

The Realistic Estimate of President Obama's Budget Agenda

Figures Are in Billions of Dollars

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total, 2010-2019
Revenues													
Base estimate of Obama budget	2,524	2,100	2,192	2,526	2,856	3,050	3,215	3,372	3,517	3,672	3,827	3,987	32,214
Additional climate revenues above Obama proposal (H.R. 2454)		0	1	39	-18	-14	12	25	33	38	46	52	214
Tax increases to finance health reform (H.R. 3200)		0	1	35	33	59	65	70	74	78	82	86	583
More realistic interest rates		0	2	7	8	8	8	8	7	6	6	5	65
Total revenues	2,524	2,100	2,196	2,607	2,879	3,103	3,300	3,476	3,631	3,794	3,961	4,130	33,077
Outlays													
Discretionary spending													
Base estimate of Obama budget	1,135	1,246	1,377	1,326	1,264	1,269	1,290	1,317	1,351	1,378	1,404	1,441	13,417
Assumes growth at nominal GDP		-8	-1	8	92	129	151	175	198	224	255	314	1,545
Total discretionary spending	1,135	1,238	1,376	1,334	1,356	1,398	1,441	1,492	1,549	1,602	1,659	1,755	14,962
Mandatory spending													
Base estimate of Obama budget	1,595	2,276	2,087	2,064	2,059	2,136	2,235	2,332	2,486	2,602	2,719	2,921	23,641
Health care (H.R. 3200)		0	5	-3	-18	40	50	87	105	106	111	114	595
Additional Cap and Trade outlays (H.R. 2454)		0	0	33	52	68	89	102	110	116	123	129	821
SCHIP, food stamps, and SSI extension		0	9	13	14	15	23	26	27	28	30	31	216
Total mandatory spending	1,595	2,276	2,101	2,106	2,106	2,259	2,396	2,546	2,728	2,852	2,982	3,194	25,272
Net interest spending													
Base estimate of Obama budget	253	170	173	216	283	367	459	533	597	656	728	799	4,812
Additional net interest from policies above		-5	-10	-11	-6	2	12	24	37	51	67	85	251
More realistic interest rates		5	36	81	121	140	140	145	156	162	167	180	1,328
Total net interest spending	253	170	199	287	398	510	611	702	790	870	962	1,063	6,391
Total outlays	2,982	3,684	3,676	3,727	3,861	4,167	4,448	4,740	5,067	5,324	5,603	6,013	46,625
Surplus/deficit	-458	-1,584	-1,480	-1,120	-981	-1,064	-1,148	-1,265	-1,436	-1,530	-1,642	-1,883	-13,548
Debt held by the public	5,803	7,972	9,267	10,284	11,254	12,284	13,499	14,813	16,292	17,866	18,951	20,899	
Debt held by the public as percentage of GDP	41%	56%	64%	69%	71%	74%	78%	82%	87%	92%	93%	99%	
Key calculations													
President's deficits scored by CBO in June		-1,825	-1,432	-974	-633	-647	-726	-763	-873	-927	-999	-1,163	-9,139
Base estimate of Obama budget using August CBO data		-1,593	-1,445	-1,079	-750	-723	-768	-810	-918	-965	-1,024	-1,173	-9,654
Additional deficits from policies detailed above		9	-35	-40	-231	-342	-380	-455	-518	-565	-618	-710	-3,894
Real revenues per household	21,628	17,797	18,120	20,922	22,427	23,414	24,123	24,615	24,914	25,217	25,510	25,763	235,025
Real spending per household	25,551	31,224	30,331	29,906	30,070	31,443	32,514	33,571	34,766	35,386	36,082	37,511	331,581
Real deficits per household	-3,923	-13,427	-12,211	-8,984	-7,643	-8,030	-8,391	-8,956	-9,852	-10,169	-10,573	-11,747	-96,556
Revenues as a percentage of GDP	17.7%	14.9%	15.2%	17.4%	18.3%	18.7%	19.1%	19.3%	19.4%	19.4%	19.5%	19.6%	
Spending as a percentage of GDP	21.0%	26.1%	25.5%	24.9%	24.5%	25.1%	25.7%	26.3%	27.0%	27.3%	27.6%	28.5%	
Deficits as a percentage of GDP	-3.2%	-11.2%	-10.3%	-7.5%	-6.2%	-6.4%	-6.6%	-7.0%	-7.7%	-7.8%	-8.1%	-8.9%	

Notes: Base estimate calculated by taking the June 2009 Congressional Budget Office estimate of the Obama budget and then incorporating (1) subsequent mandatory spending and revenue changes reflected in the CBO's August baseline and (2) the President's decision to drop his proposed \$125 billion financial stabilization fund for each of 2009 and 2010. H.R. 3200 health spending is net of the medicare physician payment fix, which is already included in the base estimate of the 's budget.

Source: Heritage Foundation calculations based on data from the Congressional Budget Office and U.S. Office of Management and Budget.