

# Whither the Federal Budget?

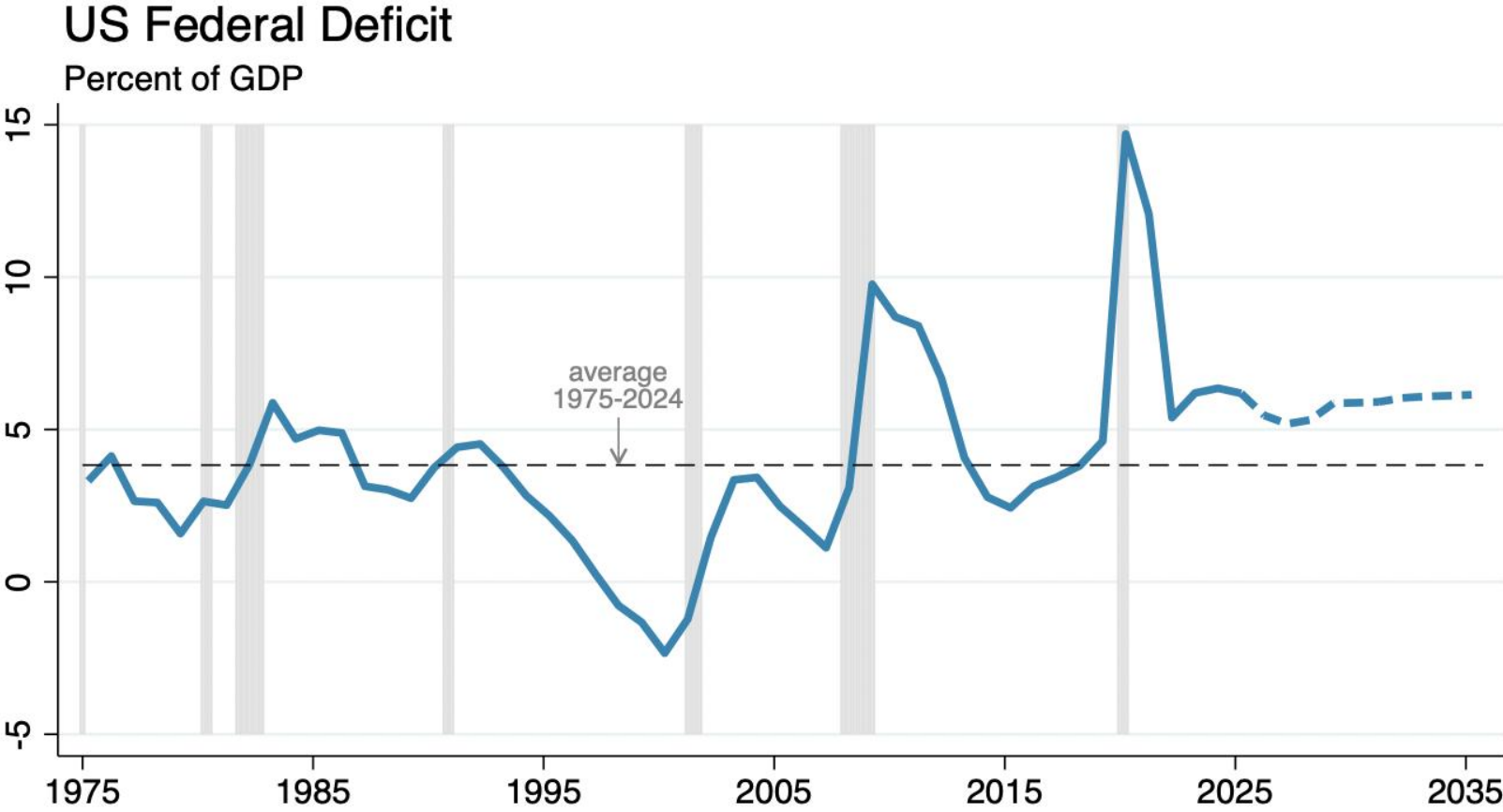
**Karen Dynan**

Harvard University

67th Annual NABE Meeting

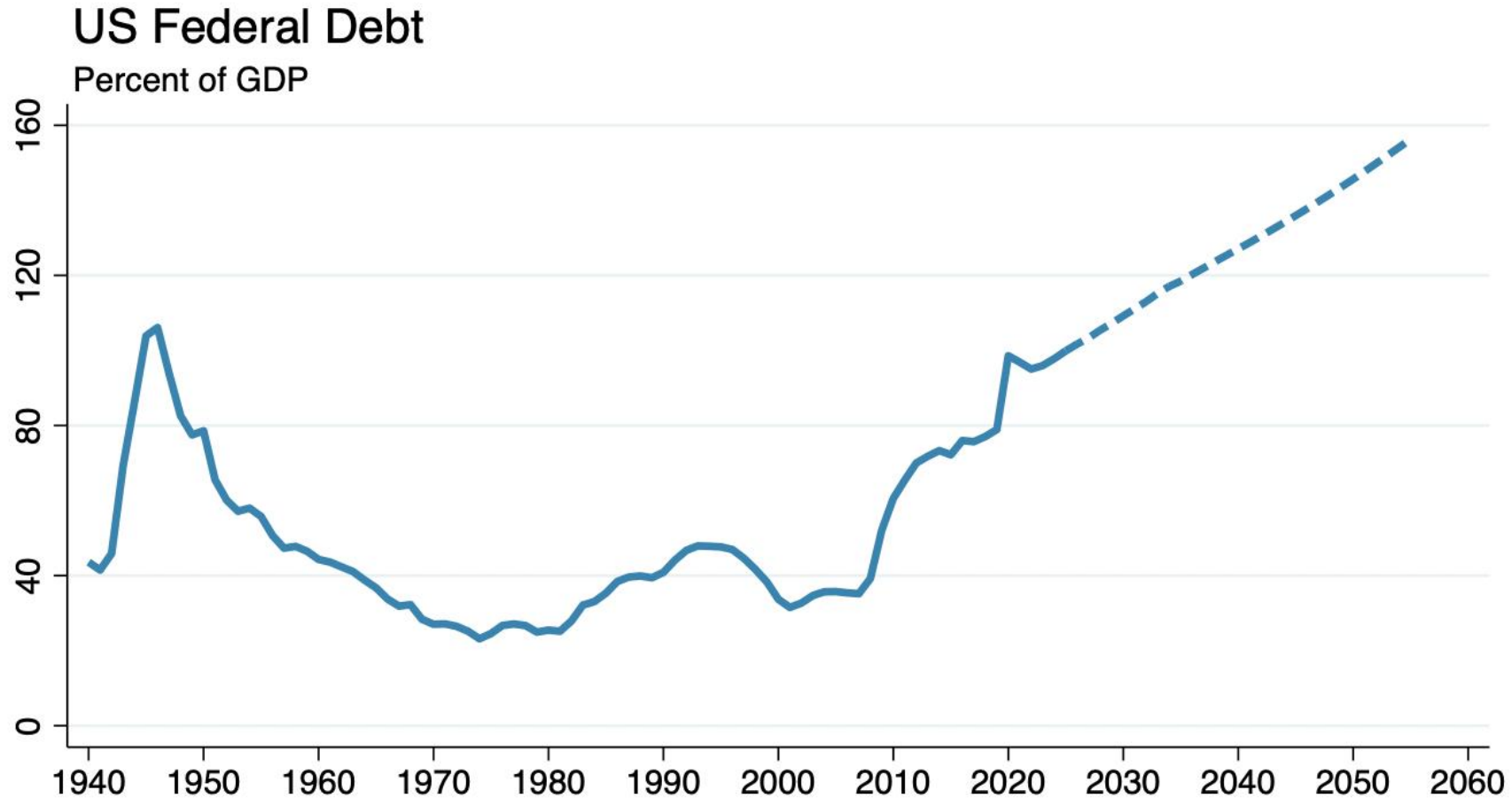
October 13, 2025

# Federal deficits are very large by historical standards



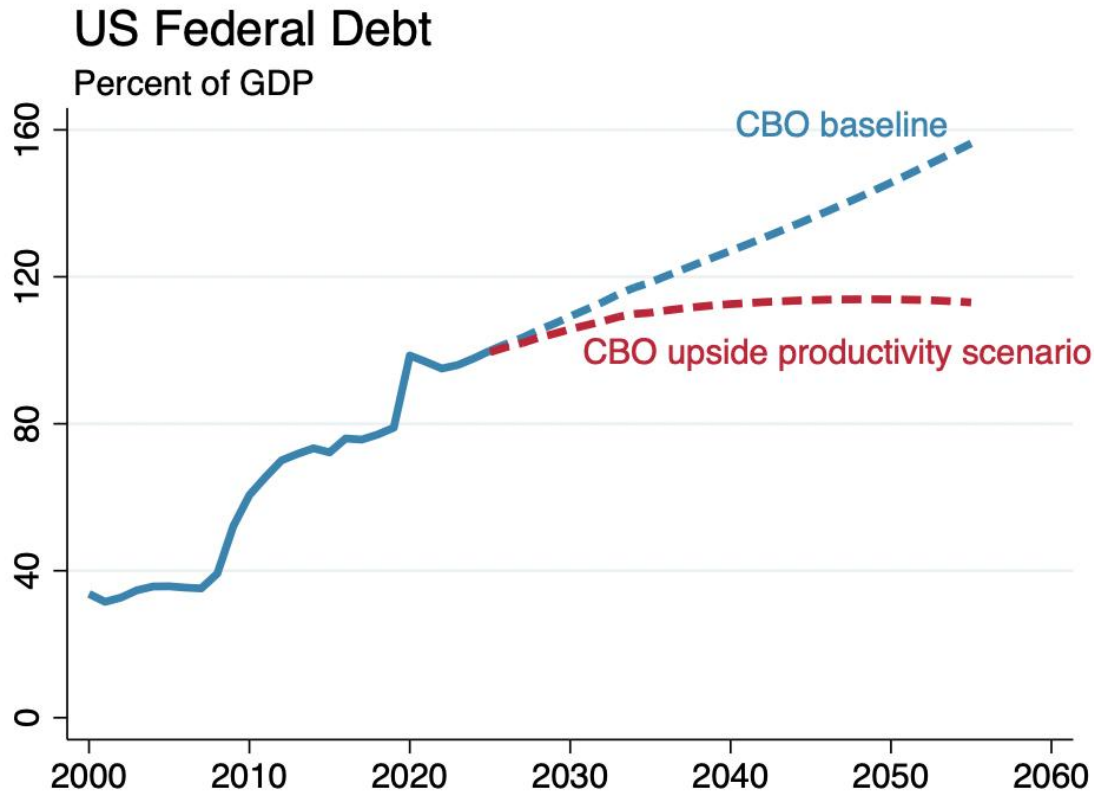
Data source: Congressional Budget Office 2025 *Long-Term Budget Outlook*. Dashed line corresponds to projection. Shaded areas represent recessions. Last data point: 2025.

# Federal debt is headed into unprecedented territory

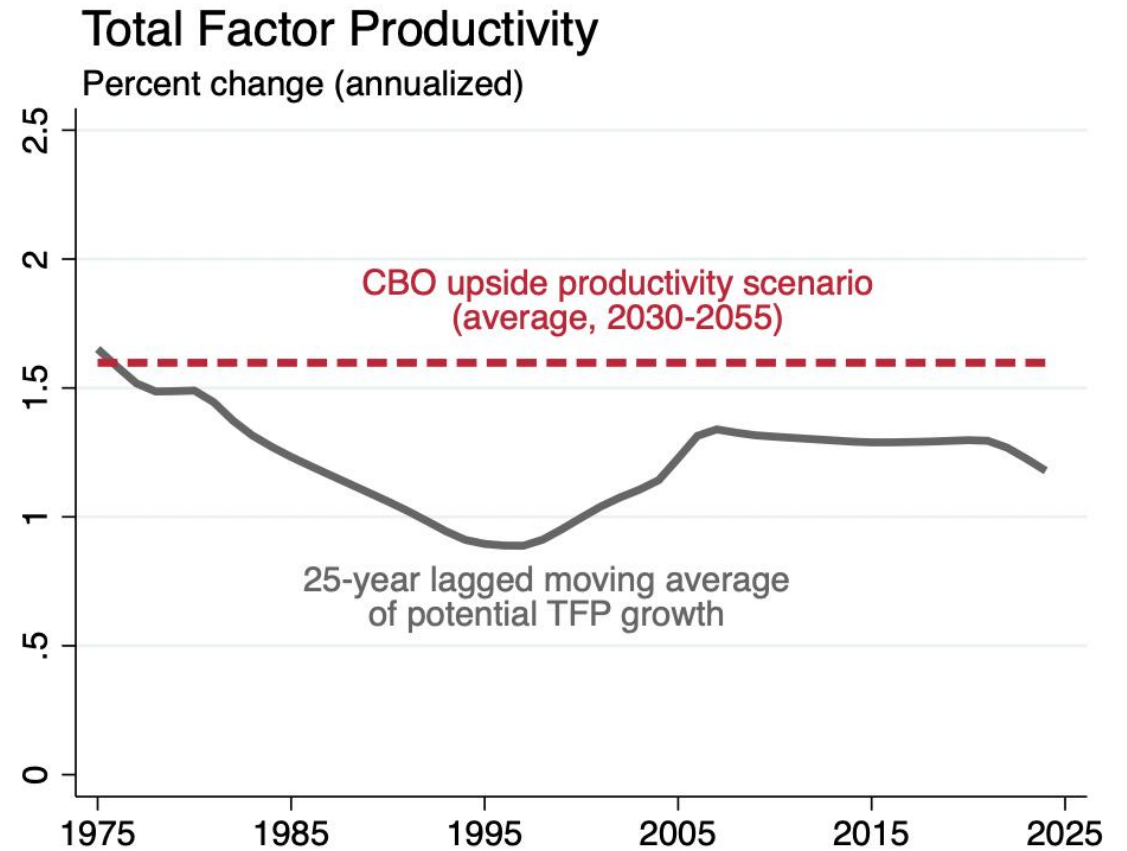


Data source: Congressional Budget Office 2025 *Long-Term Budget Outlook*. Dashed line corresponds to projection. Last data point: 2055.

# We might grow our way out of this challenge, but history suggests that this is very unlikely



Data source: Congressional Budget Office. In the upside scenario, total factor productivity growth is 0.5 percentage point per year faster. Dashed lines correspond to projection. Last data point: 2025.



Data source: Congressional Budget Office.