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OUR MISSION
is to educate members and all South Carolinians about state and local public policy based on the traditional South Carolina values of individual liberty and responsibility, free enterprise and limited government.

For Immediate Release

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March 31, 2009

GOVERNOR, SENATORS SAY PROTECT TEACHERS, ELIMINATE WASTE

South Carolina Governor Mark Sanford and 11 members of the General Assembly joined Policy Council President Ashley Landess today to release an economic study showing the negative economic impact that would result from accepting federal stimulus dollars. The independent research shows higher government spending due to stimulus would hurt the private sector and cost between 23,800 and 34,850 lost South Carolina jobs.

The data also found that South Carolina government already spends more than 58 percent of the state's private sector output, which would rise to more than 61 percent. The national average for government spending is 49 percent, and would rise to 52 percent with stimulus funds.

Governor Sanford was joined by eight Senators who oppose accepting the federal bailout. Three of the eight House members who voted against accepting stimulus dollars also attended. The Governor and legislators pledged to work together on this issue.

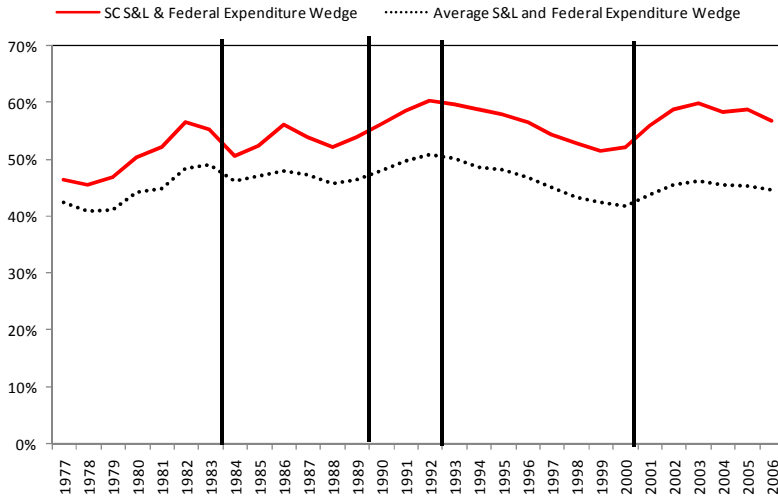
"What we have here is a very different point of view of what we've been hearing over the last several weeks which is if you don't do the stimulus package there is no other way. The fact is there are other ways. This simply reflects what the Congressional Budget Office has already said. They have said there will be less economic activity as a result of the economic stimulus package than if there had been no stimulus package at all," said Governor Sanford.

"Nationally renowned economists predict massive job losses if South Carolina accepts stimulus funds and we will still find ourselves in this position facing cuts or tax increases in two years. Our state budget still has millions of dollars in spending for items that are far less essential than teachers or law enforcement. \$7 billion in state fine and fee revenue has not even been examined in more than a decade. It is irresponsible that some lawmakers are making this a choice between firing teachers or eliminating private sector jobs," said Policy Council President Ashley Landess.

"I've been in touch with countless numbers of my constituents who have said please exercise common sense judgment and fiscal restraint in Columbia just as we are having to do in our private affairs," said Senator Danny Verdin (R-Laurens). "If the private sector cannot sustain itself the public sector will not have a revenue stream."



South Carolina Federal, State and Local Government Expenditure Wedge Compared to Total Federal, State and Local Government Expenditure Wedge



Source: Calculations based on Bureau of Economic Analysis Data

- South Carolina government currently spends 58 percent of private sector output; the national average is 49 percent. The above chart shows South Carolina's combined total of federal, state and local government expenditures continues to exceed the national average.
- The report predicts South Carolina will lose between 23,800 and 34,850 jobs resulting from decreased private sector activity as a result of government spending growth
- Government expenditures would rise 3.3 percent under the stimulus while net private sector output would decline 2.5 percent resulting in slower economic growth, lower tax collections and layoffs in both the public and private sector

Attendees

Governor Mark Sanford
 Senator Lee Bright
 Senator Kevin Bryant
 Senator Tom Davis
 Senator Larry Grooms
 Senator Mick Mulvaney
 Senator Shane Martin
 Senator Phil Shoopman
 Senator Danny Verdin
 Representative Garry Smith
 Representative Tommy Stringer
 Representative Bill Wylie

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