

# A Functional Finance Scoreboard for the U.S. Congress

It's time to think about setting up a scoreboard on which we rate members of Congress for their understanding of Modern Monetary Theory (MMT). All kinds of organizations on the political right, from the National Rifle Association (<https://www.nrapvf.org/grades/>) to Freedom Works (<http://congress.freedomworks.org/>) to the National Taxpayers Union (<https://www.ntu.org/ratecongress/>) score Senators and members of the House on their agreement with their principles, but this is less common on the left.

Let's think about what such a scoreboard (or, perhaps, scorecard) would look like.<sup>1</sup>

## **Question: Why would we want to score members of Congress?**

We want voters to know whether their senators and housemembers "get it" -- where "it" is the idea that the federal government is not financially constrained in spending for the public purpose.

We want voters to know whether their federal legislators understand that at the sovereign, currency-issuing level of government, taxation and borrowing are (i) operationally independent from spending; (ii) do not "pay for" that spending; and (iii) have important purposes and functions completely distinct from raising revenue.

We want voters to know whether their federal legislators understand that the federal budget is not analogous to an individual household's budget.

In short, we want voters to know what their senators and representatives understand about the way public finances actually work.

## **Question: How would we score members of Congress?**

We would score members of Congress on the content of bills they sponsor, their recorded votes and their public statements about federal budgetary, spending and taxation matters. We would have to evaluate the importance of any individual vote or public statement. For example, to say that federal taxation "pays for" federal spending would be judged an error, but calling for a balanced budget amendment would be judged a more serious error. Logistics and implementation to be determined.

## **Question: What would we do with the scores once we have them?**

We would use the scores to educate members of Congress and their staff on the one hand, and the voting public on the other.

We would initially provide all members of Congress and their staff with information consistent with MMT, even though we know that many of them would currently reject such information out-of-hand. We would then focus our efforts on those legislators and staff who seem most persuadable.

Equally important is educating the voting public about MMT. In each state and congressional district, we should identify "opinion leaders" who can speak out mistaken

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<sup>1</sup> Note: Everything that follows is "first-draft" thinking; patches welcome.

positions held by the senators and congresspeople from those jurisdictions. If, for example, a member of the House Democratic Blue Dog Caucus, calls for a balanced budget amendment, we would have someone from the Blue Dog's district write an op-ed column for a local newspaper refuting the congressman. With the scoreboard, we would track the congressman's performance over time. We would not endorse candidates. Rather, we would simply make the scores available as broadly as possible.

**Question: What should we call the scoreboard?**

We should not call this an "MMT Scoreboard". Even within the scope of political economy, we understand that the "modern" in MMT is ironic, as we believe that money has been a creation of the state for four millennia. MMT is about a lot more than "money". And it would seem odd to have "theory" in the name a political movement.

Instead, we should hark back to one of the foreparents of MMT and call this a "functional finance scoreboard". (Again, we'd have to decide whether this is better described as a "scoreboard" or a "scorecard".)

**Question: What will it take to launch such a scoreboard?**

A lot of work, but work that can be distributed among a fair number of people with different skills and interests. Much of this work can be done online, but periodic in-person contact among participants is invaluable.

**Question: Are there any pitfalls we have to watch out for?**

Yes. We're scoring legislators at the federal, currency-issuing level of government. State and local officials work at the currency-using level of government. State and local governments do have to tax before they can spend. State and local elected officials have to be concerned with budget-balancing in ways different from members of Congress. Should those state or local officials subsequently run for the U.S. Congress, our movement will have to help them understand how public finance at the currency-issuing level of government differs from the currency-using level and how to communicate those differences with their constituents.

**Question: How can we discuss this proposal further?**

Since we're just taking baby steps here, we can use already established media for collective discussion. For example, you can join the "Modern Monetary Theory" list at Google Groups (<https://groups.google.com/forum/#!forum/modern-monetary-theory>).

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*Note:* The views expressed in this document are those of the author and do not necessarily reflect the views of the Abba Lerner-Hyman Minsky Political Economy Society as a whole.