

# MID-SESSION REVIEW

**BUDGET OF THE  
U.S. GOVERNMENT**

**FISCAL YEAR 2025**

OFFICE OF MANAGEMENT AND BUDGET



THE WHITE HOUSE  
WASHINGTON



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THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

July 19, 2024

The Honorable Mike Johnson  
Speaker of the House of Representatives  
Washington, DC 20515

Dear Mr. Speaker:

Section 1106 of Title 31, United States Code, requires the President to send to the Congress a supplemental update of the Budget that was transmitted to the Congress earlier in the year. The supplemental update of the Budget, commonly known as the Mid-Session Review, is enclosed.

Sincerely,

A handwritten signature in black ink that reads "Shalanda D. Young". The signature is written in a cursive style.

Shalanda D. Young

Enclosure

Identical letter sent to the Honorable Kamala D. Harris



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### GENERAL NOTES

1. Unless otherwise noted, years referenced for budget data are fiscal years, and years referenced for economic data are calendar years.
2. All totals in the text and tables include both on-budget and off-budget spending and receipts.
3. Details in the tables and text may not add to totals due to rounding.
4. Web address: <https://budget.gov>



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# INTRODUCTION

Three-and-a-half years ago, President Biden inherited an economy on the brink—still in the midst of the worst economic crisis in a century. President Biden came into office determined to not only rebuild from that crisis, but to fundamentally change things by building our economy from the middle out and bottom up, not the top down. From day one, the President has taken bold and immediate action—overseeing the great American comeback by growing the middle class and lowering costs.

The President began this work within weeks of taking office by signing into law the American Rescue Plan, delivering economic relief to families and communities to help them get back on their feet. Under the President’s Bipartisan Infrastructure Law, more than 57,000 new projects have been announced to date, rebuilding our roads, bridges, railroads, ports, airports, public transit, water systems, replacing lead pipes, expanding high-speed internet, and more—the biggest investment in our Nation’s infrastructure since the 1950s. Thanks to landmark legislative accomplishments like the President’s Inflation Reduction Act, we are making the most significant investment in fighting climate change in the history of the world—building a cleaner, more resilient and sustainable power grid; revitalizing communities that have shouldered the burden of harmful pollution for generations; lowering utility bills and health care costs for hardworking families; investing in clean energy jobs and industries of the future; and strengthening our energy security with clean energy breakthroughs. And since passage of President Biden’s CHIPS & Science Act, companies have already announced hundreds of billions of dollars in investments to bring semiconductor manufacturing jobs back to the United States and reestablish America’s leadership in chip manufacturing while creating good-paying, union jobs across the country, making “Made in America” a reality.

Today, there is clear and compelling evidence that the President’s economic vision is working. America once again has the strongest

economy in the world. We have created a record 15.7 million jobs under President Biden, including nearly 800,000 manufacturing jobs and more than 270,000 clean energy jobs in communities nationwide. These new jobs are supporting the longest stretch of unemployment this low in 50 years. A record share of working-age women and people with disabilities have jobs in recent months. Inflation is down two-thirds since its peak after Putin began his war in Ukraine, while wages for middle-wage workers have risen faster than prices 16 months in a row. Americans have filed a record 18 million new business applications since President Biden took office, powering a small business boom that has seen Black business ownership double, Hispanic business ownership up 40 percent, and a record share of businesses owned by women.

The President has delivered this progress for the American people all while fulfilling his commitment to fiscal responsibility. The deficit is over \$1 trillion lower than when President Biden took office, thanks in large part to a strong economic recovery. In addition, the President has also signed into law another roughly \$1 trillion in deficit reduction over the next decade through the Fiscal Responsibility Act and through Inflation Reduction Act provisions that empower Medicare to negotiate lower prescription drug prices, cap insulin at \$35 per month for seniors, and make our tax system fairer by making billion-dollar corporations pay a minimum tax and enabling the IRS to crack down on wealthy and corporate tax cheats. The President’s Budget would further reduce the deficit by over \$3 trillion over the next decade by cutting wasteful spending on special interests and making the wealthy and large corporations pay their fair share. It does this while making smart investments that build on the efforts of the past three and a half years and continue to lower costs for families, cut taxes for working Americans, and strengthen our economy’s potential to foster a brighter future for our Nation’s families and communities.

But there is still more to do. The President's top economic priority remains lowering costs for hardworking Americans and building on the progress we've made. As the President has proven, we can do all of this while responsibly reducing the deficit and putting our country on a stronger fiscal course.

### **MID-SESSION UPDATE**

The Mid-Session Review (MSR) updates the Administration's estimates for receipts, outlays, and the deficit for changes that have occurred since the President's 2024 Budget (Budget) was completed in March. Legislative changes include the enactment of the Consolidated Appropriations Act, 2024 and the Further Consolidated Appropriations Act, 2024 and the Act making emergency supplemental appropriations for the fiscal year ending September 30, 2024. The MSR also includes reestimates for revised economic assumptions and technical factors.

The deficit for 2024 under the President's policies is now projected to be \$1,874 billion, \$14 billion higher than the \$1,859 billion deficit projected in March. As a share of gross domestic product (GDP), the 2024 deficit is pro-

jected to remain at 6.6 percent, equal to the projection in March. The 2024 deficit estimate in the MSR is \$180 billion above the deficit reported for 2023—rising 0.3 percentage points as a share of GDP.

Going forward, the MSR estimates that deficits will be \$1,179 billion higher over the 10-year budget horizon relative to the Budget. Factors contributing to this change include an estimated net increase in Medicaid spending due to higher projected enrollment and an increase in managed care state directed payments; higher Premium Tax Credit and Cost-Sharing Reduction outlays due to larger take-up; and an increase in veterans' compensation and pensions benefit spending. These factors more than offset increased estimates in receipts, which are primarily due to upward revisions to projected growth in the economic forecast.

Relative to the MSR baseline—which includes updates for enacted legislation, economic revisions, and technical re-estimates—the MSR estimates the President's mandatory and tax policies would reduce deficits by \$3,303 billion over the 10-year window.

**Table 1. CHANGES IN DEFICITS FROM THE BUDGET**

(In billions of dollars)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025– 2029	2025– 2034
2025 Budget deficit .....	1,859	1,781	1,547	1,510	1,573	1,483	1,640	1,614	1,671	1,801	1,677		
Percent of GDP .....	6.6%	6.1%	5.1%	4.7%	4.7%	4.3%	4.6%	4.3%	4.3%	4.4%	3.9%		
Enacted legislation: <sup>1</sup>													
Consolidated Appropriations Act, 2024													
Further Consolidated Appropriations Act, 2024 .....	4	7	1	*	-1	-1	-1	1	2	3	2	6	14
Making emergency supplemental appropriations for the fiscal year ending September 30, 2024, and for other purposes .....													
	-16	17	1	1	-1	-*	-*	-*	-*	-*	-*	18	17
Debt service .....	-*	-*	1	1	*	*	*	*	*	1	1	2	5
Subtotal, enacted legislation .....	-12	24	3	2	-1	-1	-1	1	2	3	3	27	36
Economic and technical reestimates:													
Receipts .....	80	-77	-139	-146	-142	-106	-76	-54	-42	-62	-19	-610	-939
Outlays:													
Discretionary programs .....	-45	-2	21	16	16	8	8	1	-*	-*	-*	59	67
Mandatory:													
Medicaid .....	46	54	58	65	66	75	80	83	88	93	101	319	764
Refundable Premium Tax Credit & Cost- Sharing Reductions .....	17	24	28	29	32	34	35	36	38	40	42	147	337
Medicare .....	11	18	15	19	25	23	28	31	35	24	81	100	298
Income security for veterans .....	2	20	23	26	29	27	30	32	32	36	34	125	288
SNAP .....	-18	-10	-13	-14	-14	-15	-16	-17	-18	-19	-20	-67	-157
Social Security .....	2	9	11	12	11	9	8	9	10	13	15	51	106
Unemployment compensation .....	-12	-8	-7	-8	-9	-5	-6	-6	-6	-7	-7	-36	-69
FDIC .....	-3	-29	-*	3	-4	-8	-8	-3	-1	8	-8	-38	-52
Veterans' readjustment benefits .....	1	2	3	3	3	3	4	4	4	4	5	15	35
Other .....	-65	52	33	15	14	7	13	19	22	11	15	121	202
Total mandatory .....	-18	132	149	151	154	150	168	187	203	203	257	736	1,754
Net interest <sup>2</sup> .....	9	19	20	2	-14	8	23	36	47	57	63	36	261
Subtotal, outlays .....	-54	149	191	169	156	166	198	224	249	259	320	831	2,082
Subtotal, economic and technical reestimates .....	26	72	52	23	14	60	122	170	207	197	226	221	1,143
Total, changes .....	14	97	55	25	13	59	121	171	210	200	229	248	1,179
Mid-Session Review deficit .....	1,874	1,878	1,601	1,535	1,586	1,542	1,762	1,785	1,881	2,001	1,905		
Percent of GDP .....	6.6%	6.3%	5.2%	4.8%	4.7%	4.4%	4.8%	4.7%	4.7%	4.8%	4.4%		

Note: negative figures represent higher receipts or lower outlays.

\*-\$500 million or less.

<sup>1</sup> Includes outlay and receipt effects.<sup>2</sup> Includes debt service on all reestimates.



# ECONOMIC ASSUMPTIONS

## ECONOMIC PROJECTIONS

The Administration’s MSR forecast is based on information available as of May 28, and, like the Budget’s economic assumptions, assumes that the President’s proposals will be enacted. As economic conditions have continued to evolve since May 28, we anticipate that a forecast assembled today would differ in various ways from the MSR forecast. The projections for a set of key variables can be found in Table 2.

**Real Gross Domestic Product (GDP):** The MSR projections for near-term real GDP growth reflect an upward revision relative to the Budget; real GDP growth is forecasted to be 1.9 percent (fourth-quarter-over-fourth-quarter) in 2024 and 2.1 percent in 2025. Annual growth rates are projected at 2.0 percent during the four years 2026-2029 and then rise to 2.2 percent through the end of the budget window (2030-2034), in part reflecting the positive effects of the President’s policies.

**Inflation:** The MSR projection for consumer price index (CPI) inflation is 3.1 percent during the four quarters of 2024. CPI inflation is then projected to fall to 2.3 percent in 2025 and remain at that level over the remainder of the budget window.<sup>1</sup>

**Unemployment:** The unemployment rate is expected to average 3.8 percent during 2024 and stay at that level through the end of the budget window.

**Interest Rates:** The MSR projections for 91-day Treasury bills have been revised upwards relative to the Budget, at 5.2 and 4.3 percent in 2024 and 2025, respectively, and stabilize at 2.8 percent over the second half of

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<sup>1</sup> The Federal Reserve targets 2.0 percent inflation for the price index for personal consumption expenditures (PCE) and does not have an explicit target for CPI inflation. Over the long run, PCE inflation tends to be about 0.25 to 0.30 percentage point less than CPI inflation, so the Administration’s forecast is consistent with the Federal Reserve’s PCE target.

the budget window. The projected yields on 10-year Treasury notes are also slightly higher than the Budget forecast, on average. These slight upward revisions to interest rate projections are consistent with adjustments made by external forecasters.

## FORECAST COMPARISONS

The Administration’s MSR forecast differs from external forecasts in part because it was finalized at a different time. For example, the MSR forecast was finalized on May 28, 2024, about five and a half months after the then-latest Congressional Budget Office (CBO) forecast was finalized, thereby utilizing more recent economic data.<sup>2</sup> Additional differences arise due to the Administration’s assumption that the President’s policy proposals will be enacted, including expanding access to affordable, high-quality early childcare and learning; improving college affordability; and modernizing our immigration system. In contrast, CBO’s forecast assumes no changes in policy from what is currently in law. Outside forecasters may also differ on their assessments of enacted legislation making historic improvements in infrastructure and U.S. manufacturing. Table 3 shows comparisons between the MSR forecast, the 2025 Budget forecast, and external economic forecasts that were available when the MSR forecast was finalized in late May—namely, the CBO forecast finalized in December, the May Blue Chip consensus, and the median forecast across the Federal Open Market Committee (FOMC) in March.

**Real Gross Domestic Product:** The Administration’s MSR forecast for real GDP growth in 2024 was revised up to 1.9 percent (fourth-quarter-over-fourth-quarter) from the 2025 Budget. This forecast is slightly higher than the Blue Chip consensus and CBO forecasts but is lower than the FOMC median forecast. Over 2034, the MSR forecasts 2.2 percent real GDP growth, compared with the Blue Chip

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<sup>2</sup> CBO notes that its forecast used data up through December 5, 2023.

**Table 2. ECONOMIC ASSUMPTIONS<sup>1</sup>**  
(Calendar years, Dollar amounts in billions)

	Actual	Projections										
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Gross Domestic Product (GDP):</b>												
Percent Change, Fourth-Quarter-over-Fourth-Quarter:												
Current Dollars .....	5.9	4.6	4.4	4.1	4.1	4.1	4.2	4.3	4.4	4.4	4.4	4.4
Real, Chained (2017) Dollars .....	3.1	1.9	2.1	2.0	2.0	2.0	2.0	2.2	2.2	2.2	2.2	2.2
Chained Price Index (2017=100) .....	2.6	2.7	2.2	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
<b>Incomes, Billions of Current Dollars:</b>												
Domestic Corporate Profits .....	2,747	2,835	2,558	2,483	2,583	2,780	2,984	3,210	3,459	3,715	3,969	4,271
Employee Compensation .....	14,254	15,036	15,781	16,514	17,285	18,083	18,893	19,731	20,602	21,514	22,469	23,466
Wages and Salaries .....	11,816	12,459	13,072	13,672	14,305	14,966	15,635	16,327	17,049	17,794	18,575	19,405
Other Taxable Income .....	6,429	6,700	7,073	7,440	7,788	8,183	8,572	8,960	9,383	9,788	10,276	10,771
<b>Consumer Price Index (All Urban)<sup>2</sup>:</b>												
Level, Annual Average .....	304.7	314.6	322.2	329.6	337.2	344.9	352.9	361.0	369.3	377.8	386.5	395.4
Percent Change, Fourth-Quarter-over-Fourth-Quarter .....	3.2	3.1	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
<b>Unemployment Rate, Civilian, Percent:</b>												
Fourth Quarter Level .....	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Annual Average .....	3.6	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
<b>Federal Pay Raises, January, Percent:</b>												
Civilian <sup>3</sup> .....	4.6	5.2	2.0	NA								
Military <sup>4</sup> .....	4.6	5.2	4.5	NA								
<b>Interest Rates, Percent:</b>												
91-Day Treasury Bills <sup>5</sup> .....	5.1	5.2	4.3	3.5	3.0	2.8	2.8	2.8	2.8	2.8	2.8	2.8
10-Year Treasury Notes .....	4.0	4.3	4.1	4.0	3.9	3.9	3.8	3.8	3.8	3.8	3.8	3.8

<sup>1</sup> Based on information available as of May 28, 2024.

<sup>2</sup> Seasonally adjusted.

<sup>3</sup> Overall average increase, including locality pay adjustments; percentages to be proposed for years after 2025 have yet to be determined.

<sup>4</sup> Percentages apply to basic pay only; value for 2024 is actual; percentages to be proposed for years after 2025 have yet to be determined.

<sup>5</sup> Average rate, secondary market (bank discount basis).

consensus forecast of 1.9 percent, the CBO forecast of 1.8 percent, and the FOMC median forecast of 1.8 percent.<sup>3</sup>

**Unemployment:** The Administration's forecast for the unemployment rate during 2024

<sup>3</sup> After 2030, the Blue Chip consensus forecast is available for the 2031-2035 average. Table 3 reports this Blue Chip average for each year from 2031 through the end of the budget window. Similarly, after 2026 FOMC members provide a "longer run" forecast. Table 3 reports the FOMC median "longer run" forecast for each year starting in 2027.

is 3.8 percent (annual average), lower than the Blue Chip consensus, the median FOMC forecast, and CBO's forecast.<sup>4</sup> The Administration's forecast, the Blue Chip consensus, and the median FOMC forecast over subsequent years largely point to stabilization around their respective 2024 projections, while CBO forecasts a slight increase in the unemployment rate over the decade.

<sup>4</sup> FOMC members forecast the level of the unemployment rate in the fourth quarter, not the annual average.

**Table 3. COMPARISON OF ECONOMIC ASSUMPTIONS**  
(Calendar Years)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Real GDP (Fourth-Quarter-over-Fourth-Quarter growth rates):</b>											
2025 MSR .....	1.9	2.1	2.0	2.0	2.0	2.0	2.2	2.2	2.2	2.2	2.2
2025 Budget .....	1.3	2.0	2.0	2.0	2.0	2.1	2.2	2.2	2.2	2.2	2.2
CBO .....	1.5	2.2	2.2	2.1	2.1	2.1	2.0	1.9	1.9	1.8	1.8
Blue Chip .....	1.7	2.0	2.0	2.0	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Federal Reserve .....	2.1	2.0	2.0	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
<b>Consumer Price Index (Fourth-Quarter-over-Fourth-Quarter growth rates):</b>											
2025 MSR .....	3.1	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
2025 Budget .....	2.5	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
CBO .....	2.5	2.5	2.2	2.2	2.2	2.2	2.2	2.2	2.3	2.3	2.3
Blue Chip .....	3.0	2.3	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Federal Reserve <sup>1</sup> .....	2.4	2.2	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Unemployment Rate (annual average):</b>											
2025 MSR .....	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
2025 Budget .....	4.0	4.0	3.9	3.9	3.8	3.8	3.8	3.8	3.8	3.8	3.8
CBO .....	4.2	4.4	4.3	4.4	4.4	4.5	4.5	4.5	4.5	4.5	4.5
Blue Chip .....	4.0	4.1	3.9	3.9	3.9	4.0	4.0	4.0	4.0	4.0	4.0
Federal Reserve <sup>2</sup> .....	4.0	4.1	4.0	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
<b>Interest Rates (annual average):</b>											
<b>91-Day Treasury Bills (discount basis):</b>											
2025 MSR .....	5.2	4.3	3.5	3.0	2.8	2.8	2.8	2.8	2.8	2.8	2.8
2025 Budget .....	5.1	4.0	3.3	3.1	2.9	2.8	2.8	2.7	2.7	2.7	2.7
CBO .....	4.9	3.8	3.1	2.8	2.7	2.7	2.8	2.8	2.8	2.8	2.8
Blue Chip .....	5.2	4.1	3.0	2.9	2.9	2.8	2.8	2.8	2.8	2.8	2.8
<b>10-Year Treasury Notes:</b>											
2025 MSR .....	4.3	4.1	4.0	3.9	3.9	3.8	3.8	3.8	3.8	3.8	3.8
2025 Budget .....	4.4	4.0	3.9	3.8	3.8	3.7	3.7	3.7	3.7	3.7	3.7
CBO .....	4.6	4.6	3.9	3.8	3.8	3.9	4.0	4.1	4.1	4.1	4.1
Blue Chip .....	4.3	4.0	3.5	3.6	3.6	3.6	3.6	3.7	3.7	3.7	3.7

Sources: Administration; CBO, The Budget and Economic Outlook: 2024 to 2034, February 2024; March 2024 and May 2024 Blue Chip Economic Indicators, Aspen Publishers, Inc.; Federal Reserve Open Market Committee, March 20, 2024.

The external forecasts reported are the most current available at the time the MSR forecast was finalized.

MSR = 2025 Mid-Session Review (forecast date: May 2024)

Budget = 2025 Budget (forecast date: November 2023)

CBO = February 2024 Congressional Budget Office economic projections (forecast date: December 2023)

Blue Chip = May 2024 Blue Chip Consensus forecast (2024-2025) extended with March 2024 Blue Chip Consensus (2026-2034); GDP and CPI growth after 2025 year-over-year; values over 2031-2034 are from 2031-2035 average provided by Blue Chip

Federal Reserve = Median forecast across Federal Open Market Committee members (March 2024); values over 2027-2034 are from "longer run" forecasts

<sup>1</sup> PCE inflation

<sup>2</sup> Fourth quarter level of unemployment rate

**Inflation:** The Administration's MSR forecast for CPI inflation in 2024 (fourth-quarter-over-fourth-quarter) is slightly higher than the Blue Chip consensus and higher than CBO's forecast. Similarly, the MSR CPI inflation forecast for 2024 is above the CPI-equivalent of the FOMC's personal consumption expenditures (PCE) forecast. The MSR and CBO forecasts both call for CPI inflation to stabilize at a long-run rate of 2.3 percent, just above the Blue Chip consensus's 2.2 percent projection. These forecasts are all consistent with the view that long-run inflation will continue to be anchored by the Federal Reserve's stated policy target of 2.0 percent PCE inflation.

**Interest Rates:** On interest rates, the Administration's MSR forecast for 91-day Treasury bill rates is broadly similar to the Blue Chip consensus and CBO forecasts over the budget window, with differences predominant-

ly in the outlook over the next few years. The MSR forecast for 10-year Treasury notes in the near term is broadly similar to the Blue Chip consensus and lower than CBO's forecast. Mild differences arise during the outyears of the forecast, when the MSR forecast for 10-year rates (3.8 percent) is lower than the CBO forecast (4.1 percent) but slightly above the Blue Chip consensus forecast (3.7 percent).

The trajectory of debt held by the public is related to the paths of interest rates, growth rates and inflation. One metric for debt is real net interest as a share of GDP, which measures the real (inflation-adjusted) cost of debt. Real net interest has averaged one percent of GDP since 1980, and averaged two percent of GDP in the 1990s. Table S-1 shows that real net interest is projected to remain at or below 1.4 percent of GDP throughout the decade.

# RECEIPTS

The Mid-Session Review (MSR) estimates of receipts are below the 2025 Budget estimates by \$80 billion in 2024 and above the Budget by \$77 billion in 2025 (see Table 4 below). The MSR estimates of receipts are above the Budget estimates through 2034, for a net increase in receipts of \$939 billion over the 10-year budget horizon (2025 through 2034).

Most of the net decrease in 2024 receipts is attributable to technical revisions based on new tax reporting data, collections to date, and other information, which decrease receipts by \$92 billion. Revised economic assumptions increase 2024 receipts by \$13 billion. A reduction in net savings from the Administration's proposals reduces receipts by \$1 billion. However, even without enactment of the Administration's proposals this year, it is important to note that actual collections are projected to increase 10% from 2023 to 2024.

The estimate of 2025 receipts is above the Budget estimate due to a \$39 billion increase in receipts attributable to revised economic assumptions, a \$29 billion increase due to technical revisions, and an increase in net savings from the Administration's proposals of \$9 billion.

The \$939 billion increase in receipts over the 10-year budget horizon compared to the Budget forecast is the result of a \$847 billion increase in receipts due to revisions in the economic forecast, along with a \$24 billion increase attributable to technical revisions. An increase in the net savings from the Administration's proposals increases receipts by an additional \$67 billion.

## ECONOMIC CHANGES

Revisions in the economic forecast increase receipts relative to the Budget forecast by \$13 billion in 2024, \$39 billion in 2025, and in each subsequent year, for a total increase of \$847 billion over the 10 years from 2025 through 2034.

In 2024, revisions to the economic forecast have the greatest effect on social insurance and retirement receipts, increasing receipts by \$6 billion. This increase is primarily attributable to increases in the forecast of wages and salaries, resulting in an increase in payroll tax revenues relative to the Budget forecast.

Over the 10-year budget window, revisions in the economic forecast have the greatest effect on individual income taxes, increasing collections by \$490 billion, attributable to revisions in the forecast of wages and salaries. The increase in the forecast of wages and salaries also accounts for most of the \$262 billion increase in social insurance and retirement receipts, primarily Social Security and Medicare payroll taxes. Increases in GDP forecast drive higher corporate profits, which leads to an \$82 billion increase in corporation income tax receipts. Revisions in the forecasts of GDP, interest rates, imports, and other sources of income increase other sources of receipts by a net \$12 billion.

## TECHNICAL CHANGES

Technical revisions in the estimates of receipts decrease receipts by \$92 billion in 2024 and increase receipts by \$29 billion in 2025. Technical revisions result in a net increase in receipts of \$24 billion over the 10-year budget window. The downward technical revisions in 2024 are primarily due to individual income tax collections data for tax year 2023 and 2024, which decreases receipts by \$87 billion. Technical revisions decreased other sources of receipts by a net \$5 billion.

Over the 10-year budget window, technical revisions increase collections of corporation income taxes by \$72 billion, reflecting actual tax return data and model updates. Technical revisions increase collections of individual income taxes by \$21 billion, due to modeling updates. Technical revisions in all other sources of receipts decrease receipts by a net \$68 billion.

## ENACTED LEGISLATION AND REVISIONS IN PROPOSALS

One law enacted since the Budget affected revenues. The Further Consolidated Appropriations Act, 2024 (Public Law 118-47) reduced receipts by \$127 billion, due to rescissions totaling \$20.2 billion from enforcement resources that were provided to the Internal Revenue Service in the Inflation Reduction Act. However, these rescissions and the related revenue effects were assumed in

the Budget's adjusted baseline, so there is no net effect on total receipts.

Changes in the estimates of receipt proposals increased receipts by \$67 billion over the 10-year window. Proposals to make permanent the Inflation Reduction Act expansion of the premium tax credit, reform international and business taxation, and strengthen taxation of high-income taxpayers were the primary drivers of the change in receipt proposals.

**Table 4. CHANGES IN RECEIPTS**  
(In billions of dollars)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025– 2029	2025– 2034
2025 Budget estimate .....	5,082	5,485	5,873	6,186	6,510	6,830	7,164	7,509	7,873	8,258	8,639		
Changes in current law receipts due to revised economic assumptions:													
Individual income taxes .....	1	10	20	29	42	52	56	62	68	72	79	153	490
Corporation income taxes .....	3	10	13	13	11	8	6	5	5	5	6	55	82
Social insurance and retirement ...	6	13	16	18	23	27	30	32	33	34	36	97	262
Other .....	3	6	6	3	2	1	1	-1	-1	-1	-3	17	12
Total, changes due to revised economic assumptions .....	13	39	55	63	77	88	93	99	105	111	118	321	847
Changes in current law receipts due to technical reestimates:													
Individual income taxes .....	-87	-4	36	30	23	15	3	-11	-19	-26	-26	100	21
Corporation income taxes .....	-8	21	30	35	26	2	-9	-16	-25	-7	13	115	72
Social insurance and retirement ...	11	7	7	6	5	4	1	-3	-4	-6	-10	29	7
Other .....	-7	5	-1	-6	-9	-10	-10	-10	-10	-11	-11	-22	-75
Total, changes due to technical reestimates .....	-92	29	72	65	46	11	-15	-40	-59	-49	-35	222	24
Changes in current law receipts due to enacted legislation <sup>1</sup> .....													
Changes in proposals due to enacted legislation and economic and technical revisions .....	-1	9	12	19	20	7	-2	-5	-4	1	11	66	67
Total, changes in proposals .....	-1	9	12	19	20	7	-2	-5	-4	1	11	66	67
Total change in receipts .....	-80	77	139	146	142	106	76	54	42	62	94	610	939
2025 Mid-Session Review estimate .....	5,001	5,562	6,011	6,332	6,652	6,936	7,241	7,563	7,915	8,321	8,733		

<sup>1</sup>The Further Consolidated Appropriations Act, 2024 (Public Law 118-47) reduced receipts by \$127 billion, due to a rescission of \$20.2 billion in enforcement resources that were provided to the Internal Revenue Service in the Inflation Reduction Act. However, this rescission and the related revenue effects were assumed in the Budget's adjusted baseline, so there is no net effect on total receipts.

# EXPENDITURES

Outlays for 2024 in the Mid-Session Review (MSR) are estimated to be \$6,875 billion, \$66 billion below the 2025 Budget estimate. After 2024, outlays are higher relative to the 2025 Budget in each year through 2034, for a net increase of \$2,118 billion over the 10-year budget horizon. The increase over the budget window is largely due to estimating changes for mandatory programs, and net interest from revised economic assumptions and technical factors. Changes due to enacted legislation increase outlays by smaller amounts.

## ENACTED LEGISLATION CHANGES

Relative to the Budget, enacted legislation decreases outlay estimates by \$12 billion in 2024 and increases outlay estimates by \$36 billion over the 10-year budget window. The Consolidated Appropriations Act, 2024 and the Further Consolidated Appropriations Act, 2024 increased spending by \$4 billion in 2024, and by an additional \$14 billion from 2025 to 2034. The Act making emergency supplemental appropriations for the fiscal year ending September 30, 2024, and for other purposes, decreased spending by \$16 billion in 2024 and increased spending by \$17 billion over the ten-year window, largely reflecting updated estimates of the timing of outlays.

## ESTIMATING CHANGES

Estimating changes are due to factors other than enacted legislation and may include revisions to economic assumptions, discussed earlier in this MSR, and updates to technical factors. Relative to Budget estimates, economic and technical changes decrease estimated outlays by \$54 billion for 2024 and increase estimated outlays by \$2,082 billion over the 10-year window.

**Discretionary Programs.** Relative to the Budget, outlays for discretionary programs are \$45 billion lower in 2024 and \$67 billion higher over the 10-year window. The changes in 2024 reflect a \$39 billion decrease in defense spending and a \$5 billion decrease in non-defense spending. Projected outlays over

the 2025-2034 period increased by \$46 billion for defense programs and by \$21 billion for non-defense programs.

**Medicaid.** Estimating changes increased Medicaid outlays by \$46 billion in 2024 relative to the Budget estimates and by an additional \$764 billion from 2025 to 2034. The spending changes over the budget window are primarily due to increased projected enrollment attributable to updated projections of Medicaid enrollment following the end of the COVID-19 continuous enrollment requirement and an increase in managed care state direct-ed payments. Changes due to updated economic assumptions have a minimal impact.

**Refundable Premium Tax Credit (PTC) and Cost Sharing Reductions.** Outlays for refundable premium tax credits and cost sharing reductions are \$17 billion above the Budget projections for 2024 and \$337 billion above the projections for 2025 to 2034. The increase is largely the result of technical revisions stemming from increased enrollment in Health Insurance Exchanges. Exchange enrollment estimates are up over 20% in 2024 compared to the Budget estimate, and that increase carries through to future years. The primary factors contributing to the enrollment growth include enhanced ACA subsidies extended under the Inflation Reduction Act, increased use of agents and brokers in the Health Insurance Marketplaces to enroll eligible people, new Marketplace enrollments due to the end of the COVID-19 Medicaid continuous enrollment requirements, and economic and demographic changes.

**Medicare.** Estimating changes increase outlays for Medicare by \$11 billion in 2024 and by \$298 billion from 2025 to 2034, relative to the Budget. The increase in 2024 is primarily due to technical factors affecting Part B. The main driver of higher spending estimates over the 10-year window was a net increase in total enrollment projections, driven by an increase in Medicare Advantage enrollment, partially offset by a decrease in fee-for-service enrollment projections. The use of updated his-

torical data, increased enrollment in Employer Group Waiver Plans (EGWPs), and changes in certain technical assumptions slightly increased projected expenditures in future years. A large decrease in estimated aggregate Part B premiums collected from aged beneficiaries estimated in 2034 is due to a technical correction. Revisions were also made to reflect updated economic assumptions for average hourly compensation rates, inflation rates, and productivity growth.

**Income security for veterans.** Projected outlays for veterans' income security increased by \$2 billion in 2024 and by \$288 billion from 2025 through 2034, relative to the Budget. Increased outlays in 2024 are largely driven by updates to veteran compensation estimates based on actual experience year to date, which projects a larger number of veterans claims payments and higher average payments per veteran than originally expected. Estimates for 2025 through 2034 increased due to a variety of technical factors. The majority of the change in this category is from VA Compensation and Pensions, reflecting a similar increase to the number of claims and higher average payments observed in 2024. This update increased outlays by \$234 billion over ten years. In addition, estimates include updates to the expected cost of anticipated regulations and contract medical exam reimbursements, as well as smaller changes driven by economic assumptions.

**Supplemental Nutrition Assistance Program (SNAP).** Estimating changes decrease outlays for SNAP by \$18 billion in 2024 and by \$157 billion over the 10-year window. 2024 SNAP outlays were reduced due to lower-than-expected SNAP benefit costs in 2024 and lower-than-expected prior year outlays for SNAP and Pandemic EBT (P-EBT) benefits in 2024. In 2025 through 2034, revised economic assumptions include a lower estimated increase in the price of the Thrifty Food Plan, which reduces overall SNAP outlays. Compared to the Budget estimates, the decrease in outlays is largely the result of technical revisions stemming from lower actual average monthly benefits and participation in the data, reflecting a return to normal program operations after the COVID-19 pandemic.

**Social Security.** Estimating changes increase outlays for Social Security's Old-Age, Survivors, and Disability Insurance programs by \$2 billion in 2024 and by \$106 billion over the 10-year window. The increase in outlays for 2025 through 2034 is partly due to changes in economic assumptions, including a higher cost-of-living adjustment (COLA), and higher estimated average wages throughout the period. Technical revisions incorporated the Social Security Administration's re-estimates of total benefit payments. Compared to the Budget, projections of total benefits increase based on the net effect of incorporating actual data through the second quarter of fiscal 2024, the effect of incorporating a recently published final rule, changes to overpayment withholding compared to the Budget rules, and higher average wage growth based on actual wage reports since the Budget.

**Unemployment Compensation.** Projected outlays for unemployment compensation (UC) are \$12 billion below Budget projections for 2024 and \$69 billion lower over the 10-year window. Decreases in 2024 are primarily due to significantly lower total unemployment rates than anticipated, combined with additional overpayment recoveries from the CARES Act UC programs. These reductions were slightly offset by updates for year-to-date actual spending data and higher program activity. Changes in the program integrity legislative proposal are driven primarily by additional actual data and the lower unemployment rates included in the economic assumptions. The large decrease in Federal Pandemic Unemployment Compensation (FPUC) outlays in FY24 are due to state recoveries from prior year outlays offsetting additional disbursement activity. Outyears reflect the general decline in CARES Act UC activity.

**Federal Deposit Insurance Corporation (FDIC).** Projected outlays for FDIC's Deposit Insurance Fund and Orderly Liquidation Fund are \$3 billion lower in 2024 and \$52 billion lower over the 10-year window. Technical reestimates incorporate lower assumed bank losses based on market-driven inputs including equity prices and lower-than-projected outlays for the current year to date. This is somewhat offset by lower projected recoveries in the near term based on FDIC data regarding bank receivables and payables.

**Veterans' Readjustment Benefits.** Projected outlays for veterans' readjustment benefits increased by \$1 billion in 2024, and by \$35 billion over the 10-year window. An increase in the COLA resulted in an additional \$296 million in outlays from 2024-2034. Technical reestimates include an increase in the number of trainees and higher caseloads, due primarily to the court decision in *Rudisill v. McDonough* and Compensation Service regulation changes.

**Other programs.** Relative to the Budget, outlays for other mandatory programs are \$65 billion lower in 2024 and \$202 billion higher for 2025 to 2034 due to economic revisions and technical reestimates.

**Net Interest.** Excluding the debt service associated with enacted legislation, outlays for net interest are projected to increase by \$9 billion in 2024 and increase by \$261 billion over the 10-year window due to economic revisions and technical reestimates.

**Table 5. CHANGES IN OUTLAYS**

(In billions of dollars)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-2029	2025-2034
2025 Budget estimate .....	6,941	7,266	7,419	7,697	8,083	8,313	8,805	9,123	9,544	10,060	10,316		
Changes due to enacted legislation:													
Consolidated Appropriations Act, 2024													
Further Consolidated Appropriations Act, 2024 .....	4	7	1	*	-1	-1	-1	1	2	3	2	6	14
Making emergency supplemental appropriations for the fiscal year ending September 30, 2024, and for other purposes .....													
	-16	17	1	1	-1	-*	-*	-*	-*	-*	-*	18	17
Debt service .....	-*	-*	1	1	*	*	*	*	*	1	1	2	5
Subtotal, enacted legislation .....	-12	24	3	2	-1	-1	-1	1	2	3	3	27	36
Changes due to reestimates:													
Discretionary appropriations:													
Defense programs .....	-39	-8	14	13	13	6	7	1	*	*	-*	37	46
Non-defense programs .....	-5	6	8	3	3	3	1	-*	-*	-1	-*	22	21
Subtotal, discretionary appropriations ...	-45	-2	21	16	16	8	8	-*	-*	-*	-*	59	67
Medicaid .....	46	54	58	65	66	75	80	83	88	93	101	319	764
Refundable Premium Tax Credit & Cost-Sharing Reductions .....	17	24	28	29	32	34	35	36	38	40	42	147	337
Medicare .....	11	18	15	19	25	23	28	31	35	24	81	100	298
Income security for veterans .....	2	20	23	26	29	27	30	32	32	36	34	125	288
SNAP .....	-18	-10	-13	-14	-14	-15	-16	-17	-18	-19	-20	-67	-157
Social Security .....	2	9	11	12	11	9	8	9	10	13	15	51	106
Unemployment compensation .....	-12	-8	-7	-8	-9	-5	-6	-6	-6	-7	-7	-36	-69
FDIC .....	-3	-29	-*	3	-4	-8	-8	-3	-1	8	-8	-38	-52
Veterans' readjustment benefits .....	1	2	3	3	3	3	4	4	4	4	5	15	35
Other .....	-65	52	33	15	14	7	13	19	22	11	15	121	202
Net interest <sup>1</sup> .....	9	19	20	2	-14	8	23	36	47	57	63	36	261
Subtotal, reestimates .....	-54	149	191	169	156	166	198	224	249	259	320	831	2,082
Total change in outlays .....	-66	173	193	171	155	165	198	225	252	262	323	858	2,118
Mid-Session Review estimate .....	6,785	7,439	7,613	7,867	8,238	8,478	9,003	9,349	9,796	10,322	10,638		

\*\$500 million or less.

<sup>1</sup>Includes debt service on all reestimates.



## **SUMMARY TABLES**

**Table S-1. BUDGET TOTALS**

(In billions of dollars and as a percent of GDP)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Totals	
													2025– 2029	2025– 2034
<b>Budget totals in billions of dollars:</b>														
Receipts .....	4,441	5,001	5,562	6,011	6,332	6,652	6,936	7,241	7,563	7,915	8,321	8,733	31,494	71,266
Outlays .....	6,135	6,875	7,439	7,613	7,867	8,238	8,478	9,003	9,349	9,796	10,322	10,638	39,635	88,742
Deficit .....	1,694	1,874	1,878	1,601	1,535	1,586	1,542	1,762	1,785	1,881	2,001	1,905	8,142	17,476
Debt held by the public .....	26,236	28,201	30,102	31,798	33,446	35,110	36,710	38,532	40,369	42,289	44,327	46,272		
Debt held by the public net of financial assets ...	23,728	25,602	27,483	29,089	30,624	32,210	33,752	35,516	37,302	39,183	41,185	43,090		
Gross domestic product (GDP) .....	26,974	28,445	29,744	31,009	32,292	33,630	35,026	36,500	38,085	39,743	41,477	43,285		
<b>Budget totals as a percent of GDP:</b>														
Receipts .....	16.5%	17.6%	18.7%	19.4%	19.6%	19.8%	19.8%	19.8%	19.9%	19.9%	20.1%	20.2%	19.5%	19.7%
Outlays .....	22.7%	24.2%	25.0%	24.5%	24.4%	24.5%	24.2%	24.7%	24.5%	24.6%	24.9%	24.6%	24.5%	24.6%
Deficit .....	6.3%	6.6%	6.3%	5.2%	4.8%	4.7%	4.4%	4.8%	4.7%	4.7%	4.8%	4.4%	5.1%	4.9%
Debt held by the public .....	97.3%	99.1%	101.2%	102.5%	103.6%	104.4%	104.8%	105.6%	106.0%	106.4%	106.9%	106.9%		
Debt held by the public net of financial assets ...	88.0%	90.0%	92.4%	93.8%	94.8%	95.8%	96.4%	97.3%	97.9%	98.6%	99.3%	99.5%		
<b>Memorandum, real net interest:</b>														
Real net interest in billions of dollars .....	-450	227	279	387	408	420	458	491	527	563	591	612	1,954	4,738
Real net interest as a percent of GDP .....	-1.7%	0.8%	0.9%	1.2%	1.3%	1.2%	1.3%	1.3%	1.4%	1.4%	1.4%	1.4%	1.2%	1.3%

**Table S-2. BASELINE BY CATEGORY**

(In billions of dollars)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Totals	
													2025-2029	2025-2034
<b>Outlays:</b>														
Discretionary programs:														
Defense .....	806	840	901	922	938	952	964	979	999	1,022	1,046	1,070	4,677	9,793
Non-defense .....	912	976	1,024	1,012	1,016	1,018	1,028	1,047	1,067	1,090	1,115	1,139	5,097	10,556
Subtotal, discretionary programs .....	1,718	1,815	1,925	1,934	1,954	1,970	1,992	2,026	2,066	2,112	2,161	2,210	9,774	20,350
Mandatory programs:														
Social Security .....	1,348	1,454	1,552	1,648	1,741	1,835	1,928	2,026	2,127	2,231	2,338	2,446	8,704	19,873
Medicare .....	839	850	954	1,012	1,095	1,244	1,200	1,364	1,455	1,570	1,811	1,848	5,504	13,551
Medicaid .....	616	618	640	680	727	767	816	864	918	977	1,037	1,101	3,630	8,528
Other mandatory programs .....	955	1,225	1,084	1,098	1,080	1,080	1,134	1,202	1,231	1,280	1,342	1,331	5,476	11,862
Subtotal, mandatory programs .....	3,758	4,147	4,231	4,438	4,642	4,926	5,077	5,455	5,732	6,058	6,528	6,726	23,315	53,814
Net interest .....	658	899	991	1,047	1,094	1,148	1,233	1,307	1,390	1,478	1,563	1,642	5,514	12,894
Total outlays .....	6,135	6,861	7,147	7,419	7,691	8,045	8,302	8,788	9,187	9,648	10,253	10,578	38,603	87,057
<b>Receipts:</b>														
Individual income taxes .....	2,176	2,423	2,645	2,970	3,204	3,390	3,563	3,718	3,899	4,104	4,312	4,540	15,773	36,345
Corporation income taxes .....	420	515	498	497	488	491	493	492	502	530	557	588	2,468	5,136
Social insurance and retirement receipts:														
Social Security payroll taxes .....	1,194	1,259	1,307	1,367	1,424	1,497	1,555	1,620	1,685	1,749	1,839	1,909	7,150	15,953
Medicare payroll taxes .....	358	387	400	418	436	460	480	502	525	547	578	601	2,194	4,947
Unemployment insurance .....	49	49	53	56	58	60	62	65	66	68	70	72	289	629
Other retirement .....	14	14	14	15	16	16	17	18	18	19	20	21	78	174
Excise taxes .....	76	89	102	98	98	97	99	101	100	101	102	101	496	1,001
Estate and gift taxes .....	34	32	36	38	51	54	56	60	63	68	74	77	235	576
Customs duties .....	80	77	63	54	54	53	54	55	56	48	49	50	279	537
Deposits of earnings, Federal Reserve System ...	1	2	.....	.....	21	35	47	58	68	76	83	88	103	476
Other miscellaneous receipts .....	40	37	36	39	41	44	48	52	56	59	62	64	209	504
Total receipts .....	4,441	4,885	5,155	5,553	5,893	6,199	6,475	6,740	7,038	7,370	7,745	8,112	29,274	66,278
<b>Deficit .....</b>	<b>1,694</b>	<b>1,977</b>	<b>1,992</b>	<b>1,866</b>	<b>1,798</b>	<b>1,846</b>	<b>1,826</b>	<b>2,048</b>	<b>2,149</b>	<b>2,279</b>	<b>2,508</b>	<b>2,466</b>	<b>9,329</b>	<b>20,779</b>
Net interest .....	658	899	991	1,047	1,094	1,148	1,233	1,307	1,390	1,478	1,563	1,642	5,514	12,894
Primary deficit .....	1,035	1,078	1,001	819	704	697	593	742	760	801	945	823	3,815	7,885
On-budget deficit .....	1,666	1,920	1,894	1,745	1,652	1,686	1,637	1,832	1,900	1,994	2,213	2,129	8,614	18,682
Off-budget deficit .....	27	57	98	121	147	160	189	216	249	285	295	337	715	2,097

SUMMARY TABLES

**Table S-3. PROPOSED BUDGET BY CATEGORY**

(In billions of dollars)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Totals	
													2025-2029	2025-2034
<b>Outlays:</b>														
Discretionary programs:														
Defense .....	806	841	904	921	934	953	966	974	982	990	998	1,005	4,678	9,627
Non-defense .....	912	989	1,047	1,028	1,017	994	989	995	1,002	1,017	1,037	1,057	5,075	10,183
Subtotal, discretionary programs .....	1,718	1,830	1,951	1,949	1,951	1,948	1,955	1,969	1,983	2,007	2,035	2,061	9,753	19,809
Mandatory programs:														
Social Security .....	1,348	1,454	1,552	1,648	1,741	1,835	1,928	2,026	2,127	2,231	2,338	2,446	8,704	19,873
Medicare .....	839	850	954	1,011	1,088	1,226	1,181	1,339	1,430	1,538	1,743	1,773	5,460	13,282
Medicaid .....	616	618	643	684	731	773	824	876	934	998	1,066	1,139	3,655	8,667
Other mandatory programs .....	955	1,225	1,355	1,288	1,281	1,333	1,391	1,530	1,537	1,607	1,655	1,670	6,648	14,646
Subtotal, mandatory programs .....	3,758	4,148	4,504	4,630	4,841	5,168	5,324	5,770	6,028	6,374	6,801	7,028	24,467	56,468
Net interest .....	658	897	984	1,034	1,075	1,123	1,199	1,264	1,337	1,414	1,486	1,549	5,415	12,465
Total outlays .....	6,135	6,875	7,439	7,613	7,867	8,238	8,478	9,003	9,349	9,796	10,322	10,638	39,635	88,742
<b>Receipts:</b>														
Individual income taxes .....	2,176	2,417	2,686	3,038	3,247	3,444	3,617	3,795	3,981	4,183	4,393	4,637	16,032	37,022
Corporation income taxes .....	420	610	703	769	759	756	757	765	788	830	877	927	3,744	7,930
Social insurance and retirement receipts:														
Social Security payroll taxes .....	1,194	1,259	1,306	1,366	1,422	1,494	1,553	1,618	1,683	1,747	1,837	1,907	7,143	15,936
Medicare payroll taxes .....	358	415	546	522	548	578	604	631	659	688	726	759	2,797	6,260
Unemployment insurance .....	49	49	53	56	58	60	62	64	66	68	70	72	289	629
Other retirement .....	14	14	14	15	16	16	17	18	18	19	20	21	78	174
Excise taxes .....	76	89	116	111	111	110	113	115	115	117	118	119	561	1,145
Estate and gift taxes .....	34	32	37	39	55	59	63	69	71	78	84	88	253	643
Customs duties .....	80	77	63	55	54	54	54	55	57	48	49	50	280	540
Deposits of earnings, Federal Reserve System ...	1	2	.....	.....	21	35	47	58	68	76	83	88	103	476
Other miscellaneous receipts .....	40	37	37	40	42	45	49	53	57	60	63	65	212	510
Total receipts .....	4,441	5,001	5,562	6,011	6,332	6,652	6,936	7,241	7,563	7,915	8,321	8,733	31,494	71,266
<b>Deficit .....</b>	<b>1,694</b>	<b>1,874</b>	<b>1,878</b>	<b>1,601</b>	<b>1,535</b>	<b>1,586</b>	<b>1,542</b>	<b>1,762</b>	<b>1,785</b>	<b>1,881</b>	<b>2,001</b>	<b>1,905</b>	<b>8,142</b>	<b>17,476</b>
Net interest .....	658	897	984	1,034	1,075	1,123	1,199	1,264	1,337	1,414	1,486	1,549	5,415	12,465
Primary deficit .....	1,035	976	893	567	460	463	343	498	448	466	516	357	2,727	5,011
On-budget deficit .....	1,666	1,817	1,780	1,480	1,387	1,424	1,351	1,544	1,535	1,594	1,704	1,566	7,421	15,365
Off-budget deficit .....	27	57	97	121	149	162	191	217	251	286	297	339	720	2,111

**Table S-4. PROPOSED BUDGET BY CATEGORY AS A PERCENT OF GDP**

(As a percent of GDP)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Averages	
													2025-2029	2025-2034
<b>Outlays:</b>														
Discretionary programs:														
Defense .....	3.0	3.0	3.0	3.0	2.9	2.8	2.8	2.7	2.6	2.5	2.4	2.3	2.9	2.7
Non-defense .....	3.4	3.5	3.5	3.3	3.1	3.0	2.8	2.7	2.6	2.6	2.5	2.4	3.2	2.9
Subtotal, discretionary programs .....	6.4	6.4	6.6	6.3	6.0	5.8	5.6	5.4	5.2	5.1	4.9	4.8	6.1	5.6
Mandatory programs:														
Social Security .....	5.0	5.1	5.2	5.3	5.4	5.5	5.5	5.5	5.6	5.6	5.6	5.7	5.4	5.5
Medicare .....	3.1	3.0	3.2	3.3	3.4	3.6	3.4	3.7	3.8	3.9	4.2	4.1	3.4	3.6
Medicaid .....	2.3	2.2	2.2	2.2	2.3	2.3	2.4	2.4	2.5	2.5	2.6	2.6	2.3	2.4
Other mandatory programs .....	3.5	4.3	4.6	4.2	4.0	4.0	4.0	4.2	4.0	4.0	4.0	3.9	4.1	4.1
Subtotal, mandatory programs .....	13.9	14.6	15.1	14.9	15.0	15.4	15.2	15.8	15.8	16.0	16.4	16.2	15.1	15.6
Net interest .....	2.4	3.2	3.3	3.3	3.3	3.3	3.4	3.5	3.5	3.6	3.6	3.6	3.3	3.4
Total outlays .....	22.7	24.2	25.0	24.5	24.4	24.5	24.2	24.7	24.5	24.6	24.9	24.6	24.5	24.6
<b>Receipts:</b>														
Individual income taxes .....	8.1	8.5	9.0	9.8	10.1	10.2	10.3	10.4	10.5	10.5	10.6	10.7	9.9	10.2
Corporation income taxes .....	1.6	2.1	2.4	2.5	2.4	2.2	2.2	2.1	2.1	2.1	2.1	2.1	2.3	2.2
Social insurance and retirement receipts:														
Social Security payroll taxes .....	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Medicare payroll taxes .....	1.3	1.5	1.8	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.8	1.8	1.7	1.7
Unemployment insurance .....	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other retirement .....	0.1	*	*	*	*	*	*	*	*	*	*	*	*	*
Excise taxes .....	0.3	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Estate and gift taxes .....	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Customs duties .....	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.2	0.2
Deposits of earnings, Federal Reserve System ...	*	*	.....	.....	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Other miscellaneous receipts .....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.1	0.1
Total receipts .....	16.5	17.6	18.7	19.4	19.6	19.8	19.8	19.8	19.9	19.9	20.1	20.2	19.5	19.7
<b>Deficit .....</b>	<b>6.3</b>	<b>6.6</b>	<b>6.3</b>	<b>5.2</b>	<b>4.8</b>	<b>4.7</b>	<b>4.4</b>	<b>4.8</b>	<b>4.7</b>	<b>4.7</b>	<b>4.8</b>	<b>4.4</b>	<b>5.1</b>	<b>4.9</b>
Net interest .....	2.4	3.2	3.3	3.3	3.3	3.3	3.4	3.5	3.5	3.6	3.6	3.6	3.3	3.4
Primary deficit .....	3.8	3.4	3.0	1.8	1.4	1.4	1.0	1.4	1.2	1.2	1.2	0.8	1.7	1.4
On-budget deficit .....	6.2	6.4	6.0	4.8	4.3	4.2	3.9	4.2	4.0	4.0	4.1	3.6	4.6	4.3
Off-budget deficit .....	0.1	0.2	0.3	0.4	0.5	0.5	0.5	0.6	0.7	0.7	0.7	0.8	0.4	0.6

\*0.05 percent of GDP or less.

**Table S-5. ESTIMATED SPENDING FROM  
2025 BALANCES OF BUDGET AUTHORITY:  
DISCRETIONARY PROGRAMS**

(In billions of dollars)

	<b>Total</b>
Outlays from end-of-2025 balances:	
2026 .....	1,045.9
2027 .....	479.9
2028 .....	239.0
2029 .....	122.9
2030 .....	64.0
2031 .....	34.3
2032 .....	21.2
2033 .....	14.1
2034 .....	9.5

Note: Required by 31 USC 1106(a)(3). Balances as of the end of 2025 include unspent balances of discretionary budget authority provided in 2025 and prior years, as well as unspent balances of mandatory contract authority that is subject to discretionary obligation limitations.

**Table S-6. OUTLAYS FOR MANDATORY PROGRAMS UNDER CURRENT LAW<sup>1</sup>**

(In billions of dollars)

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Totals	
													2025-2029	2025-2034
<b>Outlays:</b>														
Human resources programs:														
Education, training, employment and social services .....	-126	180	73	54	52	54	55	54	54	54	55	55	288	561
Health .....	789	825	842	863	911	959	1,015	1,070	1,120	1,183	1,251	1,324	4,590	10,538
Medicare .....	839	850	954	1,012	1,095	1,244	1,200	1,364	1,455	1,570	1,811	1,848	5,504	13,551
Income security .....	674	597	579	612	581	608	601	629	643	658	687	691	2,980	6,288
Social Security .....	1,348	1,454	1,552	1,648	1,741	1,835	1,928	2,026	2,127	2,231	2,338	2,446	8,704	19,873
Veterans benefits and services .....	170	206	257	272	291	330	307	349	371	395	445	445	1,457	3,463
Subtotal, human resources programs .....	3,694	4,112	4,257	4,461	4,670	5,030	5,106	5,493	5,771	6,091	6,586	6,808	23,524	54,273
Other mandatory programs:														
International affairs .....	-14	-1	3	2	1	1	*	*	*	-*	-*	-*	7	6
Energy .....	-6	13	24	30	40	39	38	41	44	52	33	20	171	361
Natural resources and environment .....	*	2	31	14	10	8	5	2	*	-1	-1	-2	67	66
Agriculture .....	26	30	26	25	23	22	22	22	22	22	22	22	118	228
Commerce and housing credit .....	94	37	-27	2	12	-64	20	23	24	21	17	11	-57	39
Transportation .....	11	6	-1	-1	3	5	4	2	2	4	4	4	10	26
Administration of justice .....	7	5	8	3	2	2	2	1	*	7	6	5	18	38
General government .....	18	19	24	26	18	19	19	14	13	12	11	11	105	167
Undistributed offsetting receipts .....	-132	-146	-150	-156	-170	-165	-168	-173	-176	-180	-184	-188	-808	-1,710
Other functions .....	60	70	35	32	31	30	30	31	31	30	34	35	160	321
Subtotal, other mandatory programs .....	64	36	-26	-23	-28	-104	-28	-37	-39	-34	-58	-82	-210	-460
Total, outlays for mandatory programs under current law .....	3,758	4,147	4,231	4,438	4,642	4,926	5,077	5,455	5,732	6,058	6,528	6,726	23,315	53,814

\*\$500 million or less.

<sup>1</sup>This table meets the requirements of 31 USC 1106(a)(2).

SUMMARY TABLES

**Table S-7. FEDERAL GOVERNMENT FINANCING AND DEBT**

(Dollar amounts in billions)

	Actual 2023	Estimate										
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Financing:</b>												
Unified budget deficit:												
Primary deficit .....	1,035	976	893	567	460	463	343	498	448	466	516	357
Net interest .....	658	897	984	1,034	1,075	1,123	1,199	1,264	1,337	1,414	1,486	1,549
Unified budget deficit .....	1,694	1,874	1,878	1,601	1,535	1,586	1,542	1,762	1,785	1,881	2,001	1,905
As a percent of GDP .....	6.3%	6.6%	6.3%	5.2%	4.8%	4.7%	4.4%	4.8%	4.7%	4.7%	4.8%	4.4%
Other transactions affecting borrowing from the public:												
Changes in financial assets and liabilities: <sup>1</sup>												
Change in Treasury operating cash balance .....	21	193										
Net disbursements of credit financing accounts:												
Direct loan and Troubled Asset Relief Program (TARP) equity purchase accounts .....	259	-121	22	89	111	75	55	56	48	35	33	35
Guaranteed loan accounts .....	37	20	1	6	3	4	4	5	5	5	5	5
Net purchases of non-Federal securities by the National Railroad Retirement Investment Trust (NRRIT) .....	1	1	*	-1	-1	-1	-1	-1	-1	-1	-*	-*
Net change in other financial assets and liabilities <sup>2</sup> .....	-30											
Subtotal, changes in financial assets and liabilities .....	288	92	24	94	113	79	59	60	52	40	37	40
Seigniorage on coins .....			-*	-*	-*	-*	-*	-*	-*	-*	-*	-*
Total, other transactions affecting borrowing from the public .....	288	92	23	94	113	78	58	60	52	39	37	40
Total, requirement to borrow from the public (equals change in debt held by the public) .....	1,982	1,966	1,901	1,695	1,648	1,664	1,600	1,822	1,837	1,920	2,038	1,945
<b>Changes in Debt Subject to Statutory Limitation:</b>												
Change in debt held by the public .....	1,982	1,966	1,901	1,695	1,648	1,664	1,600	1,822	1,837	1,920	2,038	1,945
Change in debt held by Government accounts .....	168	212	204	312	167	75	212	110	96	40	-55	15
Change in other factors .....	51	-1	-2	-2	-1	*	1	*	1	1	2	2
Total, change in debt subject to statutory limitation .....	2,201	2,177	2,103	2,006	1,814	1,740	1,813	1,933	1,934	1,961	1,985	1,962
<b>Debt Subject to Statutory Limitation, End of Year:</b>												
Debt issued by Treasury .....	32,968	35,144	37,247	39,252	41,065	42,804	44,616	46,548	48,483	50,444	52,429	54,390
Adjustment for discount, premium, and coverage <sup>3</sup> .....	102	103	103	104	105	106	106	106	107	107	107	108
Total, debt subject to statutory limitation <sup>4</sup> .....	33,070	35,247	37,350	39,356	41,169	42,909	44,722	46,655	48,589	50,551	52,536	54,497
<b>Debt Outstanding, End of Year:</b>												
Gross Federal debt: <sup>5</sup>												
Debt issued by Treasury .....	32,968	35,144	37,247	39,252	41,065	42,804	44,616	46,548	48,483	50,444	52,429	54,390
Debt issued by other agencies .....	21	22	25	27	29	30	30	30	29	28	27	26
Total, gross Federal debt .....	32,989	35,166	37,272	39,279	41,094	42,833	44,646	46,578	48,511	50,472	52,455	54,415
As a percent of GDP .....	122.3%	123.6%	125.3%	126.7%	127.3%	127.4%	127.5%	127.6%	127.4%	127.0%	126.5%	125.7%

**Table S-7. FEDERAL GOVERNMENT FINANCING AND DEBT—Continued**

(Dollar amounts in billions)

	Actual 2023	Estimate										
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Held by:												
Debt held by Government accounts .....	6,753	6,965	7,169	7,482	7,648	7,724	7,936	8,046	8,142	8,183	8,128	8,143
Debt held by the public <sup>6</sup> .....	26,236	28,201	30,102	31,798	33,446	35,110	36,710	38,532	40,369	42,289	44,327	46,272
As a percent of GDP .....	97.3%	99.1%	101.2%	102.5%	103.6%	104.4%	104.8%	105.6%	106.0%	106.4%	106.9%	106.9%
<b>Debt Held by the Public Net of Financial Assets:</b>												
Debt held by the public .....	26,236	28,201	30,102	31,798	33,446	35,110	36,710	38,532	40,369	42,289	44,327	46,272
Less financial assets net of liabilities:												
Treasury operating cash balance .....	657	850	850	850	850	850	850	850	850	850	850	850
Credit financing account balances:												
Direct loan and TARP equity purchase accounts .....	1,598	1,477	1,499	1,588	1,699	1,773	1,828	1,885	1,933	1,968	2,001	2,036
Guaranteed loan accounts .....	83	102	104	109	113	117	122	126	131	135	140	145
Government-sponsored enterprise stock <sup>7</sup> .....	240	240	240	240	240	240	240	240	240	240	240	240
Air carrier worker support warrants and notes <sup>8</sup> .....	12	12	8	4	4	3	3	2	.....	.....	.....	.....
Emergency capital investment fund securities .....	3	3	2	2	2	2	2	2	2	2	2	2
Non-Federal securities held by NRRIT .....	24	24	24	24	23	22	21	20	20	19	19	19
Other assets net of liabilities .....	-109	-109	-109	-109	-109	-109	-109	-109	-109	-109	-109	-109
Total, financial assets net of liabilities .....	2,508	2,600	2,619	2,709	2,821	2,899	2,958	3,016	3,066	3,106	3,143	3,182
Debt held by the public net of financial assets .....	23,728	25,602	27,483	29,089	30,624	32,210	33,752	35,516	37,302	39,183	41,185	43,090
As a percent of GDP .....	88.0%	90.0%	92.4%	93.8%	94.8%	95.8%	96.4%	97.3%	97.9%	98.6%	99.3%	99.5%

\* \$500 million or less.

<sup>1</sup> A decrease in the Treasury operating cash balance (which is an asset) is a means of financing a deficit and therefore has a negative sign. An increase in checks outstanding (which is a liability) is also a means of financing a deficit and therefore also has a negative sign.

<sup>2</sup> Includes checks outstanding, accrued interest payable on Treasury debt, uninvested deposit fund balances, allocations of special drawing rights, and other liability accounts; and, as an offset, cash and monetary assets (other than the Treasury operating cash balance), other asset accounts, and profit on sale of gold.

<sup>3</sup> Consists mainly of debt issued by the Federal Financing Bank (which is not subject to limit), the unamortized discount (less premium) on public issues of Treasury notes and bonds (other than zero-coupon bonds), and the unrealized discount on Government account series securities.

<sup>4</sup> Legislation enacted June 3, 2023 (Public Law 118-5), temporarily suspends the debt limit through January 1, 2025.

<sup>5</sup> Treasury securities held by the public and zero-coupon bonds held by Government accounts are almost all measured at sales price plus amortized discount or less amortized premium. Agency debt securities are almost all measured at face value. Treasury securities in the Government account series are otherwise measured at face value less unrealized discount (if any).

<sup>6</sup> At the end of 2023, the Federal Reserve Banks held \$4,952.9 billion of Federal securities and the rest of the public held \$21,282.7 billion. Debt held by the Federal Reserve Banks is not estimated for future years.

<sup>7</sup> Treasury's warrants to purchase 79.9 percent of the common stock of the enterprises expire after September 7, 2028. The warrants were valued at \$4 billion at the end of 2023.

<sup>8</sup> Portions of the notes and warrants issued under the Air carrier worker support program (Payroll support program) are scheduled to expire in 2025, 2026, 2030, and 2031.







**EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET**

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