



CHAIR JODEY ARRINGTON

HOUSE BUDGET COMMITTEE

Op-Ed, The Washington Examiner: Unleash Economic Growth By Reining In Washington Spending

WASHINGTON, D.C. – Yesterday, House Budget Committee Chairman Jodey Arrington (R-TX) penned an [Op-Ed](#) in the *Washington Examiner* sounding the alarm on the federal government’s unbridled spending habits and the need to restore fiscal responsibility in Washington.

CHAIRMAN ARRINGTON IN THE WASHINGTON EXAMINER

Via the [Washington Examiner](#):

*“The Democrats’ spending spree in Washington during 2021 and 2022 sparked countless economic problems. **Runaway government spending drove skyrocketing prices, draining household savings, eroding purchasing power, and stretching family budgets to their breaking point.** As inflation surged, it deepened economic uncertainty and hardship for people across the United States.*

*In response, the Federal Reserve stepped in, raising interest rates aggressively — **11 times in just a year and a half** — in order to extinguish the flames of inflation. While these rate hikes were necessary, they have come at a considerable cost: higher mortgage rates, more expensive credit card debt, and increased loan payments. The resulting higher borrowing costs have also **stalled business investment and slowed job growth.** On top of that, exploding interest expenses have been a wrecking ball on the federal budget. According to the Congressional Budget Office, since President Joe Biden took office, inflation-induced interest rate hikes have increased future interest*



costs on the national debt by **\$4.8 trillion over 10 years.**

The American people's current economic pain is a direct consequence of the **\$8.3 trillion in Democratic deficit spending in just the last four years.** The result of this profligate spending is clear: inflation, stagnation, and a diminished standard of living for far too many people.

However, there is a better path forward, and people have made it clear they want change. In the wake of the 2024 election, Republicans have been entrusted with the responsibility to right the ship before it sinks.

If Democratic spending triggered record inflation, interest rate hikes, and economic malaise, then reining in wasteful government spending is the first step to stabilizing prices, spurring economic growth, and unlocking opportunity and future prosperity for all Americans. **Republicans now have a historic opportunity to reverse the recent fiscal disaster by reducing spending in the budget process.** Doing so would not only lighten the debt load being heaped on our children but also yield broad economic benefits for our entire country.

Here's how cutting spending can help: First, reducing federal expenditures will lower future deficits, which will be welcome news to the bond market. As the demand for government borrowing subsides, **long-term interest rates will drop, making mortgages more affordable, easing consumer debt burdens, and stimulating the housing market.** Under the Biden administration, **mortgage rates have increased by more than 150%.** Restoring affordable mortgage rates is essential to making home ownership affordable again.

Second, reducing government borrowing will lower the interest payments the U.S. makes on its ballooning debt. Last year, **interest payments were \$892 billion, more than the U.S. spent on national defense or Medicare.** Within three decades, **34% of all federal revenues will be dedicated just to paying interest on the debt.** Redirecting that money toward national priorities and private investment is vital for both economic vitality and national security. CBO estimates each 10-percentage-point change in the federal government's debt-to-gross domestic product ratio causes a quarter-point change in



interest rates on the debt, which is **more than \$70 billion annually** at current debt levels.

Third, reducing Washington's appetite for borrowing will free up capital for private investment. As the national debt burden decreases, more resources will flow into new businesses, infrastructure projects, and job creation, ultimately strengthening our economy and raising wages for hardworking Americans. According to CBO projections, stabilizing the federal debt burden (measured as a percent of GDP) would lead to a **tenth of a percent higher annual average economic growth**. This adds up over time, such that in three decades, **real per-capita income would be \$5,500 higher compared to the current unsustainable fiscal path**.

Finally, according to CBO's projections, the federal debt will grow faster than the economy in perpetuity. This is unsustainable. **Either Congress will put the federal budget on a sustainable course, or the U.S. will experience a catastrophic and possibly irreparable financial disaster**. According to CBO, the current debt path increases 'the risk of a fiscal crisis — that is, a situation in which the interest rate on federal debt rises abruptly because investors have lost confidence in the U.S. government's fiscal position.'

We have a generational opportunity to get our fiscal house in order, stave off a sovereign debt crisis, and revitalize the U.S. economy by curbing Washington's out-of-control spending. Under the leadership of President-elect Donald Trump and new Republican majorities in Congress, we must rein in government spending and unleash the full potential of American prosperity. We cannot afford to squander this chance.

THE BOTTOM LINE

Democrats' inflationary policies forced the Federal Reserve to tighten monetary policy, pushing interest rates to their highest level in 23 years. The federal government's unprecedented spending has put America on an unsustainable fiscal trajectory that must be reversed immediately.



House Budget Committee Republicans look forward to working with the Trump Administration to advance meaningful fiscal reform, a task the American people trust us with.

MORE FROM THE HOUSE BUDGET COMMITTEE

Read Chairman Arrington’s statement on October’s PCE Inflation report [HERE](#).

Read Chairman Arrington’s statement on November’s consumer confidence report [HERE](#).

Watch Chairman Arrington’s opening remarks at the hearing entitled “*Sounding the Alarm: Pathways and Possible Solutions to the U.S. Fiscal Crisis*” [HERE](#).

