



Free markets. Real solutions.

## What are some of the costs?



Emergency spending adds to the debt. With interest rates on the rise, borrowing is increasingly costly and creates a drag on the economy.



Like a snowball gathering ice, sticks and leaves as it careens down a hill, emergency spending packages are often a big, expensive mess filled with unrelated spending and other pet projects that add to cost.



Rushed emergency spending can create oversight and accountability challenges, fostering opportunities for fraud and misuse of funds.



Racing to rebuild, without thoughtful deliberation about long-term risks can put families and communities back in harm's way when a future disaster strikes.



A sudden influx of cash can swamp local emergency response agencies with more funds than they can use, often with layers of red tape.

## EXPLAINER

# The High Price of Emergency Spending: What's the true cost of ad hoc disaster aid?

December 2022

## Summary

The cost of providing aid to people in their hour of need is arguably a justifiable expense, but the manner in which emergency responses are funded at the federal level is both fiscally perilous and often ineffective. The true cost of emergency spending can be much higher than the initial estimate and can lead to poor outcomes in the long run.

## What's Happening

It is likely that Congress will take up a package of new disaster relief spending in response to the damage Hurricane Ian inflicted on parts of Florida and the Carolinas. Natural disasters such as hurricanes, tornadoes or wildfires are not entirely unexpected. Scientists warn that these and other natural disasters will intensify. It is therefore imperative that better measures be put in place to respond to these disasters in a more sustainable and effective manner.

## What Congress Can Do

- 1. Be better prepared.** Disaster response agencies should have plans and resources in place to avoid the need for emergency assistance. Likewise, taking steps to strengthen our economy, reduce debt and employ disaster mitigation techniques can help increase both fiscal and community resilience.
- 2. Offset new spending.** Regardless of whether new spending is considered an emergency, the money spent comes from taxpayers—either now or in the future. New spending should be offset by other budget reductions or increased revenue to avoid adding to our crippling debt.
- 3. Target immediate needs.** Loading disaster response measures down with unrelated projects or spending that requires long-term planning increases the likelihood for waste and fraud. It is disrespectful to victims of disaster to use their loss for political gain. Spending that does not address urgent needs should be considered within the context of annual appropriations against other spending priorities.

## Where can I learn more?

<https://www.rstreet.org/2022/11/01/the-high-price-of-emergency-spending-our-response-to-disasters-and-the-costly-wasteful-outcomes>

## Contact us

For more information on the subject, contact:

### Nan Swift

Resident Fellow  
Governance Program  
[nswift@rstreet.org](mailto:nswift@rstreet.org)  
[@nanswift](https://twitter.com/nanswift)