

Macro Roundup Article

Headline: [The Long Term Budget Outlook: 2024 to 2054](#)

Article Link: <https://www.cbo.gov/publication/60127>

Author(s)	CBO Staff
Publication	Congressional Budget Office
Publication Date	March 20, 2024

Tweet: [@USCBO new budget outlook forecasts that federal outlays will reach 27.3% of GDP by 2054 vs.revenues of 18.8%. From 1974 to 2023 mean outlays were 21% of GDP.](#)

Summary: In CBO's projections, the total federal budget deficit increases significantly in relation to gross domestic product over the next 30 years, reaching 8.5% of GDP in 2054. Since the Great Depression, that level has been exceeded only during and shortly after World War II and during the 2007–2009 financial crisis and the coronavirus pandemic. That growth results from rising interest costs and large and sustained primary deficits, which exclude net outlays for interest. Those deficits average 2.2% of GDP over the 30-year period; over the past 50 years, they averaged 1.6% of GDP. Projected primary deficits are especially large given the forecast of low unemployment rates. Measured as a percentage of GDP, federal outlays are large by historical standards and, beginning in 2028, increase in each year, reaching 27.3% of GDP in 2054. Growth in net interest costs and in spending for federal health care programs, particularly Medicare, drives those increases. Revenues, also measured as a percentage of GDP, fluctuate over the next decade and increase thereafter, reaching 18.8% of GDP in 2054. Related: [Monthly Budget Review: August 2023](#) and [Living with High Public Debt](#) and [Did the U.S. Really Grow Out of Its World War II Debt?](#)

Primary Topic: Fiscal Deficits

Topics: Financial Markets, Fiscal Deficits, Fiscal Policy, GDP, Government Spending, Government/NGO, Politics, Taxation, Weekly

Permalink: <https://www.edwardconard.com/macro-roundup/uscbo-new-budget-outlook-forecasts-that-federal-outlays-will-reach-27-3-of-gdp-by-2054-vs-revenues-of-18-8-from-1974-to-2023-mean-outlays-were-21-of-gdp?view=detail>

Featured Image Link: <https://www.edwardconard.com/wp-content/uploads/2024/03/CBO-Mean-Outlays-and-Revenue.png>