

Government Spending by Function

A New Presentation

IN government budgets, expenditures are classified according to their purpose—that is, their function—so that comparisons of major activities over time can be made even as underlying programs and agencies change. These functional presentations reveal trends, enable comparisons with the expenditures by other governments, and summarize significant expenditures of government in terms of continuing, common purposes. The national income and product accounts (NIPA's) present government by function tables in an economic framework that is an alternative to the accounting used in government budgets.

As part of the comprehensive revision of the NIPA's, government spending is now presented by 9 functions and 25 subfunctions in a new format in NIPA tables 3.15, 3.16, and 3.17 at the end of this article.¹ These tables replace the previously published functional tables.² The estimates presented in the new tables incorporate the results of the most recent comprehensive revision of the NIPA's.

Changes in presentation

The reformatted tables incorporate four major changes in presentation. First, the presentation is changed by consolidating the previous 21 functions into 9 more useful functions. The function "education" was augmented by adding the subfunction "education" from the function "veterans benefits and services." Most of the new functions, such as health, were derived from combinations of the previous subfunctions. Law courts, a new subfunction in the function "public order and safety," was created from parts of the previous subfunctions that made up general public services.

1. See Brent R. Moulton and David F. Sullivan, "A Preview of the 1999 Comprehensive Revision of the National Income and Product Accounts: New and Redesigned Tables," *Survey of Current Business* 79 (September 1999): 15–28. See also Brent R. Moulton, "Improved Estimates of National Income and Product Accounts for 1929–99: Results of the Comprehensive Revision," *Survey* 80 (April 2000): 11–16; and Brent R. Moulton, Robert P. Parker, and Eugene P. Seskin, "A Preview of the 1999 Comprehensive Revision of the National Income and Product Accounts: Definitional and Classificational Changes," *Survey* 79 (August 1999): 7–20. For estimates of the effects of these changes, see Eugene P. Seskin, "Improved Estimates of the National Income and Product Accounts for 1959–98: Results of the Comprehensive Revision," *Survey* 79 (December 1999): 29–30.

2. In order to assist data users in the transition to the new formats, the estimates of government current expenditures and gross investment by function in the previously published formats of tables 3.15, 3.16, and 3.17 are available on request; write to Government Division (BE-57), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230, or E-mail webmaster@bea.doc.gov. The tables were last published in "Annual Revision: Newly Available Tables," *Survey* 78 (October 1998): 5–9.

Note—This report was prepared by Karl Galbraith.

Second, the 9 new functions were crafted so that they would be comparable with the 10 divisions of the international classifications of the functions of government (COFOG) (see the box "Comparison of Classifications of Government Functions" on page 20).³ The Bureau of Economic Analysis (BEA) is among those agencies in the United States and in other countries that have supported, developed, and adopted many international economic guidelines in the 1993 *System of National Accounts*.

Third, NIPA tables 3.15, 3.16, and 3.17 have been changed so that they are organized first by type of expenditure and then by level of government. For example, the new table 3.15 shows consumption expenditures and gross investment for the three levels of government—total government, Federal Government, and State and local government—and all functions; the former table 3.15 showed current expenditures and gross investment, current expenditures, and gross investment for total government.⁴ The new tables are simpler, with only a single column for each year, compared with multiple columns for each year for different types of expenditures in the previously published format.

3. A final version of COFOG was approved by the United Nations Statistical Commission in March 1999 and published in *Classification of Expenditures According to Purpose*, Statistical Papers, Series M, No. 84 (New York: United Nations). COFOG is one of four functional classifications in the *System of National Accounts, 1993* that were prepared under the auspices of the Inter-Secretariat Working Group on National Accounts, Commission of the European Communities, the Organisation for Economic Co-operation and Development, the International Monetary Fund, the United Nations, and the World Bank.

4. Consumption expenditures and gross investment consists of net purchases of goods, services, and structures from business and from the rest of the world by general government; payments by general government to households in the form of compensation of employees, the consumption of general government fixed capital, which represents the value of current services of fixed assets of general government; net purchases of fixed assets of general government; net purchases of fixed assets by government enterprises; inventory change of government enterprises; and a deduction for general government sales, primarily tuition payments for higher education and charges for medical care.

Current expenditures consists of current-account transactions of consumption expenditures, transfer payments, grants-in-aid to State and local governments, net interest paid, subsidies less current surplus of government enterprises, less wage accruals less disbursements.

Data Availability

The estimates beginning with 1952 for the new NIPA tables 3.15, 3.16, 3.17 are available from BEA's Web site at <www.bea.doc.gov>; click on "GDP and related data" and look under "Annual Only NIPA Tables." They are also available from STAT-USA's Web site at <www.stat-usa.gov>.

Fourth, government consumption expenditures and gross investment, a component of GDP, is now presented in table 3.15. Quarterly estimates for the three levels of government are shown in NIPA tables 1.1 and 3.7.

Shares of government spending by function

In 1998, the largest shares of total government consumption expenditures and gross investment spending were for education, at 28.6 percent, and for national defense, at 22.8 percent (chart 1). National defense accounts for 64.7 percent of Federal Government spending, and education accounts for 43.6 percent of State and local government spending.

The average annual rates of growth of total government spending have generally decelerated since the 1970's (table A). Federal Government spending decelerated in the 1980's, despite a pickup in national defense spending that turned down in the 1990's. State and local government spending grew faster on average than Federal Government spending in the 1990's.

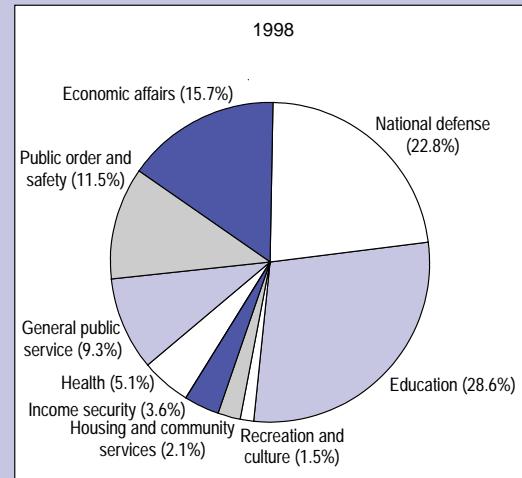
In 1998, the largest shares of government current expenditures were income security (23.4 percent) and health (17.9 percent) (chart 2). Current expenditures for income security are large because they include transfer payments, such as those for social security. Current expenditures for health are large because they include Federal transfer payments for medicare and State-and-local transfer payments for medicaid.

In 1998, education (16.5 percent), general public

service (16.1 percent), and national defense (11.9 percent) also accounted for sizable shares of current expenditures. Current expenditures for general public service includes net interest paid and sizable unallocable expenditures for State and local governments.

CHART 1

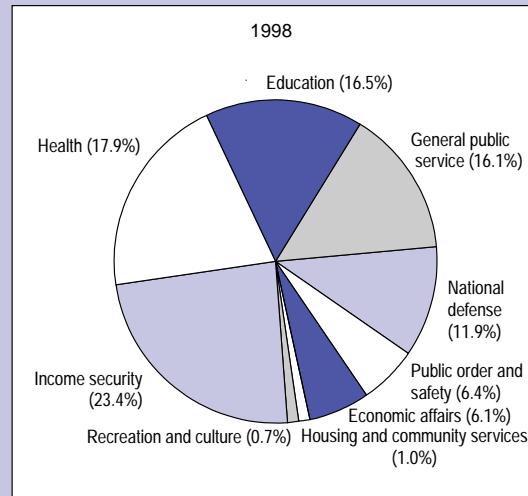
Government Consumption Expenditures and Gross Investment by Function



U.S. Department of Commerce, Bureau of Economic Analysis

CHART 2

Government Current Expenditures by Function



U.S. Department of Commerce, Bureau of Economic Analysis

Table A.—Average Annual Growth Rates in Government Expenditures by Function
[Percent]

	Consumption expenditures and gross investment				Current expenditures			
	1960–70	1970–80	1980–90	1990–98	1960–70	1970–80	1980–90	1990–98
Government	7.6	9.2	7.6	3.3	9.1	11.0	8.2	4.5
General public service	9.7	12.7	7.3	4.7	7.7	12.4	11.5	3.9
National defense	5.1	6.4	8.3	–9	6.3	6.3	7.8	–4
Public order and safety	9.4	12.5	10.4	7.0	9.5	12.4	10.2	7.1
Economic affairs	7.8	9.5	5.7	3.8	10.1	9.7	5.1	2.7
Housing and community services	7.1	10.6	5.4	2.7	13.6	20.2	6.9	4.4
Health	9.4	11.3	6.6	2.8	16.1	14.2	10.3	7.9
Recreation and culture	10.6	11.2	7.8	5.4	10.6	11.9	7.6	5.1
Education	11.1	9.8	7.7	5.2	12.0	10.6	7.4	5.1
Income security	14.3	14.7	7.3	6.7	9.4	13.7	6.5	5.1
Federal	5.9	7.7	7.6	.7	8.8	11.2	7.9	4.2
General public service	7.2	12.2	6.1	3.1	7.0	14.5	11.4	3.4
National defense	5.1	6.4	8.3	–9	6.3	6.4	7.9	–3
Public order and safety	9.5	15.4	11.2	8.9	11.4	15.1	10.0	9.5
Economic affairs	8.7	10.4	5.0	2.7	11.9	9.9	4.0	1.3
Housing and community services	16.9	–14.8	n.m.	n.m.	25.0	16.4	5.8	6.6
Health	10.5	13.7	7.6	5.9	21.0	15.2	10.6	8.6
Recreation and culture	10.3	11.8	2.9	6.9	14.3	14.7	1.1	4.8
Education	15.1	5.0	6.4	9.7	21.0	9.5	3.6	6.4
Income security	11.1	16.7	.7	6.3	9.3	14.2	6.2	5.4
State and local	9.7	10.4	7.6	5.0	10.9	11.1	7.9	5.7
General public service	10.9	12.8	7.7	5.2	9.5	9.8	8.5	5.8
Public order and safety	9.4	12.3	10.3	6.8	9.5	12.1	10.1	7.0
Economic affairs	7.4	8.9	6.0	4.3	8.7	11.6	4.7	4.3
Housing and community services	6.6	11.3	5.4	2.2	9.0	18.2	.8	5.2
Health	8.9	9.7	5.9	–5	13.7	13.1	9.9	8.1
Recreation and culture	10.7	11.1	8.6	5.2	10.0	11.4	8.8	5.2
Education	11.0	9.9	7.7	5.1	11.8	10.5	7.6	5.0
Income security	15.6	14.0	9.2	6.7	10.9	10.1	7.7	3.8

n.m. not meaningful, one value negative

Comparison of Classifications of Government Functions

The classifications that are used in the new NIPA functions are designed to be comparable with the functions used in the international classifications of the functions of government (COFOG). However, the NIPA's have no function for environmental protection because not enough detail existed in the previous NIPA subfunctions. Some of the activities included in environmental protection, such as waste management and waste water management, are included in the NIPA housing and community services function.

The new NIPA functions are also related to those that are used by the Office of Management and Budget (OMB) to prepare the Federal budget and those that are used by the Bureau of the Census to prepare State and local government finance reports.

The OMB currently classifies budget data into 20 functions that are roughly assigned to the 9 NIPA functions for government. Of the 20 budget functions, 17 cover broad areas of national need. The remaining three functions—net interest, undistributed offsetting receipts, and allowances—are included to ensure full coverage of the Federal

budget. The OMB functions give added visibility to major programs, such as medicare and social security, by making them functions that are distinct from the health and income security functions. The NIPA function for health includes medicare, and the NIPA function for income security includes social security. Over 70 OMB subfunctions allow finer relationships to be made to the 25 NIPA subfunctions.

The Census Bureau presents expenditures in *Government Finances* and in the *Census of Governments* in 12 function groups and 39 subgroups that are based on nearly 70 major functions of government. The NIPA estimates for the Federal Government and for State and local governments are based on data from both these sources.¹

1. NIPA table 3.18B shows the relation of Federal Government current expenditures in the NIPA's to budget outlays, and NIPA table 3.19 shows the relation of State and local government current expenditures to total expenditures in *Government Finances*; these tables were published most recently on pages 67 and 68 of the April 2000 Survey. See also "Updated Summary NIPA Methodologies," Survey 78 (September 1998): 14-35; and *Government Transactions*, Methodology Paper No. 5 (1988), which can be found at <www.bea.doc.gov> under "Bureau-wide" and then under "Methodologies."

NIPA	COFOG	OMB	Census Bureau
General public service	General public services	General government plus International affairs plus Net interest plus Allowances	Government administration plus Interest on general debt plus General expenditures not elsewhere classified
National defense	Defence	National defense	National defense and international relations
Public order and safety	Public order and safety	Administration of justice	Public safety
Economic affairs	Economic affairs	Agriculture plus Energy plus Natural resources and environment plus Transportation plus Commerce and housing credit plus General science, space and technology	Transportation plus Utility expenditure plus Liquor store expenditure
(1)	Environmental protection	(2)	(3)
Housing and community services	Housing and community amenities	Community and regional development	Environment and housing
Health	Health	Health plus Medicare plus Veterans benefits and services	(4)
Recreation and culture	Recreation, culture, and religion	(5)	(3)
Education	Education	Education, training, employment, and social services	Education services
Income security	Social protection	Income security plus Social security plus Undistributed offsetting receipts	Social services and income maintenance plus Insurance trust expenditure

1. Contained largely in the housing and community services function and economic affairs function.

2. Contained largely in the natural resources and environment function and community and regional development function.

3. Contained largely in the environment and housing function.

4. Contained largely in the social services and income maintenance function.

5. Contained largely in the natural resources and environment function.

Table 3.15.—Government Consumption Expenditures and Gross Investment by Function
[Billions of dollars]

	Line	1995	1996	1997	1998		Line	1995	1996	1997	1998
Government	1	1,372.0	1,421.9	1,481.0	1,529.7		58	6.5	6.6	6.8	7.3
General public service	2	125.2	125.3	136.0	141.6		59	.3	.6	.8	.6
Executive and legislative	3	29.6	27.4	30.8	32.0		60	2.9	3.7	4.5	5.1
Tax collection and financial management	4	39.7	40.1	44.0	45.4		61	16.4	17.6	17.8	16.8
Other	5	55.9	57.8	61.3	64.2		62	0	0	0	0
National defense	6	350.6	357.0	352.5	348.6		63	1.4	1.6	1.7	1.3
Public order and safety	7	142.1	152.8	163.8	175.3		64	40.9	42.4	44.0	46.4
Police	8	53.6	58.9	64.2	69.5		65	2.4	2.3	2.9	2.8
Fire	9	18.6	19.4	20.5	21.8		66	4.3	5.0	5.0	5.7
Law courts	10	26.7	28.6	30.7	33.5		67	.6	.6	.5	.6
Prisons	11	43.1	45.9	48.3	50.5		68	.9	.9	.9	1.0
Economic affairs	12	213.1	220.7	234.6	239.4		69	2.8	3.5	3.5	4.2
General economic and labor affairs	13	18.6	19.4	20.3	21.0		70	5.9	6.0	6.6	8.3
Agriculture	14	10.6	10.9	13.0	12.8		71	.5	.4	.5	.5
Energy	15	16.4	13.5	13.4	11.0		72	1.3	1.2	1.3	1.6
Natural resources	16	21.8	23.0	23.4	24.9		73	3.1	3.3	3.8	4.1
Transportation	17	126.1	132.5	142.0	147.3		74	.1	.1	.1	.1
Highways	18	98.2	103.3	111.6	115.9		75	.9	1.0	.9	1.9
Air	19	12.4	13.0	13.4	14.0						
Water	20	7.5	7.8	7.9	8.4						
Transit and railroad	21	8.0	8.4	9.0	9.1						
Postal service	22	2.9	3.7	4.5	5.1						
Space	23	16.4	17.6	17.8	16.8						
Other	24	.3	.3	.3	.4						
Housing and community services	25	27.8	29.4	30.7	31.6		76	850.5	890.4	943.2	991.0
Health	26	72.6	74.9	76.4	78.6		77	96.7	99.7	106.8	112.4
Recreation and culture	27	18.5	19.3	21.3	22.3		78	13.5	14.3	15.2	16.1
Education	28	376.1	395.2	415.5	438.1		79	27.2	27.7	30.3	32.1
Elementary and secondary	29	288.8	305.3	322.3	339.6		80	55.9	57.8	61.3	64.2
Higher	30	69.8	70.9	73.7	77.5						
Libraries	31	5.4	5.8	6.3	6.7						
Other	32	12.1	13.2	13.3	14.3						
Income security	33	45.9	47.4	50.2	54.3		81	126.9	135.7	145.6	155.8
Disability	34	2.7	2.8	2.8	2.9		82	46.8	50.8	54.9	59.1
Retirement ¹	35	1.3	1.2	1.3	1.6		83	18.5	19.3	20.4	21.7
Welfare and social services	36	40.8	42.2	45.0	47.8		84	21.6	23.1	25.2	27.5
Unemployment	37	.1	.1	.1	.1		85	40.0	42.6	45.1	47.5
Other	38	.9	1.0	.9	1.9						
Federal	39	521.5	531.6	537.8	538.7		86	140.6	146.2	156.8	162.4
General public service	40	28.6	25.6	29.2	29.1		87	11.6	11.8	12.3	12.8
Executive and legislative	41	16.1	13.1	15.6	15.9		88	4.4	4.5	4.9	5.2
Tax collection and financial management	42	12.5	12.4	13.6	13.2		89	4.0	3.5	3.8	3.3
Other ²	43	0	0	0	0		90	10.5	10.8	11.2	11.6
National defense	44	350.6	357.0	352.5	348.6		91	109.8	115.2	124.4	129.1
Public order and safety	45	15.2	17.0	18.2	19.5		92	97.7	102.8	111.1	115.4
Police	46	6.9	8.2	9.3	10.4		93	3.3	3.4	3.9	4.1
Fire	47	.1	.1	.1	.1		94	1.0	1.2	1.2	1.1
Law courts	48	5.1	5.5	5.6	6.1		95	7.7	7.8	8.2	8.4
Prisons	49	3.1	3.3	3.2	2.9		96	.3	.3	.3	.4
Economic affairs	50	72.5	74.6	77.8	77.0						
General economic and labor affairs	51	7.0	7.6	8.0	8.2						
Agriculture	52	6.2	6.3	8.1	7.6						
Energy	53	12.3	10.0	9.6	7.7						
Natural resources	54	11.4	12.2	12.1	13.4						
Transportation	55	16.3	17.2	17.6	18.2						
Highways	56	.5	.4	.5	.4						
Air	57	9.0	9.5	9.5	9.9						

1. Consists of consumption expenditures to administer social insurance funds including old age and survivors insurance (social security) and railroad retirement. Excludes government employee retirement plans.

2. Consists of consumption expenditures to administer Federal revenue sharing grants to State and local govern-

ments beginning with 1972 and ending with 1987.

3. Consists primarily of unallocable State and local government consumption expenditures and gross investment.

Table 3.16.—Government Current Expenditures by Function
[Billions of dollars]

	Line	1995	1996	1997	1998		Line	1995	1996	1997	1998	
Government ¹	1	2,293.7	2,384.5	2,461.8	2,523.1		Air	59	6.2	6.5	6.9	7.1
General public service	2	385.1	394.5	400.8	405.5		Water	60	6.3	6.4	6.4	6.7
Executive and legislative	3	39.0	42.1	41.6	42.9		Transit and railroad	61	1.8	1.6	1.8	1.2
Tax collection and financial management	4	33.9	32.8	35.9	36.6		Postal service	62	1.8	4.1	4.1	3.4
Net interest paid ²	5	267.8	274.1	275.4	276.1		Space	63	12.6	13.1	13.5	13.0
Other ³	6	44.4	45.5	47.8	49.9		Other	64	0	0	0	0
National defense	7	297.1	302.0	304.1	299.5		Housing and community services	65	29.5	30.0	30.5	29.9
Public order and safety	8	132.0	141.9	152.0	162.2		Health	66	319.4	340.2	357.3	364.8
Police	9	50.7	55.5	60.3	65.0		Recreation and culture	67	2.5	2.5	2.9	2.8
Fire	10	17.4	18.1	19.1	20.2		Education	68	32.2	34.1	36.3	37.5
Law courts	11	25.2	26.7	28.6	31.1		Elementary and secondary	69	11.8	13.1	12.8	13.7
Prisons	12	38.7	41.7	44.0	45.8		Higher	70	12.1	11.8	14.0	13.7
Economic affairs	13	137.3	142.5	145.1	152.7		Other	71	8.4	9.2	9.5	10.2
General economic and labor affairs	14	18.9	19.4	20.3	20.9		Income security	72	501.5	521.2	535.9	551.9
Agriculture	15	18.4	19.0	19.5	26.2		Disability	73	62.1	66.0	68.4	71.9
Energy	16	—4	—1.8	—4.2	—6.4		Retirement ⁵	74	297.5	308.4	321.9	333.0
Natural resources	17	17.6	17.9	17.9	18.9		Welfare and social services	75	95.5	95.2	94.1	93.6
Transportation	18	80.7	83.9	88.4	92.2		Unemployment	76	25.0	25.7	23.4	23.3
Highways	19	55.0	57.6	61.0	64.5		Other	77	21.4	25.9	28.1	30.1
Air	20	4.5	4.7	5.0	5.0							
Water	21	6.1	6.2	6.1	6.4							
Transit and railroad	22	15.1	15.4	16.2	16.3							
Postal service	23	1.8	4.1	4.1	3.4							
Space	24	12.1	12.7	13.0	12.1							
Other ⁴	25	—11.8	—12.7	—13.9	—14.6							
Housing and community services	26	27.4	26.7	28.8	26.2							
Health	27	401.8	426.9	445.9	452.1							
Recreation and culture	28	14.6	14.9	16.1	16.8							
Education	29	358.6	375.5	395.9	416.6							
Elementary and secondary	30	262.2	276.4	291.3	307.2							
Higher	31	68.7	69.6	74.2	77.0							
Libraries	32	4.7	5.1	5.5	5.9							
Other	33	23.0	24.4	24.9	26.5							
Income security	34	539.8	559.6	573.2	591.6							
Disability	35	73.8	78.0	80.3	83.6							
Retirement ⁵	36	297.5	308.4	321.9	333.0							
Welfare and social services	37	127.7	127.2	125.0	127.1							
Unemployment	38	21.6	22.4	20.3	20.0							
Other	39	19.2	23.5	25.7	27.9							
Federal	40	1,575.7	1,635.9	1,676.0	1,703.8							
General public service	41	302.4	310.4	312.6	314.0							
Executive and legislative	42	27.6	30.9	29.8	30.2							
Tax collection and financial management	43	7.4	5.9	6.4	5.4							
Net interest paid	44	267.5	273.6	276.3	278.4							
Other ⁶	45	0	0	0	0							
National defense	46	299.8	304.8	307.0	302.7							
Public order and safety	47	14.3	15.8	17.9	19.3							
Police	48	6.5	7.7	9.5	10.7							
Fire	49	—1	—1	—1	—1							
Law courts	50	5.1	5.4	5.6	6.1							
Prisons	51	2.6	2.5	2.7	2.4							
Economic affairs	52	74.1	76.9	75.6	80.9							
General economic and labor affairs	53	11.1	11.4	12.0	12.0							
Agriculture	54	15.7	16.0	15.8	22.3							
Energy	55	7.2	6.3	4.3	2.3							
Natural resources	56	10.9	11.1	10.3	12.6							
Transportation	57	14.7	15.0	15.5	15.3							
Highways	58	.4	.4	.4	.4							

1. Equals Federal Government current expenditures less grants-in-aid to State and local governments plus State and local government current expenditures.

2. Includes dividends received by government shown separately in tables 3.1 and 3.3 for total government and for State and local government.

3. Equals unallocable State and local government expenditures, less "wage accruals less disbursements" shown in table 3.1; includes Federal revenue sharing grants to State and local governments beginning with 1972 and ending with 1987.

4. Consists of State and local government publicly owned liquor store systems, government-administered lotteries

and pari-mutuels, and other commercial activities.

5. Consists of social insurance funds including old age and survivors insurance (social security) and railroad retirement. Excludes government employee retirement plans.

6. Consists primarily of Federal revenue sharing grants to State and local governments beginning with 1972 and ending with 1987, less "wage accruals less disbursements" shown in table 3.2.

7. Equals unallocable State and local government expenditures less "wage accruals less disbursements" shown in table 3.3.

Table 3.17.—Selected Government Expenditures by Function
[Billions of dollars]

	Line	1995	1996	1997	1998		Line	1995	1996	1997	1998	
Current expenditures¹												
Consumption expenditures:												
Government	1	1,133.9	1,171.8	1,222.9	1,261.0		Unemployment	74	3.3	3.3	3.2	3.3
General public service	2	108.3	107.3	116.2	120.1		Other	75	2.3	2.3	2.4	2.3
National defense	3	297.5	302.4	304.5	299.9							
Public order and safety	4	131.9	141.8	151.9	162.1		Subsidies less current surplus of government enterprises:					
Economic affairs	5	133.4	137.5	144.9	147.5		Government	76	22.2	22.6	19.0	20.8
Housing and community services	6	6.5	7.0	7.6	7.6		General public service	77	0	0	-1	-3
Health	7	60.7	61.8	62.3	63.6		National defense	78	-3	-3	-3	-3
Recreation and culture	8	14.2	14.6	15.7	16.4		Economic affairs	79	2.1	3.4	-1.5	3.2
Education	9	336.9	353.6	371.2	391.4		General economic and labor affairs	80	0	0	0	0
Income security	10	44.5	45.8	48.5	52.3		Agriculture	81	8.6	9.1	7.8	14.5
Federal	11	439.2	445.3	457.0	453.5		Energy	82	-8.9	-8.7	-10.8	-11.2
General public service	12	25.7	26.0	25.4			Natural resources	83	.8	.6	.2	.2
National defense	13	297.5	302.4	304.5	299.9		Transportation	84	11.6	11.2	11.6	11.5
Public order and safety	14	13.1	14.6	15.8	16.5		Postal service	85	2.0	3.9	3.6	2.8
Economic affairs	15	53.8	54.6	57.7	55.5		Other ²	86	-11.8	-12.7	-13.9	-14.7
Housing and community services	16	1.3	1.5	1.7	1.2		Housing and community services	87	20.4	19.5	20.9	18.3
Health	17	36.5	37.3	38.4	40.0							
Recreation and culture	18	2.0	1.9	2.4	2.3							
Education	19	3.9	4.6	4.5	5.1							
Income security	20	5.5	5.6	6.1	7.5							
State and local	21	694.7	726.5	765.9	807.5							
General public service	22	82.6	84.5	90.2	94.7							
Public order and safety	23	118.8	127.2	136.2	145.5							
Economic affairs	24	79.6	82.9	87.3	92.0							
Housing and community services	25	5.3	5.5	5.9	6.4							
Health	26	24.3	24.4	23.9	23.6							
Recreation and culture	27	12.2	12.7	13.3	14.2							
Education	28	332.9	349.0	366.7	386.3							
Income security	29	39.0	40.2	42.4	44.8							
Transfer payments (net):												
Government	30	869.9	916.0	944.5	965.2							
General public service	31	9.0	13.0	9.3	9.6							
Public order and safety	32	.1	.1	.1	.1							
Economic affairs	33	1.8	1.6	1.6	2.0							
Housing and community services	34	.5	.2	.2	.2							
Health	35	341.1	365.1	383.6	388.5							
Recreation and culture	36	.4	.4	.3	.4							
Education	37	21.8	21.8	24.7	25.2							
Income security	38	495.3	513.8	524.7	539.3							
Federal	39	652.1	691.6	716.6	730.4							
General public service	40	8.2	12.1	8.3	8.4							
Public order and safety	41	0	0	0	0							
Economic affairs	42	.7	6	.6	.9							
Housing and community services	43	.5	.2	.2	.2							
Health	44	185.7	201.2	214.5	214.2							
Recreation and culture	45	.4	.4	.3	.4							
Education	46	13.0	12.8	15.5	15.3							
Income security	47	443.5	464.4	477.1	491.0							
State and local	48	217.8	224.3	227.9	234.8							
General public service	49	.8	.9	1.0	1.1							
Public order and safety	50	.1	.1	.1	.1							
Economic affairs	51	1.1	.9	1.0	1.1							
Health	52	155.3	164.0	169.1	174.3							
Education	53	8.7	9.1	9.1	9.8							
Income security	54	51.8	49.4	47.6	48.3							
Grants-in-aid to State and local governments:												
Federal²	55	184.5	190.4	195.7	209.3							
General public service	56	.9	1.9	2.0	2.0							
National defense	57	2.7	2.8	2.9	3.2							
Public order and safety	58	1.2	1.2	2.1	2.7							
Economic affairs	59	8.9	8.5	7.9	9.8							
General economic and labor affairs	60	4.2	4.1	4.3	4.3							
Agriculture	61	1.5	1.3	.9	.9							
Energy	62	1.1	1.0	1.1	1.0							
Natural resources	63	1.6	1.7	1.1	2.7							
Transportation	64	.1	0	0	0							
Space	65	.5	.4	.6	.9							
Housing and community services	66	5.7	6.1	7.2	10.4							
Health	67	97.2	101.7	104.3	110.7							
Recreation and culture	68	.1	.3	.2	.2							
Education	69	15.3	16.7	16.2	17.0							
Income security	70	52.4	51.3	52.7	53.4							
Disability	71	1.2	1.3	1.4	1.4							
Retirement	72	0	0	0	0							
Welfare and social services	73	45.7	44.3	45.8	46.4							

1. Equals consumption expenditures, transfer payments, net interest paid, less dividends received by government, subsidies less current surplus of government enterprises, less "wage accruals less disbursements"; for Federal Government, also includes grants-in-aid to State and local governments. Government, Federal Government, and State and local government current expenditures are shown separately in tables 3.1, 3.2, and 3.3.

2. Federal grants-in-aid to State and local governments are included in Federal current expenditures; because the grants are transactions between levels of government, they are eliminated in the consolidation of the government sector.

3. Consists of publicly owned liquor store systems, government-administered lotteries and parimutuels, and other commercial activities.

4. No State and local government capital transfers have been identified.

5. Consists of forgiveness of debts owed by foreign governments to the U.S. Government.

6. Consists of Federal Government investment grants to State and local governments.

7. Consists of maritime construction subsidies paid to business by the Federal Government.