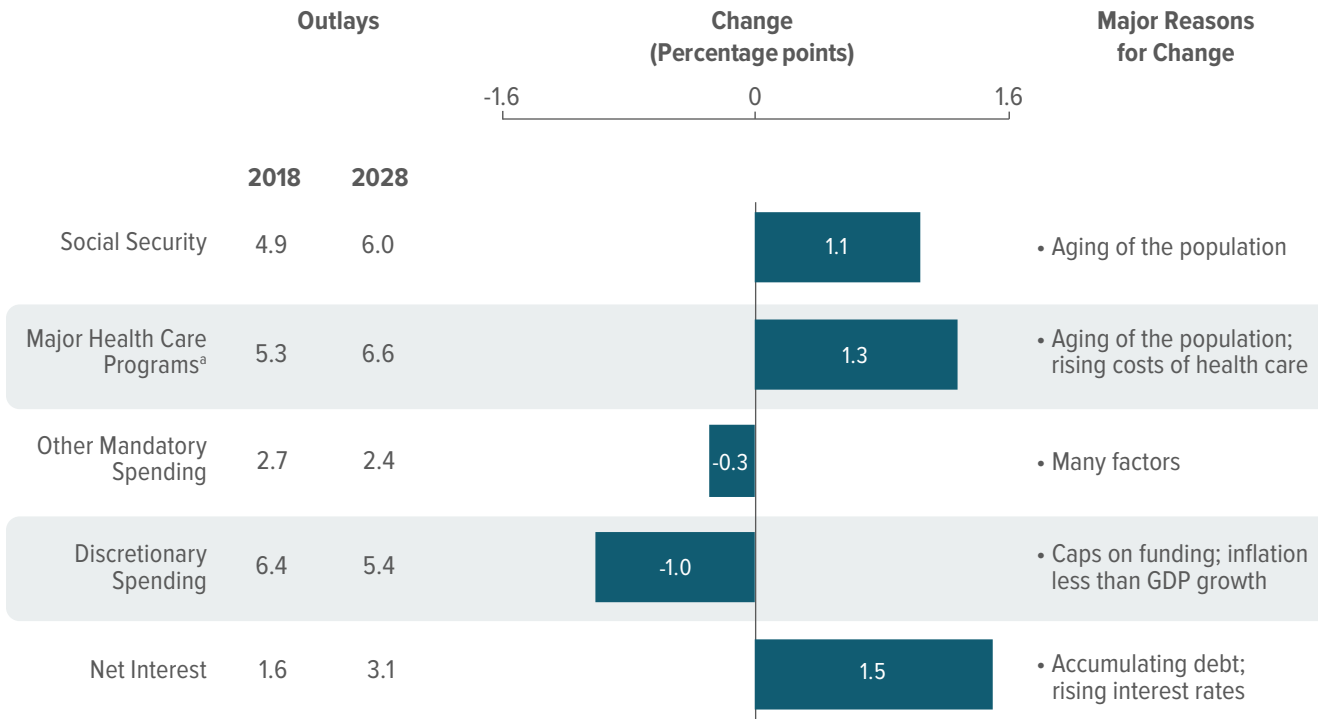


Figure 2-2.

Major Changes in Projected Outlays From 2018 to 2028

Percentage of Gross Domestic Product



Source: Congressional Budget Office.

GDP = gross domestic product.

Outlays as a percentage of GDP have been adjusted to exclude the effects of timing shifts.

a. Consists of spending for Medicare (net of premiums and other offsetting receipts), Medicaid, and the Children's Health Insurance Program as well as outlays to subsidize health insurance purchased through the marketplaces established under the Affordable Care Act and related spending.

receipts and reduce mandatory spending. In 2018, mandatory spending (net of offsetting receipts) accounts for about 60 percent of total estimated spending.

The Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177), referred to here as the Deficit Control Act, requires CBO's projections for most mandatory programs to incorporate the assumption that current laws continue unchanged.⁴ Therefore, CBO's baseline

4. Section 257 of the Deficit Control Act also requires CBO to assume that certain mandatory programs will continue beyond their scheduled expiration and that entitlement programs, including Social Security and Medicare, will be fully funded and thus will be able to make all scheduled payments. Other rules that govern the construction of CBO's baseline have been developed by the agency in consultation with the House and Senate Committees on the Budget. For further details, see Congressional Budget Office, "How CBO Prepares Baseline Budget Projections" (February 2018), www.cbo.gov/publication/53532.

projections for mandatory spending reflect the estimated effects of economic influences, caseload growth, and other factors on the cost of those programs. The projections also incorporate a set of across-the-board reductions (known as sequestration) that are required under current law for spending on certain mandatory programs.

CBO's Baseline Projections of Mandatory Spending From 2018 to 2028

In 2017, mandatory spending totaled about \$2.5 trillion, or 13.1 percent of GDP. CBO estimates that under current law, such spending will rise by about 1 percent in 2018, remaining at \$2.5 trillion, or 12.7 percent of GDP (see Table 2-2). Most of that estimated increase is attributable to larger outlays for Social Security and the major health care programs and decreases in offsetting receipts from Fannie Mae and Freddie Mac, moderated by a decline in outlays for higher education. The rate of growth in mandatory spending is slowed by the shift