



On Spending, Carly Fiorina Says Zero Is a Good Place to Start

The Republican presidential hopeful wants to force every agency to justify its spending by starting with a budget of zero and working up from there.

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Republican Carly Fiorina isn't just the only woman in the Republican presidential field. She's also the only candidate who once ran Hewlett-Packard, which was once the world's second-biggest computer company. And while her tenure at HP didn't end well (she was fired), she's drawing on her business experience by making a budget-setting tool into one of her key campaign issues.

Arguing for a leaner federal budget, she wants to force every agency to justify its spending by starting with a budget of zero and working up from there. The tool is called "zero-based budgeting," and while likely candidates Rick Perry and Chris Christie have also talked about it, she's the one person in the field who's made it a signature issue.

"Washington doesn't even know where all your tax dollars are going," Fiorina wrote on Facebook on April 15, Tax Day. "They have no idea because they never examine any budget from top to bottom—and haven't for decades," she wrote, adding, "It's time to move to zero-based budgeting and simplify the tax code."

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Fiorina portrays zero-based budgeting as a solution to Democratic overspending. Ironically, the last president who made a big effort to zero-base the federal budget was Democrat Jimmy Carter. Reagan actually dropped the idea when he took office. What is true is that zero-based budgeting has enthusiastic practitioners in the business world. The *Wall Street Journal* [reported](#) March 25 that it's used heavily by 3G Capital Partners, which has announced plans to buy Kraft Foods Group for \$49 billion and merge it with its H.J. Heinz unit.

Fiorina might have a hard time distinguishing herself with zero-based budgeting given that she's never used it in government, whereas both New Jersey Governor Christie and former Texas Governor Perry have. What's more, zero-based budgeting isn't universally popular, even among fiscally conservative Republicans. "It just doesn't work with Congress, because they all believe in the spending," Chris Edwards, director of tax policy studies at the libertarian Cato Institute, [told](#) the *Washington Times*. "Profit motivation is the fundamental ingredient that the government doesn't have."

Fiorina takes pains to set herself apart from the typical middle-of-the-road Silicon Valley CEO by stressing strongly conservative positions pretty much across the board of economics. She's expressed skepticism about the science of global warming and opposed cap-and-trade legislation to combat it. She opposed fiscal stimulus in President Barack Obama's first term. She's in favor of lowering tax rates, simplifying the tax code, and deregulating business. "The weight of government is literally crushing the potential of the people of this nation," she told the New Hampshire Republican Party's First in the Nation leadership summit on April 18.

To make clear that she's not the candidate of big business despite her former perch at HP, Fiorina wrote in her Tax Day post on Facebook, "The result [of over-regulation] is crony capitalism because only big businesses can handle big government."

Douglas Holtz-Eakin, who is president of the conservative American Action Forum and advised Senator John McCain on his 2008 Republican presidential campaign, says Fiorina is smart to stick to broad themes at this stage of the campaign. "As someone who's been in a policy position in a campaign, I certainly felt we were well down the totem pole in terms of priorities," he says.

Fiorina's lack of a track record in government may hurt her overall, but it does make her less vulnerable to criticism about this or that policy. Says Stan Veuger, an economist and resident scholar at the American Enterprise Institute: "The detailed plans that people come up with just get them in trouble." At this point, says Veuger, "I think she wants to position herself as the one Republican candidate who can attack Hillary Clinton the best without being accused of sexism."