

Goldman-Sachs on OMB's Deficit Estimates

“The Office of Management and Budget has perfected the art of underpromising and outperforming in terms of its near-term budget deficit forecasts. For example, in its semiannual review, the OMB lowered its deficit forecast for fiscal 2004 to \$445 billion from \$521 billion. This creates the impression that the deficit is narrowing when, in fact, it will be up sharply from the \$375-billion imbalance of a year earlier. This process is likely to continue in October, when the fiscal 2004 deficit turns out to be lower than the current OMB forecast.”

– Goldman Sachs
“US Economic Analyst”
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