

The *Analytical Perspectives* volume presents analyses that highlight specific subject areas or provide other significant data that contextualize the President's 2027 Budget and assist the public, policymakers, the media, and researchers in better understanding the Budget's structure, underlying assumptions, and policy implications. This volume complements the main *Budget* volume, which presents the President's Budget policies and priorities, and the *Budget Appendix* volume, which provides appropriations language, schedules for budget expenditure accounts, and schedules for selected receipt accounts.

Presidential budgets have included separate analytical presentations of this kind for many years. The 1947 Budget and subsequent budgets included a separate section entitled *Special Analyses and Tables* that covered four, and later more, topics. For the 1952 Budget, the section was

expanded to 10 analyses, including many subjects still covered today, such as receipts, investment, and credit programs. With the 1967 Budget, this material became a separate volume entitled *Special Analyses*, and included 13 chapters. The material has remained a separate volume since then, with the exception of the Budgets for 1991–1994, when all of the budget material was included in one volume. Beginning with the 1995 Budget, the volume has been named *Analytical Perspectives*.

The *Analytical Perspectives* volume, and some supplemental materials, are available online. Tables included online are indicated using an arrow in the Table of Contents. For technical reasons, the Department of War is referred to as the Department of Defense in some of these online tables.

Overview of the Chapters

Economic Analyses

Economic Assumptions. This chapter reviews recent economic developments; presents the Administration's assessment of the economic situation and outlook; compares the economic assumptions on which the 2027 Budget is based with the assumptions for last year's Budget and those of other forecasters; provides sensitivity estimates for the effects on the Budget of changes in specified economic assumptions; and reviews past errors in economic projections.

Special Analyses and Presentations

Budget Process. This chapter describes the Administration's approach and proposals related to budget enforcement, such as sequestration and Pay-As-You-Go procedures, highlights unique issues in budget presentation, such as the treatment of the Pell Grant program, and discusses suggested reforms in budgeting, including for large Federal capital projects.

Federal Investment. This chapter discusses federally financed spending that yields long-term benefits. It presents information on annual spending on physical capital, research and development, and education and training.

Credit and Insurance. This chapter provides cross-cutting analyses of the roles, risks, and performance of Federal credit and insurance programs and Government-sponsored enterprises (GSEs). The chapter covers the major categories of Federal credit (housing, education, small business and farming, energy and infrastructure,

and international) and insurance programs (deposit insurance, pension guarantees, disaster insurance, and insurance against terrorism-related risks). Five additional tables address transactions including direct loans, guaranteed loans, and GSEs. These tables are available online.

Management Priorities

The Management Chapter discusses how the Budget is aligned with the President's Management Agenda (PMA) and supports the Administration's core management reform objectives and priority goals to drive change across the Federal enterprise by shrinking the Government and eliminating waste, ensuring accountability, rebuilding American industry, and delivering results for the American people. The chapter also includes tables and charts showing Federal workforce data and information about IT and cybersecurity spending. The Management Chapter includes three sections, which are aligned with the PMA's priorities.

Shrink the Government and Eliminate Waste. This section highlights how the Budget reins in Federal spending and shrinks the Government by eliminating woke, weaponized, and wasteful programs and funding, downsizing the Federal workforce, and optimizing Federal real estate. It also includes links to tables and charts showing Federal workforce data.

Ensure Accountability for Americans. This section highlights how the Budget ensures accountability for Americans and supports the Administration's efforts to hold employees, contractors, and grant recipients to the high-

est standards and use data to promote transparency and deliver performance-driven outcomes.

Deliver Results, Buy American. This section highlights how the Budget focuses on eliminating bureaucratic barriers to efficiently deploy the buying power of the Federal Government; maximizing the use of goods, products, and materials produced in the United States; and deploying technology, including the rapid and responsible adoption of artificial intelligence tools, to deliver faster, more secure services. It also includes links to tables and charts with information about information technology (IT) and cybersecurity spending.

Technical Budget Analyses

Budget Concepts. This chapter includes a basic description of the budget process, concepts, laws, and terminology, and includes a glossary of budget terms.

Coverage of the Budget. This chapter describes activities that are included in Budget receipts and outlays (and are therefore classified as “budgetary”) as well as those activities that are not included in the Budget (and are therefore classified as “non-budgetary”). The chapter also defines the terms “on-budget” and “off-budget” and includes illustrative examples.

Governmental Receipts. This chapter presents information on estimates of Governmental receipts, which consist of taxes and other compulsory collections. It includes descriptions of tax-related legislation enacted in the last year and describes proposals affecting receipts in the 2027 Budget.

Offsetting Collections and Offsetting Receipts. This chapter presents information on collections that offset outlays, including collections from transactions with the public and intragovernmental transactions. In addition, this chapter presents information on “user fees,” which are charges associated with market-oriented activities and regulatory fees. Detailed tables of offsetting receipts and offsetting collections in the Budget are available online.

Tax Expenditures. This chapter describes and presents estimates of tax expenditures, which are defined as revenue losses from special exemptions, credits, or other preferences in the tax code.

Federal Borrowing and Debt. This chapter analyzes Federal borrowing and debt and explains the budget estimates. It includes sections on special topics such as trends in debt, debt held by the public net of financial assets and liabilities, investment by Government accounts, and the statutory debt limit.

Current Services Estimates. This chapter discusses the conceptual basis of the Budget’s current services, or “baseline,” estimates, which are generally consistent with the baseline rules in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. The chapter presents estimates of receipts, outlays, and the deficit under this baseline. Supplemental tables addressing factors that affect the baseline and providing details of baseline budget authority and outlays are available online.

Trust Funds and Federal Funds. This chapter provides summary information about the two fund groups in the Budget—trust funds and Federal funds. In addition, it

provides detailed information about income, outgo, and balances for the major trust funds and certain Federal fund programs.

Comparison of Actual to Estimated Totals. This chapter compares the actual receipts, outlays, and deficit for 2025 with the estimates for that year published in the 2025 Budget. 🦋

SUPPLEMENTAL MATERIALS

The following supplemental materials are part of the *Analytical Perspectives* volume online:

Detailed Functional Table

Table 15–1, “Budget Authority and Outlays by Function, Category, and Program,” displays budget authority and outlays for major Federal program categories, organized by budget function (such as healthcare, transportation, or national defense), category, and program.

Federal Budget by Agency and Account

Table 16–1, “Federal Budget by Agency and Account,” displays budget authority and outlays for each account, organized by agency, bureau, fund type, and account.

Federal Drug Control Funding

The Federal Drug Control Funding crosscut displays enacted and proposed drug control funding for Federal Departments and Agencies to implement the President’s National Drug Control Strategy.

Calfed Bay-Delta Program Federal Budget Crosscut

The Calfed Bay-Delta Program interagency budget crosscut report provides an estimate of Federal funding by each of the participating Federal agencies with authority and programmatic responsibility for implementing this program, fulfilling the reporting requirements of section 106(c) of Public Law 108–361.

Columbia River Basin Federal Budget Crosscut

The Columbia River interagency budget crosscut report includes an estimate of Federal funding by each of the participating Federal agencies to carry out restoration activities within the Columbia River Basin, fulfilling the reporting requirements of section 123 of the Clean Water Act (33 U.S.C. 1275).