



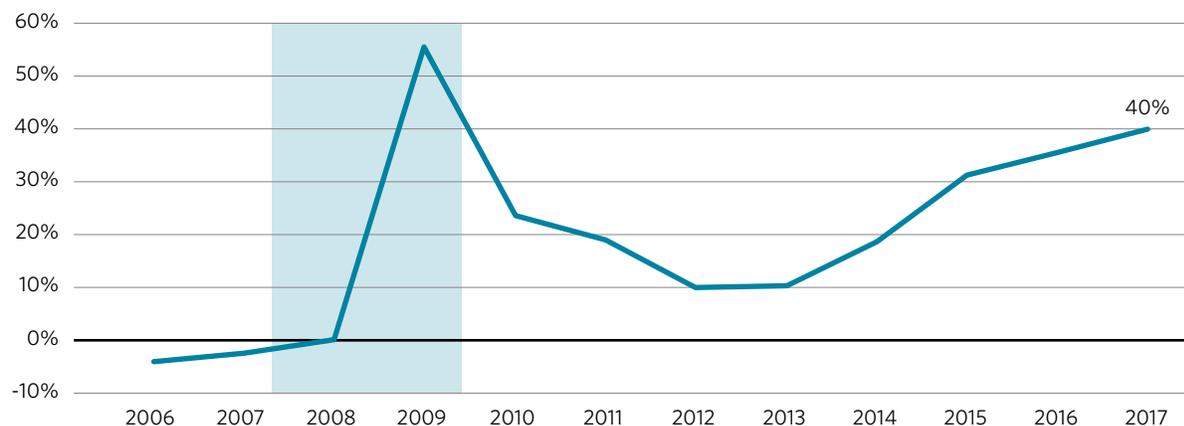
# Federal Grants to States Rose About 40% Over the Last 10 Years

Health programs driving growth, but trend has not been steady

Federal grants to states are about 40 percent higher overall, after adjusting for inflation, than they were in 2008, when the recession began, but that growth has not been steady. Federal stimulus aid to states resulted in a spike during and immediately after the recession, with total grants increasing by 56 percent in the first year after the American Recovery and Reinvestment Act of 2009. By 2013, however, that temporary aid had almost entirely been phased out, and grants declined nearly 30 percent from the 2009 peak. Then, in 2014, federal grants to states began climbing again and remain well above pre-recession levels today. Medicaid increases are the main drivers of this upward trend, while funding for other programs, such as education and transportation, is declining. (See "[Federal Spending Priorities Shifted Toward Health Over Past Decade.](#)")

## Federal Grants to States Continue to Rise

Percentage change from federal fiscal year 2008, adjusted for inflation



Note: Fiscal 2017 data are based on the enacted budget; data for previous years reflect actual expenditures. Data include funding from the American Recovery and Reinvestment Act of 2009. The recession period is shaded. Federal Funds Information for States, the source of the data, says that its database accounts for more than 90 percent of federal funds going to state and local governments.

Source: Pew's analysis of data from the Federal Funds Information for States (July 2017), the Centers for Medicare & Medicaid Services, the Bureau of Economic Analysis, the Congressional Budget Office, the Department of Education, and the National Bureau of Economic Research

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