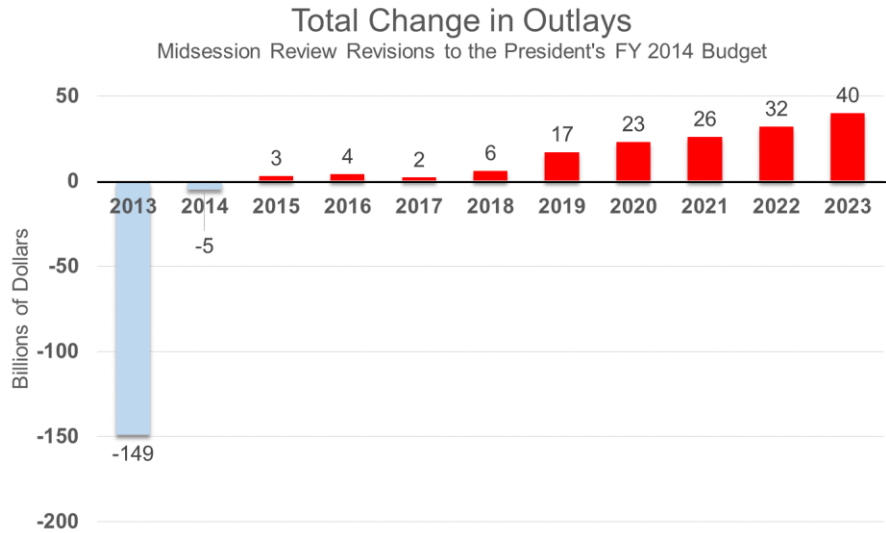


Source: OMB, FY 2014 Mid-Session Review.
Produced by Veronique de Rugy, Mercatus Center at George Mason University.

The president's recent [midsession review](#) of the FY 2014 budget revised the original budget estimates from April to account for economic, legislative, and other changes. Headlines praising the midsession review's reduction of the deficit and spending estimates focused on the very near term at the expense of the bigger picture.

A closer look at the midsession review reveals that government spending estimates have been reduced only for the current year and FY 2014. The estimated spending levels for every year in the following ten-year budget window have increased, suggesting a deteriorating fiscal situation. The rest of the projected estimates from FY 2015 to FY 2023 have been revised upward to add about \$154 billion to the president's original budget estimates.



Source: OMB, FY 2014 Midsession Review.
Produced by Veronique de Rugy, Mercatus Center at George Mason University.

The new estimates of the president’s plan look worse than the ones from April. Spending is now expected to be \$5,700 billion in 2023, compared to \$5,660 billion in the original projections. Also, much of the short-term deficit reduction started before sequestration—in part from the December 2012 tax increases and Freddie and Fannie paying greater dividends to the Treasury. A better view of the midsession review would be obtained by not focusing solely on the near term, to the exclusion of the future.

Veronique de Rugy discusses the country’s very serious debt problem at NRO’s [The Corner](#).

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