



# MONTHLY BUDGET REVIEW

## Fiscal Year 1998

### A Congressional Budget Office Analysis

Based on the Monthly Treasury Statement for June and the Daily Treasury Statements for July

August 6, 1998

A \$25 billion deficit is estimated for July, about \$1 billion lower than the deficit reported for the same month a year ago. The results through July are consistent with CBO's estimate of a \$63 billion total budget surplus for fiscal year 1998 and an on-budget deficit of \$41 billion, excluding the estimated \$104 billion surplus for off-budget items (Social Security and the Postal Service).

#### JUNE RESULTS<sup>a</sup> (In billions of dollars)

	June Estimate	June Actual	Difference
Receipts	187.2	187.9	0.7
Outlays	136.8	136.8	b
Surplus	50.4	51.1	0.7

SOURCE: Department of the Treasury and Congressional Budget Office.

- a. Includes Social Security trust funds and the Postal Service fund, which are off-budget.
- b. Less than \$50 million.

The June surplus of \$51.1 billion was \$0.7 billion above CBO's estimate for the month, within the typical \$2 billion error range for monthly estimates.

#### CBO ESTIMATES FOR JULY<sup>a</sup> (In billions of dollars)

	July 1997	July 1998	Estimated Change
Receipts	109.2	118.7	9.5
Outlays	134.8	143.5	8.7
Deficit (-)	-25.6	-24.8	0.8

SOURCE: Department of the Treasury and Congressional Budget Office.

- a. Includes Social Security trust funds and the Postal Service fund, which are off-budget.

July receipts are estimated to be about \$9.5 billion higher than a year ago, and outlays are expected to be up by nearly the same amount. Receipts were boosted in part by one more collection day this year, while outlays were boosted by about \$8 billion in August payments because August 1 fell on a weekend.

#### COMPARISON WITH LAST YEAR<sup>a</sup> (By fiscal year, in billions of dollars)

	October-July		Estimated Change
	1997	1998	
Receipts	1,300.7	1,427.7	127.0
Outlays	1,337.4	1,385.4	48.0
Deficit (-) or Surplus	-36.7	42.3	79.0

SOURCE: Department of the Treasury and Congressional Budget Office.

- a. Includes Social Security trust funds and the Postal Service fund, which are off-budget.

The cumulative net improvement in total budget transactions for October through July, compared with a year ago, is estimated to be \$79 billion.

#### RECEIPTS THROUGH JULY<sup>a</sup> (By fiscal year, in billions of dollars)

Major Source	October-July		Percentage Change
	1997	1998	
Individual Income	613.6	682.5	11.2
Corporate Income	142.7	149.7	4.9
Social Insurance	445.6	483.1	8.4
Other	98.9	112.3	13.6
Total	1,300.7	1,427.7	9.8

SOURCE: Department of the Treasury and Congressional Budget Office.

- a. Includes Social Security trust funds and the Postal Service fund, which are off-budget.

Receipts in July were close to the level expected for that month under CBO's latest revenue projection for the fiscal year.

**OUTLAYS THROUGH JULY<sup>a</sup>**  
(By fiscal year, in billions of dollars)

Major Category	October-July		Percentage Change
	1997	1998	
Defense-Military	214.8	214.6	-0.1
Social Security Benefits	297.8	309.2	3.8
Medicare and Medicaid	254.2	265.5	4.5
Net Interest on the			
Public Debt	208.5	208.4	-0.1
Other	362.1	387.8	7.1
<b>Total</b>	<b>1,337.4</b>	<b>1,385.4</b>	<b>3.6</b>

SOURCE: Department of the Treasury and Congressional Budget Office.

- a. Includes Social Security trust funds and the Postal Service fund, which are off-budget

Outlays in July also appear to be consistent with CBO's latest outlay projection for the fiscal year. July outlays will include an offsetting receipt of \$1.9 billion for the sale of the U.S. Enrichment Corporation.

**FISCAL YEAR 1998 PROJECTIONS**  
(In billions of dollars)

	OMB May	CBO July
Total Receipts	1,704	1,717
Total Outlays	1,665	1,654
Total Surplus	39	63
On-budget deficit (-)	-63	-41
Off-budget surplus	102	104

SOURCE: Office of Management and Budget and Congressional Budget Office.

The results through July are on track with CBO's fiscal year estimates of a \$63 billion total budget surplus and an on-budget deficit of \$41 billion, excluding the estimated \$104 billion surplus for off-budget items (Social Security trust funds and the Postal Service).