

The House passed the debt-limit deal and Senate approval is almost certain as early as today. While the budget document is difficult to parse, one of the most noteworthy points can be found in Table S-9 on page 167 of economic assumptions. The Consumer Price Index (CPI) has a long-term forecast of 2.3% from 2025 to 2033, higher than the FOMC 2.0% target. Interesting to process as it relates to 1) the mindset of leadership, 2) where 10-year breakeven inflation rates are trading, and 3) any influence on the future path of Fed policy given the role of former FOMC chair now US secretary of the Treasury Janet Yellen.

Table S-9. Economic Assumptions

(Calendar years)

	Actual		Projections										
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Gross Domestic Product (GDP):													
Nominal level, billions of dollars	23,315	25,409	26,544	27,523	28,750	29,961	31,224	32,516	33,884	35,342	36,880	38,483	40,157
Percent change, nominal GDP, year/year	10.7	9.0	4.5	3.7	4.5	4.3	4.1	4.1	4.2	4.3	4.4	4.3	4.3
Real GDP, percent change, year/year	5.9	1.8	0.6	1.5	2.3	2.1	2.0	2.0	2.1	2.2	2.2	2.2	2.2
Real GDP, percent change, Q4/Q4	5.7	0.2	0.4	2.1	2.4	2.0	2.0	2.0	2.1	2.2	2.2	2.2	2.2
GDP chained price index, percent change, year/year	4.5	7.0	3.9	2.2	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Consumer Price Index,¹ percent change, year/year	4.7	8.1	4.3	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Interest rates, percent:²													
91-day Treasury bills ³	*	2.0	4.9	3.8	3.0	2.5	2.3	2.2	2.3	2.4	2.4	2.5	2.5
10-year Treasury notes	1.4	3.0	3.9	3.6	3.5	3.4	3.4	3.4	3.4	3.4	3.4	3.5	3.5
Unemployment rate, civilian, percent²	5.4	3.7	4.3	4.6	4.4	4.3	4.2	4.1	4.0	3.9	3.8	3.8	3.8

* 0.05 percent or less.

Note: A more detailed table of economic assumptions appears in Chapter 2, "Economic Assumptions and Overview," in the Analytical Perspectives volume of the Budget.

¹Seasonally adjusted CPI for all urban consumers.

²Annual average.

³Average rate, secondary market (bank discount basis).

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