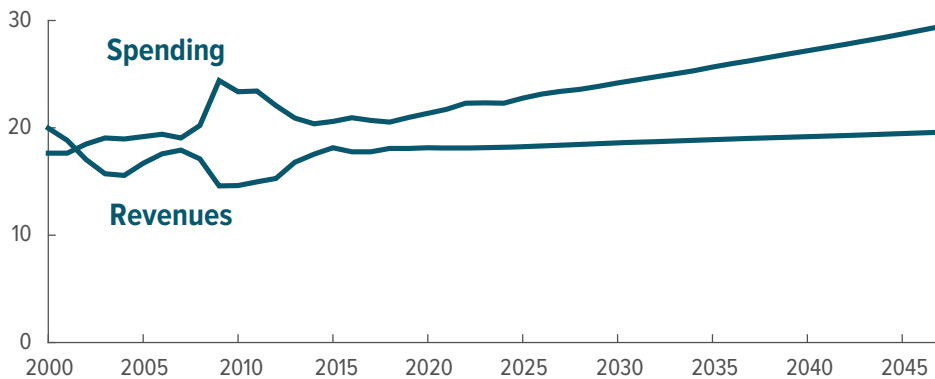
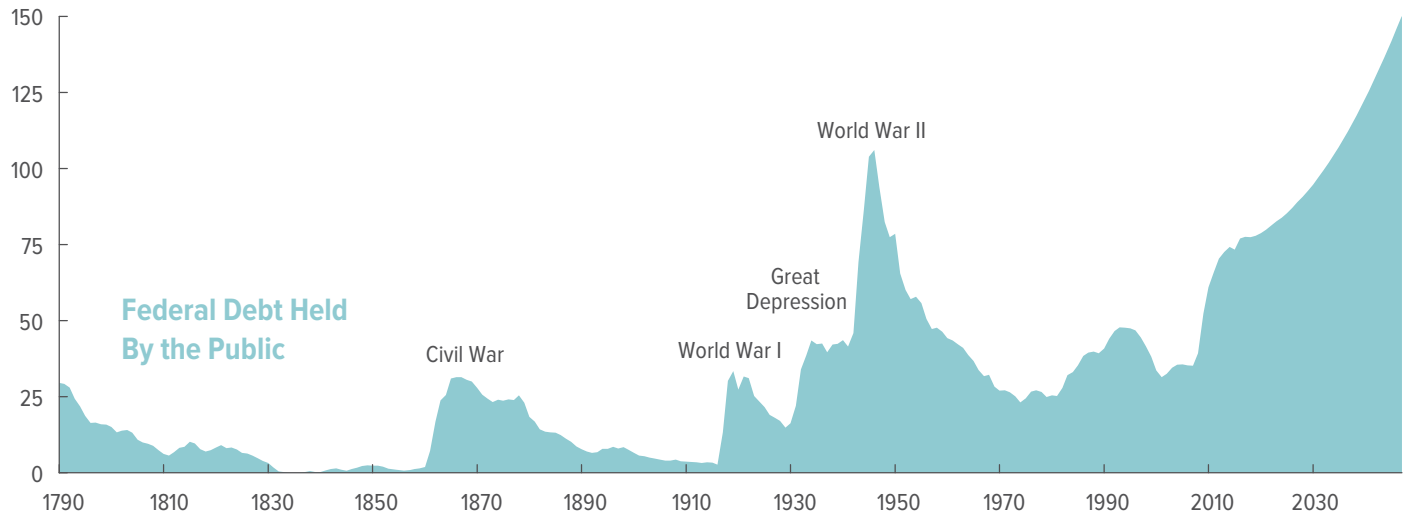


CBO

The 2017 Long-Term Budget Outlook

Percentage of GDP



Under current law, spending growth—driven by outlays for Social Security, the major health care programs, and net interest—is projected to outpace revenue growth.

MARCH 2017

Table A-1.

Average Annual Values for Demographic and Economic Variables That Underlie CBO's Extended Baseline

	1987–2016	2017–2027	2028–2037	2038–2047	Overall, 2017–2047
Demographic Variables					
Growth of the Population (Percent)	0.9	0.7	0.6	0.4	0.6
Fertility Rate (Children per woman)	2.0	1.9	1.9	1.9	1.9
Immigration Rate (Per 1,000 people in the U.S. population)	3.8	3.2	3.2	3.2	3.2
Life Expectancy at Birth, End of Period (Years) ^a	79.1	80.5	81.6	82.8	82.8
Life Expectancy at Age 65, End of Period (Years) ^a	19.3	20.1	20.8	21.5	21.5
Economic Variables (Percent)					
Growth of GDP					
Real GDP	2.5	1.9	2.0	1.9	1.9
Nominal GDP	4.8	3.9	4.0	4.0	4.0
Growth of the Labor Force	1.0	0.6	0.4	0.4	0.5
Labor Force Participation Rate	65.7	62.0	60.2	59.4	60.6
Unemployment					
Unemployment rate	6.0	4.8	4.9	4.8	4.8
Natural rate of unemployment	5.2	4.7	4.6	4.6	4.6
Growth of Average Hours Worked	-0.1	-0.1	-0.1	-0.1	-0.1
Growth of Total Hours Worked	1.0	0.4	0.3	0.4	0.3
Earnings as a Share of Compensation	81	81	81	80	81
Growth of Real Earnings per Worker	1.0	1.1	1.2	1.1	1.1
Share of Earnings Below the Taxable Maximum	85	81	79	79	80
Growth of Productivity					
Total factor productivity	1.2	1.1	1.2	1.2	1.2
Labor productivity	1.5	1.5	1.6	1.6	1.6
Inflation					
Growth of the CPI-U	2.6	2.4	2.4	2.4	2.4
Growth of the GDP price index	2.2	2.0	2.0	2.0	2.0
Interest Rates					
Real rates					
On 10-year Treasury notes and Social Security bonds	2.5	0.9	1.5	2.1	1.5
Nominal rates					
On 10-year Treasury notes and Social Security bonds	5.1	3.2	3.9	4.5	3.8
On all federal debt held by the public ^b	5.2	2.7	3.6	4.1	3.4

Source: Congressional Budget Office.

The extended baseline generally reflects current law, following CBO's 10-year baseline budget projections through 2027 and then extending most of the concepts underlying those baseline projections for the rest of the long-term projection period.

CPI-U = consumer price index for all urban consumers; GDP = gross domestic product.

a. Life expectancy as used here is period life expectancy, which is the amount of time that a person in a given year would expect to survive beyond his or her current age on the basis of that year's mortality rates for various ages.

b. The interest rate on all federal debt held by the public equals net interest payments in the current fiscal year divided by debt held by the public at the end of the previous fiscal year.