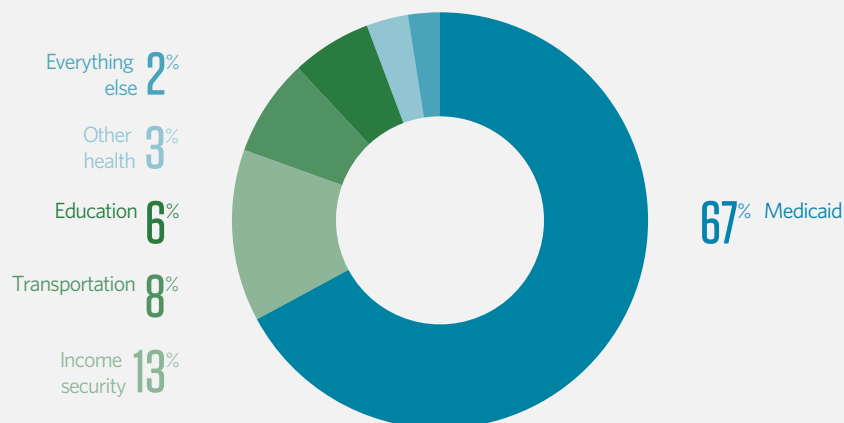# Two-Thirds of Federal Grants to States Are for Medicaid

Program funding has been major source of spending growth since 2008

Medicaid is by far the largest federal grant to states, accounting for 67 percent of total grant funding in 2017. The next-largest funding area is income security (temporary cash assistance, employment services, school-provided meals, and similar programs), which at 13 percent is one-fifth the size of Medicaid. Medicaid was the main driver of the 40 percent increase in total federal grants to states from 2008-17. (See "**Federal Spending Priorities Shifted Toward Health Over Past Decade**.")

Medicaid Accounts for About Two-Thirds of Federal Grants to States
Distribution by program area, federal fiscal year 2017

Everything else **2**%
Other health **3**%
Education **6**%
Transportation **8**%
Income security **13**%
67% Medicaid

Note: "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 based on the fiscal year 2017 enacted budget. Percentages may not add to 100 because of rounding.

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, and the Department of Education

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