



CHAIR JODEY ARRINGTON

HOUSE BUDGET COMMITTEE

Chairman Arrington: Fiscal State of Federal Government Heads Toward Crisis

WASHINGTON, D.C. – Today, Chairman Jodey Arrington (R-TX) released the following statement in response to the Federal Reserve (Fed)’s [decision on the federal funds rate](#) and its updated forecast for interest rates and economic activity.

Elevated interest rates, set by the Fed, have been exacerbating America’s already dire economic situation and [piling on to our out-of-control federal debt](#). Due to higher [interest rates](#), as well as an elevated debt profile due to run-away spending, federal government spending on [interest costs](#) reached \$659 billion in 2023, over 14 percent of revenues and effectively double the amount paid in 2021.

*“While the Fed’s outlook on inflation is slowly improving, it is little consolation to American families that continue to reel from the pain of Bidenflation, which has caused prices to increase by 17.2 percent in just under three years. The average family of four is paying an extra **\$15,222 per year, or \$1,268 per month**, to purchase the same goods and services as they did before Biden took office—that is not what beating inflation looks like. Even if inflation continues to slow, that will do nothing to return the purchasing power that has already been stolen from Americans so far.”*

Background:

Since January 2021, prices have increased 17.2 percent.

- The average family of four is paying \$15,222 per year or \$1,268 per month to purchase the same goods and services as in January 2021.

Relative to when President Biden took office in January 2021, real earnings are down 4.4 percent.

Under President Biden, workers have lost an average of \$6,000 in real wages.

Due to [Biden’s cost-of-living crisis](#) and sky-high interest rates, household debt continues to rise:

- Between the 2nd and 3rd quarters of this year, household debt increased \$228 billion to \$17.29 trillion, and credit card debt rose by \$48 billion to \$1.08 trillion, both all-time highs.
- Monthly mortgage payments for the average home in the U.S. are double what they were relative to when President Biden took office when accounting for both inflation and higher mortgage rates.

The gross federal debt has ballooned to almost \$34 trillion, over \$250,000 per household in the U.S.

During the most recent fiscal year, the government spent \$659 billion on net interest costs.

Over the upcoming decade, we are projected to spend \$10.6 trillion on financing the debt alone.