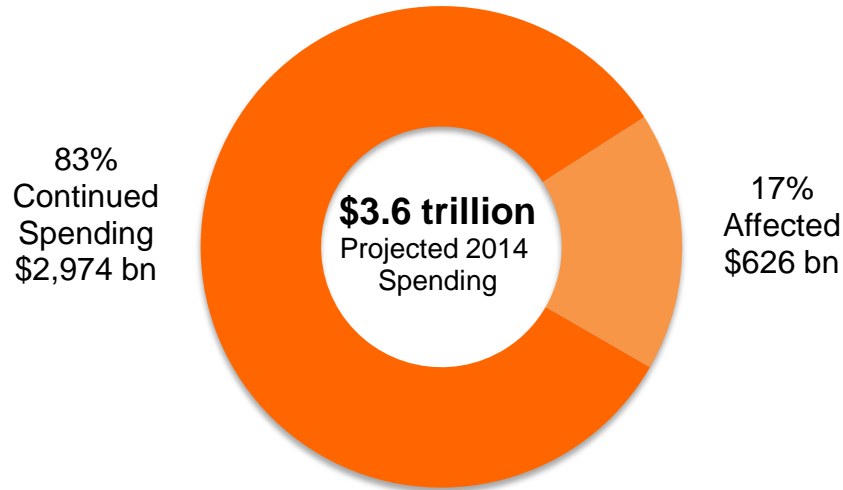


How Does the US Debt Position Compare with Other Countries?

Impact of Government Shutdown on Spending



Source: Byron York, "Where's sense of crisis in a 17% government shutdown?" The Washington Examiner, 10/5/2013.
Produced by Veronique de Rugy, Mercatus Center at George Mason University.

This week's chart uses the level of spending to examine the share of the federal budget affected by the government shutdown.

The shutdown has limited 17 percent of spending, amounting to \$626 billion. This means 83 percent of projected 2014 spending of \$3.6 trillion, amounting to \$2.9 trillion, is unaffected and is continuing uninterrupted. Even if Congress is unable to agree on a spending bill, the government is still functioning, and many Americans who are dependent on various federal programs continue to receive funds.

As my colleague Matthew Mitchell has [shown](#), academic research at the state level suggests that government shutdown leads to more spending. Some states shut down their governments in the event of a budget impasse. Others stay open while elected officials hash out their differences. Studies have found that, after controlling for other factors, those states that automatically shut down seem to spend more (on a per capita basis) than those that stay open. The theory is that a shutdown threat seems to strengthen the relative negotiating position of those who favor more spending.

It is unclear what the impact is at the federal level.

To contact Dr. de Rugy, call 202.550.9246 or email rlandaue@gmu.edu