



CHAIR JODEY ARRINGTON

# HOUSE BUDGET COMMITTEE

## Economy Continues to Struggle: *Fed Makes No Change to Interest Rates*

WASHINGTON, D.C. – Today, the [Federal Open Market Committee](#) (FOMC), the Federal Reserve’s (Fed) committee that decides the future path of interest rates, announced that there will be no immediate change to interest rates. Falling workforce participation, worsening consumer confidence, and doubts about future economic growth all paint a bleak picture for our nation’s fiscal health. The Fed has indicated it won’t begin cutting interest rates until inflation is trending down toward the target of 2 percent. The fact is, Bidenomics continues to hurt our economy and prevent growth.

### CHAIRMAN ARRINGTON ON OUR CURRENT ECONOMIC STATE

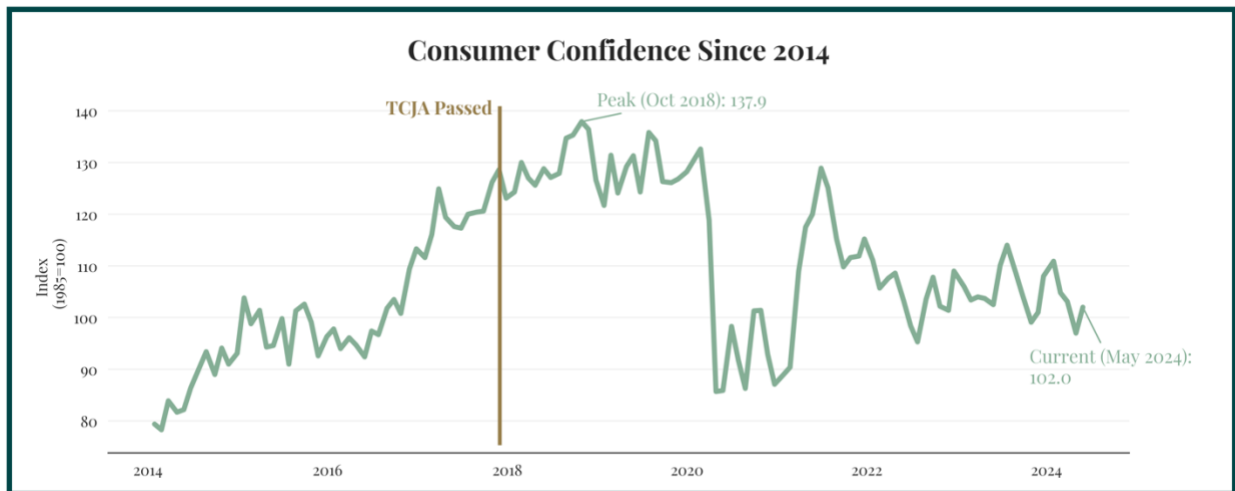
**House Budget Committee Chairman Jodey Arrington (R-TX) released the following statement on our current economic state:**

*“It’s no surprise the Federal Reserve is keeping interest rates at the same level. Democrats’ reckless spending and Biden’s failed economic policies have created a catch-22 for our nation and put the central bank in a bind. Inflation remains stubbornly high, making it difficult to reduce interest rates. On the other hand, current rates are dampening economic growth and causing our interest expenses to skyrocket.*

*This problem points back to this Administration’s policies of reckless spending and exorbitant taxes. We need to reverse course and put America back on a sound fiscal path.”*



## ECONOMIC STATE OF PLAY



In May, consumers' perceived likelihood of a recession over the next 12 months **rose for the second consecutive month.**

The report showed that while the overall confidence rose, for the fourth straight month, the Expectations Index—based on consumers' short-term outlook for income, business, and labor market conditions - **was below 80, the level that suggests a recession is ahead.**

Consumer confidence peaked in October, 2018, at a rate of 137.9. Inflation was at a year-over-year rate of **2.5 percent.** Now, Consumer confidence has dipped to a rate of 102.0. Inflation is sitting at a year-over-year rate of **3.3. percent.**

In Q4 of 2018, when consumer confidence was at a high point, debt to GDP was **105 percent.** Today, debt to GDP is **122 percent.**

Since President Biden took office, prices have risen by a staggering **19.3 percent,** while families have had to spend more than **\$17,000 per year** to maintain the same standard of living they could afford prior to President Biden's leadership.

GDP growth limped in at a meager **1.3 percent** for Q1 of 2024. This was well below estimates from market watchers, with outside experts forecasting growth as high as **2.9 percent.** **Under the Biden Administration, unbridled spending**



**and failed economic policies have created these slow growth conditions.**

The House Budget Committee is **Sounding the Alarm** on the dire economic indicators emerging under the current Administration, which starkly illustrate the failure of its fiscal policies. The trends in **falling consumer confidence, shrinking workforce participation, and doubts about future economic growth** signal a clear mismanagement of our country's fiscal trajectory.

## MORE ON THE ECONOMY FROM THE HOUSE BUDGET COMMITTEE

***Read*** Chairman Arrington's statement on the CPI inflation report for May **[HERE](#)**.

***Read*** Chairman Arrington's statement on consumer's fears of a recession rising **[HERE](#)**.

***Read*** Chairman Arrington's statement on the labor force participation rate dropping in May **[HERE](#)**.

***Read*** Chairman Arrington's statement on GDP rising by on 1.3 percent for Q1 of 2024 **[HERE](#)**.

