

## At a Glance

Each year, the Congressional Budget Office issues a set of long-term budget projections—that is, projections of what federal spending, revenues, deficits, and debt would be for the next 30 years if current laws generally did not change. This report is the latest in the series.

- In CBO’s projections, the federal budget **deficit**, relative to the size of the economy, grows substantially over the next several years, stabilizes for a few years, and then grows again over the rest of the 30-year period, leading to federal **debt** held by the public that would approach 100 percent of gross domestic product (GDP) by the end of the next decade and 152 percent by 2048. Moreover, if lawmakers changed current laws to maintain certain policies now in place—preventing a significant increase in individual income taxes in 2026, for example—the result would be even larger increases in debt.
- The federal government’s **net interest costs** are projected to climb sharply as interest rates rise from their currently low levels and as debt accumulates. Such spending would about equal spending for Social Security, currently the largest federal program, by the end of the projection period.
- **Noninterest spending** is projected to rise from 19 percent of GDP in 2018 to 23 percent in 2048, mainly because of increases in spending for Social Security and the major health care programs (primarily Medicare). Much of the spending growth for Social Security and Medicare results from the aging of the population. Growth in spending for Medicare and the other major health care programs is also driven by rising health care costs per person.
- **Revenues**, in contrast, are projected to be roughly flat over the next few years relative to GDP, rise slowly, and then jump in 2026. Thereafter, revenues would continue to rise relative to the size of the economy—although they would not keep pace with growth in spending. The projected growth in revenues is largely attributable to increases in individual income tax receipts.
- **Compared with last year’s projections**, debt as a percentage of GDP is larger, but only modestly so, through 2041 and then lower thereafter. Deficits are higher as a percentage of GDP through 2025 and lower thereafter. That change is largely driven by changes in revenues and net interest costs. Revenues are initially lower as a share of GDP, but ultimately are higher because individual income taxes are now projected to grow more quickly as a result of provisions of Public Law 115-97 (originally called the Tax Cuts and Jobs Act and called the 2017 tax act in this report).