

# FRB Chicago Advisory Panel

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## The Long-Term Budget Outlook, by Fiscal Year

Percentage of GDP						
	Average, 1994–2023	Actual, 2023	2024	2034	2044	2054
<b>Revenues</b>	<b>17.2</b>	<b>16.5</b>	<b>17.5</b>	<b>17.9</b>	<b>18.4</b>	<b>18.8</b>
Individual income taxes	8.0	8.1	8.8	9.5	9.9	10.3
Payroll taxes	6.1	6.0	5.9	5.9	5.9	5.8
Corporate income taxes	1.7	1.6	2.0	1.3	1.4	1.4
Other	1.4	0.8	0.8	1.2	1.2	1.3
<b>Outlays</b>	<b>21.0</b>	<b>22.7</b>	<b>23.1</b>	<b>24.1</b>	<b>25.7</b>	<b>27.3</b>
Mandatory	12.1	13.9	13.9	15.1	15.8	16.2
Social Security	4.5	5.0	5.2	5.9	5.8	5.9
Major health care programs	4.3	5.8	5.6	6.7	7.8	8.3
Medicare	2.6	3.1	3.2	4.2	5.1	5.4
Medicaid, CHIP, and premium tax credits and related spending	1.7	2.7	2.4	2.5	2.7	2.8
Other mandatory	3.3	3.1	3.1	2.5	2.3	2.0
Discretionary	7.0	6.4	6.2	5.1	4.9	4.9
Net interest	1.8	2.4	3.1	3.9	5.0	6.3
<b>Total deficit (-)</b>	<b>-3.8</b>	<b>-6.2</b>	<b>-5.6</b>	<b>-6.1</b>	<b>-7.3</b>	<b>-8.5</b>
Primary deficit (-)	-2.0	-3.8	-2.5	-2.2	-2.4	-2.2
Debt held by the public at the end of each period	58	97	99	116	139	166

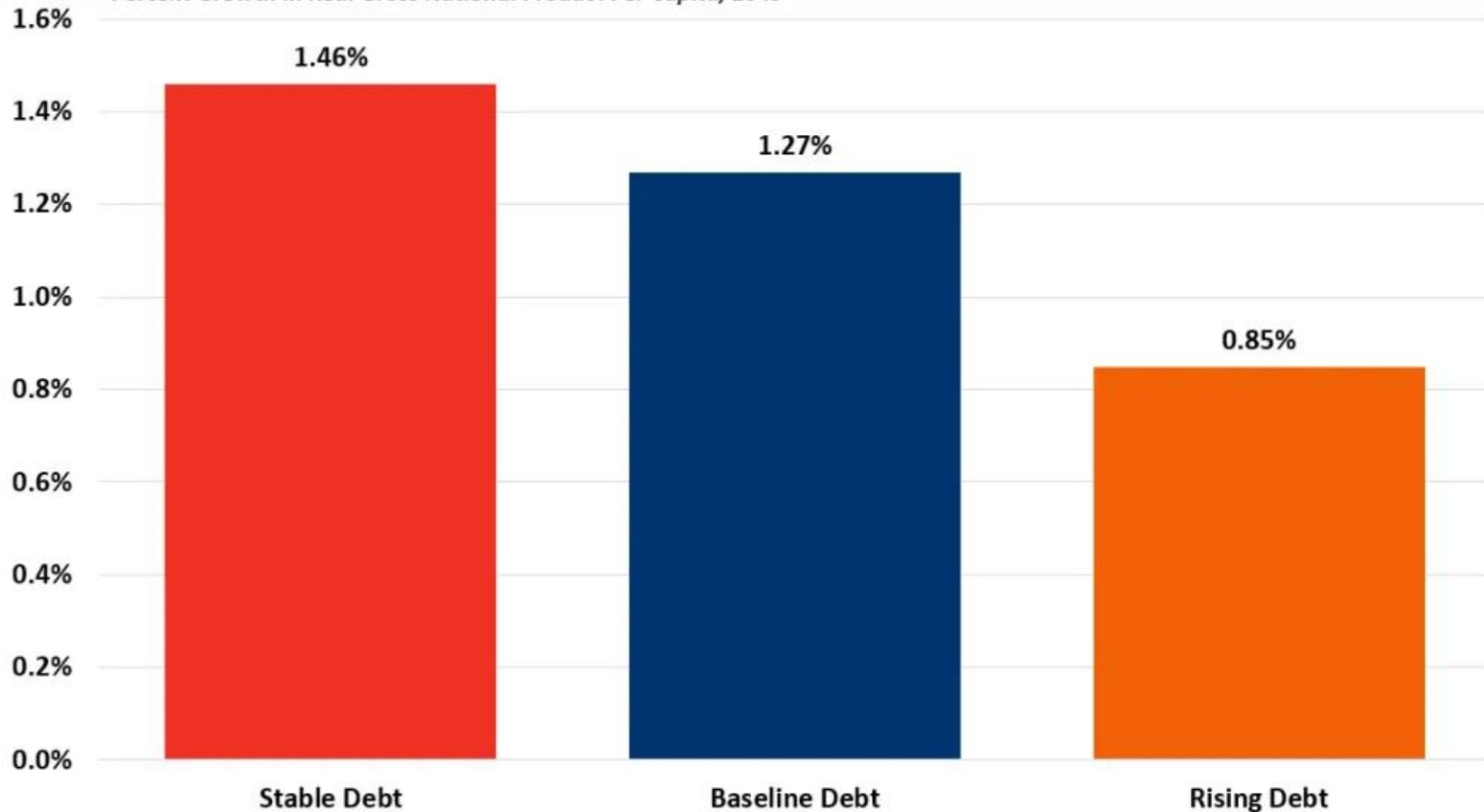
# Average Annual Values for Key Economic Variables That Underlie CBO's Extended Baseline Projections

Percent

	1994–2023	2024–2034	2035–2044	2045–2054	Overall, 2024–2054
<b>Growth of GDP</b>					
Real potential GDP <sup>a</sup>	2.4	2.1	1.6	1.6	1.8
Potential labor force <sup>b</sup>	0.8	0.7	0.3	0.2	0.4
Potential labor force productivity <sup>c</sup>	1.6	1.4	1.4	1.3	1.4
Real GDP	2.5	2.0	1.6	1.6	1.7
Real GDP per person	1.6	1.4	1.3	1.3	1.3
Nominal GDP (fiscal year)	4.7	4.0	3.7	3.6	3.8
Labor force participation rate <sup>d</sup>	64.8	62.0	61.1	60.8	61.3
Labor force growth	0.9	0.6	0.3	0.2	0.4
<b>Inflation</b>					
Growth of the PCE price index	2.1	2.0	1.9	1.9	1.9
Growth of the CPI-U	2.5	2.3	2.2	2.2	2.3
Growth of the GDP price index	2.2	2.0	2.0	2.0	2.0
<b>Interest rates</b>					
On 10-year Treasury notes					
Nominal rate	3.8	4.1	4.2	4.3	4.2
Real rate	1.3	1.8	1.9	2.1	1.9
On all federal debt held by the public <sup>e</sup>	3.7	3.2	3.5	3.7	3.5

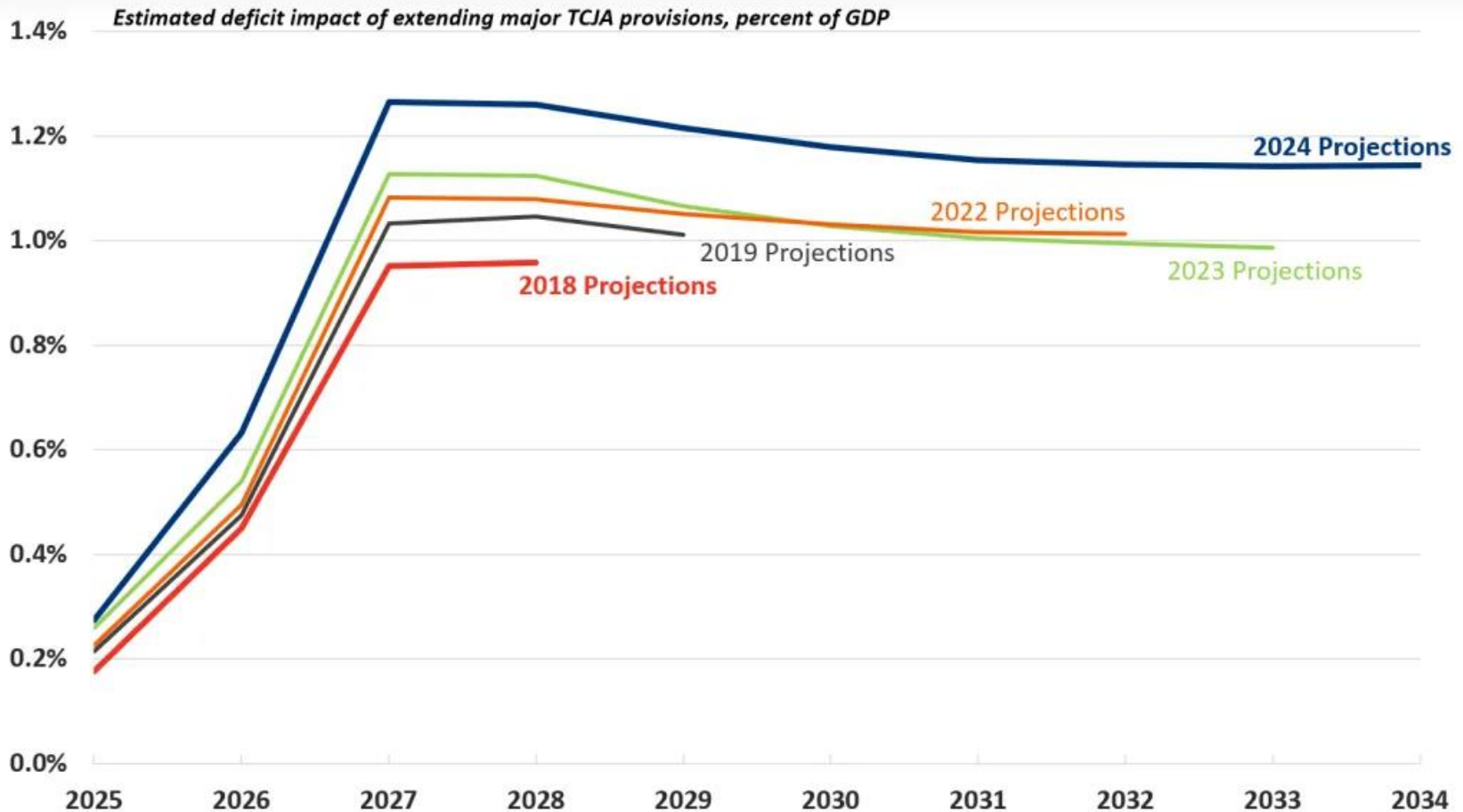
# Income Growth is Slower with Rising Debt

Percent Growth in Real Gross National Product Per Capita, 2049



Sources: Congressional Budget Office and Committee for a Responsible Federal Budget

# TCJA Extensions Cost More As a Share of the Economy



Source: Joint Committee on Taxation, Congressional Budget Office, and Committee for a Responsible Federal Budget.

Note: To make numbers fully comparable, CBO-provided estimates are adjusted to incorporate any costs in 2023 and 2024 into 2025 and to assume the limit on pass-through losses expires in 2025 as originally scheduled.

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