

**Table 1-1.****Projected Deficits and Surpluses in CBO's Baseline**

(Billions of dollars)

	Actual												Total,	Total,
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2015-	2011-
													2015	2020
On-Budget Deficit	-1,551	-1,434	-1,076	-757	-659	-608	-619	-659	-659	-669	-765	-793	-3,719	-7,263
Off-Budget Surplus <sup>a</sup>	137	86	96	108	120	133	139	138	134	127	116	107	595	1,216
<b>Total Deficit</b>	<b>-1,414</b>	<b>-1,349</b>	<b>-980</b>	<b>-650</b>	<b>-539</b>	<b>-475</b>	<b>-480</b>	<b>-521</b>	<b>-525</b>	<b>-542</b>	<b>-649</b>	<b>-687</b>	<b>-3,124</b>	<b>-6,047</b>
<b>Memorandum:</b>														
Total Deficit as a														
Percentage of GDP	-9.9	-9.2	-6.5	-4.1	-3.2	-2.7	-2.6	-2.7	-2.6	-2.6	-3.0	-3.0	-3.7	-3.2
Debt Held by the														
Public as a														
Percentage of GDP <sup>b</sup>	53.0	60.3	65.3	66.6	66.3	65.6	65.4	65.5	65.5	65.7	66.1	66.7	n.a.	n.a.

Source: Congressional Budget Office.

Note: GDP = gross domestic product; n.a. = not applicable.

a. Off-budget surpluses comprise surpluses in the Social Security trust funds and the net cash flow of the Postal Service.

b. Debt held at the end of the year.

**Table 1-3.****CBO's Baseline Budget Projections**

	Actual												Total,	Total,
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2015	2011-
													2015	2011-
														2020
<b>In Billions of Dollars</b>														
<b>Revenues</b>														
Individual income taxes	915	946	1,258	1,434	1,595	1,729	1,854	1,969	2,091	2,199	2,316	2,448	7,870	18,894
Corporate income taxes	138	147	266	318	350	394	365	387	393	401	403	416	1,693	3,693
Social insurance taxes	891	878	934	993	1,056	1,115	1,165	1,212	1,260	1,310	1,361	1,416	5,263	11,822
Other revenues	160	204	211	219	218	227	241	246	252	261	271	282	1,115	2,427
<b>Total Revenues</b>	<b>2,105</b>	<b>2,175</b>	<b>2,670</b>	<b>2,964</b>	<b>3,218</b>	<b>3,465</b>	<b>3,625</b>	<b>3,814</b>	<b>3,996</b>	<b>4,170</b>	<b>4,352</b>	<b>4,563</b>	<b>15,941</b>	<b>36,836</b>
On-budget	1,451	1,533	1,997	2,253	2,463	2,668	2,789	2,943	3,088	3,225	3,369	3,539	12,170	28,335
Off-budget	654	642	673	711	754	797	836	871	908	945	982	1,024	3,771	8,501
<b>Outlays</b>														
Mandatory spending	2,094	1,946	2,045	1,989	2,077	2,188	2,272	2,414	2,524	2,638	2,838	3,008	10,572	23,994
Discretionary spending	1,237	1,371	1,371	1,344	1,346	1,357	1,373	1,402	1,426	1,450	1,486	1,518	6,792	14,074
Net interest	187	207	233	280	333	396	459	519	572	624	676	723	1,701	4,816
<b>Total Outlays</b>	<b>3,518</b>	<b>3,524</b>	<b>3,650</b>	<b>3,613</b>	<b>3,756</b>	<b>3,940</b>	<b>4,105</b>	<b>4,335</b>	<b>4,521</b>	<b>4,712</b>	<b>5,000</b>	<b>5,250</b>	<b>19,065</b>	<b>42,883</b>
On-budget	3,001	2,968	3,073	3,010	3,122	3,276	3,409	3,602	3,747	3,894	4,134	4,332	15,889	35,598
Off-budget	517	556	577	603	634	665	697	733	774	818	866	917	3,176	7,285
<b>Deficit (-) or Surplus</b>	<b>-1,414</b>	<b>-1,349</b>	<b>-980</b>	<b>-650</b>	<b>-539</b>	<b>-475</b>	<b>-480</b>	<b>-521</b>	<b>-525</b>	<b>-542</b>	<b>-649</b>	<b>-687</b>	<b>-3,124</b>	<b>-6,047</b>
On-budget	-1,551	-1,434	-1,076	-757	-659	-608	-619	-659	-659	-669	-765	-793	-3,719	-7,263
Off-budget	137	86	96	108	120	133	139	138	134	127	116	107	595	1,216
Debt Held by the Public	7,544	8,797	9,785	10,479	11,056	11,556	12,055	12,595	13,133	13,678	14,329	15,027	n.a.	n.a.
<b>Memorandum:</b>														
Gross Domestic Product	14,236	14,595	14,992	15,730	16,676	17,606	18,421	19,223	20,036	20,823	21,667	22,544	83,425	187,719
<b>As a Percentage of Gross Domestic Product</b>														
<b>Revenues</b>														
Individual income taxes	6.4	6.5	8.4	9.1	9.6	9.8	10.1	10.2	10.4	10.6	10.7	10.9	9.4	10.1
Corporate income taxes	1.0	1.0	1.8	2.0	2.1	2.2	2.0	2.0	2.0	1.9	1.9	1.8	2.0	2.0
Social insurance taxes	6.3	6.0	6.2	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3
Other revenues	1.1	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
<b>Total Revenues</b>	<b>14.8</b>	<b>14.9</b>	<b>17.8</b>	<b>18.8</b>	<b>19.3</b>	<b>19.7</b>	<b>19.7</b>	<b>19.8</b>	<b>19.9</b>	<b>20.0</b>	<b>20.1</b>	<b>20.2</b>	<b>19.1</b>	<b>19.6</b>
On-budget	10.2	10.5	13.3	14.3	14.8	15.2	15.1	15.3	15.4	15.5	15.6	15.7	14.6	15.1
Off-budget	4.6	4.4	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
<b>Outlays</b>														
Mandatory spending	14.7	13.3	13.6	12.6	12.5	12.4	12.3	12.6	12.6	12.7	13.1	13.3	12.7	12.8
Discretionary spending	8.7	9.4	9.1	8.5	8.1	7.7	7.5	7.3	7.1	7.0	6.9	6.7	8.1	7.5
Net interest	1.3	1.4	1.6	1.8	2.0	2.2	2.5	2.7	2.9	3.0	3.1	3.2	2.0	2.6
<b>Total Outlays</b>	<b>24.7</b>	<b>24.1</b>	<b>24.3</b>	<b>23.0</b>	<b>22.5</b>	<b>22.4</b>	<b>22.3</b>	<b>22.6</b>	<b>22.6</b>	<b>22.6</b>	<b>23.1</b>	<b>23.3</b>	<b>22.9</b>	<b>22.8</b>
On-budget	21.1	20.3	20.5	19.1	18.7	18.6	18.5	18.7	18.7	18.7	19.1	19.2	19.0	19.0
Off-budget	3.6	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.9	3.9	4.0	4.1	3.8	3.9
<b>Deficit (-) or Surplus</b>	<b>-9.9</b>	<b>-9.2</b>	<b>-6.5</b>	<b>-4.1</b>	<b>-3.2</b>	<b>-2.7</b>	<b>-2.6</b>	<b>-2.7</b>	<b>-2.6</b>	<b>-2.6</b>	<b>-3.0</b>	<b>-3.0</b>	<b>-3.7</b>	<b>-3.2</b>
On-budget	-10.9	-9.8	-7.2	-4.8	-3.9	-3.5	-3.4	-3.4	-3.3	-3.2	-3.5	-3.5	-4.5	-3.9
Off-budget	1.0	0.6	0.6	0.7	0.7	0.8	0.8	0.7	0.7	0.6	0.5	0.5	0.7	0.6
Debt Held by the Public	53.0	60.3	65.3	66.6	66.3	65.6	65.4	65.5	65.5	65.7	66.1	66.7	n.a.	n.a.

Source: Congressional Budget Office.

Note: n.a. = not applicable.

**Table 3-3.****CBO's Baseline Projections of Mandatory Spending**

(Outlays, in billions of dollars)

	Actual												Total,	Total,
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-2015	2011-2020
Social Security	678	700	726	759	797	836	878	927	982	1,041	1,103	1,170	3,996	9,220
Medicare <sup>a</sup>	499	528	574	581	638	710	735	794	830	867	962	1,038	3,238	7,729
Medicaid	251	280	268	270	283	302	323	346	371	398	427	458	1,446	3,445
Income Security														
SNAP	56	70	75	75	74	71	69	67	65	62	62	61	365	681
Unemployment compensation	119	133	83	66	53	47	48	50	52	53	55	56	298	564
Supplemental Security Income	45	48	54	47	53	54	54	61	57	53	60	61	262	554
Earned income and child tax credits	67	72	69	42	43	44	45	44	44	45	45	45	244	467
Family support <sup>b</sup>	26	28	26	25	25	25	25	25	25	25	25	25	124	249
Child nutrition	16	17	18	19	20	20	21	22	23	24	24	25	98	216
Foster care	7	7	7	7	8	8	8	8	8	9	9	9	38	82
Making Work Pay and other tax credits <sup>c</sup>	13	24	19	*	*	*	*	*	*	*	*	*	20	22
Subtotal	348	400	352	282	275	270	270	277	274	271	281	283	1,449	2,834
Civilian and Military Retirement														
Federal civilian <sup>d</sup>	80	83	85	87	90	93	95	99	102	106	109	113	450	979
Military	50	51	51	52	53	54	55	57	58	60	61	63	266	565
Other	8	8	7	7	8	9	10	11	11	11	12	12	41	98
Subtotal	138	141	143	147	151	156	160	166	171	177	182	188	757	1,642
Veterans <sup>e</sup>														
Income security	46	49	56	50	56	57	58	64	60	56	62	63	276	581
Other	4	8	10	11	11	12	12	13	14	14	15	16	57	128
Subtotal	50	57	66	61	67	68	70	77	74	70	77	79	333	710
Other Programs														
Fannie Mae and Freddie Mac <sup>f</sup>	91	21	13	10	8	6	6	5	4	3	3	3	45	64
TARP	152	-67	4	4	3	3	*	*	*	*	*	*	15	16
Agriculture	17	19	18	12	17	16	16	16	16	16	17	17	80	161
MERHCF	8	8	9	9	10	11	12	13	14	15	16	17	50	124
Higher education	-18	-10	-2	-1	-1	-1	5	6	8	9	9	10	0	43
Universal Service Fund	8	8	9	9	9	9	9	9	9	9	9	9	44	90
CHIP	8	9	10	11	12	10	6	6	6	6	6	6	50	79
Social services	5	5	5	5	5	5	5	5	5	5	6	6	26	53
Deposit insurance	23	-4	12	-3	-18	-18	-17	-14	-9	-7	-4	-5	-44	-83
Other	32	33	36	33	31	28	26	25	29	29	29	30	154	295
Subtotal	325	22	113	91	77	70	68	71	82	86	91	92	420	843

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Table 3-3.

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## CBO's Baseline Projections of Mandatory Spending

(Outlays, in billions of dollars)

	Actual												Total,	Total,
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-	2011-
													2015	2020
Offsetting Receipts														
Medicare <sup>9</sup>	-74	-78	-86	-87	-93	-102	-107	-113	-120	-128	-139	-150	-475	-1,126
Employers' share of employees' retirement	-56	-60	-62	-63	-64	-66	-69	-71	-74	-77	-80	-83	-324	-711
Other	-65	-45	-50	-52	-54	-55	-57	-59	-65	-66	-66	-68	-268	-591
Subtotal	-195	-183	-198	-203	-211	-223	-232	-244	-259	-271	-285	-302	-1,067	-2,428
<b>Total Mandatory Spending</b>	<b>2,094</b>	<b>1,946</b>	<b>2,045</b>	<b>1,989</b>	<b>2,077</b>	<b>2,188</b>	<b>2,272</b>	<b>2,414</b>	<b>2,524</b>	<b>2,638</b>	<b>2,838</b>	<b>3,008</b>	<b>10,572</b>	<b>23,994</b>
<b>Memorandum:</b>														
Mandatory Spending Excluding														
Offsetting Receipts	2,289	2,129	2,243	2,192	2,288	2,411	2,504	2,658	2,783	2,909	3,124	3,310	11,639	26,422
Medicare Spending Net of Offsetting Receipts	425	450	487	494	545	608	628	680	709	739	824	888	2,763	6,603

Source: Congressional Budget Office.

Notes: Spending for the benefit programs shown above generally excludes administrative costs, which are discretionary.

SNAP = Supplemental Nutrition Assistance Program; TARP = Troubled Asset Relief Program; MERHCF = Department of Defense Medicare-Eligible Retiree Health Care Fund (including TRICARE for Life); CHIP = Children's Health Insurance Program;

\* = between zero and \$500 million.

- a. Excludes offsetting receipts (funds collected by government agencies from other government accounts or from the public in businesslike or market-oriented transactions that are recorded as offsets to outlays).
- b. Includes Temporary Assistance for Needy Families and various programs that involve payments to states for child support enforcement and family support, child care entitlements, and research to benefit children.
- c. This category also includes outlays for the following: the First-Time Homebuyer Credit; the American Opportunity Tax Credit; acceleration of Research and Experimentation Tax Credits in lieu of bonus depreciation; payments made when the credit for the alternative minimum tax exceeds a taxpayer's liability; and income tax rebates that result from the Economic Stimulus Act of 2008 (Public Law 110-185) and the American Recovery and Reinvestment Act of 2009 (PL. 111-5).
- d. Includes Civil Service, Foreign Service, Coast Guard, and other, smaller retirement programs as well as annuitants' health benefits.
- e. Income security includes veterans' compensation, pensions, and life insurance programs. Other benefits are primarily education subsidies.
- f. The amount recorded for 2009 reflects cash transfers from the Treasury to Fannie Mae and Freddie Mac. The amounts shown for 2010 through 2020 reflect CBO's estimate of the subsidy cost of new loans and guarantees made by those two entities in each year, adjusted for market risk.
- g. Includes Medicare premiums and amounts paid by states from savings on Medicaid prescription drug costs.

**Table 1-7.****CBO's Baseline Projections of Federal Debt**

(Billions of dollars)

	Actual											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Held by the Public at the Beginning of the Year	5,803	7,544	8,797	9,785	10,479	11,056	11,556	12,055	12,595	13,133	13,678	14,329
Changes to Debt Held by the Public												
Deficit	1,414	1,349	980	650	539	475	480	521	525	542	649	687
Other means of financing	328	-96	8	44	38	25	19	18	14	3	2	12
<b>Total</b>	<b>1,741</b>	<b>1,253</b>	<b>989</b>	<b>694</b>	<b>577</b>	<b>501</b>	<b>499</b>	<b>539</b>	<b>539</b>	<b>545</b>	<b>650</b>	<b>699</b>
Debt Held by the Public at the End of the Year	7,544	8,797	9,785	10,479	11,056	11,556	12,055	12,595	13,133	13,678	14,329	15,027
<b>Memorandum:</b>												
Debt Held by the Public at the End of the Year as a Percentage of GDP	53.0	60.3	65.3	66.6	66.3	65.6	65.4	65.5	65.5	65.7	66.1	66.7
Debt Held by the Public Net of Financial Assets <sup>a</sup>												
In billions of dollars	6,540	7,960	8,939	9,584	10,116	10,585	11,105	11,630	12,152	12,687	13,360	14,037
As a percentage of GDP	45.9	54.5	59.6	60.9	60.7	60.1	60.3	60.5	60.6	60.9	61.7	62.3

Source: Congressional Budget Office.

Note: GDP = gross domestic product.

a. Subtracts from debt held by the public the value of financial assets (such as preferred stock) purchased from institutions participating in the Troubled Asset Relief Program, holdings of preferred stock in Fannie Mae and Freddie Mac, the Treasury's purchases of mortgage-backed securities, cash balances, and other financial instruments.

**Table 1-5.****Budgetary Effects of Selected Policy Alternatives Not Included in CBO's Baseline**

(Billions of dollars)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011- 2015	2011- 2020
<b>Policy Alternatives That Affect Discretionary Outlays</b>													
Reduce the Number of Troops Deployed for Military Operations in Iraq and Afghanistan and for Other War-Related Activities to 30,000 by 2013 <sup>a</sup>													
Effect on the deficit <sup>b</sup>	-4	2	32	68	92	105	114	118	121	124	126	299	902
Debt service	*	*	*	2	6	11	17	24	32	40	49	19	182
Reduce the Number of Troops Deployed for Military Operations in Iraq and Afghanistan and for Other War-Related Activities to 60,000 by 2015 <sup>c</sup>													
Effect on the deficit <sup>b</sup>	-8	-20	-21	3	36	65	85	95	100	103	106	63	552
Debt service	*	*	-1	-1	-1	1	5	9	15	21	27	-2	76
Increase Regular Discretionary Appropriations at the Rate of Growth of Nominal GDP <sup>d</sup>													
Effect on the deficit <sup>b</sup>	0	-9	-37	-82	-129	-170	-207	-244	-279	-315	-352	-426	-1,823
Debt service	0	*	-1	-3	-9	-15	-26	-39	-54	-73	-94	-27	-314
Freeze Total Discretionary Appropriations at the Level Provided for 2010													
Effect on the deficit <sup>b</sup>	0	10	24	42	63	88	116	145	175	207	239	227	1,108
Debt service	0	*	*	2	5	8	14	21	31	42	56	15	180
<b>Policy Alternatives That Affect the Tax Code<sup>e</sup></b>													
Extend EGTRRA and JGTRRA <sup>f</sup>													
Effect on the deficit <sup>b</sup>	-3	-115	-216	-243	-257	-269	-277	-285	-293	-302	-311	-1,099	-2,567
Debt service	*	-1	-5	-14	-29	-43	-61	-78	-99	-121	-144	-91	-594
Extend Other Expiring Tax Provisions <sup>g</sup>													
Effect on the deficit <sup>b</sup>	-46	-145	-202	-204	-204	-200	-199	-198	-201	-205	-211	-955	-1,969
Debt service	*	-2	-6	-15	-28	-39	-53	-67	-83	-99	-116	-90	-508
Index the AMT for Inflation <sup>h</sup>													
Effect on the deficit <sup>b</sup>	-7	-69	-31	-35	-39	-44	-50	-58	-66	-77	-88	-219	-558
Debt service	*	-1	-2	-4	-6	-9	-12	-16	-20	-25	-31	-22	-125

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Table 1-5.

Continued

## Budgetary Effects of Selected Policy Alternatives Not Included in CBO's Baseline

(Billions of dollars)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total, 2011– 2015	Total, 2011– 2020
<b>Memorandum:</b>													
Interactive Effect of Extending EGTRRA and JGTRRA and Indexing the AMT													
Effect on the deficit <sup>b</sup>	0	-13	-43	-48	-53	-59	-64	-71	-78	-85	-93	-215	-606
Debt service	0	*	-1	-2	-5	-8	-12	-16	-21	-27	-33	-17	-126
Total Discretionary Outlays in CBO's Baseline	1,371	1,371	1,344	1,346	1,357	1,373	1,402	1,426	1,450	1,486	1,518	6,792	14,074
Total Outlays for Operations in Iraq and Afghanistan in CBO's Baseline	164	150	139	137	137	136	139	141	143	146	149	699	1,417
Total Deficit in CBO's Baseline	-1,349	-980	-650	-539	-475	-480	-521	-525	-542	-649	-687	-3,124	-6,047

Sources: Congressional Budget Office; Joint Committee on Taxation.

Note: GDP = gross domestic product; EGTRRA = Economic Growth and Tax Relief Reconciliation Act of 2001; JGTRRA = Jobs and Growth Tax Relief Reconciliation Act of 2003; AMT = alternative minimum tax; \* = between -\$500 million and \$500 million.

- a. This alternative does not extrapolate the \$130 billion in budget authority for military operations and associated costs in Iraq and Afghanistan provided for 2010. However, it incorporates the assumption that an additional \$16 billion in budget authority will be provided in 2010 to carry out operations in those two countries. Future funding for operations in Iraq, Afghanistan, or elsewhere would total \$121 billion in 2011, \$69 billion in 2012, \$40 billion in 2013, and about \$25 billion a year from 2014 on—for a total of \$395 billion over the 2011–2020 period.
- b. Excluding debt service.
- c. This alternative does not extrapolate the \$130 billion in budget authority for military operations and associated costs in Iraq and Afghanistan provided for 2010. However, it incorporates the assumption that an additional \$36 billion in budget authority will be provided in 2010 to carry out operations in those two countries. Future funding for operations in Iraq, Afghanistan, or elsewhere would total \$158 billion in 2011, \$143 billion in 2012, \$108 billion in 2013, \$71 billion in 2014, \$51 billion in 2015, and about \$40 billion a year from 2016 on—for a total of \$746 billion over the 2011–2020 period.
- d. Under this alternative, appropriations for 2010 for operations in Iraq and Afghanistan are extrapolated according to the rules that govern CBO's baseline.
- e. The Joint Committee on Taxation's estimates for these tax policy alternatives are preliminary and will be updated later.
- f. These estimates do not include the effects of extending the increased exemption amount or the treatment of personal credits for the AMT that expired at the end of 2009. The effects of that alternative are shown separately.
- g. The estimates include the effects of extending several expiring provisions that were enacted or modified in the American Recovery and Reinvestment Act of 2009, such as the Making Work Pay tax credit, the American Opportunity tax credit, and the exclusion from taxable income of certain amounts of unemployment benefits. The estimates also include the impact of extending other expiring provisions that have been in effect for a number of years.
- h. This alternative incorporates the assumption that the exemption amount for the AMT (which was increased through 2009) is extended at its higher level and, together with the AMT tax brackets, is indexed for inflation after 2009. In addition, the treatment of personal credits against the AMT (which was also continued through the end of 2009) is assumed to be extended. The estimates shown are relative to figures under current law. If this alternative was enacted together with the extension of the expiring tax provisions, an interactive effect would occur after 2010 that would make the combined revenue loss through 2020 greater than the sum of the two separate estimates.