



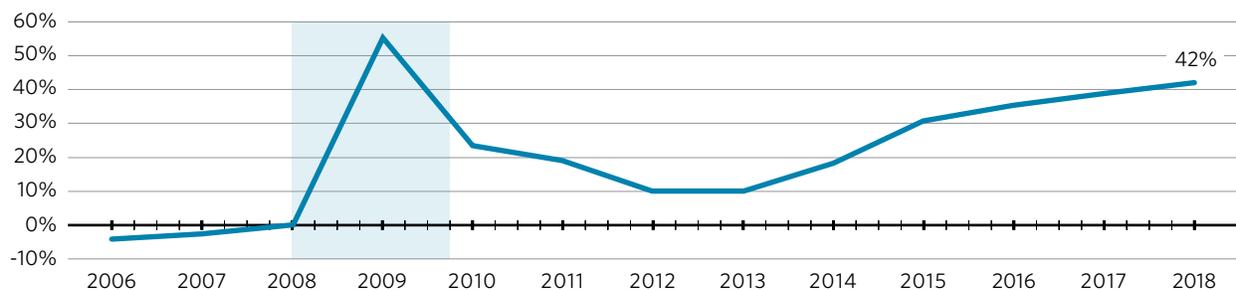
# Federal Grants to States Rose 42% Over the Past 11 Years

Growth, however, has fluctuated during that span

Federal grants to states are 42 percent higher overall, after adjusting for inflation, than they were when the Great Recession began in 2008, but the 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 55 percent in the first year after passage of the American Recovery and Reinvestment Act of 2009. By 2013, however, that temporary aid had been nearly phased out, and grant dollars declined nearly 30 percent from the 2009 peak. Then, in 2014, federal grants to states began climbing again, and they remain well above pre-recession levels. Medicaid spending increases are the main drivers of this upward trend; funding for other programs, such as education and transportation, has been declining relative to 2008 levels.<sup>1</sup>

## Federal Grants to States Continue to Rise

Percentage change from federal fiscal year 2008, adjusted for inflation



Note: Data reflect enacted funding levels and the most recent state allocations available and 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 its database accounts for more than 90 percent of federal funds going to state and local governments.

Source: Pew's analysis of data from Federal Funds Information for States (October 2018), Centers for Medicare & Medicaid Services, Bureau of Economic Analysis, Congressional Budget Office, Department of Education, and National Bureau of Economic Research

© 2019 The Pew Charitable Trusts

## Endnote

- 1 The Pew Charitable Trusts, "Health Care Has Dominated Federal Spending Choices for More Than a Decade" (2019), <https://www.pewtrusts.org/en/research-and-analysis/fact-sheets/2019/03/health-care-has-dominated-federal-spending-choices-for-more-than-a-decade>.

Contact: Sarah Leiseca, communications manager Email: [sleiseca@pewtrusts.org](mailto:sleiseca@pewtrusts.org) Project website: [pewtrusts.org/fiscal-federalism](https://pewtrusts.org/fiscal-federalism)

The Pew Charitable Trusts is driven by the power of knowledge to solve today's most challenging problems. Pew applies a rigorous, analytical approach to improve public policy, inform the public, and invigorate civic life.