



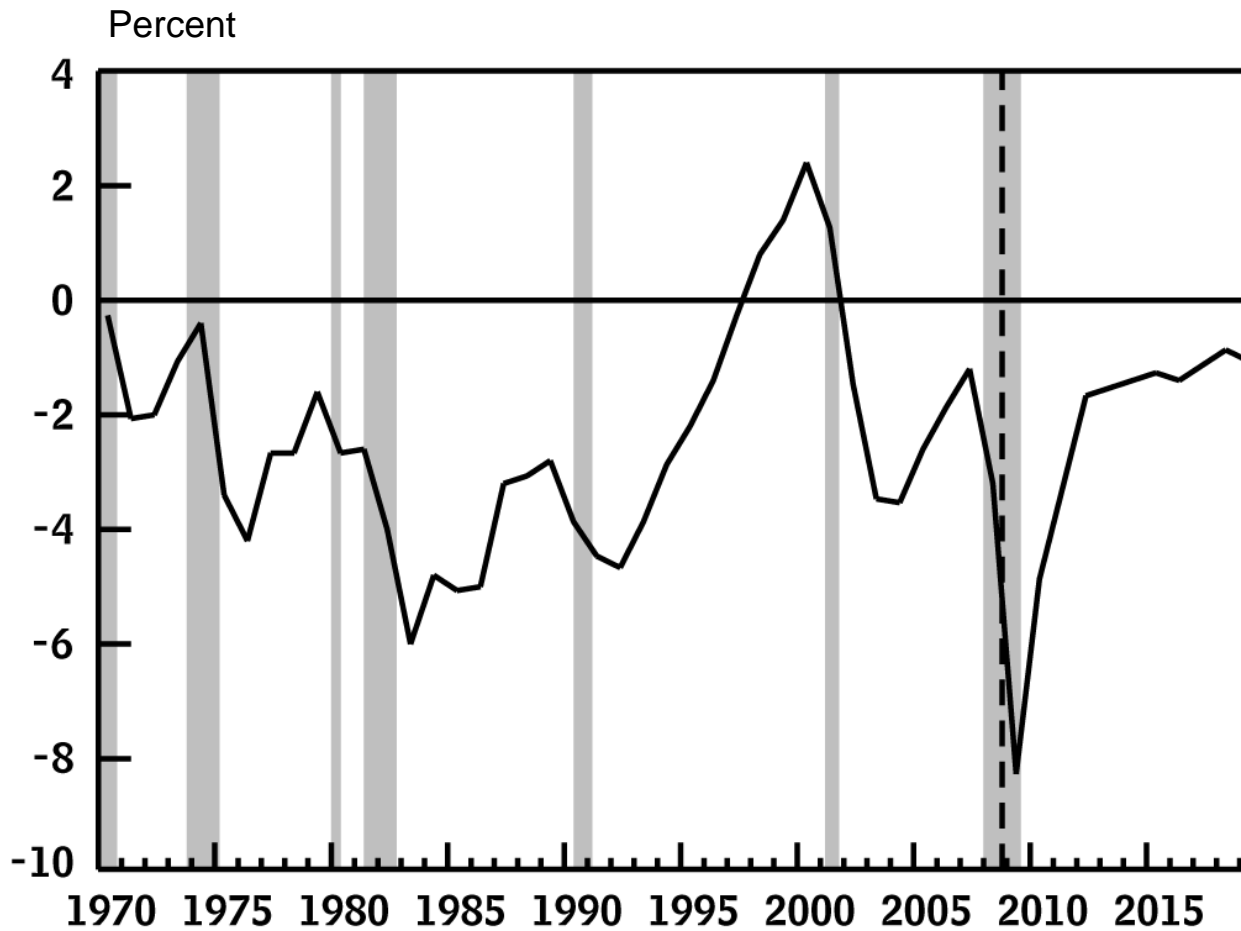
**Congressional Budget Office**

# **The Budget and Economic Outlook: Fiscal Years 2009 to 2019**

**January 8, 2009**



# The Total Deficit or Surplus as a Share of GDP, 1970 to 2019





# CBO's Baseline Budget Projections

	Actual 2007	Actual 2008	2009	2010
<b>In Billions of Dollars</b>				
Revenues	2,568	2,524	2,357	2,533
Outlays	2,729	2,978	3,543	3,236
<b>Deficit</b>	<b>-161</b>	<b>-455</b>	<b>-1,186</b>	<b>-703</b>
Debt Held by the Public	5,035	5,803	7,193	7,829
<b>Memorandum:</b>				
Gross Domestic Product	13,642	14,224	14,257	14,452
<b>As a Percentage of GDP</b>				
Revenues	18.8	17.7	16.5	17.5
Outlays	20.0	20.9	24.9	22.4
<b>Deficit</b>	<b>-1.2</b>	<b>-3.2</b>	<b>-8.3</b>	<b>-4.9</b>
Debt Held by the Public	36.9	40.8	50.5	54.2



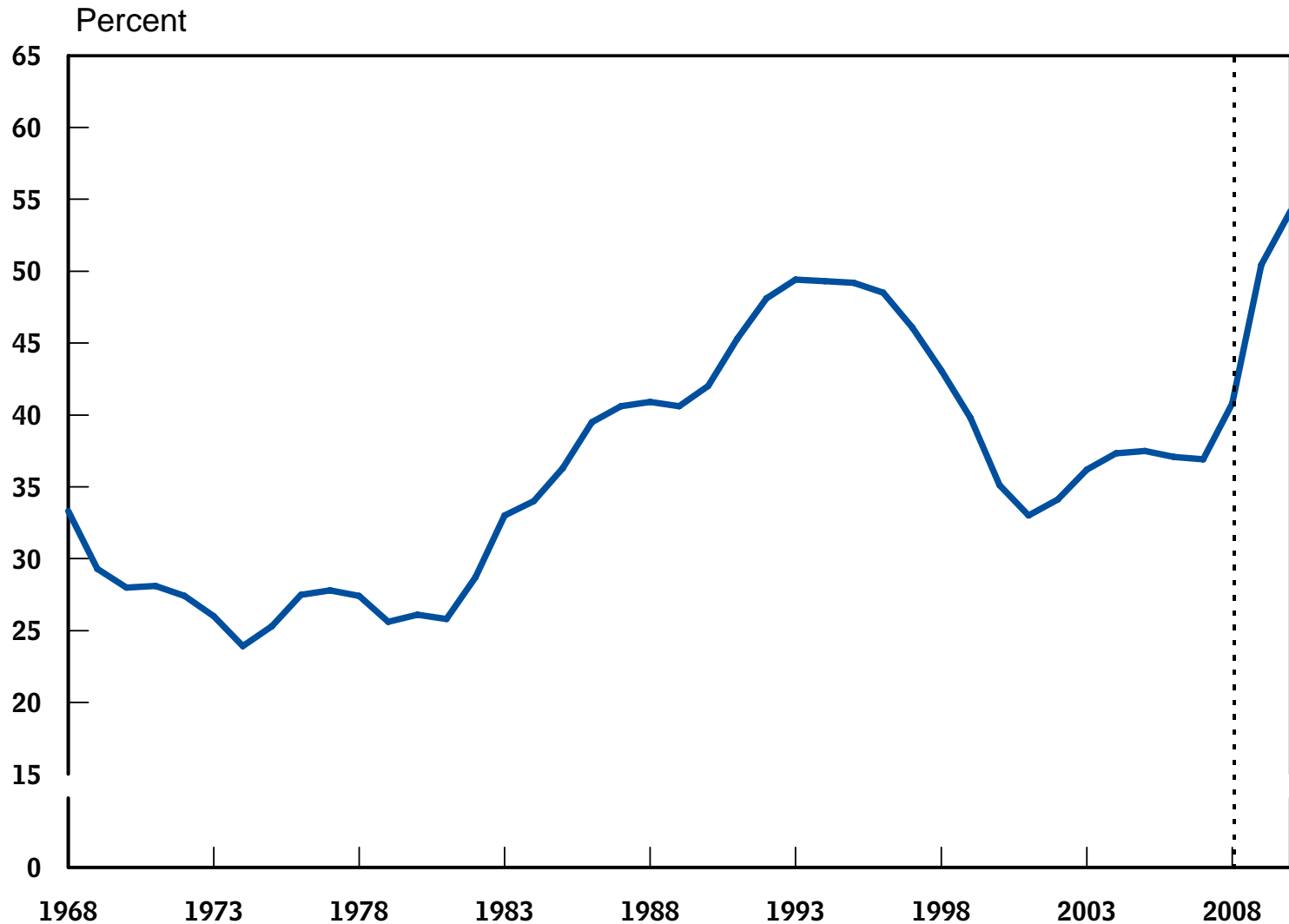
# What Accounts for the Change in CBO's Estimate of the Deficit for Fiscal Year 2009?

Billion of Dollars

	2009
<b>Total Deficit Projected in September 2008</b>	<b>438</b>
Changes	
Lower revenues (\$104 billion due to recent legislation)	362
Outlays for the Troubled Asset Relief Program	184
Outlays for recognizing the credit costs of Fannie Mae and Freddie Mac in the budget	218
Other changes in outlays	-16
<b>Total Increase in the Deficit</b>	<b>748</b>
<b>Total Deficit Projected in January 2009</b>	<b>1,186</b>

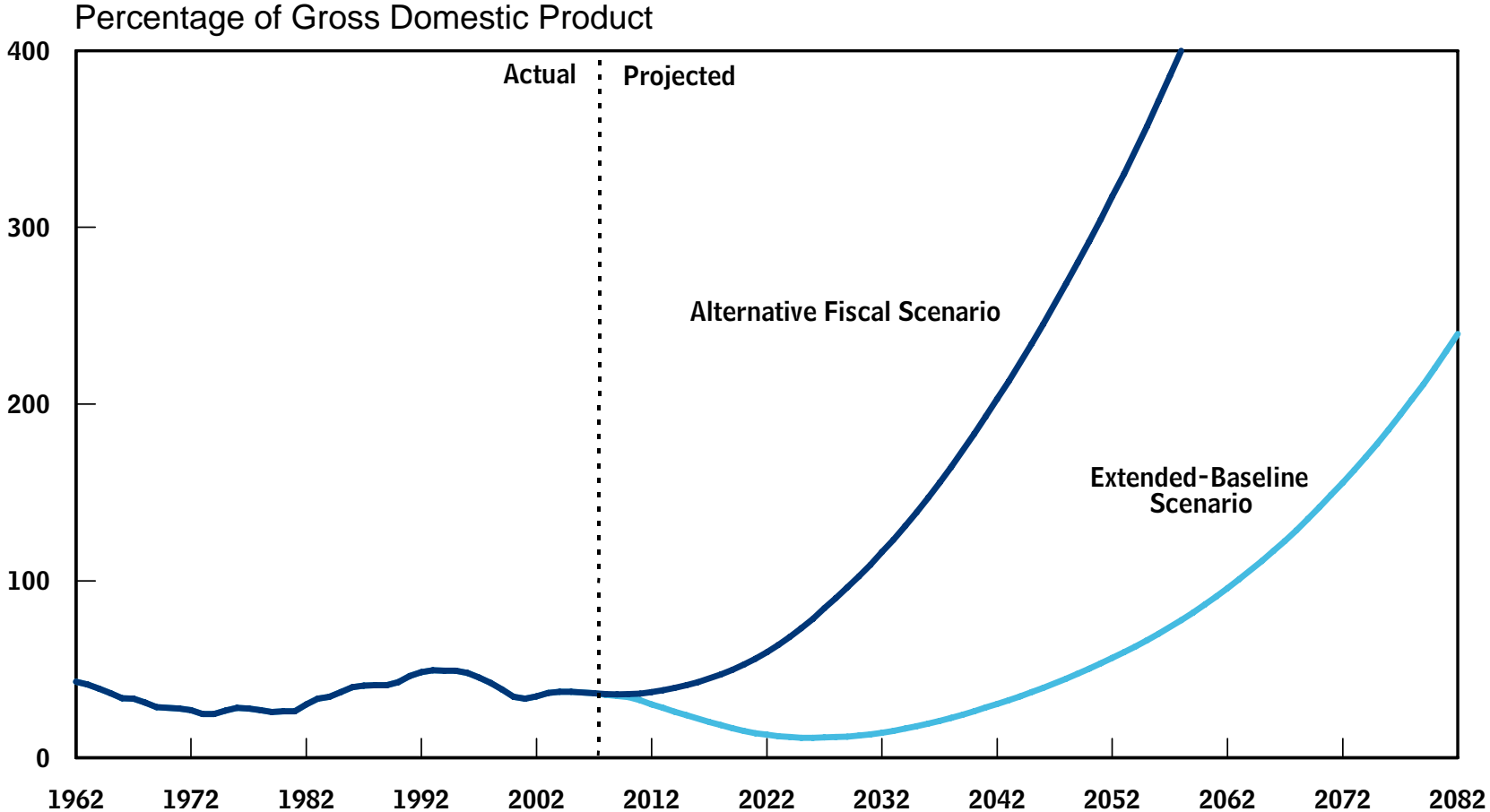


# Debt Held by the Public as a Percentage of GDP, 1968 to 2010





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



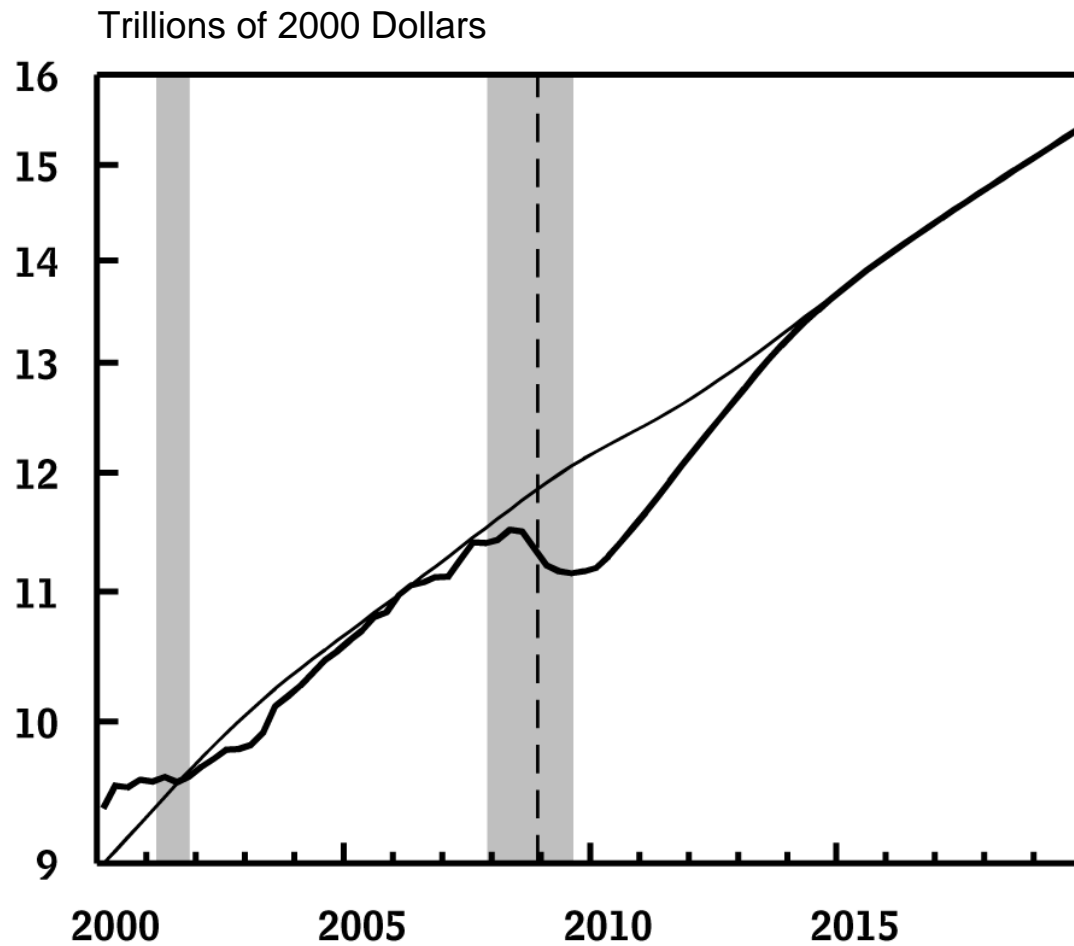


## Selected Economic Projections

	Estimated	Forecast	
	2008	2009	2010
	<b>Year to Year (Percentage change)</b>		
Real GDP	1.2	-2.2	1.5
Consumer Price Index	4.1	0.1	1.7
	<b>Calendar Year Average (Percent)</b>		
Unemployment Rate	5.7	8.3	9.0
Three-Month Treasury Bill Rate	1.4	0.2	0.6



# GDP and CBO's Estimate of Potential GDP, 2000 to 2019







# Comparison of GDP in the Current Recession and Previous Ones

