

January 28, 2019

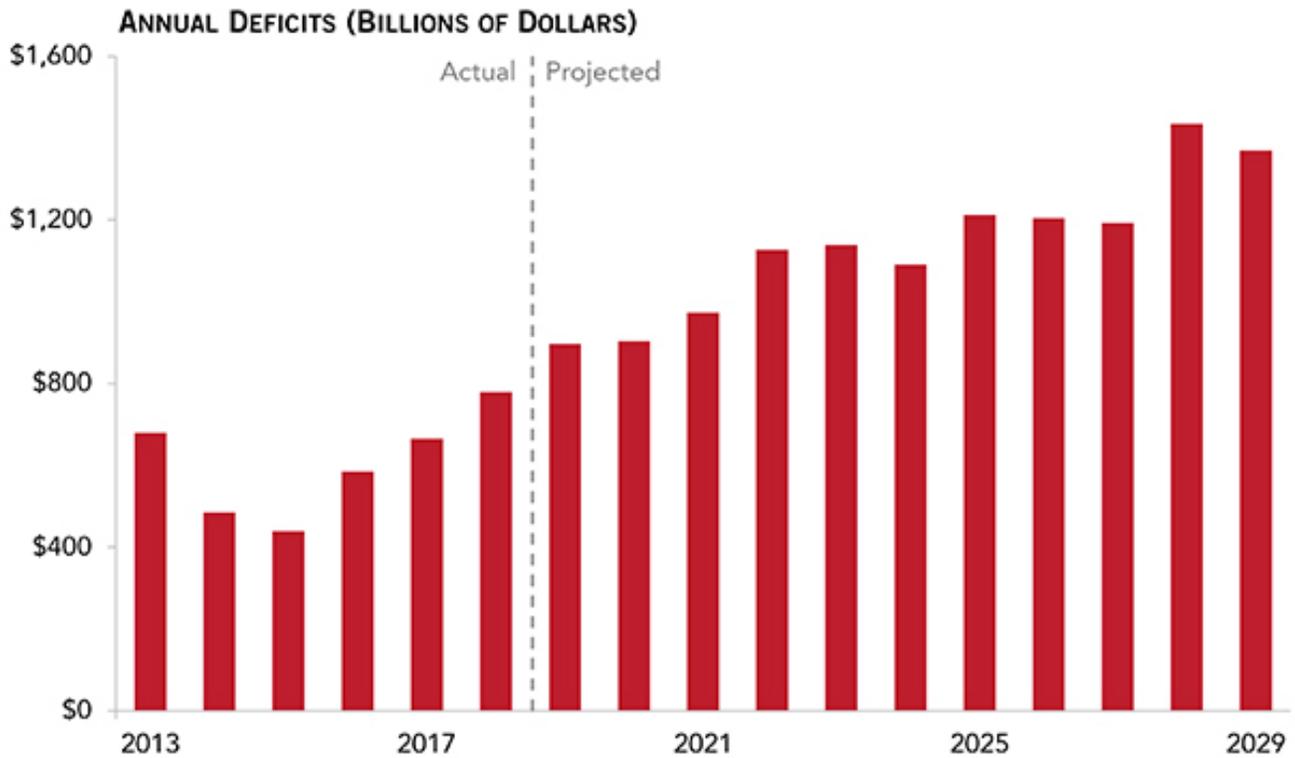
Five Charts that Summarize CBO's Budget and Economic Outlook



Today, the non-partisan Congressional Budget Office (CBO) released its Budget and Economic Outlook for 2019 to 2029 — illustrating the fiscal challenges that we face in the coming decade. CBO's data continues to show that we're on a troubling fiscal path.

Below are five charts showing key takeaways from CBO's report:

1. **Despite a growing economy and low unemployment, federal budget deficits are projected to grow over the next 10 years — a highly unusual pattern.** CBO projects that annual budget deficits will climb from about \$900 billion in 2019 to \$1.4 trillion in 2029.

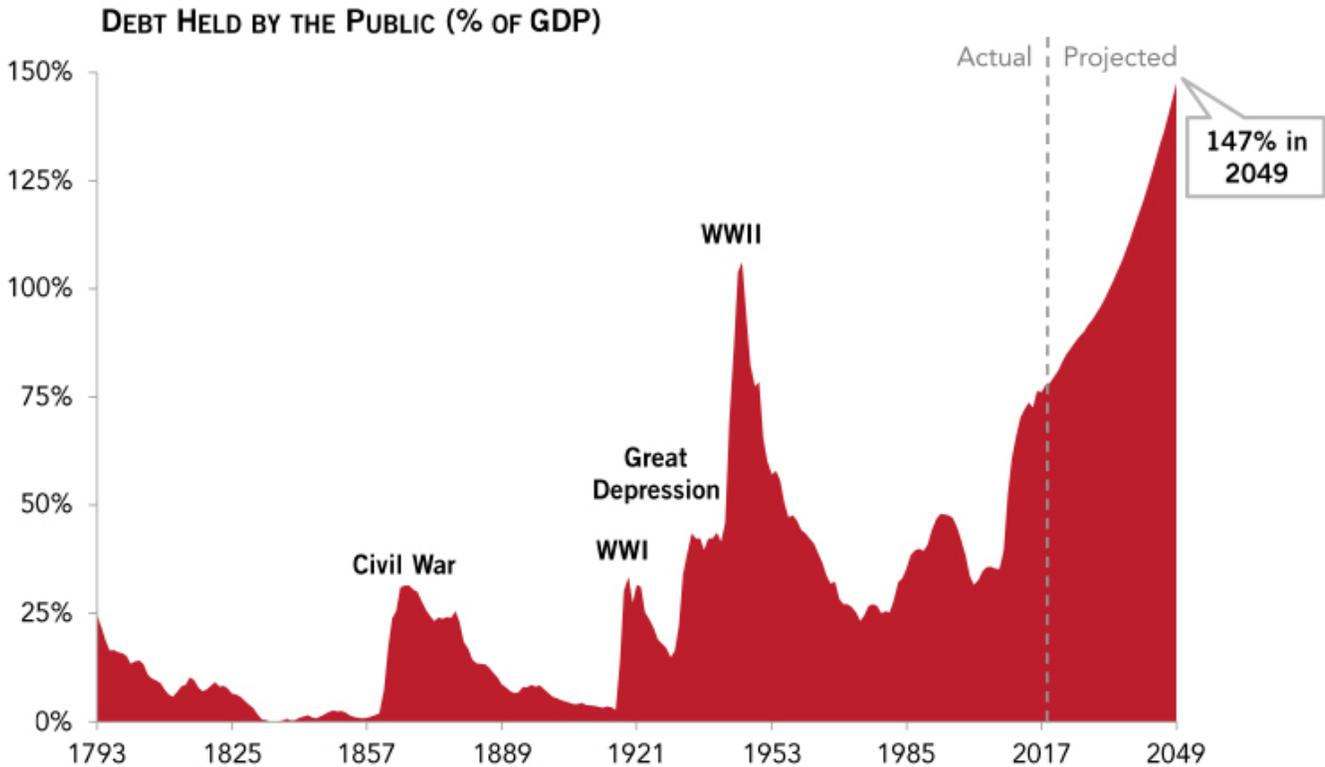


SOURCE: Congressional Budget Office, *The Budget and Economic Outlook: 2019 to 2029*, January 2019. Compiled by PGPF.  
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2. **Larger annual budget deficits will lead to a rising national debt — which is already at its highest level since 1950.** Under current law, the national debt is expected to climb to \*147 percent of GDP by 2049.



SOURCE: Congressional Budget Office, *The Budget and Economic Outlook: 2019 to 2029*, January 2019. Compiled by PGPF.

NOTE: This chart was updated with revised CBO data published on March 6, 2019.

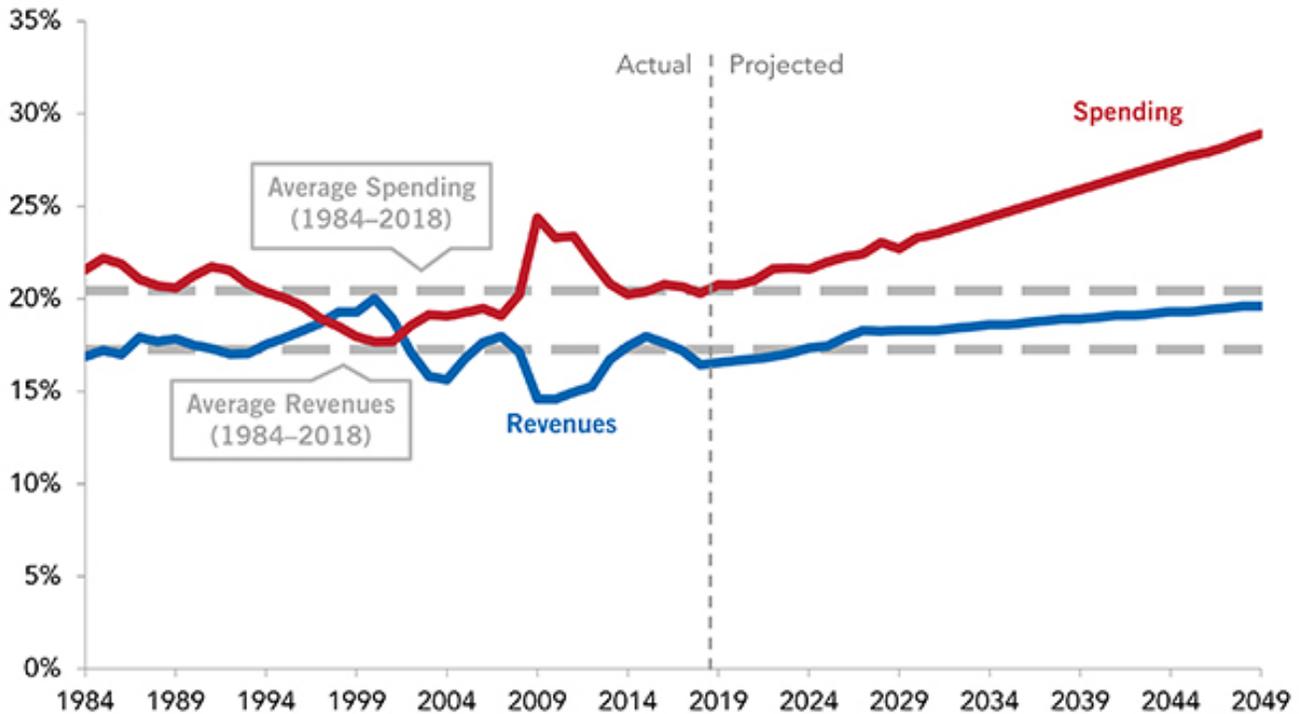
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- The growth in our national debt is the result of a structural mismatch between revenues and spending.** Under current law, the growth in spending — driven primarily by an aging population, rising healthcare costs, and higher net interest costs — will drastically outpace revenue growth.

FEDERAL REVENUES AND SPENDING (% OF GDP)



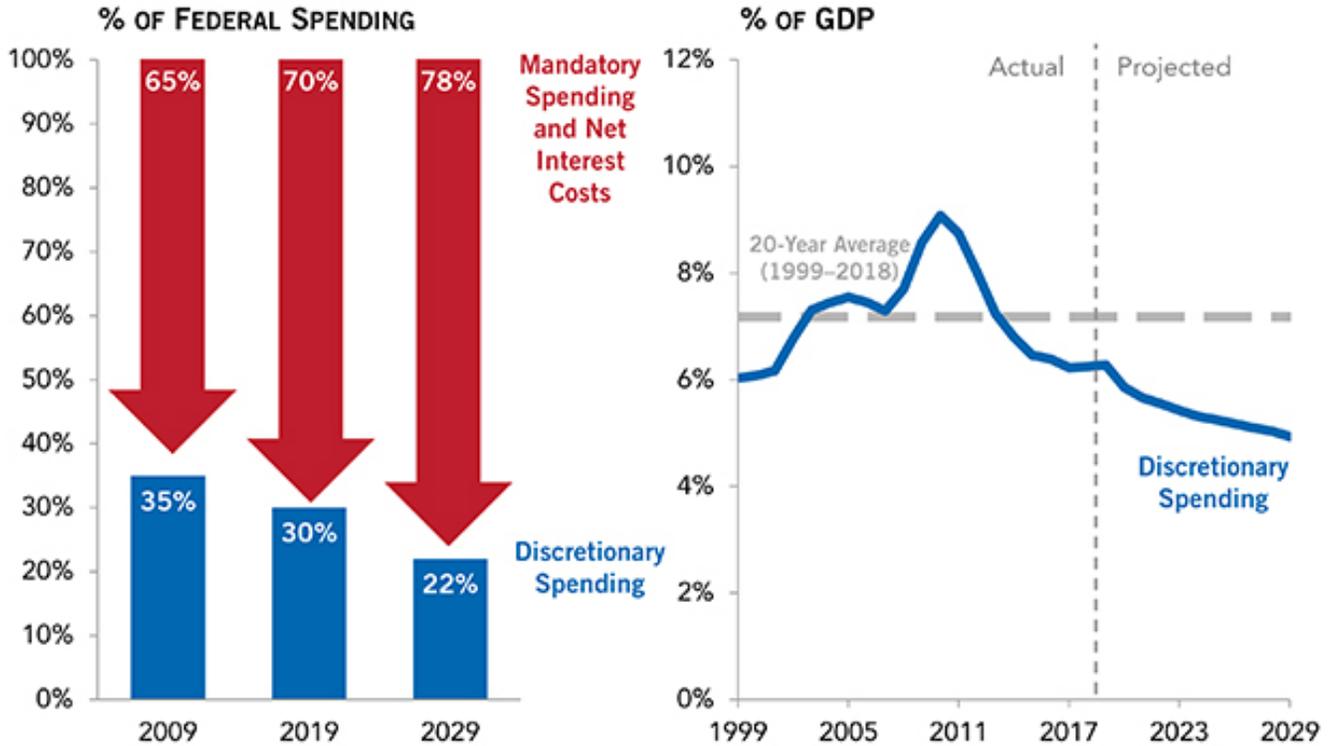
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4. **While total spending is projected to climb considerably over the next several years, discretionary spending is expected to decline relative to the size of the economy.** By 2029, discretionary spending is projected to fall to 4.9 percent of GDP — below its 20-year historical average of 7.2 percent of GDP — and will only make up 22 percent of federal spending.

## Discretionary spending is projected to fall to well below its historical averages

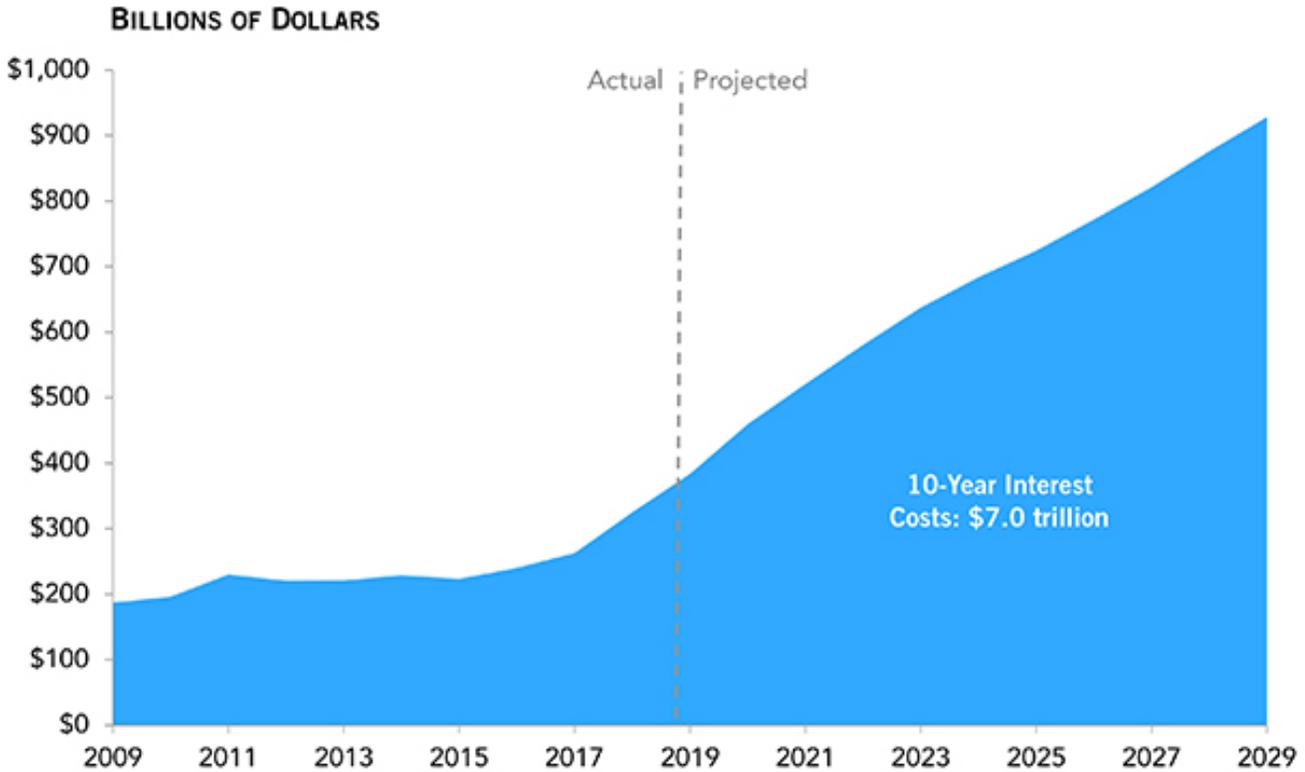


SOURCE: Congressional Budget Office, *The Budget and Economic Outlook: 2019 to 2029*, January 2019. Compiled by PGPF.  
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5. **The fastest growing component of the budget, net interest costs are projected to more than double over the next decade, rising from \$383 billion in 2019 to \$928 billion in 2029.** We will soon be spending more on net interest costs than we do in other essential areas such as Medicaid and Defense.



SOURCE: Congressional Budget Office, *The Budget and Economic Outlook: 2019 to 2029*, January 2019. Compiled by PGPF.  
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Rising deficits and debt put us on an unsustainable path, but it's not too late to change course. There are a number of options and bipartisan solutions to stabilize the national debt and get us back on the right track.

*\*This piece was updated with revised CBO data published on March 6, 2019*

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**Related: CBO Report Highlights Unsustainable Fiscal Outlook**

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