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**CBO Releases End-of-Year Deficit Numbers  
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Yesterday evening, the Congressional Budget Office (CBO) released their estimate of the complete FY 2009 budget deficit, as part of their Monthly Budget Review. At \$1.41 trillion (or 9.9 percent of GDP), last year's deficit trumps any since WWII, and is larger than deficits over the previous four years combined.

"In all my years warning about fiscal unsustainability, I never thought we would see deficits like these" said Maya MacGuineas, president of the Committee for a Responsible Federal Budget. "A lot of the red ink is due to the economic crisis; but even as the economy recovers, we are not moving back toward a sustainable path."

According to CBO, outlays were 25 percent of GDP this year, compared to just under 21 percent last year. Revenues dropped to 15 percent of GDP, from below 18 percent last year. Of the \$1.4 trillion deficit, roughly \$200 billion can be attributed to spending increases and revenue reductions from the American Recovery and Reinvestment Act (ARRA), and around \$154 billion can be attributed to the Troubled Asset Relief Program (TARP).

"The economy won't allow us to keep running deficits like this," MacGuineas said. "We don't want to cut spending or increase taxes too quickly – or we might destabilize the economy. But there is no question about it: this tide of red ink necessitates the call for a fiscal consolidation plan. And soon."

Fiscal Year	Receipts as % of GDP	Outlays as % of GDP	Deficits as % of GDP	Deficit in billions
<b>FY 2001</b>	19.8	18.5	(1.3)	(\$128)
<b>FY 2002</b>	17.9	19.4	1.5	\$158
<b>FY 2003</b>	16.5	20.0	3.5	\$378
<b>FY 2004</b>	16.3	19.9	3.6	\$413
<b>FY 2005</b>	17.6	20.2	2.6	\$318
<b>FY 2006</b>	18.5	20.4	1.9	\$248
<b>FY 2007</b>	18.8	20.0	1.2	\$161
<b>FY 2008</b>	17.7	20.9	3.2	\$455
<b>FY 2009</b>	14.9	24.7	9.9	\$1,409

Note: Surpluses are indicated as negative numbers.

Source: Congressional Budget Office, Historical Budget Data.

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