



Federal Spending in Perspective

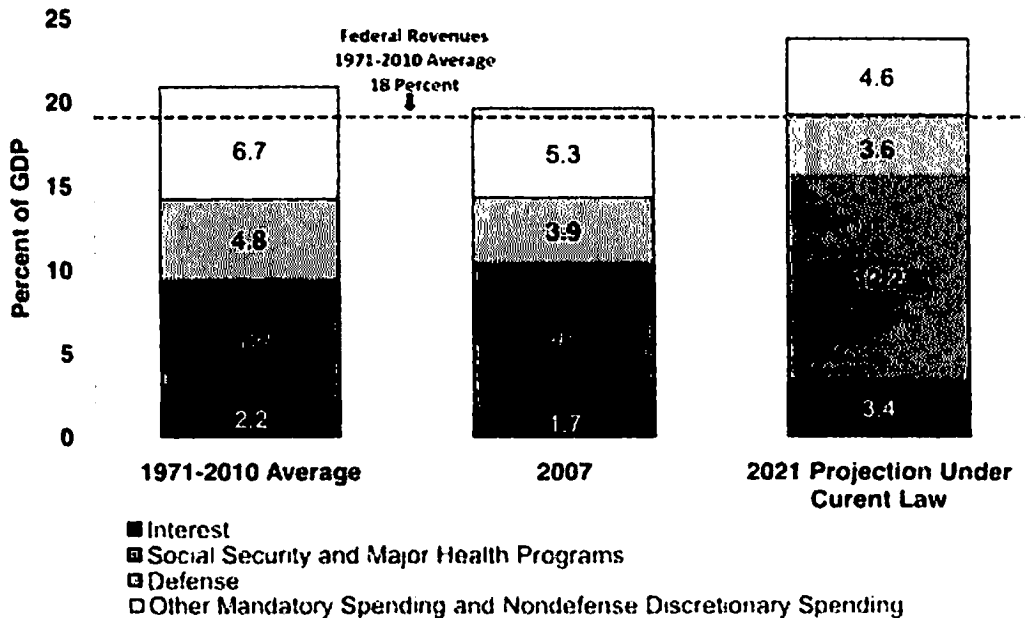
This chart by Mercatus Center Senior Research Fellow Veronique de Rugy compares federal spending and its key components as shares of GDP on average over the past 40 years, before the recession began, and in 2021 under the Congressional Budget Office’s current –law baseline projections.

During the past 40 years, government spending has ranged from as low as 18.2 percent of GDP in 2000 and 2001 to as high as 25 percent in 2009, averaging about 21 percent. At 23.9 percent of GDP, CBO’s 2021 extended baseline estimate of total spending shows the longstanding mismatch between government spending and revenues, with revenues averaging only 18 percent of GDP in the past four decades.

Assuming current tax and spending policies persist, limiting federal spending to 18 percent of GDP would require a cut in spending relative to CBO’s baseline projections for 2021 of roughly one-quarter.

Veronique de Rugy explains the trajectory of [federal spending under three plans](#) [1] at NRO’s The Corner.

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Source: Congressional Budget Office, 2011 Long Term Budget Outlook
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