

Dr. Cecil Bohanon, a professor at Ball State University and an adjunct scholar at the [Indiana Policy Review Foundation](#), has penned the following essay regarding the issue of earmarking, especially as it pertains to Congressman Pence's [stance](#) and the Sixth Congressional District of Indiana:

**On the Economics  
Of Earmarking: A Case  
Of Mixed Emotions**  
by Cecil Bohanon, Ph.D.

Congressman Mike Pence's refusal to earmark federal transportation funds for specific projects related to Ball State University has been criticized, not surprisingly, by many in my university community.

As a BSU faculty member and homeowner near campus, I certainly do appreciate the road improvements that have flowed from the specific earmarks of both Congressman Pence and his predecessor David McIntosh. Yet, as a political economist I see another side of the issue.

A logical way for financing local public-works projects is for local taxpayers to bear the costs of those projects. A beautified street in Muncie, Indiana, or a new campus building at Ball State University may well benefit Muncie residents and university constituents. It is hard to see, however, how such spending benefits residents of Portland, Maine, and hard to make a case that those residents ought to pay taxes for our streets or building (or vice-versa).

Successful elected officials have a natural incentive to seek re-election. A tried-and-true way of garnering local votes is to obtain national funding for the local district's public works projects. The elected official can credibly claim that the district's voters get valuable goodies, courtesy of their friendly incumbent, that are paid for by taxpayers outside their district. Never mind whether the local public works projects have value in correspondence to their costs: local constituents don't bear the costs - so the visibility, publicity and vote-generating potential of the project are the overriding considerations for the appropriation. Earmark provisions should be called by their rightful name: "incumbent re-election slush funds."

This whole game, of course, is a collective fraud: If my congressman can effectively steal from the 434 other districts of the nation, my district can be better off. If all 435 congressional representatives, however, get to play the game, then certainly most of us, perhaps all of us, will be worse off. It is logically impossible for everyone to steal from everyone else, although the political rhetoric mutes this reality.

If this is a silly game to play it is a difficult one to end. If one congressman decides not to play, his constituents are left bearing the burden of financing the remaining 434 districts while forgoing any local benefits. Please note this is not because our elected officials are somehow more venal or sinful than the rest of us, or that we can somehow solve the problem by electing "better" politicians. Elected officials respond to incentives like all of us. As long as national funding for local projects is an option, the incentives are in place for this collective shell game. Only the public's return to the original constitutional ethic of limited federal government can solve the problem.

Interestingly, Congressman Pence (and the others who are refusing to earmark) are not really opting out of the game. They are only forgoing making specific mandates for how federal transportation funds will be spent - the funds still flow to the district (in this case, to the Indiana Department of Transportation or IDOT).

Theoretically, the funds that would be earmarked to Ball State University could go to the university via IDOT, and as a faculty member and local homeowner I can honestly say I hope they do. As a citizen and patriot, however, I would like to see the system changed. I hope by forgoing the publicity gains of specific earmarks, and incurring the wrath of their absence, we can begin a return to fiscally sound constitutional principles.