

News from the House Budget Committee
U.S. Rep. John Spratt (D-SC) - Chairman
House of Representatives, Washington, D.C.
budget.house.gov

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Spratt Statement on CBO Deficit Projection

WASHINGTON – House Budget Committee Chairman John Spratt issued the following statement on the deficit projection released today by the Congressional Budget Office (CBO).

“The Bush Administration has left the Obama Administration an economy in distress and a budget in deficit — deep deficit according to the Congressional Budget Office.

“CBO today released a projection showing a deficit of \$1.845 trillion for 2009. Deficits of this enormity cannot be reversed in one or two budgets. The Bush deficits will overhang the budget for years to come.

“CBO’s latest projections differ somewhat from OMB’s projections, but the projections point in the same direction, and they underscore our commitment to cut the deficit in half by 2013, even using CBO’s more pessimistic numbers.

“Economic forecasting is a risky business. A year ago, economists projected a deficit of about \$200 billion for 2009. Economists now project a deficit about nine times that large, due mainly to extraordinary events that no one foresaw a year ago. In fact, the latest projections of the budget show greater deficits than economists projected only two months ago. The future forecast is subject to substantial variation, which could work out to a swing of hundreds of billions of dollars, plus or minus.

“As is customary, the House Budget Committee will use CBO numbers in the budget resolution that we mark up next week. We will follow President Obama’s lead, and produce a budget that cuts the deficit in half over the next four years, but still invests in areas critical to our future— such as energy, education, and health care.”

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