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## Economy Watch

Economic news and analysis with Frank Ahrens

↑2.8% Q3 GDP   4.99% avg. 30-year mortgage   ↓10.0% Unemployment

### TWITTER

Obama will "keep fighting" for middle class. Next, I fully expect him to start talking about "two Americas."  
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Post's managing editor in online chat today: "We should be coming out with an iPhone app in this quarter."  
45 minutes ago | Reply

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### Cato: Federal Government creates 2,000th subsidy

The conservative **Cato Institute**, which likes to keep track of such things, notes that [the federal government has passed the 2,000 mark in the number of federal subsidies](#) it maintains. (Two new ones at the Justice Department pushed the number to 2,001.)

Each one of us is touched by some form of federal subsidy, be it the **Medicare** subscription drug subsidy (the biggest by far), an EPA community action grant or a local firefighter staffing grant.

Cato maintains that we're no better off with these subsidies, that there is no advantage to federalizing these subsidies, Cato's **Chris Edwards** writes.

Whether you agree or not, one man's subsidy is another man's pork and can be easily mocked and marked for cutting. They've been growing steadily since 1970, save for a brief **Reagan**-era cutback in 1985, and they exploded during the **Bush 43** years.

Now that we've topped 2,000 subsidies, let's see how they break down:

-- The Department of Health and Human Services is the government's No. 1 giver of subsidies, with nearly 400. Subsidies from that agency have included Bush's "[healthy marriage promotion](#)."

-- Lagging in the No. 2 spot is the Department of Agriculture, with a little more than 200 subsidies. ([Ethanol](#), anyone?)

-- Most tellingly, the Small Business Administration -- you know, the agency that's supposed to mind the sector of the U.S. economy that creates 80 percent of our jobs? -- administers only about 25 subsidies.

Follow me on Twitter at [@theticker](#).

By Frank Ahrens | January 25, 2010; 3:38 PM ET

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