CHAIR JODEY ARRINGTON

HOUSE BUDGET COMMITTEE

Bureau of Labor Statistics:
CPI Inflation at 3.4 Percent in April

WASHINGTON, D.C. – Today, House Budget Committee Chairman Jodey Arrington (R-TX) released the following statement after the Consumer Price Index (CPI) **report** for April showed that inflation increased by 0.3 percent, with year over year inflation at 3.4 percent. **Since President Biden took office, prices have increased by a total of 19.3 percent.**

Chairman Arrington on Today's Inflation Report

Chairman Arrington on today's inflation report:

"The trend of rising monthly prices and high yearly inflation is very concerning, especially coupled with recent high interest rates and poor first quarter economic output.

This report confirms that the grip of inflation won't loosen anytime soon, even after 11 interest rate increases since March 2022.

The massive amount of federal spending by President Biden and Democrats has made this inflationary fire storm difficult to contain."

Why inflation is returning

Our descent into four-decade high inflation began with an unprecedented **surge in federal deficit spending** during the pandemic.

To accommodate this, the Federal Reserve (Fed) printed money and cut interest rates. The Fed and the Biden Administration continued pumping money into the economy, beginning with the American Rescue Plan (ARP). The remainder of President Biden's economic policies didn't help either, particularly his **regulatory onslaught** and attempts to cripple **American energy**.

As a result, inflation rose from **1.7 percent** before the ARP to a high of **9.0 percent in 2022** – the highest level in over 40 years.

Because of this, the Fed raised interest rates which caused inflation to decline. However, since the Fed stopped raising rates in the middle of 2023, progress on inflation has stalled.

The problem is that **the government hasn't done its part** in the equation; **debt and deficits continue to run wild**. This has left the Fed to choose between fighting inflation or keeping the government's finances manageable.

But the Fed's concerns aren't just fiscal. It also must consider the other half of its dual mandate: **maximum employment**. Raising interest rates too high may risk pushing the economy into a recession, which would cost jobs and harm the federal budget.

The Bottom Line

Since President Biden took office, prices have increased by a total of 19.3 percent. This means that the average family of four is paying **an additional $17,080 per year or $1,423 per month to purchase the same goods and services**.

Ending our inflation crisis will require a joint effort between fiscal and monetary policymakers. **Additional work will be needed from the Fed, while Congress and the White House must do their part to rein in out-of-control deficits and debt**.

House Budget Republicans are ready. That's why we've passed our FY25 "Reverse the Curse" blueprint that **balances the budget in 10 years and reduces deficits by $14 trillion over the next decade**.