

The Cost of...Bidenomics MAKING HOMES AND AUTOS UNAFFORDABLE

The Cost Of... breaks down the budgetary impact of what's driving our political discourse, giving context and analysis of its impact on our exploding national debt, which exceeds \$33 trillion.

A subset of this series, the *Cost of... Bidenomics*, focuses on the fiscal and economic consequences of President Biden's economic policies. This document details how Bidenomics has made homes and autos unaffordable.

PRESENTING THE PROBLEM

Since taking office, President Biden has undertaken a sweeping agenda geared toward expanding the federal government, emboldening career bureaucrats, and enticing Americans into government dependence. His rampant deficit spending has led to skyrocketing inflation, lowering the standard of living for Americans and robbing them of their savings.

These inflationary pressures have caused [interest rates](#) to surge, through both the market's response and actions by the Federal Reserve – which continues its slow retreat from overly-loose monetary policy. Thanks to Bidenomics, two of the largest expenditures for American families – buying a home and car – have become dramatically more expensive.

In rhetoric, Bidenomics is growing the economy from “[the middle out and the bottom up](#).” In reality it is an agenda bent on turning the American Dream into an American nightmare.

COUNTING THE COST

Making Homes and Autos Unaffordable:

The average rate on a new 30-year [fixed mortgage](#) has increased from 2.7 percent when Biden took office to 7.6 percent.

- **Median mortgage payments** on newly purchased homes are up almost [100 percent](#), due to both inflation and higher interest rates.
- As a result, new homeowners are **paying an additional \$14,418 per year or \$1,201 per month** for owning a home.
- Over the life of a mortgage, new homeowners can expect to pay **\$521,423 in interest costs** for a median home **compared to just \$141,364** in interest costs for a median home when President Biden took office.



Since President Biden took office, the average interest rate on a 72-month [new car loan](#) has increased from 4.9 percent to 8.1 percent.

- **New car loan payments** are up 27.2 percent – costing Americans an additional \$2,010 per year or \$167 per month – as a result of inflation and higher interest rates.
- Over the life of a new car loan, drivers can expect to pay **\$8,262 in interest costs** for the average new vehicle **compared to just \$4,288** when President Biden took office.

