Medicaid is by far the largest federal grant to states, accounting for 65 percent of total grant funding in 2015. The next-largest funding area is income security (temporary cash assistance, employment services, school-provided meals, and similar programs), which at 14 percent is about one-fifth the size of Medicaid. Medicaid was the main driver of the 30 percent increase in total federal grants to states from 2008 to 2015. (See “Federal Spending Decisions Affect State Budgets.”)

Medicaid Accounts for Nearly Two-Thirds of Federal Grants to States
Distribution by program area, federal fiscal year 2015

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, says that its database accounts for more than 90 percent of federal funds going to state and local governments. Data are budget authority.

Source: Pew’s analysis of data from Federal Funds Information for States (March 2015)
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Contact: Sarah Leiseca, officer    Email: sleiseca@pewtrusts.org    Project website: pewtrusts.org/fiscal-federalism

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