

State Smart: Federal Funds in 50 States

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National Priorities Project examines how our federal tax dollars flow in and out of 50 states and Washington, D.C.

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I. Introduction

The federal budget has hugely important, but often unrecognized, influence on the lives of all Americans. Everyone pays into the federal budget through taxes, and everyone benefits from it through public services, infrastructure, national security, and economic activity driven by federal investments and employment. Yet many Americans do not know how our federal government spends our tax dollars or how federal funding comes to our communities.

For more than 30 years National Priorities Project (NPP) has cracked open the federal budget—what we believe should be the people’s budget—to give all Americans access to information about how it affects their lives. NPP’s interactive tools make the budget tangible and personal, illustrating the various ways federal dollars play a critical role in the issues Americans care about the most.

In that vein, NPP has just released State Smart, a comprehensive source for tracking the flow of federal money at the state level: <http://www.nationalpriorities.org/smart>.

For the first time since 2010, the last year available from Census Bureau’s now-discontinued Consolidated Federal Funds Report (previously the best source for data on federal spending in the states), State Smart offers Americans an easy-to-use look at dozens of ways that federal dollars come into the states and vice versa.

This report, based on the State Smart website and datasets, examines key findings about how the U.S. spends in the states as well as states’ tax contributions back to the U.S. Treasury.

II. Why States?

Every day, residents of each state in the U.S. are affected by the federal budget. Federal dollars show up in states through public services, roads and bridges, public assistance programs, clean air and water, and much more. Residents pay taxes to the federal government, send their children to schools that receive federal funds, and benefit from economic activity generated by federal employees or contractors.

Localizing federal spending numbers to the state level is an important way to understand the role of the federal budget in our everyday lives.

A Note About “Money In” vs “Money Out”

While we believe it is critically important and useful for Americans to understand what their state pays in to the budget and what it receives, the complex relationship between federal taxes and benefits doesn’t fit neatly into a geographic framework.

- Many federal initiatives benefit the entire country, not just the state where they’re located. For example, the Centers for Disease Control and Prevention operates in Georgia, but its mission is to “protect America from health, safety, and security threats, both foreign and in the U.S.”
- Social Security and Medicare benefits reflect payroll taxes paid across the country over decades—not necessarily the recipient’s current home state.

Classifying states as budget “givers” or “takers” doesn’t fully capture these nuances and doesn’t acknowledge, for example, that many federal programs are progressive. In other words, they are designed to deliver more benefits to those who need them the most. The federal budget is intended to serve the needs of the nation as a whole. For these reasons, State Smart does not publish direct comparisons between federal dollars coming in to states and the federal taxes that their residents pay.

Data Sources

NPP compiled State Smart by using data from the U.S. Census Bureau, the U.S. Bureau of Economic Analysis, USASpending.gov, and the Internal Revenue Service. A complete list of the data sources and methodology can be found on the project’s website:

<https://www.nationalpriorities.org/smart/resources/notes-and-sources/>.

All dollar amounts in this report are expressed as federal fiscal year 2014 dollars.

III. Money Traveling Into States

This report explores federal spending trends during and after 2007, the start of the Great Recession.¹ Although the recession officially ended in 2009, it continues to influence the flow of federal dollars in and out of U.S. states. The story that emerges shows a significant impact from the economic stimulus (the American Recovery and Reinvestment Act) and increased spending on safety net programs during recent years.

The sections below examine key ways that federal dollars come to the states:

- federal aid to individuals
- federal grants to state and local governments
- federal employees and contracts

We also look at state contributions to the federal budget through tax collections over time.

Federal Aid to Individuals

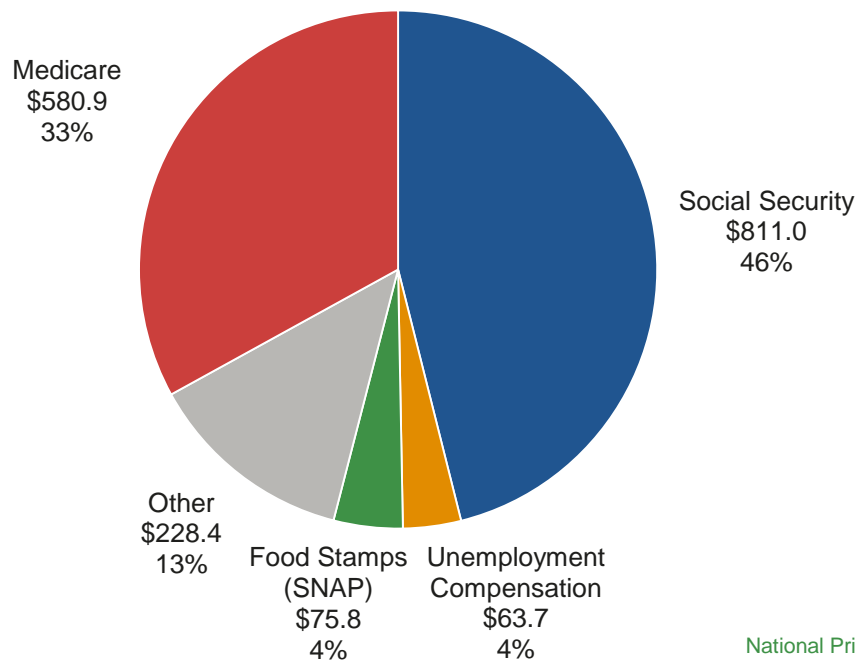
The majority of federal dollars in the states represents money that people receive directly—mostly in the form of Social Security and Medicare benefits.² This analysis includes both of these programs and their dedicated payroll tax funding streams for two reasons. First, State Smart examines the totality of federal spending: Social Security and Medicare are important pieces of the overall picture. Secondly, Americans continually rank Social Security and Medicare as top priorities for lawmakers.³ Americans want to ensure that both are sound and able to deliver for years to come.⁴

Federal Budget in the Field

“Social Security is an enduring and time-tested program that provides a critical source of income to Americans at every income level and in every state. Americans know they pay for the program through deductions from their pay, and large majorities agree it is important to preserve Social Security for future generations, even if that means raising Social Security taxes working Americans pay.”⁴ – Virginia Reno, Vice President of Income Security, National Academy of Social Insurance

2013 Federal Aid to Individuals

(billions of 2014 dollars)



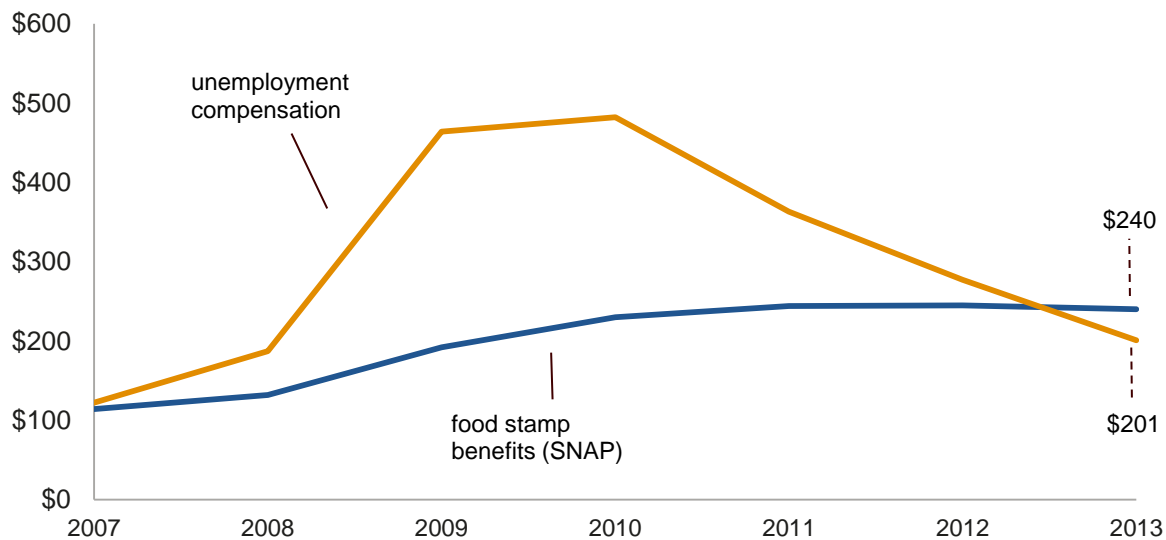
National Priorities Project |
nationalpriorities.org
Source: Bureau of Economic Analysis

Figure 1: 2013 Federal Aid to Individuals

Beyond Social Security and Medicare benefits, federal aid to individuals is a way of planning for the worst. This funding includes food stamp (SNAP) and unemployment compensation benefits, which expand and contract as needed based on eligibility. For example, between 2007 and 2010—a period that includes the Great Recession—Food Stamp (SNAP) benefits more than doubled, and unemployment benefits nearly tripled as the safety net expanded (see *Figure 2: Per-Person Aid to Individuals: Food Stamps and Unemployment Compensation*). Across programs, the per-person amount of federal aid has increased by 24% since 2007.⁵

Other money spent as aid to individuals is a mixture of funding, from Veterans' benefits to Pell Grants to student National Science Foundation grants.

Per-Person Federal Aid to Individuals: Food Stamps and Unemployment Compensation (2014 dollars)



National Priorities Project | nationalpriorities.org
Source: Bureau of Economic Analysis
(calendar year)

Figure 2: Per-Person Aid to Individuals: Food Stamps and Unemployment Compensation

In 2013, federal aid to individuals came out to about \$5,566 for every person living in the U.S. However, the per-person number varied greatly between individual states, ranging from \$3,568 in Utah to \$7,239 in West Virginia.

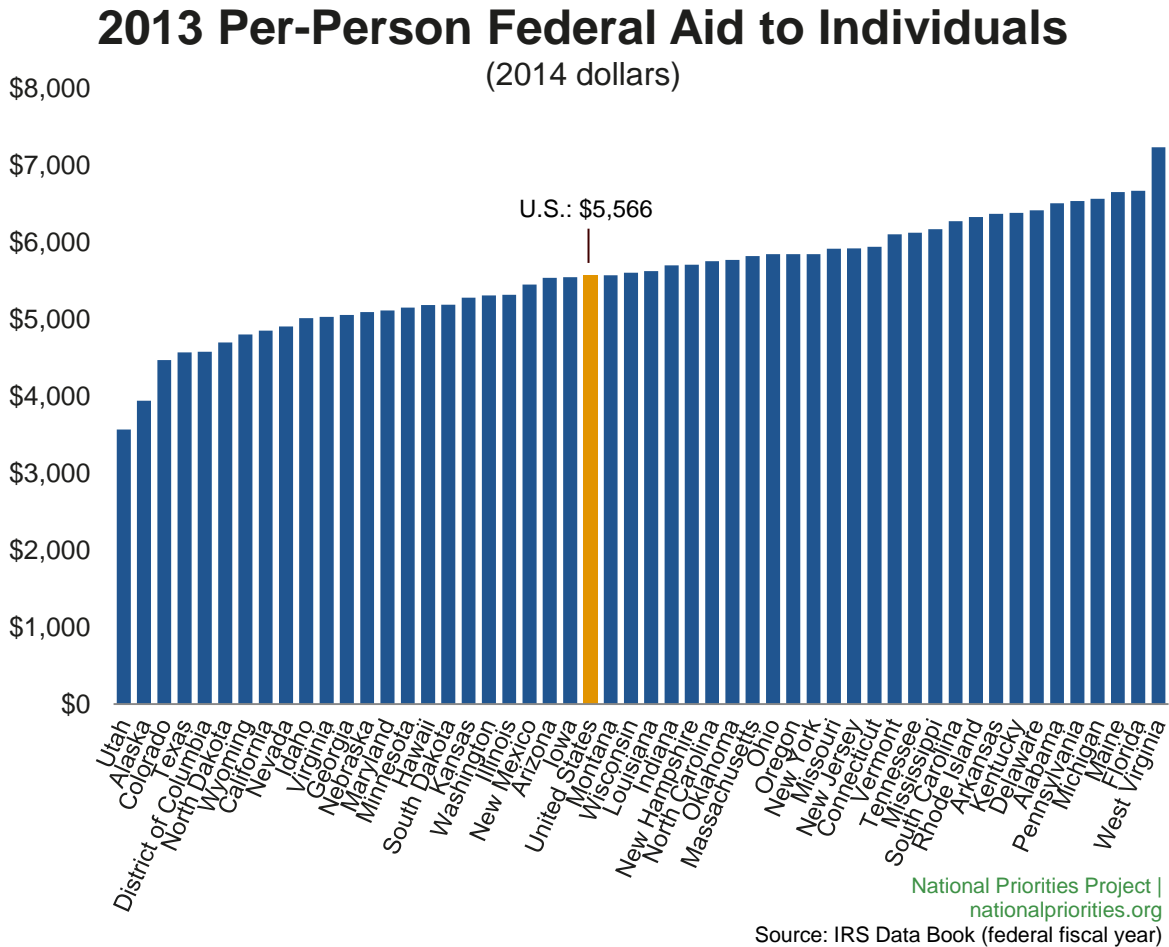


Figure 3: 2013 Per-Person Federal Aid to Individuals

Federal Grants to State and Local Governments

Another way that federal money gets to the states—and another important aspect of the social safety net—is through federal grants to state and local governments.

Every state budget in the U.S. relies on federal grants. In 2012 that money—over \$529 billion—made up 32% of states' general revenue.⁶ Over half of that \$529 billion (57%) came in the form of public assistance money, which the states, in turn, distributed to residents who benefit from programs like Medicaid, Temporary Assistance to Needy Families (TANF), and the Low Income Home Energy Assistance Program (LIHEAP).⁷ Medicaid is by far the largest portion of public assistance grants going to the states, making up 80% of the total.⁸

Many of these programs saw increased funding from the 2009 American Recovery and Reinvestment Act (Recovery Act), expanding the safety net even further as unemployment rose.

2012 Per-Person Federal Grants to State Governments

(2014 dollars)

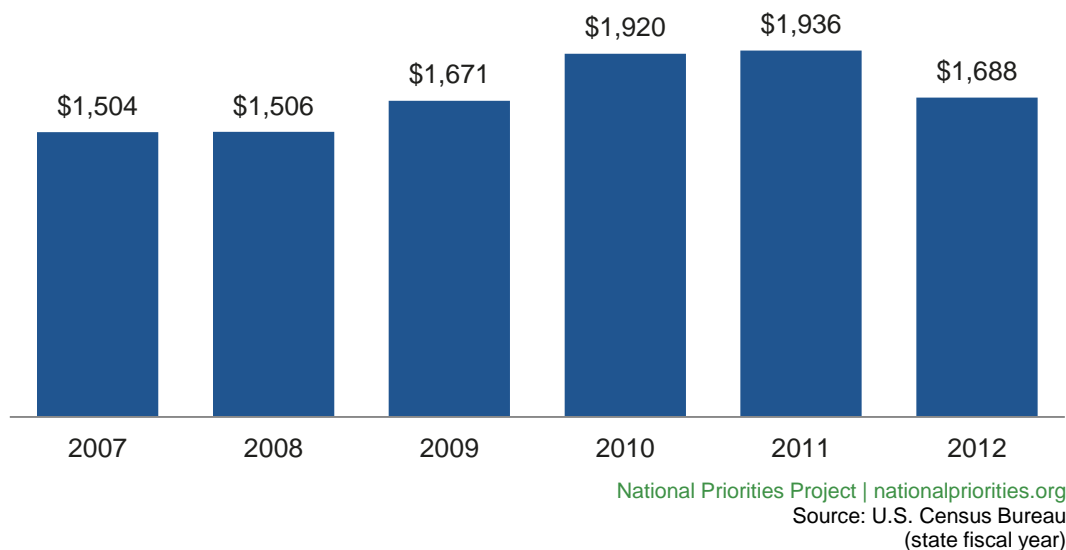


Figure 4: 2012 Per-Person Federal Grants to State Governments

The rest of the federal grant money to states funds a range of initiatives familiar to most Americans, including:

- Head Start
- School nutrition programs
- Highway and public airport projects
- Special Supplemental Food Program (WIC)
- Care of veterans in state hospitals
- EPA Superfund grants
- Rent subsidy programs (Section 8)
- Aid for natural resources like forests, soil, and water
- Meat inspection

Federal grants to local governments are considerably less than grants to state governments, but they're an important way that communities are directly impacted by the federal budget. In 2011 (the latest available data), local governments received \$76 billion in federal grants. A considerable portion of that money (42%) funds housing and community development initiatives like the construction of public housing and rent subsidy programs.

Federal Contracts and Federal Compensation

The federal government performs work in every state, through its own employees and by hiring private contractors. Federal contractors perform a variety of tasks from supplying the military with weapons to building websites. Other work, like research at New Mexico's Los Alamos National Laboratory and the National Institutes of Health's intramural facilities, is accomplished primarily via federal employees.

Federal Budget in the Field

"Dollars for weapons manufacture are an important subsidy for Connecticut. Preventing loss of well-paid jobs is one major reason Congress continually funds the Pentagon. What if most of that money instead created great jobs that build a green civilization?" – Henry Lowendorf, Chair, New Haven Peace Council

Federal Contracts

In 2013 the U.S. paid about \$468.8 billion to federal contractors (including contractors who performed work in other countries).⁹ The U.S. Department of Defense manages the vast majority of that money—almost 67% of it.¹⁰ That's about \$990 for every person living in the United States.¹¹

In fact, four agencies managed 80% of all federal contract money in 2013.¹¹

Department	2013 Contract Totals (billions of 2014 dollars)	Per-Person (2014 dollars)	Percent of Total Contract Dollars
Department of Defense	\$312.9	\$990	66.8%
Department of Energy	\$24.3	\$77	5.2%
Department of Health and Human Services	\$20.3	\$64	4.3%
Department of Veterans Affairs	\$18.6	\$59	4.0%

Table 1: 2013 Federal Contract Dollars (source: USASpending.gov)

And while these numbers total hundreds of billions of dollars, 2013 actually represents the fifth straight year of an overall decline in federal contract spending.¹⁰

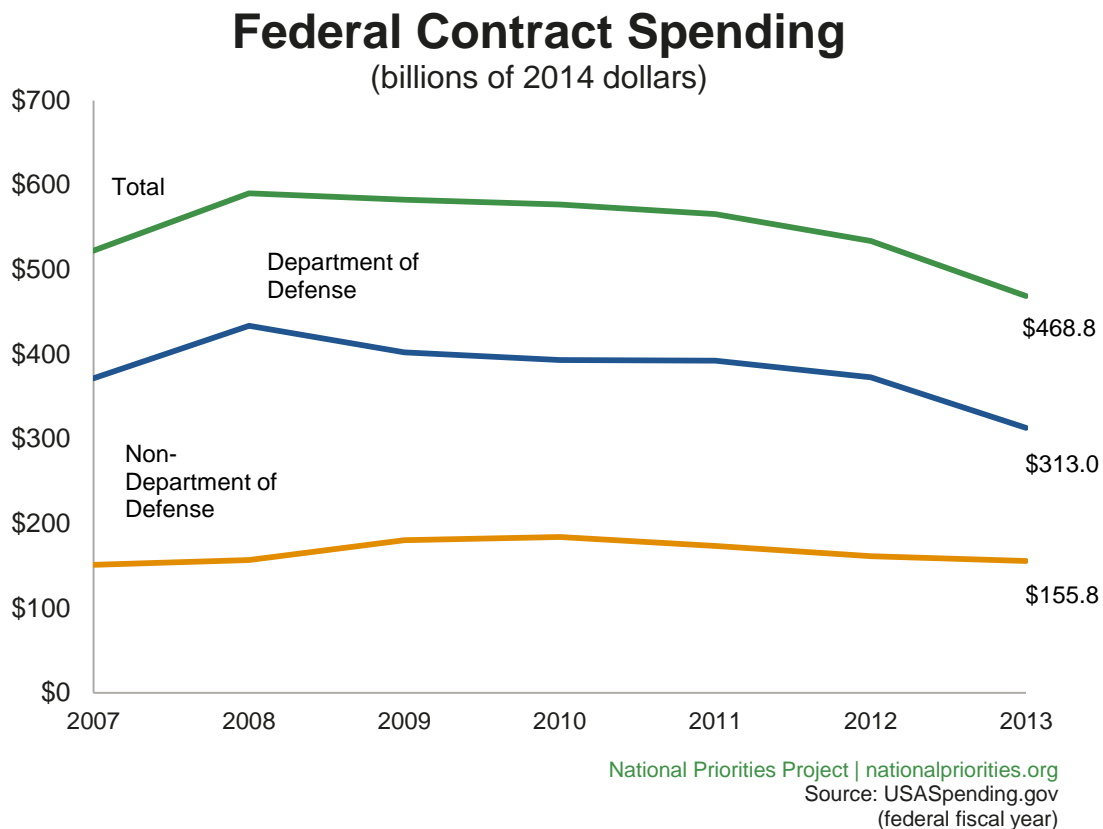


Figure 5: Federal Contract Spending

As the biggest spender, the Department of Defense was responsible for most of this fluctuation—it spent 30% less on contracts in 2013 than it did in 2008.¹⁰ There are a few reasons for this:

- The drawdown of resources in Afghanistan and Iraq.
- The end of contracts funded by the American Recovery and Reinvestment Act (aka, the Recovery Act).
- Sequestration, which went into effect in February 2013.

It's important to keep that 30% drop in perspective, however. The Department of Defense still significantly outpaces all other departments in spending on federal contracts, and there's no indication that pattern will change anytime soon. In addition, the Pentagon knows how to use [creative tactics to avoid the budget-cutting impact of the sequester](#).

Federal Compensation

Almost 5% of all compensation in the United States—in other words, wages plus benefits—is paid to people who work for the federal government. In 2013 there were over 4.8 million federal employees in the U.S.,¹² and they earned more than \$440.5 billion in base salary and employer contributions for health insurance, retirement plans, Medicare, and Social Security.¹³

Average annual federal compensation is higher than the average for U.S. workers as a whole (\$90,686 versus \$62,992),¹⁴ though there are many nuances to consider when comparing these numbers. The Congressional Budget Office tackled the question of federal and private sector pay in a [2012 report](#)¹⁵ and found the following:

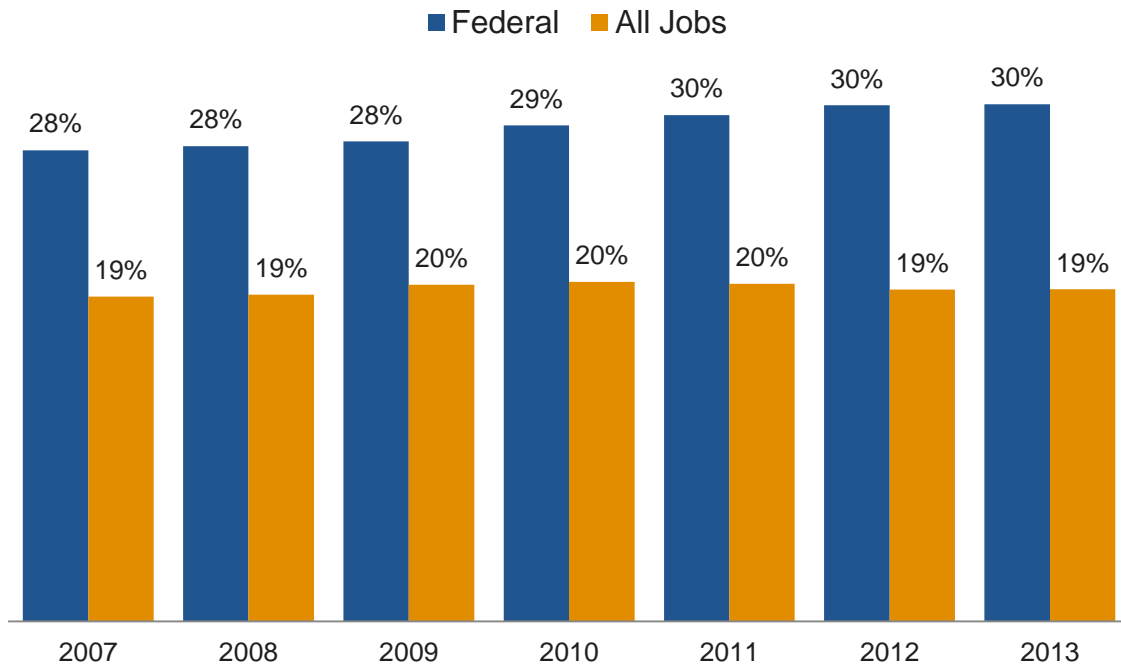
- Federal workers tend to be older, more highly educated, and more concentrated in professional occupations than private-sector workers.
- The gap between high and low income earners has been growing in the U.S.,¹⁶ but the span between the wages of high-and low-paid workers was narrower in the federal government than in the private sector.
- The federal government contributes more to its employees' benefits than private sector employers.

Federal Budget in the Field

“Federal dollars flowing into New Mexico play an important role in contributing to its economy. Federal workers at the Los Alamos National Laboratory do work that benefits the whole country, but those workers buy their groceries in New Mexico grocery stores, get back-to-school clothes in New Mexico department stores, and support local businesses. It's a critical piece in both good times and bad” – Gerry Bradley, Senior Researcher and Policy Analyst, New Mexico Voices for Children

NPP's analysis confirms that last point about federal benefits. In 2013, benefits represented 30% of federal compensation but just 19% of compensation for the average U.S. worker. That gap has increased over the last ten years as federal employees received a greater share of their compensation in benefits, while employees overall received a smaller share of their compensation in benefits¹⁷.

Employer Benefits as a Percent of Overall Compensation



National Priorities Project | nationalpriorities.org
Source: U.S. Bureau of Economic Analysis (calendar year)

Figure 6: Employer Benefits as a Percent of Overall Compensation

IV. Money Leaving the States

Like federal spending, since 2007, the money that states contribute to the federal budget has also reflected the impact of the Great Recession. Their declining contributions counterpoint the rise in spending driven by the expansion of the safety net and the 2009 Recovery Act.

Why is this the case? State residents pay into the federal budget through income, business, payroll, estate, and gift taxes, as well as excise taxes on items like gasoline. When people are out of work, income tax collections decline as do other tax-generating activities. Thus the federal government receives less revenue overall from states.

In 2013, federal tax collections totaled \$2.5 trillion,¹⁸ most of which were taxes paid by or on behalf of individuals. Individual taxes—\$2.17 trillion in 2013¹⁸—include income and self-employment taxes and payroll taxes that fund Social Security and Medicare. That number has been adjusted to reflect money refunded as part of the Earned Income Tax Credit the Child Tax Credit.

A distant second to individual and payroll taxes, at about 11% of total federal tax revenue, are the taxes paid on profits earned by businesses. This pattern is also true at the state level: in all but four states, individuals pay more in federal taxes than do businesses. The four states where business taxes represent more than 20% of total federal tax payments are Nebraska, Arkansas, Rhode Island, and Delaware.¹⁸

2013 U.S. Federal Tax Collections

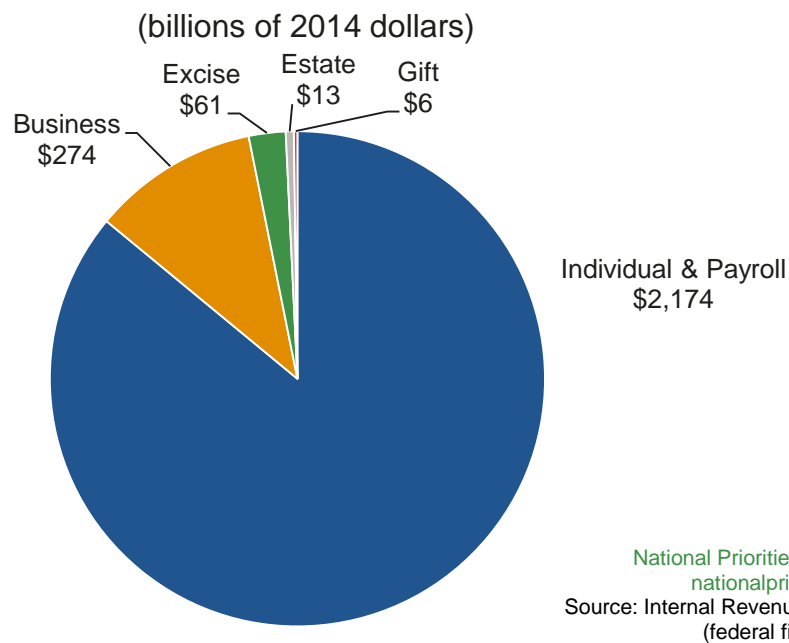


Figure 7: 2013 U.S. Federal Tax Collections

Between 2007 and 2010, federal tax collections declined by nearly 25%.¹⁸ Although the numbers have been rising in recent years, as of 2013 they were not yet back to their pre-recession amounts. Also of note is the shrinking share of business taxes during the recession. In 2007, business contributed 15% of overall federal taxes; by 2010 that number had dropped to less than 10%.

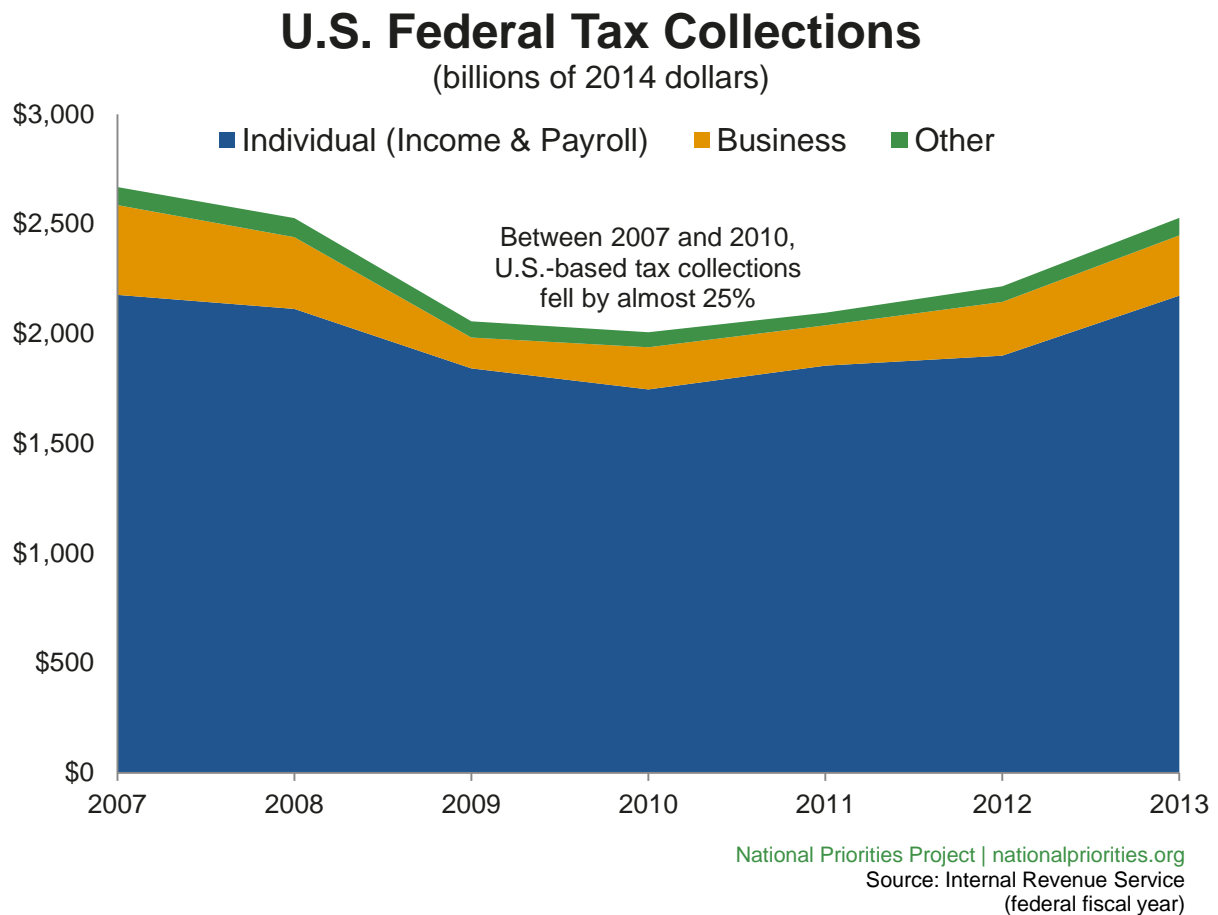


Figure 8: U.S. Federal Tax Collections

V. Conclusion

Although the Great Recession officially ended in 2009, it continues to influence the flow of federal dollars in and out of U.S. states. It's critical for taxpayers to understand how these dynamics impact state economies and their everyday lives.

State Smart clearly shows that between 2007 and 2010, most states received an uptick in federal funds, while at the same time they were sending fewer dollars back to the federal budget. This pattern is expected during and immediately after a recession—it means that the social safety net is functioning as designed, and it reflects the efforts of the federal government to create jobs and spur spending through stimulus programs.

This point is important. While a properly functioning safety net clearly benefits those unfortunate enough to fall on hard times during an economic downturn, we all benefit from the stabilizing impact such federal expenditures have on the overall economy.

A [2013 Congressional Research Report](#) cited the dangers of a hasty post-recession end to such stimulus programs and found that the U.S. has not yet recovered to the point where policy should prioritize debt reduction over near-term growth.¹⁹ Thus, the overall trends in our data are not surprising.

Other drivers of recent federal spending increases are earned benefits programs that have dedicated funding streams: Social Security and Medicare. Lawmakers should take the lead to ensure that these popular programs remain viable for future generations.

A healthy democracy thrives best with an informed and engaged citizenry. Understanding how the federal budget impacts our lives is critical to that process. For many people—those relying on successful programs like Social Security—the importance of federal spending is readily apparent. For the rest of us, seeing the many ways in which federal funds flow into our states helps us better appreciate the role that our public spending plays in laying the foundation for strong families, safe communities, and a vibrant economy. State Smart provides citizens with important tools to better understand, and in turn influence, the ways in which our federal dollars are spent.

Appendix A: Aid to Individuals State Table

Calendar year 2013 federal Aid to Individuals by state. All numbers are expressed as thousands of 2014 dollars. Source: Bureau of Economic Analysis, [Table SA35](#).

State	Federal Aid to Individuals, Total	Per-Person Federal Aid to Individuals	Social Security Benefits	Medicare Benefits	Food Stamp (SNAP) Benefits	UI Comp.	Other Federal Aid to Individuals
Alabama	31,462,275	6,508	14,928,274	9,900,292	1,416,230	474,278	4,743,202
Alaska	2,900,104	3,944	1,174,950	714,222	188,817	199,588	622,527
Arizona	36,726,894	5,542	17,074,321	10,923,888	1,637,280	599,012	6,492,393
Arkansas	18,860,409	6,373	8,922,289	5,681,382	728,234	478,160	3,050,344
California	186,117,298	4,855	76,358,554	63,612,500	7,692,298	10,836,667	27,617,279
Colorado	23,570,183	4,473	10,993,768	6,998,710	822,528	950,227	3,804,950
Connecticut	21,378,938	5,945	10,201,518	7,313,491	711,764	1,334,932	1,817,234
Delaware	5,942,043	6,418	2,861,621	1,904,978	235,491	172,714	767,239
District of Columbia	2,961,339	4,581	1,027,672	995,857	236,565	166,702	534,544
Florida	130,451,754	6,671	58,556,664	48,026,887	5,928,888	2,102,233	15,837,083
Georgia	50,545,956	5,058	22,829,700	15,220,271	3,146,010	1,344,546	8,005,429
Hawaii	7,282,996	5,186	3,500,309	2,013,344	510,272	277,456	981,615
Idaho	8,084,957	5,015	4,119,874	2,301,836	342,279	217,431	1,103,538
Illinois	68,562,971	5,321	31,549,421	22,683,562	3,388,477	3,580,532	7,360,979
Indiana	37,472,313	5,702	18,862,311	11,877,624	1,457,863	905,136	4,369,379
Iowa	17,154,744	5,551	8,772,099	5,281,463	585,133	534,660	1,981,389
Kansas	15,285,302	5,281	7,556,455	4,850,347	471,373	455,288	1,951,840
Kentucky	28,071,688	6,386	12,774,534	8,824,052	1,323,854	806,551	4,342,697
Louisiana	26,044,065	5,630	11,214,532	9,513,029	1,451,443	311,809	3,553,253
Maine	8,839,937	6,654	4,246,774	2,861,164	363,988	244,705	1,123,306
Maryland	30,349,133	5,118	13,659,500	10,532,614	1,194,147	1,270,449	3,692,423
Massachusetts	38,968,475	5,822	17,445,001	14,005,214	1,396,370	2,442,492	3,679,397
Michigan	65,016,392	6,570	31,912,572	21,582,513	2,880,848	2,095,064	6,545,395
Minnesota	27,925,928	5,152	13,883,758	8,696,503	767,644	1,022,823	3,555,200
Mississippi	18,459,008	6,171	8,375,131	6,237,307	992,429	334,028	2,520,113
Missouri	35,788,493	5,920	17,342,922	11,683,048	1,409,861	791,332	4,561,330
Montana	5,658,876	5,574	2,839,371	1,606,268	193,442	173,447	846,349
Nebraska	9,524,252	5,097	4,585,067	3,026,720	265,703	154,896	1,491,866
Nevada	13,696,623	4,908	6,562,993	4,354,446	540,921	776,396	1,461,867
New Hampshire	7,556,814	5,709	4,112,600	2,406,115	160,329	143,178	734,593

STATE SMART: FEDERAL FUNDS IN 50 STATES

State	Federal Aid to Individuals, Total	Per-Person Federal Aid to Individuals	Social Security Benefits	Medicare Benefits	Food Stamp (SNAP) Benefits	UI Comp.	Other Federal Aid to Individuals
New Jersey	52,706,384	5,922	24,578,850	18,308,437	1,363,915	4,121,917	4,333,265
New Mexico	11,368,222	5,451	5,201,439	3,196,677	677,618	329,793	1,962,696
New York	114,965,090	5,850	51,244,596	40,570,137	5,616,307	5,045,905	12,488,145
North Carolina	56,709,159	5,758	27,019,806	17,936,808	2,502,349	1,556,870	7,693,326
North Dakota	3,400,311	4,700	1,688,906	1,038,880	83,973	102,995	485,557
Ohio	67,673,850	5,848	32,002,317	23,457,625	2,892,294	1,831,892	7,489,723
Oklahoma	22,229,341	5,772	10,256,921	7,097,571	960,821	342,637	3,571,390
Oregon	22,988,861	5,849	11,201,828	6,521,732	1,248,013	1,122,372	2,894,916
Pennsylvania	83,529,845	6,538	39,952,681	28,267,897	2,735,471	4,107,712	8,466,084
Rhode Island	6,656,323	6,329	3,078,889	2,186,906	302,964	336,234	751,330
South Carolina	29,975,439	6,278	14,414,839	9,119,672	1,374,768	519,161	4,546,998
South Dakota	4,386,304	5,192	2,196,573	1,354,042	164,265	41,279	630,145
Tennessee	39,808,151	6,127	18,861,094	12,925,363	2,130,056	669,800	5,221,838
Texas	120,961,218	4,573	51,738,271	41,821,072	5,895,197	3,687,283	17,819,395
Utah	10,350,723	3,568	5,093,818	2,966,195	366,031	286,723	1,637,956
Vermont	3,828,127	6,108	1,951,750	1,194,052	150,231	98,567	433,528
Virginia	41,590,070	5,034	19,985,037	12,200,711	1,442,732	767,151	7,194,440
Washington	37,021,257	5,310	17,727,304	10,310,882	1,676,857	1,835,204	5,471,010
West Virginia	13,423,940	7,239	6,491,578	4,171,651	495,658	358,991	1,906,061
Wisconsin	32,211,848	5,609	16,645,981	9,849,419	1,201,071	1,253,723	3,261,654
Wyoming	2,798,661	4,803	1,427,805	804,275	56,509	95,646	414,427
United States	1,759,820,123	5,566	811,004,836	580,929,648	75,777,580	63,708,585	228,399,474

Appendix B: Federal Grants to State Governments

State fiscal year 2012 federal grants to state governments. All numbers are expressed as thousands of 2014 dollars. Source: U.S. Census Bureau, [State Government Finances](#).

State	Federal Grants to State Government (thousands of dollars)	Per-Person Federal Grants to State Government	Federal Grants as a Percent of State Revenue
Alaska	2,947,166	4,035	19.97
Alabama	8,358,272	1,734	36.50
Arkansas	6,079,755	2,061	34.47
Arizona	10,709,445	1,634	38.04
California	55,785,580	1,467	27.17
Colorado	6,501,712	1,253	28.85
Connecticut	5,957,001	1,658	23.61
Delaware	1,869,069	2,038	24.46
Florida	23,542,865	1,218	32.08
Georgia	14,212,628	1,433	38.06
Hawaii	2,423,370	1,743	23.55
Iowa	6,257,365	2,035	33.27
Idaho	2,554,197	1,600	34.90
Illinois	16,120,855	1,252	25.66
Indiana	10,757,432	1,645	32.96
Kansas	4,184,249	1,450	26.95
Kentucky	8,300,763	1,895	35.69
Louisiana	11,473,702	2,492	43.95
Massachusetts	13,311,561	2,003	28.81
Maryland	10,334,900	1,756	30.25
Maine	2,970,881	2,236	36.50
Michigan	18,390,694	1,861	33.74
Minnesota	9,899,087	1,839	28.13
Missouri	10,757,228	1,786	39.42
Mississippi	7,959,327	2,664	45.35
Montana	2,269,166	2,256	38.46
North Carolina	15,652,826	1,605	33.24
North Dakota	1,803,153	2,571	20.49

STATE SMART: FEDERAL FUNDS IN 50 STATES

State	Federal Grants to State Government (thousands of dollars)	Per-Person Federal Grants to State Government	Federal Grants as a Percent of State Revenue
Nebraska	3,236,580	1,744	34.34
New Hampshire	1,744,586	1,320	29.00
New Jersey	13,819,090	1,558	26.25
New Mexico	5,328,030	2,557	36.61
Nevada	2,883,202	1,047	25.48
New York	50,174,083	2,562	32.78
Ohio	21,314,636	1,844	34.88
Oklahoma	7,586,102	1,987	35.54
Oregon	8,067,773	2,068	36.09
Pennsylvania	21,101,906	1,653	30.63
Rhode Island	2,380,656	2,266	33.96
South Carolina	7,101,469	1,503	32.45
South Dakota	1,679,606	2,013	40.85
Tennessee	11,537,828	1,787	41.02
Texas	38,441,061	1,474	34.51
Utah	4,617,258	1,617	31.61
Virginia	9,559,187	1,167	23.53
Vermont	1,962,074	3,134	34.79
Washington	10,038,289	1,456	28.59
Wisconsin	9,123,338	1,593	28.19
West Virginia	4,396,677	2,368	34.71
Wyoming	2,280,298	3,954	36.00
United States	529,757,974	1,688	31.59

Appendix C: Federal Contracts

Federal fiscal year 2013 federal contracts performed in the states. All numbers are expressed 2014 dollars. U.S. numbers reflect all federal contracts, even those performed outside the U.S.

Source: USASpending.gov primary contracts.

State	Total Contracts (Thousands of Obligated Dollars)	Per-Person Federal Contract	Department of Defense Contracts (Thousands of Obligated Dollars)	Non-Department of Defense Contracts (Thousands of Obligated Dollars)
Alabama	9,809,791	2,029.45	7,930,769	1,879,022
Alaska	1,649,966	2,244.45	1,298,637	351,329
Arizona	12,534,162	1,891.49	11,416,127	1,118,035
Arkansas	957,001	323.38	458,719	498,281
California	48,362,934	1,261.67	34,500,188	13,862,746
Colorado	8,128,346	1,542.85	4,473,098	3,655,248
Connecticut	10,556,942	2,935.68	10,175,805	381,137
Delaware	276,103	298.25	177,441	98,662
District of Columbia	16,995,759	26,290.95	3,931,640	13,064,119
Florida	14,287,741	730.73	10,644,200	3,643,540
Georgia	7,738,186	774.42	5,533,534	2,204,652
Hawaii	1,925,841	1,371.63	1,681,764	244,076
Idaho	2,612,452	1,620.49	358,930	2,253,522
Illinois	6,583,732	511.08	3,276,644	3,307,088
Indiana	3,186,816	484.99	2,169,536	1,017,280
Iowa	1,619,899	524.17	1,074,026	545,873
Kansas	1,741,139	601.64	1,293,337	447,802
Kentucky	6,531,733	1,486.08	5,896,550	635,183
Louisiana	3,486,639	753.79	1,924,370	1,562,269
Maine	2,110,367	1,588.77	1,989,283	121,084
Maryland	25,956,352	4,378.00	11,801,671	14,154,681
Massachusetts	14,789,574	2,209.77	10,787,614	4,001,960
Michigan	4,880,949	493.24	2,903,717	1,977,233
Minnesota	3,088,809	569.85	2,006,169	1,082,640
Mississippi	5,872,288	1,963.18	4,226,760	1,645,528
Missouri	10,080,818	1,667.86	8,222,639	1,858,179
Montana	449,056	442.34	157,449	291,608

STATE SMART: FEDERAL FUNDS IN 50 STATES

State	Total Contracts (Thousands of Obligated Dollars)	Per-Person Federal Contract	Department of Defense Contracts (Thousands of Obligated Dollars)	Non-Department of Defense Contracts (Thousands of Obligated Dollars)
Nebraska	982,529	525.84	621,016	361,512
Nevada	2,920,227	1,046.63	1,942,216	978,010
New Hampshire	1,813,749	1,370.46	1,502,639	311,110
New Jersey	6,537,786	734.63	5,182,078	1,355,709
New Mexico	6,796,587	3,259.31	1,187,561	5,609,026
New York	10,900,881	554.72	7,367,971	3,532,909
North Carolina	5,024,069	510.15	2,779,030	2,245,039
North Dakota	497,706	688.02	193,762	303,944
Ohio	6,356,637	549.37	4,449,552	1,907,085
Oklahoma	2,061,658	535.42	1,404,196	657,463
Oregon	1,139,316	289.90	516,076	623,239
Pennsylvania	16,422,968	1,285.67	10,112,304	6,310,664
Rhode Island	778,375	740.25	689,557	88,818
South Carolina	5,478,132	1,147.29	2,629,898	2,848,234
South Dakota	574,995	680.57	346,682	228,312
Tennessee	7,769,002	1,195.97	1,178,955	6,590,047
Texas	39,632,964	1,498.51	32,825,760	6,807,204
Utah	2,267,829	781.78	1,434,971	832,859
Vermont	399,186	637.04	225,883	173,302
Virginia	51,963,759	6,290.71	34,008,407	17,955,352
Washington	11,910,102	1,708.43	7,824,740	4,085,362
West Virginia	1,170,360	631.16	209,975	960,384
Wisconsin	3,279,996	571.15	2,383,016	896,980
Wyoming	321,557	551.88	95,435	226,122
United States	468,810,014	1,482.97	312,964,625	155,845,389

Appendix D: Federal Compensation

2013 (calendar year) federal jobs and compensation. Dollar amounts are expressed as 2014 dollars. Note that jobs and compensation reflect the location of the job, not employee state of residence. Source: Bureau of Economic Analysis, Tables [SA06N](#) and [SA27N](#).

State	Federal Employees, Total	Federal Employees, Civilian	Federal Employees, Military	Total Federal Compensation (thousands of dollars)	Average Federal Compensation	Federal Compensation as a Percent of Total
Alabama	85,242	54,685	30,557	7,736,185	90,756	7.42
Alaska	42,961	15,504	27,457	3,778,924	87,962	14.04
Arizona	88,920	55,613	33,307	7,654,322	86,081	5.02
Arkansas	39,159	20,441	18,718	2,768,886	70,709	4.53
California	460,478	246,734	213,744	42,041,782	91,300	3.56
Colorado	107,605	53,639	53,966	9,618,388	89,386	6.03
Connecticut	32,010	17,392	14,618	2,659,149	83,072	2.04
Delaware	14,692	5,551	9,141	1,007,123	68,549	3.54
District of Columbia	215,870	200,751	15,119	30,515,388	141,360	38.35
Florida	230,580	132,244	98,336	20,613,059	89,397	4.62
Georgia	198,596	100,257	98,339	17,096,566	86,087	6.77
Hawaii	91,276	33,919	57,357	8,314,678	91,094	20.06
Idaho	21,960	12,450	9,510	1,619,085	73,729	4.99
Illinois	124,555	81,231	43,324	10,938,154	87,818	2.72
Indiana	58,500	37,032	21,468	4,271,548	73,018	2.65
Iowa	30,093	17,420	12,673	1,947,936	64,731	2.40
Kansas	61,773	25,442	36,331	5,086,929	82,349	6.50
Kentucky	92,208	38,508	53,700	7,581,395	82,221	7.52
Louisiana	70,339	30,602	39,737	5,304,078	75,407	4.63
Maine	21,302	14,157	7,145	1,778,359	83,483	5.61
Maryland	223,726	173,770	49,956	26,904,614	120,257	14.15
Massachusetts	66,562	46,281	20,281	5,901,367	88,660	2.26
Michigan	70,788	51,924	18,864	6,049,481	85,459	2.47
Minnesota	51,550	31,296	20,254	3,752,458	72,793	2.17
Mississippi	54,783	25,524	29,259	3,935,652	71,841	7.04
Missouri	95,234	57,379	37,855	7,447,144	78,198	4.73

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State	Federal Employees, Total	Federal Employees, Civilian	Federal Employees, Military	Total Federal Compensation (thousands of dollars)	Average Federal Compensation	Federal Compensation as a Percent of Total
Montana	21,375	13,076	8,299	1,604,460	75,062	7.08
Nebraska	29,331	16,532	12,799	2,324,624	79,255	4.40
Nevada	36,995	18,387	18,608	2,986,334	80,723	4.34
New Hampshire	12,071	7,403	4,668	948,927	78,612	2.41
New Jersey	74,732	49,510	25,222	6,596,059	88,263	2.25
New Mexico	48,748	30,398	18,350	4,319,404	88,607	9.50
New York	175,581	116,234	59,347	15,527,100	88,433	2.16
North Carolina	206,088	69,318	136,770	17,232,201	83,616	7.11
North Dakota	21,091	9,198	11,893	1,505,947	71,402	5.66
Ohio	112,834	76,666	36,168	9,605,092	85,126	3.07
Oklahoma	82,842	47,221	35,621	6,730,983	81,251	7.36
Oregon	39,757	27,606	12,151	3,234,221	81,350	3.18
Pennsylvania	133,311	97,070	36,241	11,155,391	83,679	3.04
Rhode Island	17,745	10,197	7,548	1,645,466	92,728	5.52
South Carolina	87,595	32,658	54,937	6,706,839	76,566	6.48
South Dakota	19,434	11,151	8,283	1,384,293	71,230	6.76
Tennessee	72,202	49,929	22,273	5,943,573	82,319	3.80
Texas	375,536	197,794	177,742	33,244,280	88,525	4.58
Utah	51,038	34,606	16,432	3,942,971	77,256	5.36
Vermont	10,990	6,588	4,402	797,950	72,607	4.69
Virginia	334,060	193,383	140,677	36,402,852	108,971	13.81
Washington	152,182	71,772	80,410	13,623,408	89,520	6.32
West Virginia	32,816	23,397	9,419	2,663,404	81,162	6.93
Wisconsin	45,221	28,730	16,491	3,108,612	68,743	1.91
Wyoming	13,663	7,430	6,233	997,332	72,995	5.66
United States	4,858,000	2,826,000	2,032,000	440,554,370	90,686	4.92

Appendix E: Federal Taxes

2013 (fiscal year) federal taxes. Amounts are expressed as 2014 dollars. Individual tax categories may not add up to the state's total because the IRS withholds and/or combines information to avoid disclosing information about specific taxpayers. U.S. numbers reflect the 50 states, Washington, D.C., Puerto Rico, and taxes remitted from foreign countries. Source: Internal Revenue Service, IRS Data Book, [Table 5](#) and [Table 8](#).

State	Federal Taxes, Total (thousands of dollars)	Federal Taxes, Per- Person	Federal Taxes, Individual & Payroll (thousands of dollars)	Federal Taxes, Business (thousands of dollars)	Federal Taxes, Other (thousands of dollars)
Alabama	19,049,828	3,940	17,806,719	899,003	344,106
Alaska	4,543,987	6,181	4,347,599	135,892	50,698
Arizona	31,358,907	4,732	27,025,682	2,739,493	1,593,732
Arkansas	26,364,263	8,908	18,219,446	7,455,258	689,559
California	296,287,812	7,729	258,832,716	29,913,187	7,541,909
Colorado	41,637,484	7,903	36,019,524	4,509,239	1,108,721
Connecticut	49,485,573	13,761	41,947,665	6,317,457	1,220,450
Delaware	18,350,772	19,822	13,164,629	4,845,420	327,921
District of Columbia	23,909,750	36,985	22,300,708	1,527,926	81,116
Florida	121,071,019	6,191	110,599,439	7,484,105	2,987,475
Georgia	64,637,941	6,468	51,449,160	9,934,969	3,253,812
Hawaii	5,749,744	4,094	5,247,687	274,879	164,836
Idaho	7,403,924	4,592	6,865,982	465,485	72,457
Illinois	121,666,051	9,444	104,214,707	13,940,103	3,511,241
Indiana	44,153,875	6,719	40,420,708	2,755,938	977,230
Iowa	18,171,529	5,880	17,080,972	804,241	286,316
Kansas	22,176,478	7,663	17,971,845	2,499,854	1,704,779
Kentucky	23,727,026	5,398	21,116,976	2,114,272	495,778
Louisiana	35,565,148	7,688	33,723,761	1,280,896	560,491
Maine	5,598,313	4,214	5,147,979	213,094	237,239
Maryland	49,541,915	8,355	47,412,470	1,552,274	577,171
Massachusetts	83,856,026	12,529	76,776,288	5,406,909	1,672,829
Michigan	59,385,812	6,000	54,778,423	3,947,176	660,212
Minnesota	85,897,647	15,847	67,734,843	17,121,223	1,041,581

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State	Federal Taxes, Total (thousands of dollars)	Federal Taxes, Per- Person	Federal Taxes, Individual & Payroll (thousands of dollars)	Federal Taxes, Business (thousands of dollars)	Federal Taxes, Other (thousands of dollars)
Mississippi	7,404,787	2,476	6,820,101	412,306	172,380
Missouri	48,859,725	8,083	41,201,352	6,326,657	1,331,716
Montana	4,218,566	4,155	3,983,093	171,497	63,975
Nebraska	22,066,192	11,809	14,299,675	7,614,762	151,755
Nevada	13,032,864	4,671	11,979,103	756,596	297,166
New Hampshire	8,705,825	6,578	8,189,093	233,388	283,343
New Jersey	116,328,402	13,071	96,136,348	16,991,152	3,200,901
New Mexico	6,567,231	3,148	6,257,068	82,480	227,683
New York	207,372,318	10,553	181,101,221	21,635,876	4,635,221
North Carolina	57,466,056	5,835	50,541,238	6,472,396	452,421
North Dakota	6,987,574	9,658	6,042,476	872,561	72,537
Ohio	113,828,167	9,837	98,686,661	11,107,049	4,034,458
Oklahoma	26,104,598	6,779	19,609,588	2,949,881	3,545,129
Oregon	22,582,552	5,746	20,828,850	1,418,059	335,642
Pennsylvania	107,181,888	8,391	93,500,495	10,473,103	3,208,290
Rhode Island	12,030,901	11,441	8,669,426	3,272,688	88,787
South Carolina	16,210,076	3,394	14,896,270	958,538	355,268
South Dakota	5,543,745	6,561	5,268,197	207,983	67,565
Tennessee	47,423,809	7,300	41,074,303	4,983,515	1,365,991
Texas	218,038,754	8,244	169,168,086	28,690,456	20,180,211
Utah	14,917,275	5,142	13,040,740	1,232,412	644,123
Vermont	3,420,696	5,459	3,137,815	230,815	52,065
Virginia	63,129,903	7,642	52,566,265	9,971,265	592,373
Washington	53,400,517	7,659	48,548,452	3,716,683	1,135,382
West Virginia	5,120,863	2,761	4,682,405	340,690	97,768
Wisconsin	41,144,619	7,165	36,093,133	4,399,184	652,303
Wyoming	4,703,289	8,072	4,412,808	120,833	169,649
United States	2,527,988,902	7,996	2,173,659,737	274,472,700	79,856,466

Notes and Sources

A complete description of State Smart's data and methodology can be found on the project's website: <https://www.nationalpriorities.org/smart/resources/notes-and-sources/>.

All dollar amounts in this report are expressed as federal fiscal year 2014 dollars. The endnotes below refer to numbers specific to this report.

¹ National Bureau of Economic Research, [US Business Cycle Expansions and Contractions](#) (Accessed November 2014).

² U.S. Bureau of Economic Analysis, [Table SA35](#) (Accessed September, 2014). Numbers represent calendar years.

³ Pew Research Center, [Deficit Reduction Declines as Policy Priority](#) (Accessed November 2014).

⁴ National Academy of Social Insurance, [Americans Make Hard Choices on Social Security: A Survey with Trade-Off Analysis](#) (Accessed November 2014).

⁵ U.S. Bureau of Economic Analysis, "[Table SA35](#)" and U.S. Census Bureau, [2013 Population Estimates](#) (Accessed September 2014). Numbers represent calendar years.

⁶ U.S. Census Bureau, [State Government Finances](#), 2012 Annual Survey of State Government Finances Summary Table (Accessed September 2014). Numbers represent state fiscal years.

⁷ U.S. Census Bureau, [State Government Finances](#), Flat Data File (Accessed September 2014). Numbers represent state fiscal years.

⁸ USASpending.gov, Prime Award Spending Data, CFDA 93.778 grant totals, 7/1/2011-6/30/2012 (Accessed November 2014). This period corresponds to July – June fiscal year used by most states. States with a different fiscal year calendar are Alabama, Michigan, New York, and Texas.

⁹ [USASpending.gov](#), Prime Award Spending Data, All Agency Contracts full archive files, Dollars Obligated (Published 8/15/2014). Numbers represent federal fiscal years.

¹⁰ [USASpending.gov](#), Prime Award Spending Data, All Agency Contracts full archive files, Major Agency Category/Dollars Obligated (Published 8/15/2014). Numbers represent federal fiscal years.

¹¹ [USASpending.gov](#), Prime Award Spending Data, All Agency Contracts full archive files, Major Agency Category/Dollars Obligated (Published 8/15/2014) and U.S. Census Bureau, [2013 Population Estimates](#) (Accessed September 2014). Numbers represent federal fiscal years.

¹² U.S. Bureau of Economic Analysis, [Table SA27N](#) (Accessed September 2014). Numbers represent calendar years.

¹³ U.S. Bureau of Economic Analysis, [Table SA06N](#) (Accessed September 2014). Numbers represent calendar years.

¹⁴ U.S. Bureau of Economic Analysis, Tables [SA06N](#), and [SA27N](#). Average federal compensation calculated as total federal compensation (civilian and military) divided by total full and part-time federal employees (Accessed September 2014). Numbers represent calendar years.

¹⁵ Congressional Budget Office *How Does the Compensation of Federal Employees Compare With That of Workers in the Private Sector* <http://cbo.gov/publication/42865>. Accessed November 2014.

¹⁶ Pew Research Center, U.S. [Income Inequality, on Rise for Decades, is Now Highest Since 1928](#) (Accessed November 2014).

¹⁷ U.S. Bureau of Economic Analysis, Tables [SA07N](#), [SA06N](#), and [SA27N](#). (Accessed September 2014). Average federal compensation calculated as above. Average federal wage/salary calculated as total federal salary/wage (civilian and military) divided by total full and part-time federal employees. U.S. averages are calculated using total U.S. compensation and salary/wage numbers. Amount of compensation attributed to benefits calculated as total compensation minus total salary/wage. Numbers represent calendar years.

¹⁸ Internal Revenue Service, [IRS Data Book](#), Tables 5 and 8 (Accessed September 2014). Total taxes calculated by subtracting refunds from gross collections.

¹⁹ Congressional Research Service, [Economic Recovery: Sustaining U.S. Economic Growth in a Post-Crisis Economy](#) (Accessed November 2014).