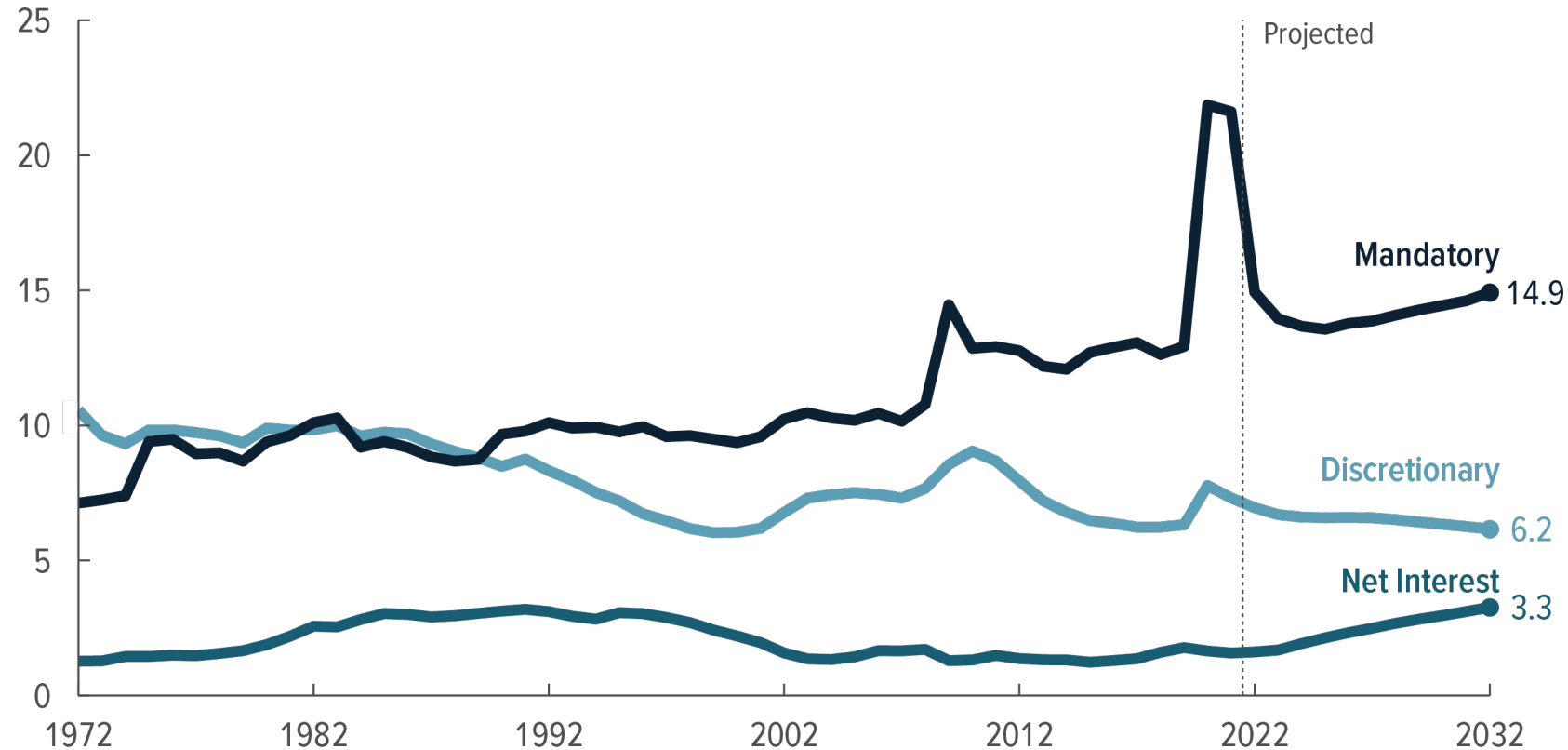
Percentage of Gross Domestic Product



Receipts from individual income taxes—the largest source of federal revenues—rose sharply in 2021 and are projected to do so again in 2022 as the economy recovers from recession and temporary provisions enacted in response to the pandemic expire. Those receipts are projected to rise again after 2025 because of the scheduled expiration of some provisions of the 2017 tax act.

# Outlays, by Category of Spending

Percentage of Gross Domestic Product



Under current law, mandatory outlays fall for the next few years before higher spending for Social Security and the major health care programs cause those outlays to rise. Discretionary outlays fall in relation to gross domestic product as funding grows modestly in nominal terms. Net interest outlays increase substantially as interest rates rise and debt mounts.



# Major Changes in Projected Outlays From 2022 to 2032

Percentage of Gross Domestic Product

