



Press Release

Highlights of the CBO Economic Outlook

ALLISON EDWARDS | FEBRUARY 1, 2021

AAF's Director of Fiscal Policy Gordon Gray breaks down the key points of the Congressional Budget Office's (CBO) newly released *An Overview of the Economic Outlook: 2021 to 2031*. The analysis is particularly timely, as policymakers are considering the size and scope of another potential COVID-19 fiscal intervention, Gray notes.

Highlights:

- According to CBO's projections, unemployment will return to below 4 percent within the decade, though it is not estimated to return to levels seen prior to the pandemic;
- CBO forecasts a gross domestic product gap of \$808 billion over the period 2021-2025, less than half the size of the most prominent fiscal response package currently under consideration on Capitol Hill; and
- CBO projects that the economy will remain below potential until 2025 – at which point the agency forecasts that real GDP will exceed potential GDP until 2029.

[Read the analysis.](#)