

Macro Roundup Article

Headline: [CBO's February 2024 Budget and Economic Outlook](#)

Article Link: <https://www.crfb.org/papers/cbos-february-2024-budget-and-economic-outlook>

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Summary: Deficits will total \$20T, or 5.7% of GDP, over the next decade under CBO's baseline. After growing from \$1.4T in FY 2022 to \$1.7T in 2023, CBO projects deficits will fall to \$1.5T in 2024. CBO projects deficits will then grow to \$1.8T by 2025, breach \$2T by 2031, and grow to \$2.6 trillion by 2034. As a share of the economy, CBO projects deficits will fall from 6.3% of GDP in FY 2023 to 5.3% in 2024, and then grow again to 6.1% in 2025. Assuming large parts of the TCJA and other policies expire at the end of 2025, CBO projects deficits will decline to a low of 5% of GDP in 2029, before rising to 6.2% by 2034. These deficits are extremely high by historic standards. At 6.2%, the FY 2034 deficit as a share of GDP will be one-third larger than in the year prior to the pandemic and about 70% larger than the 50-year historical average of 3.7% of GDP. In nominal dollars, the \$2.6T deficit will be 2.6 times as large as immediately before the pandemic.

Related Articles: The Budget and Economic Outlook: 2024 to 2034 and From Riches to Rags: Causes of Fiscal Deterioration Since 2001 and Olivier Blanchard on Debt Explosions

Primary Topic: Fiscal Deficits

Topics: Fiscal Deficits, Fiscal Policy, Op-Ed/Blog Post, Politics

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