

## The Washington Post

# Federal spending rises a record 16% in 2009, Census Bureau says

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Federal domestic spending increased a record 16 percent to \$3.2 trillion in 2009, the Census Bureau reported Tuesday, largely because of a boost in aid to the unemployed and the huge economic stimulus package enacted to rescue the sinking economy.

The rise in spending was the largest since the Census Bureau began compiling the data in 1983. The Washington region was among the biggest beneficiaries of the government's spending.

With congressional elections looming this fall, the spike in federal spending has emerged as one of the nation's most contentious political issues.

Many Republicans accuse President Obama and his Democratic allies of being reckless spenders who are harming the nation's long-term economic prospects by inflating the deficit.

"The stimulus put the nation a trillion dollars further into debt, which was bad enough, but an additional concern is that there will be efforts to extend and make permanent many of the stimulus programs," said Chris Edwards, an economist at the Cato Institute, a right-leaning think tank.

Obama and many Democrats argue that the spending rescued an imploding economy while repositioning it for the future by dramatically expanding funding for education, green energy technology and job training.

They also say that much of the increase in federal outlays went to struggling families through emergency health-care assistance, extended unemployment benefits and food stamp enhancements.

"This is not anything that should be viewed as a problem," said Paul Van de Water, a senior fellow at the Center on Budget and Policy Priorities. "It is a good thing that we have these programs when people are in need."

Overall, the largest chunk of federal spending - about 46 percent of the \$3.2 trillion - went

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to Medicare, Medicaid and Social Security, entitlement programs that are projected to swell as the population ages.

Pay for federal employees accounted for nearly \$300 billion of the spending and nearly half of that went to the Defense Department payroll.

The spending was a boon to the Washington area, the seat of government and home to many of its contractors.

Among the states, per capita spending averaged more than \$10,000. But Virginia got almost \$20,000 per resident, second only to Alaska. Maryland was the fourth highest at more than \$16,000 for each resident, behind Hawaii.

The District was in a class by itself. The Census Bureau calculated the per capita spending at more than \$83,000. But that figure was greatly skewed by the concentration of federal agencies in the city.

Virginia was pushed to the forefront of federal spending by the high number of defense contractors and service members living in the state. It saw \$67 billion in military spending, a large chunk of the \$155 billion the federal government spent in the state in 2009. Only California, New York and Florida got more money overall.

Much of the federal money went to private contractors. In Fairfax County, for instance,

almost \$40 billion of the \$46 billion the federal government spent in the county went to contractors.

In Maryland, federal spending in fiscal 2009 rose 15 percent, to \$92 billion. Maryland's ranking reflects in part a large number of residents who are federal employees. Montgomery County, for example, got \$28 billion in federal funds, including \$4.6 billion in salaries, almost \$3 billion in retirement checks and \$17.5 billion in government contracts for various vendors.

Like many other jurisdictions around the country, state workforces in Maryland, Virginia and the District are all showing the effects of budget cuts.

According to the census, Virginia, with about 125,000 full- and part-time employees in 2009, added part-time workers last year but they worked fewer hours. Maryland stayed stable with about 89,000 workers, the census

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said, but many state employees last year took furloughs of five to 10 days. The District trimmed its full- and part-time workforce of about 44,500 by more than 3,000 people last year, according to the census. The three jurisdictions reported different figures because their employment rolls change weekly while the census captured a single point in time.

Other than the enactment of the \$787 billion stimulus package last year, much of the increase in federal spending could be traced directly to the recession. Total obligations for two major welfare programs - Temporary Assistance for Needy Families and food stamps - reached \$68 billion in 2009, a 32 percent increase over 2008.

The federal government also spent \$86 billion on unemployment compensation in 2009; persistently high joblessness has prompted a federal extension of benefits up to 73 weeks, on top of the 26 weeks in unemployment benefits offered by the states. That figure was more than double what the federal government spent on unemployment benefits the previous year.

Federal grants to states, local governments, nonprofit groups and other organizations accounted for nearly one-quarter - \$744 billion - of federal outlays. The majority of that amount was funneled through the Department of Health and Human Services. HHS along with the departments of Education and Transportation accounted for

nearly 80 percent of federal grant spending in 2009.

The \$3.2 trillion figure reported by the Census Bureau did not include interest paid on foreign debt. Nor does it include foreign aid, which traditionally accounts for about 1 percent of the federal budget. The bureau also released a companion report, Federal Aid to States: 2009, detailing the federal grants to state and local governments.

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