

How the Obama Tax Plan Would Affect Key Economic Indicators

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Average 2011–2020
Gross Domestic Product (in Billions of Inflation-Adjusted Dollars Indexed to the 2005 Price Level)											
Forecast	13,744	14,177	14,587	15,037	15,479	15,949	16,389	16,834	17,313	17,825	15,733
Baseline	13,784	14,249	14,676	15,143	15,601	16,084	16,532	16,978	17,450	17,942	15,844
Difference	-40	-72	-89	-106	-122	-136	-143	-144	-137	-117	-111
Real GDP Growth Rate (Percent Change from Year Before)											
Forecast	2.62	3.15	2.89	3.08	2.94	3.03	2.76	2.72	2.85	2.95	2.90
Baseline	2.94	3.37	3.00	3.18	3.02	3.10	2.78	2.70	2.78	2.82	2.97
Difference	-0.31	-0.22	-0.10	-0.10	-0.08	-0.06	-0.02	0.02	0.07	0.14	-0.07
Total Employment (in Thousands of Jobs)											
Forecast	131,845	135,160	138,318	140,803	142,828	144,751	146,477	147,973	149,454	151,116	142,873
Baseline	132,083	135,729	139,028	141,571	143,658	145,627	147,346	148,792	150,173	151,653	143,566
Difference	-238	-570	-710	-768	-830	-876	-869	-818	-719	-536	-693
Private Employment (in Thousands of Jobs)											
Forecast	109,606	112,867	115,799	117,989	119,726	121,427	122,907	124,204	125,507	126,840	119,687
Baseline	109,837	113,365	116,392	118,631	120,426	122,178	123,663	124,924	126,146	127,324	120,289
Difference	-231	-497	-593	-642	-700	-751	-756	-720	-639	-484	-601
Disposable Personal Income (in Billions of Inflation-Adjusted Dollars Indexed to the 2005 Price Level)											
Forecast	10,354	10,598	10,817	11,285	11,767	12,264	12,715	13,156	13,649	14,208	12,081
Baseline	10,430	10,686	10,909	11,373	11,852	12,349	12,795	13,225	13,698	14,221	12,154
Difference	-75	-88	-92	-88	-86	-86	-80	-69	-49	-13	-73
Disposable Income Per Capita (in Inflation-Adjusted Dollars Indexed to the 2005 Price Level)											
Forecast	32,992.98	33,445.24	33,809.05	34,934.90	36,076.04	37,241.42	38,244.45	39,198.04	40,284.93	41,541.45	36,776.85
Baseline	33,232.58	33,723.67	34,096.14	35,205.88	36,338.44	37,502.30	38,485.72	39,404.83	40,428.44	41,579.82	36,999.78
Difference Per Person	-239.61	-278.43	-287.09	-270.98	-262.40	-260.87	-241.27	-206.79	-143.51	-38.37	-222.93
Difference for Family of Four	-958.42	-1,113.73	-1,148.36	-1,083.92	-1,049.60	-1,043.50	-965.08	-827.15	-574.03	-153.48	-884.32
Personal Consumption Expenditures (in Billions of Inflation-Adjusted Dollars Indexed to the 2005 Price Level)											
Forecast	9,719	9,972	10,167	10,428	10,756	11,094	11,400	11,703	12,036	12,419	10,969
Baseline	9,755	10,033	10,239	10,507	10,841	11,183	11,489	11,787	12,106	12,463	11,040
Difference	-36	-60	-71	-79	-85	-89	-89	-84	-70	-44	-71
Personal Savings (in Billions of Inflation-Adjusted Dollars Indexed to the 2005 Price Level)											
Forecast	309	288	288	472	597	728	854	977	1,122	1,281	692
Baseline	347	314	308	479	597	725	845	964	1,102	1,254	693
Difference	-38	-26	-19	-8	0	3	8	14	20	28	-2

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How the Obama Tax Plan Would Affect Federal Budget Indicators (continued)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Average 2011–2020
Personal Savings Rate (<i>Percent of Disposable Personal Income</i>)											
Forecast	2.97	2.70	2.65	4.16	5.05	5.90	6.67	7.37	8.15	8.95	5.46
Baseline	3.32	2.92	2.81	4.19	5.01	5.83	6.56	7.23	7.98	8.74	5.46
Difference	-0.35	-0.22	-0.16	-0.04	0.04	0.07	0.11	0.14	0.18	0.21	0.00
Gross Private Domestic Investment (<i>in Billions of Inflation-Adjusted Dollars Indexed to the 2005 Price Level</i>)											
Forecast	1,877	2,111	2,312	2,445	2,517	2,619	2,682	2,750	2,833	2,923	2,507
Baseline	1,894	2,144	2,346	2,489	2,568	2,675	2,741	2,810	2,893	2,980	2,554
Difference	-17	-33	-33	-44	-51	-56	-59	-60	-60	-58	-47
Non-Residential Fixed Investment (<i>in Billions of Inflation-Adjusted Dollars Indexed to the 2005 Price Level</i>)											
Forecast	1,434	1,565	1,710	1,814	1,881	1,948	2,015	2,084	2,163	2,247	1,886
Baseline	1,440	1,586	1,735	1,844	1,916	1,987	2,056	2,126	2,207	2,291	1,919
Difference	-6	-21	-24	-30	-35	-39	-41	-42	-43	-43	-33
Residential Fixed Investment (<i>in Billions of Inflation-Adjusted Dollars Indexed to the 2005 Price Level</i>)											
Forecast	400	496	551	587	597	613	618	619	622	627	573
Baseline	405	504	561	598	611	629	634	636	640	644	586
Difference	-5	-7	-10	-12	-14	-16	-17	-17	-17	-17	-13
Change in the Stock of Business Inventories (<i>in Billions of Inflation-Adjusted Dollars Indexed to the 2005 Price Level</i>)											
Forecast	47	54	56	51	46	64	57	56	59	62	55
Baseline	52	59	56	53	48	66	58	57	58	60	57
Difference	-5	-5	1	-2	-2	-2	-1	0	1	2	-1
Full-Employment Capital Stock (<i>in Billions of Inflation-Adjusted Dollars Indexed to the 2005 Price Level</i>)											
Forecast	14,845	15,150	15,573	16,053	16,535	17,003	17,484	17,975	18,485	19,014	16,812
Baseline	14,848	15,184	15,642	16,155	16,670	17,168	17,676	18,193	18,726	19,277	16,954
Difference	-2	-34	-69	-103	-135	-165	-192	-218	-241	-263	-142
Consumer Price Index (<i>Percent Change from Year Before</i>)											
Forecast	1.40	1.92	2.21	2.30	2.35	2.43	2.55	2.77	2.84	3.00	2.38
Baseline	1.47	2.06	2.26	2.31	2.37	2.48	2.62	2.87	2.97	3.16	2.46
Difference	-0.06	-0.14	-0.05	-0.01	-0.02	-0.05	-0.07	-0.10	-0.14	-0.16	-0.08
Treasury Bill, 3-Month (<i>Annualized Percent</i>)											
Forecast	0.41	2.43	3.70	4.53	5.26	5.51	5.81	6.17	6.60	7.15	4.76
Baseline	0.53	2.65	3.78	4.52	5.22	5.44	5.68	5.95	6.26	6.62	4.67
Difference	-0.12	-0.23	-0.09	0.00	0.03	0.08	0.14	0.22	0.34	0.53	0.09
Treasury Bond, 10-Year (<i>Annualized Percent</i>)											
Forecast	3.82	4.83	5.53	6.24	6.94	7.15	7.39	7.66	7.97	8.31	6.58
Baseline	3.46	4.38	5.00	5.64	6.28	6.47	6.69	6.93	7.21	7.52	5.96
Difference	0.36	0.46	0.53	0.59	0.66	0.68	0.70	0.73	0.76	0.79	0.63

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How the Obama Tax Plan Would Affect Federal Budget Indicators (continued)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total 2011–2020
Unified Federal Tax Revenue (in Billions of Dollars Not Adjusted for Inflation)											
Forecast	2,473.75	2,587.93	2,896.90	3,031.60	3,192.31	3,342.32	3,516.82	3,733.11	3,969.59	4,270.79	33,015.13
Baseline	2,425.92	2,556.70	2,866.36	3,008.04	3,173.94	3,321.65	3,495.38	3,709.42	3,942.52	4,237.40	32,737.33
Difference	47.83	31.24	30.54	23.57	18.37	20.67	21.44	23.69	27.08	33.39	277.81
Unified Federal Spending (in Billions of Dollars Not Adjusted for Inflation)											
Forecast	3,577	3,576	3,740	4,000	4,291	4,612	4,927	5,317	5,775	6,331	46,147
Baseline	3,579	3,578	3,736	3,989	4,273	4,585	4,893	5,271	5,712	6,245	45,862
Difference	-2	-2	4	12	19	26	34	46	63	86	285
Unified Federal Surplus/Deficit (in Billions of Dollars Not Adjusted for Inflation)											
Forecast	-1,104	-988	-844	-969	-1,099	-1,269	-1,410	-1,584	-1,805	-2,060	-13,132
Baseline	-1,153	-1,021	-870	-981	-1,099	-1,264	-1,398	-1,562	-1,769	-2,007	-13,124
Difference	50	33	26	12	0	-6	-12	-22	-36	-53	-7
Federal On-Budget Surplus/Deficit (in Billions of Dollars Not Adjusted for Inflation)											
Forecast	-898	-810	-673	-773	-894	-1,021	-1,112	-1,229	-1,385	-1,589	-10,383
Baseline	-950	-850	-706	-794	-905	-1,030	-1,115	-1,223	-1,365	-1,549	-10,487
Difference	53	39	34	21	11	9	4	-6	-21	-40	104
Privately Held Federal Debt (in Billions of Dollars Not Adjusted for Inflation)											
Forecast	10,043	11,038	11,923	12,822	13,863	15,053	16,399	17,906	19,614	21,575	Average 2011–2020 15,024
Baseline	10,080	11,116	12,031	12,945	13,989	15,176	16,513	18,003	19,681	21,596	15,113
Difference	-37	-78	-108	-123	-126	-124	-114	-97	-67	-21	-89
Privately Held Federal Debt Share (Percentage of GDP)											
Forecast	65.15	68.38	70.42	71.92	73.91	76.16	78.81	81.61	84.55	87.66	Average 2011–2020 75.86
Baseline	65.14	68.36	70.47	71.94	73.82	75.92	78.40	80.98	83.67	86.51	75.52
Difference	0.01	0.02	-0.04	-0.02	0.09	0.24	0.42	0.63	0.88	1.15	0.34

Source: Heritage Foundation calculations based on data from the IHS Global Insight U.S. macroeconomic model. See methodology for details.