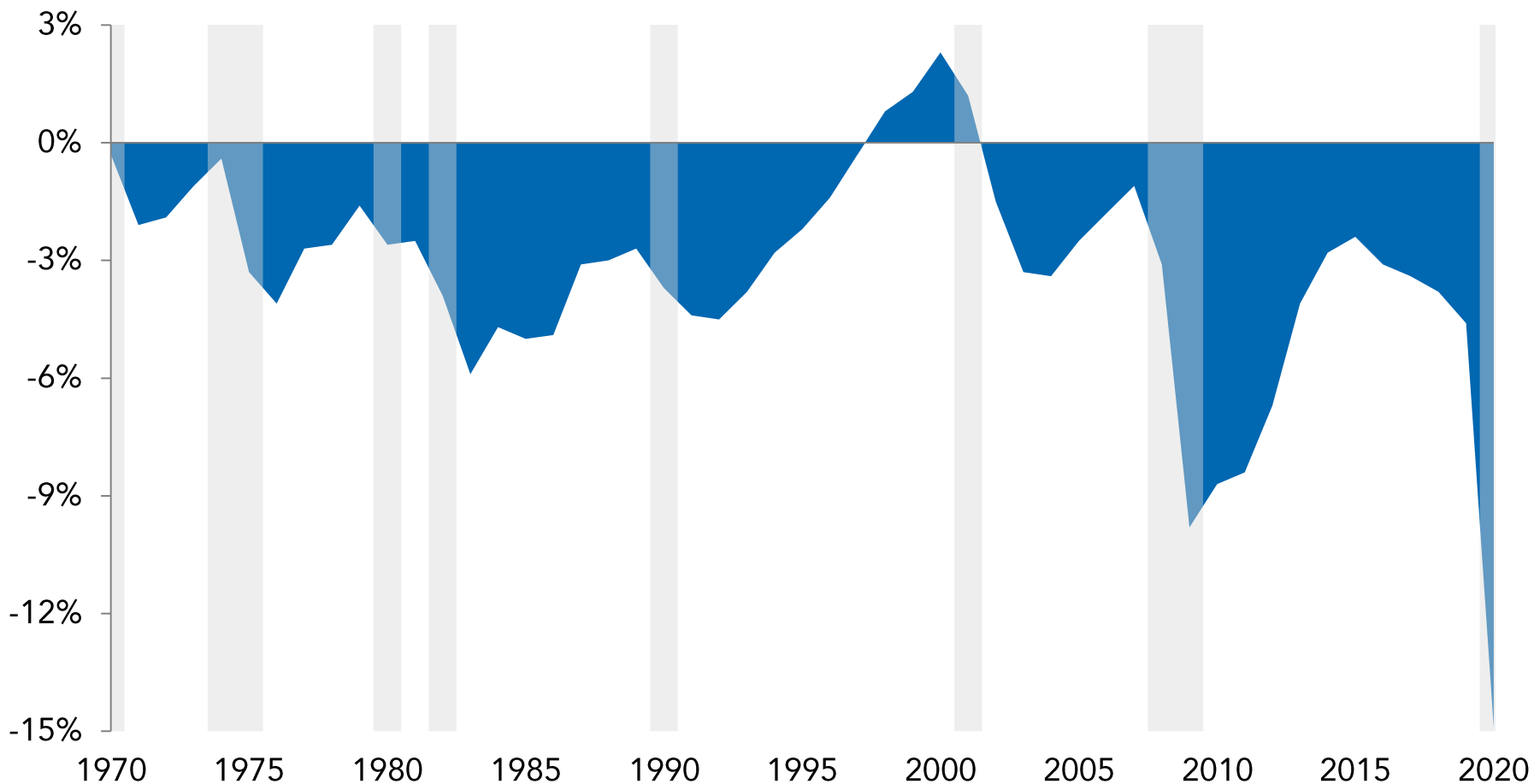


Recessions and countercyclical policies generally increase deficits, but deficits tend to diminish during and after recoveries

ANNUAL BUDGET DEFICITS (-) AND SURPLUSES (+) (% OF GDP)



SOURCE: Office of Management and Budget, *Historical Tables, Budget of the United States Government: Fiscal Year 2022*, May 2021

NOTES: The grey shaded area represents an economic recession and are based on the National Bureau of Economic Research's classification. NBER has not yet provided an end date for the recession that began in February 2020.