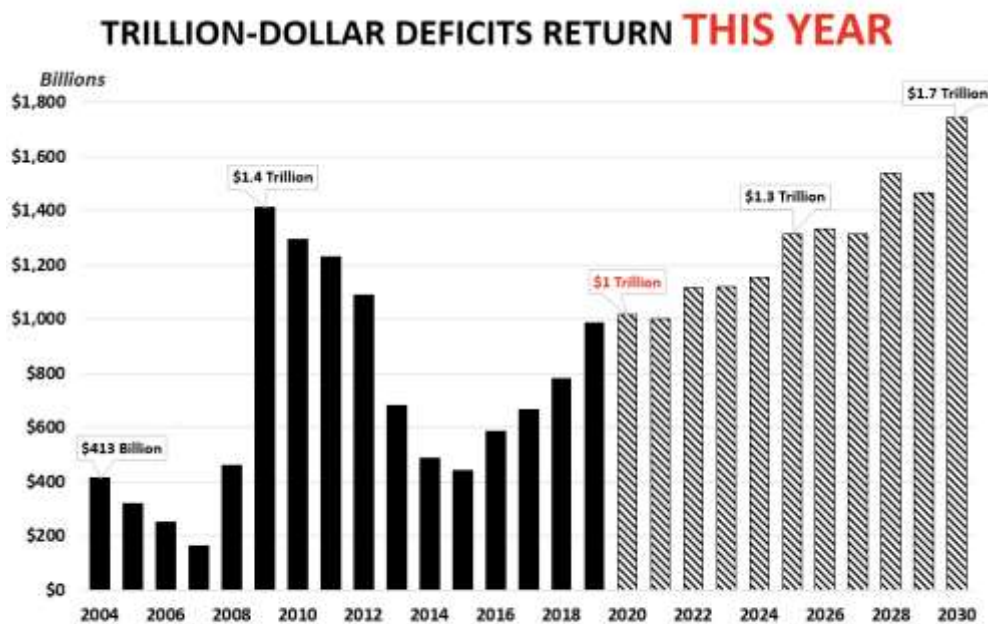


## What the Latest Budget Numbers Mean

The latest official numbers, including the [budget and economic forecast](#) for the next decade from the nonpartisan Congressional Budget Office (CBO), show national debt rising well past historical norms and warns of serious consequences. Here are the key figures and what they mean.



Source: Congressional Budget Office January 2020 Baseline



### Permanent Trillion-Dollar Deficits Begin this Year

- The federal budget deficit is projected to be \$1.02 trillion this fiscal year.
- The annual deficit is projected to be \$1 trillion or more indefinitely.
- Spending will be above its 50-year average as a share of GDP. Revenue will be at its average.

### National Debt Will Continue to Grow Towards Record Levels

- National debt held by the public, which excludes what the federal government owes itself, will grow by more than \$14 trillion over the next decade, exceeding \$31 trillion in 2030.
- Debt held by the public will nearly equal the size of the U.S. economy in ten years, at 98 percent of GDP in 2030.
- If current tax cuts and other policies are extended, debt will reach a new record of 107 percent of GDP in 2030.
- The growth in the debt going forward will be largely driven by rising health costs and an aging population.
- Interest on the debt is the fastest growing part of the federal budget. It will double in dollar terms in ten years.

### The Consequences of Rising Debt Are Severe

- CBO warns that high and rising debt would negatively affect the economy by dampening economic output over time and reducing the income of U.S. households through increased interest payments to foreign debt holders.
- Mounting debt would also increase the risk of a fiscal crisis and make it more difficult to respond to unforeseen events.