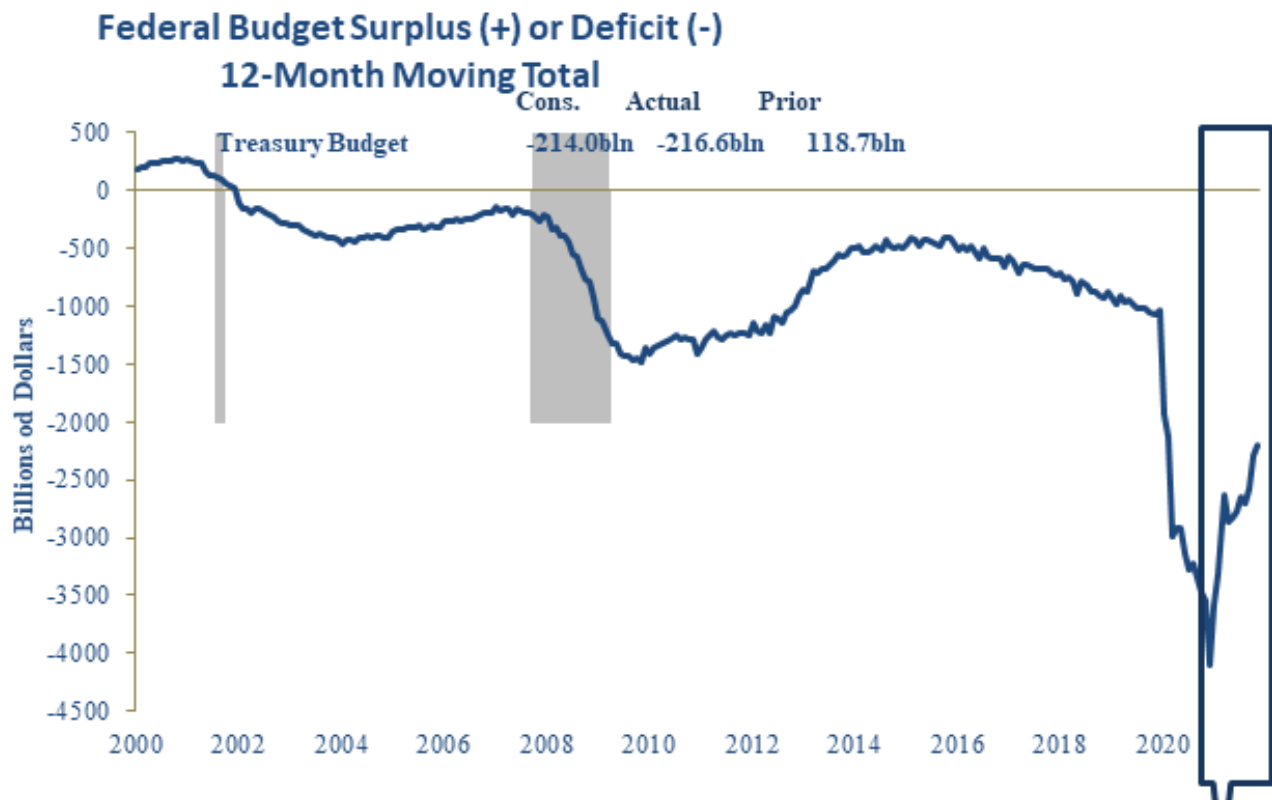
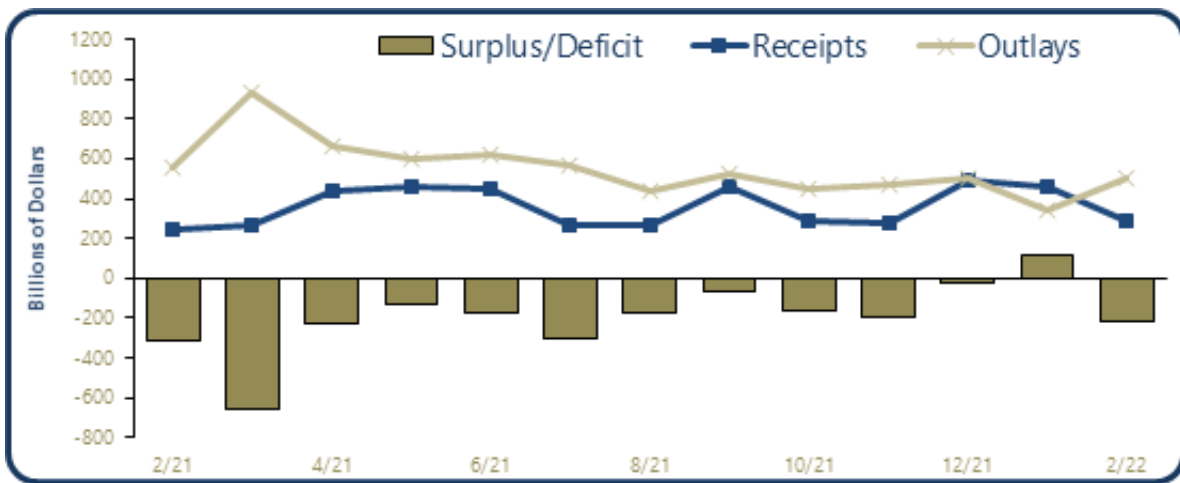


10.Mar.2022

Treasury Budget: Sharply Wider, Tracking As Expected

Bottom Line: The budget deficit totaled nearly \$217B in February after a surplus of almost \$119B in January, primarily due to calendar effects. The fiscal year, which runs through September, is still on track for a deficit of \$1.8T, notably less than 2021's tally of nearly \$2.8T. With few new spending programs likely to pass in time to change this fiscal year, there is scope for tax receipts to come in a bit better than expected, bringing the deficit a touch less than the OMB's \$1.8T projection. Looking beyond the fiscal year, the pace of federal outlays should continue to slow, while tax receipt growth trends higher, slowly bringing the trend rate of deficit spending to \$1.25 - 1.75 Trillion.





The Treasury Budget DEFICIT totaled \$216.6 billion in February, lower than the consensus estimate of a deficit of \$214.0 billion. This compared with a deficit in February 2021 of \$310.9 billion.

For the first 5 months of the fiscal year, the deficit totaled \$475.6 billion, a decline of \$571.1 billion from the first 5 months of the last fiscal year.

Receipts ROSE by 16.7% from its year-ago level, primarily because of an increase in corporate and individual income tax receipts.

Outlays FELL by 9.4% from its year-ago levels. On a 12-month average basis, the trend in federal outlays is sharply lower.

Figure 1. Receipts, Outlays, and Surplus/Deficit for February 2022

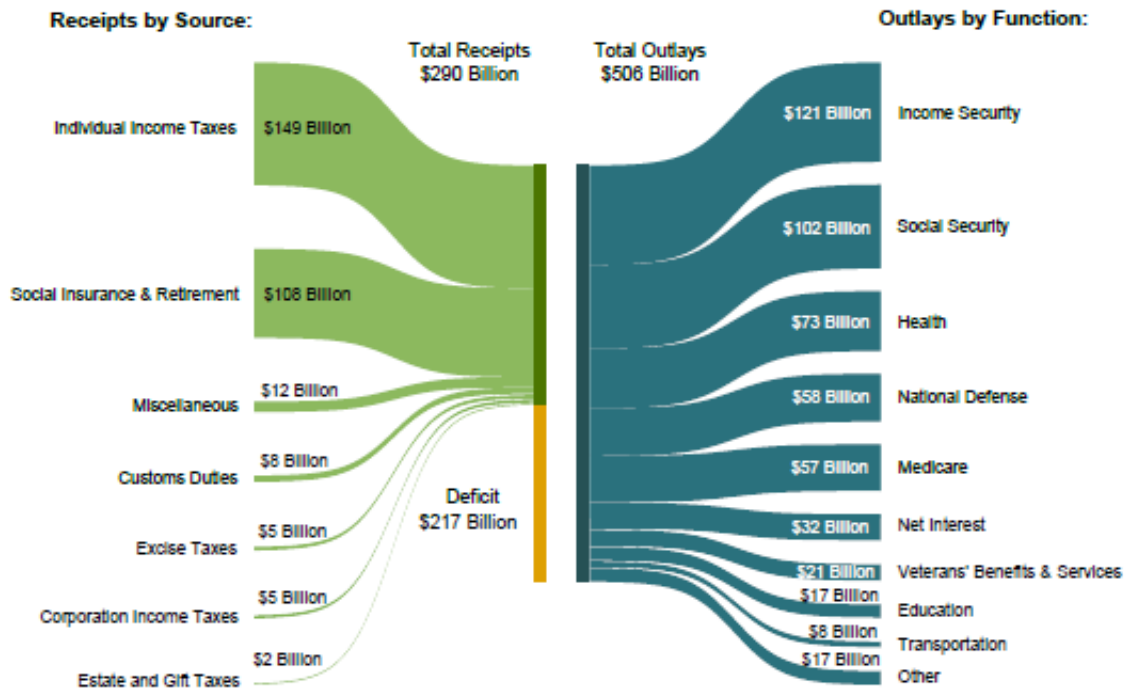
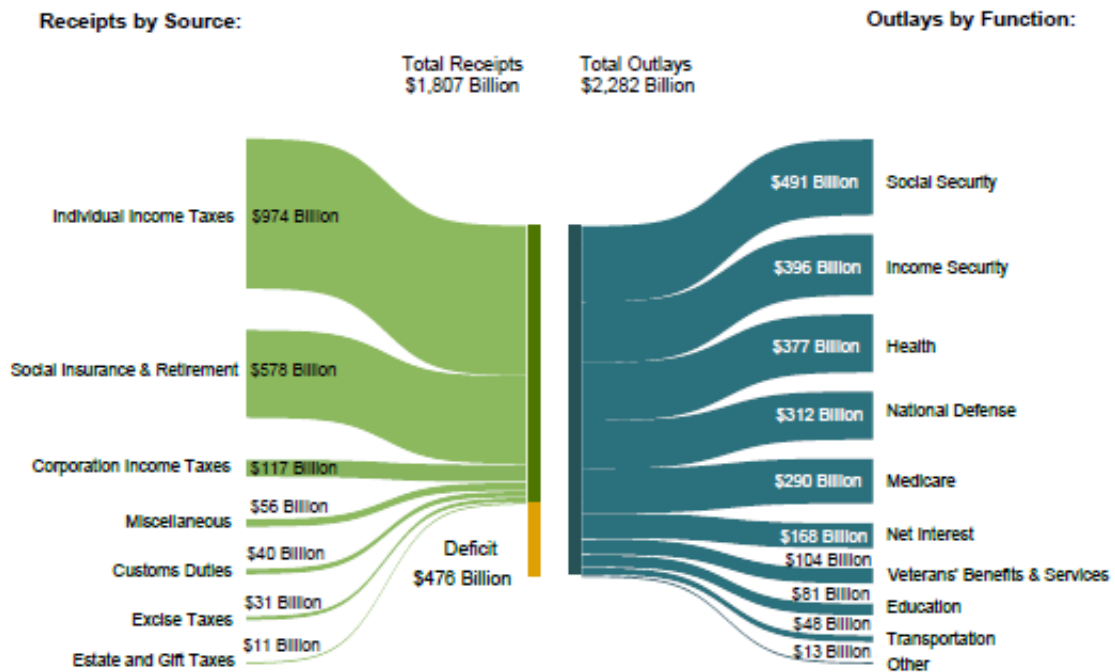
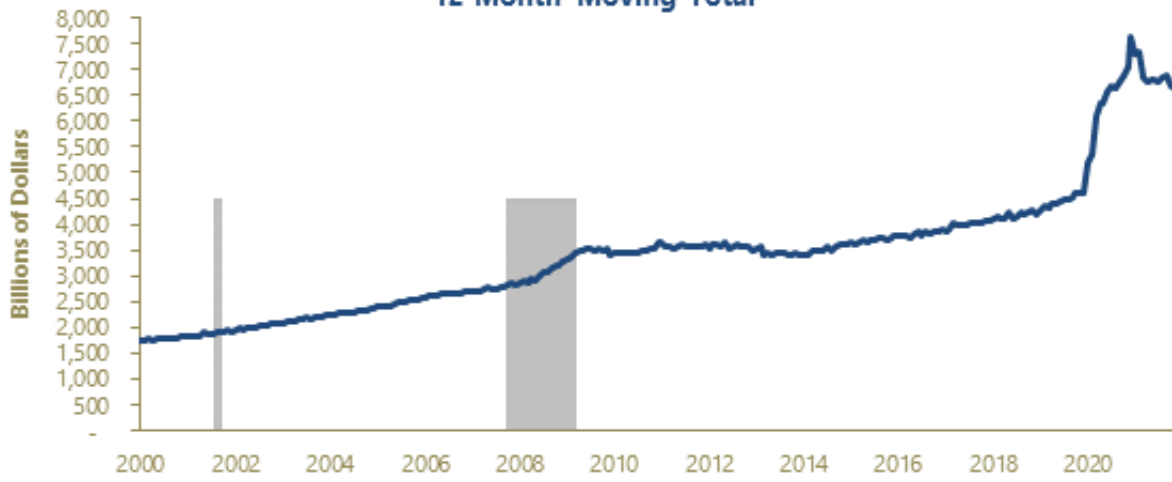


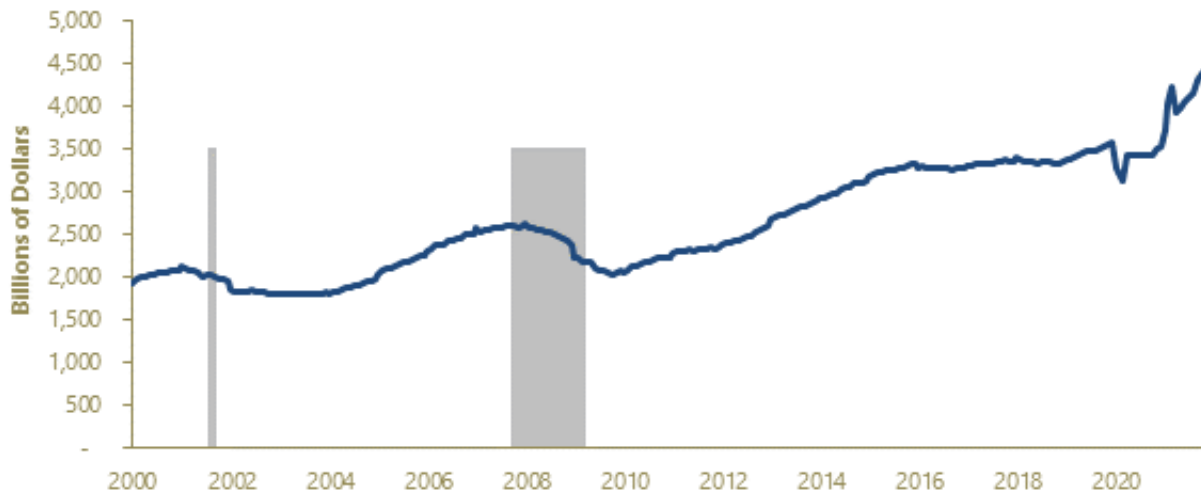
Figure 2. Cumulative Receipts, Outlays, and Surplus/Deficit through Fiscal Year 2022



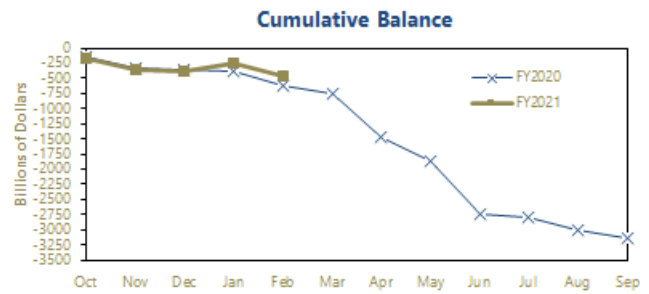
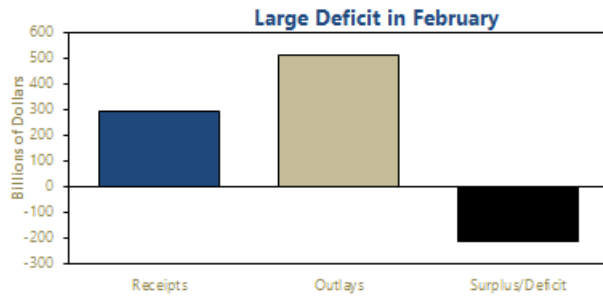
Federal Outlays
12-Month Moving Total



Federal Tax Receipts
12-Month Moving Total



	Billions of Dollars										
	This Year			Year Ago			Fiscal year-to-date		OMB Est.	Actual	
	Feb-22	Jan-22	Dec-21	Feb-21	Jan-21	Dec-20	2022	2021	2022	2021	2020
Surplus (+) or Deficit (-) (change, billions)	-216.6	118.7	-21.3	-310.9	-162.8	-143.6	-475.6 571.1	-1,046.7	-1,836.9 935.3	-2,772.3 359.7	-3,131.9 119.2
Total Receipts (percent change, year-ago)	289.9 16.7	465.1 20.9	486.7 40.6	248.3	384.7	346.1	1,806.8 25.8	1,436.3	4,174.2 3.2	4,046.0 18.3	3,420.0 1.5
Total Outlays (percent change, year-ago)	506.5 -9.4	346.4 -36.7	508.0 3.7	559.2	547.5	489.7	2,282.4 -8.1	2,483.0	6,011.1 -11.8	6,818.2 4.1	6,551.9 3.3



Source: U.S. Treasury via Bloomberg. Our calculations.

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March 10, 2022

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