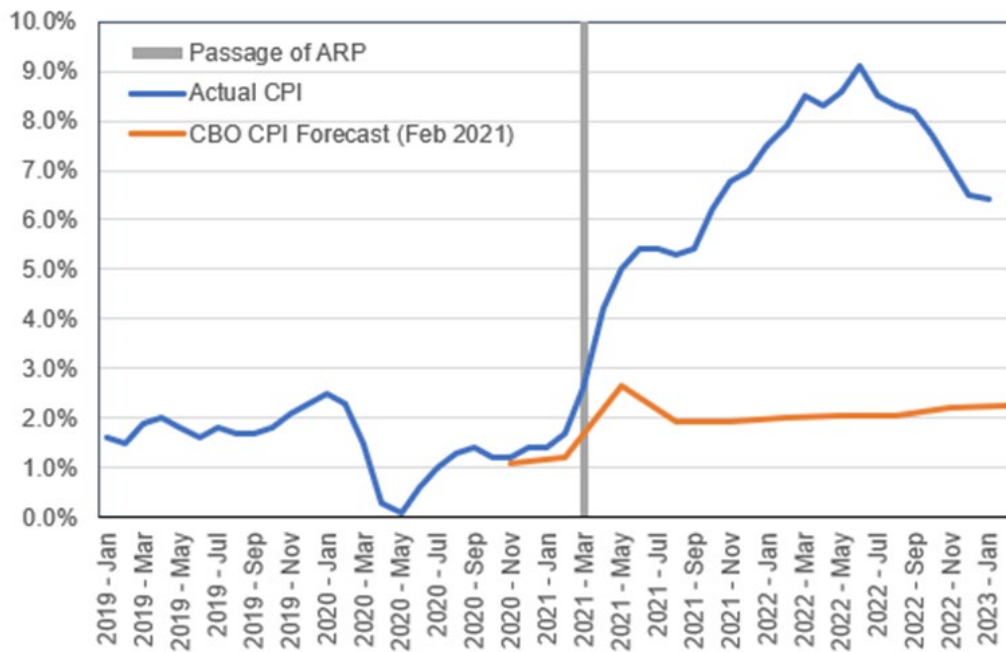


The *BASELINE* and INTEREST COSTS

The House Budget Committee’s [FY 2024- FY 2033 “Reverse the Curse” Budget Resolution Blueprint](#), and economic experts alike, [correctly attribute](#) the enactment of the partisan, Democrat-led American Rescue Plan to the corresponding surge of record 40-year high inflation rates and the subsequent federal interest rate hikes.

CPI (YoY) vs CBO Pre-ARP Forecast



Since then, interest costs have soared to \$659 billion in fiscal year 2023, according to the Treasury Department—up \$184 billion, or 39% increase—from the previous year.

Projected, Net Interest Costs

The Congressional Budget Office’s (CBO) February 2024 baseline projects net interest costs in FY24 to be **\$870 billion**.

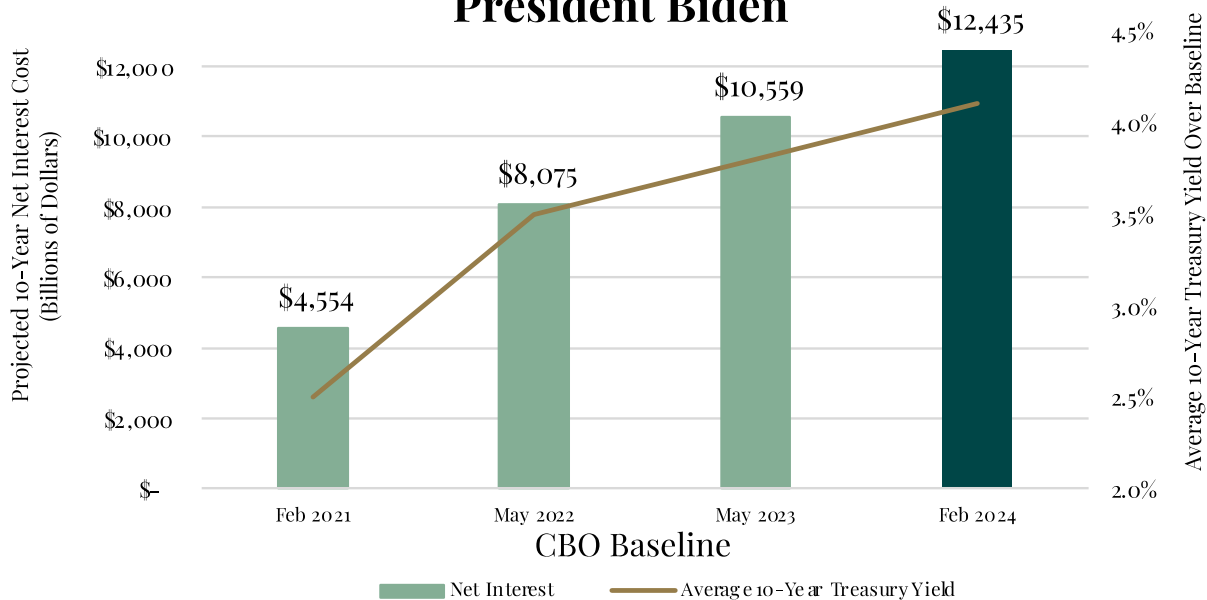
- Net interest costs will subsequently **increase to \$951 billion in FY25** and balloon up to **\$1.6 trillion by FY34**.

Over the 2025-2034 budget window, cumulative interest costs are projected to reach a staggering **\$12.4 trillion**.

- By comparison, CBO projected 10-year interest costs were **\$4.5 trillion** when President Biden took office *in January 2021*.

Government Projected To Pay Over \$12 Trillion On Interest

Interest Costs Have Almost Tripled Under President Biden



Projected Interest Rates

The 10-year yield on Treasuries is **projected to be 4.6 percent in 2024**.

- Over the next decade, CBO projects the yield on 10-year Treasuries to **average 4.1 percent**.
- The projected yield on 10-year Treasuries when President Biden took office was merely 1.8 percent in 2024, with an **average of 2.5 percent** over the budgetary window.

The federal funds rate is now projected to **average 5.1 percent in 2024**.

- Projections for the federal funds rate are estimated to **average 3.1 percent** over the next decade
- When President Biden assumed office, the projected federal funds rate was only 0.2 percent in 2024, with an **average of 1.2 percent** projected over CBO's budget window.