



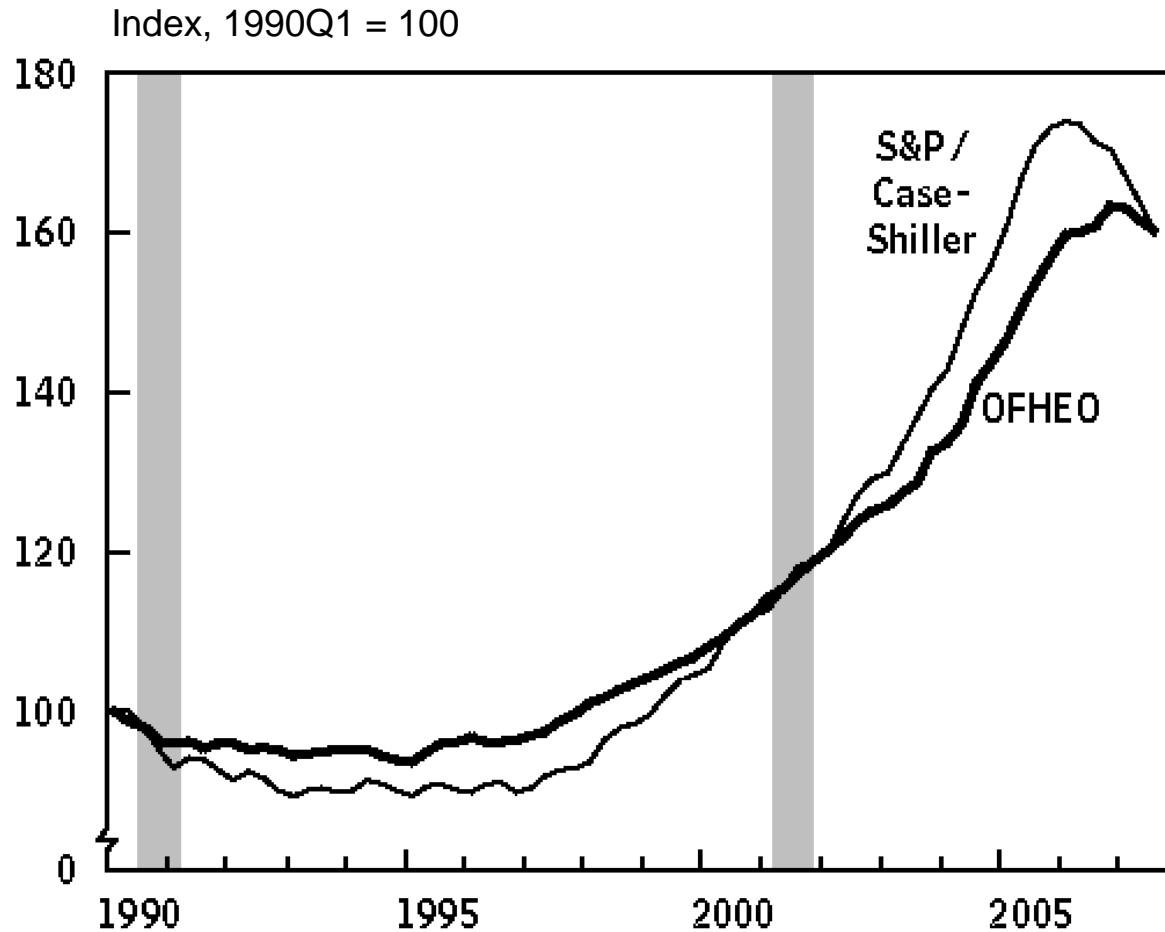
Congressional Budget Office

The Budget and Economic Outlook: Fiscal Years 2008 to 2018

January 23, 2008

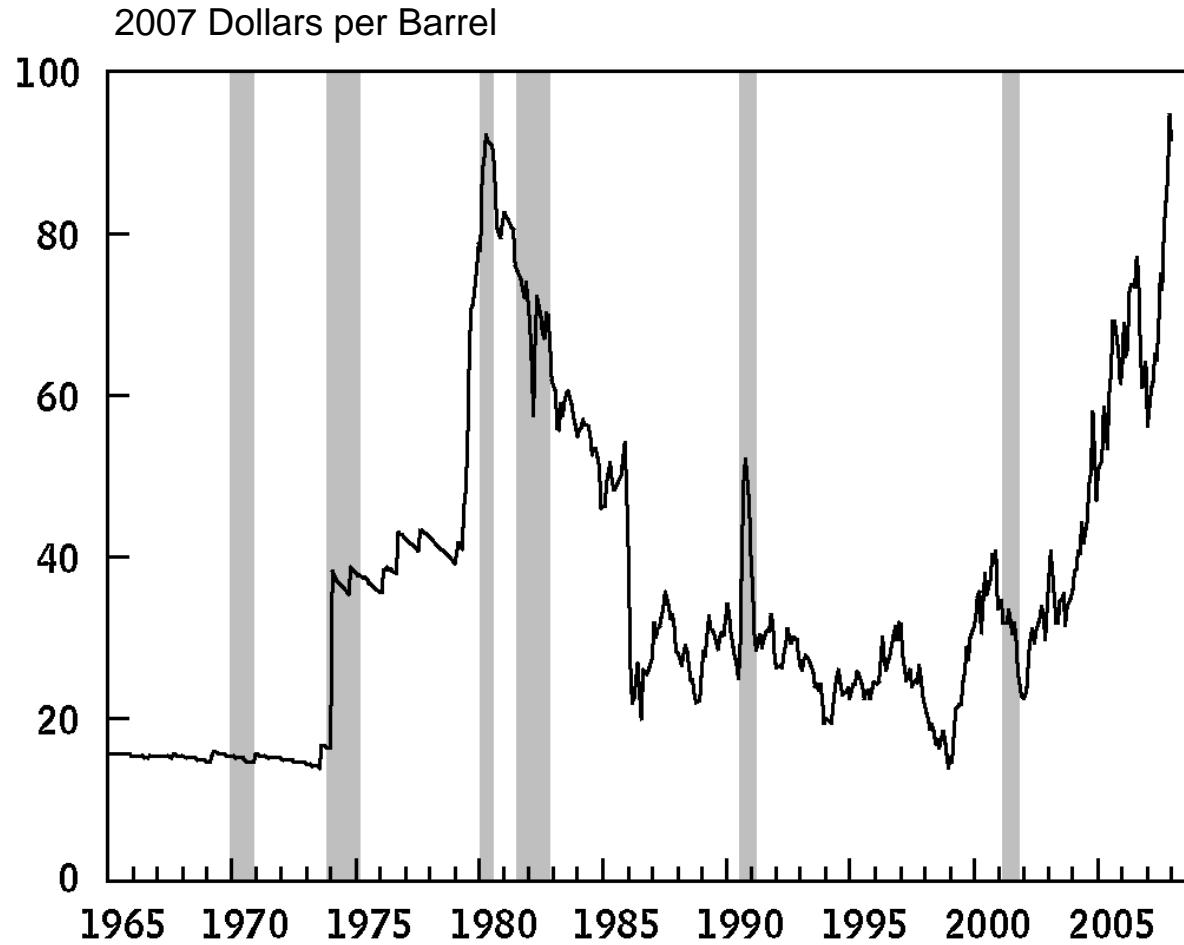


Inflation-Adjusted Prices of Houses



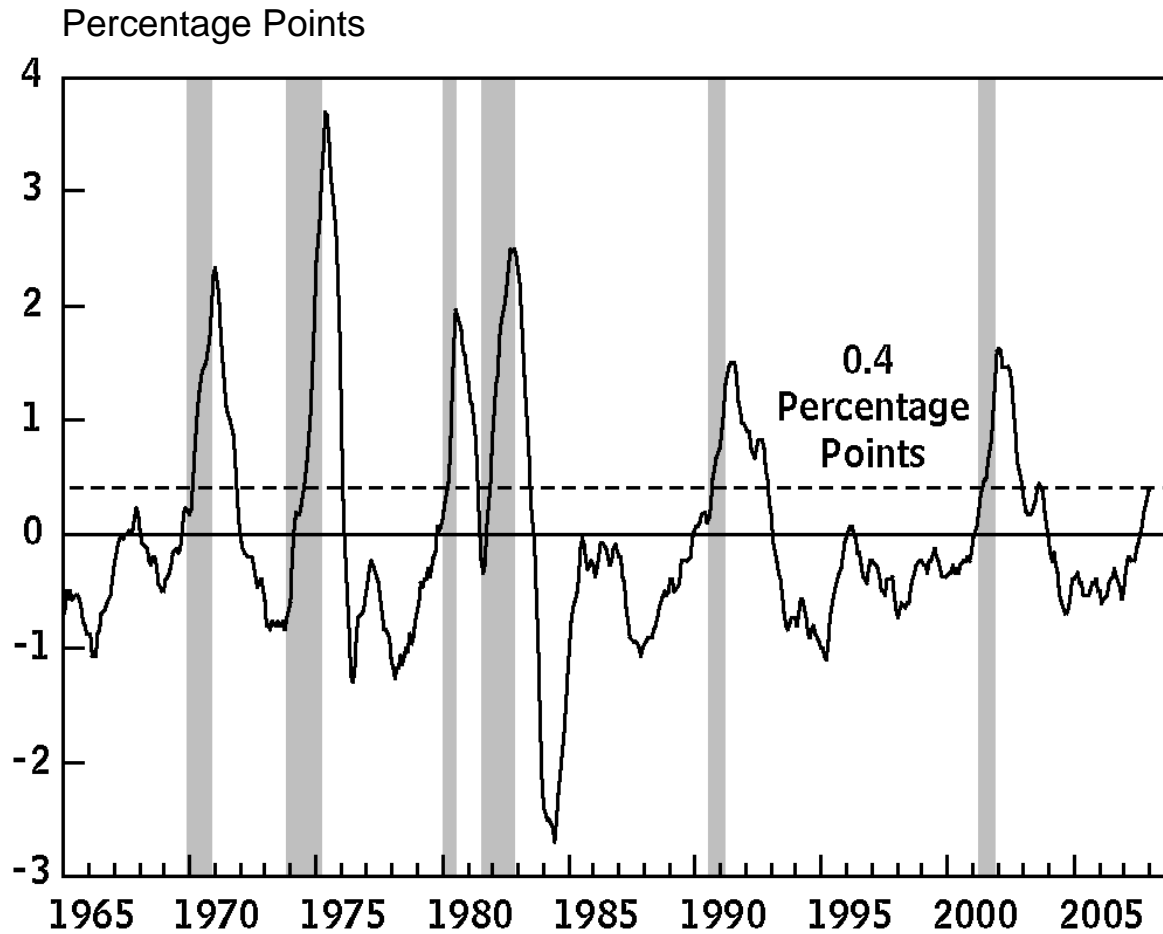


Inflation-Adjusted Price of Crude Oil



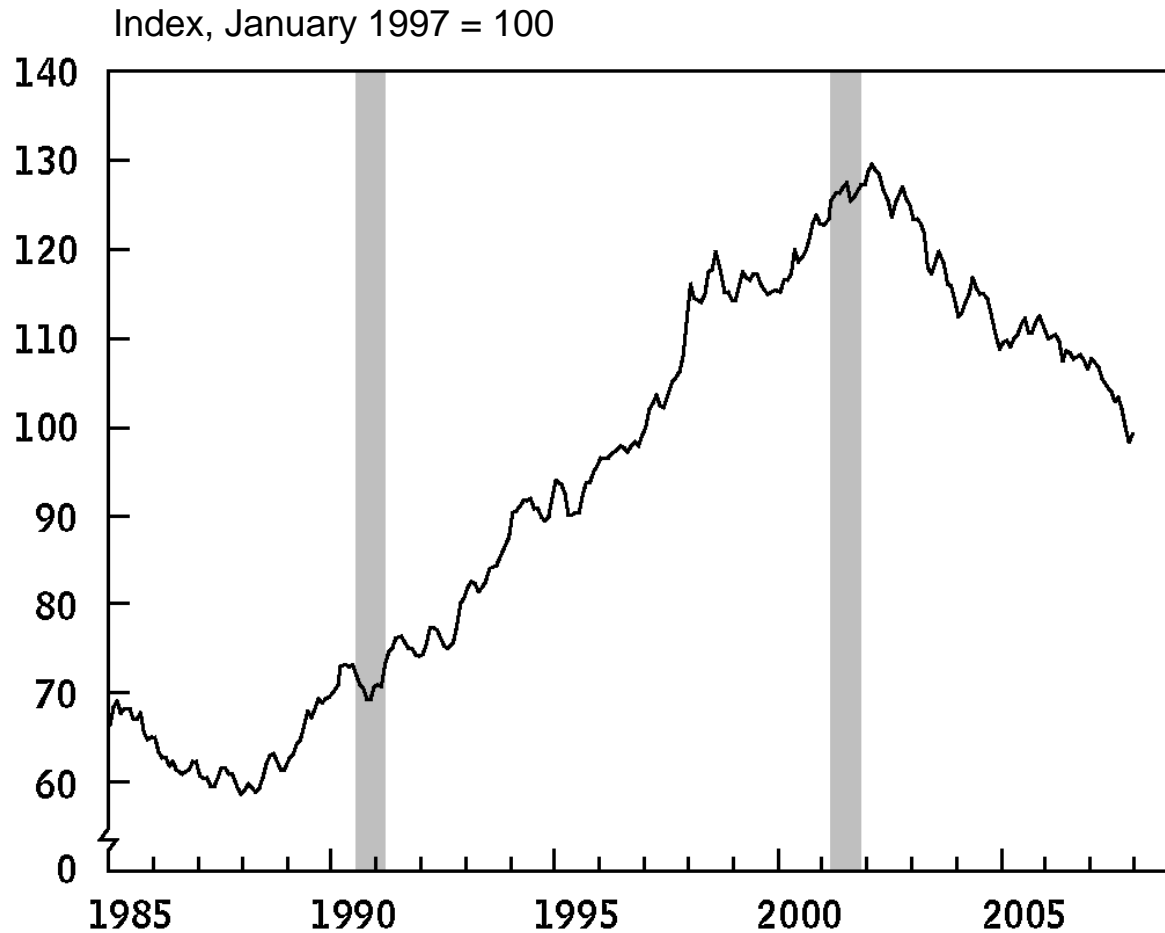


Changes in the Unemployment Rate



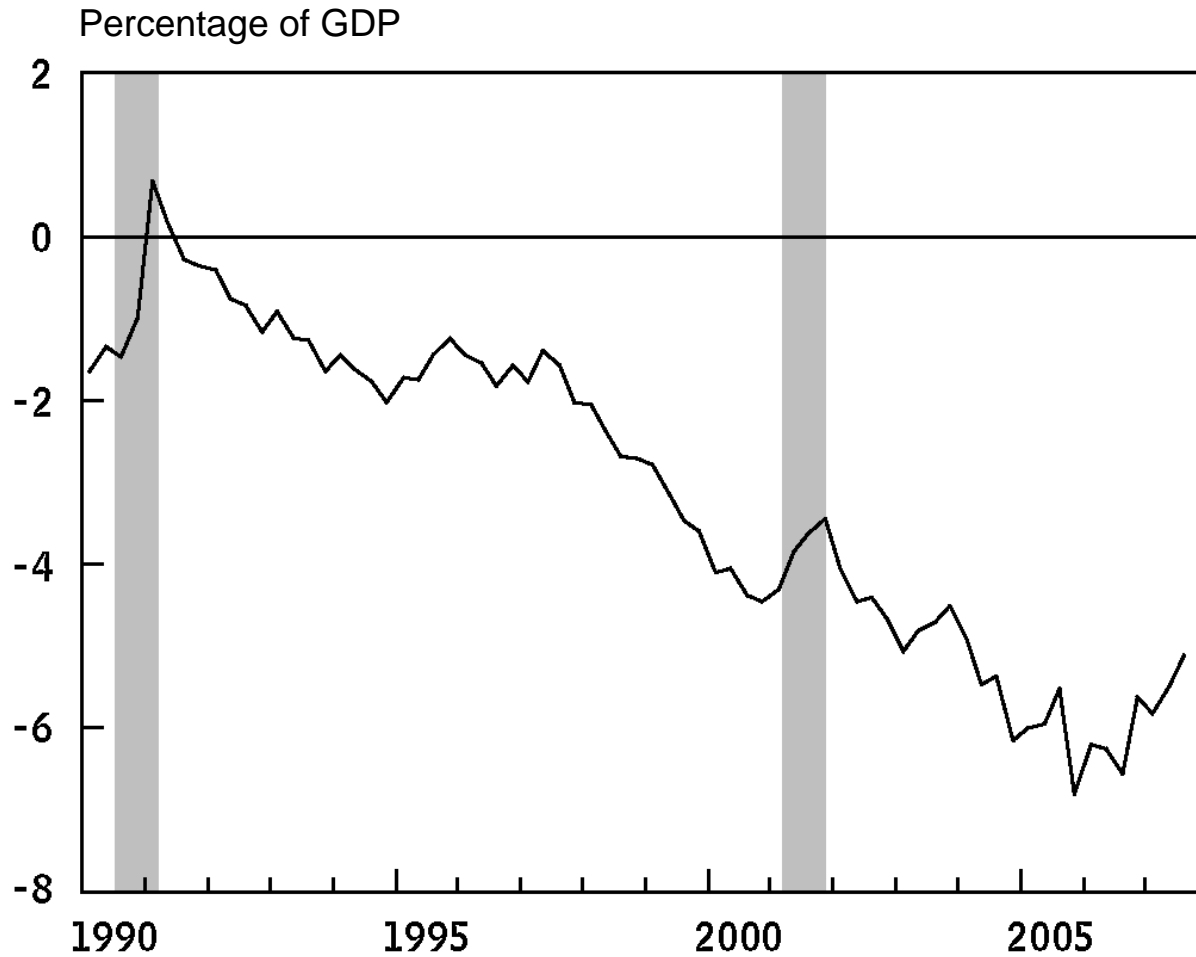


Nominal Trade-Weighted Value of the Dollar





The Current-Account Balance





CBO's Economic Projections for Calendar Years 2008 to 2018

Percentage Change

	Estimated	Forecast		Projected Annual Average	
	2007	2008	2009	2010–2013	2014–2018
Nominal GDP					
Billions of dollars	13,828	14,330	14,997	18,243	22,593
Percentage change	4.8	3.6	4.7	5.0	4.4
Real GDP	2.2	1.7	2.8	3.1	2.5
PCE Price Index	2.5	2.6	1.8	1.9	1.9
Unemployment Rate (Percent)	4.6	5.1	5.4	4.9	4.8



Average Annual Growth Rates of Revenues Since 1997 and in 2008 in CBO's Baseline

Percent

	Actual		Estimated
	1997–2006	2007	2008
Individual Income Taxes	4.7	11.5	4.1
Corporate Income Taxes	7.5	4.6	-1.7
Social Insurance Taxes	5.1	3.8	4.6
Other	4.0	-4.2	3.1
Total Revenues	5.2	6.7	3.4
Memorandum:			
Consumer Price Index	2.6	2.3	3.2
Nominal GDP	5.4	4.6	3.9

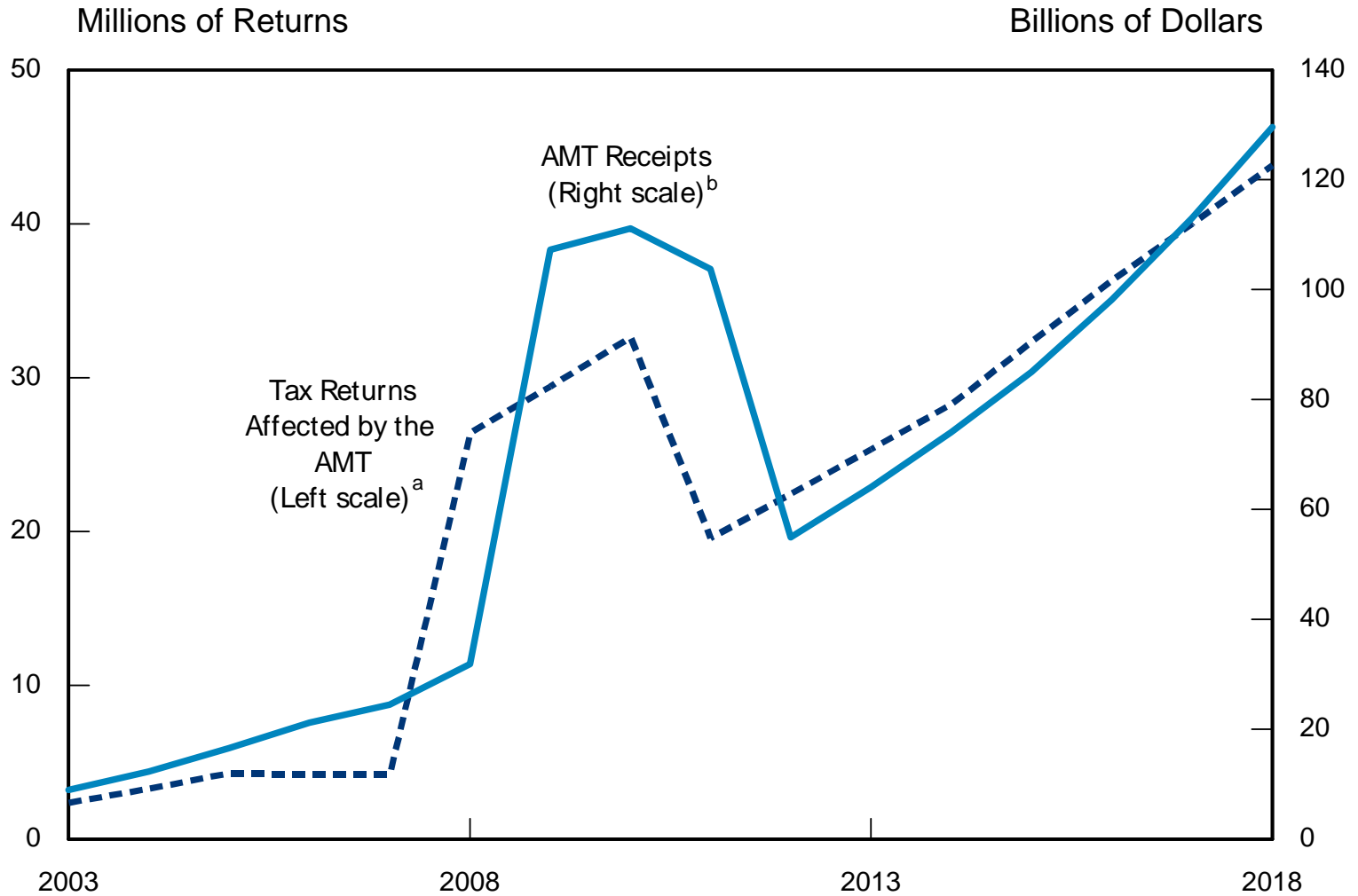


Total Deficit or Surplus Under CBO's Baseline

	Actual 2007	2008	2009	2010	2011	2012	2013	Total, 2009- 2018
Percentage of GDP	-1.2	-1.5	-1.3	-1.5	-0.7	0.5	0.3	0.1
Billions of Dollars	-163	-219	-198	-241	-117	87	61	274

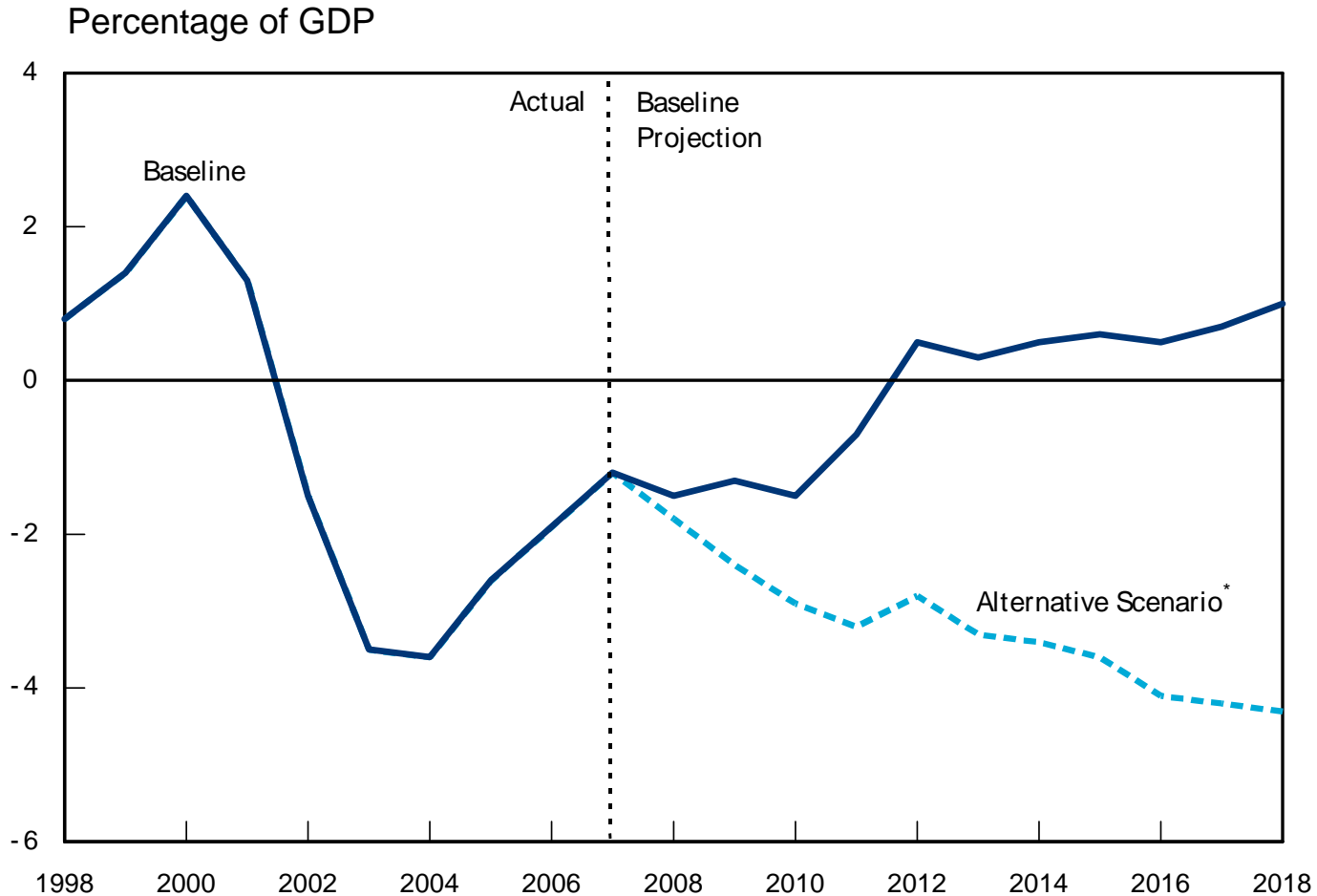


Effects of the Individual Alternative Minimum Tax in CBO's Baseline





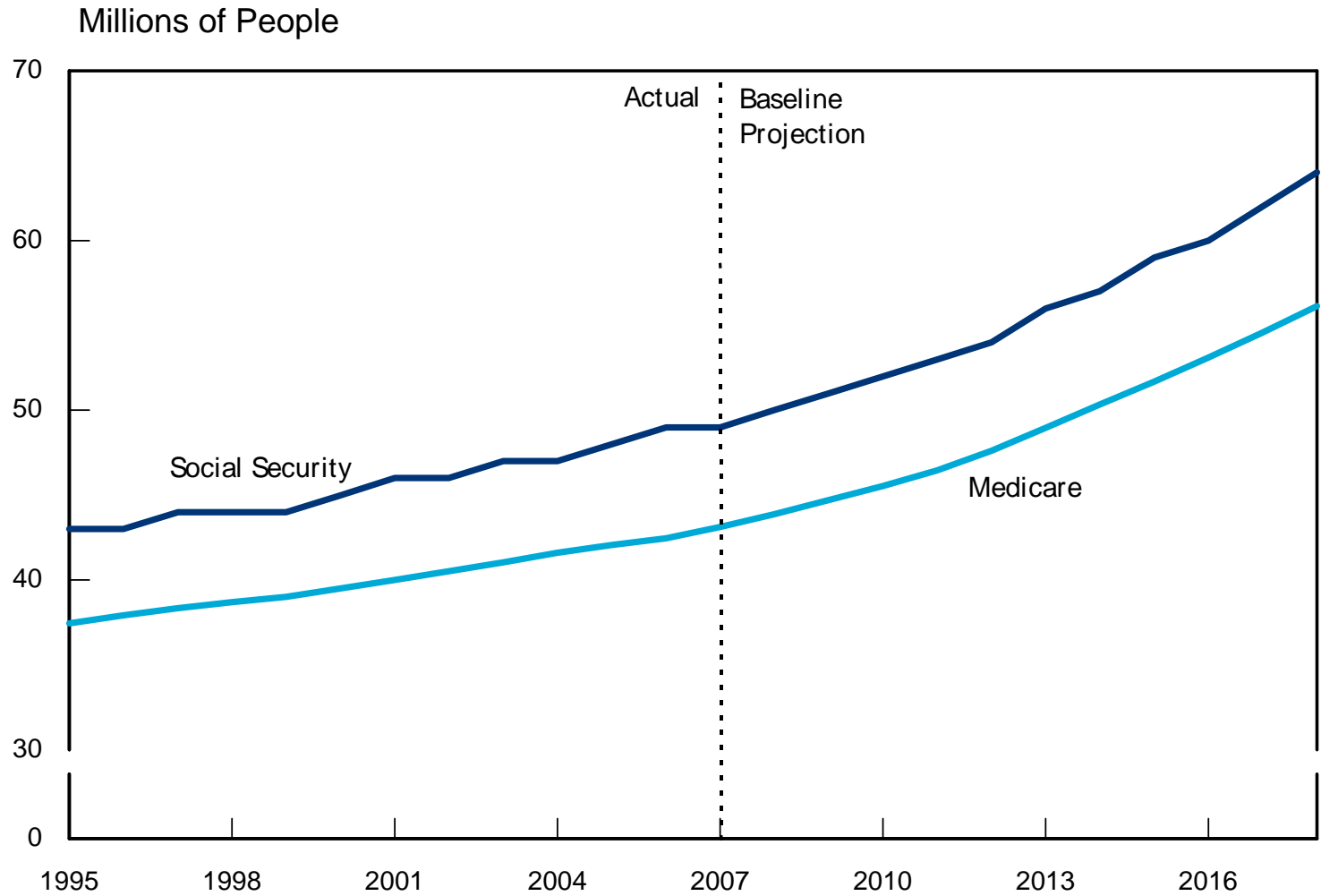
Total Deficit or Surplus Under CBO's Baseline and an Alternative Scenario



* Extends all expiring tax provisions, reforms the AMT, assumes the number of military personnel in the war on terrorism falls to 75,000 by 2013, and assumes regular appropriations grow at the rate of nominal GDP

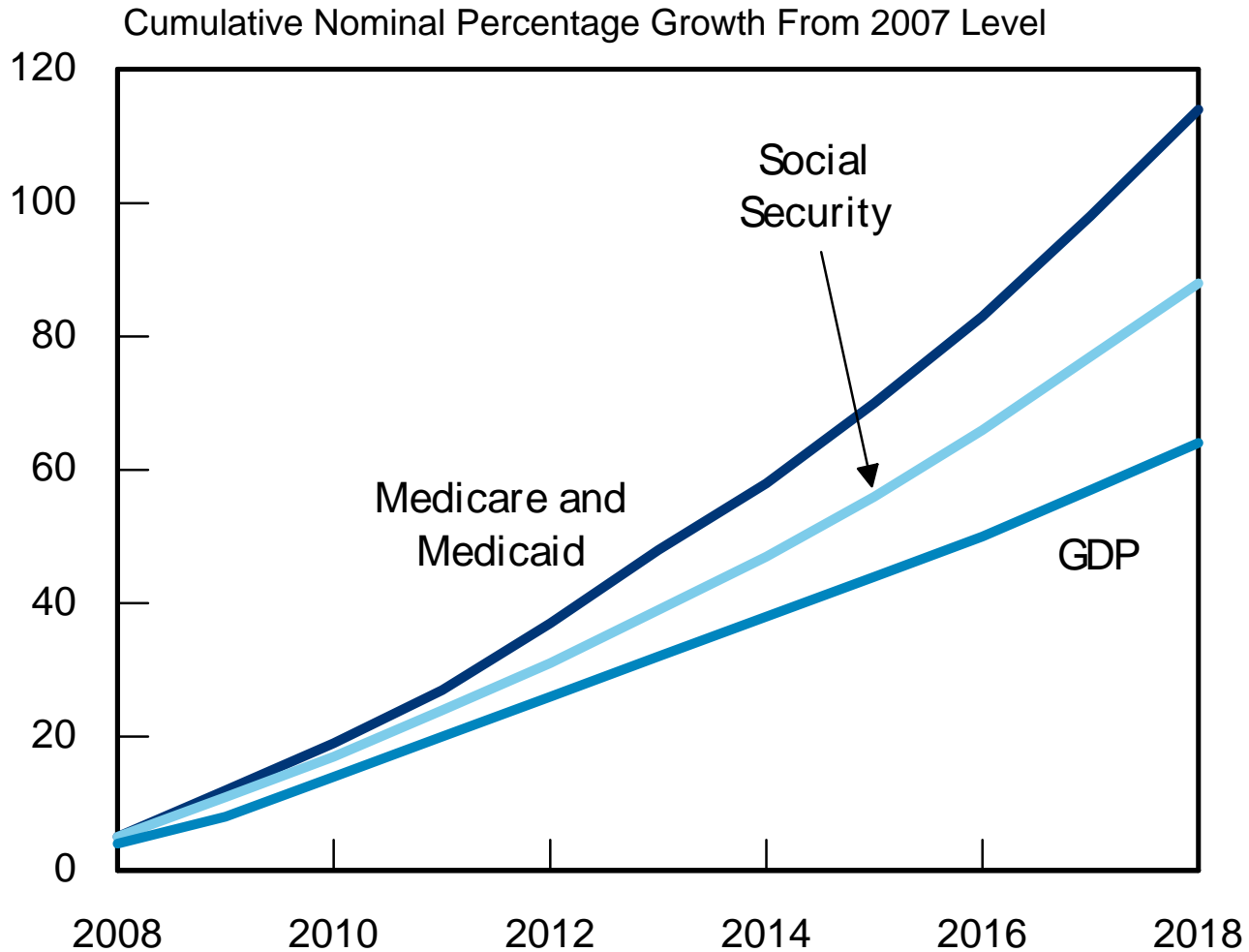


Caseload Growth in Social Security and Medicare



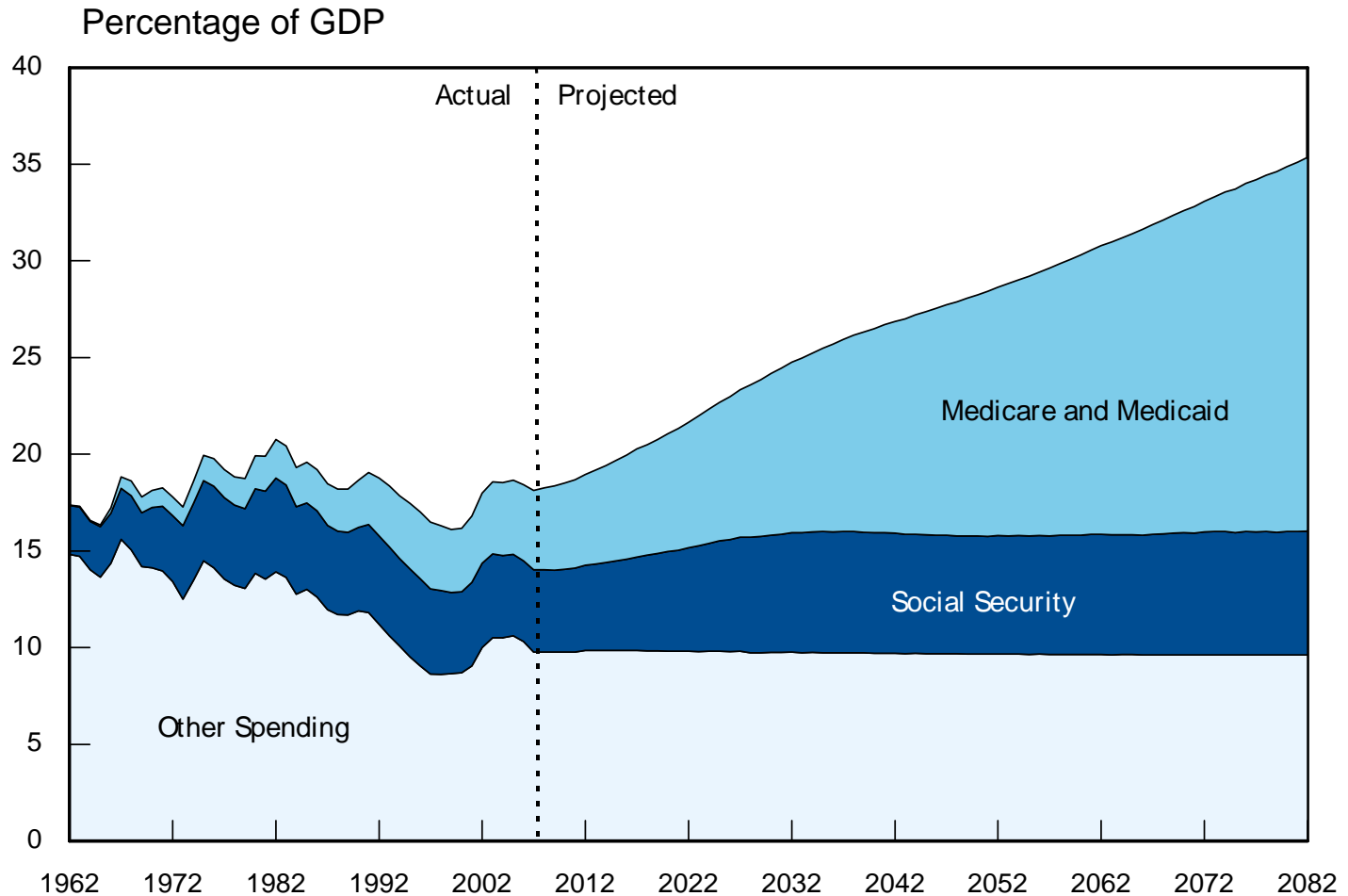


Projected Growth of the U.S. Economy and Federal Spending for Major Mandatory Programs





Projected Federal Spending Over the Long Term





Federal Fiscal Imbalance Under CBO's Long-Term Budget Scenarios

Percentage of GDP

Projection Period	Revenues	Outlays	Fiscal Gap
Extended-Baseline Scenario			
25 Years (2008–2032)	20.2	19.5	-0.7
50 Years (2008–2057)	21.3	21.9	0.6
75 Years (2008–2082)	22.1	23.8	1.7
Alternative Fiscal Scenario			
25 Years (2008–2032)	18.6	21.4	2.8
50 Years (2008–2057)	18.8	24.1	5.2
75 Years (2008–2082)	19.2	26.1	6.9



Contribution of Aging to the Fiscal Gap Under CBO's Alternative Fiscal Scenario

