Constant Dollars (Economics Term)

See under Real Dollar.

Consumer Price Index (CPI) (Economics Term)

A measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services commonly referred to as "inflation." Measures for two population groups are currently published, CPI-U and CPI-W. CPI-U is based on a market basket determined by expenditure patterns of all urban households, while the market basket for CPI-W is determined by expenditure patterns of only urban wage-earner and clerical-worker families. The urban wage-earner and clerical-worker population consists of clerical workers, sales workers, craft workers, operatives, service workers, and laborers. Both indexes are published monthly by the Bureau of Labor Statistics. The CPI is used to adjust for inflation, the income payments of Social Security beneficiaries, and payments made by other programs. In addition, the CPI is used to adjust certain amounts defined by the tax code, such as personal exemptions and the tax brackets.

Contingent Liability

An existing condition, situation, or set of circumstances that poses the possibility of a loss to an agency that will ultimately be resolved when one or more events occur or fail to occur. Contingent liabilities may lead to outlays. Contingent liabilities may arise, for example, with respect to unadjudicated claims, assessments, loan guarantee programs, and federal insurance programs. Contingent liabilities are normally not covered by budget authority in advance. However, credit reform changed the normal budgetary treatment of loans and loan guarantees by establishing that for most programs, loan guarantee commitments cannot be made unless Congress has made appropriations of budget authority to cover the credit subsidy cost in advance in annual appropriations acts. (*See also* Credit Subsidy Cost *under* Federal Credit; Liability.)

Continuing Appropriation/Continuing Resolution (often referred to simply as "CR")

An appropriation act that provides budget authority for federal agencies, specific activities, or both to continue in operation when Congress and the President have not completed action on the regular appropriation acts by the beginning of the fiscal year. Enacted in the form of a joint resolution, a continuing resolution is passed by both houses of Congress and signed into law by the President. A continuing resolution may be enacted for the full year, up to a specified date, or until regular appropriations are enacted. A continuing resolution usually specifies a maximum rate at which the obligations may be incurred based on levels specified in the resolution. For example, the resolution may state that obligations may not exceed the current rate or must be the lower of the amounts provided in the appropriation bills passed in the House or Senate. If enacted to cover the entire fiscal year, the resolution will usually specify amounts provided for each appropriation account. (*See also* Appropriation Act; Current Rate; Joint Resolution; Seasonal Rate; Supplemental Appropriation.)

Cost

The price or cash value of the resources used to produce a program, project, or activity. This term is used in many different contexts. When used in connection with federal credit programs, the term means the estimated long-term cost to the government of a direct loan or loan guarantee, calculated on a net present value basis over the life of the loan, excluding administrative costs and any incidental effects on governmental receipts or outlays. (*See also* Credit Subsidy Cost *under* Federal Credit; Expense.)

For federal proprietary accounting, the monetary value of resources used or sacrificed or the liabilities incurred to achieve an objective.

In economic terms, it is a measure of what must be given up in order to obtain something, whether by purchase, exchange, or production. Economists generally use the concept of opportunity cost, which is the value of all of the things that must be forgone or given up in obtaining something. The opportunity cost measure may, but will not always, equal the money outlays used to measure accounting costs. Economists sometimes distinguish between the private costs of a good or activity to the consumer or producer and the social costs imposed on the community as a whole.

Cost-Benefit Analysis (Economics Term)

An analytic technique that compares the costs and benefits of investments, programs, or policy actions in order to determine which alternative or alternatives maximize net benefits (economic efficiency). Cost-benefit analysis attempts to consider all costs