Macro Roundup Artcile

Headline: The 2023 Long-Term Budget Outlook

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Tweet: .@USCBO projects a deficit of 5.8% of GDP in 2023 which will decline to 5% by 2027 and then accelerate to 10% of GDP by 2053 when federal debt will be 181% of GDP.

Summary: In CBO's projections, the deficit equals 5.8% of gross domestic product (GDP) in 2023, declines to 5.0% by 2027, and then grows in every year, reaching 10% of GDP in 2053. Over the past century, that level has been exceeded only during World War II and the coronavirus pandemic. The increase in the total deficit results from faster growth in spending than in revenues. The primary deficit, which excludes interest costs, equals 3.3% of GDP in both 2023 and 2053, but the total deficit is boosted by rising interest costs. By the end of 2023, federal debt held by the public equals 98% of GDP. Debt then rises in relation to GDP: It surpasses its historical high in 2029, when it reaches 107% of GDP, and climbs to 181%% of GDP by 2053. Related: The Return of Quantitative Easing

Primary Topic: Fiscal Deficits

Topics: Fiscal Deficits, Fiscal Policy, Government Spending, Government/NGO, Weekly

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