



Congressional Budget Office

The Budget and Economic Outlook: An Update

September 9, 2008



CBO's Baseline Budget Outlook, 2007 and 2008

	Billions of Dollars		Percentage of GDP	
	Actual		Actual	
	2007	2008	2007	2008
Total Revenues	2,568	2,548	18.8	17.9
Total Outlays	<u>2,729</u>	<u>2,955</u>	<u>20.0</u>	<u>20.8</u>
Total Deficit	-161	-407	-1.2	-2.9

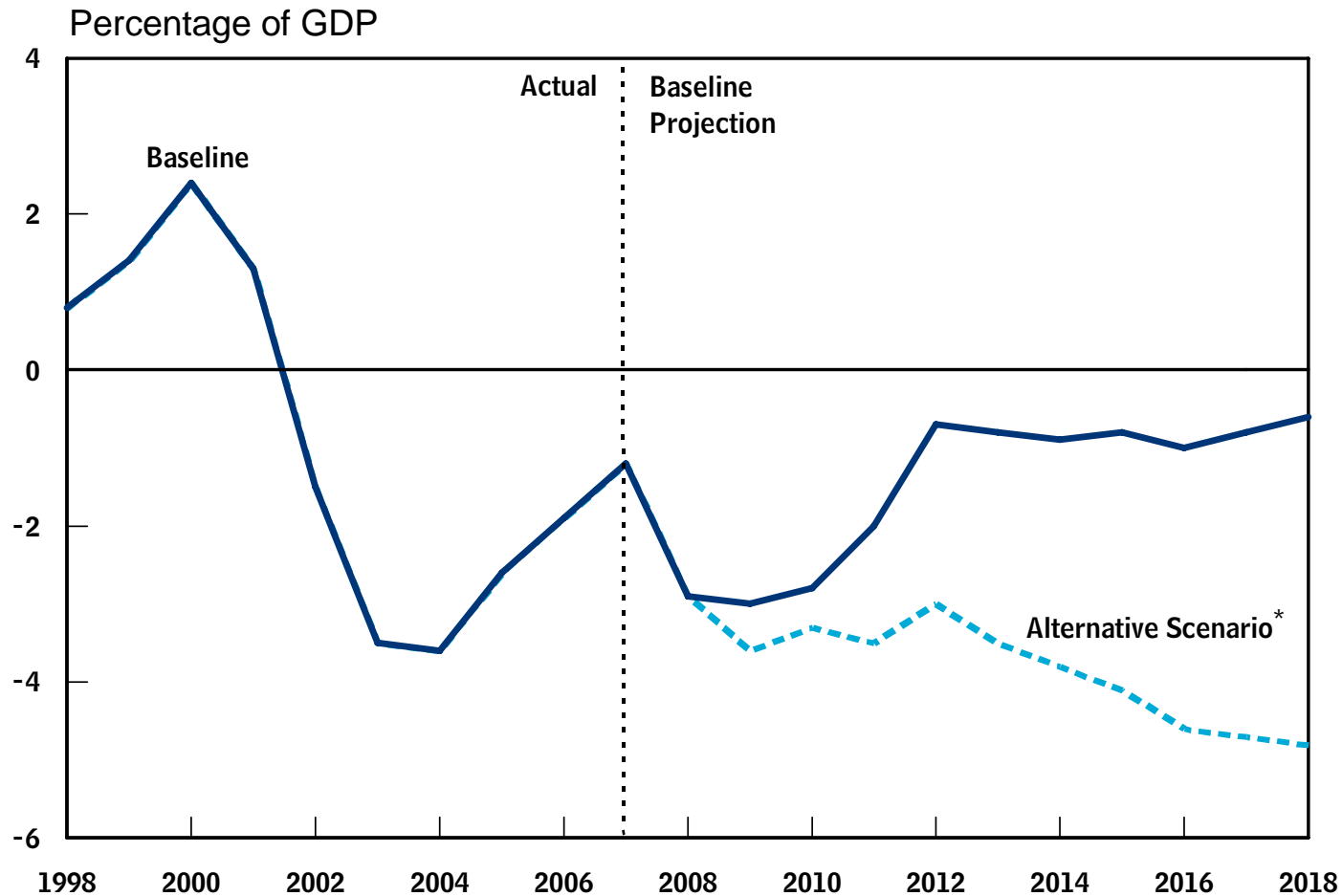


Total Deficit Under CBO's Baseline

	Actual 2007	2008	2009	2010	2011	2012	2013	Total, 2009–2018
Percentage of GDP	-1.2	-2.9	-3.0	-2.8	-2.0	-0.7	-0.8	-1.3
Billions of Dollars	-161	-407	-438	-431	-325	-126	-147	-2,313



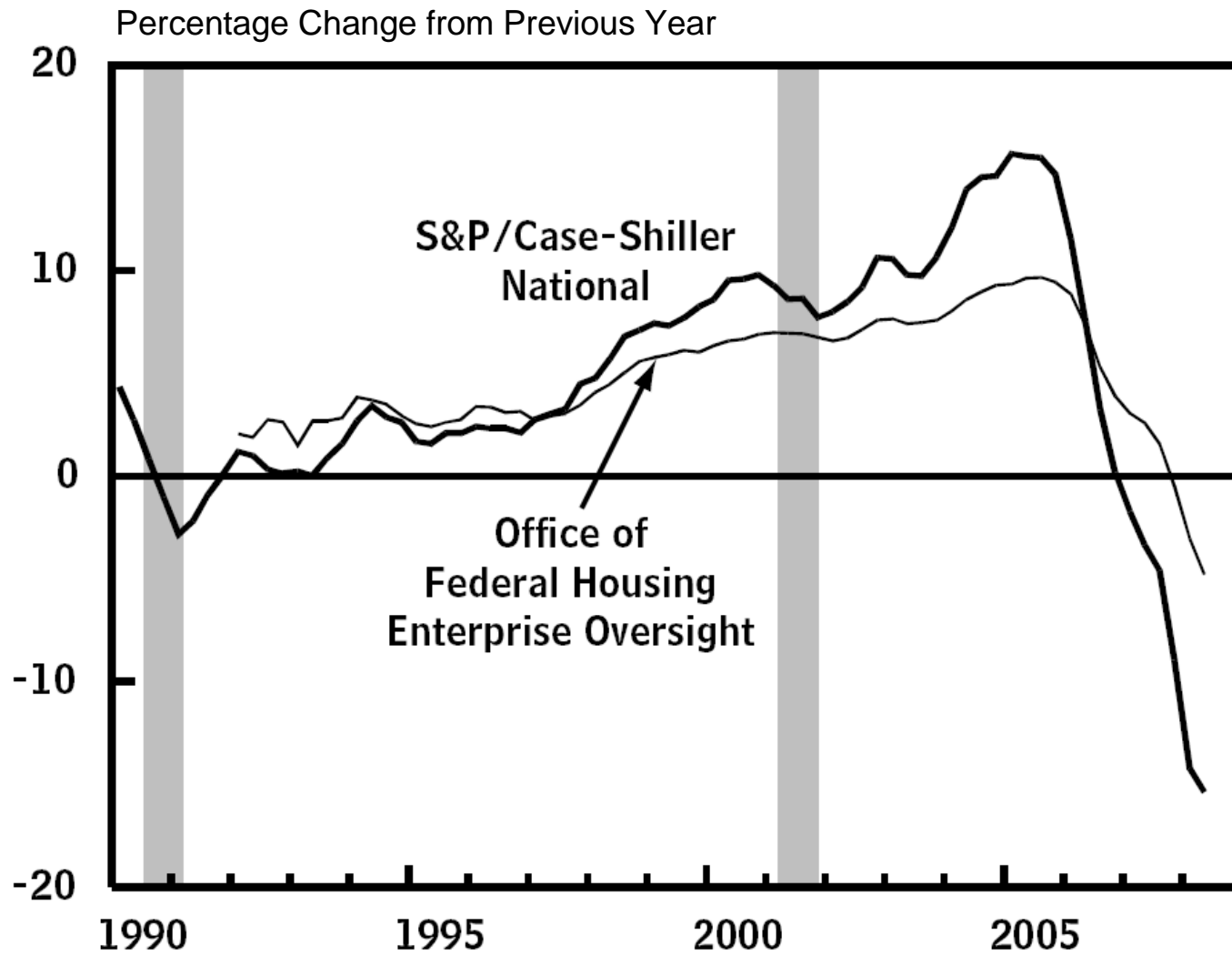
Total Deficit or Surplus Under CBO's Baseline and an Alternative Budget Scenario



* Extends all expiring tax provisions, reforms the AMT, assumes the number of military personnel in the war on terrorism falls to 30,000 by 2011, and assumes that regular appropriations grow at the rate of nominal GDP.

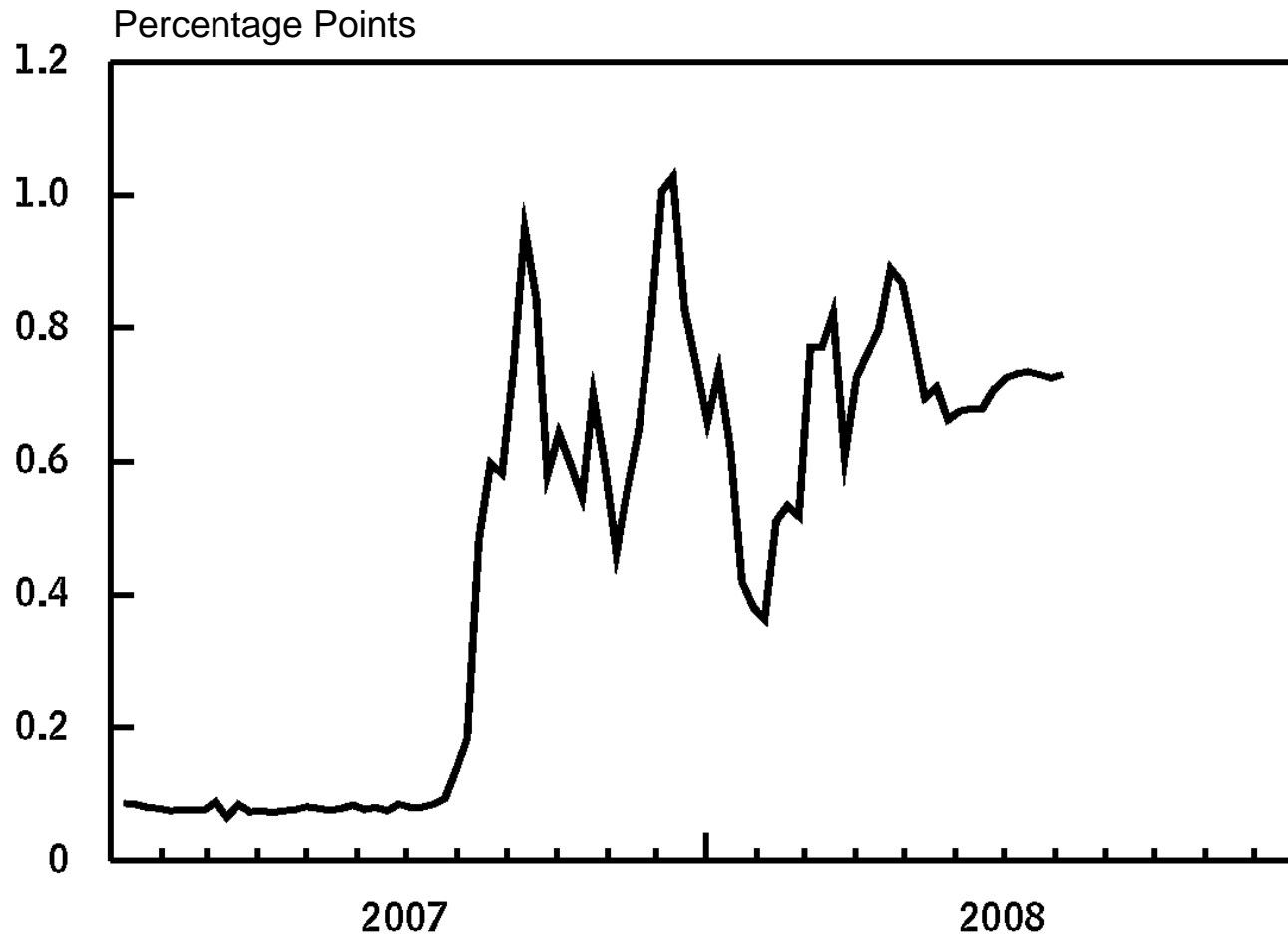


Indexes of House Prices



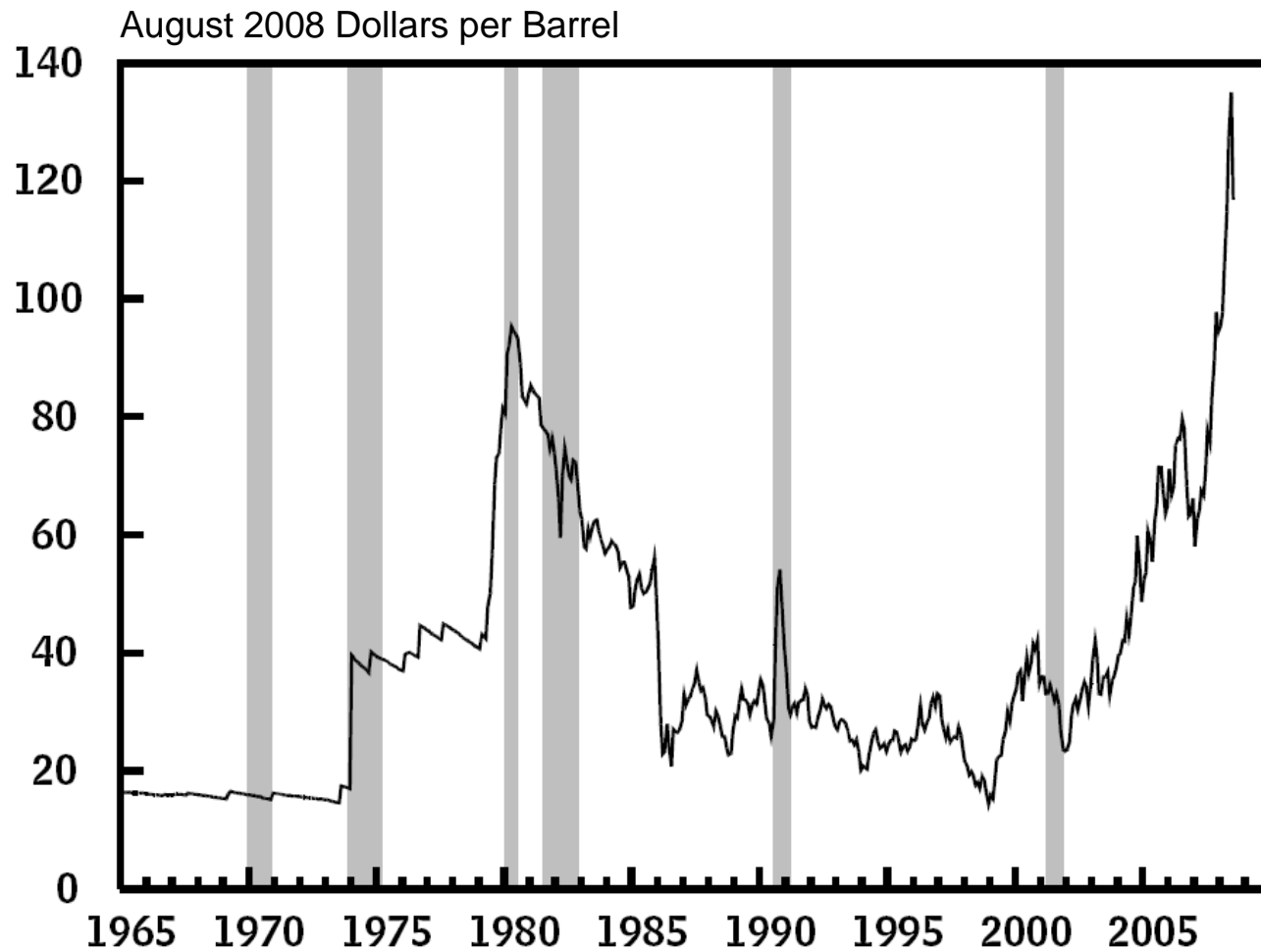


Spread on Three-Month Libor and Expected Federal Funds Rates



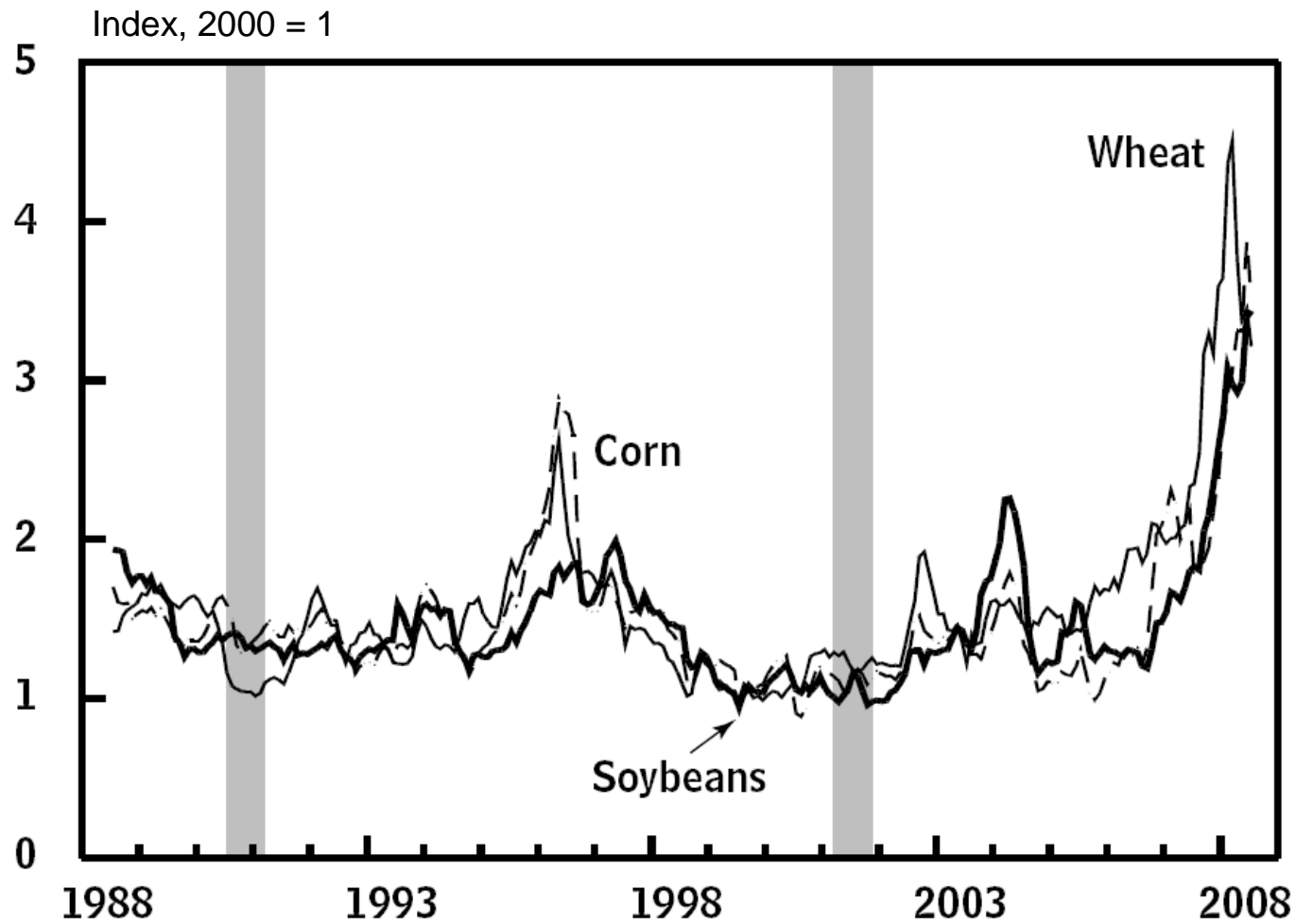


Inflation-Adjusted Price of Crude Oil



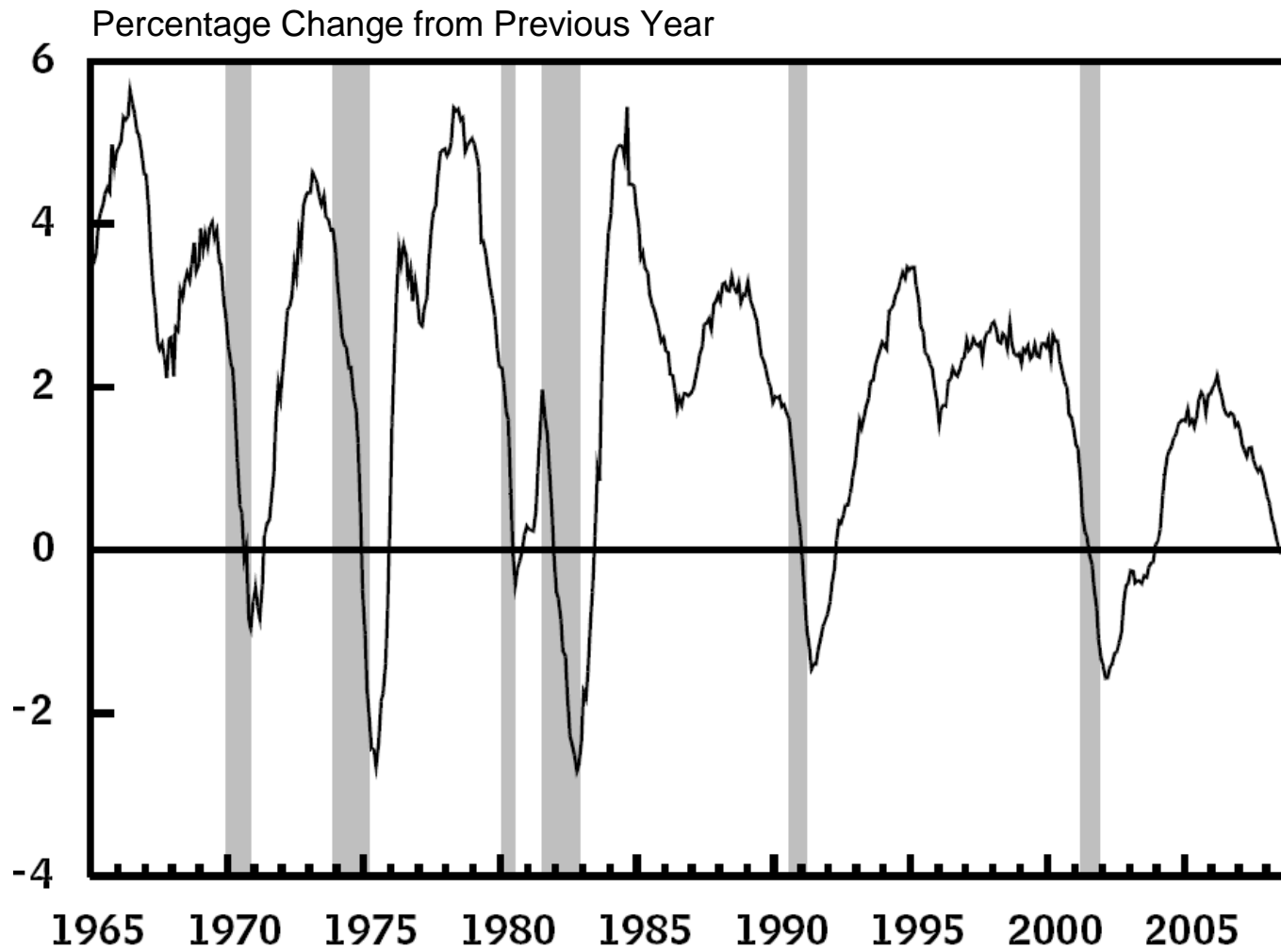


Prices of Three Major Agricultural Commodities





Total Nonfarm Payroll Employment





Comparison of Economic Forecasts by CBO, the Administration, and the *Blue Chip* Consensus for Calendar Years 2008 to 2013

	Actual	Forecast	
	2007	2008	2009
Fourth Quarter to Fourth Quarter (Percentage Change)			
Real GDP			
CBO	2.3	0.9	1.8
Administration	2.5	1.2	2.9
<i>Blue Chip</i> consensus	2.3	1.1	2.1
Federal Reserve (Central tendency)	n.a.	1.0 to 1.6	2.0 to 2.8
Consumer Price Index			
CBO	4.0	4.9	2.2
Administration	4.0	3.1	2.2
<i>Blue Chip</i> consensus	4.0	4.4	2.3
Calendar Year Average (Percent)			
Unemployment Rate			
CBO	4.6	5.4	6.2
Administration	4.6	5.3	5.6
<i>Blue Chip</i> consensus	4.6	5.5	6.1
Federal Reserve (Central tendency)	n.a.	5.5 to 5.7	5.3 to 5.8