

White Paper #4

Who Do We Work For?

By

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It has been a cool summer weather-wise in Michigan, but temperatures and tempers were high in the town halls across the state and around the country. Concerned citizens discussed the condition of the U.S. economy; proposed increases in the size, scope and role of government relative to the economy; as well as the means by which Americans will ultimately pay for expanded government.

As of September 13, 2009, the U.S. national debt was just over \$11.8 trillion and climbing. In Washington, the administration, and much of the U.S. Congress, is trying to finalize “Cap and Trade” legislation designed to reduce carbon emissions and global warming. While polls show that most Americans support legislation that will secure a cleaner and more vibrant economy, many Americans, and multiple think tanks, question the value proposition of “Cap and Trade”. A study produced by The Heritage Foundation projects that “Cap and Trade” legislation would reduce U.S. GDP growth by \$9.4 trillion between now and 2035, drive up U.S. consumers’ energy costs an additional 40-90% above normal market

projections by 2035, and result in more than 2 million jobs lost -- all for an estimated reduction in global warming of 2/10th of a degree by 2100. Were concerned citizens simply saying no to the environment or were they asking for a more rational value proposition when voicing concerns at recent town hall meetings?

In addition to Cap and Trade, the administration and many in Congress are pushing for massive health care “reform” of a size and scope not yet defined. No one, not even members of Congress, is sure what health care “reform” will look like in terms of coverage or what it will cost (estimates range from budget neutral to more than \$1 trillion dollars) over the next 10 years. We know that programs like Cap and Trade, health care reform, and recent projected increases in general federal government spending could result in the U.S. national debt climbing above \$20 trillion by the year 2020 or before. Many Americans are uneasy with government (both parties) because they fear the unknown regarding their health care today versus what it may or may not be tomorrow, they are uneasy about the growth in government which has been problematic for decades now, and the ballooning deficit which casts an ominous shadow over their future and that of their children and grandchildren.

According to the Washington, D.C. based Tax Foundation , this year the average American worked 103 days, or until April 13th, to pay their share of local, state and federal taxes. This year, based on data from the U.S. Congressional Budget Office (CBO), the average American worked 160 days, or until June 9th, to pay their share of local, state and federal government spending. Finally, the Center for Fiscal Accountability concluded that the average American worked 225 days, or until August 13, 2009 to pay for the total cost of government, which includes higher prices on goods, services and assets due to local, state and federal regulatory costs, as well as government spending at all levels.

Perhaps it is the realization that we worked 57 extra days this year because government could not keep spending in line with tax revenue that has caused much of the anger. Or that we worked an additional 65 days to cover the cost of regulation at all levels? Could the cause of much of the discontent be the fact that average Americans will work roughly 7 ½ months paying for government at all levels and only 4 ½ months for themselves in 2009 ? Or maybe, just maybe, it is the realization that by 2020 we could be working into September or October to cover the cost of government if real reform is not realized soon. No rational person would argue that we do not need government, however, many rational people

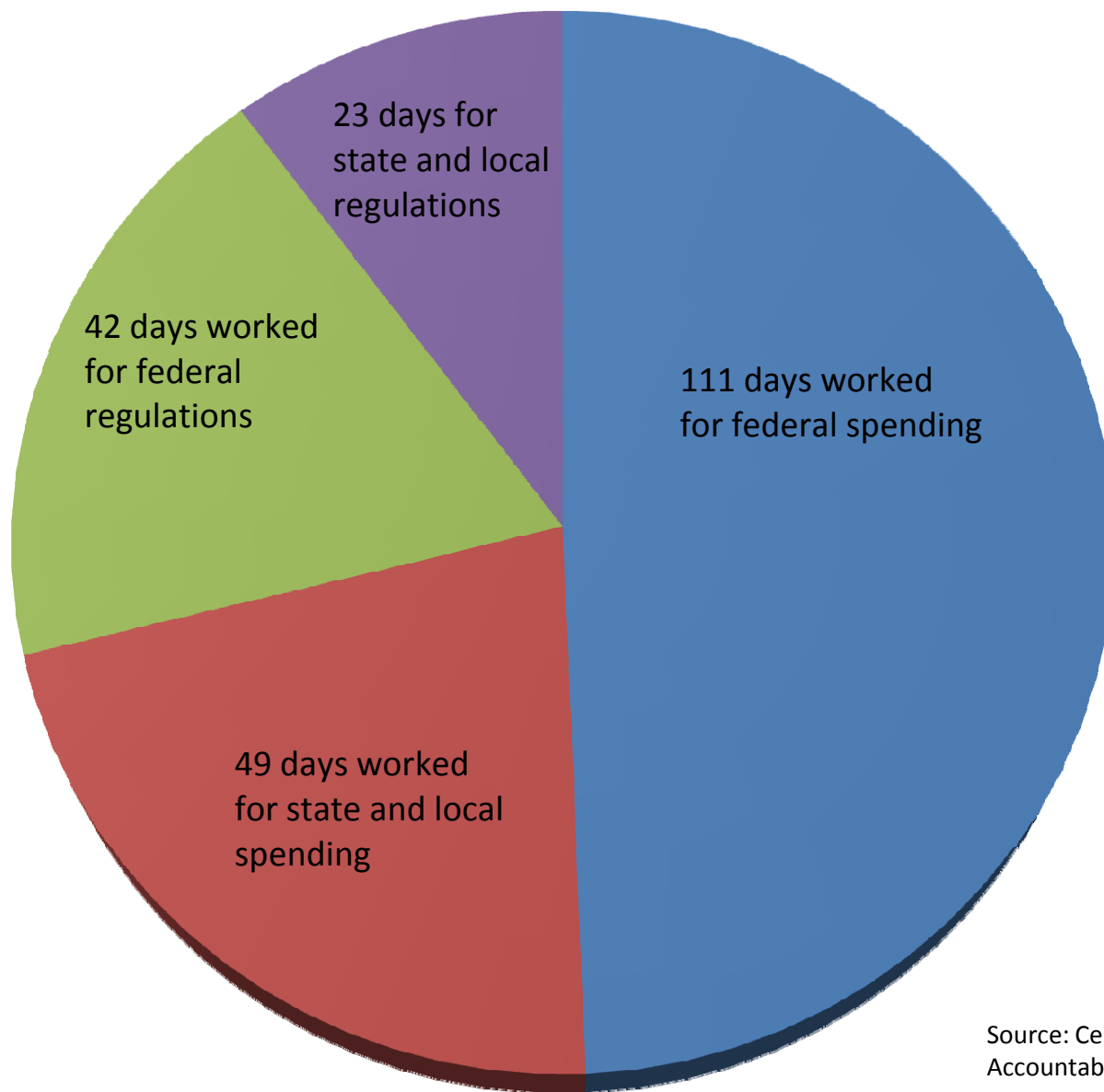
seem to be asking the question at what level? Let's keep the lights on in our town halls....shall we?

About the Authors

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Cost of Government in Days Worked



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