Written by <u>Steven J. DuBord</u> on December 18, 2009



Democratic Districts Get More Stimulus Funds

A new study by the Mercatus Center at George Mason University found that Democratic districts received twice as many economic stimulus dollars as Republican districts. The study also found "no statistical correlation" between income or unemployment and the stimulus funds a district received.

The Mercatus Center based its analysis on publicly available reports: "Using recipient report data from Recovery.gov and economic and political data from the Bureau of Labor Statistics, the Census Bureau, GovTrack.us, and others, we have compiled a series of facts about stimulus spending." The data was drawn strictly from fourth-quarter, fiscal-year 2009 Recovery Act contracts and grants.



Reports from this time frame detail the distribution of approximately \$157 billion in stimulus money. The Mercatus study states, "A total of 56,399 contracts and grants totaling \$157,028,362,536 were awarded in this first quarter for which Recovery.gov reports are available. The number of jobs claimed as created or saved is 638,826.54 — an average of \$245,807.51 per job." It is shocking that almost a quarter of a million dollars was spent to supposedly create or save one single job. Only big government spending of taxpayer dollars could be that inefficient.

All 435 congressional districts are represented in the study, as well as the District of Columbia. The study noted: "There are 177 districts represented by Republicans and 259 represented by Democrats. On average, Democratic districts received 1.6 times more awards than Republican ones. The average number of awards per Republican district is 94, while the average number of awards per Democratic district is 152."

Democratic districts also received "1.89 times more stimulus dollars than Republican districts," with Republican districts getting about \$232 million on average and Democratic districts getting around \$439 million. The study pointed out, "In total, Democratic districts received 73.47 percent of the total stimulus funds awarded. In terms of numbers of awards, Republican districts received 29.77 percent of the total, while Democratic districts received 70.22 percent."

Essentially, the Democratic districts were well rewarded while the Republican districts were slighted. Mercatus found that "having a Republican representative decreases a district's stimulus award by 24 percent." One would guess that economic hardship would be fairly evenly distributed throughout the nation, but this is not reflected in the distribution of "stimulus" money.

"You would think, right, that if the administration believes in its theory that government money can create jobs, they would spend a lot of money in districts that have high unemployment," said Veronique

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de Rugy, co-author of the study. "We found absolutely no relationship. It just kind of shows that the money is spent kind of randomly."

A strange fact emerged during analysis of the data. Stimulus money often went to districts with higher incomes when one would have thought it was more needed in those with lower incomes: "We found no correlation between economic indicators and stimulus funding. Preliminary results find no effect of unemployment, median income, or mean income on stimulus funds allocation."

The Mercatus study provides ammunition to those who are skeptical of how much good has been done by the Obama administration's \$787-billion stimulus package. Unemployment is still in the 10 percent range, and the approximately 639,000 jobs supposedly saved cost about \$246,000 a piece. Spending this amount of money for such high-priced jobs is doing more to stimulate the federal deficit than the American economy.



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