Medicaid is by far the largest federal grant to states, accounting for about 62 percent of total grant funding. The next-largest funding area is income security (temporary cash assistance, employment services, school-provided meals, and similar programs), which at 16 percent is about one-fourth the size of Medicaid. Medicaid was the main driver of the 18 percent increase in total federal grants to states between fiscal years 2008 and 2014. (See “Federal Grants to States Up Since 2008.”)

Medicaid Accounts for Nearly Two-Thirds of Federal Grants to States

Distribution by program area, federal fiscal 2014

Notes: “Everything else” includes the following budget functions: agriculture, energy, natural resources and environment, community and regional development, administration of justice, and veterans benefits and services. “Income security” includes the social services and training and employment budget subfunctions. “Other health” includes all items in the health budget other than Medicaid. Federal Funds Information for States, the source of the data, indicates its database accounts for more than 90 percent of federal funds going to state and local governments. Data are budget authority.

Source: Pew analysis of Federal Funds Information for States data
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