

## Updated Budget Projections: Fiscal Years 2012 to 2022

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In conjunction with its analysis of the President's budget, which will be issued in a few days, CBO has updated the baseline budget projections that it released in January. CBO has not revised its assessment of the economic outlook since January; however, the new baseline projections incorporate the budgetary effects of recently enacted legislation and updated technical assumptions based on new information (such as data about spending and revenues so far this year and program details released in conjunction with the President's budget). This report summarizes CBO's updated baseline budget projections and describes how they differ from the projections that the agency published two months earlier.

**CBO's current estimate of the budget deficit for fiscal year 2012—\$1.2 trillion—is \$93 billion larger than the deficit projected in January.** Conversely, CBO's baseline projection of the cumulative deficit for the 10-year period from 2013 to 2022 is \$186 billion smaller than the amount projected in January—a decrease equal to about 0.1 percent of gross domestic product (GDP) over that period. The fundamental story about the federal budget has not changed: Although the deficit is starting to shrink, it remains very large by historical standards. How much and how quickly it declines will depend in part on how well the economy performs over the next few years. Probably more critical, though, will be the fiscal policy choices made by lawmakers as they face the substantial changes to tax and spending policies that are slated to take effect within the next year under current law.