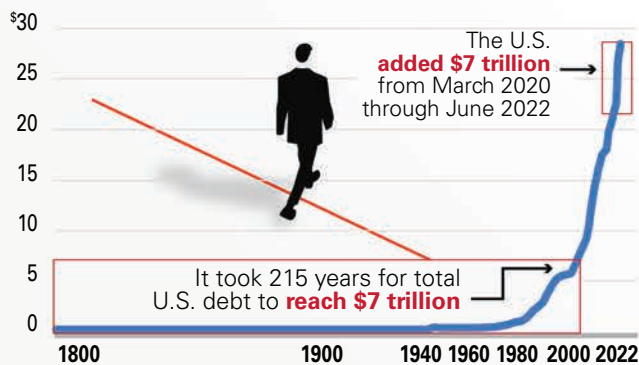


The U.S. economy in **8 charts**

The pandemic unleashed unprecedented federal fiscal and monetary actions “investing” trillions of dollars. This opportunistic spending spree left the U.S. with a weakened economy, inflation and a looming debt crisis. Congress must return to responsible governance for America to avoid further economic instability.

The staggering pace of new debt

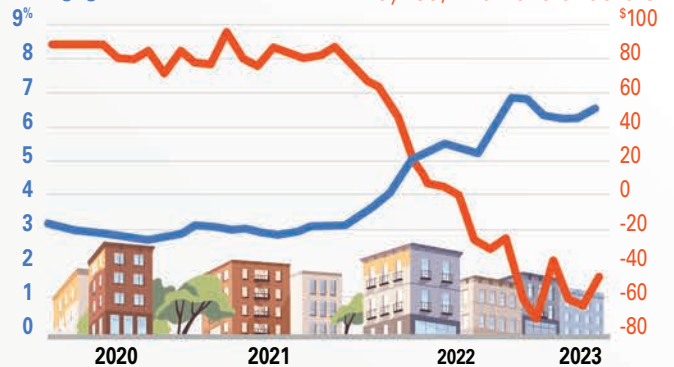
total outstanding debt, in trillions of dollars



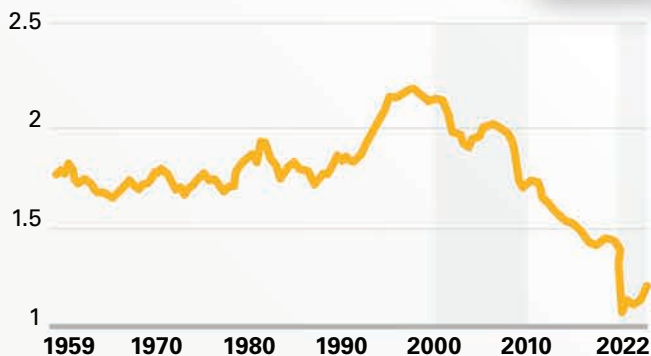
Mortgage rates v debt held by Fed

mortgage rates

changes in federal debt held by fed, in billions of dollars

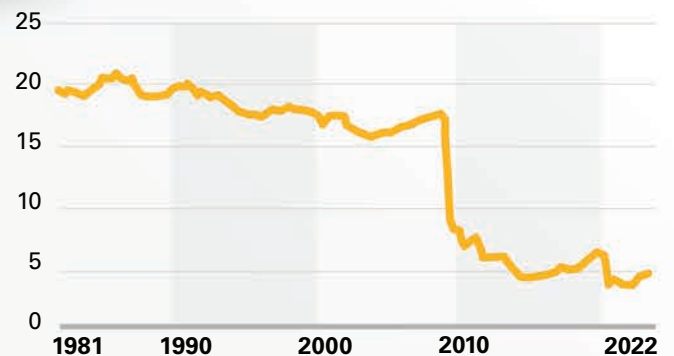


velocity of M2



Money velocity

velocity of the monetary base



How an unprecedented federal spending spree created economic turmoil

When a household/private firm borrows money, it does so with the promise to pay the obligation back from earnings. However, when a government borrows, it does so with the promise of either taxing households/firms in the future or creating new money to pay back its loans.



Congress used COVID to enact an **unprecedented number of new programs** without concern for the fiscal ramifications.



The spending spree from March 2020 to December 2022 led to the **worst wave of inflation since the 1970s** fostering labor and materials shortages.

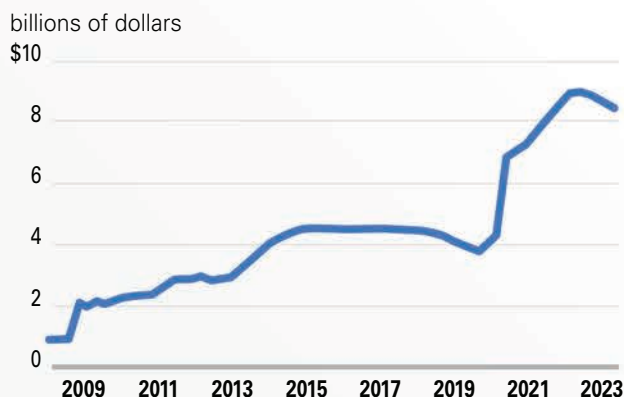


Despite negative economic consequences of overspending, Congress passed three pieces of legislation that increased federal spending by **hundreds of billions of dollars each**.

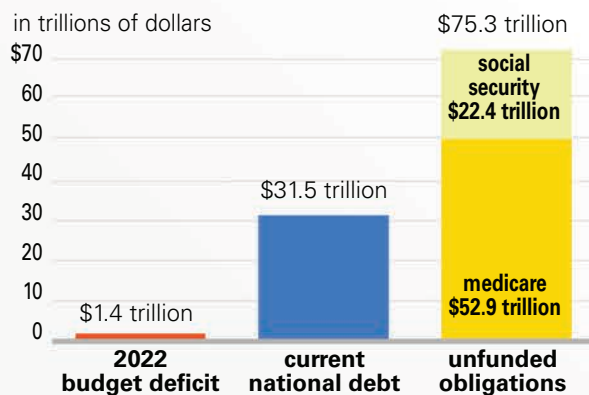


To repair this fiscal and economic damage, and to avoid further economic distress, **Congress must return to responsible governance.**

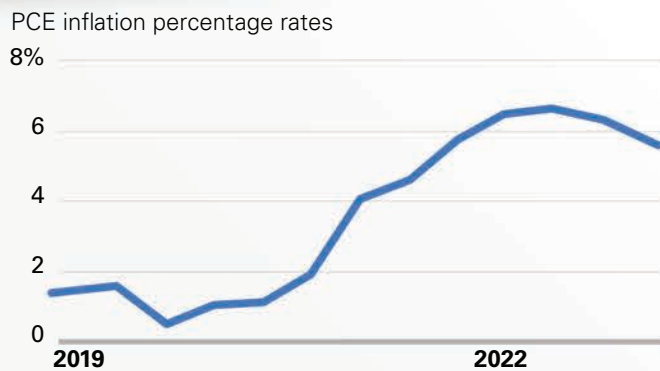
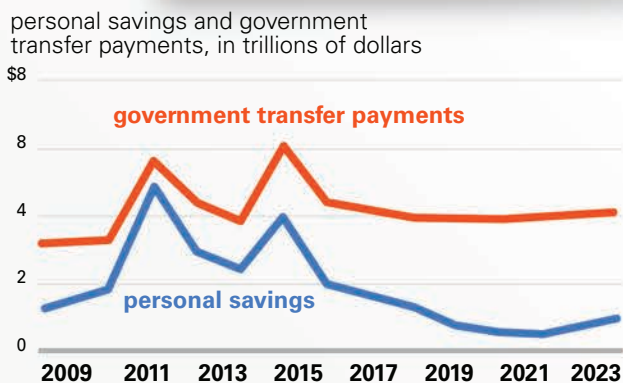
Assets of the Federal Reserve



Three layers of massive debt



Inflation on the rise compared to savings and transfer payments



SOURCE: THE ROAD TO INFLATION: HOW AN UNPRECEDENTED FEDERAL SPENDING SPREE CREATED ECONOMIC TURMOIL BY DAVID DITCH AND RICHARD STERN, HERITAGE FOUNDATION; CBO, "THE BUDGET AND ECONOMIC OUTLOOK: 2023 TO 2033," FEDERAL RESERVE BANK OF ST. LOUIS, FEDERAL RESERVE ECONOMIC DATABASE; 30-YEAR FIXED RATE MORTGAGE AVERAGE IN THE U.S.; ASSETS: SECURITIES HELD OUTRIGHT; U.S. TREASURY SECURITIES; GROSS DOMESTIC PRODUCT/MONETARY BASE; TOTAL; 1,000; VELOCITY OF M2 MONEY STOCK; SOCIAL SECURITY INCLUDES OLD AGE AND SURVIVORS INSURANCE, DISABILITY INSURANCE; U.S. DEPT. OF THE TREASURY; DEBT TO THE PENNY, SOCIAL SECURITY ADMIN., THE 2023 OASDI TRUSTEES REPORT, MARCH 2023; TOTAL ASSETS; PERSONAL CONSUMPTION EXPENDITURES; CHAIN-TYPE PRICE INDEX; GOVERNMENT CURRENT TRANSFER PAYMENTS