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Office of the Governor

April 11, 2024

President Joseph R. Biden, Jr.
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mr. President,

Here in Nevada, we are now at a stage where the housing shortage and inflation are tearing at the very fabric of our state. Just yesterday, the U.S. Bureau of Labor Statistics released the March Consumer Price Index, which showed that consumer prices spiked 3.5 percent over March 2023¹ – this is unsustainable. Your administration must halt excessive federal spending to curb future inflation, which will lead to irreversible calamity not only in Nevada but across the nation.

Since taking office, you have claimed progress on inflation, yet we are far from reaching a 2 percent inflation target.² Achieving this target would trigger interest rate reductions, which would enable Americans to invest in their future, by purchasing a home, saving for college, or planning for retirement.

Since January 2021, prices have risen 19.4 percent.³ This rampant inflation has eaten into the wages of working people, decreasing real average weekly earnings by 3.9 percent.⁴ Every day, I hear from Nevadans who are suffering under the weight of this increased financial burden. They feel it every time they pay their bills, fill their gas tank, purchase groceries, search for a home, and more. Only a few years ago, these essential purchases would have been within their means. You continue to promote policies at the expense of Nevadans and the nation, rather than drive meaningful policy to combat inflation.

On March 11, you released your Fiscal Year (FY) 2025 Budget Request, which totals \$7.3 trillion in federal spending, an increase of \$300 billion over your FY 2024 Budget Request. The Congressional Budget Office estimates the United States will generate roughly \$5 trillion in revenue in FY 2025 – meaning your requested budget would result in a more than \$2 trillion deficit.⁵ As a nation, we must do better. Inflation cannot be stabilized with this level of irresponsible spending.

A particularly acute concern to Nevadans is the housing market, which is reeling from the combined effects of high inflation and interest rates. Nevadans need more accessible housing, but the rising costs of materials and labor and high interest rates are creating a barrier for Nevadans to achieve their dream of owning a home.

¹ <https://www.cnbc.com/2024/04/10/cpi-inflation-march-2024-consumer-prices-rose-3point5percent-from-a-year-ago-in-march.html>

² https://www.federalreserve.gov/faqs/economy_14400.htm

³ <https://data.bls.gov/timeseries/CUUR0000SA0>

⁴ <https://data.bls.gov/timeseries/CES0500000012>

⁵ https://www.cbo.gov/publication/58946#_idTextAnchor004



According to statistics from the Federal Reserve of St. Louis, the median home price in Las Vegas was \$342,995 when you took office in 2021. Yet by January 2024, that price had reached \$460,000. Utilizing a 3.5% down payment through a Federal Housing Administration (FHA) loan (principal/interest only) in January 2021, the monthly payment on a median home would have been \$1,363.00 at the market interest rate of 2.82%. Today, that same median home would be \$2,808.00 per month at the market interest rate of 6.51% – which is over double the monthly cost to Nevada families.⁶ Moreover, it is estimated that Nevadans now need to make at least \$111,557 to afford the monthly mortgage payment for the median home.⁷

In order to combat this extreme increase in housing costs, I wrote to you last month requesting that you to take swift action to make more federal lands available for housing development, so that Nevada can increase its inventory and address shortages to ultimately drive down costs.

We must remember the impact short sighted policies and excessive spending have on all Americans and must all practice restraint, so the American Dream doesn't become unattainable for hard-working families. Mr. President, it is time for your administration to embrace free market principles that rely upon supply and demand and rein in excessive federal spending that is hurting Nevada families.

Sincerely,



Joe Lombardo
Governor

⁶ <https://fred.stlouisfed.org/series/MEDLISPRI29820>

⁷ <https://www.reviewjournal.com/business/housing/can-you-afford-a-mortgage-in-nevada-heres-how-much-you-need-to-make-3028464/>