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Federal Spending *by the* Numbers 2009

By Brian M. Riedl



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INTRODUCTION

The 2009 version of “Federal Spending by the Numbers” shows spending and deficits surging at a pace not seen since World War II. Washington will spend \$33,932 per household in 2009—\$8,000 per household more than last year. While much of this spending is a temporary result of the recession and financial crisis, President Obama’s 2010 budget would replace this temporary spending with permanent new programs. Consequently, by 2019—a time of assumed peace and prosperity—Washington would still spend \$33,000 per household (adjusted for inflation), essentially making permanent this year’s \$8,000 per household spending hike. These numbers do not even include the cost of the President’s health plan.

Since 2001, spending has grown across the board. Discretionary spending has expanded 74 percent faster than inflation as a result of large defense and domestic spending hikes. Entitlement spending has reached a record 13 percent of GDP—not even counting the additional 5 percent of GDP spent on financial bailouts this year. Other areas receiving large increases since 2001 include: anti-poverty programs (57 percent faster than inflation), K–12 education (169 percent), veterans spending (72 percent), and Medicare (59 percent). And despite all the pressing national priorities, lawmakers approved over 10,000 earmarks last year at a cost of \$20 billion. Simply put, all parts of government are growing.

Consequently, Washington is estimated to run a 2009 budget deficit of \$1.845 trillion (\$15,635 per household). While deficits naturally rise during recessions, one would expect them to eventually return back to the \$100 billion to \$400 billion range that prevailed before the recession. However, the President’s budget shows annual budget deficits averaging just under \$1 trillion over the next decade—a period in which the national debt would double. These deficits would not only raise interest rates, they would also nearly quintuple the net interest costs of the national debt over the next decade.

Of course, not all future spending is inevitable. In the 1980s and 1990s, Washington consistently spent \$21,000 per household (adjusted for inflation). Simply returning to that level would balance the budget by 2012 without any tax hikes. Alternatively, returning to the \$25,000 per household level (adjusted for inflation) that Washington spent before the current recession would likely balance the budget by 2019 without any tax hikes.

Overall Budget Trends

- In 2009, Washington is projected to spend \$4,004 billion, raise \$2,159 billion, and run a \$1,845 billion deficit.
- Tax revenues strongly correlate with economic growth. The recession has reduced 2009 revenues by approximately \$700 billion.
- Spending will increase 32 percent in 2009, and has risen 72 percent faster than inflation since 2001.
- The projected \$1,845 billion budget deficit represents a staggering 13.1 percent of GDP. This is more than double the previous postwar record of 6.0 percent of GDP in 1983. More than 46 cents of every dollar Washington spends in 2009 will be borrowed.

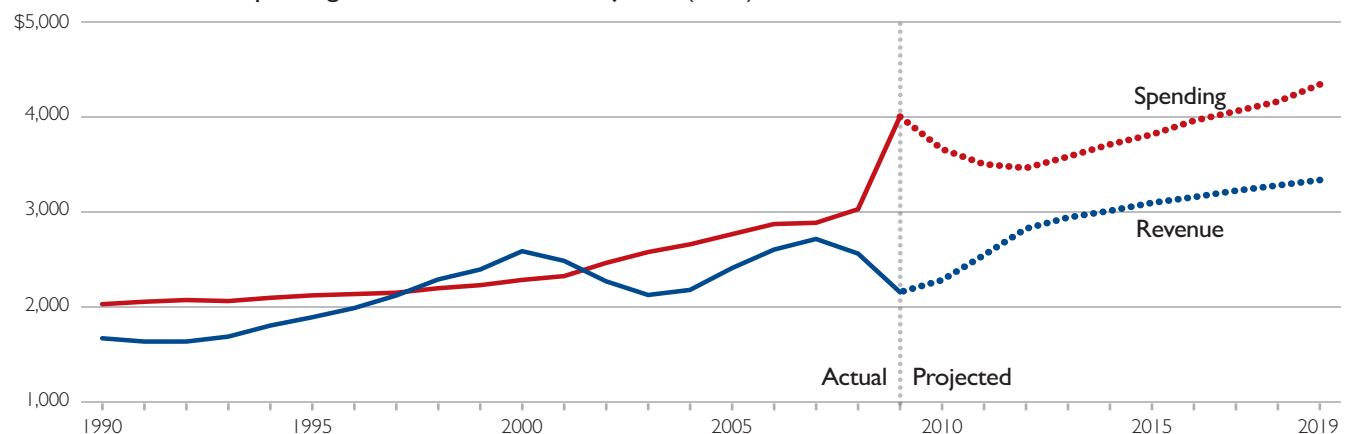
The Federal Budget, 1990–2009

In Billions of Inflation-Adjusted (2009) Dollars

Year	Discretionary Spending	Entitlement Spending	Net Interest Spending	Total Spending	Total Revenue	Surplus/Deficit
1990	\$812	\$922	\$299	\$2,033	\$1,674	-\$359
1991	829	927	302	2,058	1,640	-418
1992	802	975	299	2,076	1,640	-436
1993	790	984	291	2,065	1,692	-374
1994	778	1,031	291	2,100	1,808	-292
1995	764	1,036	325	2,125	1,895	-230
1996	730	1,078	330	2,139	1,992	-147
1997	736	1,089	328	2,153	2,124	-29
1998	735	1,144	321	2,200	2,293	92
1999	750	1,181	301	2,232	2,397	165
2000	786	1,216	285	2,288	2,590	302
2001	811	1,259	258	2,328	2,488	160
2002	901	1,356	210	2,466	2,273	-193
2003	986	1,411	183	2,580	2,129	-451
2004	1,039	1,436	186	2,662	2,183	-479
2005	1,084	1,478	206	2,768	2,412	-356
2006	1,101	1,529	245	2,875	2,606	-269
2007	1,102	1,536	251	2,888	2,718	-170
2008	1,153	1,621	257	3,031	2,565	-466
2009	1,246	2,588	170	4,004	2,159	-1,845

Steep Spending Growth Will Continue to Outpace Revenues

Federal Revenue and Spending, in Billions of Inflation-Adjusted (2009) Dollars



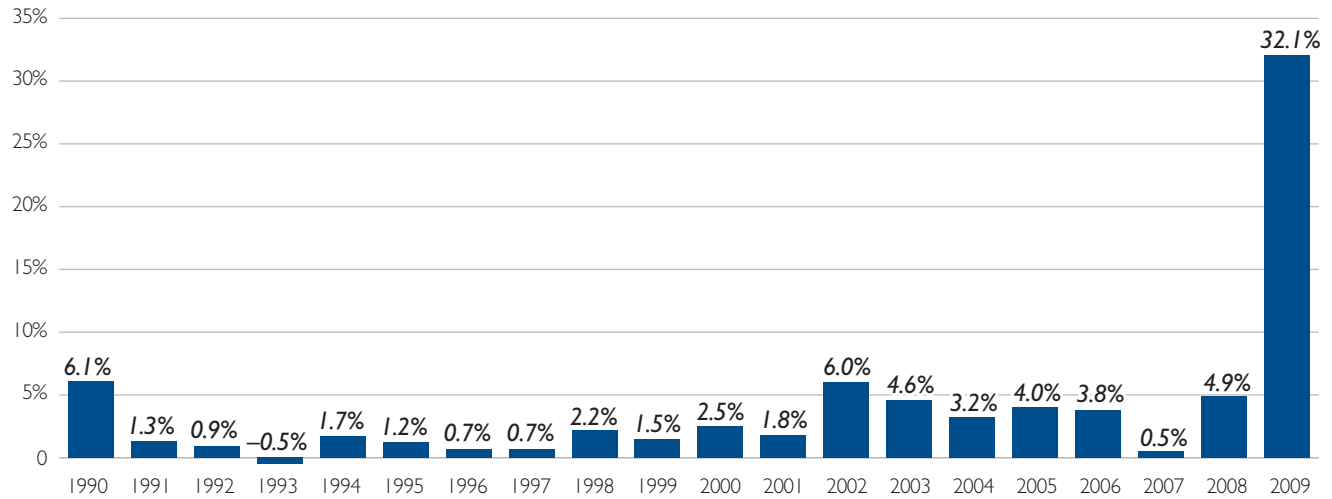
Source: Office of Management and Budget, *Budget of the United States Government, FY 2010, Historical Tables, Table I.1*, at <http://www.whitehouse.gov/omb/budget/Historicals> (July 15, 2009); Congressional Budget Office, *A Preliminary Analysis of the President's Budget and an Update of CBO's Budget and Economic Outlook*, March 2009, at <http://www.cbo.gov/ftpdocs/100xx/doc10014/toc.htm> (July 15, 2009). Figures adjusted for inflation into 2009 dollars.

Overall Spending Trends

- Inflation-adjusted federal spending is projected to grow by \$973 billion in 2009, which is more than in the previous 17 years *combined*.
- From 2001 to 2009, real federal spending increased from \$20,848 per household to \$33,932 per household.
- In 2009, the federal government will spend \$33,932 per household, collect taxes of \$18,297 per household, and run a budget deficit of \$15,635 per household.
- Under President Obama's budget, total budget deficits from 2009 to 2019 would total \$84,352 per household.

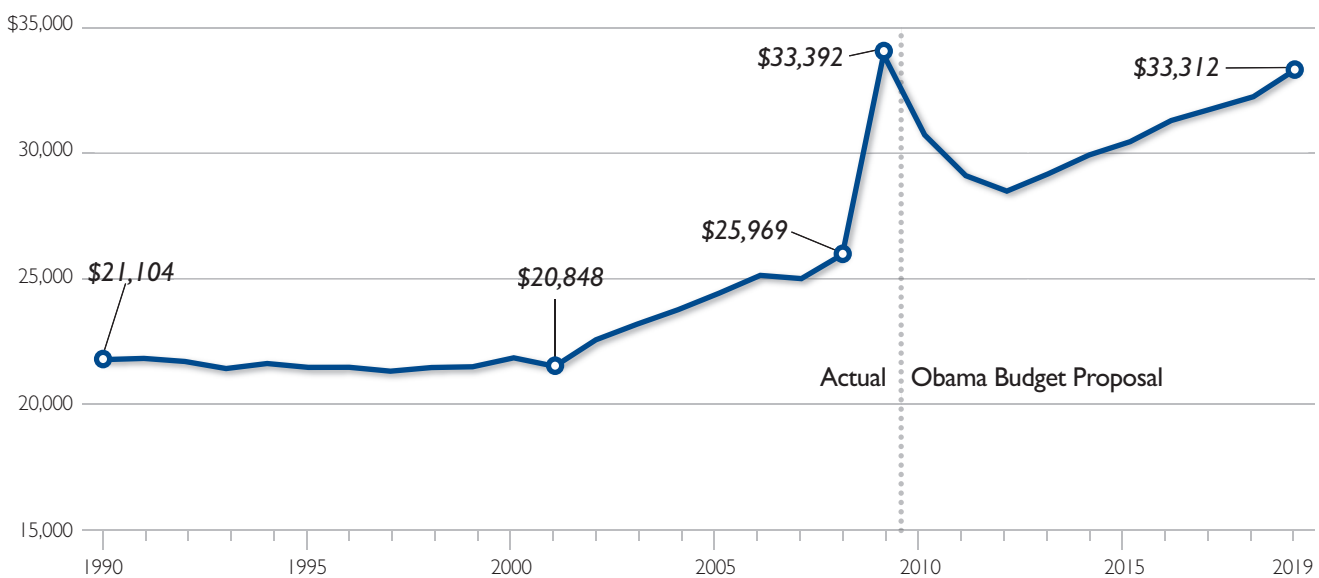
Growth in Spending Makes Huge Jump in 2009

Inflation-Adjusted (2009) Annual Spending Growth, in Annual Percentage Change



Washington Will Spend \$33,932 per Household in 2009

Average Federal Spending per Household, in Inflation-Adjusted (2009) Dollars



Source: Office of Management and Budget, *Budget of the United States Government, FY 2010, Historical Tables*, Table 1.1, at <http://www.whitehouse.gov/omb/budget/Historicals> (July 15, 2009); Congressional Budget Office, *A Preliminary Analysis of the President's Budget and an Update of CBO's Budget and Economic Outlook*, March 2009, at <http://www.cbo.gov/ftpdocs/100xx/doc10014/toc.htm> (July 15, 2009). Figures adjusted for inflation into 2009 dollars. Household totals based on U.S. Census Bureau data.

Where Is All the Money Going?

- Federal spending has grown 72 percent faster than inflation since 2001.
- Nearly all of the “Housing and commerce” category consists of temporary financial bailouts. These costs should recede quickly.
- Defense spending has grown 81 percent over its 2001 trough, yet is still responsible for less than 20 percent of all new spending over that period.
- The expensive Medicare drug benefit played a large role in Medicare’s sharp cost increase.
- Anti-poverty spending rose rapidly under President Bush, and has risen again during the recession.
- Unemployment spending is also up, but is more cyclical.
- Education spending has doubled since 2001, although an accounting mechanism makes the 2009 cost appear artificially low. Education spending is projected back at \$102 billion in 2010.
- Energy costs fluctuate yearly, so the rapid growth rate over 2001 is not indicative of a long-term trend.
- Despite all this new spending and deficits, record-low interest rates caused net interest costs to decline. Net interest spending will jump when interest rates rise back to normal levels.

Federal Spending By Category, 2001–2009

In Millions of Inflation-Adjusted (2009) Dollars

Spending Category	Total Outlays		2001–2009 Increase		
	2001	2009	Amount	Percentage	Avg. Annual
Housing and commerce	\$7,161	\$758,152	\$750,991	10,488%	79.1%
National defense	380,725	690,308	309,583	81%	7.7%
Social Security	540,880	680,509	139,629	26%	2.9%
Medicare	271,571	430,779	159,208	59%	5.9%
Income security programs	190,887	288,951	98,064	51%	5.3%
Medicaid and SCHIP	166,244	270,955	104,711	63%	6.3%
Federal retirement and disability	101,156	115,863	14,707	15%	1.7%
Unemployment benefits	37,780	106,481	68,701	182%	13.8%
Veterans benefits	56,266	96,677	40,411	72%	7.0%
Health research and regulation	48,968	82,490	33,522	68%	6.7%
Highways and mass transit	44,729	62,380	17,651	39%	4.2%
Justice administration	37,730	53,313	15,583	41%	4.4%
Education	44,015	49,018	5,003	11%	1.4%
Natural resources and environment	32,010	42,187	10,177	32%	3.5%
International affairs	20,604	34,722	14,118	69%	6.7%
General science, space, and technology	24,716	31,150	6,434	26%	2.9%
Training, employment, and social services	27,409	30,324	2,915	11%	1.3%
Community and regional development	14,708	28,002	13,294	90%	8.4%
General government	17,941	21,854	3,913	22%	2.5%
Air transportation	17,459	21,769	4,310	25%	2.8%
Farm subsidies	32,797	20,398	–12,399	–38%	–5.8%
Water/other transportation	5,832	10,161	4,329	74%	7.2%
Energy	11	8,773	8,762	77,928%	129.9%
General retirement and disability insurance	7,197	7,994	797	11%	1.3%
Allowances	0	3,575	3,575	n/a	n/a
Undistributed offsetting receipts/other	–58,729	–91,681	–32,952	56%	5.7%
Net interest	257,558	142,738	–114,820	–45%	–7.1%
Total spending	2,327,622	3,997,842	\$1,670,220	72%	8.0%

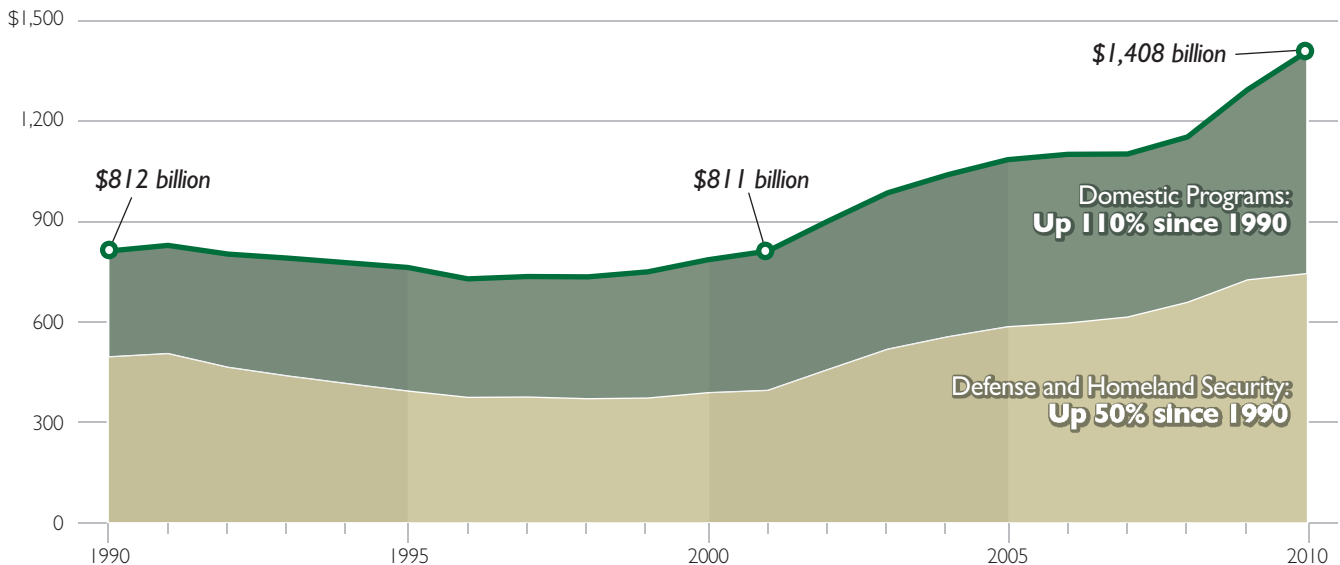
Source: Office of Management and Budget, *Budget of the United States Government, FY 2010, Historical Tables*, Table 3.2, at <http://www.whitehouse.gov/omb/budget/Historicals> (July 15, 2009). Figures adjusted for inflation into 2009 dollars. The 2009 spending estimates differ slightly from those on page 3 due to scoring differences between OMB and the Congressional Budget Office.

Discretionary Spending

- Discretionary spending is the portion of the annual budget that Congress actively determines annually.
- Since 2001, discretionary outlays surged 74 percent faster than inflation, to \$1,408 billion. The “stimulus” is responsible for \$111 billion of 2010 discretionary spending.
- Between 1990 and 2001, \$100 billion annually in new domestic spending was fully offset by a \$100 billion cut in annual defense and homeland security spending, leaving total (inflation-adjusted) discretionary spending frozen.
- Since 2001, all types of discretionary spending have grown rapidly.
- Overall, since 1990, domestic discretionary spending has risen 110 percent faster than inflation and defense/security discretionary spending has risen 50 percent.

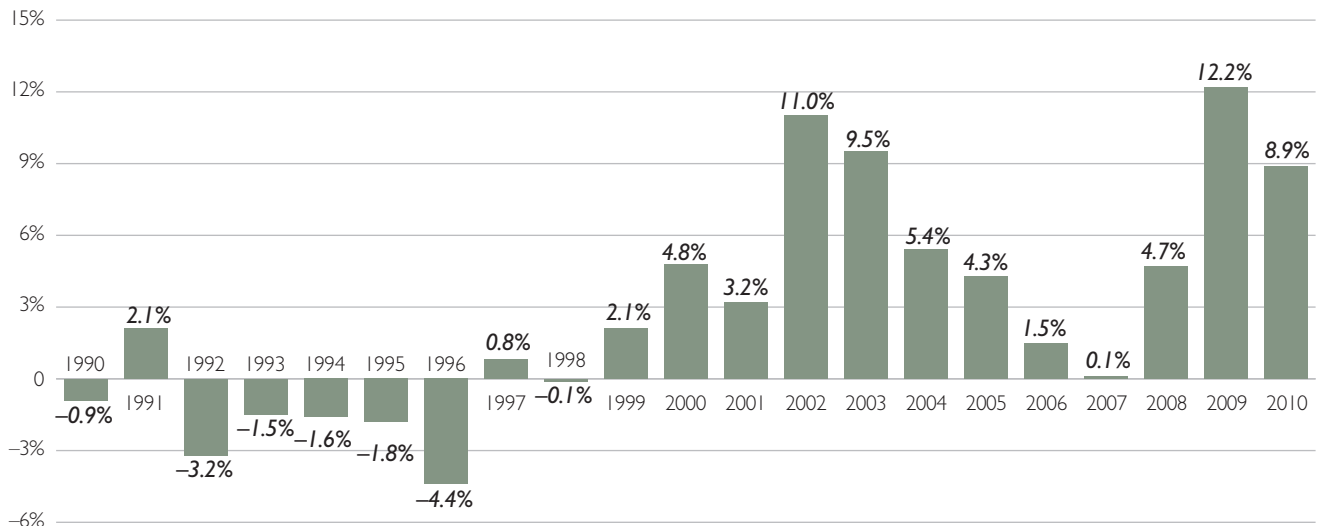
Real Discretionary Outlays Have Surged 74 Percent Since 2001

Outlays in Billions of Inflation-Adjusted (2009) Dollars



Discretionary Outlays Are Rising Quickly

Annual Growth in Real Discretionary Outlays, Adjusted for Inflation (2009)



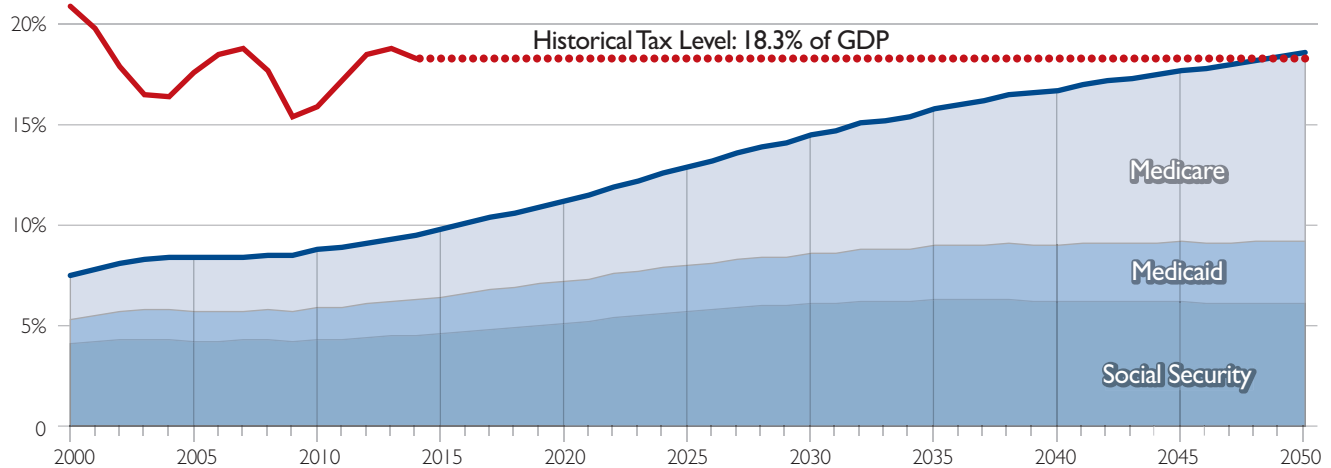
Source: Office of Management and Budget, *Budget of the United States Government, FY 2010, Historical Tables, Table 8.1*, at <http://www.whitehouse.gov/omb/budget/Historicals> (July 15, 2009). These discretionary figures differ slightly from those on the table on page 3 due to scoring differences between OMB and the Congressional Budget Office.

Entitlement Spending

- Entitlement spending is on autopilot, with annual spending determined by benefit formulas and caseloads.
- Entitlements (excluding net interest) account for 65 percent of all federal spending and a record 18 percent of GDP. Even if all financial bailouts were excluded, the remaining 13 percent of GDP spent on entitlement programs would still be a record.
- Nominal entitlement spending (excluding bailouts) is projected to nearly double over the next decade.
- The President's health care initiative would substantially expand entitlement spending.
- The three largest entitlements are Social Security, Medicare, and Medicaid. Their total cost is projected to leap from 8.4 percent of GDP in 2007 to 18.6 percent by 2050.
- Unless Social Security, Medicare, and Medicaid are reformed, policymakers will eventually have to choose from among:
 - Raising taxes by the current equivalent of \$12,072 per household by 2050, and further thereafter;
 - Eliminating every federal program except Social Security, Medicare, and Medicaid; or
 - Increasing the national debt to unprecedented levels that could cause an economic collapse.

Three Major Entitlements Will Absorb All Taxes by 2050

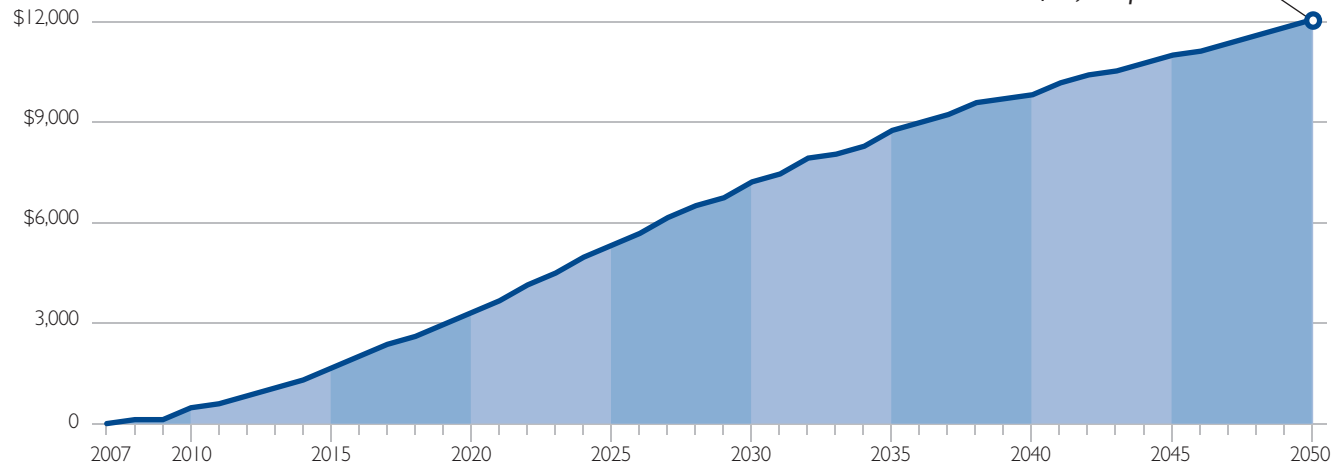
Percentage of Gross Domestic Product, by Fiscal Year



Source: Spending projections from Congressional Budget Office, alternative fiscal scenario in "The Long-Term Budget Outlook," December 2007.

Tax Increase Needed to Fund Social Security, Medicare, and Medicaid Cost Increases

Tax Increase per Household, Adjusted for Inflation and Income Growth (2009)



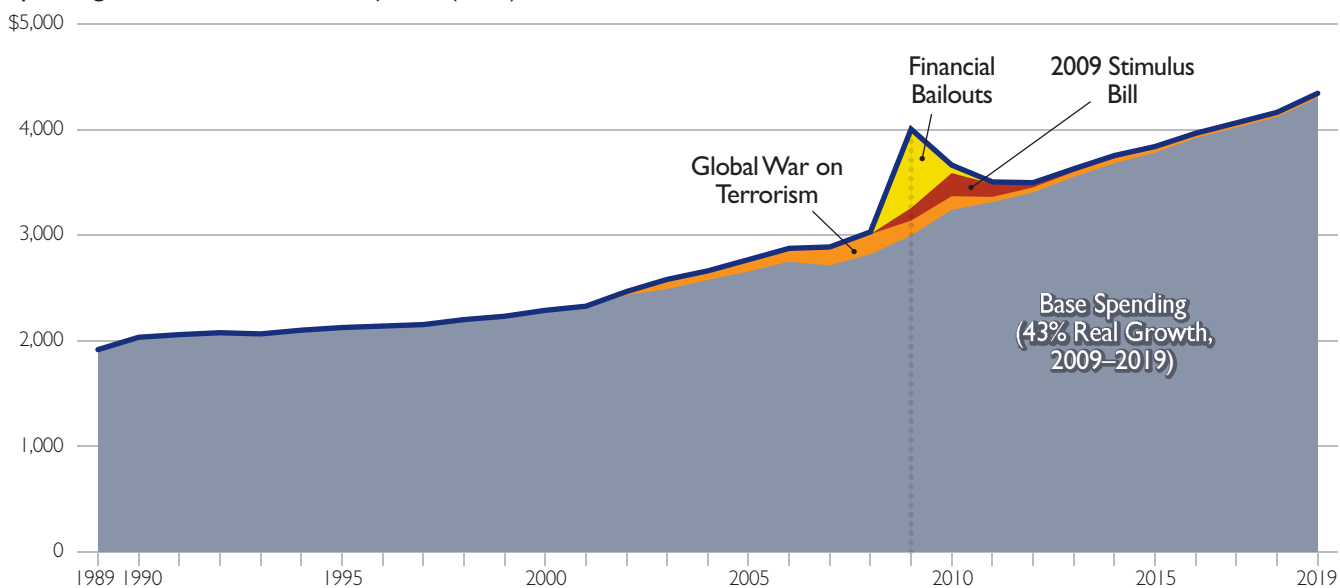
Source: Heritage Foundation calculations based on Congressional Budget Office data.

Is All This New Spending Temporary?

- In 2009, Washington will spend \$1 trillion on temporary expenses such as financial bailouts, economic “stimulus,” and the global war on terrorism.
- Assuming these costs are truly temporary, their annual combined cost is projected to fall to \$60 billion by 2012.
- However, President Obama’s budget would grow permanent “base” spending 43 percent faster than inflation from 2009–2019, from \$3.0 trillion to \$4.3 trillion. This does not even count the President’s health care plan, which his budget excluded from its spending and revenue totals.

President Obama’s Budget Hikes Are Not Limited to Temporary Emergencies

Spending in Billions of Inflation-Adjusted (2009) Dollars



Spending Breakdown, 2000–2019

In Billions of Inflation-Adjusted (2009) Dollars

	Defense Spending on the Global War on Terrorism	2009 Stimulus	Financial Bailouts	Base Spending	Total Spending
2000	–	–	–	\$2,288	\$2,288
2001	\$6	–	–	2,321	2,328
2002	33	–	–	2,433	2,466
2003	91	–	–	2,490	2,580
2004	86	–	–	2,576	2,662
2005	113	–	–	2,655	2,768
2006	126	–	–	2,749	2,875
2007	175	–	–	2,713	2,888
2008	191	–	–	2,819	3,031
2009	141	\$120	747	2,996	4,004
2010	130	219	75	3,239	3,663
2011	49	124	18	3,313	3,504
2012	48	45	–33	3,404	3,464
2013	48	29	–45	3,551	3,583
2014	47	26	–42	3,681	3,712
2015	46	11	–23	3,782	3,816
2016	45	–1	–3	3,920	3,960
2017	44	–2	0	4,019	4,060
2018	43	–1	0	4,120	4,163
2019	42	–1	0	4,301	4,342

Source: Heritage Foundation calculations based on data from Office of Management and Budget and Congressional Budget Office. Estimates for 2009–2019 are based on the Obama budget proposal.

Has Anti-Poverty Spending Been Slashed?

- It is a myth that anti-poverty spending has been slashed and requires restoration funding.
- Anti-poverty spending has surged 57 percent faster than inflation since 2001. President Bush became the first President to spend 3 percent of GDP on anti-poverty programs, and President Obama has already pushed it above 4 percent of GDP.
- Since 2001, Medicaid and Food Stamp rolls have expanded by more than 10 million. Average benefit levels have grown faster than the inflation rate.
- Program success should be measured by reduced government dependency, not increased spending.

Anti-Poverty Spending Has Jumped 57 Percent Since 2001

In Millions of Inflation-Adjusted (2009) Dollars

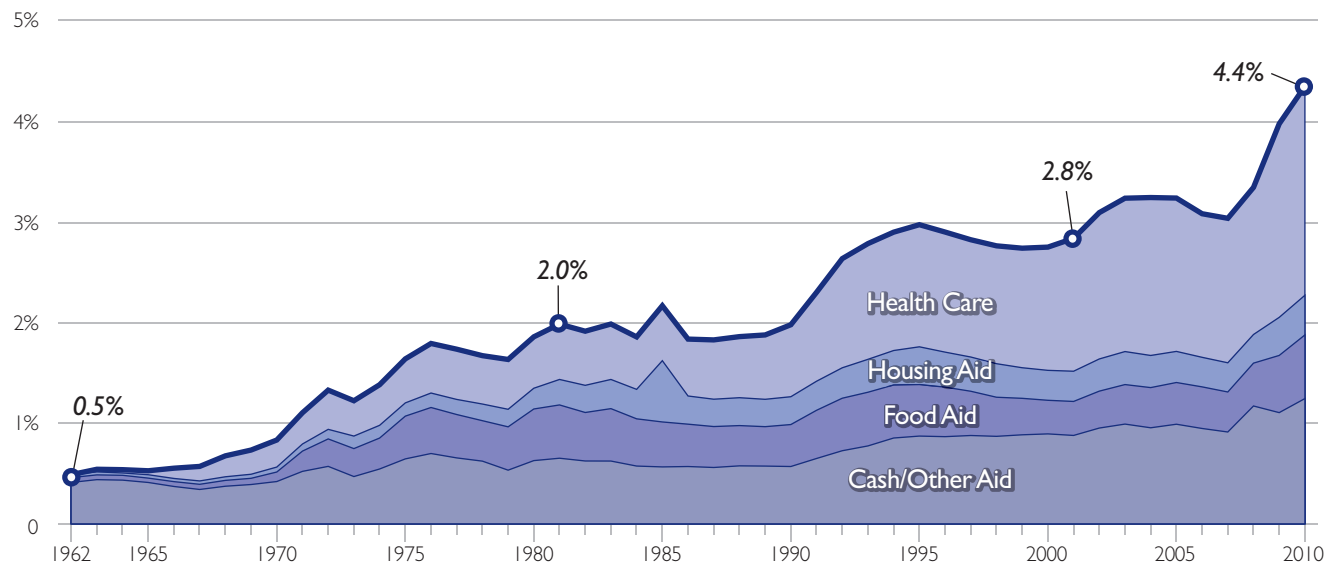
Funding by Category	2001	2009	Increase	Funding for the Largest Anti-Poverty Programs	2001	2009	Increase
Health care assistance	\$166,244	\$270,955	63%	Medicaid grants to states	\$161,718	\$262,389	62%
Housing assistance	37,790	53,263	41%	Food stamps	23,870	56,212	135%
Food assistance	42,541	80,059	88%	Supplemental Security Income (SSI)	37,515	47,783	27%
Cash and other assistance	110,555	155,629	41%	Earned Income Tax Credit (EITC) payments	32,654	41,461	27%
Total Anti-Poverty Spending	357,130	559,906	57%	Housing vouchers and public housing	29,259	32,624	12%
				Child tax credit payments	1,228	23,196	1,790%
				Temporary Assistance for Needy Families (TANF)	23,229	20,283	-13%
				Child nutrition programs	11,951	15,552	30%
				Homeowner Aid in Stimulus/TARP	0	10,882	n/a
				State Children's Health Insurance Program (SCHIP)	4,624	8,466	83%
				Women, Infants and Children (WIC)	5,096	6,972	37%
				Child care programs	4,646	5,815	25%
				Other programs	21,342	28,271	32%
				Total Anti-Poverty Spending	357,130	559,906	57%

Note: EITC and Child Tax Credit payments reflect actual subsidies beyond the tax reductions enjoyed by participants.

Source: Office of Management and Budget, *Budget of the United States Government, FY 2010, Historical Tables*, Tables 3.2 and 8.5, at <http://www.whitehouse.gov/omb/budget/Historicals> (July 15, 2009), consisting of budget functions 604 (housing aid), 605 (food aid), 609 (other income support), Medicaid, and SCHIP.

Federal Anti-Poverty Spending Now Tops a Record 4 Percent of GDP

Spending as a Percentage of GDP



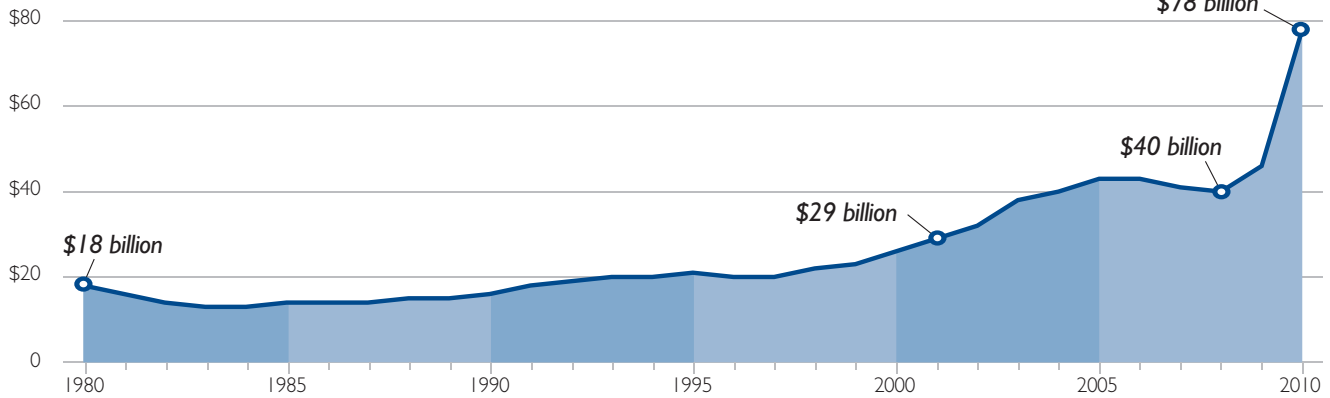
Source: Office of Management and Budget, *Budget of the United States Government, FY 2010, Historical Tables*, Tables 3.2 and 8.5, at <http://www.whitehouse.gov/omb/budget/Historicals> (July 15, 2009), consisting of budget functions 604 (housing aid), 605 (food aid), 609 (other income support), Medicaid, and SCHIP.

Popular Programs Are Growing Rapidly

- Lawmakers have had difficulty setting budget priorities in recent years. In addition to funding two wars and the largest anti-poverty budgets in American history, they have increased spending on popular programs like education, veterans benefits, and Medicare at unsustainable rates.

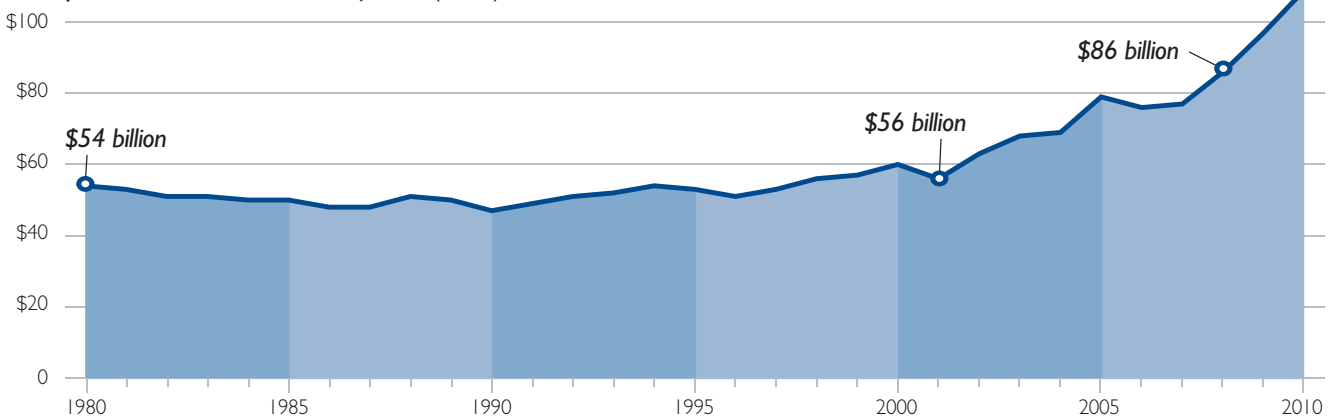
K–12 Education Spending Has Surged 169 Percent Since 2001

Outlays in Billions of Inflation-Adjusted (2009) Dollars



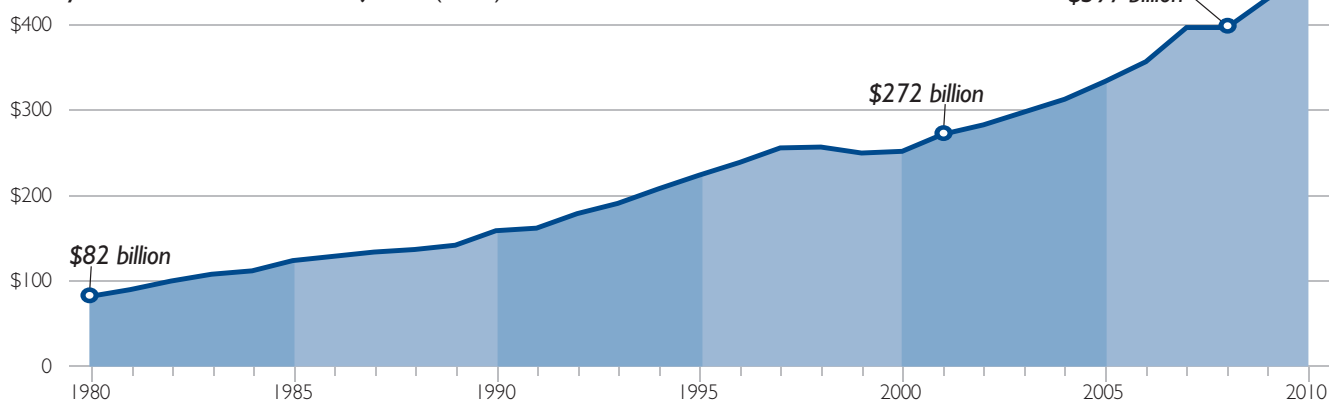
Veterans Spending Has Doubled Since 2001

Outlays in Billions of Inflation-Adjusted (2009) Dollars



Medicare Spending Has Jumped 68 Percent Since 2001

Outlays in Billions of Inflation-Adjusted (2009) Dollars



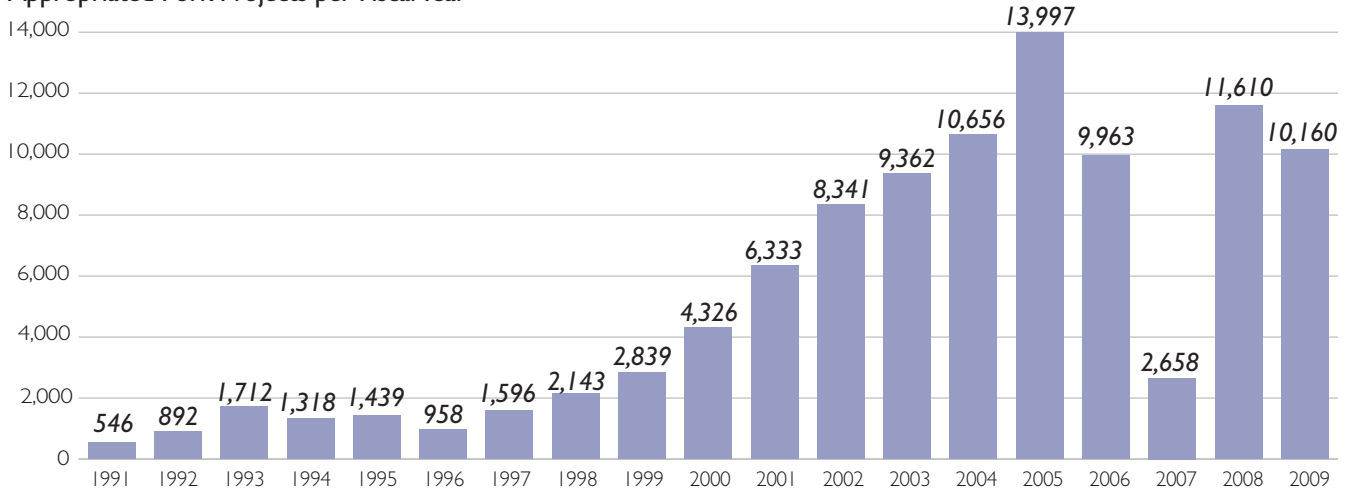
Source: Office of Management and Budget, *Budget of the United States Government, FY 2010, Historical Tables, Table 3.2*, at <http://www.whitehouse.gov/omb/budget/Historicals> (July 15, 2009). Figures adjusted for inflation into 2009 dollars.

Pork Projects

- Definition: Originally, lawmakers would fund government grant programs and then let federal and state agencies select individual grant recipients through competitive application processes. Now, however, Congress actually determines, within legislation, who will receive government grants by “earmarking” grant money to specific recipients. Earmarks are also known as “pork projects.”
- Earmarking is a corrupting process. It effectively gives individual lawmakers their own pot of tax dollars to distribute to organizations of their choosing. Consequently, politics and campaign contributions now play a larger role in government grant distributions, at the expense of statutory formulas and competitive application processes. The FBI is investigating whether many lawmakers have made earmark decisions for personal profit.
- In addition to regular annual appropriations earmarks, the 2005 highway authorization bill contained approximately 6,371 earmarks worth \$25 billion in total.

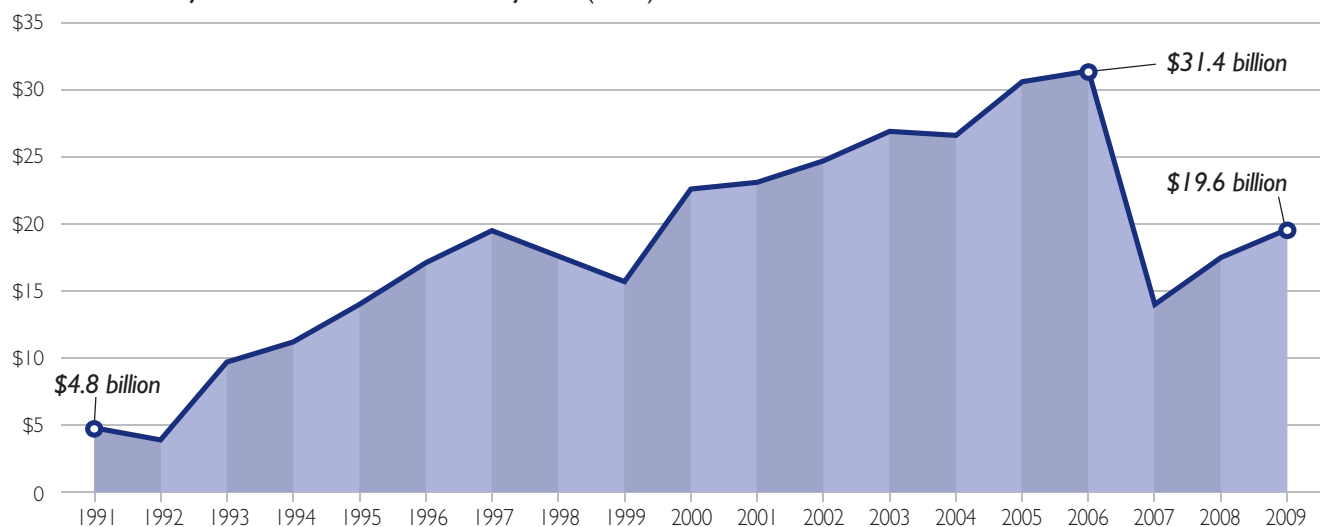
The Number of Pork Projects Remains Above 10,000

Appropriated Pork Projects per Fiscal Year



The Cost of Pork Projects is Receding From Recent Record Highs

Cost of Pork Projects, in Billions of Inflation-Adjusted (2009) Dollars



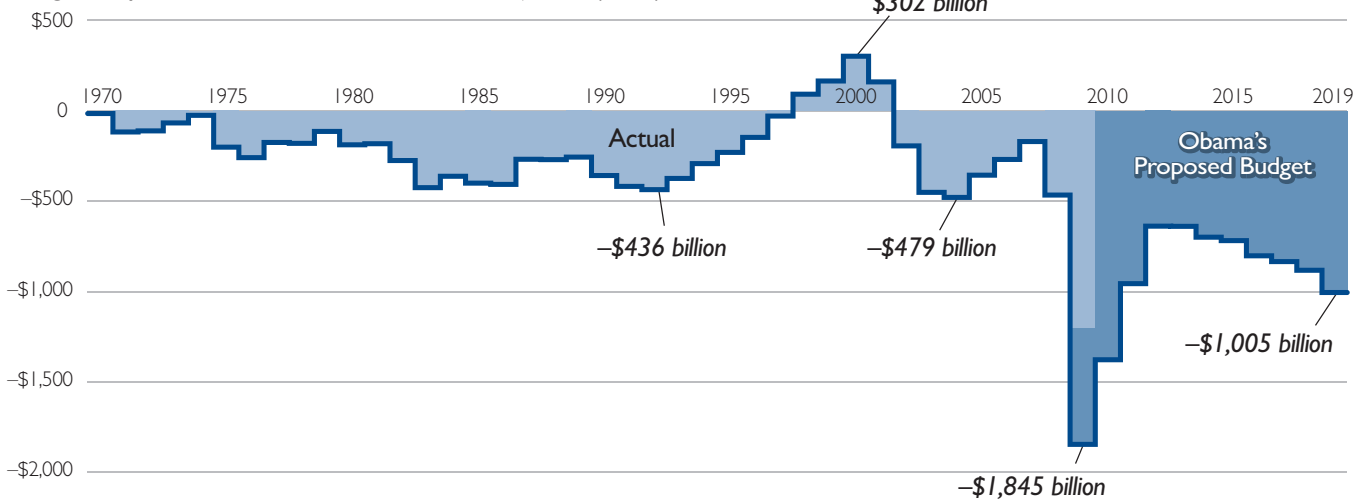
Source: Citizens Against Government Waste, at http://www.cagw.org/site/PageServer?pagename=reports_porkbarrelreport#trends (July 15, 2009).

The Consequence of Runaway Spending: Budget Deficits

- From 1989 through 2008, annual budget deficits averaged \$210 billion (adjusted for inflation).
- President Bush handed President Obama a \$1,186 billion deficit for 2009. Obama has added \$659 billion to it.
- President Bush's budget deficits averaged \$446 billion. President Obama's budget shows average deficits of \$855 billion over the next decade.
- President Obama's budget would double the publicly held national debt by 2019.

The President's Budget Would Bring Record Budget Deficits ...

Budget Surplus/Deficit in Billions of Inflation-Adjusted (2009) Dollars

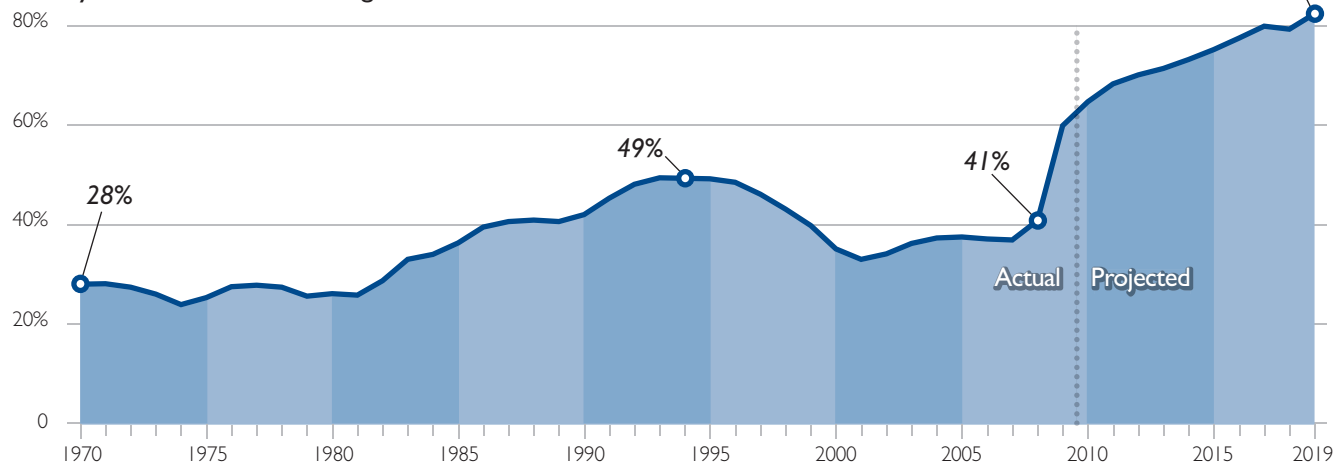


Note: The 2009 budget deficit includes both a Bush and an Obama portion.

Source: Office of Management and Budget, *Budget of the United States Government, FY 2010, Historical Tables*, Table 1.1, at <http://www.whitehouse.gov/omb/budget/Historicals> (July 15, 2009); Congressional Budget Office, *A Preliminary Analysis of the President's Budget and an Update of CBO's Budget and Economic Outlook*, March 2009, at <http://www.cbo.gov/ftpdocs/100xx/doc10014/toc.htm> (July 15, 2009). Figures adjusted for inflation into 2009 dollars.

... And Double the National Debt Over the Next Decade

Publicly Held Debt as a Percentage of Gross Domestic Product



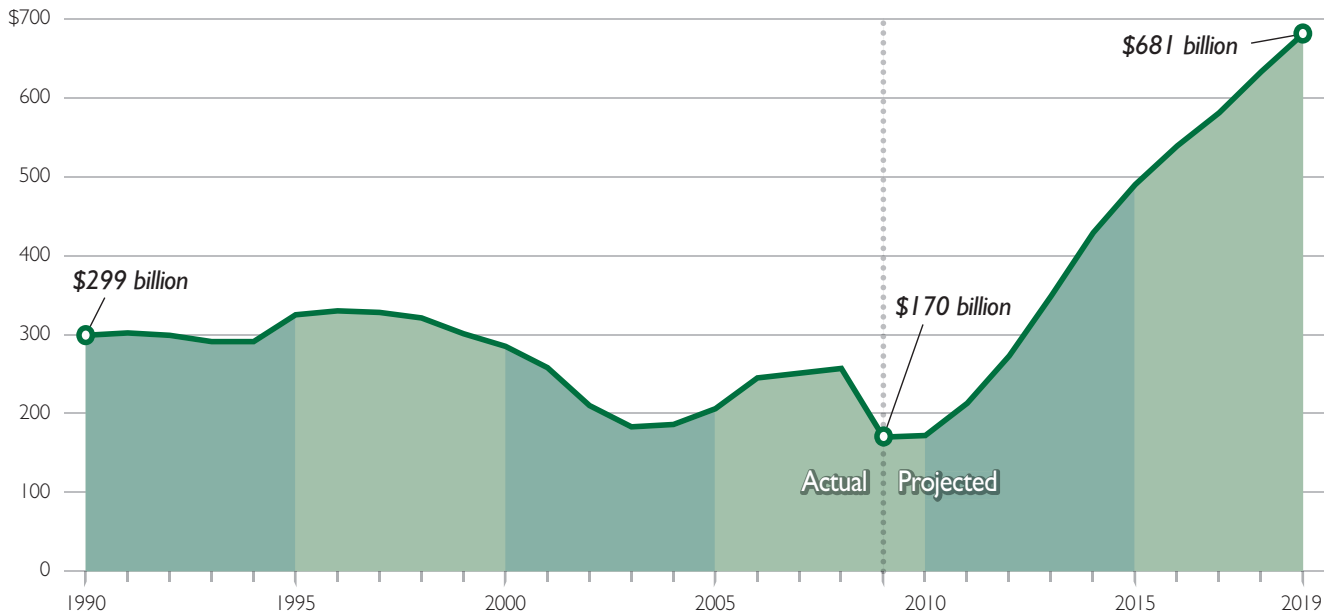
Source: Office of Management and Budget, *Budget of the United States Government, FY 2010, Historical Tables*, Table 7.1, at <http://www.whitehouse.gov/omb/budget/Historicals> (July 15, 2009); Congressional Budget Office, *A Preliminary Analysis of the President's Budget and an Update of CBO's Budget and Economic Outlook*, March 2009, at <http://www.cbo.gov/ftpdocs/100xx/doc10014/toc.htm> (July 15, 2009).

Net Interest Spending

- Despite increased borrowing, record-low interest rates have kept net interest costs down.
- Under the President's budget, the combination of rising interest rates and a doubling of the national debt would quadruple real net interest costs over the next decade.
- By 2019, net interest costs would account for a record 15.7 percent of the federal budget and a record 3.8 percent of GDP. Net interest costs would be two-thirds the size of the entire \$1,005 billion deficit.

Under the President's Budget, Net Interest Costs Would Quadruple by 2019

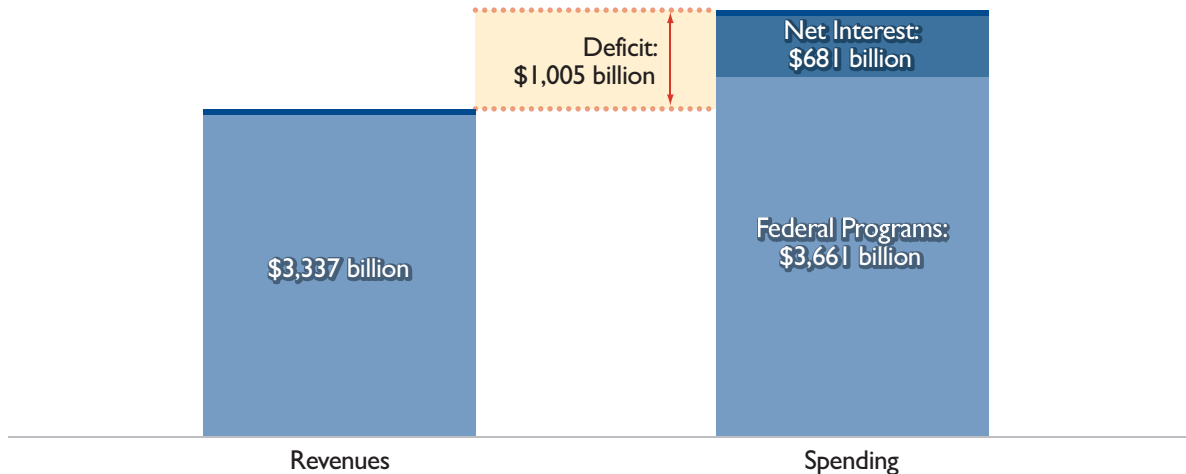
Spending on Net Interest, in Billions of Inflation-Adjusted (2009) Dollars



Source: Office of Management and Budget, *Budget of the United States Government, FY 2010, Historical Tables*, Table 3.2, at <http://www.whitehouse.gov/omb/budget/Historicals> (July 15, 2009); Congressional Budget Office, *A Preliminary Analysis of the President's Budget and an Update of CBO's Budget and Economic Outlook*, March 2009, at <http://www.cbo.gov/ftpdocs/100xx/doc10014/toc.htm> (July 15, 2009). Figures adjusted for inflation into 2009 dollars.

By 2019, Net Interest Costs Will be Two-Thirds the Size of the Entire Budget Deficit

In Inflation-Adjusted (2009) Dollars



Source: Congressional Budget Office, *A Preliminary Analysis of the President's Budget and an Update of CBO's Budget and Economic Outlook*, March 2009, at <http://www.cbo.gov/ftpdocs/100xx/doc10014/toc.htm> (July 15, 2009). Figures adjusted for inflation into 2009 dollars.

Nowhere to Cut?

- In the 1980s and 1990s, Washington consistently spent \$21,000 per household (adjusted for inflation). Simply returning to that level would **balance the budget by 2012** without any tax hikes.
- Immediately before the current recession, Washington spent \$25,000 per household. Even returning to that level (adjusted for inflation) would likely **balance the budget by 2019** without any tax hikes.
- The federal government made at least **\$72 billion** in improper payments in 2008.
- Washington spends **\$60 billion** annually on corporate welfare versus \$50 billion on homeland security.
- Washington spends **\$25 billion** annually maintaining unused or vacant federal properties.
- Government auditors spent the past five years examining all federal programs and found that 22 percent of them—costing taxpayers a total of **\$123 billion** annually—fail to show any positive impact on the populations they serve.
- The CBO published a “Budget Options” book identifying **\$140 billion** in potential spending cuts.
- Examples from multiple GAO reports of wasteful duplication include: **342** economic development programs; **130** programs serving the disabled; **130** programs serving at-risk youth; **90** early childhood development programs; **75** programs funding international education, cultural, and training exchange activities; and **72** safe water programs.
- Washington will spend **\$2.6 million** training Chinese prostitutes to drink more responsibly on the job.
- A GAO audit classified **nearly half of all purchases** on government credit cards as improper, fraudulent, or embezzlement. Examples of taxpayer-funded purchases include: a \$13,500 steak dinner, gambling, mortgage payments, liquor, lingerie, iPods, Xboxes, jewelry, Internet dating services, and Hawaiian vacations.
- Federal agencies are delinquent on nearly 20 percent of employee travel charge cards, costing taxpayers **hundreds of millions of dollars** annually.
- The Securities and Exchange Commission spent **\$3.9 million** rearranging desks and offices at its Washington D.C. headquarters.
- The Pentagon recently spent **\$998,798** shipping two 19-cent washers from South Carolina to Texas and **\$293,451** sending an 89-cent washer from South Carolina to Florida.
- **Over half of all farm subsidies** go to commercial, farms, which report average household incomes of \$200,000.
- Health care fraud is estimated to cost taxpayers more than **\$60 billion** annually.
- A GAO audit found that 95 Pentagon weapons systems suffered from a combined **\$295 billion** in cost overruns.
- The refusal of many federal employees to fly coach costs taxpayers **\$146 million** annually in flight upgrades.
- Federal investigators have launched more than **20 criminal fraud investigations** related to the TARP financial bailout.
- Despite trillion-dollar deficits, last year’s 10,160 earmarks included **\$200,000** for a tattoo removal program in Mission Hills, CA; **\$190,000** for the Buffalo Bill Historical Center in Cody, WY; and **\$75,000** for the Totally Teen Zone in Albany, GA.
- The federal government owns more than **50,000 vacant homes**.
- The Federal Communications Commission is spending **\$350,000** to sponsor NASCAR driver David Gilliland.
- Members of Congress have spent **hundreds of thousands** of taxpayer dollars supplying their offices with popcorn machines, plasma televisions, DVD equipment, ionic air fresheners, camcorders, and signature machines—plus **\$24,730** leasing a Lexus, **\$1,434** on a digital camera, and **\$84,000** on personalized calendars.
- More than **\$13 billion** in Iraq aid has been classified as wasted or stolen. Another **\$7.8 billion** cannot be accounted for.
- Fraud related to Hurricane Katrina spending is estimated to top **\$2 billion**. In addition, debit cards provided to hurricane victims were used to pay for Caribbean vacations, NFL tickets, Dom Perignon champagne, “Girls Gone Wild” videos, and at least one sex change operation.
- Auditors discovered that **900,000** of the 2.5 million recipients of emergency Katrina assistance provided false names, addresses, or Social Security numbers or submitted multiple applications.

- Congress recently gave Alaska Airlines **\$500,000** to paint a Chinook salmon on a Boeing 737.
- The Transportation Department will subsidize up to **\$2,000 per flight** for direct flights between Washington, D.C., and the small hometown of Rep. Hal Rogers (R-KY)—but only on Monday mornings and Friday evenings, when lawmakers, staff, and lobbyists usually fly. Rep. Rogers is a member of the Appropriations Committee, which writes that department’s budget.
- Washington has spent **\$3 billion** re-sanding beaches—even as this new sand washes back into the ocean.
- A Department of Agriculture report concedes that much of the **\$2.5 billion** in “stimulus” broadband funding will be wasted.
- The Defense Department wasted **\$100 million** on unused flight tickets and never bothered to collect refunds even though the tickets were refundable.
- Washington spends **\$60,000 per hour** shooting Air Force One photo-ops in front of national landmarks.
- Over one recent 18-month period, Air Force and Navy personnel used government-funded credit cards to charge at least **\$102,400** on admission to entertainment events, **\$48,250** on gambling, **\$69,300** on cruises, and **\$73,950** on exotic dance clubs and prostitutes.
- Members of Congress are set to pay themselves **\$90 million** to increase their franked mailings for the 2010 election year.
- Congress has ignored efficiency recommendations from the Department of Health and Human Services that would save **\$9 billion** annually.
- Taxpayers are funding official paintings of high-ranking government officials, at a cost of up to **\$50,000 apiece**.
- The State of Washington sent \$1 food stamp checks to 250,000 households in order to raise state caseload figures and trigger **\$43 million** in additional federal funds.
- Washington will spend **\$126 million** this year on several projects associated with the Kennedy family legacy in Massachusetts.
- Suburban families are receiving large **farm subsidies for the grass in their backyards**—subsidies that many of these families never requested and do not want.
- Congress appropriated **\$20 million** for “commemoration of success” celebrations related to Iraq and Afghanistan.
- Homeland Security employee purchases include 63-inch plasma TVs, iPods, and **\$230** for a beer brewing kit.
- Two drafting errors in the 2005 Deficit Reduction Act resulted in a **\$2 billion** taxpayer cost.
- North Ridgeville, Ohio, received **\$800,000** in “stimulus” funds for a project that its mayor described as “a long way from the top priority.”
- The National Institutes of Health spends **\$1.3 million** per month to rent a lab that it cannot use.
- The National Oceanic and Atmospheric Administration billed taxpayers for its 30th anniversary celebration in 2000 and then for its 200th anniversary celebration in 2007.
- Congress recently spent **\$2.4 billion** on 10 new jets that the Pentagon insists it does not need and will not use.
- Lawmakers diverted **\$13 million** from Hurricane Katrina relief spending to build a museum celebrating the Army Corps of Engineers—the agency partially responsible for the failed levees that flooded New Orleans.
- Medicare officials recently mailed **\$50 million** in erroneous refunds to 230,000 Medicare recipients.
- Audits showed **\$34 billion** worth of Department of Homeland Security contracts contained significant waste, fraud, and abuse.
- Washington recently spent **\$1.8 million** to help build a private golf course in Atlanta, Georgia.
- The Advanced Technology Program spends **\$150 million** annually subsidizing private businesses; 40 percent of this funding goes to Fortune 500 companies.
- Congressional investigators were able to receive **\$55,000** in federal student loan funding for a fictional college they created to test the Department of Education.
- The Conservation Reserve program pays farmers **\$2 billion** annually not to farm their land.
- The Commerce Department has **lost 1,137 computers** since 2001, many containing Americans’ personal data.

Sources: On file at the Heritage Foundation.



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