



A Shutdown Would Cost More than Planned Parenthood Receives in Federal Funding

GORDON GRAY | SEPTEMBER 21, 2015

In 2013, failure between the legislative and executive branches to enact appropriations led to a [partial government shutdown](#) that furloughed [about 850,000 federal workers](#) and led to disruptions in government services. The attendant disorder also caused some economic turbulence. Estimates of the cost to the economy ranged \$2-\$6 billion. Furloughed federal employees received \$2.5 billion in retroactive pay for the period of the shutdown— essentially billions paid for lost productivity. Past government shutdowns have also incurred costs of similar (adjusted for time) magnitude – with the shutdowns of the mid 1990’s estimated to have cost [\\$1.4 billion](#).

With the end of the fiscal year approaching, and as yet no appropriations in place for FY2016, the possibility of another government shutdown is growing with each passing legislative day. The White House has issued 6 veto threats against appropriations bills considered by the Congress that maintain post-sequestration funding levels, while Senate Democrats have been filibustering any spending bills that reflect current-law spending caps. Further complicating the budget outlook is the consideration of defunding Planned Parenthood as part of the appropriations process. One measure would withhold Medicaid funds from the organization for a year – reducing reimbursements by [\\$235 million](#) over the budget window (though it would offset this reduction with additional funding for community clinics). These withheld funds reflect less than one tenth the costs incurred by the government of a shutdown. In pure dollar terms, shutting the government down to force this defunding measure fails the cost benefit test.