

The Conference Board Policy Watch

Dissecting the Midterms and Looking Ahead to 2020
December 6, 2018



Some of the critical questions and issues we will be answering today

- What changed with this election?
- How will the outcome affect legislation around the federal budget and infrastructure?
- How can we expect this election to affect 2020?



How to participate in this webcast

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Today's Presenters



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Budget Outlook

FY 2012 – 2028

(In Billions of Dollars – % of GDP)

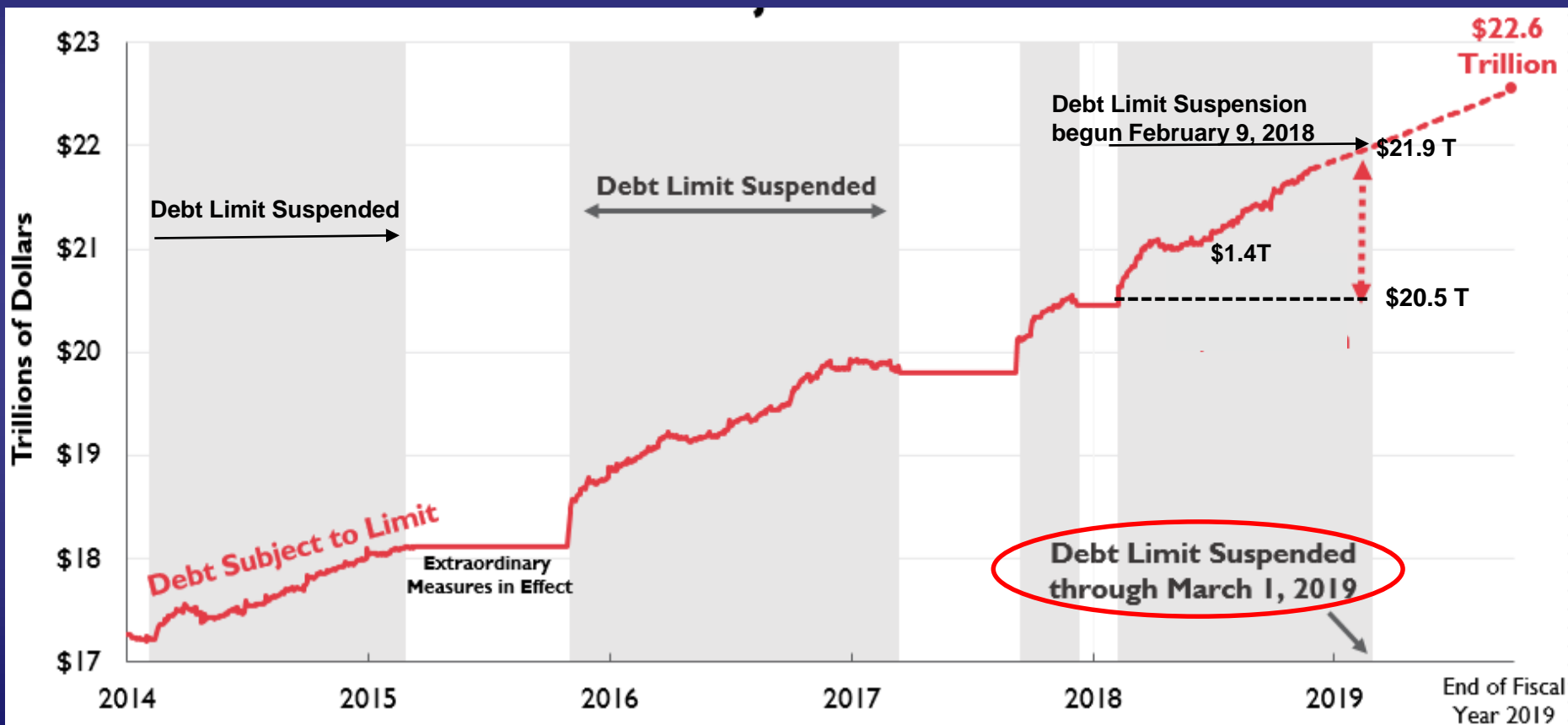
	2012 Actual	2017 Actual	2018 Actual	2019	2020	...2028	% Δ annual 2018-2028
Receipts	2,450	3,316	3,329	3,490	3,680	5,520	+ 5.1%
Spending	3,537	3,982	4,108	4,463	4,683	7,407	+ 6.0%
Deficits	1,087	665	779	973	1,003	1,527	+6.6%
% of GDP	6.8%	3.5%	3.9%	4.6%	4.5%	5.1%	NA
Public Debt	11,281	14,665	15,688	16,762	17,827	28,671	+ 6.2%
% GDP	73%	77%	78%	79%	81%	96%	
Debt Subject Limit	16,027	20,209	21,378	22,550	23,680	33,861	+4.7%
% GDP	100%	105%	106%	107%	108%	114%	

CBO estimate of nominal GDP growth increase 3.9% annually 2018-2028.

Source: Congressional Budget Office, An Update to the Budget and Economic Outlook 2018-2028, August 2018.

Federal Debt Subject to Limit

March 1, 2019



Source: U.S. Treasury Department, Daily Treasury Statements. Bipartisan Policy Center Projections Based on Congressional Budget Office 2018 Baseline.

Limits on Discretionary Budget Authority*

Under Budget Control Act of 2011 FY 2018 to 2021

(Billions of dollars)



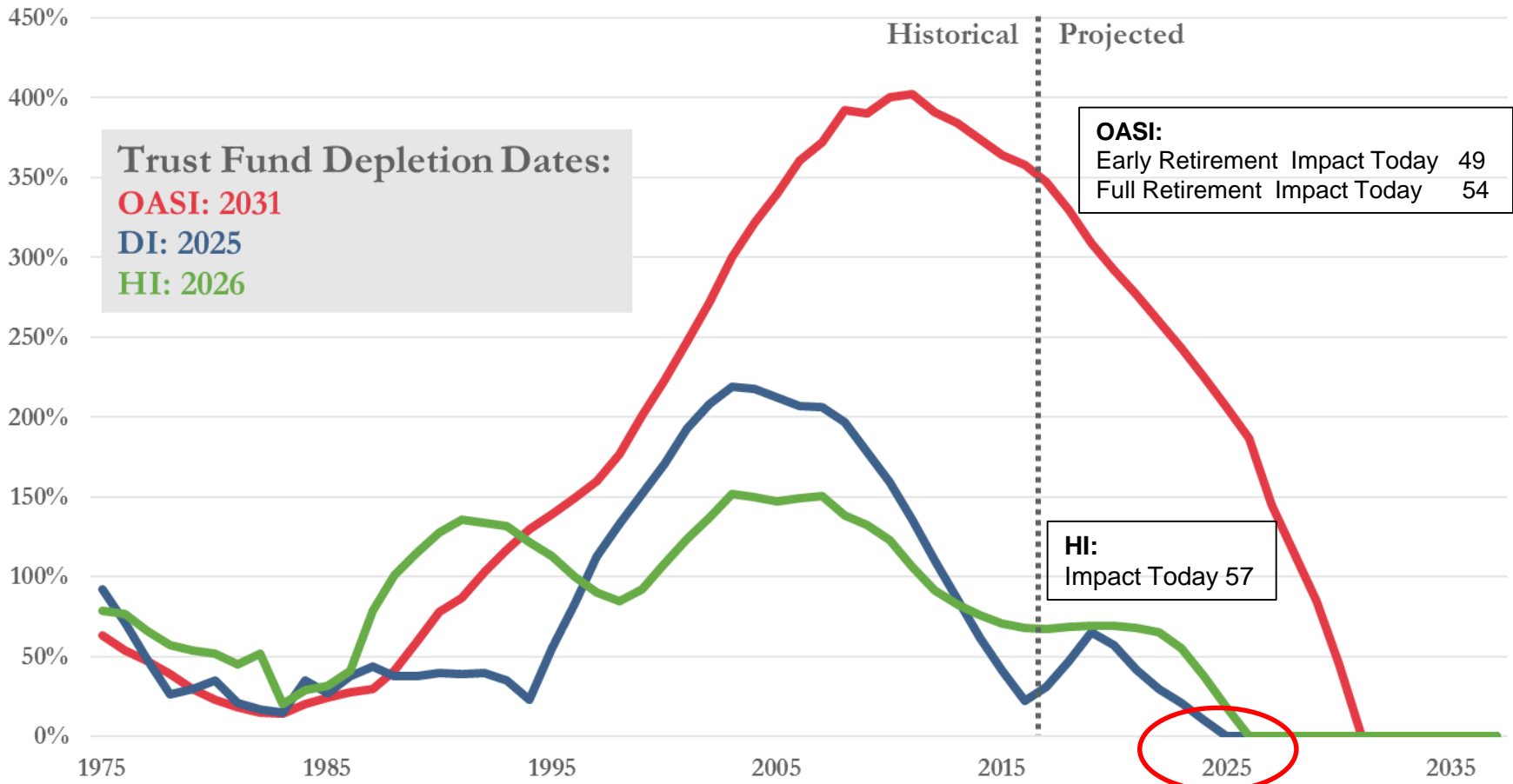
Caps	2018	2019	2020	2021
Defense	629	647	576	590
Nondefense	578	597	543	556
Total	1,207	1,224	1,119	1,146

- * The Budget Control Act (BCA) of 2011 specified that if lawmakers did not enact legislation from the Joint Committee on Deficit Reduction that would reduce projected deficits by at least \$1.2 trillion, automatic procedures would go into effect to reduce spending during the period 2013-2021. Spending not constrained by these caps (e.g. overseas contingency operations, emergencies, disaster relief and certain program integrity initiatives are not included in these numbers.
- The Bipartisan Budget Act of 2018 adjusted the BCA 2011 caps for FY 2018 and FY 2019, increasing both defense and nondefense caps.

Trust Funds Cannot Fully Fund Scheduled Benefits

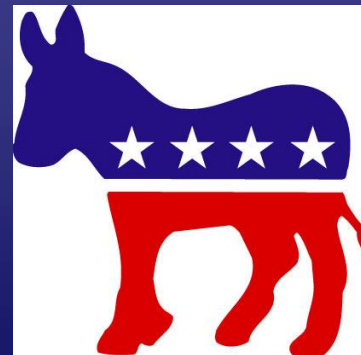
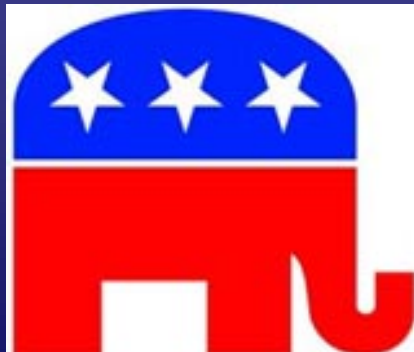


Trust Fund Ratios



Source: Social Security and Medicare Trustees' Reports, Congressional Budget Office

2020 Political Setting



116th Congress: House and Senate Summary



House			
	D	R	Margin
116th (2019-2020)	235	200	D + 35



Senate			
	D+I	R	Margin
116th (2019-2020)	47	53	R+6

113th – 114th – 115th Congress & Races 2016, 2018, 2020

	<i>Party Affiliation</i>	<i>113th Congress</i>	<i>114th Congress</i>	<i>115th Congress 2nd Session</i>	<i>Seats that were Up in 2016</i>	<i>Congress Seats that were Up in 2018</i>	<i>116th Congress Seats Up in 2020</i>
U.S. SENATE	Democrats + Ind.	54	46	49	10	24	12
	Republicans	45	54	51	24	8	22
U.S. HOUSE	Democrats	201	188	194	188	194	235
	Republicans	234	246	241	246	239 (2 Vacant)	200

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Hosted By:



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Executive Vice President
*Committee for Economic
Development*

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Related Resources from The Conference Board



Publications

[Global Economic Outlook 2019: United States—The High-Flying Economy of 2018 Will Slow in 2019 and Beyond](#)



[Job Satisfaction 2018: A Tighter Labor Market Leads to Higher Job](#)



Webcasts

[Beyond the Hype: Real Workforce Trends in the Gig Economy](#)

December 11, 2018



[Economics Watch: Going Local: Examining a Shift from Global to Local Sourcing](#)

December 12, 2018

