

DOGE Seeks to Succeed Where Others Have Failed

'Trump has enormous power in the budget,' economist and fiscal expert Chris Edwards says.

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(Left) Vivek Ramaswamy speaks at the Trump campaign rally at Madison Square Garden in New York City on Oct. 27, 2024. (Anna MoneyMaker/Getty Images) (Right) Tesla CEO Elon Musk leaves the Phillip Burton federal building in San Francisco, Calif., on Jan. 24, 2023. Justin Sullivan/Getty Images



By Kevin Stocklin

12/1/2024 Updated: 12/1/2024

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As entrepreneurs Elon Musk and Vivek Ramaswamy trek to Washington D.C. to meet with GOP lawmakers this week, they have an even longer road ahead of them to achieve their goals of enacting major cuts to government budgets.

The incoming Trump administration has set itself an ambitious goal through the newly-created Department of Government Efficiency (DOGE), which will be headed by Musk and Ramaswamy, of slashing federal budgets and even eliminating an agency or two.



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In a Nov. 20 Wall Street Journal [op-ed](#), Musk and Ramaswamy stated that DOGE's work would focus on cutting regulations, downsizing the federal workforce, and reducing the federal budget. They called for a "lean team of small-government crusaders" to join them, seeking volunteers who would work 80 hours a week without pay.

There has been an enthusiastic response.

"I've been blown away by the talent of individuals that have reached out," Anson Frericks, a longtime friend and co-founder of Strive Asset Management with Ramaswamy, told The Epoch Times. Frericks said that many people have contacted him in an effort to connect with Ramaswamy.

"It's been people that have been former CEOs, former entrepreneurs, that have exited their companies and that don't need the money, but they're very committed to the idea of a smaller government, and they would be part of the group," Frericks said.

Tesla and SpaceX founder Elon Musk [stated](#) at an October Trump rally that he intends to cut \$2 trillion from what is currently \$6.75 [trillion](#) in annual federal spending. And tech entrepreneur Vivek Ramaswamy, DOGE's co-head, [said](#) in a Nov. 17 Fox News interview that there would

be “mass reductions” in the federal workforce and that some agencies would “be deleted outright.”

Congressional Support and Limitations

This less-is-more message appears to be receiving a positive reception from GOP lawmakers.

House Speaker Mike Johnson [posted](#) on social media platform X that on Dec. 5 he will host Musk and Ramaswamy “to discuss major reform ideas to achieve regulatory rescissions, administrative reductions, and cost savings—& revive the principle of limited government.”

But the DOGE team, for all its enthusiasm, has many hurdles in its way.

According to an [analysis](#) by the Committee for a Responsible Federal Budget, a nonpartisan fiscal policy think-tank, federal spending is projected to increase from \$6.4 trillion in 2023 to \$10.1 trillion by 2034, “and 84 percent of this growth can be explained by increased spending on health, Social Security, and net interest.”

The majority of federal spending is probably off limits to DOGE, given that Trump has pledged not to touch programs such as Social Security, which made up 22 percent of the 2023 [budget](#)) and Medicare, which made up 14 percent.

There are also the rapidly increasing interest [payments](#) due on the \$36 trillion federal [debt](#), and the House Budget Committee [reported](#) in May that “halfway into Fiscal Year 2024, the United States is now spending more on net interest payments than on national defense and Medicare.”

This means that deep cuts will be required in other programs in order to put a significant dent in government spending.

Focus on Federal Subsidies

Chris Edwards, former senior economist on the Congressional Joint Economic Committee and currently a Cato Institute fellow and editor of DownsizingGovernment.org, has proposed a top 10 [list](#) for the Trump administration to consider and suggests that more than \$1 trillion could be cut from federal aid programs.

“There’s over 1,300 federal aid-to-state programs currently for education and public housing and highways,” he told The Epoch Times. “But with all those spending programs and aid to the states comes all these complicated regulations.”

Even though the Constitution gives the federal government no authority over areas including education, health care, and housing, federal grants have often come with strings attached as a way for Washington D.C. to expand its control over states.

The first sector to cut is federal subsidies for K–12 schools, Edwards said, which could save more than \$30 billion a year.

“I think there’s an understanding in the Republican Party now that we really ought to get the feds out of K–12 schools, and Trump himself has said that,” Edwards said.

“Canada has no federal department of education; they do not have federal subsidies for K–12 schools, and it is entirely locally funded and controlled,” he said. “Canadian kids consistently do better on international tests than we do.”

Whereas federal education programs, like the Every Student Succeeds Act and No Child Left Behind, tend to centralize and nationalize school curriculums, Trump will take office when an increasing number of states are moving in the opposite direction, toward school choice programs that give parents more choices for their children’s education.

According to an [analysis](#) by Education Week, 28 states and the District of Columbia now have enacted some version of school choice, allowing parents to use public funds for private schooling. In addition, 12 states

have private school choice programs that are accessible for all K–12 students in their state.

Other spending programs that Trump could cut, Edwards said, include urban transit subsidies (\$20 billion), unspent subsidies and tax breaks in the Inflation Reduction Act (IRA) for wind and solar energy, subsidies for batteries and EVs (\$100 billion), broadband subsidies in the 2021 Infrastructure Bill (\$65 billion), housing and community development grants (\$75 billion), and farm subsidies—60 percent of which goes to the country’s largest farms.

The Trump administration could also save hundreds of billions by setting caps on Medicaid payments to states, which have more than **doubled** since the passage of the Affordable Care Act, also known as Obamacare, from \$402 billion in 2010 to \$824 billion in 2022, according to Statista.

Spending Programs Are Popular

One problem that the incoming administration will face, however, is that many of these programs are popular, and Trump will start his second term with a razor-thin GOP majority in Congress. As of Nov. 29, Republicans are projected to have only a 2-seat majority in the House of Representatives, with three races still uncalled.

Efforts to repeal Obamacare during Trump’s first term failed in a Republican-controlled Senate, with Sen. John McCain’s (R-Ariz.) famous thumbs-down vote. Obamacare has proven particularly popular with the self-employed, contract workers, part-time workers, small business owners, and others who don’t get insurance through an employer, and since its passage the number of uninsured Americans has fallen from 45.2 million in 2013 to 26.4 million in 2022, a **report** by the Center on Budget and Policy Priorities states.

In addition, while not a single Republican voted for the Inflation Reduction Act, red states will likely benefit more than blue states from its subsidies. Of the five largest states for wind energy production—

Texas, Oklahoma, Iowa, Kansas, and Colorado, [according](#) to energy analytics firm Choose Energy’s November Wind Generation Report—the top four are red states in which both senators and most or all representatives are Republicans.

Similarly, the top five states for production of solar energy are California, Texas, Florida, North Carolina, and Arizona, according to Statista, four of which are considered red or red-leaning states. In addition, according to a December 2023 [report](#) by the Center for American Progress, of the top 10 Congressional districts ranked by the size of their investment in wind and solar energy since the IRA was passed, eight are represented by Republicans.

But that doesn’t necessarily mean that Congress, or voters, will oppose budget cuts.

“Reagan passed a big spending cut bill in his first year in office and he was re-elected in a landslide, and when Republicans took control of Congress in ‘94, they pushed all kinds of sensitive spending cuts, and they were re-elected in ‘96 and retained control of the House,” Edwards said. “I think the biggest risk for Trump and the Republicans is if inflation spikes again. There’s general agreement among economists that it was the big spending that Biden did that spiked inflation.”

Focus on Waste, Real Estate, Defense, Federal Workers

There are also numerous cases of [waste](#) that could be eliminated. Among them were \$236 [billion](#) in improper payments in 2023, according to a Government Accountability Office report, and \$1.3 billion paid to deceased people last year, cited in a report from RealClear Investigations, based on [data](#) from the Office of Management and Budget.

In addition, Edwards said, there is potential savings from selling off some of the approximately 300,000 buildings owned by the federal government.

“They’ve got all this excess real estate,” he said. “They should consolidate the real estate and save a lot of money that way.”

One area where it is unclear if spending will rise or fall is military spending. During Trump’s first term, defense spending [increased](#) by \$225 billion. But his second term could also see strategic shifts that reduce spending.

“I think you can be much more efficient using drones, using AI, using less costly technology that doesn’t put humans at risk, so I think those are other opportunities to shrink the amount of money the government spends while still producing better outcomes,” Frericks said.

Reducing headcount among civil servants is another area of focus, and advocates believe they can achieve some of this by relocating departments outside of Washington and requiring federal workers to work from their respective offices, rather than from home.

“Mr. Trump can implement any number of ‘rules governing the competitive service’ that would curtail administrative overgrowth, from large-scale firings to relocation of federal agencies out of the Washington area,” Musk and Ramaswamy [wrote](#) in their op-ed. “Requiring federal employees to come to the office five days a week would result in a wave of voluntary terminations that we welcome.”

In addition, according to a Ramaswamy [post](#) on X, the Biden administration hired hundreds of staffers dedicated solely to implementing diversity equity and inclusion (DEI) programs at a cost of \$67 million, “with a majority of these DEI hires making six-figure salaries.”

A History of Failure

History cautions against hubris, however, when taking on the approximately 460 agencies of the federal government. This is not the first time that outsiders have attempted to prune the administrative state, and prior attempts have not succeeded.

In June 1982, President Ronald Reagan established the President's Private Sector Survey on Cost Control in the Federal Government (PPSSCC), commonly known as the Grace Commission after its Chairman J. Peter Grace, CEO of W. R. Grace & Company. This commission included about 150 prominent business executives tasked with reviewing the entire executive branch and recommending how to cut waste and inefficiency.

Eighteen months later, the Grace Commission produced a list of approximately 2,500 recommendations on how to cut federal spending. According to the Reagan Presidential Library, however, "most of the recommendations, especially those requiring legislation from Congress, were never implemented."

Federal spending was 69 percent higher at the end of Reagan's second term than it was in 1981, according to a 2004 Cato [report](#) authored by Edwards. And while government revenues under Reagan fell from 19.6 percent of GDP in 1981 to 18.3 percent by 1989, "with a Congress unwilling to make serious cuts, the deficit remained high and spending was stuck at over 22 percent until the late 1980s," the report states.

Ultimately, it was President Bill Clinton's administration that brought federal budgets back into balance in 1998.

In 2010, President Barack Obama administration established the bipartisan National Commission on Fiscal Responsibility and Reform, also called Simpson-Bowles after co-chairs Alan Simpson and Erskine Bowles. Ultimately, this commission proposed \$2.9 trillion in spending cuts, coupled with an approximately equal amount of tax increases. But its proposals failed to gain enough support in Congress (or even within the commission), though some of its recommended spending cuts were later put in place.

Another potential impediment is timing; the recommendations from DOGE are expected to be delivered in the summer of 2026, by which time Trump would be well into his second and final term in office. By then, the GOP may have lost some of its momentum from November's electoral victories, and potentially its congressional majorities in the 2026 midterms.

But this doesn't mean that Trump cannot succeed, given sufficient will and focus.

"Trump has enormous power in the budget," Edwards said. "People say Congress is the one who spends, but Constitutionally it's both, because Trump has veto power.

"He can put some of the top recommended cuts from Elon and Vivek into the budget and simply refuse to sign the budget until he gets some substantial cuts."

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Kevin Stocklin

Reporter

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