

# Big government redistributes money to benefit Washington's gilded class

When you combine the official bureaucracy with other over-compensated beneficiaries of big government, it's easy to understand why Washington, DC, is now the richest region of America

By [Daniel J. Mitchell](#)

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Regular readers know I complain about the [army of overpaid bureaucrats](#) in Washington, but that's just the tip of the iceberg.

The larger problem is that Washington also is filled with hundreds of thousands of other people who get rich thanks to big government. And these politicians, lobbyists, crony capitalists, interest groups, contractors, and influence peddlers almost surely are a bigger net drain on the economy's productive sector.

When you combine the official bureaucracy with these other over-compensated beneficiaries of big government, it's easy to understand why Washington, DC, is [now the richest region of America](#), with 10 of the nation's 15 richest counties.

[Reuters did an expose last year](#) on how Washington fat cats are living on Easy Street at our expense, and [The Economist also has touched on the issue](#). But you know the problem has reached epidemic levels when even the local left-wing paper covers the story.

And that's exactly what is happening. [The Washington Post reports](#) on how coerced access to other people's money has meant boom times for the beltway elite. Here are some excerpts on how your money is creating unearned riches for DC insiders.

"The avalanche of cash that made Washington rich in the last decade has transformed the culture of a once staid capital and created a new wave of well-heeled insiders.

"The winners in the new Washington are not just the former senators, party consiglieri and four-star generals who have always profited from their connections. Now they are also the former bureaucrats, accountants and staff officers for whom unimagined riches are suddenly possible. ... They are the lawyers, lobbyists and executives who work for companies that barely had a presence in Washington before the boom."

Here are some depressing stats from the story.

"During the past decade, the region added 21,000 households in the nation's top 1 percent. No other metro area came close. ...in 2010, companies based in Rep. James P. Moran's congressional district in Northern Virginia reaped \$43 billion in federal contracts — roughly as much as the state of Texas.

"At the same time, big companies realized that a few million spent shaping legislation could produce windfall profits. They nearly doubled the cash they poured into the capital. ...Essentially, Washington has been the beneficiary of a decade-long, taxpayer-funded stimulus package."

Unfortunately, all this federal largesse is corrupting the business community, with many companies deciding that lobbying for tax dollars is more lucrative than competing for consumer dollars.

"The federal government wasn't the only one pouring buckets of new money into Washington in the 2000s. Big business did it, too. At a time when promising investments were hard to find, corporate America learned that lobbying was one of the most surefire ways of bolstering its bottom line....

"Companies spent about \$3.5 billion annually on lobbying at the end of the last decade, a nearly 90 percent increase from 1999 after adjusting for inflation... Legal services also boomed, fueled by the growing complexities of federal business regulations. The number of lawyers in the D.C. metro area increased by a third from 2000 to 2012, nearly twice as fast as the growth rate nationwide. And those lawyers have the highest mean salaries in the country, according to George Mason University's Center for Regional Analysis."

Lobbying isn't automatically a bad thing, by the way. Sometimes a company needs representation so that the political vultures in Washington don't descend upon them.

"You know that if a company stopped lobbying, it would get creamed," Drutman said. "That's why companies don't stop lobbying."

The real moral of the story is that small government and genuinely free markets are the only effective ways to reduce [sordid lobbying](#) and [political corruption](#).

The challenge, needless to say, is convincing the Washington establishment to adopt those policies. That's not an easy task, particularly when it violates my [First Theorem of Government](#).

P.S. Here's a great video from Reason about [Washington's parasite economy](#).

P.P.S. Here's an example of how [Obamacare has lined the pockets](#) of some DC insiders.

P.P.P.S. And here are some grating details about how [the President is part of the problem](#).

P.P.P.S. You can enjoy some government corruption humor [here](#), [here](#), [here](#), [here](#), and (my personal creation) [here](#).