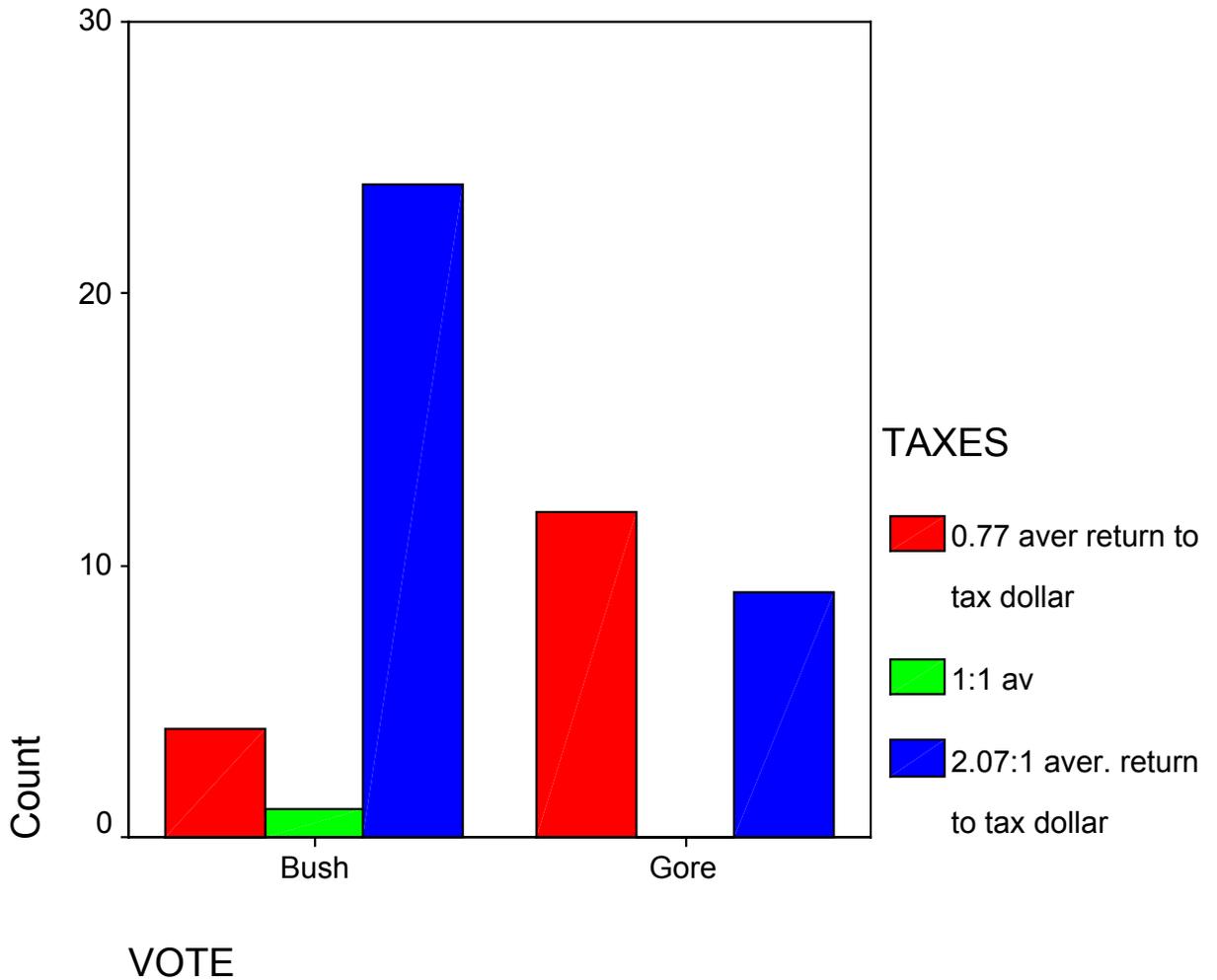




The New Welfare States: Tax return per \$1 taxed in the form of federal subsidies and benefits to the State

WASHINGTON. Each of the Democratic candidates vying to replace George W. Bush has a serious electability problem. The problem has nothing to do with their biographies or temperaments — and everything to do with a significant, but unnoticed, structural divide in American presidential politics.

Each year, the Tax Foundation, a nonprofit research group, crunches numbers from the Census Bureau to produce an intriguing figure: how much each state receives in federal spending for every dollar it pays in federal taxes.



For example, according to the most recent data, for every dollar the average North Dakotan paid in federal taxes, he received \$2.07 in federal benefits. But while someone in Fargo was doubling his money, his counterpart in neighboring Minnesota was being shortchanged. For every dollar Minnesotans sent to Washington, only 77 cents in federal spending flowed back to the state.

Using the Tax Foundation's analysis, it's possible to group the 50 states into two categories: Givers and Takers. Giver states get back less than a dollar in spending for every dollar they contribute to federal coffers. Taker states pocket more than a dollar for every tax dollar they

send to Washington. Thirty-three states are Takers; 16 are Givers. (One state, Indiana, has a perfect one-to-one ratio of taxes paid and spending received. As seat of the federal government, the District of Columbia has no choice but to be a Taker, and is therefore not comparable to the 50 states in this regard.)

The Democrats' electability predicament comes into focus when you compare the map of Giver and Taker states with the well-worn electoral map of red (Republican) and blue (Democrat) states. You might expect that in the 2000 presidential election, Republicans, the party of low taxes and limited government, would have carried the Giver states — while Democrats, the party of wild spending and wooly bureaucracy, would have appealed to the Taker states. But it was the reverse. George W. Bush was the candidate of the Taker states. Al Gore was the candidate of the Giver states.

Consider:

78 percent of Mr. Bush's electoral votes came from Taker states.

76 percent of Mr. Gore's electoral votes came from Giver states.

Of the 33 Taker states, Mr. Bush carried 25.

Of the 16 Giver states, Mr. Gore carried 12.

Juxtaposing these maps provides a new perspective on the political landscape. (Interactive moment: Color in the blue and red states — then you'll get the full picture.) Republicans seem to have become the new welfare party — their constituents live off tax dollars paid by people who vote Democratic. Of course, not all federal spending is wasteful. But Republicans are having their pork and eating it too. Voters in red states like Idaho, Montana and Wyoming are some of the country's fiercest critics of government, yet they're also among the biggest recipients of federal largess. Meanwhile, Democratic voters in the coastal blue states — the ones who are often portrayed as shiftless moochers — are left to carry the load.

For President Bush, this invisible income redistribution system is a boon. He can encourage his supporters to see themselves as Givers, yet reward them with federal spending in excess of their contribution — and send the bill to those who voted for his opponent. It's shrewd politics.

And it puts the eventual Democratic presidential nominee in a bind, should he try to rally those who believe they aren't getting a fair shake from Washington. If the Democratic candidate won all 16 Giver states plus the District of Columbia in November, he'd collect only 254 electoral votes, short of the majority needed to capture the White House. The electoral votes of all the Taker states, by contrast, add up to 273 — two more than Mr. Bush won in 2000.

Is there a way out for Democrats? Maybe not. With Republicans holding the purse strings, it's the Democrats who are being taken.

New York Times, Jan 30, 2004 "Givers and Takers, by Daniel H. Pink, Op-Ed Contributor. Opinion page A21. *Daniel H. Pink, the author of "Free Agent Nation," was the chief speechwriter for Vice President Al Gore from 1995 to 1997.*