

Cato Institute Gave Romney a 'C' on Spending as Governor

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During the four years that Mitt Romney served as governor of Massachusetts, the Cato Institute published two reports that graded the nation's governors on spending. [In the first](#), Cato gave Romney a "midterm" grade of a D. [In the second](#), it gave him an overall grade of a C.

Cato's reports, conducted biennially, rate the nation's governors on a variety of "objective measures of fiscal performance." "Governors who have cut taxes and spending the most receive the highest grades," Cato writes. "Those who have increased spending and taxes the most receive the lowest grades."

Romney's overall fiscal policy grade from Cato, factoring in both spending and tax policy, was a C. His numerical score (55 out of 100) placed him in a 4-way tie for 12th place, behind six Republican governors and five Democratic governors, and tied with two other Republican governors and one other Democratic governor.

On spending alone, Romney's score improved from a D at the 2-year point to a C overall. His overall numerical score on spending (50 out of 100) placed him in 14th place, behind seven Republican governors and six Democratic governors, including six governors (five Democrats and one Republican) from left-leaning states.

In issuing its final report on Romney's term as governor, Cato wrote:

Romney likes to advance the image of himself as a governor who has fought a liberal Democratic legislature on various fronts. That's mostly true on spending: he proposed modest increases to the budget and line-item vetoed millions of dollars each year only to have most of those vetoes overridden. But Romney will likely also be eager to push the message that he was a governor who stood by a no-new-taxes pledge. That's mostly a myth. His first budget included no general tax increases but did include a \$500 million increase in various fees. He later proposed \$140 [million] in business tax hikes

through the closing of 'loopholes' in the tax code. He announced in May 2004 that he wanted to cut the top income tax rate from 5.3 to 5 percent, but that was hardly an audacious stand. Voters had already passed a plan to do just that before Romney even took office. In his budget for 2006, he proposed \$170 million more in business tax hikes, almost completely neutralizing the proposed income tax cut.

Cato concludes, "If you consider the massive costs to taxpayers that his universal health care plan will inflict once he's left office, Romney's tenure is clearly not a triumph of small-government activism."