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Weekonomics: Budget Negotiations Edition

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Just hours away from a **potential government shutdown**, Paul Solman speaks via Skype with two economists on the financial implications of the budget impasse in this week's edition of "Weekonomics: Our Friday Roundup."


Conservative Richard Rahn of the Cato Institute says the big issue isn't the debate over budget cuts to avert a government shutdown, but the long-term budget deficit. He's for the plan put forth by **Paul Ryan**.





Daniel Hamermesh, a liberal at the University of Texas at Austin, calls the fight over this year's budget "a standard game of 'budget chicken'" and doesn't think Rep. Ryan's proposal for next year is the answer to our long-range budget problems.

If the government does shut down, here's a snapshot of what that could look like:

SNAPSHOT OF A POSSIBLE GOVERNMENT SHUTDOWN

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\$38 BILLION
Roughly the amount of cuts currently agreed on between the two parties as of this posting.
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0.2 PERCENT OF GDP
The amount the shutdown could trim off the GDP per week, according to separate estimates by Goldman Sachs and IHS Global Insight. The Bureau of Economic Analysis reports that U.S. GDP grew by 3.1 percent in the final quarter of 2010.
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800,000 WORKERS
About 42 percent of the government workforce of 1.9 million employees would be affected by a shutdown.
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500,000 VISITORS
The Smithsonian estimates 500,000 visitors would be affected by a shutdown.

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