Research Note 100 | 30 December 2011

Cost of Government Day 2012

This note extends the concept of Tax Freedom Day, which is calculated annually by the Adam Smith Institute. In 2011, Tax Freedom Day was 30 May.

As the New Year rolls in, the TaxPayers' Alliance presents an estimate of the **Cost of Government day** for 2012. This is the date in the calendar year on which the average person has earned enough gross income to pay for their share of the cost of government spending *and* regulation. The result for 2012 is:

- The average person must work for **208 days** in the coming year to pay for their share of the cost of government spending and regulation.
- The cost of government day in 2012 will be **26 July**.

Government outlays, % of GDP	Regulation, % of GDP	Total cost of government, % of GDP	Days in year	Total cost of Government outlays, days	Total cost of regulation, days	Total cost of Government, days	Cost of Government day
48.9	7.9	56.8	366	179	28.9	207.9	26 July

According to the OECD, total government expenditure will be 48.9 per cent of GDP in 2012:[1]

- The average person must work for **179 days** in the coming year to pay for their share of the cost of government spending.
- In 2012, the average person will work to pay for government spending until **27 June**.

According to the Institute of Directors, the cost of regulations is nearly per cent of GDP:[2]

- The average person must work a further **29 days** of the year to pay for their share of the cost of government regulation.
- The average person must work for **nearly a month** to pay for their share of the cost of government regulation in 2012.

[1] OECD Economic Outlook, Volume 2011 Issue 2, Annex Table 25, General government total outlays
[2] Institute of Directors Regulation Reckoner 2011, page 1
http://www.iod.com/mainwebsite/resources/document/regulation_reckoner_2011.pdf

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