

**Abstract:** In this paper, I evaluate the efficiency of the Congressional Budget Office's (CBO) budgetary projections and investigate the causes of its inefficiency. Both the efficiencies of the CBO's budgetary and economic projections are strongly rejected, especially for its revenue projections. The comparison of unconditional and conditional forecast evaluations suggests that the inefficiency of the revenue projections is due to the inefficiency of the underlying economic projections. By adjusting the CBO's budgetary projections in real time using the Survey of Professional Forecasters' (SPF) economic forecasts, I find that the accuracy of the projections can be significantly improved in some cases, with the magnitude up to 26% in root-mean-square prediction error.