

CBO Economic Forecasts 2020 - 2021

By No Author *Thu, Apr 30, 2020*

ECONOMIC PROJECTIONS FOR 2020 AND 2021 BY THE CONGRESSIONAL BUDGET OFFICE

CBO expects the unemployment rate to average 15% in the 2nd and 3rd quarters of 2020, the highest point since the early 1930s.

Nine million fewer people will be in the labor force than CBO projected in January.

The nation's output is projected to decline sharply in the 2nd quarter of this year and to begin rising thereafter.

By the 3rd quarter of 2020, about 28 million fewer people will be employed and about nine million fewer people will be in the labor force than CBO projected in January.

Output at the end of 2021 would be more than 6% lower than January projections.

CBO projects that, without changes in current law, the federal deficit would be about \$3.7 trillion in fiscal 2020 and \$2.1 trillion in fiscal 2021. The 2020 deficit would be the largest since 1945, at 17.9% of GDP.

CBO projects that federal debt held by the public would grow to 108% of GDP (the highest in U.S. history) by the end of fiscal 2021, up from 79% at the end of fiscal year 2019—without changes in current law.

Source: Congressional Budget Office, April 27, 2020.