



The political economy of fiscal responsibility

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Abstract

For decades, a central element of the Republican Party brand has been to call for fiscal responsibility through balanced budgets. We investigate the extent to which the party has actually implemented those ideological principles. To do so, we combine a multitude of datasets and exploit Congressional Budget Office reports to study legislative behavior on specific bills from 1997 to 2020. Evidence of Republican politicians behaving in ways that would suggest a systematic commitment to balanced budgets is scarce, with some evidence of decline across time. Finally, we explore possible explanatory mechanisms for this phenomenon.

Keywords public budgeting · partisan politics · legislative behavior

1 Introduction

In the post-WWII period, Republican Party messaging has consistently emphasized the importance of small, inexpensive government. But Republican politicians at the federal level have overseen decades of deficits when the party had sufficient control across the executive and legislative branches to stop any major spending: from 1947, in 46 out of the 78 years, Republicans either controlled the veto-pen or at least one chamber of Congress.

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During this period, the only meaningful decline in spending came from decreases in defense spending during the Clinton years after the Cold War.¹

Examples abound of the disconnect between rhetoric and reality. For example, Medicare Part D, enacted by a Republican Congress and administration in 2003, was a large unfunded program that provided prescription drug coverage at no direct cost to beneficiaries. In the first few years it cost about \$50 billion annually, but it has since grown so that the ten-year cost now exceeds \$1 trillion (Congressional Budget Office 2022).² Likewise, this occurred during the multi-trillion dollar wars in Afghanistan and Iraq (financed entirely through borrowing), and a series of pro-cyclical tax cuts unmatched by offsetting spending reductions enacted by Republican administrations and congresses in 2001, 2003, and 2017. In 2025, Senate Republicans abandoned the strictures of the Budget Reconciliation process that hitherto had required the budget to balance within a specified period as a condition for exempting bills from the filibuster. This allowed them permanently to extend \$3.8 trillion of expiring 2017 cuts without finding offsetting spending reductions in a bill that the CBO projected would add \$4.1 trillion to the federal debt (Rubin 2025; Congressional Budget Office 2025).

Various explanations for the Republican Party's behavior receive attention in existing scholarship. Researchers note the majority of federal spending goes to mandatory entitlement programs that are popular and therefore difficult to reverse (Pierson 1996; Boeri et al. 2001; Shaw and Mysiewicz 2004; Herwartz and Theilen 2014; Brodie et al. 2015). However, cutting taxes is also popular and has become a cornerstone of the Republican political identity (Prasad 2018). Others have noted that even sincere political beliefs can be waylaid by the necessity of responding to current events (Quaglia et al. 2022; Bevan and Jennings 2014; Jones et al. 2009; Sulkin 2005). For example, the COVID-19 pandemic ushered in trillions of dollars in stimulus spending with Republicans in control of the Presidency and Senate. Finally, the literature on US welfare policy implies that the rhetoric about fiscally responsible government is mostly cheap-talk: useful for providing theoretical grounding for cutting safety-net programs (i.e. they are too expensive) rather than a reflection of sincere ideological beliefs about fiscal policy (Gilens 2009; Hancock 2004).

We enter into this milieu by seeking to document the degree to which individual lawmakers from the Republican Party are committed to the GOP's self-proclaimed goal of fiscal responsibility through inexpensive government and balanced budgets. That is, are Republican members of Congress generally trying to pass legislation that would reduce the deficit only to see these efforts thwarted by the necessities of compromising with Democrats or responding to current events? Or are members themselves less committed to reducing the deficit than political rhetoric and conventional wisdom would suggest?

First, we use macro data that looks at budget projection trends relative to party control from 1946 to 2019. Next, we drill down, using bill-level data that takes advantage of Congressional Budget Office (CBO) scores to study how the cost of proposed legislation affects

¹ Alesina (2000) discusses the politics of the budget surplus under Clinton and argues that the decline in defense spending was the major driver. Sobel (2001) makes a special interest group-based argument for why budget deficits declined under Clinton. Another explanation comes from the Gramm–Rudman–Hollings Act of 1985, which created binding spending constraints (Gramlich 1990); it was largely replaced by the Budget Enforcement Act of 1990.

² With less than a fifth of the cost covered by premiums and the transfers from states, this is a huge unfunded mandate on the federal government. The projected costs were about a third above what the actual cost has turned out to be (Oliver et al. 2004; Congressional Budget Office 2022).

member voting behavior from 1997 to 2020.³ Altogether, these datasets allow us to characterize the extent to which Republicans have knowingly contributed to deficits and whether their willingness to do so has changed over time. Various dimensions we study include big-ticket versus small spending, discretionary vs mandatory, pro- vs counter-cyclical, and outlays vs implicit tax expenditures. In all, we provide a comprehensive look at the budgetary behavior of the two major parties at the national level to date, drawing from six different types of budgetary data.

Results provide little evidence that Republicans at the federal level have ever had systematic or long-term success at reducing budget deficits. On this point, the macro-trend analysis and CBO analysis of individual members are complementary. The partisan differences and statistically meaningful trends that do emerge from our analysis are highly situational: for example, Republican Party control is associated with smaller deficits during recessions but larger in non-recessionary periods, Republican control is also associated with more costly long-term budget projects, and our bill-level analysis reveals that Republicans are more likely to behave in fiscally restrained way on bills that fail to pass. We also find evidence that Republican members of Congress have become more likely to vote for extremely costly legislation over time.

Finally, we look for potential mechanisms driving these results by highlighting two political trends that might affect the fiscal behavior of parties and their members: the dual rise of safe seats and political spending from corporate lobbyists. If safe seats weaken party discipline (Kustov et al. 2022), then this might explain why it is increasingly challenging for majority party leaders to pursue cohesive policy agendas based on ideological priorities (Curry and Lee 2019). Likewise, it could explain why the Republican Party has failed to make good on ideological commitments for balanced budgets. In a similar fashion, the need to cultivate donations might cause parties to stray from the path of ideological orthodoxy, if, for example, tax cuts or spending programs are called for by rich lobbyists. Our exploratory analysis is suggestive, but does not provide clear evidence that either element is systematically related with fiscal behavior.

Given these results, how should we understand Republican rhetoric on the subject of fiscal responsibility? Is it a sincere ideological guidepost to which GOP politicians repeatedly fall short, or it is politically expedient cheap talk? We propose that it is both and that the GOP position has evolved from a period of sincere belief in the 1940s and 1950s when Republicans were more likely to pursue deficit-reduction policies, to a period in the 1970s and 1980s of intellectual gesturing through appeals to supply-side economics and “starve-the-beast” when Republicans supported policies that added to the debt but still tried to justify them as fiscally responsible, to the modern period (characterized by mandates and tax cuts) when any goals of budgetary discipline have clearly taken a backseat to other priorities. This evolution is reflective of the difficulties of producing balanced budgets at the national level. While members of both parties may wish to do so, they risk alienating a public that wants crises addressed, costly entitlement programs protected, and low taxes.

³This is the entire period when CBO reports for bills are publicly available.

2 Data

Our goal is to provide the most comprehensive possible look at the spending behavior of Republicans and Democrats in the post-war period. We therefore draw from a wide variety of data sources: macro-level budget information available from the Office of Management and Budget (OMB), and, for member-level analyses, data from the CBO. The CBO is a federal agency tasked with providing Congress information about the budgetary effects of legislative proposals. A central component of its mandate involves “scoring” bills, in which CBO analysts estimate how a bill would affect government revenues and expenditures. In doing so, they first construct baseline projections of federal revenues and outlays under existing laws, accounting for economic conditions, demographic trends, and the expected behavior of individuals, firms, and the government. Then, they assess how a bill’s provisions would alter the baseline, accounting for both direct effects (such as changes in taxes, spending mandates, or entitlement programs) and indirect effects (such as behavioral responses and macroeconomic feedback, known as dynamic scoring). Each report (corresponding to a bill proposal) includes estimates of “direct” spending, appropriations spending, and revenues.

Reports are written and published only upon request by a member of Congress, but there are strong congressional norms that bills are scored by the CBO before voting. Quaglia et al. (2022) was the first paper to our knowledge that systematically collected and analyzed CBO data. They studied the relationship between partisanship and bill cost by hand-collecting the reports from 1997 to 2018. We update their dataset by scraping the CBO’s repository through 2020. Most congressional bills are never scored by the CBO because they never come close to receiving a floor vote in either chamber of Congress. Consequently, there are potential selection issues, but we attempt to mitigate these by running subsequent analyses separately for enacted and non-enacted bills. There are very few bills that are not scored, have non-trivial effects on the budget, and pass into law.

Our full CBO dataset contains cost estimates for 10,608 proposed bills from the 105th to the 115th Congresses. Of these, 67% have a non-zero effect on the budget. Their log distribution is shown in Fig. 1; most bills have a positive cost, while a few are revenue generating bills. Cost is defined as the direct spending plus appropriations spending minus revenues. The distribution is heavily skewed because most bills have trivial effects; 87% of bills affect the budget by less than a billion dollars (either positively or negatively).

A limitation of this dataset is that it is only available starting in the late 1990s. This means our bill-level analysis misses the Republican deficit increases under Reagan. We also hand-collected CBO reports from various congressional report sources from the mid-1980s but were only able to find 75 bills between 1986 and 1991 with a report.⁴ We did not find any significant trends when studying this limited pre-1997 set. In addition to these scoring reports, the CBO also prepares budget projections that forecast federal spending, revenues, deficits, and debt over various time horizons.

⁴The only bills of note were the Farm Emergency Credit Act of 1985, Caribbean Basin Economic Recovery Expansion Act of 1987, Public Buildings Authorization Act of 1987, HUD Reform Act of 1989, Clean Air Act Amendments of the 101st Congress, and an attempt at amending Social Security in 1990 by Republican Rod Chandler. None of these had deficit effects greater than 6 billion and not all passed.

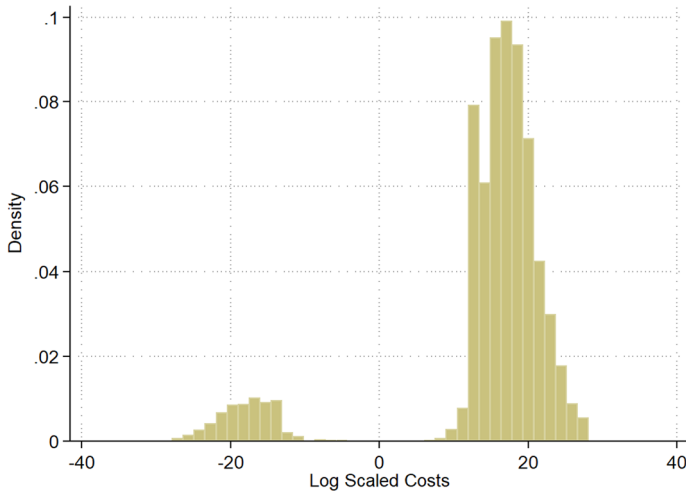


Fig. 1 Cost distribution (Log Scaled). This graph plots the $\text{sign}(\text{cost})\log(|\text{cost}|)$ distribution for bills

3 Budget projections

A basic accounting of federal spending, debts, and deficits in the post-WWII period makes clear that if Republicans had hoped to produce balanced budgets, then they failed in these efforts. Where did things go wrong? Possibly, Republicans presided over budgets that were expected to be balanced, or even produce surpluses, but these projections turned out to be wrong because of unexpected events such as economic recessions. If so, by looking at the projections themselves, we can recover any evidence of fiscally conservative legislative intent that may have been wiped away by happenstance. These data are available the CBO, which provides estimates for the deficit and debt in the future based on the existing budget and legislation. In effect, the CBO adds up the costs (and projected revenue) of federal legislation in a given year and then provides estimates for how these costs will change over time.⁵

The first question we can look at is under whose control did the policies that most affected the budget get enacted. For example, the debt was projected to decline at the end of the Clinton administration, but this debt decrease would never materialize under the Bush administration.

To study this, we need to know the main sources of the structural deficit are and when those materialized, which captures under whose watch the long-term budget outlook worsened. CBO projections at a given point in time provide insights into these dynamics. At year t , the “deficit projection over next 6 years” is the cumulative estimate based on bills to that point. At year $t + 1$, there is a new projection: Δ_{t+1} , which is effectively how much the $t + 1$ government added to the “long-term deficit”. For example, the 2015 CBO budget projection report estimated a deficit in 2016 of \$467 billion, but the following year this was

⁵The accuracy of the prediction is not a major concern as we want to know how politicians acted based on expectations of cost; this only requires assuming a certain degree of confidence in CBO projections by the politicians at the time. Miller (1991) studies the accuracy of their reports and shows they have improved over time.

updated to \$544 billion. Thus, the new information on the economy and policies that year resulted in an additional \$77 billion in the deficit projection.

We calculate $\Delta_t + 1$ using 6-year projections with starting years of 1984 to 2020. Under Republican presidents, the Δ_{t+1} divided by GDP is -1.7% , whereas it is 0.9% under Democratic presidents. Thus on average, bills passed under Republican presidents were expected at the time they were passed to increase the deficit over time more than bills passed during Democratic administrations.

Figure 2 shows changes over time in estimated budget projections. Given the small time horizon and limited observations, we do not find statistically significant trends. The CBO projected that policies passed during the Reagan administration would significantly increase the deficit. Projections saw GW Bush increasing the deficit as well, Clinton decreasing the deficit, and Obama-era projections predicting similar increases to those during GW Bush's tenure.

We present other macro-level analyses in the Appendix. These include: (1) looking at trends in surpluses and debt over time by party control of the White House and Congress (Fig. 5, Tables 5, 6, and 7), (2) investigating partisan differences in tax expenditures (Table 8), (3) studying the role of automatic stabilizers that trigger when there is an economic recession (Table 9), (4) looking at pro-cyclical versus counter-cyclical spending (Table 10), and (5) estimating differences in how Republicans and Democrats respond to recessions (Table 11). None of these analyses present clear evidence that Republicans are more fiscally disciplined than Democrats when in power.

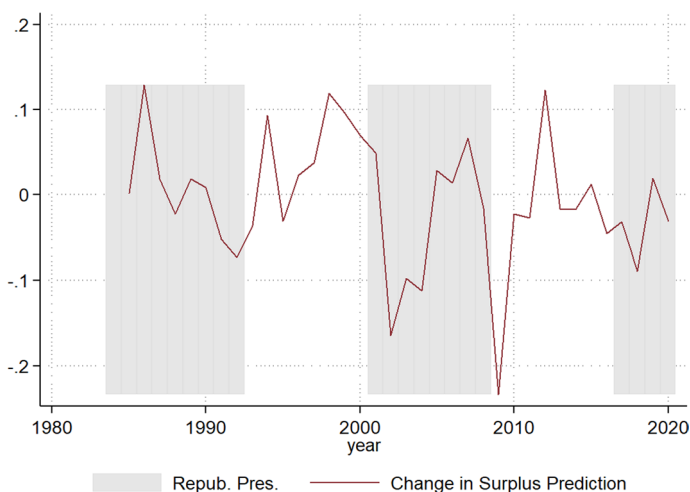


Fig. 2 Surplus projections over time. This graph plots surplus projection changes (in trillions) with intervals of Republican presidencies from 1984 to 2019

4 Bill cost and member voting behavior

4.1 Empirical model

At the macro level, there is no evidence that Republicans are more likely to bring about balanced budgets than their Democratic counterparts. Next, we want to know how individual members vote on costly legislation. It may be that Republican fiscal discipline emerges at this level as members promote bills that would cut spending only to see these efforts thwarted by sociopolitical forces outside their control. To find out, we join CBO cost estimates for individual bills with roll call votes.⁶ Roll call votes record the voting decisions of each member of Congress (i.e. a “yea” or “nay” on specific pieces of legislation).

Of course, producing balanced budgets will often require bipartisan cooperation. Consequently, even if Republican members want cuts, they might not bother introducing the necessary legislation if they know it is a political dead end. But we can still study member-level behavior for bills that make it to the floor. Our empirical approach models the probability that a member of Congress votes “yea” on a given bill as a function of the bill’s projected budgetary effects, the member’s party affiliation, and, in our additional models, the political and institutional context. Specifically, we estimate a linear probability model predicting the voting decision of a member i on bill b in year t .⁷ We include the log cost variable for the bill C_{bt} and a time/year variable defined by congressional session.⁸ We run the fully interacted model by party indicator $P_{it} \in \{D, R\}$:

$$yea_{ibt} = \alpha + \beta_1 C_{bt} + \beta_2 T_t + \beta_3 P_{it} + \beta_4 C_{bt} T_t + \beta_5 C_{bt} P_{it} + \beta_6 T_t P_{it} + \beta_7 C_{bt} T_t P_{it} + \varepsilon_{ibt} \quad (1)$$

We can then compare the cost-year interaction terms across parties to find differing trends across party lines in the members’ willingness to vote on bills by cost. By interacting this cost measure with member party affiliation and legislative session, we can assess how fiscal considerations and partisan incentives jointly shape legislative voting. We focus on bills with nonzero spending (either positive or negative) because bills that have no fiscal consequences are not relevant to our research question. This analysis uses only bills that were enacted and we subsequently compare these results to an analysis using non-enacted bills.

We start our empirical analysis with the following hypotheses about member voting behavior. Our first hypothesis is that legislators are less likely to vote in favor of bills with higher projected budgetary effects: thus the null hypothesis is $\beta_1 \geq 0$. Our second hypothesis is that Republican members exhibit greater aversion to high-cost legislation than Democratic members: thus the null is that total effect of $P_{it} C_{bt}$ on yea_{ibt} is zero. Our third hypothesis is that this aversion has been changing over time, meaning the null hypothesis is $\beta_7 = 0$.

⁶We use the final roll call available when there are multiple. There are few bills that get scored and never receive votes, and we do not consider those for this analysis.

⁷Our preferred specification is the linear probability model due to its flexibility and robustness (Angrist and Pischke 2008); we acknowledge its limitations, particularly for predicting tail events. We also consider logit and probit models. The marginal effects of the Republicans time trend at the average spending level are nearly identical for all models.

⁸The exact log transformation is $X' = \text{sign}(X) * \log(\text{abs}(X) + 1)$ to allow for non-positive spending.

4.2 Baseline results

Table 1 shows the results for equation (1). The six columns correspond to different measures of fiscal impact: total spending, deficit effect, revenue changes, mandatory spending, appropriations, and a restricted sample of bills with positive fiscal cost. Across most specifications, the main effect of cost on vote probability is negative and statistically significant, rejecting the first null hypothesis. This effect is strongest for total spending, appropriations, and positive-cost bills, suggesting that legislators are generally less likely to vote in favor of more expensive bills. For revenue changes, the coefficient is positive and significant, indicating that legislators may be more inclined to support bills that increase government revenue. By contrast, the coefficient on mandatory spending is near zero and insignificant, highlighting that baseline support for such bills is more likely to be shaped by partisan or political considerations than by cost magnitude alone.

The interaction terms between Republican party affiliation and fiscal cost uncover partisan asymmetries in voting behavior. Republicans are, on average, less likely to support costly legislation overall, rejecting the second null hypothesis, but this masks more nuanced results. For instance, in the positive-spending column, Republican membership is associated

Table 1 Bill vote on cost, party, and time regressions

Cost Variable in Logs	Dependent Variable: Yea Vote on Bill					
	(1)	(2)	(3)	(4)	(5)	(6)
	Spending	Deficit	Revenue	Mand.	Appr	Pos. Spend.
Cost Var	−0.0047*** (0.0003)	−0.0026*** (0.0003)	0.0020*** (0.0003)	−0.0002 (0.0003)	−0.0152*** (0.0007)	−0.0169*** (0.0008)
Year	−0.0040*** (0.0007)	0.0004 (0.0007)	0.0057*** (0.0009)	0.0028*** (0.0008)	−0.0282*** (0.0016)	−0.0030 (0.0021)
Cost Var. × Year	0.0007*** (0.0000)	0.0005*** (0.0000)	−0.0002*** (0.0001)	0.0001 (0.0000)	0.0021*** (0.0001)	0.0006*** (0.0001)
Republican Member (Rep.)	−0.0574*** (0.0078)	−0.0225** (0.0074)	0.1808*** (0.0132)	0.0055 (0.0101)	−0.0652*** (0.0149)	0.2558*** (0.0189)
Rep. × Cost Var	−0.0014*** (0.0004)	−0.0030*** (0.0004)	−0.0029*** (0.0005)	−0.0058*** (0.0004)	−0.0001 (0.0008)	−0.0179*** (0.0011)
Rep. × Year	−0.0047*** (0.0009)	−0.0054*** (0.0009)	−0.0078*** (0.0014)	−0.0079*** (0.0011)	0.0149*** (0.0019)	−0.0282*** (0.0030)
Rep. × Cost Var. × Year	0.0002** (0.0001)	0.0001 (0.0001)	0.0007*** (0.0001)	0.0007*** (0.0001)	−0.0009*** (0.0001)	0.0014*** (0.0002)
Constant	0.8797*** (0.0052)	0.8445*** (0.0053)	0.6078*** (0.0096)	0.7804*** (0.0069)	1.0428*** (0.0119)	1.1182*** (0.0138)
Observations	181,834	187,603	47,856	81,690	139,927	157,524
R ²	0.016	0.015	0.019	0.017	0.024	0.050

Robust standard errors in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. This table shows member-bill level regressions for enacted bills of voting ‘yea’ on a bill based on the interacted between its budgetary effect, party affiliation of the member of congress, and time. The six budgetary variables are cost (in terms of spending), deficit effects, revenue effects, mandatory spending cost, appropriations spending cost, and cost conditional on positive cost. We also include but suppress a dummy for Senate member, dummies for Republican House, Senate, and Executive control, and all four interactions with Republican member

with a markedly higher baseline probability of voting yea, suggesting that Republicans are more likely to support costly bills when we restrict the subset to bills with positive spending. Republicans also have contrasting preferences over mandatory and appropriations bills: a baseline higher opposition to the latter, but the effect flips as the cost of the bill increases. This apparent inconsistency, meaning simultaneously voting for and against costly bills, suggests ideological selectivity rather than uniform fiscal conservatism. In addition, they have a baseline level of support for bills that increase revenues, but that decreases as the bill's revenue effects grow; this suggests a willingness to engage in fiscal responsibility as long as the tax implications are not too severe.

The triple interaction terms (Republican $\times$ Cost $\times$ Year) allow us to determine how these partisan tendencies evolve over time. The interaction is positive and significant for total spending, indicating a decline in Republican resistance to high-cost bills over the period studied; this rejects the third null hypothesis. A similar pattern emerges for mandatory spending, where the time trend is particularly strong, suggesting growing Republican openness to (popular) entitlements. In contrast, the triple interaction is negative for appropriations, reflecting a sharpening Republican aversion to discretionary outlays. These findings suggest a shift in the Republican Party's fiscal posture: from traditional deficit aversion to selective engagement with high-cost legislation, depending on the programmatic content and political alignment of the bill. This hints at a weakening over time in resistance to bills based on their fiscal impact.

We also include, but suppress, party interactions with dummies for whether the member is in the Senate and party control of the legislature and executive. For both a Republican Senate and President, Republican members are much more likely to support bills; the effect is weaker for House control, which is intuitive as each vote is less marginally pivotal. We run additional models to test sensitivity; some effects change when we use levels instead of logs, indicating both mixed effects and sensitivity to outliers. Finally, across various specifications, there is a discontinuity in effects for bills that increase deficits and decrease them, as both are correlated with Republican support. This points towards a willingness by Republicans to simultaneously support big spending cuts and big spending increases.

To illustrate and quantify these findings, Fig. 3 shows the predicted vote probability for bills of varying mandatory spending levels (\$10 billion, \$50 billion, \$100 billion) by political party over time, drawing on the coefficients from regression (1). These illustrate how Republicans have shifted more over time with regard to more expensive bills. The effects are non-trivial as the voting probability goes from below 0.4 to above 0.75 in only 15 years.

For contrast, Table 2 shows the same regression but conditions on non-enacted bills. There is a strong negative coefficient on all types of spending, a slightly positive on deficit, and a strong negative trend on revenues. In other words, Republicans strongly oppose spending and revenue increases on bills that do not pass. One rationalization of this is that if the Republican member believes their vote is unimportant (e.g. they are in the minority and the bill will pass or fail regardless of what they do), then they can pay lip service to political orthodoxy by voting against spending and tax increases.⁹ This is in stark contrast to the preceding analysis using enacted bills, lending support to the idea that Republican fiscal conservatism is at least partly performative and conditional on the bill's likelihood of passage.

⁹ However one cannot fully rule out the instances of bills not passing because Republicans oppose them in force.

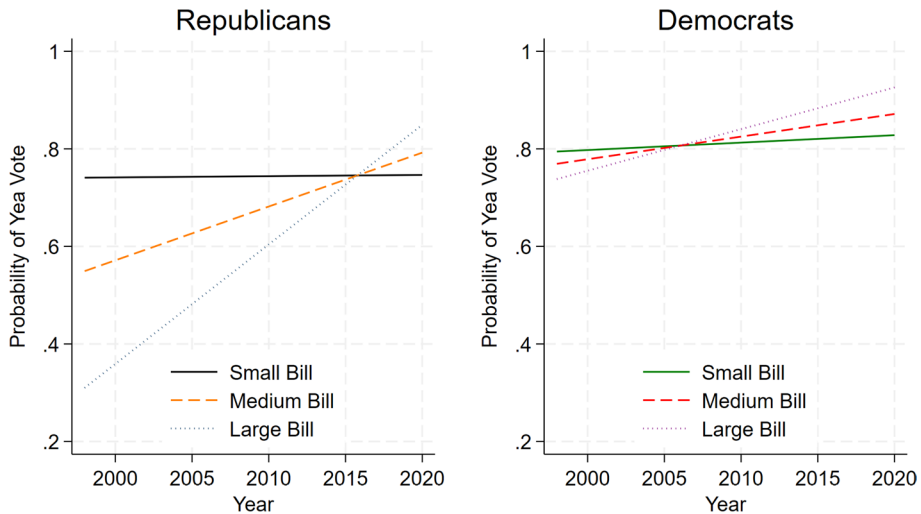


Fig. 3 Vote probability for bill type by party over time. This plots the estimated voting probability (from the linear probability model) for Republican and Democratic members over time based on the cost of the bill (\$10 billion, \$50 billion, \$100 billion)

4.3 Heterogeneity

Next, Table 3 examines whether legislators' voting decisions incorporate the overall budgetary context, specifically how the costs of other bills considered in the same legislative session affect vote choices. This will help in disentangling whether member votes reflect isolated fiscal considerations for individual bills or broader strategic decisions shaped by the session's cumulative fiscal pressures.

We include the total spending from all other bills they voted on as a covariate. In column 1, we consider the effect of other bill budgetary effects on the yeas vote probability of Republicans on enacted bills. The cost of the bill in question still decreases the vote and the cost of other bills is negatively correlated with a yeas vote, but the effect has been reversing over time. This result suggests that Republicans initially were more responsive to budgetary constraints beyond individual bills, yet this responsiveness has faded, possibly reflecting either declining adherence to fiscal discipline or changing strategic considerations within the party. For Democrats in column 2, the effect is null: they are less responsive in either direction to other bills. The trend is reversed on non-enacted bills, in which Republican (column 3) and Democratic (column 4) yeas vote is positively correlated with the cost of other bills but with a waning effect over time; members can signal support for a bill without consideration of other bills because they know it is unlikely to pass.

We also consider bills with a close vote (45–55%). Here, there are stark differences: Republicans (column 5) vote on the bill's cost similarly to enacted bills but the effects of other bills aligns more closely to non-enacted bills. For Democrats (column 6), we see the cost of the bill positively predict yeas voting with the spillover effects mirroring that of Republicans on enacted bills. Thus Republicans are less likely to support costly bills but are less responsive to the other bills that session; Democrats appear to be the exact reverse. Since these are on close votes, members are more likely to be considering the impact of their

Table 2 Bill vote regression non-enacted bills

	Dependent Variable: Yea Vote on Bill				
	(1)	(2)	(3)	(4)	(5)
	Spending	Deficit	Revenue	Mand.	Appr
Cost Var	-0.0021*** (0.0002)	0.0017*** (0.0002)	-0.0034*** (0.0002)	-0.0001 (0.0003)	— (0.0005)
Year	0.0000 (0.0006)	0.0006*** (0.0005)	0.0011 (0.0007)	-0.0010 (0.0006)	0.0074*** (0.0012)
Cost Var. × Year	0.0006*** (0.0000)	0.0001*** (0.0000)	0.0005*** (0.0000)	0.0004*** (0.0000)	0.0003*** (0.0001)
Re- pub- lican Mem- ber (Rep.)	-0.0168* (0.0070)	0.0679*** (0.0062)	-0.0423*** (0.0103)	0.0424*** (0.0090)	— (0.0127)
Rep. × Cost Var	0.0037*** (0.0004)	— (0.0003)	0.0137*** (0.0003)	0.0029*** (0.0004)	0.0076*** (0.0007)
Rep. × Year	-0.0121*** (0.0008)	— (0.0007)	-0.0106*** (0.0009)	— (0.0009)	0.0000 (0.0017)
Rep. × Cost Var. × Year	-0.0006*** (0.0000)	0.0001* (0.0000)	-0.0016*** (0.0001)	— (0.0001)	— (0.0001)
Con- stant	0.7483*** (0.0047)	0.6782*** (0.0043)	0.6267*** (0.0070)	0.7110*** (0.0061)	0.7146*** (0.0089)
Ob- serva- tions	436,141	448,898	100,277	155,870	369,739
R ²	0.038	0.042	0.077	0.061	0.029

Robust standard errors in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. This table shows member-bill level regressions for non-enacted bills of voting 'yea' on a bill based on the interacted between its budgetary effect, party affiliation of the member of congress, and time. The five budgetary variables are cost (in terms of spending), deficit effects, revenue effects, mandatory spending cost, and appropriations spending cost. We also include but suppress a dummy for Senate member, dummies for Republican House, Senate, and Executive control, and all four interactions with Republican

actions on both the bill's outcome and the party. These possibly reflect differences in party discipline and negotiations between bills.

As we did for our macro analyses, we explore other model specifications to see if there is any combination of circumstances or data that can reveal a tendency toward fiscal discipline from Republican lawmakers. The results and discussion of these models can be found in Appendix 2, and include: (1) looking at heterogeneity in member voting behavior by party control (Appendix 2.1), (2) predicting the cost of bills with the partisanship of the introducing member (Appendix 2.2, (3) predicting yea votes by bill cost conditional on topic area

Table 3 Other bill spillover effects

	(1)	(2)	(3)	(4)	(5)	(6)
	Republican	Democrat	Republican	Democrat	Republican	Democrat
	Enacted	Enacted	Non-enacted	Non-enacted	Close Vote	Close Vote
Bill Cost	−0.0347*** (0.0008)	−0.0174*** (0.0008)	−0.0093*** (0.0007)	−0.0025*** (0.0007)	−0.0392*** (0.0017)	0.0365*** (0.0018)
Year	−0.0432*** (0.0052)	−0.0131* (0.0056)	0.1150*** (0.0054)	0.1275*** (0.0078)	0.1412*** (0.0109)	−0.1476*** (0.0108)
Bill Cost × Year	0.0019*** (0.0001)	0.0007*** (0.0001)	−0.0012*** (0.0001)	−0.0017*** (0.0001)	0.0023*** (0.0003)	−0.0024*** (0.0003)
Other Bill Costs	−0.0045*** (0.0011)	−0.0009 (0.0013)	0.0299*** (0.0012)	0.0221*** (0.0018)	0.0440*** (0.0022)	−0.0460*** (0.0022)
Other Bill Costs × Year	0.0004** (0.0001)	0.0003 (0.0002)	−0.0033*** (0.0002)	−0.0028*** (0.0002)	−0.0051*** (0.0003)	0.0053*** (0.0003)
Senate Member	0.0031 (0.0058)	−0.0230*** (0.0057)	0.0114 (0.0062)	0.0559*** (0.0055)	−0.0183 (0.0131)	0.0511*** (0.0133)
Rep. House	−0.0298*** (0.0051)	0.0550*** (0.0040)	−0.0790*** (0.0034)	0.0372*** (0.0029)	−0.1726*** (0.0102)	0.1555*** (0.0100)
Rep. Senate	0.0611*** (0.0038)	−0.0628*** (0.0033)	0.0102*** (0.0031)	−0.0681*** (0.0028)	0.1593*** (0.0079)	−0.1575*** (0.0085)
Rep. House	0.0430*** (0.0030)	−0.0221*** (0.0027)	−0.0097*** (0.0022)	−0.0185*** (0.0020)	−0.0767*** (0.0068)	0.0621*** (0.0069)
Constant	1.5243*** (0.0405)	1.1504*** (0.0450)	−0.0136 (0.0429)	0.0533 (0.0616)	−0.2323** (0.0812)	1.3554*** (0.0800)
Observations	80,885	76,639	197,092	191,332	26,812	25,400
R ²	0.064	0.031	0.036	0.022	0.081	0.070

Robust standard errors in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. This table regresses the impacts of other bills on legislative voting behavior

(Appendix 2.3), (4) looking at how political and economic variables predict the cost of bills and the cumulative budgetary impact of enacted legislation (Appendix 2.4), and (5) robustness checks using alternative levels of aggregation and controls for unobserved heterogeneity to test whether the patterns we observe are sensitive to modeling assumptions (Appendix 2.5). As would be expected when estimating a large number of regressions, we find some statistically significance evidence of partisan differences in budgetary behavior, but nothing to suggest that the goal of fiscal discipline structures Republican voting behavior in a meaningful way.

5 Possible mechanisms

Finally, we consider covariates that might plausibly explain while rank and file Republican have, increasingly, shown less interest in supporting legislation that would reduce the federal debt. One factor might be weakening party discipline, and we explore this by looking at the general election safety of each seat. This captures (imperfectly) how beholden the

incumbent is to primary voters, and, presumably, to party leadership control. Members who can easily get re-elected may feel less beholden to instructions from their political party. Thus, even if the Republican leadership wants a fiscally constrained platform, their polarized members may be unwilling to support any long-term deficit cutting policy, such as revenue generation or entitlement reform.¹⁰

At the macro level, variation in the share of safe seats does not predict higher deficit spending. In fact, since 1946, mean safety in the latest House election is positively correlated with surpluses that year. The biggest declines in the number of swing districts has been taking place over a longer period of time (Kustov et al. 2022). However there is variation in this effect over time: before 1990, safety was negatively correlated with surpluses, but changed to positive afterwards.

Table 4 shows bill-level results across safe seats. We interact the Presidential Voting Index (PVI), which captures district partisanship, with various cost measures for Republican legislators. The PVI takes the average vote swing in a congressional district in the past two presidential elections and compares it to the national average. As the seat becomes safer, the Republican member is less likely to vote yes on appropriations, more likely on mandatory

Table 4 Safe seats heterogeneity

	Dependent Variable: Yea Vote on Bill				
	(1)	(2)	(3)	(4)	(5)
	Spending	Deficit	Revenue	Mand.	Appr
Cost Variable	-0.0042*** (0.0007)	— (0.0006)	0.0007 (0.0013)	— (0.0009)	— (0.0007)
Seat Safety	-0.1156*** (0.0122)	— (0.0116)	— (0.0103)	— (0.0102)	— (0.0124)
Cost Variable × Seat Safety	0.0021* (0.0010)	0.0009 (0.0010)	0.0026 (0.0020)	0.0092*** (0.0014)	— (0.0011)
Rep. House	0.0123*** (0.0031)	0.0147*** (0.0031)	0.0110*** (0.0031)	0.0169*** (0.0031)	0.0038 (0.0031)
Rep. Senate	0.0001 (0.0023)	0.0038 (0.0022)	— (0.0022)	— (0.0022)	0.0071** (0.0023)
Rep. President	0.0137*** (0.0020)	0.0186*** (0.0020)	0.0019 (0.0020)	0.0063** (0.0020)	0.0119*** (0.0020)
Constant	0.9243*** (0.0084)	0.9234*** (0.0080)	0.8905*** (0.0073)	0.9038*** (0.0072)	0.9111*** (0.0085)
Observations	139,203	139,203	140,041	139,599	139,645
R ²	0.009	0.017	0.002	0.005	0.015

Robust standard errors in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. This table shows member-bill level regressions for non-enacted bills of voting ‘yea’ on a bill based on the interacted between its budgetary effect and the safety of the seat for Republican House members. Seat safety is measured with the “Presidential Voting Index” which is based on the relative presidential vote per district

¹⁰ However, the opposite could also be true: Republicans from safe seats may feel free to vote in an ideological way, while party leadership worries about cuts to safety-net programs that may cost them seats in more electorally vulnerable districts.

spending and overall spending, and insignificantly higher on revenues and deficits. This hints at the possibility that those in safer seats are less governed by fiscal constraint.

There are additional mechanisms that could explain the lack of fiscal responsibility. In Appendix 3.1 we study how lobbying expenditures interact with the bill's cost in predicting voting behavior. In Appendix 3.2, we complement our empirical analysis with a case study on a specific industry: war funding also exemplifies the trend toward secular increases in deficit spending unrelated to the business cycle and influenced by special interest groups.

Finally, we consider public opinion by tracking responses to Gallup's "what do you think is the most important problem facing the USA today" question dating back to 1954.¹¹ We consider how important the budget deficit has been to the US public over this period. Not surprisingly, the topic receives almost no attention from the public until the Reagan era. Figure 4 shows the trends in the percentage of respondents naming the deficit as the most important issue. It peaked during the Reagan era, declined, and then surged into prominence again during the Obama presidency. This may suggest that it aligns often with the political arguments at the time: Reagan's stated focus on cutting the government and the Obama-era Republican Congress focus on the debt ceiling.

We find that the importance of the issue is significantly higher (3.5% versus 2.5%) when the Republicans control the House, but not significantly different when the Republicans control the Presidency. This may indicate that the Republican House is particularly adept at making the budget a national issue when there is Democratic president (Clinton/Obama) but that Republican Presidents do not emphasize it as much when pursuing their agenda. We also find that when the deficit is higher, the percentage naming the deficit as a problem is also higher, but this relationship has been declining over time. Thus, the public's concern with the budget appears to be declining relative to actual fiscal conditions.

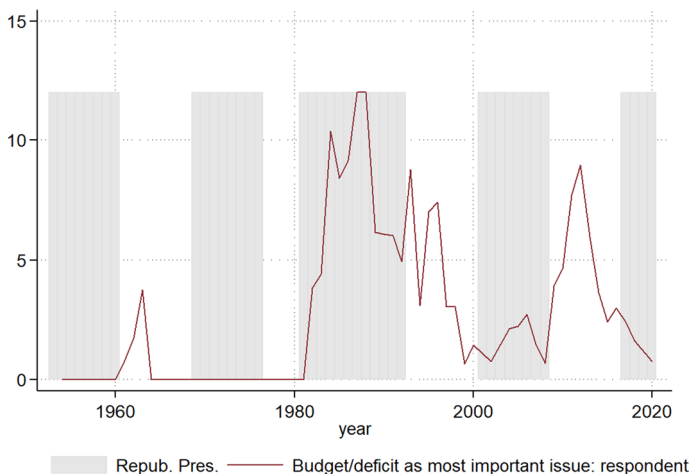


Fig. 4 Budget/deficit importance to public over time. This graph plots the % of Gallup/Pew respondents who indicate the budget/deficit is the most important issue

¹¹ specifically, we draw from Gallup and Pew using the Roper Center iPoll database.

6 Conclusion

Vice-President Cheney's 2002 assertion that "Reagan proved that deficits don't matter" seemed to be on firm political ground; Reagan had tripled the national debt and George W. Bush would go on to double it, and both were rewarded with second terms.¹² When these have resulted from tax cuts, an economic rationale has often been supplied—usually the supply side argument that the cuts will pay for themselves. This rationale is also lobbied for by Norquist's Americans for Tax Reform (Nelson 2019). The "starve the beast" philosophy may obscure a reality in which Republican candidates are unable to consistently resist pressure from interest groups, but also incapable of voting to raise the revenue to pay for new spending. Even if they judge it irresponsible not to raise taxes to pay for spending, as GHW Bush did when abandoning his 1988 "Read my lips, no new taxes!" pledge once in office, they know this will be too costly for them with the Republican base that turns out disproportionately in primaries (Graetz and Shapiro 2011). This populist pressure is compounded with influence from the plutocratic donor base (Hacker and Pierson 2020). Thus, when they are in government one might expect to see increases in deficit spending.

We have conducted an extensive evaluation of the degree to which well-known GOP rhetoric on fiscal constraint is consistent with reality. Across numerous datasets and levels of variation, we find that it is not. Neither GOP controlled governments nor individual Republican legislators pursue legislation that can be considered more fiscally disciplined than their Democratic counterparts. Of course, few close observers of federal budgets would fully buy into partisan rhetoric about prioritizing balanced budgets.¹³ What sets our study apart is that it is nearly comprehensive, assembling every publicly available element of federal budgets and looking for partisan differences in iterative fashion. This reveals that it is not simply a matter of Republican budgetary priorities being occasionally thwarted by contextual realities such as divided government. Rather, along every dimension of budgeting that can be measured, looking at the macro and individual member levels, any systematic pursuit of balanced budgets by the Republican Party is conspicuously absent.

This overall finding does hide nuanced differences in which one can slice the data to find traces of fiscal conservatism, but not enough to have significant impacts on the overall budgetary trends. Our results therefore point to an important paradox of American politics. Budgeting is a highly partisan and fraught endeavor but budgetary outputs, at least in terms of overall spending, debt, deficits, and revenue are not consistently different across party lines. This speaks to the power of the status quo where mandatory spending combined with popular discretionary programs and defense account for the bulk of federal commitments. These programs tend to endure and grow over time.

The belief that fiscal responsibility is a core Republican party tenet is so strong that moderate Democrats, such as President Clinton, emphasized cutting deficits as part of their electoral strategy. This became known as triangulation (Graetz and Shapiro 2011); Democratic candidates would pick fiscally moderate positions to siphon votes from the center knowing that their left-wing flanks would still support them in the general election. This tactic how-

¹² The empirical evidence on the electoral benefits from some of these tax cuts are uncertain (Lacy 1998; Hacker and Pierson 2005; Bartels 2006).

¹³ The strategic nature of rhetoric is well known (Cameron et al. 2000).

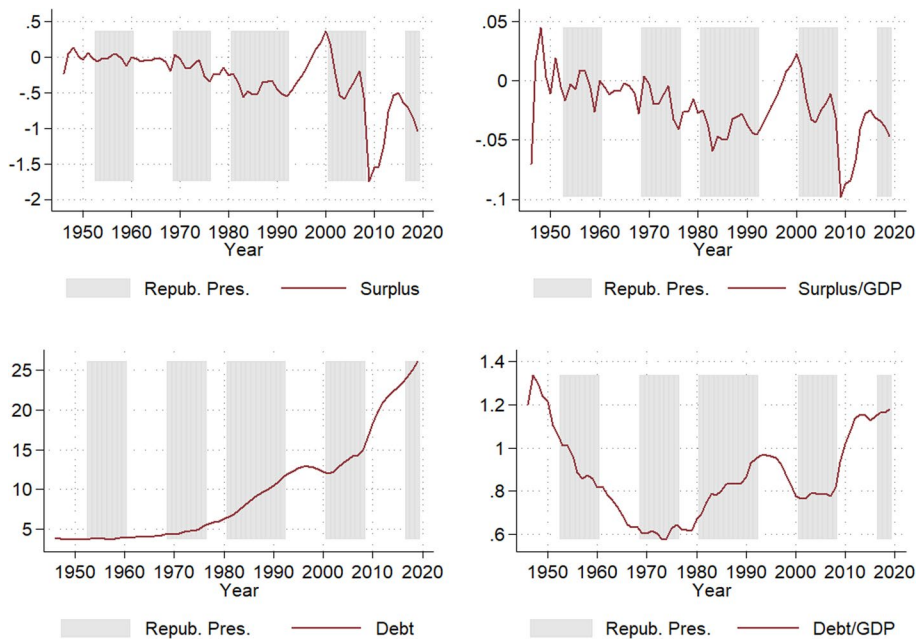


Fig. 5 Surpluses and debt over time. This graph plots surpluses and debt (in trillions and divided by GDP) with intervals of Republican presidencies from 1946 to 2019

ever has the flaw of allowing the other side, namely Republicans, to shift the goalposts on what defines the middle. Our exploratory findings on this matter hint at the weakening of parties and interest group influence as possible mechanisms that deserve future study.

Appendix: Macro analysis appendix

Using data from the OMB, we look at spending (outlays), revenues, deficit, and debt. Our period of study for these data is from 1946 to 2019. Figure 5 shows surpluses (in the top row) and debt (bottom row) in raw values and as a ratio of GDP. It also shows the years when a Republican was in the White House with gray shading. The only two periods of surpluses were the late 1940–1950s and the 1990s. Presidents Reagan and GW Bush oversaw substantial deficits, and the 2008 recession period under President Obama had the largest deficit since WWII. Republican presidents have, on average, seen larger deficits than Democratic presidents: -2.39% of GDP for Republicans and -1.99% for Democrats.

Table 5 shows differences-in-means tests for surpluses and debt across party control measures. Republican presidents oversaw similar deficits to Democrats (which changes to significantly larger deficits if we include 2020) and slightly lower debt. Republican controlled Congresses (both houses) oversaw statistically higher debt in total and relative to GDP, but also higher surpluses (driven by Clinton years). Republican blocking coalitions

Table 5 Mean differences by party

	President			Congress			Blocking Coalition		
	Dem	Rep	p	Dem	Rep	p	Dem	Rep	p
Surplus	−302.60	−301.67	0.99	−322.38	−239.07	0.44	−272.70	−313.77	0.69
Surplus/GDP	−0.01	−0.02	0.49	−0.02	−0.01	0.02	−0.02	−0.02	0.78
Debt	9991.05	9226.18	0.61	8370.51	13375.5	0.00	6426.17	10840.72	0.00
Debt/GDP	0.93	0.81	0.00	0.83	0.98	0.00	0.85	0.87	0.62
Observations	74			74			74		

This table shows p-values for difference-in-means tests for surpluses and debt (in billions) across party control of the Presidency, Congress, and either presidency or at least one chamber

also saw worse debt. Overall, there is no evidence of greater fiscal discipline by Republicans on average from 1946 to 2020.¹⁴

Overall, there is no evidence that Republicans are more successful at enacting balanced budgets. But was this always the case? To further tease out trends in partisan behavior over time, we estimate a series of regression analyses. Consider the following equation with budgetary outcome (Y) in year t as the dependent variable. We can predict this with variables measuring Republican political control (P_t) and a time trend (T_t).

$$Y_t = \alpha + \beta_1 P_t + \beta_2 \cdot T_t + \beta_3 P_t \cdot T_t + \varepsilon_t \quad (\text{A1})$$

If $\beta_1 > 0$, then there is more spending on average when Republicans are in control. If $\beta_3 > 0$, then as time has passed, Republican control is even more predictive of higher spending, indicating that any hesitation to spend big when in power is waning. Our analysis is largely descriptive in that parsing out the causal marginal impact of Republican control on deficits is difficult and beyond our scope. We aim to broadly characterize whether there is evidence of differences in outcomes across parties. Unexpected shocks to the economy may jeopardize a President's agenda, which would confound identifying the effects of their intended policies; however, this is a regular part of governance.

Results are shown in Table 6 for Republican control of the White House and Table 7 for Republican control of Congress. The question here is whether there is evidence for changes in Republican budgetary behavior over time, so we are especially interested in the coefficient associated with the interaction term. But most of these coefficients are not statistically meaningful. Column 3 of Table 6 indicates that mandatory spending as a percent of GDP is on average 3 percentage points higher under Republican administrations (relative to Democratic presidents), has been increasing by 0.2 points per year across all types of administrations, and the trend for Republican presidents is smaller by 0.05 points per year. These are fairly small effects but add up over time.

Column 2 of Table 7 indicates that discretionary spending as a percent of GDP is on average 6 percentage points lower under Republican administrations (relative to Democratic presidents), has been decreasing by 0.09 percentage points per year across all types of

¹⁴ While there may be no clear difference on average across the whole time series, there may be significant changes across time. We test for multiple structural breaks with unknown dates using the Bai and Perron (1998) method, and find that there are break points before the Reagan administration, after HW Bush, and at the tail end of GW Bush. Prior to Reagan, Republican presidents suppressed deficit spending; during Reagan deficits increased, and during Clinton they again curbed it. During the GW Bush administration they allowed deficit spending and opposed it again under President Obama. Thus, we see evidence for partisan trends in Republican opposition to deficit spending.

Table 6 Basic trend differences for republican executive control

Budget variable divided by GDP	(1) Surplus	(2) Discretionary	(3) Mandatory	(4) Debt
Rep. President	-0.0112 (0.0116)	-0.0020 (0.0067)	0.0296** (0.0086)	— (0.1244)
Year	-0.0007** (0.0002)	-0.0010*** (0.0001)	0.0016*** (0.0001)	0.0003 (0.0017)
Rep. President × Year	0.0002 (0.0003)	0.0000 (0.0001)	-0.0005*** (0.0001)	0.0019 (0.0024)
Constant	0.0078 (0.0102)	0.1407*** (0.0055)	0.0122* (0.0049)	0.0008*** (0.0965)
Observations	74	58	58	74
R^2	0.246	0.769	0.860	0.116

Robust standard errors in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. This table shows regressions of four budgetary variables on the full interaction of Republican presidencies and a time trend

Table 7 Basic trend differences for republican legislative control

Budget variable divided by GDP	(1) Surplus	(2) Discretionary	(3) Mandatory	(4) Debt
Rep. Congress	0.0171 (0.0150)	-0.0624*** (0.0095)	-0.0200 (0.0113)	0.3683** (0.1270)
Year	-0.0008*** (0.0002)	-0.0009*** (0.0001)	0.0014*** (0.0001)	0.0016 (0.0017)
Rep. Congress × Year	0.0002 (0.0003)	0.0008*** (0.0001)	0.0002 (0.0002)	— (0.0025)
Constant	0.0050 (0.0077)	0.1380*** (0.0042)	0.0216*** (0.0053)	0.7709*** (0.0786)
Observations	74	58	58	74
R^2	0.403	0.841	0.847	0.157

Robust standard errors in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. This table shows regressions of four budgetary variables on the full interaction of Republican congressional control and a time trend

administrations, and the trend for Republican presidents is larger by 0.08 points per year. In all, the results are mixed, but do not provide any evidence that Republican political control is associated with less government debt, or that this pattern has changed in a meaningful way over time.

Appendix 1: Tax expenditures

Table 8 shows the results of regressing tax expenditure relative to GDP with Republican Party control interacted with time. We consider various tax expenditure categories, including commerce and housing, health, income security, and the total per year. We do not find

any strong trends with the exception of a slight positive average and negative trend for Republican presidents. This may indicate that for Republican presidents, relative to Democrats, tax expenditures were utilized more in the past as a means of spending and their usage has decreased over time.¹⁵

Appendix 1.1. Automatic stabilizers

Regression results with automatic stabilizers are in Table 9. We see that Republican control has on average higher surpluses, but this trend lessens over time, implying a shift towards less fiscal constraint. We find similar effects for Republican congresses and presidents across absolute and per-GDP surpluses. Controlling for the stabilizers serves the purpose of removing non-discretionary variation in Keynesian counter-cyclical responses.

Appendix 1.2: Pro-cyclical spending

Counter-cyclical fiscal policy has Keynesian economic justification; pro-cyclical spending on the other hand is more easily argued to be wasteful. We look at the pro-cyclical nature of US spending by regressing the percent change in spending on the percent change in GDP (Hercowitz and Strawczynski 2004; Woo 2009). A positive correlation indicates that spending is positively correlated with the business cycle. We test whether these effects change across party control and over time in Table 10. Republican presidents used counter-cyclical

Table 8 Tax expenditure trend differences and republican control

Tax Expenditure divided by GDP	(1)	(2)	(3)	(4)
	Commerce	Health	Income Security	Total
Rep. House	0.003 (0.005)	−0.002 (0.004)	−0.006*** (0.002)	−0.008 (0.005)
Rep. Senate	−0.005 (0.008)	−0.002 (0.004)	0.001 (0.002)	0.005 (0.006)
Year	0.00004 (0.00005)	0.0003*** (0.0001)	0.0001*** (0.00002)	0.0002* (0.0001)
Rep. Pres	0.021*** (0.007)	−0.001 (0.002)	0.007*** (0.002)	0.009* (0.005)
Rep. House × Year	−0.0002 (0.0002)	−0.00000 (0.0002)	0.0001 (0.0001)	0.0001 (0.0002)
Rep. Senate × Year	0.0002 (0.0003)	0.0001 (0.0002)	0.00003 (0.0001)	−0.0001 (0.0002)
Rep. Pres × Year	−0.001** (0.0002)	−0.00001 (0.0001)	−0.0002*** (0.0001)	−0.0003 (0.0002)
Constant	0.022*** (0.001)	0.003*** (0.001)	0.011*** (0.0004)	0.012*** (0.002)
Observations	43	38	42	44
R^2	0.564	0.643	0.702	0.164

Robust standard errors in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. This table shows regressions of four categories of tax expenditures per GDP on the full interaction of Republican executive/House/Senate control and a time trend

¹⁵ The results are similar when using the log of expenditures instead of per GDP.

Table 9 Surpluses with automatic stabilizers

	(1)	(2)	(3)	(4)
	Surplus	Surplus/GDP	Surplus	Surplus/GDP
Rep. Congress	1100**	0.0674**		
	(396.6372)	(0.0214)		
Year	−9.4515*	−0.0003	−1.9731	0.0001
	(4.6044)	(0.0002)	(2.7045)	(0.0002)
Rep. Congress × Year	−14.2514*	−0.0008*		
	(6.7701)	(0.0003)		
Auto Stab	1.1451*		1.7756***	
	(0.5368)		(0.4218)	
Auto Stab./GDP		0.7204*		1.1754***
		(0.2911)		(0.3294)
Rep. President			452.5106*	0.0234
			(179.4433)	(0.0127)
Rep. President × Year			−8.9408*	−0.0004
			(3.7848)	(0.0002)
Constant	186.7927	−0.0098	−1300	−0.0282*
	(175.0469)	(0.0083)	(124.7368)	(0.0107)
Observations	55	55	55	55
R ²	0.599	0.417	0.573	0.323

Robust standard errors in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. This table shows regressions of surpluses (in billions and divided by GDP) on the full interaction of Republican congressional/executive control and a time trend controlling for automatic stabilizers

spending but this effect has waned, switching to Democratic Presidents. Republican legislative control was more pro-cyclical but this trend has decreased over time. These effects are somewhat driven by the decrease in pro-cyclical spending from 1950s–1980s with strong counter-cyclical spending in 2008.

Appendix 1.3: Heterogeneity in recessions

We also consider economic heterogeneity. This is motivated by the distinct economic philosophies between the two parties on the role of government in curtailing swings in the business cycle. Under Republican presidencies, the average deficit relative to GDP was –

Table 10 Pro-cyclical party control regressions

$\Delta\text{Log Spending}$	(1)	(2)	(3)	(4)
Rep. Block=0 $\times \Delta\text{Log GDP} \times \text{Year}$	−0.1144 (0.0689)			
Rep. Block=1 $\times \Delta\text{Log GDP} \times \text{Year}$	−0.0391 (0.0251)			
Rep. Block=1 $\times \Delta\text{Log GDP}$	−1.5836 (2.8445)			
$\Delta\text{Log GDP}$	4.7628 (2.5662)	4.4574*** (1.2497)	2.4978 (1.3263)	2.5841* (1.2233)
Rep. President=0 $\times \Delta\text{Log GDP} \times \text{Year}$		−0.0807** (0.0285)		
Rep. President=1 $\times \Delta\text{Log GDP} \times \text{Year}$		0.0064 (0.0120)		
Rep. President=1 $\times \Delta\text{Log GDP}$		−3.9447** (1.3473)		
Rep. House=0 $\times \Delta\text{Log GDP} \times \text{Year}$			−0.0500 (0.0306)	
Rep. House=1 $\times \Delta\text{Log GDP} \times \text{Year}$			−0.0669** (0.0207)	
Rep. House=1 $\times \Delta\text{Log GDP}$			2.6956 (1.7079)	
Rep. Senate=0 $\times \Delta\text{Log GDP} \times \text{Year}$				−0.0553 (0.0283)
Rep. Senate=1 $\times \Delta\text{Log GDP} \times \text{Year}$				−0.0684** (0.0222)
Rep. Senate=1 $\times \Delta\text{Log GDP}$				2.3752 (1.6592)
Constant	−0.0206 (0.0252)	−0.0065 (0.0216)	−0.0035 (0.0243)	−0.0017 (0.0234)
Observations	74	74	74	74
R^2	0.377	0.439	0.444	0.431

Robust standard errors in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. This table shows the regression of the change in log spending on the change in log GDP which captures the degree of pro-cyclicality in spending. We interact this term with party control and a time trend

2.4% and under Democrats it was −2.0%. The gap widens during recessions: when there is negative GDP growth, Democrats increase spending (going from −1.9% to −2.7%) but Republicans contract relative to GDP (−2.5% to −2.2%). Table 11 shows the average differences in surpluses under Republicans Presidents across recessions. Republican Presidents oversee larger deficits in non-recession years but smaller deficits during recessions; this suggests that they do not engage in as much Keynesian stimulus.¹⁶

¹⁶ In Appendix A.1.2, we study the related issue of pro-cyclical spending, highlighting a less economically purposeful form of spending and we find a lack of party differences.

Table 11 Surplus/GDP by party and recessions

Variable	Mean	Std. Dev.	Obs.
Rep. Pres. = 0, Rec = 0	−0.018	0.030	31
Rep. Pres. = 0, Rec = 1	−0.032	0.046	4
Rep. Pres. = 1, Rec = 0	−0.029	0.018	24
Rep. Pres. = 1, Rec = 1	−0.016	0.017	15

This table shows statistics for surpluses/GDP across Republican presidencies and recessions from 1946-2019

Appendix 2: Micro analysis appendix

Appendix 2.1: Political control

We look at heterogeneity in individual behavior by political control to determine the extent to which members change their behavior based on whether their own party is in power. Table 12 shows the results of a series of regressions predicting the probability of a “yea” vote

Table 12 Bill vote regression by political control

	Dependent Variable: Yea Vote on Bill					
	(1)	(2)	(3)	(4)	(5)	(6)
	D-House	D-Senate	D-Pres	R-House	R-Senate	R-Pres
Deficit	−0.0115*** (0.0022)	−0.0019*** (0.0003)	−0.0101*** (0.0005)	−0.0006 (0.0003)	0.0004 (0.0004)	−0.0031*** (0.0004)
Year	−0.0014 (0.0062)	0.0013* (0.0007)	−0.0222*** (0.0014)	0.0062*** (0.0007)	0.0031*** (0.0009)	0.0052*** (0.0009)
Deficit × Year	0.0017*** (0.0003)	0.0004*** (0.0000)	0.0015*** (0.0001)	0.0001** (0.0000)	0.0003*** (0.0000)	0.0001* (0.0001)
Republican Member (Rep.)	0.3783*** (0.0663)	0.0536*** (0.0063)	0.0631*** (0.0142)	0.0427*** (0.0068)	0.0583*** (0.0081)	0.0198* (0.0083)
Rep. × Deficit	0.0344*** (0.0036)	−0.0046*** (0.0004)	−0.0075*** (0.0008)	−0.0030*** (0.0004)	−0.0030*** (0.0005)	−0.0057*** (0.0005)
Rep. × Year	−0.0666*** (0.0103)	−0.0083*** (0.0009)	−0.0149*** (0.0020)	−0.0041*** (0.0009)	−0.0120*** (0.0011)	−0.0070*** (0.0012)
Rep. × Deficit × Year	−0.0053*** (0.0006)	0.0002*** (0.0001)	0.0008*** (0.0001)	−0.0000 (0.0001)	−0.0001* (0.0001)	0.0009*** (0.0001)
Senate Member	−0.0193* (0.0088)	−0.0583*** (0.0054)	−0.0032 (0.0058)	−0.1018*** (0.0072)	−0.0573*** (0.0062)	−0.0417*** (0.0068)
Senate Member × Rep	−0.2477*** (0.0151)	0.0297*** (0.0076)	−0.1818*** (0.0099)	0.1078*** (0.0094)	−0.0362*** (0.0094)	−0.0224* (0.0099)
Constant	0.8592*** (0.0400)	0.8368*** (0.0048)	1.0046*** (0.0092)	0.8106*** (0.0052)	0.8117*** (0.0062)	0.8469*** (0.0061)
Observations	36,013	151,590	79,861	107,742	92,001	95,602
R ²	0.040	0.012	0.037	0.011	0.017	0.020

Robust standard errors in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. This table shows member-bill level regressions for non-enacted bills of voting ‘yea’ on a bill based on the interacted between its deficit effect, party affiliation of the member of congress, and time. We include a full interaction with whether the member is in the Senate. We separate each regression by party control of House/Senate/President

for bills that increase the deficit, but separated by which party controls the House, Senate, and Presidency.

When Democrats control the House, Republicans are, on average, more likely to vote yes on bills that increase the deficit but that effect is decreasing over time. The effect is flipped when Democrats control the Senate: Republicans are less likely to support deficit increasing bills but have become less hesitant over time. Finally, when Republicans control the House, their members behave similarly to when the Democrats control the Senate.

This means there is heterogeneity in how members act based on if they can (in theory) pass legislation through their chamber on a party-line basis. When the President is Democrat, Republican lawmakers are notably stingy, and this flips when the President is a Republican. This is not surprising as one expects a Republican-controlled Congress to be less cooperative with Democratic presidents, even on spending that they may support.¹⁷

These asymmetric responses further suggest that Republican opposition to deficits is often contingent on political blame attribution. Republicans may strategically oppose deficits under Democratic administrations to capitalize on voter concerns about government spending, while being more permissive when their own party governs. This pattern resonates with the realities of differential blame attribution (Malhotra and Kuo 2008; Graham and Singh 2024; Uttermarck et al. 2024), and parties can strategically alter fiscal stances to avoid being blamed for fiscal mismanagement when in power, but seek to exploit such issues when in opposition.

Appendix 2.2. Bill sponsor

We predict the cost of bills with a variable measuring party sponsorship. Table 13 shows these results, which condition on enacted bills and use fixed effects for Congress for the specifications without time trends.

In column 1, we regress how much the bill costs on the party of the sponsor for bills that have positive cost bills. We find a positive coefficient, indicating that Republicans are introducing bills that often cost more than those proposed by Democrats. The second column includes bills that have negative cost, i.e. deficit reducing. Here Republicans have a negative average, implying they propose bills that reduce costs more frequently. In column 3, we look for a time-trend in these effects, and find a negative trend, and find the same for bills that increase the deficit overall (although noisier). Thus Republicans reveal their spending preferences in the bills they sponsor, even those that are eventually enacted. Thus their deficit increasing voting behavior is driven by their votes on Democratically proposed bills. Overall, Republicans seem more likely to introduce bills that cut spending and less likely (but not significant) to introduce bills increasing spending. When we subset on enacted the relationship goes away so it looks like they are only getting cheaper on bills that are proposed rather than passed.

¹⁷ We also find that the Republican trend is stronger when the Democrats control at least one chamber and the President is Republican. Such an environment may lead the President to pressuring Republican lawmakers to go along with spending.

Table 13 Sponsor party regressions

	(1)	(2)	(3)	(4)
	Spend. (Positive)	Spend. (Negative)	Spending	Deficit
Republican Sponsor	0.9477*** (0.2139)	-1.2566* (0.5214)	3.7988 (2.7256)	4.0525 (2.9703)
Senate Member	3.5435** (1.1654)	-6.6712 (4.5314)	-15.3012 (14.4147)	- (14.4984)
Year			0.0031 (0.1315)	0.0280 (0.1526)
Rep. Sponsor × Year			-0.3911 (0.2096)	-0.3592 (0.2272)
Senate Member × Rep. Sponsor			12.8425 (15.4947)	7.8989 (15.8229)
Rep. House			3.0696* (1.5448)	3.3818* (1.6597)
Rep. House × Rep. Sponsor			-4.1293 (2.5985)	-3.4225 (2.8569)
Rep. Senate			0.1004 (1.0219)	0.6151 (1.2181)
Rep. Sen- ate × Rep. Sponsor			1.0331 (1.4732)	0.2321 (1.6225)
Rep. President			0.8165 (1.2022)	0.5773 (1.2487)
Rep. President × Rep. Sponsor			1.7717 (1.4249)	1.5970 (1.4758)
Constant	16.1179*** (0.3246)	15.2134*** (0.8432)	10.6231*** (1.7076)	9.2849*** (1.7793)
Observa- tions	2059	2312	1301	1340
R ²	0.058	0.048	0.028	0.029

Robust standard errors in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. This table shows heterogeneity in log spending across the sponsor of the bill. Column 1 includes bills with a positive cost and column 2 adds bills with negative costs

Appendix 2.3: Bill topic

Table 14 shows the yea-vote regressions separately for the top 5 spending categories (across all years), using topic categories defined by the Comparative Agendas Project. We con-

Table 14 Topic specific bill vote regressions

	Dependent Variable: Yea Vote on Bill				
	(1)	(2)	(3)	(4)	(5)
	Macroeconomics	Health	Transportation	Defense	Gov. Operations
Deficit	-0.0035** (0.0012)	-0.0195*** (0.0017)	-0.0109*** (0.0013)	-0.0154*** (0.0010)	-0.0044*** (0.0006)
Year	-0.0212** (0.0080)	-0.0747*** (0.0049)	-0.0110** (0.0042)	-0.0217*** (0.0025)	-0.0045** (0.0017)
Deficit × Year	-0.0003 (0.0002)	0.0036*** (0.0003)	0.0027*** (0.0002)	0.0012*** (0.0001)	0.0006*** (0.0001)
Republican Member (Rep.)	0.2884*** (0.0834)	-0.2377*** (0.0490)	0.3161*** (0.0422)	-0.3067*** (0.0341)	-0.1560*** (0.0221)
Rep. × Deficit	-0.0020 (0.0017)	0.0073** (0.0025)	-0.0086*** (0.0019)	0.0132*** (0.0013)	0.0097*** (0.0008)
Rep. × Year	-0.0495*** (0.0119)	0.0433*** (0.0067)	-0.0126* (0.0057)	0.0328*** (0.0035)	-0.0109*** (0.0023)
Rep. × Deficit × Year	0.0017*** (0.0003)	-0.0015*** (0.0004)	-0.0012*** (0.0003)	-0.0009*** (0.0002)	-0.0025*** (0.0001)
Senate Member	0.1582*** (0.0210)	0.1005*** (0.0286)	0.0929*** (0.0165)	0.1320*** (0.0116)	-0.1346*** (0.0137)
Senate Member × Rep	-0.6655*** (0.0281)	-0.4017*** (0.0378)	-0.0061 (0.0257)	-0.2159*** (0.0192)	0.0034 (0.0199)
Rep. House	0.0656** (0.0228)	0.1142*** (0.0098)	-0.0529*** (0.0127)	0.1165*** (0.0136)	0.0273*** (0.0075)
Rep. House × Rep	-0.0111 (0.0434)	0.0654*** (0.0156)	-0.1415*** (0.0217)	-0.0084 (0.0191)	0.1200*** (0.0139)
Rep. Senate	-0.5336*** (0.0219)	-0.0390*** (0.0086)	0.0583*** (0.0137)	-0.0187* (0.0092)	-0.0511*** (0.0081)
Rep. Senate × Rep	0.6569*** (0.0313)	-0.0302* (0.0123)	0.1834*** (0.0192)	0.0136 (0.0124)	0.0222 (0.0129)
Rep. President	-0.1478*** (0.0250)	0.0686*** (0.0075)	0.1284*** (0.0114)	-0.0003 (0.0098)	-0.0016 (0.0078)
Rep. President × Rep	-0.1764*** (0.0354)	-0.1056*** (0.0117)	-0.4225*** (0.0173)	0.0692*** (0.0137)	0.0190 (0.0126)
Constant	1.0832*** (0.0576)	1.1919*** (0.0333)	0.8030*** (0.0304)	0.9571*** (0.0226)	0.9626*** (0.0140)
Observations	3995	17,566	10,402	20,646	18,680
R ²	0.359	0.093	0.192	0.047	0.172

Robust standard errors in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. This table shows yea-vote regressions for five different categories of bills

sider macroeconomic funding, health, transportation, defense, and government operations. Republicans have on average higher support for macro and transportation, with negative trends on all except macro. This is evidence for Republicans being willing to challenge spending on specific categories, but unwilling to stop the big ticket structural items that affect the long-term budgetary outlook. For example, their tepid and failed attempts at reforming entitlements have not stopped the continued growth of mandatory spending in both absolute value and relative to discretionary spending.

Appendix 2.4: Political and economic effects

Table 15 shows aggregated results of how political and economic variables predict the budgetary effects of enacted bills. In columns 1–3, we regress the cost variable (deficit, spending, and revenues) on the interaction between whether the president is Republican and a time trend. While noisy, the results indicate that enacted bills under Republican president seem to contribute to the deficit by both increasing spending and reducing revenues.¹⁸ In column 4, we check for whether enacted bills are getting more or less pro-cyclical over time. We find a positive interaction term indicating that the deficit spending since the 105th Congress has become more pro-cyclical. In columns 5 and 6 we look for heterogeneity in this effect by the party of the President. Republican Presidents have significant pro-cyclical spending behavior compared to a negative (and noisy) effect from Democratic Presidents.

Table 15 Bill budgetary effects

	(1)	(2)	(3)	(4)	(5)	(6)
	Deficit	Spending	Revenue	Deficit	Deficit	Deficit
Rep. President	0.7382 (1.0122)	1.2810 (0.9281)	−3.1091 (4.0845)			
Year	−0.3188* (0.1306)	−0.3019* (0.1270)	0.2203 (0.4036)	−0.9758** (0.3298)	0.6976 (0.9458)	−1.4018* (0.5969)
Rep. President × Year	0.1892 (0.1875)	0.1432 (0.1756)	−0.1822 (0.8051)			
Δ Log GDP				−1100 (58.5330)	222.7931 (203.0014)	−1600 (98.1910)
Year × Δ Log GDP				30.6032** (10.3106)	−29.0231 (30.6291)	43.3555* (19.0183)
Constant	13.4967*** (0.6027)	13.7653*** (0.5755)	2.7162 (1.8129)	17.1746*** (2.0622)	5.1557 (7.5770)	19.5454*** (3.0559)
Observations	1437	1399	334	1437	703	734
R ²	0.010	0.013	0.014	0.015	0.011	0.022

Robust standard errors in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. This table regresses the budgetary impacts of bills on Republican Presidents, time trends, and the change in log GDP

¹⁸ We also aggregate to the yearly level across all bills, and find similar noisy results.

Appendix 2.5: Robustness checks

Table 16 shows the yea-vote regressions from different angles with respect to members. Column 1 consider within-member variation by including member specific fixed effects. Column 2 aggregates to the average across all members per party to capture the overall support by the party. We find the positive Republican trend in support of deficits to be consistent across these two levels of variation. Columns 3 and 4 repeats column 2 but separately across the party of the bill's sponsor, Democrat and Republican respectively, but we do not find any noticeable heterogeneity.

Table 16 Member heterogeneity bill vote regressions

		Dependent Variable: Yea Vote on Bill			
		(1)	(2)	(3)	(4)
	Deficit	-0.0016** (0.0005)	-0.1427 (0.1705)	-0.0539 (0.0490)	-0.0445 (0.1151)
	Year	0.0012 (0.0015)	-0.3079 (0.3889)	-0.1013 (0.0896)	-0.0933 (0.2662)
	Deficit × Year	0.0001 (0.0001)	0.0131 (0.0171)	0.0071 (0.0056)	0.0032 (0.0114)
	Rep. × Deficit	-0.0134*** (0.0007)	0.2060 (0.1752)	0.0456 (0.1041)	0.0157 (0.1634)
	Rep. × Year	-0.0184*** (0.0021)	0.4651 (0.4006)	0.0857 (0.2193)	0.0389 (0.3762)
	Rep. × Deficit × Year	0.0011*** (0.0001)	-0.0203 (0.0176)	-0.0062 (0.0129)	-0.0017 (0.0162)
	Constant	0.9392*** (0.0072)	3.7874 (3.8985)	1.3498 (0.8341)	1.5751 (2.6311)
	Observations	157,425	44	40	40
	R ²	0.018	0.061	0.035	0.067

Robust standard errors in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. This table shows yea-vote regressions from different perspectives. Column 1 includes member FE. Column 2 aggregates to the year-party level. Column 3 (4) repeats column 2 but only includes Democratic (Republican) bill sponsors. Column 1 also includes but suppresses a dummy for Senate member, dummies for Republican House, Senate, and Executive control, and all four interactions with Republican member

Appendix 3: Mechanisms appendix

Appendix 3.1: Lobbying expenditures

Next we consider lobbying; interest groups may be able to capture legislators and convince them to vote against their platform. Our case study highlighted the influence of pharmaceutical companies in pushing the costly Medicare Part D legislation, and this corporate activity may influence legislators beyond these examples. In particular, lobbyists may target Republicans who are hesitant to spend, but may be swayed to support a costly bill. We use the Open Secrets lobbying disclosure database to find the list of bills on which at least one company lobbied. We also include the amount spent on lobbying by those firms.

Table 17 shows results across lobbied bills. The extensive measure of lobbying negatively affects the “yea” rate; this is intuitive as a primary objective of lobbying is to buy negative agenda power, preventing the passage of bills (Baumgartner et al. 2009). The effect is even stronger for Republicans. The inclusion of lobbying does not significantly change

Table 17 Lobbying heterogeneity

	Dependent Variable: Yea Vote on Bill				
	(1)	(2)	(3)	(4)	(5)
	Spending	Deficit	Revenues	Mandat.	Approp.
Cost Var	−0.0035*** (0.0002)	— (0.0002)	−0.0016*** (0.0003)	— (0.0002)	— (0.0002)
Lobbied	−0.0655*** (0.0023)	— (0.0022)	−0.0604*** (0.0019)	— (0.0019)	— (0.0023)
Lobbied × Cost Var	0.0012*** (0.0002)	0.0004* (0.0002)	0.0041*** (0.0004)	— (0.0003)	0.0017*** (0.0002)
Rep. House	0.0184*** (0.0031)	0.0208*** (0.0031)	0.0167*** (0.0031)	0.0216*** (0.0031)	0.0124*** (0.0031)
Rep. Senate	0.0018 (0.0022)	0.0048* (0.0022)	−0.0012 (0.0022)	— (0.0022)	0.0076*** (0.0022)
Rep. President	0.0174*** (0.0020)	0.0235*** (0.0019)	0.0084*** (0.0020)	0.0145*** (0.0019)	0.0150*** (0.0020)
Constant	0.8751*** (0.0032)	0.8728*** (0.0032)	0.8566*** (0.0031)	0.8542*** (0.0031)	0.8881*** (0.0032)
Observations	151,111	151,057	151,917	151,519	151,563
R ²	0.013	0.020	0.009	0.011	0.017

Robust standard errors in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. This table shows the yea-vote regressions with a full interaction of whether the bill was lobbied with cost

the trend on anything except spending: there the trend is wiped out, implying that the trend was related to lobbying activity. Some of the effects change when using an intensive measure for Republicans. Just being lobbied does not always affect outcomes, but as the amount spent increases, members are more affected.

Appendix 3.2: The case of defense spending

Through fiscal year 2022, the U.S. Federal government spent or obligated \$8 trillion on post-9/11 wars.¹⁹ Unlike previous wars, which were substantially funded by war bonds and tax increases, these costs have been funded almost exclusively on debt. The Truman Administration raised the top marginal tax rate to 92% during the Korean conflict, with the president defending “pay as you go” in more than 200 speeches. In 1967 the Johnson Administration imposed a Vietnam war surcharge that raised to top marginal tax rate to

¹⁹The \$8 trillion is composed of Congressional appropriations; war-related increases to the Pentagon base budget; veterans care and disability; increases in the homeland security budget; interest payments on direct war borrowing; foreign assistance spending; and estimated future obligations for veterans’ care (Watson Institute For International And Public Affairs 2021).

77%. By contrast, the GW Bush Administration cut taxes in 2001 and 2003 as the US was going to War in Afghanistan and Iraq, with Republicans in control of both the House and the Senate (Bilmes 2017). Despite this, by the time Bush left office, defense spending had more than doubled to over \$650 billion, a number that would come down modestly in the second Obama Administration but go back to \$700 billion under President Trump who, like GW Bush, nonetheless cut taxes in 2017 when there was no recession and Republicans controlled the entire government (Crawford 2021).

Whatever the policy merits of the post-9/11 wars might have been, the buildup in defense spending has been hugely profitable to the U.S. defense industry. Total Pentagon spending in the first two decades of this century exceeded \$14 trillion (in 2021 dollars), at least 4.4 trillion of which went for weapons procurement and Research and Development. In recent years, between a quarter and a third of all Pentagon contracts went to five major weapons contractors: Boeing, General Dynamics, Lockheed Martin, Northrop Grumman, and Raytheon. From FY 2001 to FY2020 these five firms alone split over 2.1 trillion in Pentagon contracts (2021 dollars). U.S. contractors have also made tens of billions of dollars out of logistics and reconstruction contracts in Iraq and Afghanistan. Halliburton, through its Kellogg, Brown, and Root subsidiary, had contracts with the federal government that grew more than tenfold from FY2002 to FY2006 to rebuild Iraq's oil infrastructure and provide logistical support for U.S. troops in Iraq and Afghanistan. Between 2001 and 2008 KBR had earned \$30 billion from these contracts (Hartung 2021).

With so much at stake, it is not surprising that the defense industry has made major investments to influence U.S. defense policy; with evidence that their efforts directly affect the appropriations process (Cox 2023). Since 2001, the industry has spent \$2.5 billion on lobbying, funding more lobbyists than there are members of Congress. The industry has also been a major campaign contributor. Over the same period defense contractors have made \$285 million in campaign contributions. Some of this has gone to presidential candidates and the Congressional leadership, but members of the House Armed Services, Senate Appropriations and other oversight committees have been the biggest winners. Defense PACs and employees have given \$135 million to the campaigns and leadership PACs of members who sit on the key committees that oversee them, accounting for 60% of all giving to members of Congress (Auble 2021). This is not to mention their investments to influence defense spending by funding think tanks and reports that purport to identify threats that require continuous increases in defense spending (Grazier 2018).

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