



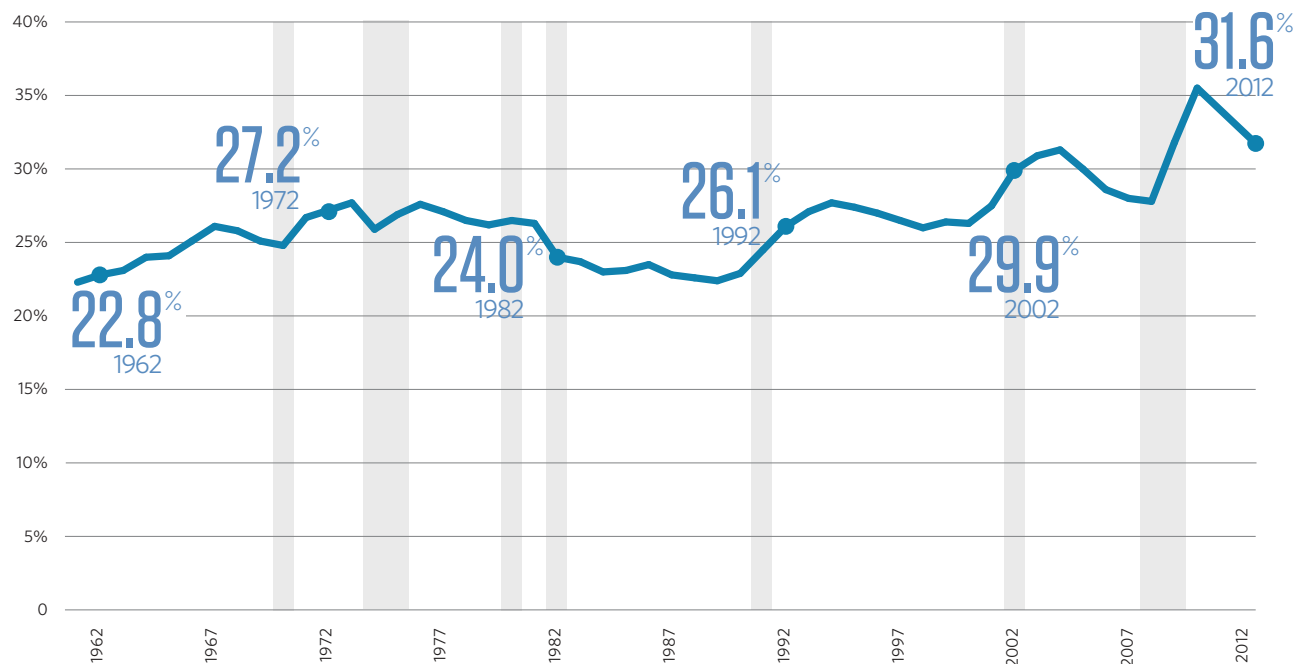
Federal Grants as Share of States' Budgets Decline After Hitting Historic High

Following the Great Recession, the share of states' revenue coming from federal grants hit a historic high in fiscal year 2010. Increased federal dollars from economic stimulus funds and reduced state tax collections meant that federal dollars made up a bigger portion of states' revenue than at any time in at least 50 years. After tapering off slightly in 2011, the percentage of states' revenue coming from the federal government fell steeply in 2012 to 31.6 percent—the result of both the continued recovery of other state revenue sources and the expiration of most stimulus funding.

Despite the recent drop, federal grants as a percentage of state revenue remain high by historical standards, providing nearly \$1 out of every \$3 in state revenue in 2012.

Federal Grants as Share of States' Budgets Over Time

Federal grants as a percentage of state revenue, 1962-2012



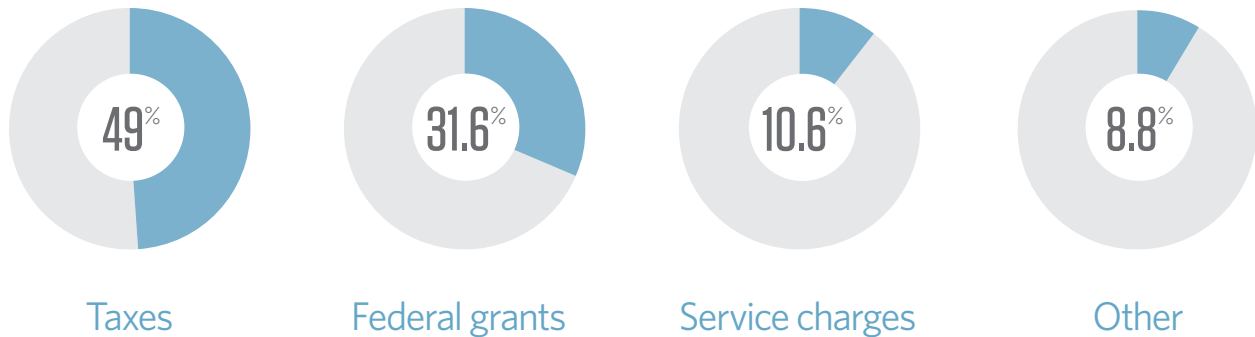
Note: Data are in state fiscal years. Recessions are shaded.

Source: Pew analysis of U.S. Census Bureau, 2012 Annual Survey of State Government Finances, and National Bureau of Economic Research data

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Federal Grants Account for Nearly One-third of State Revenue

Total state revenue by category, 2012



Source: Pew analysis of U.S. Census Bureau, 2012 Annual Survey of State Government Finances

Note: "Taxes" are any taxes imposed or collected by the states, including income, sales, and property taxes. "Federal grants" are revenue received from the federal government, including funding for programs in areas such as healthcare, education, and transportation, and payments in lieu of taxes on federal property. "Service charges" are funds received for specific services provided, such as public university tuition, tolls, or fees from public hospitals. "Other" includes miscellaneous revenue not included in the other categories, such as property sales and fines, as well as revenue from local governments. These four categories make up the Census Bureau's general revenue figure, which excludes revenue from state-owned liquor stores, utilities, and insurance trust funds.

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For further information, please visit:

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