



**Congressional Budget Office**

**National Economists Club**

**The Budget and Economic Outlook**

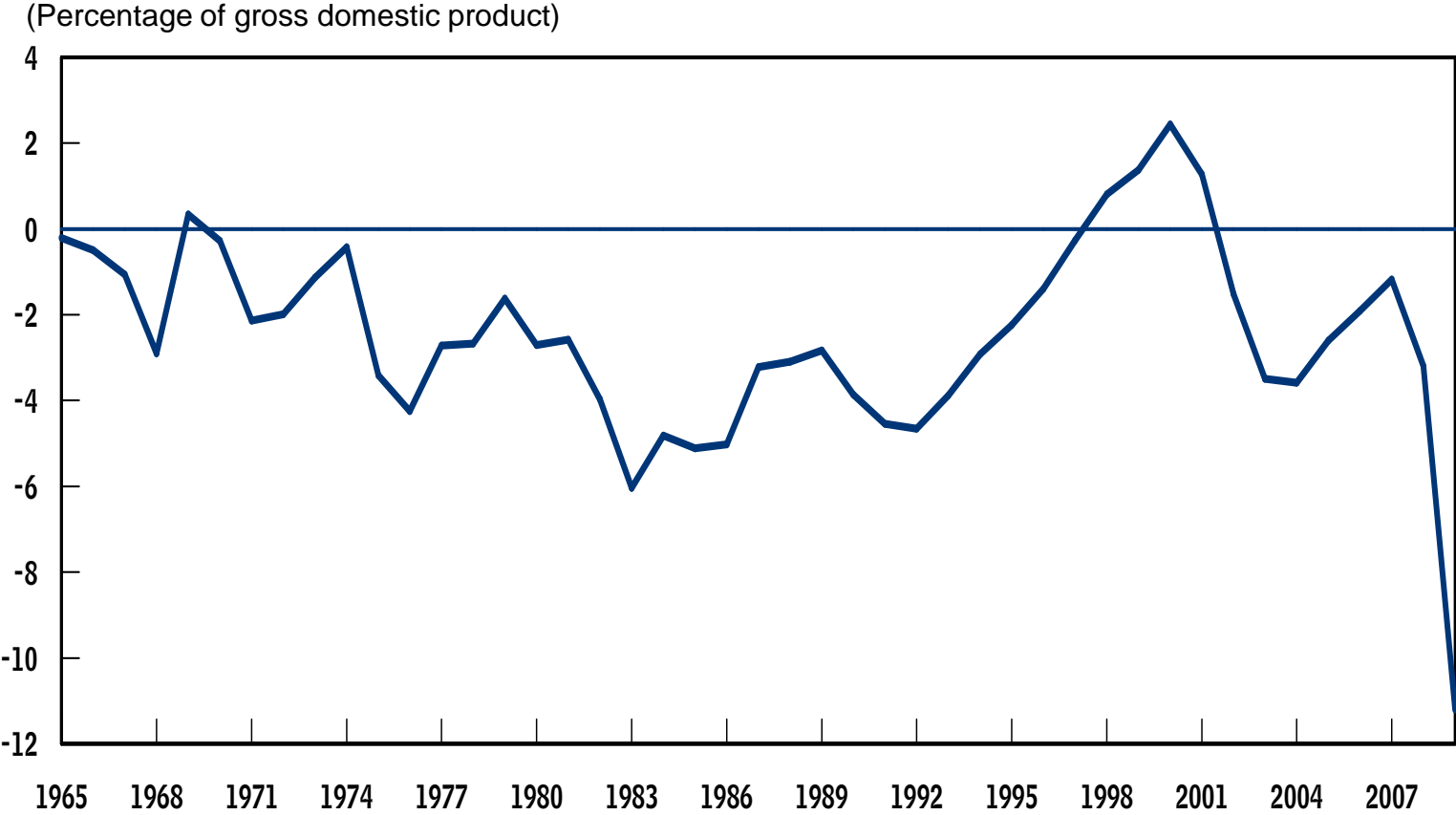
**Douglas W. Elmendorf**

**Director**

**September 24, 2009**

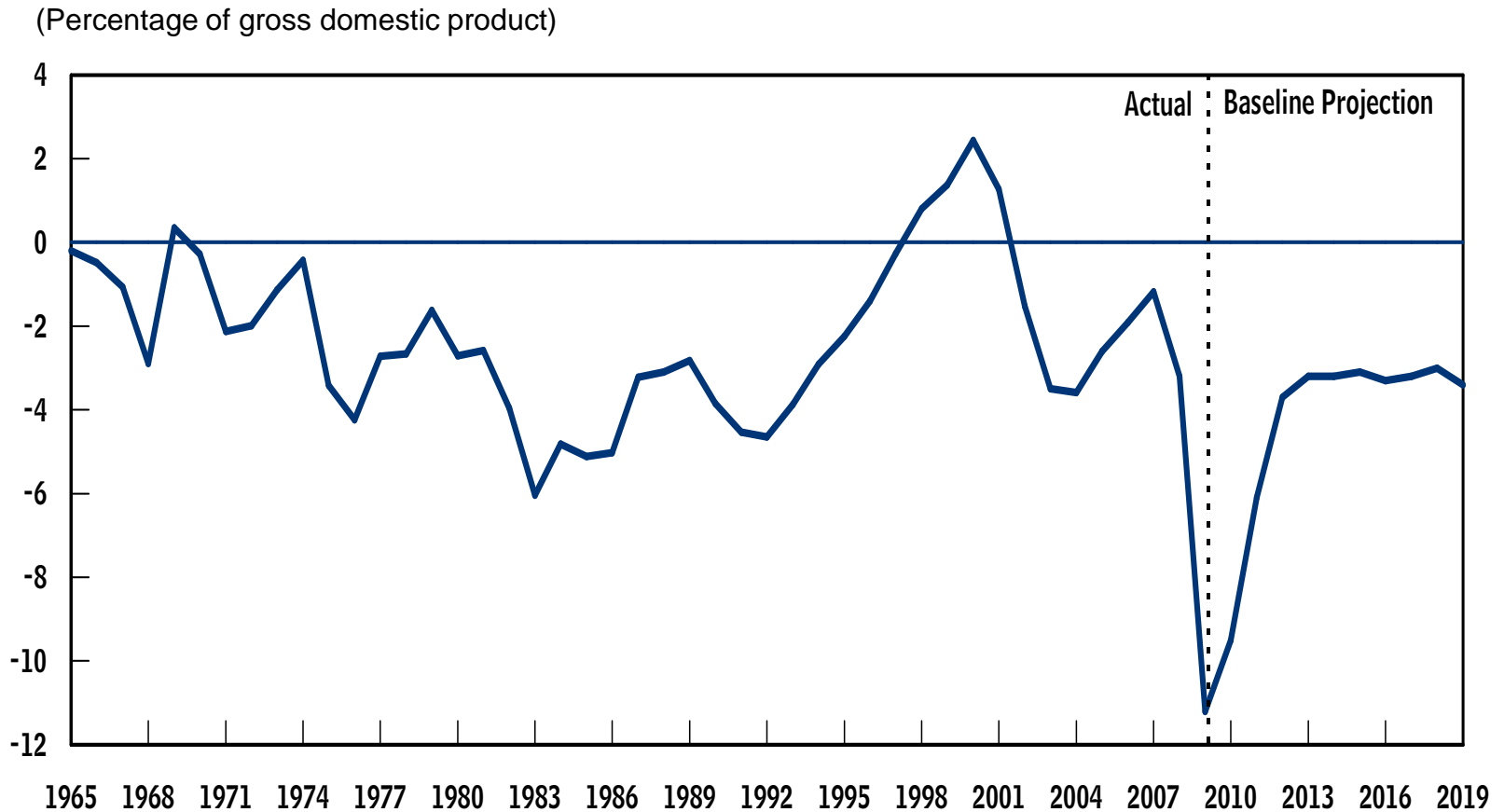


# Total Deficit or Surplus in CBO's Baseline, 1965 to 2009





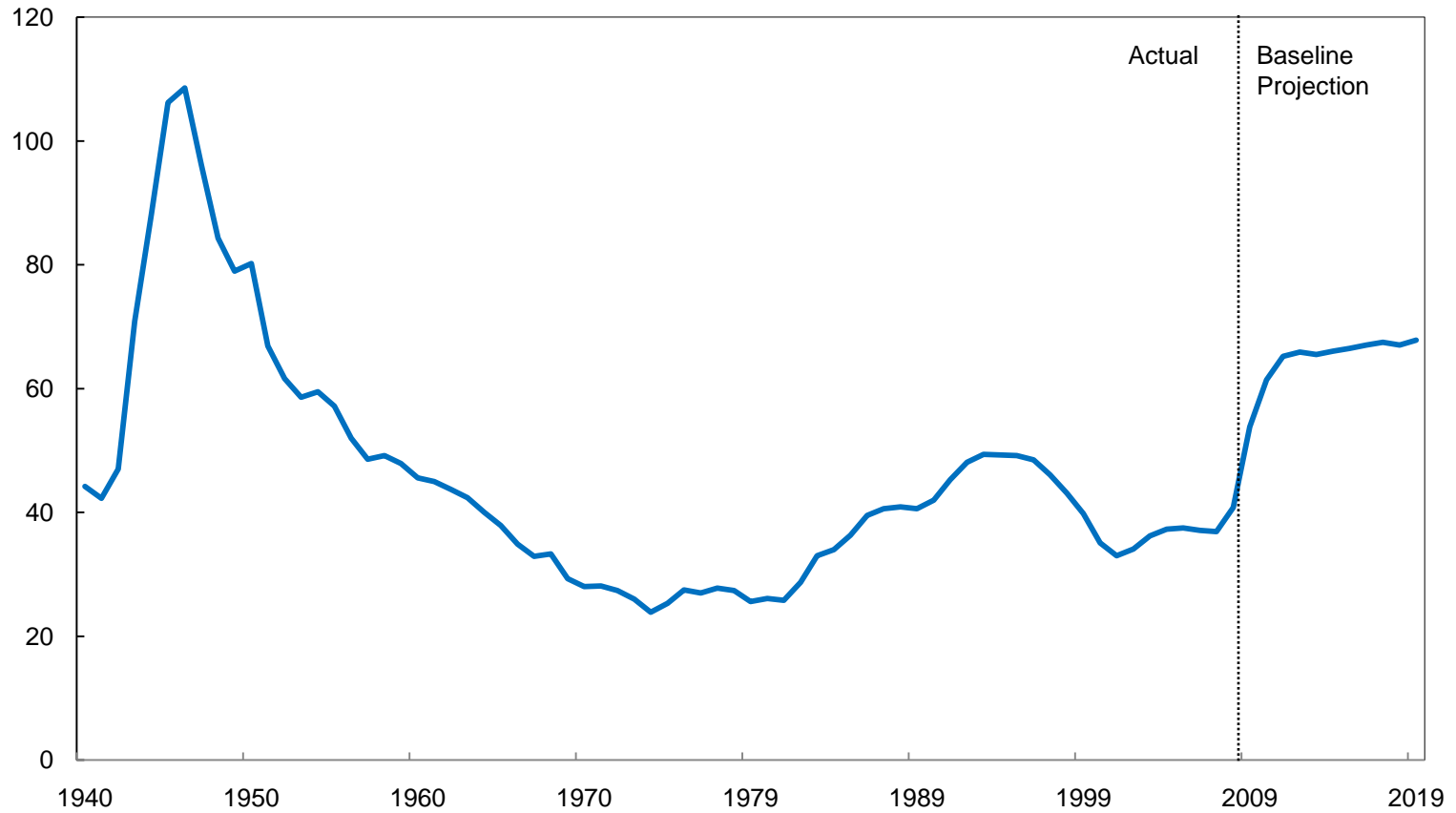
# Total Deficit or Surplus in CBO's Baseline, 1965 to 2019





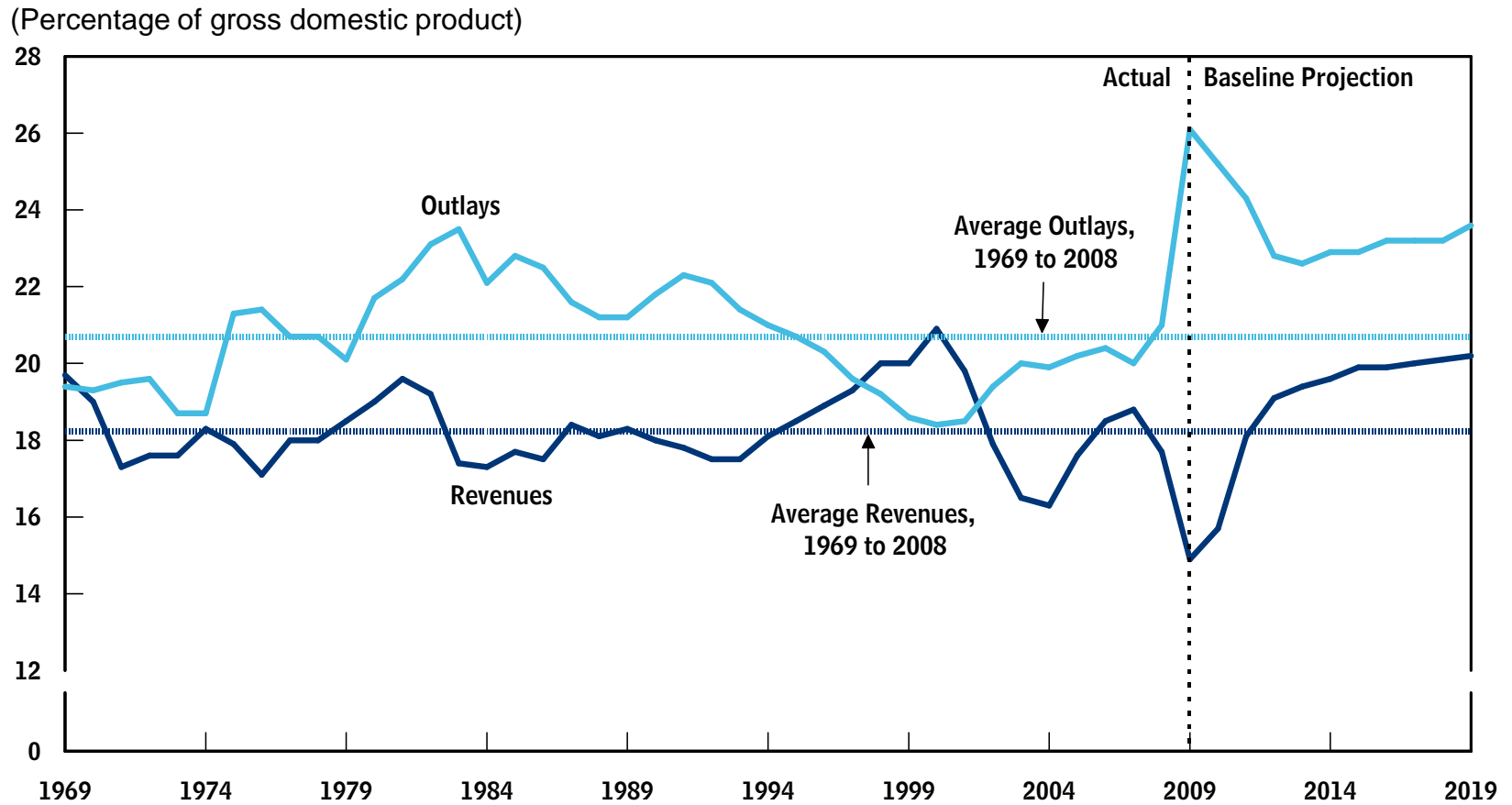
# Debt as a Percentage of GDP, 1940 to 2019

(Percentage of gross domestic product)





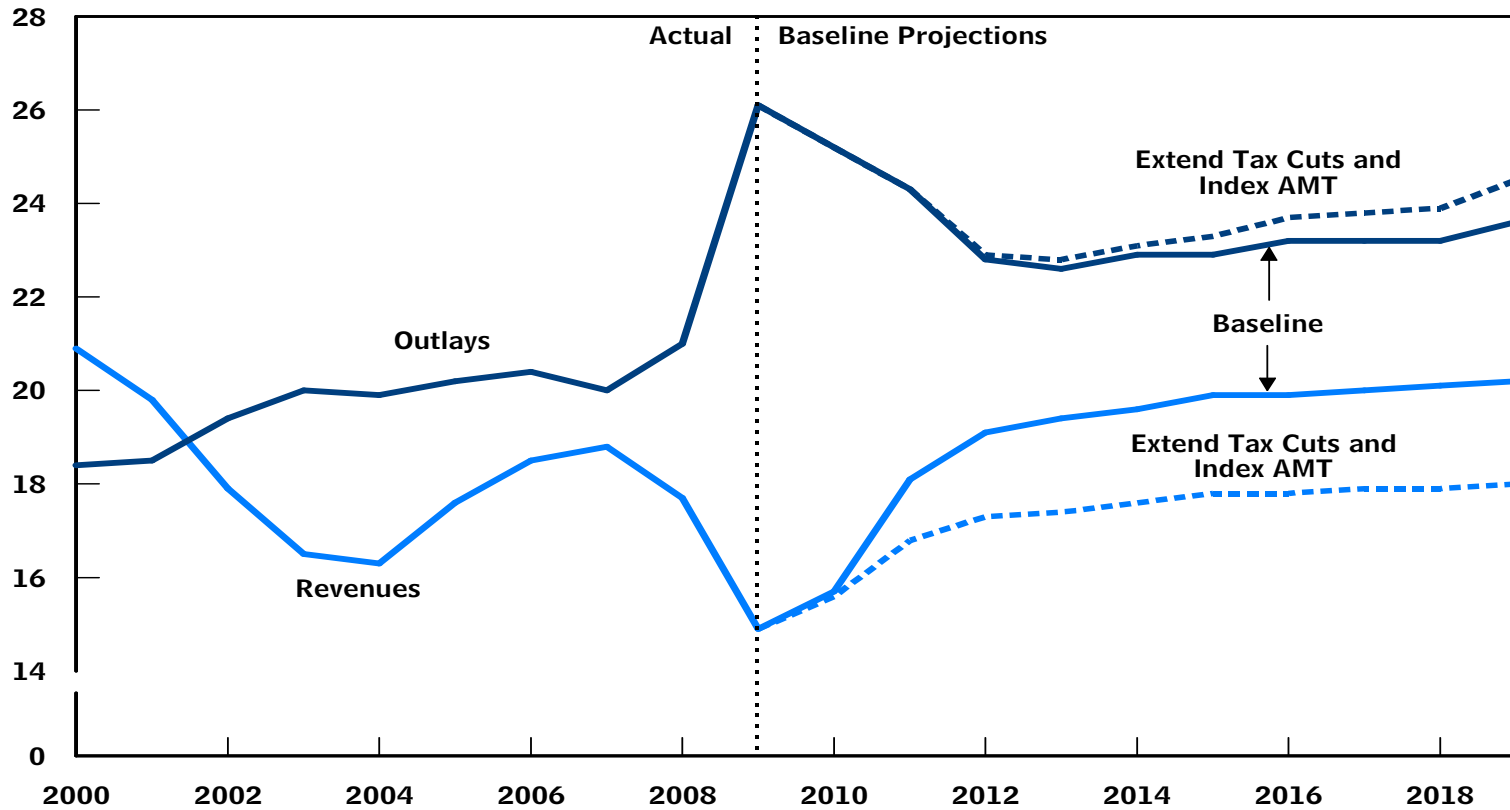
# Revenues and Outlays in CBO's Baseline, 1965 to 2019





# Revenues and Outlays Under Policy Alternative to Extend Tax Cuts and Index Alternative Minimum Tax (AMT), 2000 to 2019

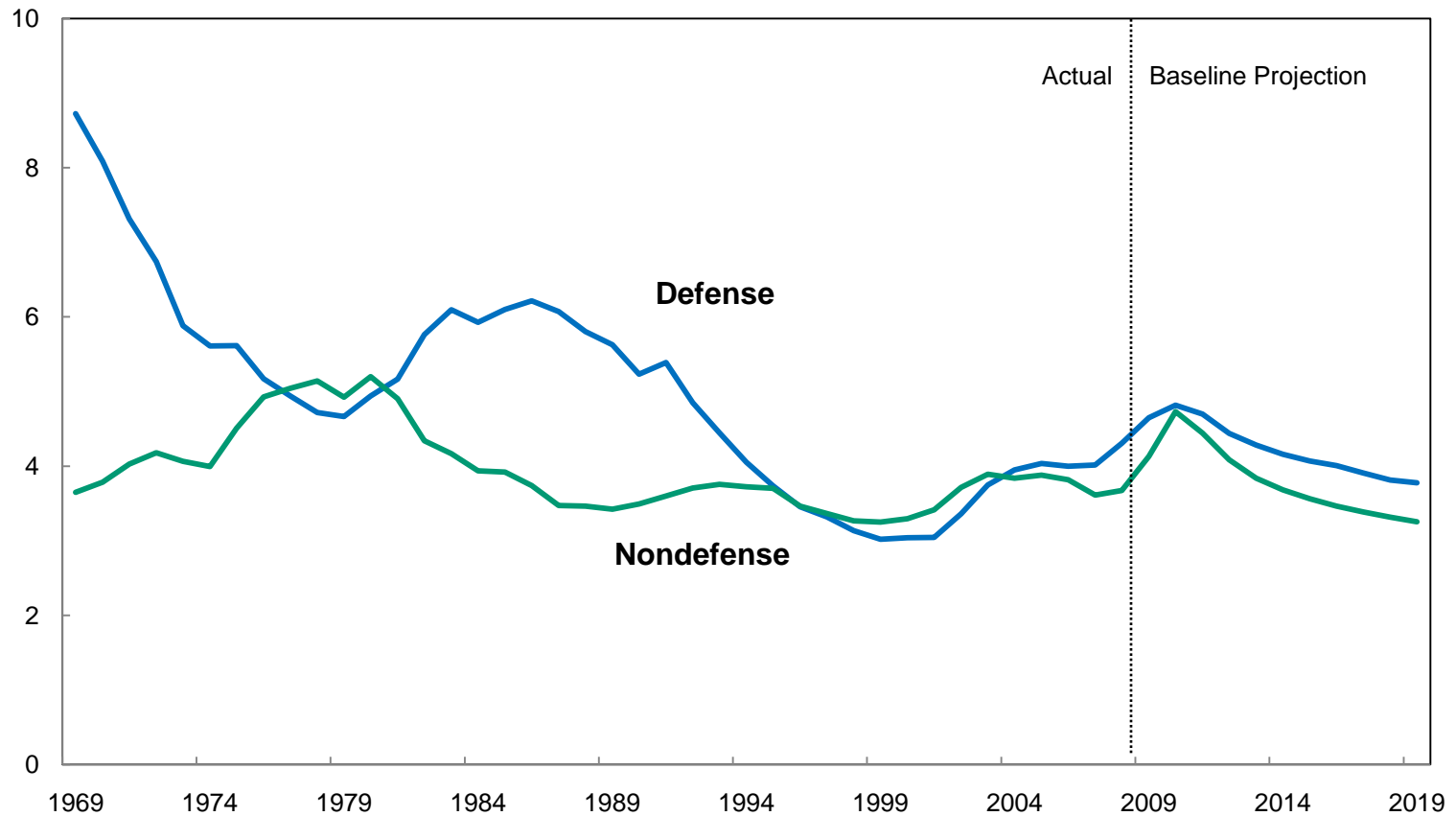
(Percentage of gross domestic product)





# Defense and Nondefense Discretionary Spending as a Percentage of GDP, 1969 to 2019

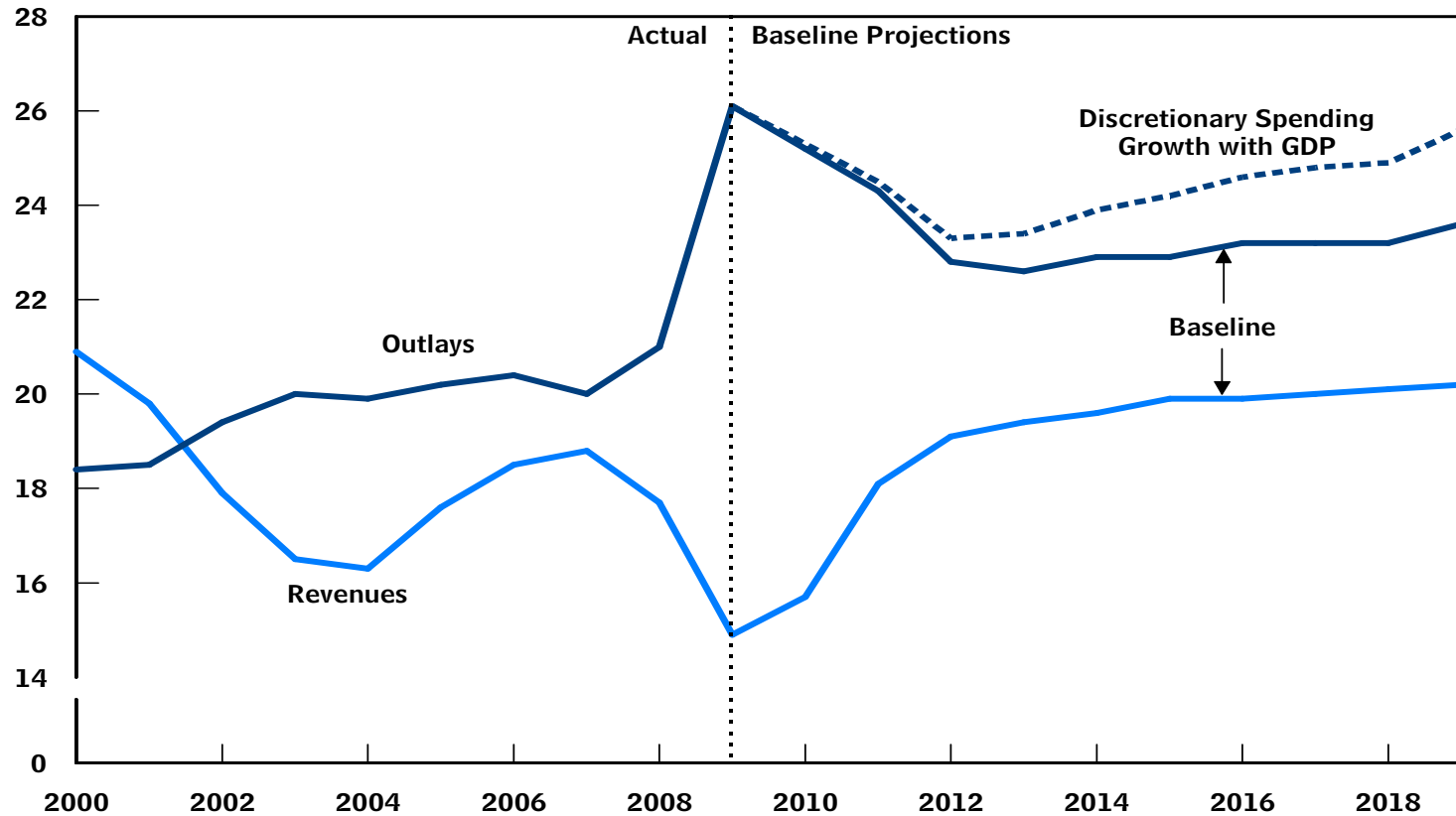
(Percentage of gross domestic product)





# Revenues and Outlays Under Policy Alternative to Increase Discretionary Spending with GDP, 2000 to 2019

(Percentage of gross domestic product)

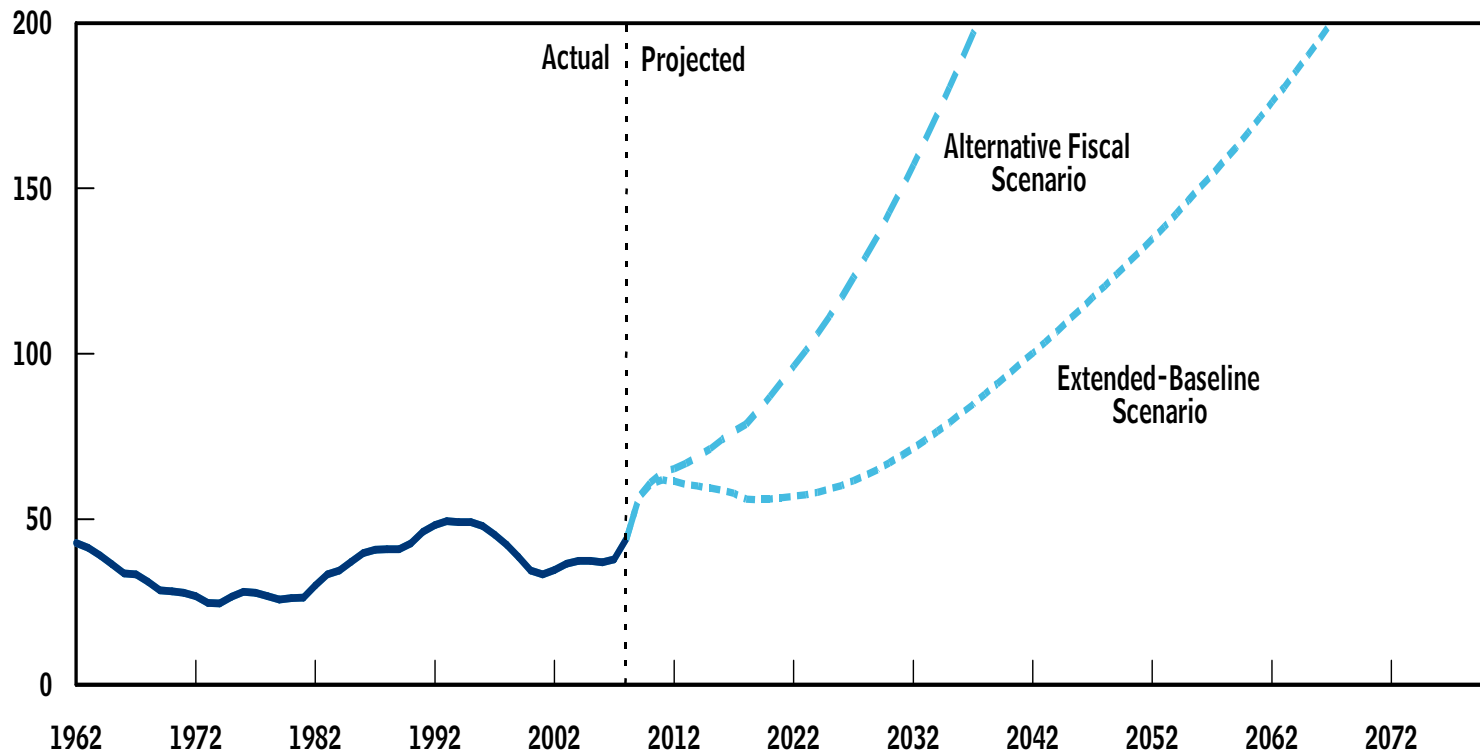






# Federal Debt Held by the Public Under CBO's Long-Term Budget Scenarios

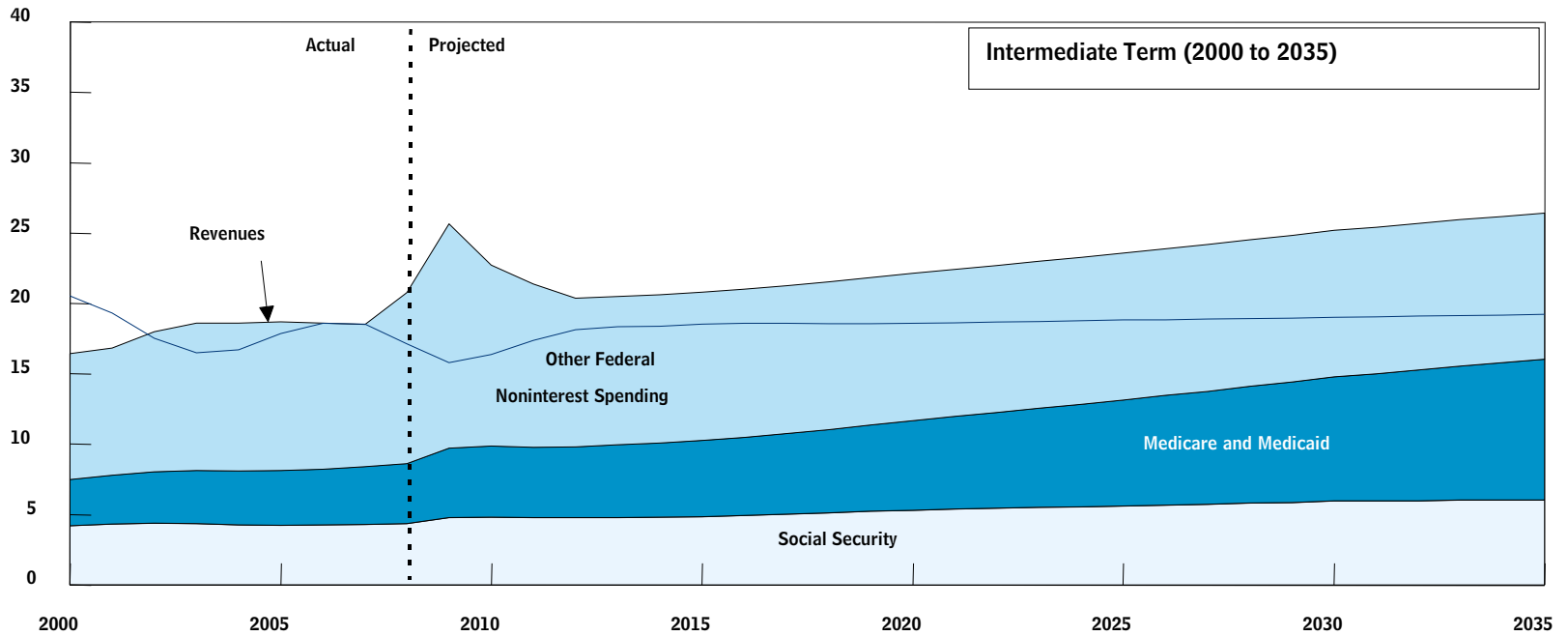
(Percentage of gross domestic product)





# Federal Revenues and Noninterest Spending Under CBO's Alternative Fiscal Scenario

(Percentage of gross domestic product)





# Shares of Growth in Spending for the Three Largest Entitlement Programs, 2009 to 2035 Period

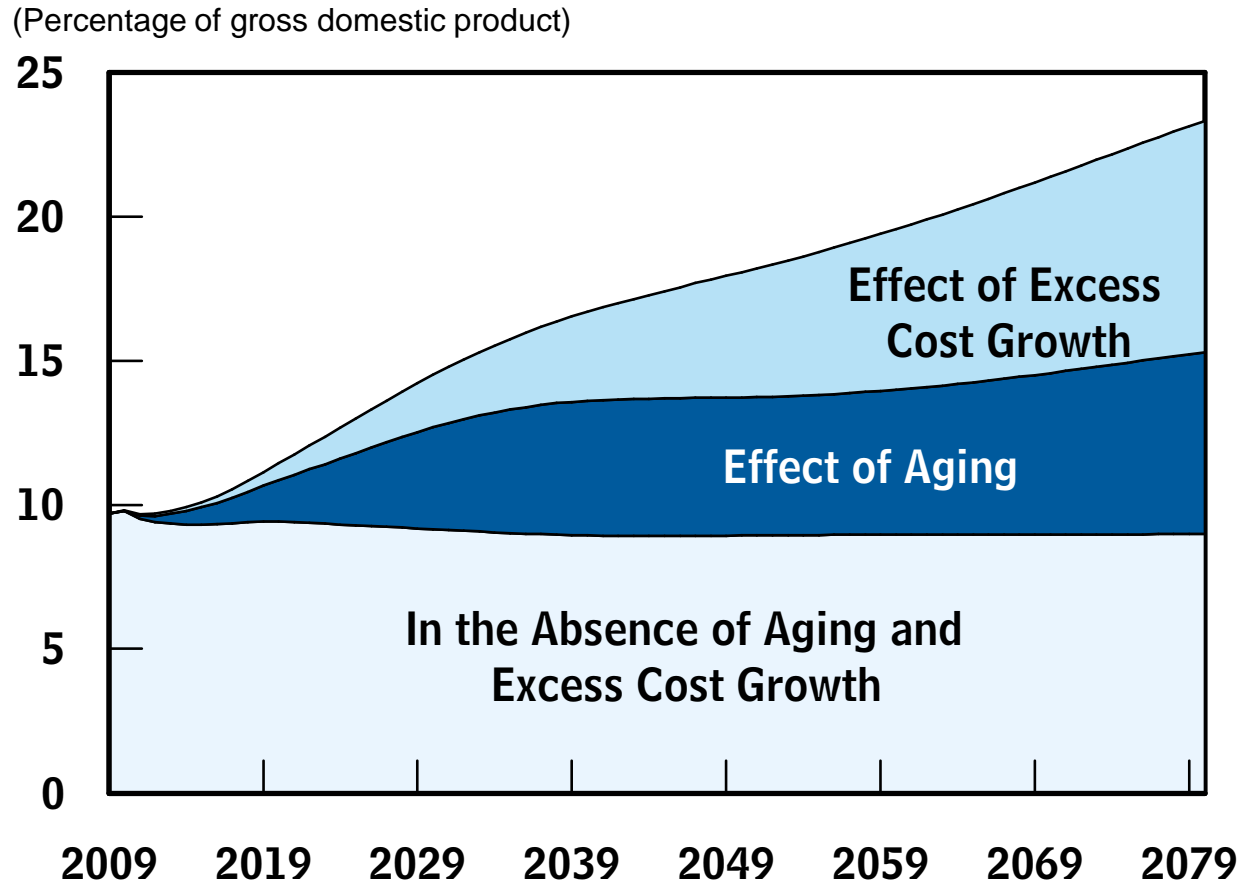
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	<b>Percentage of Growth</b>
Medicare and Medicaid	80
Social Security	20

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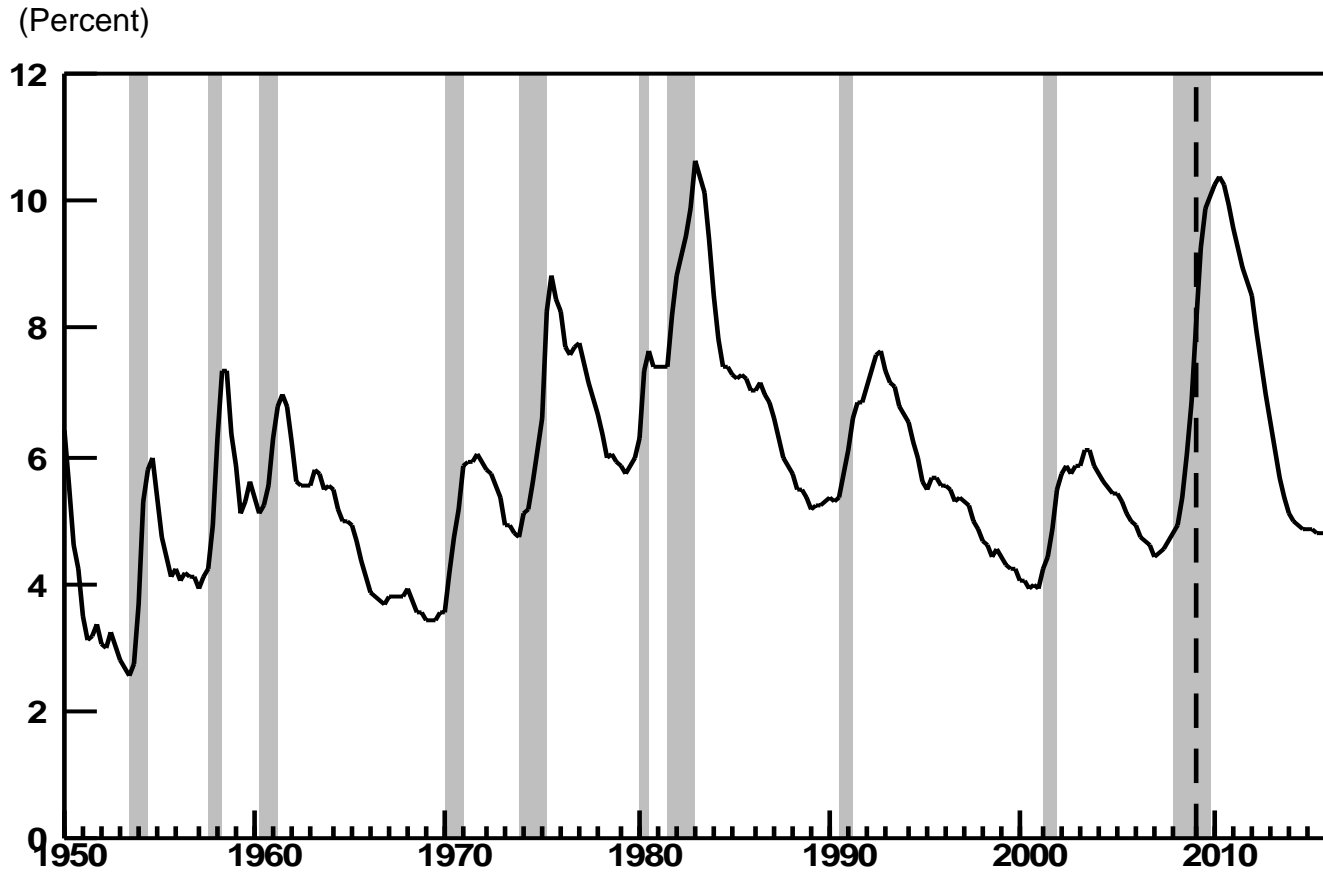


# Factors Explaining Future Federal Spending on Medicare, Medicaid, and Social Security



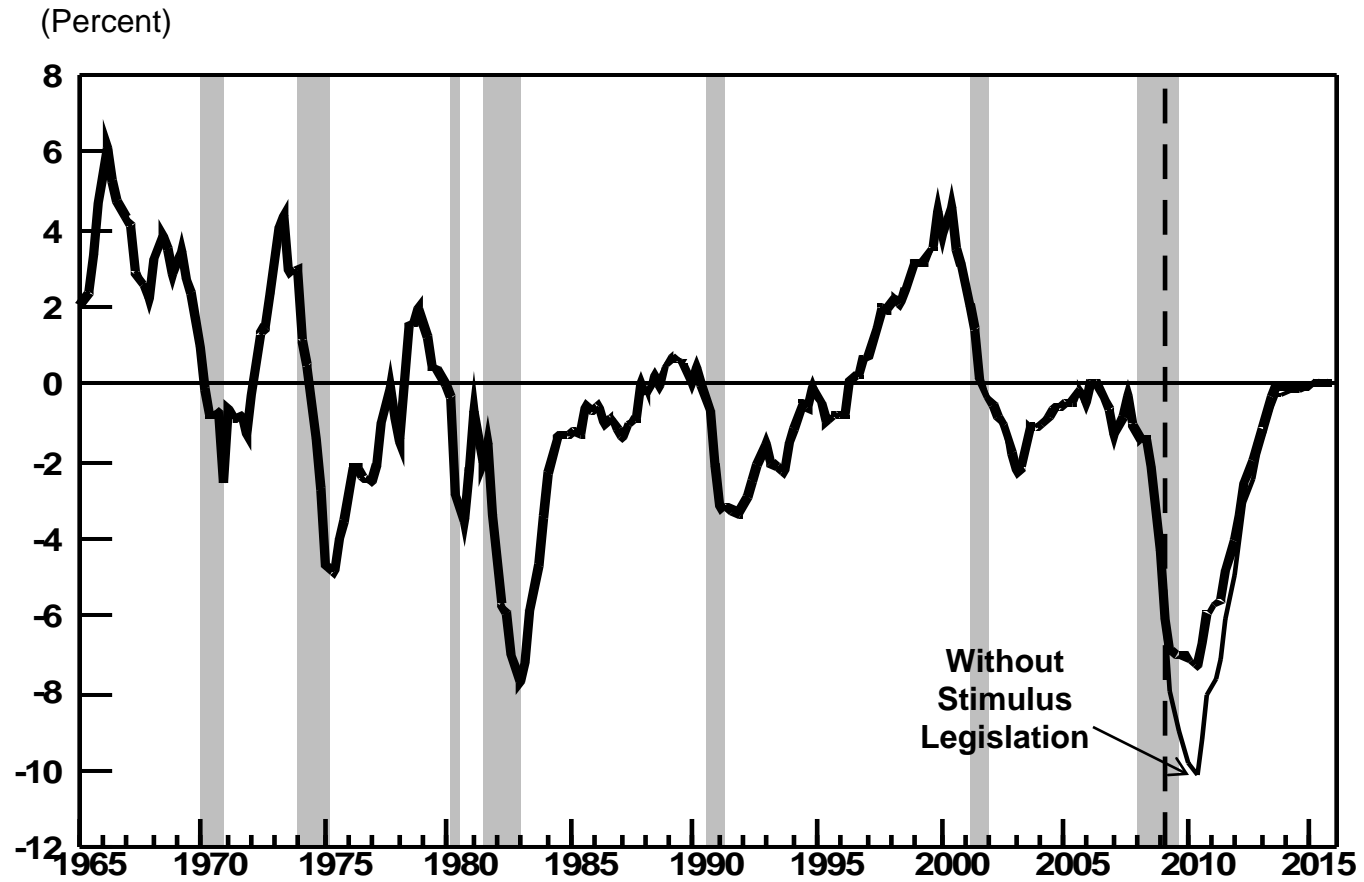


# Unemployment Rate, 1950 to 2015





# The GDP Gap, 1965 to 2015



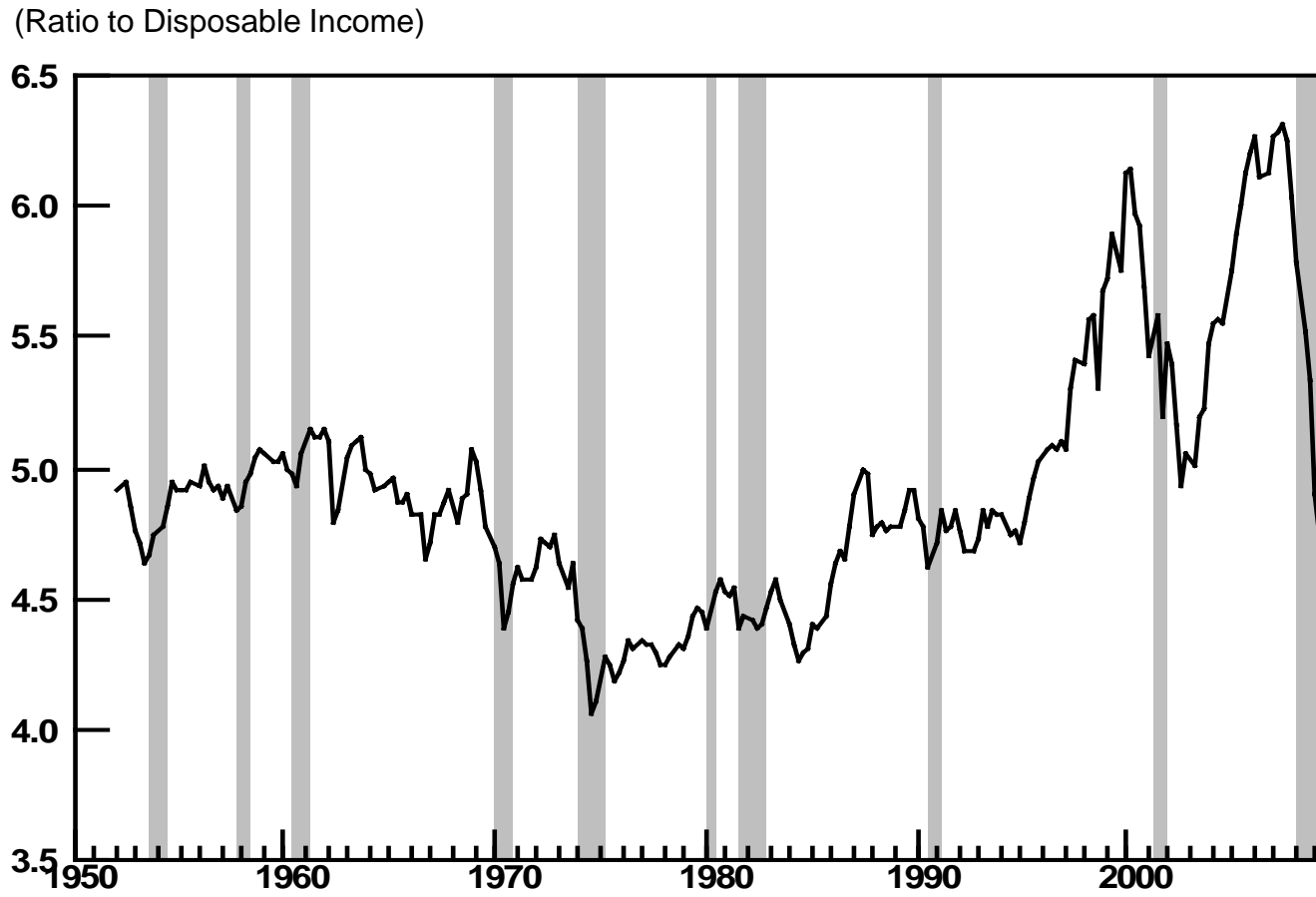


# Economic Projections, 2009 to 2019

	Forecast			Projected Annual Average	
	2009	2010	2011	2012–2013	2014–2019
<b>Fourth Quarter to Fourth Quarter (Percentage change)</b>					
Real GDP	-1.0	2.8	3.8	4.5	2.4
PCE Price Index	1.2	1.1	0.8	0.8	1.6
Core PCE Price Index	1.7	0.8	0.5	0.7	1.6
<b>Calendar Years</b>					
Unemployment Rate (Percent)	9.3	10.2	9.1	6.4	4.8
<b>Interest Rates (Percent)</b>					
Three-month Treasury bills	0.2	0.6	1.7	3.6	4.7
Ten-year Treasury notes	3.3	4.1	4.4	4.8	5.5



# Household Net Worth, 1950 to 2010







# Inflation Rate, 1985 to 2015

