Real GDP
(Annual percentage change)

Actual | Projected

CBO assumes GDP growth reaching a rate greater than 4% within the next 3 to 4 years, and averaging 3.7% for four years from 2015—2018.

Source: Congressional Budget Office, *The Budget and Economic Outlook: FY 2013 to 2023*; OMB Historical Tables.
Data note: Highlighted regions indicate periods of recession.
Produced by Veronique de Rugy, Mercatus Center at George Mason University.

Since CBO's projected debt and deficit figures are contingent on other economic indicators like GDP, examining the assumptions underlying these figures is critical. Under a more realistic assumption of GDP growth, actual debt in 2023 might be even higher than the 77 percent of GDP projected in the CBO's baseline scenario.
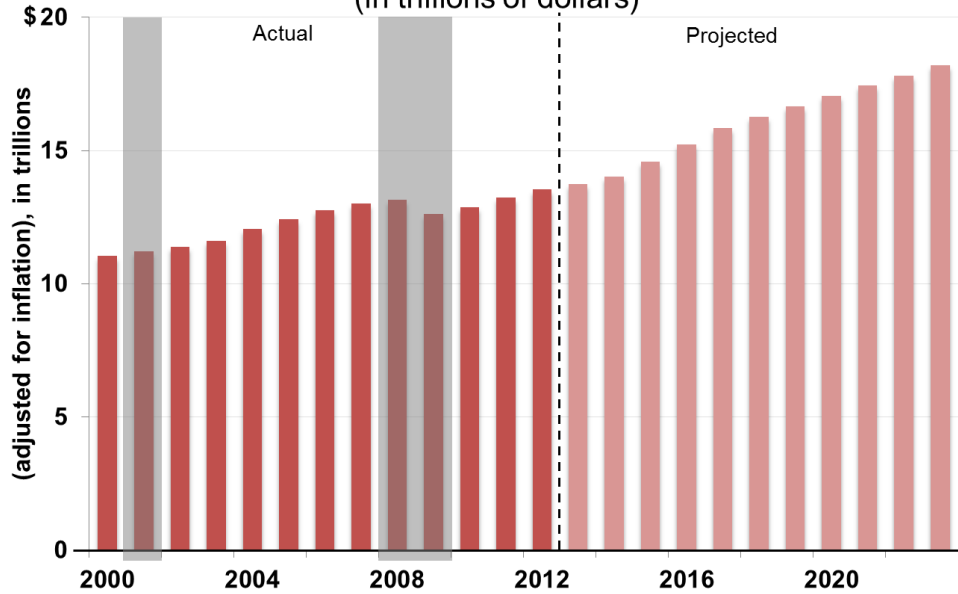
The charts illustrate the key assumptions regarding economic growth in the CBO's budget outlook. These projected GDP figures are then compared with actual GDP figures from the past decade. The projected data used in these charts are from the CBO's 2013 Budget and Outlook, and the historical data are from the OMB historical tables.

Veronique de Rugy discusses the CBO report in further detail at the WashingtonExaminer.com.

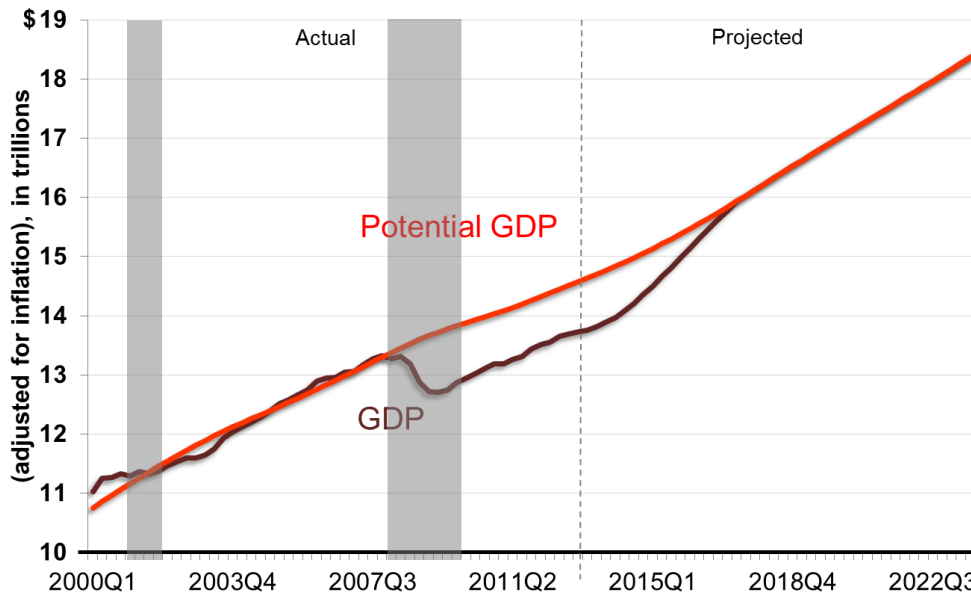*To contact Dr. de Rugy, call 202.550.9246 or email rlandaue@gmu.edu*

Real GDP in Perspective
(in trillions of dollars)

Actual   Projected

$20

15

10

5

0

(adjusted for inflation), in trillions

2000   2004   2008   2012   2016   2020

Source: Congressional Budget Office, *The Budget and Economic Outlook: FY 2013 to 2023*; OMB Historical Tables.
Data note: Highlighted regions indicate periods of recession.
Produced by Veronique de Rugy, Mercatus Center at George Mason University.

CBO Assumes the GDP Gap Closes in Five Years

Actual   Projected

$19

18

17

16

15

14

13

12

11

10

(adjusted for inflation), in trillions

Potential GDP

GDP

2000Q1   2003Q4   2007Q3   2011Q2   2015Q1   2018Q4   2022Q3

Source: Congressional Budget Office, *The Budget and Economic Outlook: FY 2013 to 2023*; OMB Historical Tables.
Data note: Highlighted regions indicate periods of recession.
Produced by Veronique de Rugy, Mercatus Center at George Mason University.