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Stimulus Must Stimulate

WASHINGTON, D.C. – According to a new Congressional Budget Office (CBO) report, less than half of the discretionary spending provided in the original version of the House stimulus bill will actually be spent before the end of fiscal year 2010. CBO estimates that of the \$355 billion available, approximately \$136 billion would actually be spent in the first two years. CBO and other economists project that by the time the remainder is spent, the recession will be over.

The Committee for a Responsible Federal Budget (CRFB) calls on Congress to adhere to President Obama's pledge that infrastructure projects be "shovel-ready," and implores legislators to use the stimulus bill to stimulate the economy in the short-term – not make it a funding vehicle for their favorite programs.

"This is not the time or the place for Members to indulge a particular constituency or pet project," said Maya MacGuineas, President of CRFB. "It is called a serious economic crisis for a very good reason, and we need a commensurately serious economic response in this stimulus bill."

CRFB also remains hopeful that the stimulus bill will not serve as an excuse to enact campaign promises as temporary policies, when the real intent is for them to be enacted permanently. For instance, though President Obama's "Making Work Pay" tax cut program appears to be an effective form of stimulus, the fact remains that the President introduced the idea as a permanent tax cut, and there is the real risk it would be made permanent without adhering to pay-as-you-go budget rules.

"The size of this stimulus package and the speed at which it is moving through the process are both remarkable," said MacGuineas. "Let's just make sure that we don't lose sight of what we want it to do: stimulate our ailing economy and do so immediately."