

Giving or Getting?

New York's Balance of Payments
with the Federal Government

2023 REPORT

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March 2023

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As the surge in Federal funds distributed nationwide in response to the COVID-19 pandemic begins to wind down, New York State will resume its role as one of the largest net donor states to the Federal government in the nation. In the sixth edition of *New York's Balance of Payments with the Federal Government* report, produced by the Rockefeller Institute of Government in collaboration with the Division of the Budget, we see a spotlight on the differential impacts Federal tax and expenditure policies can have on states and how those impacts have evolved over time.

New York State's balance of payments has transformed from net negative balances in every Federal fiscal year from 2015 to 2019, to large net positive balances in both 2020 and 2021 due to the Federal response to the COVID-19 pandemic. However, this year's report highlights what remains unchanged – when pandemic-related spending programs become fully exhausted and expire in the coming years, New York State will revert to its prior status among largest net donor states in the nation.

This dramatic shift reveals what is possible when Federal programs truly prioritize need, as did the programs that were created in response to the pandemic. Although New York is rightly viewed as a high-income state, it is also a high-needs state. In 2021, New York had the 13th highest poverty rate in the nation. As of December 2022, New York had the seventh highest unemployment rate nationwide and 7.8 million State residents, almost 40 percent, enrolled in the Medicaid program.

New York State and the country face a myriad of challenges, including the ongoing impacts of COVID-19 and climate change, as well as uncertainty in the Federal budget and appropriations process. Guided by the scope of these uncertainties and what is best for New Yorkers, Governor Hochul addressed these and other challenges, and established a framework for responsibly managing Federal Funds in the 2024 Executive Budget.

Certain to be prevalent in the 118th Congress, Federal fiscal policy will play a significant role as we confront challenges on the horizon and maintain the relationship between New York and Washington. It is our expectation that this report will continue to inform and guide the national debate. We thank the Rockefeller Institute of Government for continuing to provide the tools necessary to support the discussion.

Sincerely,



Robert Megna
Signature



Executive Summary

In its sixth annual analysis, the Rockefeller Institute of Government estimates Federal revenues derived from and the distribution of budgetary expenditures to each state. This report examines not only the amount of Federal funds that every state generates and receives, but also the respective net difference between the two, referred to by the late Senator Daniel Patrick Moynihan as a state's balance of payments. This report strives to shed light on both the source of these differences and how they have changed over time.

As policymakers consider whether there is too much or too little redistribution of funding, this analysis illuminates the impact of these decisions on constituents in each state. This report presents detailed estimates of revenue and spending data for Federal fiscal year (FFY) 2020 and preliminary estimates for FFY 2021.¹ While the analysis herein is national in scope, it places the focus squarely on New York.

As speculated in last year's report, the results of this year's analysis for FFY 2021 are very similar to those for FFY 2020, with New York's ranking relative to other states slipping only one place from fifth to sixth most favorable net total dollar balance of payments. The analysis confirms for a second year that the innovative design of the Federal emergency spending programs to address the economic impact of COVID-19, comprised in large part of direct payment to individuals, represents a more equitable distribution of aid than those that have been used in the past.

As portrayed in [Figure 1](#), receipts collected by the Federal government grew by an even greater rate than expenditures in FFY 2021, but the level of receipts continued to be overwhelmed by that of expenditures. Thus, at \$2.775 trillion, the Federal deficit for FFY 2021 was \$357 billion less than the prior year, but was nevertheless the second highest Federal deficit in history. It is therefore no surprise that there are once again no net donor states for FFY 2021.

Preliminary Analysis of New York 2021 data indicates:



NEW YORK'S
BALANCE OF PAYMENTS

\$115.2 billion

*THE SIXTH MOST FAVORABLE
IN THE NATION*



NEW YORK'S PER CAPITA
BALANCE OF PAYMENTS

\$5,802



US PER CAPITA
BALANCE OF PAYMENTS

\$8,122

New York's BOP is

\$2,319

*LESS THAN THE
NATIONAL AVERAGE*



THE TOP FIVE STATES ARE

California (\$201.8B)

Texas (\$183.9B)

Virginia (\$173.8)

Florida (\$162.9B)

Pennsylvania (\$122.2B)

INCLUDING 3 MOST POPULOUS STATES



UP FROM

47TH

IN 2019



NY's COMBINED 2020 & 2021
BALANCE

\$261.1 billion

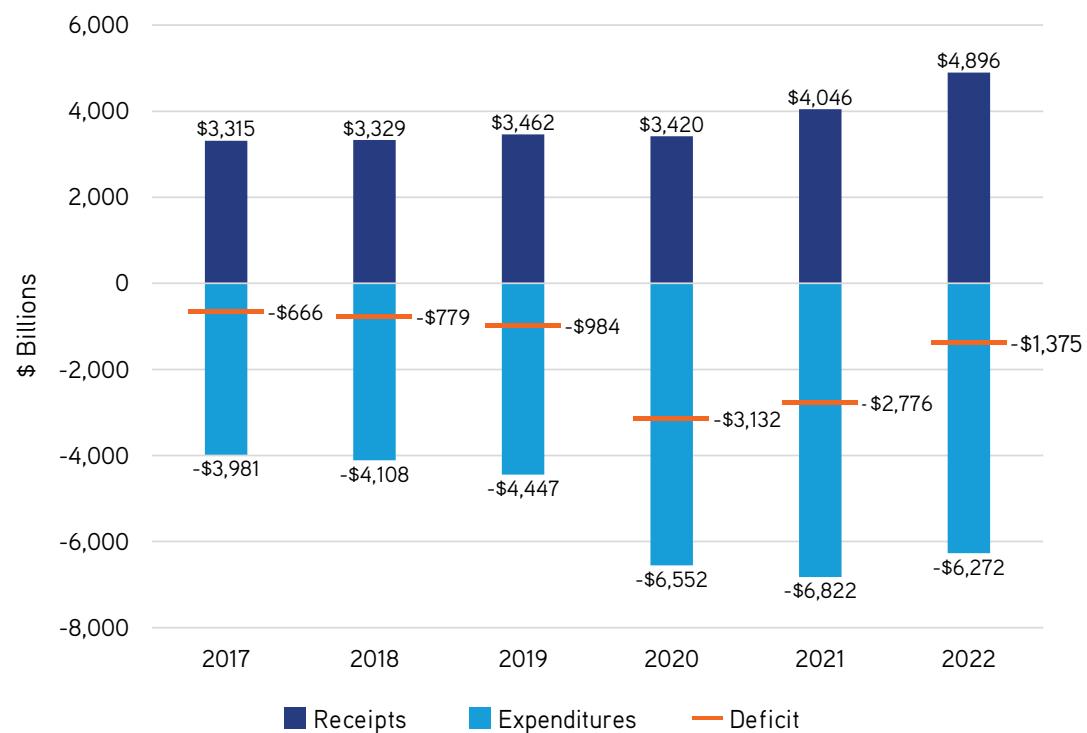
NY's COMBINED 2015-19 BALANCE

\$166.2 billion

7-YEAR TOTAL

\$95.0 billion

FIGURE 1. COVID-19 Explodes Federal Spending and Deficit, FFY 2017–22



SOURCE: US Department of the Treasury.

To address the impact of the COVID-19 pandemic on the national economy, the Federal government authorized spending programs totaling \$2.6 trillion in FFY 2020 and almost \$3.0 trillion in FFY 2021. Expenditures under these programs are estimated to have totaled \$1.5 trillion and \$1.8 trillion for FFY 2020 and FFY 2021, respectively. These Federal programs were designed to disburse the largest sums of relief funding to the individuals with the greatest volume of need, resulting in a significant share of the funding going to the most populous states in both years.

New York accounted for a disproportionately high share of the growth in Federal receipts in FFY 2021, based on preliminary data, but a disproportionately lower share of the growth in expenditures. As a consequence, the state's rank based on its net balance of payments position among the 50 states is estimated to have slipped one place from fifth most favorable for FFY 2020 to sixth for 2021. But New York's performance for both years represents a monumental improvement from its rank of 50th for every year the Rockefeller Institute conducted this analysis prior to FFY 2020. Indeed, FFY 2020 and FFY 2021 represent the only years for which the state has not ranked among the bottom five on a per capita basis in the history of this analysis.

The data presented in [Figure 1](#) depict an 8.1 percent decline in Federal expenditures for FFY 2022; at the same time, receipts grew 21.0 percent, even stronger than in the prior year, as the nation continued to recover from the worst of the pandemic. As a result, the Federal budget deficit for FFY 2022 shrank by an impressive 50.4 percent to \$1.4 trillion. These data signal FFY 2022 as a transitional year for the Federal budget. As US fiscal policy returns to business as usual, it is likely that New York's net balance of payments position will deteriorate substantially unless policymakers can devise

more equitable methods for distributing Federal aid to the states. Key findings from this year's report include:

- Over the five Federal fiscal years prior to FFY 2020, New York taxpayers gave \$166.2 billion in total more to the Federal government than they received back in Federal spending, the most of any state. But for FFY 2020, the state's balance of payments turned positive for the first time since the Rockefeller Institute started doing this analysis, totaling \$145.9 billion, the fifth most favorable among the 50 states.
- Preliminary analysis of 2021 data indicates another positive balance of payments of \$115.2 billion, affording New York the rank of sixth most favorable. The dollar balance of payments for all but 10 states deteriorated compared with FFY 2020.
- California (\$201.8 billion), Texas (\$183.9 billion), Virginia (\$173.8 billion), Florida (\$162.9 billion), and Pennsylvania (\$122.2 billion) comprise the top five states with the most favorable balances. With New York ranking sixth, it is notable that the top six includes the four most populous states in the nation.
- New York's per capita balance of payments, \$5,802, affords the state a rank of 41, far worse than the state's ranking based on its total dollar position, and a step down from the state's rank of 39 for 2020. Nevertheless, New York's 2021 rank represents an improvement from the state's rank of 47 for FFY 2019.
- The national average per capita balance of payments for FFY 2021 is \$8,122. New Yorkers received \$2,319 less than this average. The findings in this report indicate that no state had a negative balance of payments position for FFY 2021, mirroring FFY 2020.
- New York's more favorable 2020 and 2021 rankings relative to past years are primarily driven by the impact of the pandemic on the state economy and the Federal emergency spending programs that were implemented in response. The Rockefeller Institute estimates that at least \$1.5 trillion was disbursed in FFY 2020 under these programs, with another \$1.8 trillion spent in 2021.
- Both the national and state economies showed Federal revenues collected from New Yorkers rose substantially as the nation rebounded from the devastating impact of the pandemic. But thanks to the good fortune of the state's high-income earners, New York receipts grew disproportionately more, 20.6 percent in FFY 2021, compared to 18.5 percent for the nation as a whole.
- In contrast, the growth in Federal expenditures to New York between 2020 and 2021 (5.1 percent) failed to keep pace with the national average (5.7 percent) for FFY 2021, despite the fact that the recovery of the state labor market lagged and still lags that of the nation. Indeed, by the end of FFY 2021, the state's unemployment rate had fallen to 6.0 percent, compared to 4.8 percent for the nation. The divergent trends in receipts and expenditures explains the drop in New York's rank from fifth to sixth for FFY 2021.

- In the absence of the \$1.8 trillion estimated COVID-19 emergency spending, the Rockefeller Institute estimates that New York's net dollar balance of payments position would have deteriorated from sixth to 49th for FFY 2021, while the state's per capita balance of payments position would have ranked a more familiar 46th rather than 41st.

The extraordinary impact of Federal emergency spending programs on New York's 2020 balance of payments position led to an examination of Federal expenditures both with and without these programs. We repeat this examination for FFY 2021. Four major pieces of legislation were passed by Congress and signed into law during FFY 2020, which in total authorized pandemic relief spending of up to \$2.73 trillion: the Coronavirus Preparedness and Response Supplemental Appropriations Act (\$8 billion), the Families First Coronavirus Response Act (\$22 billion), Coronavirus Aid, Relief, and Economic Security Act (CARES) (\$1,760 billion), and the Paycheck Protection Program and Health Care Enhancement Act (\$483 billion). In December 2020, Congress passed the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), which authorized the spending of approximately \$991 billion to address the ongoing impact of the pandemic, while the enactment of the American Rescue Plan (ARP) Act in March 2021 authorized the spending of another approximately \$1,962 billion.²

As a result of the disproportionate impact of the pandemic on the state economy, New York obtained a greater share of total Federal spending in 2020 and 2021 than in the past. Specifically, New York received 6.3 percent of total Federal expenditures in both 2020 and 2021, compared with 5.8 percent for 2019. Of the funding authorized by the six major COVID-19 emergency spending bills, New York is estimated to have received 7.8 percent of the associated expenditures in 2020 and 8.2 percent in 2021. For example, New York's share of funding from all Federal unemployment insurance programs jumped from 7.4 percent in 2019 to 10.2 percent in 2020 and 13.8 percent in 2021. As a point of comparison, New York was home to 6.1 percent of the US population in 2020. In contrast, New York is estimated to have received only 5.8 percent of non-COVID-19-related Federal expenditures in 2020 and 5.6 percent in 2021. The latter shares are more comparable to the state's 2019 share of Federal expenditures of 5.8 percent.

This year's analysis also revised the preliminary analysis for FFY 2020 by using the *Internal Revenue Service's 2020 Statistics of Income* series. Based on updated data for the 2020 tax year, New York's share of total Federal personal income tax liability was revised downward from 8.7 percent to 8.3 percent. As a result, New York is estimated to have paid \$4.6 billion less in income tax than originally projected. Moreover, updated Federal expenditures data reduced New York's estimated Federal funding allocation by \$23.5 billion. These were the primary factors behind the downward revision to the 2020 balance of payments estimate from \$159.7 billion to \$145.9 billion.

As the overall distribution of tax burdens and Federal budgetary spending across the nation changes over time, understanding how these changes impact states provides critically important information when evaluating the fairness and appropriateness of proposed changes to fiscal policy.

Introduction

In FFY 2020, the Federal government spent approximately \$6.6 trillion, an increase of 47.4 percent from the 2019 fiscal year. In FFY 2021, budgetary expenditures climbed even higher to \$6.8 trillion. These significant increases were the result of increased spending designated to address the COVID-19 pandemic. The 2020 level of spending was supported by nearly \$3.4 trillion in revenue, a decrease of 1.2 percent from 2019, while 2021 revenues totaled \$4.0 trillion. As a result, the Federal budget deficit ballooned to \$3.1 trillion for FFY 2020, the largest in history, dropping to \$2.8 trillion for 2021, the second largest in history.

The revenue collected by the Federal government from each state, Federal spending in the states, and the difference between the two is the subject of this report. This “balance of payments” (BOP) analysis provides a look at the effects of Federal economic redistribution policies on states against the backdrop of their contributions to the Federal budget. This report further offers a focus on New York and its standing relative to other states.

Traditionally, some states have received far more in Federal spending than their residents and businesses pay through taxes, while other states continued to give far more than they got back. The Federal system tends to concentrate grants and funding to states with the highest poverty rates among their residents. Federal grants support programs that provide aid for the needy (Medicaid, Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, etc.). Payments to individuals under the Social Security and Medicare programs are disproportionately concentrated in states with the largest elderly populations. States with large defense contracting sectors and more military bases receive more Federal defense spending, while Federal wages are disproportionately concentrated in states with a large Federal employment presence.

On the other side, revenue is generated primarily from taxes, the most significant of which are the personal income and employment taxes, typically account for about 90 percent of allocable Federal revenue. Logically, the revenues from these sources are raised disproportionately from residents of states with more high-income individuals who pay taxes at the highest rates under the progressive Federal income tax structure.

Our analysis provides states and policymakers with detailed information about how Federal spending and revenue burdens are allocated across the states. To fully appreciate why some states receive more than they give and vice versa, it is critical to have accurate data on how Federal spending and revenue are distributed. This information gives policymakers insight into the magnitude of the gaps in each state’s balance of payments with the Federal government, aiding in decisions about whether current and proposed funding allocations are fair and appropriate given their policy goals.

The extent to which the COVID-19 pandemic disrupted the traditional patterns and distributions of Federal expenditures and receipts cannot be overstated. The pandemic both reduced Federal revenue owing to the adverse shock to the economy and added an array of emergency spending programs aimed at preventing further economic

collapse. As a result of this unique set of circumstances, net balance of payments rankings of states for both 2020 and 2021 were much more closely correlated with state populations than usual. Indeed, net BOP amounts for 2020 and 2021 based on total Federal expenditures exhibit correlation coefficients of 0.92 and 0.87 with state populations, respectively. But when emergency COVID-19 spending is excluded from Federal expenditures, these correlations fall to 0.52 and 0.03. For FFY 2019, this correlation was 0.10.

This report provides an estimate of the 2021 balance of payments based on available preliminary data. It also revises the previously released 2020 preliminary analysis, reflecting actual receipts and expenditures for that year and other updates to the source data.

The analysis consists of two steps:

1. Federal receipts and expenditures from the Federal budget are distributed into major categories and subcategories, all adding up to Federal budget totals.
2. Subcategory totals are allocated to states and US territories based on agency data documenting geographic distributions or appropriate proxies.

Data identifying the geographic source of receipts and location of spending were collected from relevant agencies wherever possible. Where complete data on the distribution of receipts and expenditures were not available, proxies were developed based on all available data. The appendix details the full methodology and presents revisions to last year's estimates.

The results for New York State present a stark contrast with past years: after posting net negative balance of payments positions for every year since this analysis was first estimated in 2016, the state secures large net positive positions for FFY 2020 and FFY 2021. In 2021, New York's BOP of \$115.2 billion is the sixth largest in the nation, behind only California (\$201.8 billion), Texas (\$183.9 billion), Virginia (\$173.8 billion), Florida (\$162.9 billion), and Pennsylvania (\$122.2 billion). New York improved from worst-in-the-nation to fifth best in 2020 and sixth in 2021. New York saw the second largest improvement only after California, which improved from 47th for 2019 to first for both 2020 and 2021.

Controlling for population, New York still exhibits an improvement in its net BOP position in 2021 but, similar to 2020, not by nearly the same degree as in its raw dollar position: New York's per capita balance of payments of \$5,802 results in a rank of 41 for FFY 2021, a small deterioration from 39 for 2020 but an improvement from 47 for 2019.

This report presents more detailed comparisons to other states and the national average and examines those factors that shifted New York's net balance of payments position from negative to positive for two consecutive years.

New York's Balance of Payments: Preliminary Estimate for Federal Fiscal Year 2021

In 2021, New York taxpayers contributed approximately \$294.7 billion in revenue, but the state was the recipient of \$409.9 billion in expenditures. These data imply a net positive balance of payments position of \$115.2 billion less in revenue to the Federal government than the state received back in Federal spending ([Table 1](#)). New York's 2021 balance of payments position was the sixth largest in the nation, representing a substantial improvement from 2019 when the state ranked 50th or the worst in the nation, though a step down from its rank of fifth for 2020.

Calculating the balance of payments on a per capita basis controls for a state's population. New York does not fare as well by this measure: the state's 2021 per capita balance of payments of \$5,802 gives New York a rank of 41. The national average per capita balance of payments for 2021 was far greater at \$8,122 per person. Again, New York's per capita BOP ranking represents a small deterioration from its 2020 rank of 39, but a significant improvement over 2019 when the state had the fourth worst per capita balance of payments in the country.

TABLE 1. Receipts, Expenditures, and Balance of Payments, FFY 2021

	New York	Average per State	New York Difference
Total Balance of Payments			
Balance of Payments (\$ millions)	\$115,220	\$54,463	\$60,757
Rank Among 50 States	6		
Per Capita Balance of Payments			
Balance of Payments (dollars per person)	\$5,802	\$8,122	(\$2,319)
Rank Among 50 States	41		
Per Capita Receipts and Expenditures			
Receipts (dollars per person)	\$14,842	\$11,397	\$3,445
Expenditures (dollars per person)	\$20,644	\$19,519	\$1,126
Federal Spending Received per Dollar of Taxes Paid	\$1.39	\$1.71	(\$0.32)

NOTE: Calculations are based on preliminary data and are subject to change when final data are released.

SOURCE: Rockefeller Institute of Government analysis of data from *Budget of the U.S. Government, Fiscal Year 2023*, from federal agencies, and other sources. See methodology appendix for details.

What Drives New York's Balance of Payments?

Prior to 2020, New York's consistently negative balance of payments had been driven primarily by the disproportionate amount of Federal taxes paid. For example, payments from New York residents and businesses to the Federal government in 2019 were \$13,336 per capita, \$3,395 higher than the national average, while per capita Federal spending in New York was \$119 lower than the US average. The magnitude of the revenue difference was the obvious primary driver behind the state's negative balance. However, the Federal response to the pandemic at least temporarily disrupted this pattern in both 2020 and 2021. With a receipts gap of \$3,445, New York continued to contribute more on a per capita basis relative to the national average in 2021, but as [Table 1](#) makes clear, the state also received more on a per capita basis, with the spending gap favoring New York by \$1,126.

[Table 2](#) provides a detailed breakdown of New York's per capita balance of payments and comparison with the national average. The table also provides details on New York's rank compared to other states. A state-by-state analysis can be found in the next section ([Tables 3](#) and [4](#)).

TABLE 2. New York's Per Capita Balance of Payments with the Federal Government, FFY 2021

Estimates of Per Capita Federal Receipts, Expenditures, and Balance of Payments (Only includes amounts deemed allocable to states)

	New York	United States	New York Difference	New York Indexed to U.S.=100	New York Rank Among 50 States
Balance of Payments (Expenditures Minus Receipts)	\$5,802	\$8,122	(\$2,319)	71	41
Ratio: Expenditures to Receipts	\$1.39	\$1.71	(\$0.32)	—	—
Receipts	\$14,842	\$11,397	\$3,445	130	4
Individual Income Tax	\$8,585	\$6,076	\$2,510	141	3
Employment Taxes	\$4,495	\$3,909	\$586	115	8
Corporate Income Tax	\$1,403	\$1,108	\$295	127	5
Excise Taxes	\$173	\$224	(\$51)	77	49
Estate and Gift Taxes	\$186	\$81	\$105	231	2
Expenditures	\$20,644	\$19,519	\$1,126	106	10
Direct Payments for Individuals	\$8,098	\$8,566	(\$468)	95	40
Grants	\$3,804	\$2,626	\$1,178	145	4
Contracts and Procurement	\$1,034	\$2,096	(\$1,062)	49	33
Wages	\$387	\$925	(\$440)	46	46
COVID-19 Spending	\$7,321	\$5,306	\$2,015	138	1

SOURCE: Rockefeller Institute of Government analysis of data from *Budget of the U.S. Government, Fiscal Year 2023*, from federal agencies, and other sources. See methodology appendix for details.

New York's per capita revenue contribution to the Federal budget grew 22.2 percent in FFY 2021, compared with 18.3 percent growth for the nation, as both the national and state economies were rebounding from the worst of the pandemic. The difference

between New York's Federal taxes paid per capita and the US average narrowed significantly in 2020 to \$2,515, down from \$3,395 in 2019. This drop was due to the pandemic's disproportionately large economic blow to the state economy as compared with the nation. Indeed, 2020 represented the first year that the difference between New York's per capita receipts and the national average dropped below \$3,000 since this analysis was first done for FFY 2016. However with the state's above average revenue growth in 2021, that difference grew to \$3,445 in 2021, just above the difference in 2019, and likely a harbinger of what to expect for future years.

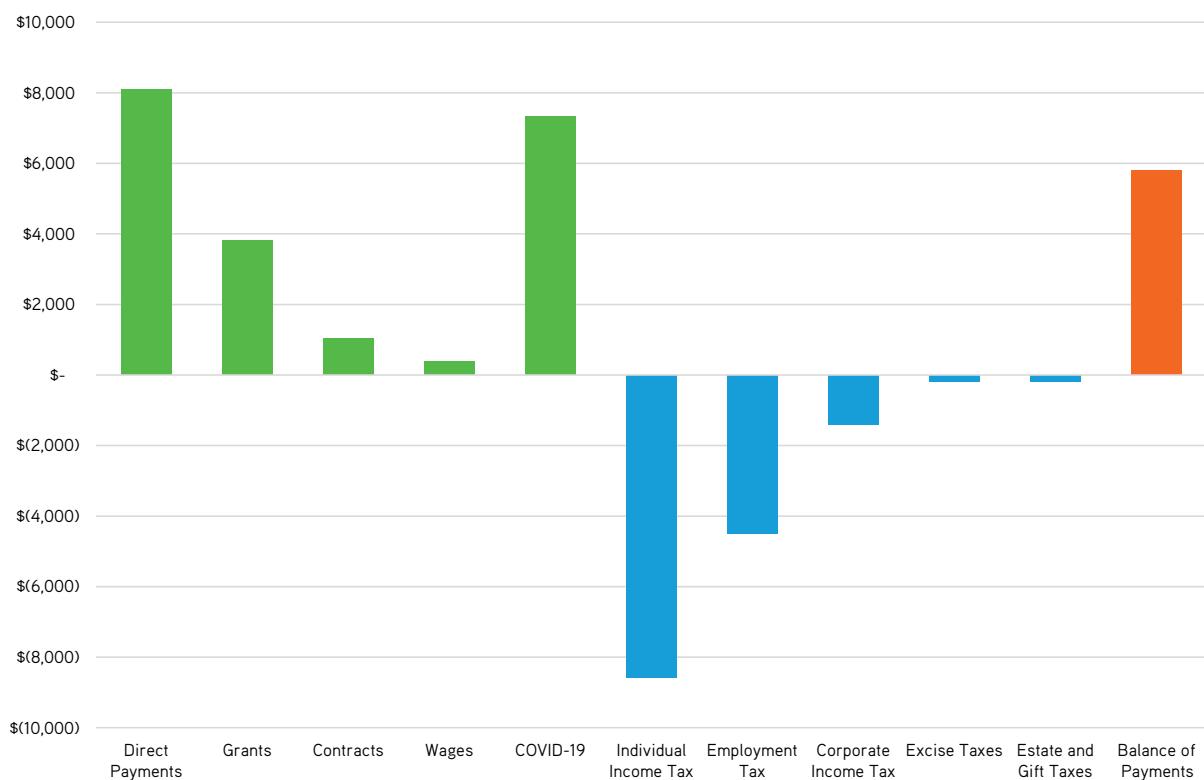
Federal individual income tax collections account for \$2,510 or 73 percent of the difference between the state and the nation, based on 2021 preliminary data. New York consistently ranks third among the 50 states in per capita income taxes paid, due to the state's many high-income households who fall within the highest Federal tax brackets.³ Higher levels of employment taxes and corporate income taxes—reflecting New York's higher average wages and higher income from capital—plus estate and gift taxes account for the remaining \$935 of the balance.

On the Federal spending side, there are typically four categories: direct payments to individuals, grants, contracts, and wages. As illustrated in [Figure 2](#), direct payments to individuals comprise the largest component of Federal expenditures and are primarily driven by Social Security and Medicare payments. Grants, the second largest component, tend to be driven by Medicaid and other social programs that are at least partially federally funded but administered by the states. These two categories tend to be inherently correlated with state populations, while the distributions of contracts and wages tend to reflect the geographic locations of Federal contractors and government employees.

When measured on a per capita basis for New York, direct payments to individuals, contracts, and wages have traditionally underperformed the national average. While direct payments per capita in New York have tended to trail the national average by a very small percentage, state per capita contracts and wages have tended to trail by about half. In contrast, grants to New York per capita have exceeded the national average by over 50 percent. But as [Figure 2](#) reveals, FFY 2021 Federal expenditures contain a category of spending that did not exist before FFY 2020, namely the COVID-19 emergency spending programs, which are largely comprised of direct payments to individuals and grants. On a per capita basis, COVID-19 spending in New York surpassed the national average by 38 percent in FFY 2021. Taken together, and as noted above, 2021 per capita Federal spending in New York exceeds the national average by \$1,126, or 5.8 percent.

Per capita revenue flowing from New Yorkers to the Federal budget continued to rank fourth highest in the nation in 2021, despite the continuing challenges posed by the pandemic and its aftermath to the state economy. Meanwhile, per capita Federal expenditures yielded New York a rank of 10 in 2021, a significant improvement from 18 in 2020 and 24 in 2019. As noted earlier, the net result is that New York's overall per capita balance of payments resulted in a rank of 41 in 2021, down from 39 in 2020, but up from 47 in 2019, with the state ranking sixth in terms of absolute dollars for 2021, compared with fifth for 2020 and the worst in the nation (50) for 2019.

FIGURE 2. New York: FFY 2021 Per Capita Revenues and Expenditures



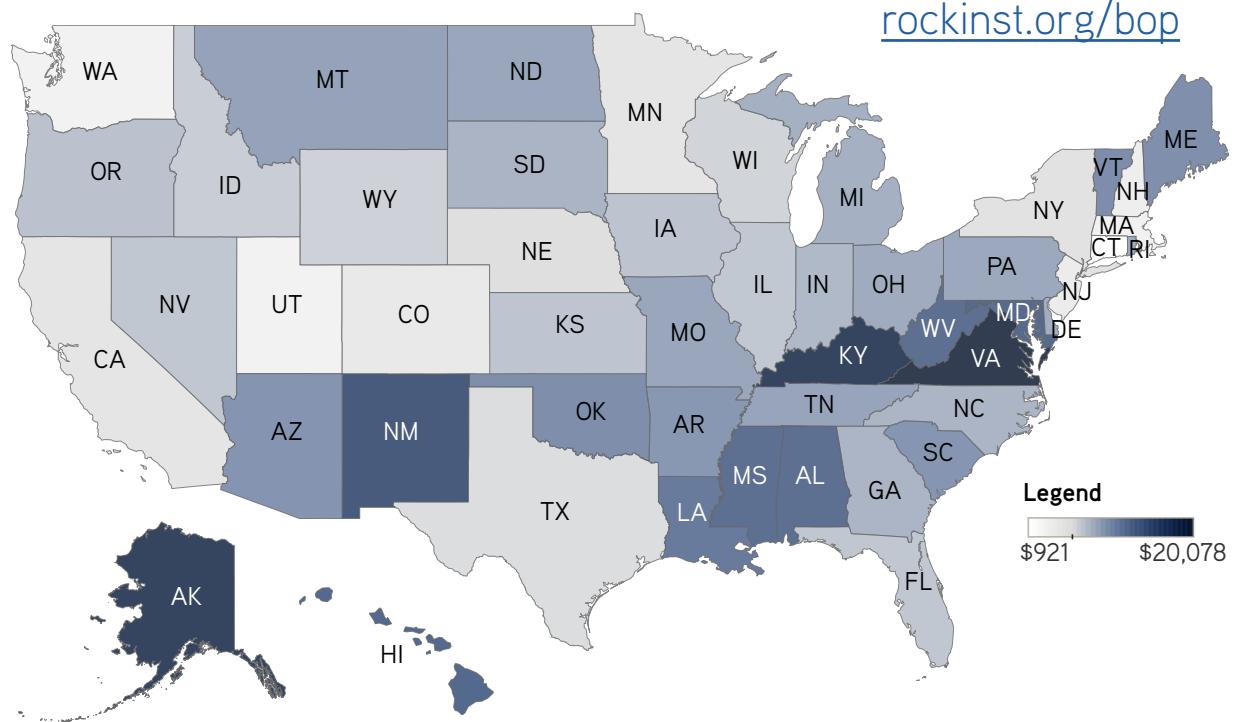
The Balance of Payments across the States

The annual balance of payments in any given state is influenced by several factors. A state that has a disproportionately large percentage of high-income earners (such as New York) will inherently pay more in Federal personal income taxes. The receipts side of the balance of payments equation could potentially be offset by higher Federal government spending. This is the case in Virginia, a relatively high-income state but one with disproportionately high-spending on Federal employees, DC-area agencies, and government contractors. Other states, such as New Mexico, have lower-income levels but high levels of Federal spending due to large government and military facilities in the region. Structural issues such as these that are not subject to dramatic annual shifts serve to keep a state relatively consistent from year to year in its national ranking in a balance of payments analysis. Meanwhile, other factors, such as the timing of Federal expenditures for large initiatives, may be large enough to impact a state's ranking for a given year even though it is transitory in nature.

Every state had a net positive dollar balance of payments position with the Federal government for both 2020 and 2021, each having received more in Federal spending than it remitted in Federal taxes and other Federal revenues. This compares with 41 such states in 2019, when New York was one of only nine states that had a negative balance of payments. However, the impact of the historic Federal response to the pandemic, resulting in a budgetary deficit of unprecedented size, cannot be overstated. [Figure 3A](#) maps the FFY 2021 balance of payments positions for each of the 50 states based on total Federal spending (see [Tables 3](#) and [4](#) for state-by-state details). [Figure 3B](#) presents a similar mapping based on Federal spending without the emergency COVID-19 spending programs. We estimate that eight states would have negative balance of payments in 2021 were it not for these programs, including New York. Thus, New York's favorable BOP position is likely to be only temporary.

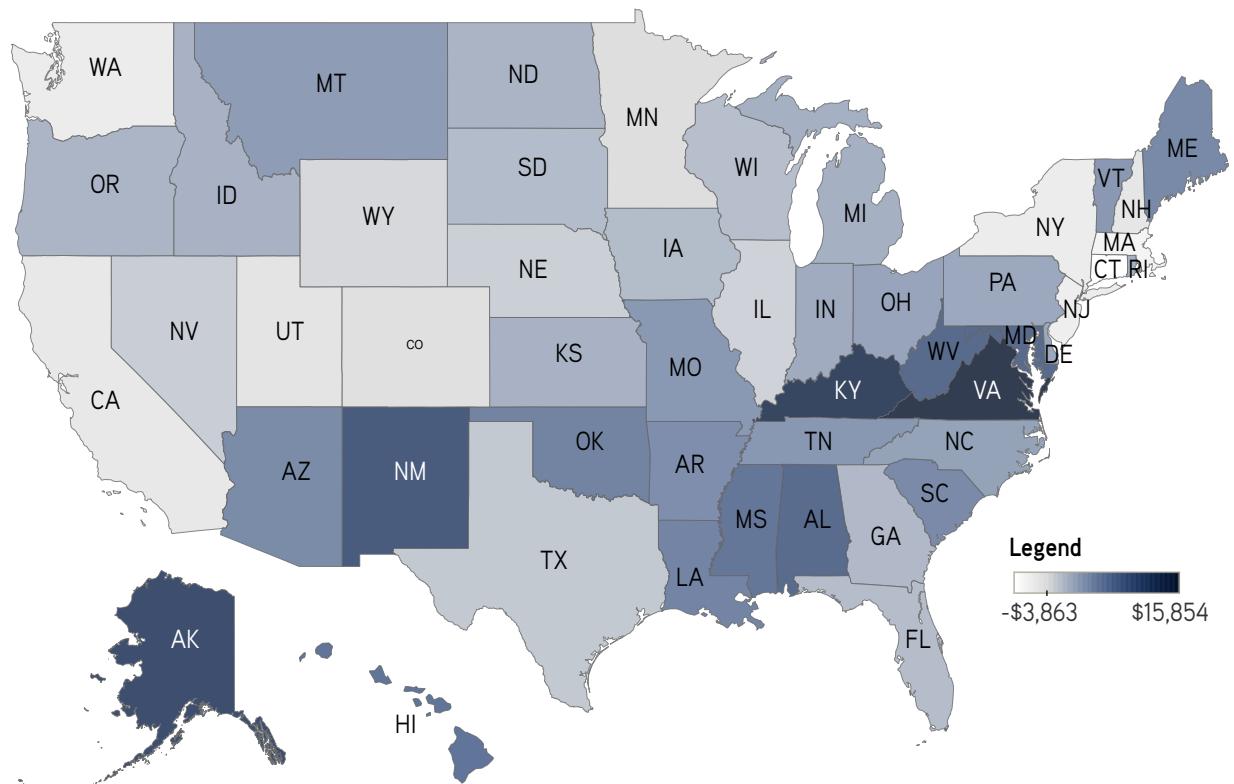
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with our interactive
dashboard at
rockinst.org/bop

FIGURE 3A. Per Capita Balance of Payments, FFY 2021



SOURCE: Rockefeller Institute of Government.

FIGURE 3B. Per Capita Balance of Payments, FFY 2021, Excluding COVID-19 Spending



SOURCE: Rockefeller Institute of Government.

TABLE 3. Estimated Distribution of Federal Receipts and Expenditures by State, FFY 2021
(millions of dollars)

State	Receipts	Expenditures	Balance of Payments	Expenditures per Dollar of Receipts	Rank 2019	Rank 2020
California	\$562,931	\$764,712	\$201,781	\$1.36	47	1
Texas	\$308,676	\$492,529	\$183,854	\$1.60	14	2
Virginia	\$107,513	\$281,335	\$173,822	\$2.62	1	3
Florida	\$263,172	\$426,072	\$162,900	\$1.62	3	4
Pennsylvania	\$142,980	\$265,148	\$122,168	\$1.85	6	6
New York	\$294,728	\$409,948	\$115,220	\$1.39	50	5
Ohio	\$107,695	\$215,937	\$108,241	\$2.01	5	7
Illinois	\$151,833	\$245,613	\$93,780	\$1.62	38	13
Georgia	\$101,938	\$194,152	\$92,214	\$1.90	15	12
North Carolina	\$98,911	\$189,170	\$90,259	\$1.91	8	10
Michigan	\$96,159	\$185,254	\$89,095	\$1.93	9	8
Maryland	\$82,444	\$170,453	\$88,009	\$2.07	4	9
Kentucky	\$35,048	\$119,512	\$84,465	\$3.41	2	14
Arizona	\$70,022	\$148,291	\$78,269	\$2.12	11	11
Alabama	\$38,967	\$107,980	\$69,014	\$2.77	7	16
Tennessee	\$65,428	\$132,665	\$67,237	\$2.03	10	15
Missouri	\$56,742	\$115,794	\$59,052	\$2.04	12	17
Louisiana	\$34,751	\$93,713	\$58,963	\$2.70	16	19
Indiana	\$60,146	\$117,064	\$56,919	\$1.95	19	18
South Carolina	\$44,497	\$100,065	\$55,568	\$2.25	13	20
Oklahoma	\$31,478	\$76,233	\$44,755	\$2.42	18	23
Mississippi	\$19,327	\$59,503	\$40,176	\$3.08	17	25
Wisconsin	\$60,003	\$99,320	\$39,317	\$1.66	24	24
New Jersey	\$139,131	\$175,512	\$36,380	\$1.26	49	22
New Mexico	\$15,566	\$48,950	\$33,384	\$3.14	20	31
Oregon	\$44,931	\$77,852	\$32,921	\$1.73	23	27
Arkansas	\$23,293	\$55,180	\$31,887	\$2.37	21	30
Minnesota	\$68,785	\$98,559	\$29,774	\$1.43	44	28
Colorado	\$75,668	\$102,470	\$26,802	\$1.35	43	29
Iowa	\$30,077	\$54,486	\$24,409	\$1.81	30	34
West Virginia	\$12,175	\$36,557	\$24,382	\$3.00	22	33
Washington	\$114,355	\$138,357	\$24,002	\$1.21	45	26
Nevada	\$34,733	\$58,135	\$23,402	\$1.67	36	32
Kansas	\$29,551	\$51,728	\$22,177	\$1.75	27	35
Massachusetts	\$118,443	\$140,478	\$22,035	\$1.19	48	21
Hawaii	\$14,236	\$32,827	\$18,590	\$2.31	26	36
Maine	\$12,827	\$28,159	\$15,332	\$2.20	25	37
Alaska	\$7,772	\$21,298	\$13,526	\$2.74	28	41
Idaho	\$17,280	\$30,662	\$13,382	\$1.77	29	38
Nebraska	\$20,773	\$32,684	\$11,910	\$1.57	37	42
Montana	\$10,783	\$21,618	\$10,835	\$2.00	31	44
Utah	\$33,657	\$43,925	\$10,268	\$1.31	42	40
Rhode Island	\$12,132	\$22,304	\$10,171	\$1.84	34	43
Delaware	\$11,001	\$20,106	\$9,104	\$1.83	32	45
South Dakota	\$9,789	\$17,536	\$7,748	\$1.79	33	48
North Dakota	\$8,589	\$16,036	\$7,446	\$1.87	39	49
Vermont	\$6,593	\$13,880	\$7,286	\$2.11	35	47
New Hampshire	\$19,583	\$24,543	\$4,960	\$1.25	41	46
Wyoming	\$8,264	\$12,225	\$3,961	\$1.48	40	50
Connecticut	\$62,296	\$65,631	\$3,335	\$1.05	46	39

SOURCE: Rockefeller Institute of Government analysis of data from the *Budget of the U.S. Government Fiscal Year 2023*, from federal agencies, and other sources. See methodology appendix for details.

TABLE 4. Estimated Per Capita Distribution of Federal Receipts and Expenditures by State, FFY 2021
(dollars per capita)

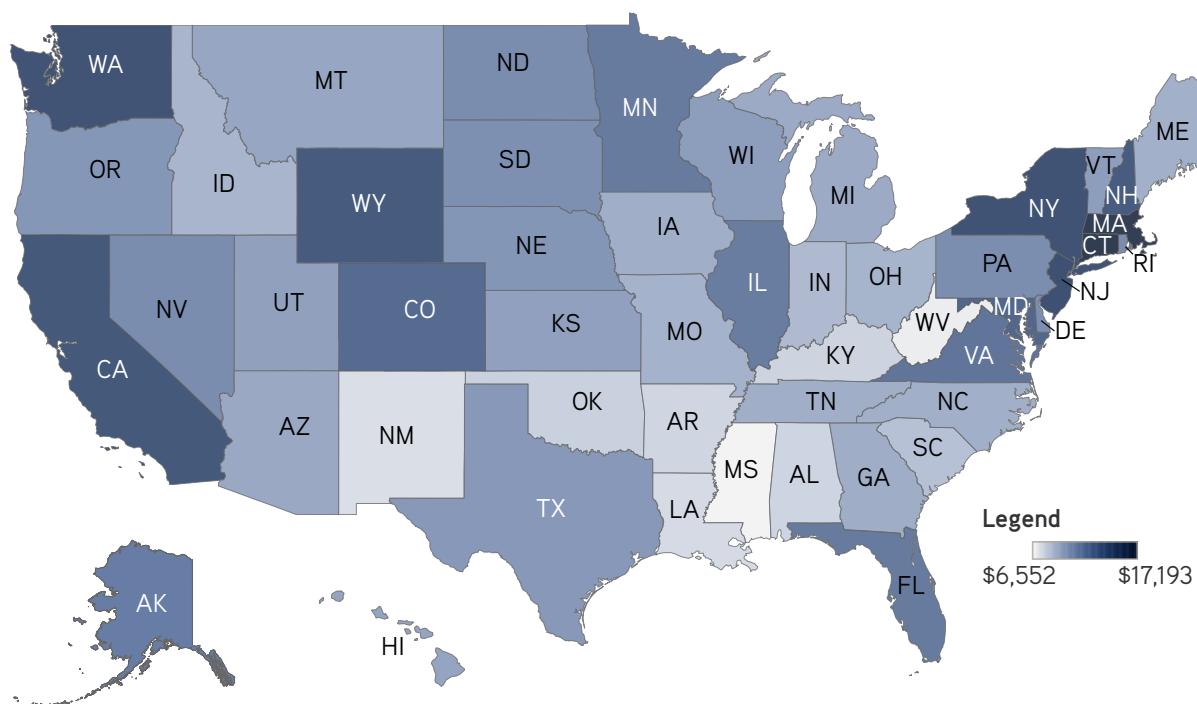
State	Receipts	Expenditures	Balance of Payments	Expenditures per Dollar of Receipts	Rank 2019	Rank 2020
Virginia	\$12,419	\$32,497	\$20,078	\$2.62	2	1
Kentucky	\$7,777	\$26,519	\$18,743	\$3.41	1	3
Alaska	\$10,586	\$29,009	\$18,423	\$2.74	3	2
New Mexico	\$7,354	\$23,126	\$15,772	\$3.14	4	5
Maryland	\$13,352	\$27,605	\$14,253	\$2.07	8	4
Alabama	\$7,716	\$21,383	\$13,666	\$2.77	7	11
West Virginia	\$6,819	\$20,474	\$13,655	\$3.00	5	6
Mississippi	\$6,552	\$20,173	\$13,621	\$3.08	6	10
Hawaii	\$9,838	\$22,684	\$12,846	\$2.31	10	8
Louisiana	\$7,510	\$20,253	\$12,743	\$2.70	14	13
Vermont	\$10,191	\$21,453	\$11,262	\$2.11	21	7
Oklahoma	\$7,887	\$19,100	\$11,213	\$2.42	12	17
Maine	\$9,314	\$20,446	\$11,132	\$2.20	9	9
Arizona	\$9,638	\$20,412	\$10,774	\$2.12	20	12
South Carolina	\$8,568	\$19,268	\$10,700	\$2.25	13	18
Arkansas	\$7,692	\$18,223	\$10,530	\$2.37	11	19
Montana	\$9,747	\$19,542	\$9,794	\$2.00	17	16
Tennessee	\$9,389	\$19,038	\$9,649	\$2.03	16	26
North Dakota	\$11,041	\$20,613	\$9,572	\$1.87	35	21
Missouri	\$9,197	\$18,768	\$9,571	\$2.04	15	23
Pennsylvania	\$10,988	\$20,377	\$9,389	\$1.85	24	20
Rhode Island	\$11,060	\$20,332	\$9,272	\$1.84	31	15
Ohio	\$9,154	\$18,355	\$9,201	\$2.01	19	25
Delaware	\$10,949	\$20,010	\$9,061	\$1.83	18	14
Michigan	\$9,580	\$18,456	\$8,876	\$1.93	27	22
South Dakota	\$10,923	\$19,568	\$8,645	\$1.79	26	24
Georgia	\$9,449	\$17,997	\$8,548	\$1.90	32	34
North Carolina	\$9,361	\$17,904	\$8,543	\$1.91	22	28
Indiana	\$8,827	\$17,181	\$8,354	\$1.95	25	30
Oregon	\$10,556	\$18,291	\$7,735	\$1.73	29	29
Iowa	\$9,406	\$17,039	\$7,633	\$1.81	33	36
Kansas	\$10,059	\$17,607	\$7,548	\$1.75	28	32
Florida	\$12,057	\$19,519	\$7,463	\$1.62	30	37
Nevada	\$11,039	\$18,477	\$7,438	\$1.67	39	33
Illinois	\$11,968	\$19,360	\$7,392	\$1.62	40	42
Idaho	\$9,074	\$16,101	\$7,027	\$1.77	23	31
Wyoming	\$14,260	\$21,096	\$6,836	\$1.48	34	27
Wisconsin	\$10,204	\$16,891	\$6,686	\$1.66	36	38
Texas	\$10,443	\$16,663	\$6,220	\$1.60	38	43
Nebraska	\$10,579	\$16,645	\$6,066	\$1.57	37	41
New York	\$14,842	\$20,644	\$5,802	\$1.39	47	39
Minnesota	\$12,043	\$17,256	\$5,213	\$1.43	45	45
California	\$14,381	\$19,536	\$5,155	\$1.36	43	44
Colorado	\$13,021	\$17,633	\$4,612	\$1.35	44	46
New Jersey	\$15,012	\$18,937	\$3,925	\$1.26	48	47
New Hampshire	\$14,113	\$17,688	\$3,575	\$1.25	41	40
Massachusetts	\$16,945	\$20,098	\$3,153	\$1.19	49	35
Washington	\$14,773	\$17,874	\$3,101	\$1.21	46	48
Utah	\$10,080	\$13,155	\$3,075	\$1.31	42	49
Connecticut	\$17,193	\$18,113	\$921	\$1.05	50	50

SOURCE: Rockefeller Institute of Government analysis of data from the *Budget of the U.S. Government Fiscal Year 2023*, from federal agencies, and other sources. See methodology appendix for details.

Receipts

On one side of the balance of payments calculation is the amount a state pays in taxes to the Federal government. [Figure 4](#) shows payment of Federal taxes and receipts per person by state for FFY 2021. The darker states have the highest Federal tax payments and the lighter states have the lowest payments. States paying the highest Federal taxes per capita tend to have high per capita incomes. New York is among the darker groups, ranking fourth highest in per capita receipts, behind only Connecticut, Massachusetts, and New Jersey.

FIGURE 4. Per Capita Federal Receipts, FFY 2021

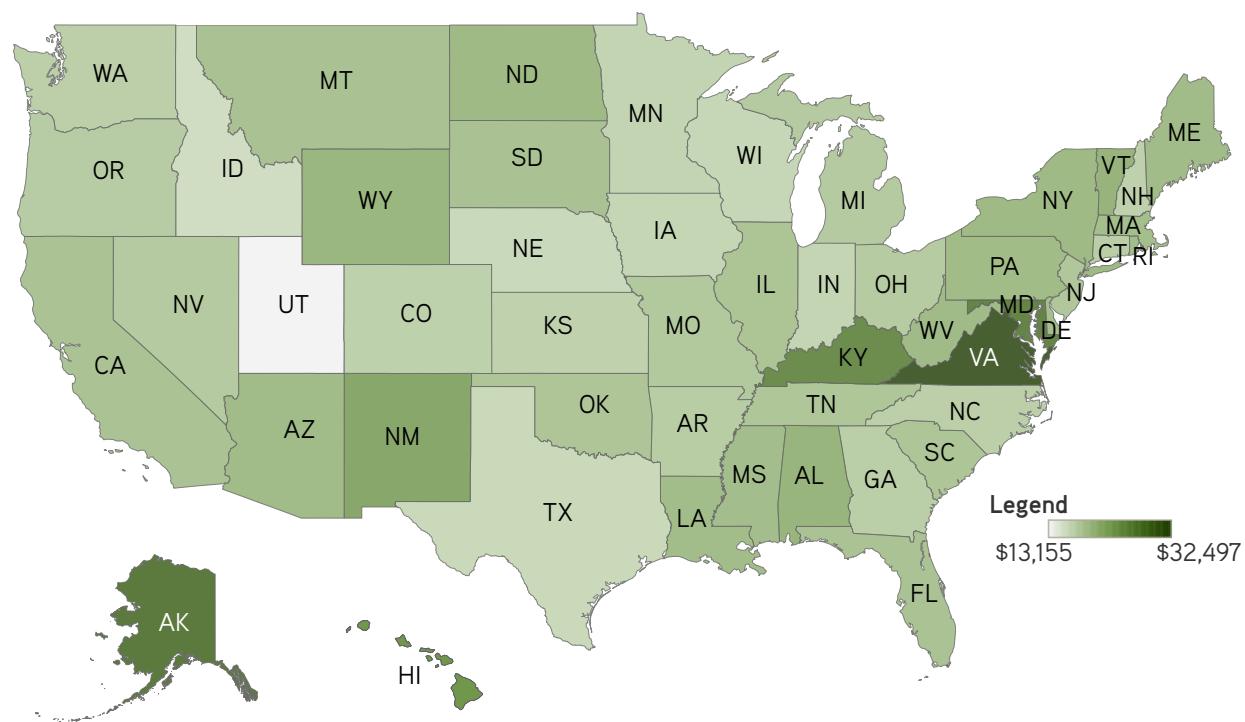


SOURCE: Rockefeller Institute of Government.

Expenditures

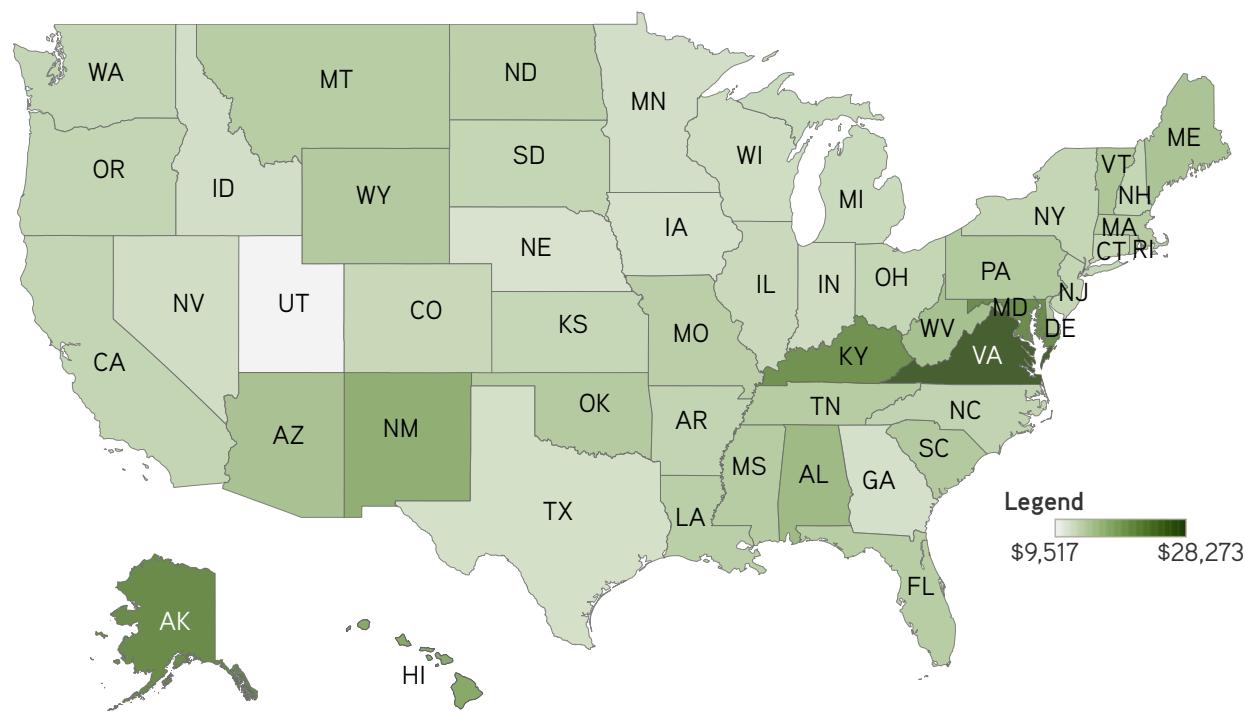
The other side of the balance of payments equation is Federal spending. [Figure 5](#) shows Federal expenditures per capita by state for FFY 2021. The darker green states have the highest Federal spending per capita. Virginia and Maryland are adjacent to the District of Columbia and have disproportionately large amounts of Federal wages and procurement spending. Kentucky benefits from federal contracts. Other dark-shaded states have relatively high poverty rates and receive considerable Federal spending under Medicaid and other social welfare programs. In a more typical year, New York would be slightly below the US average, but with the composition of pandemic relief program spending heavily weighted toward direct payments to individuals and grants to state and local governments, New York is \$918 above the national average for 2020 and \$1,126 above for 2021.

FIGURE 5A. Per Capita Federal Expenditures, FFY 2021



SOURCE: Rockefeller Institute of Government.

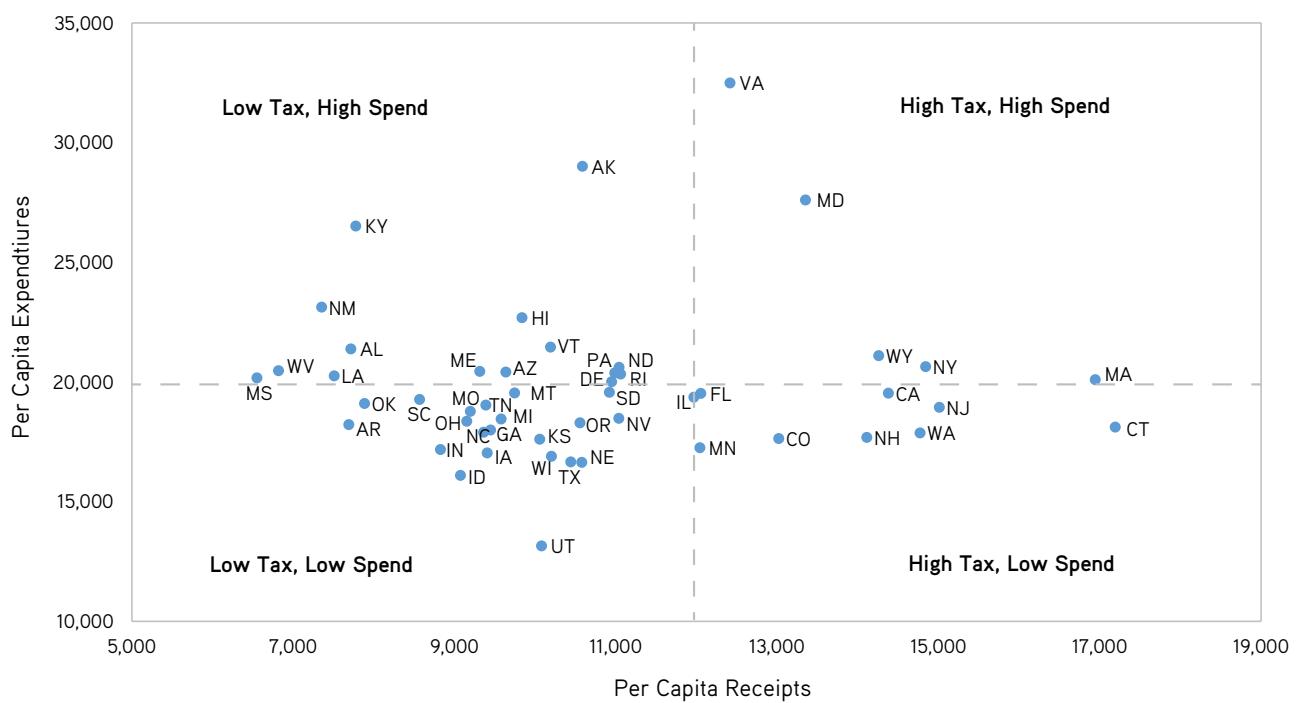
FIGURE 5B. Per Capita Federal Expenditures, FFY 2021, Excluding COVID-19 Spending



SOURCE: Rockefeller Institute of Government.

[Figure 6](#) shows each state's position relative to other states for per capita expenditures and receipts combined. The dashed lines indicate the national average for FFY 2021. As illustrated, New York's per capita revenue contribution is substantially higher than the US average, while Federal spending is only slightly above. Other states are high or low for various reasons: the outliers, Maryland and Virginia, for example, both have dramatically higher Federal spending per capita than the average state, as they are near the physical headquarters for most of the Federal government and receive disproportionately large amounts of Federal spending for procurement and Federal wages, in addition to contributing above average per capita receipts due to their relatively high average incomes. Kentucky also benefits from disproportionately high procurement spending but as a low-income state contributes below average per capita receipts.

FIGURE 6. Federal Receipts and Expenditures Per Capita, FFY 2021



SOURCE: Rockefeller Institute of Government.

A Closer Look at the Top-Five and Bottom-Five States

[Table 5](#) shows the per capita balance of payments for the top-five and bottom-five states, and each state's difference from the United States average. It also includes each state's per capita expenditures and receipts, along with comparisons to the national average. For FFY 2021, Virginia's per capita balance of payments is again the most favorable in the country at \$20,078, or \$11,956 above the national average of \$8,122. Kentucky displaced Alaska for second place, with the latter dropping to third place. New Mexico and Maryland maintain their spots in the top five, but they swap their relative ranks. Once again, Connecticut has the least favorable BOP, which at \$921 is \$7,201 below the national average. New York, which had ranked among the bottom five for 2019, ranks 41st for 2021.

TABLE 5. Per Capita Balance of Payments: Top-Five and Bottom-Five States, FFY 2021
(New York included for reference)

State	Total Balance of Payments		Total Expenditures		Total Receipts	
	Level	Difference from US	Level	Difference from US	Level	Difference from US
Virginia	\$20,078	\$11,956	\$32,497	\$12,978	\$12,419	\$1,021
Kentucky	\$18,743	\$10,621	\$26,519	\$7,001	\$7,777	(\$3,620)
Alaska	\$18,423	\$10,301	\$29,009	\$9,490	\$10,586	(\$811)
New Mexico	\$15,772	\$7,650	\$23,126	\$3,607	\$7,354	(\$4,043)
Maryland	\$14,253	\$6,132	\$27,605	\$8,087	\$13,352	\$1,955
United States	\$8,122	\$0	\$19,519	\$0	\$11,397	\$0
New York	\$5,802	(\$2,319)	\$20,644	\$1,126	\$14,842	\$3,445
New Hampshire	\$3,575	(\$4,547)	\$17,688	(\$1,831)	\$14,113	\$2,716
Massachusetts	\$3,153	(\$4,969)	\$20,098	\$579	\$16,945	\$5,548
Washington	\$3,101	(\$5,021)	\$17,874	(\$1,645)	\$14,773	\$3,376
Utah	\$3,075	(\$5,047)	\$13,155	(\$6,364)	\$10,080	(\$1,318)
Connecticut	\$921	(\$7,201)	\$18,113	(\$1,406)	\$17,193	\$5,796

NOTE: US data reflects the total that can be allocated among the 50 states.

SOURCE: Rockefeller Institute of Government.

All of the top five states benefited from larger-than-average levels of Federal spending. Kentucky, Alaska, and New Mexico also benefitted from lower-than-average tax burdens. For all of the bottom five states but Massachusetts, Federal spending was below the national average. For all but Utah, relatively low balance of payments were also driven by their significantly higher-than-average tax payments. The residents of Connecticut, Massachusetts, New Jersey, and New York made the largest per capita contributions to the Federal government in 2021, \$5,796, \$5,548, \$3,615, and \$3,445 above the national average, respectively (see [Table 7](#)). New York per capita tax payments regained fourth place in 2021, after falling to fifth place in 2020, a reflection of the impact of the pandemic on New Yorkers' incomes all across the earnings spectrum.

Expenditures

Traditionally, the four major categories of Federal spending examined and used in the balance of payments calculations have been direct payments for individuals through programs such as Social Security and Medicare, Federal grants to state and local governments, contracts and other forms of Federal procurement, and the wages of Federal workers. But for both FFY 2020 and FFY 2021, the COVID-19 emergency spending programs accounted for a large portion of expenditures. Because of their size and temporary nature, they are tracked here separately. As discussed above, these programs are largely comprised of direct payments to individuals and grants to both public and private entities.

Over the five fiscal years that preceded the pandemic, FFY 2015 through FFY 2019, direct payments for individuals averaged 62.4 percent of total Federal expenditures. As a result, this one category has the potential for the greatest influence on the expenditure side of the balance of payments calculation. Social Security and Medicare constituted 76.0 percent of direct payments, with spending under these programs closely linked to the size of states' elderly populations. The demographic composition of states tends to be stable, insulating direct payments from substantial annual flux. Variability in the three other expenditure categories—grants, contracts, and wages—particularly across states, can have a significant impact on determining which states have the highest and lowest total per capita expenditures.

Grants to state and local governments are the second largest category of Federal expenditures next to direct payments, representing 17.8 percent of total spending over the five fiscal years preceding 2020. The largest component of this category is the Medicaid program. Other significant components include Federal highway spending, safety net programs such as Temporary Assistance for Needy Families, and Federal education grants. The decision to participate—or not—in Medicaid expansion under the Affordable Care Act (ACA) program appears to have had a significant impact on the variability of per capita Federal spending in this category across states.

The final two expenditure categories, contracts and wages, show significant variation by state and are an important factor in determining which states end up with the highest or lowest per capita spending totals. For example, Virginia, Kentucky, and Maryland had the first, second, and third highest levels of per capita contract spending. Proximity to Washington also contributes to the high concentration of Federal employees in Maryland and Virginia. Hawaii and Alaska, with large military and Federal research installations, also had high per capita Federal wage totals.

[Table 6](#) shows per capita Federal expenditures by major category for the states with the highest and lowest per capita expenditures for FFY 2021. Virginia, Alaska, Maryland, and Kentucky continue to dominate the top four spots as they did in FFY 2020, when Alaska supplanted Kentucky for second place. New Mexico nudged Vermont out of fifth place for FFY 2021. New York ranks 10th in per capita expenditures for FFY 2021, up from 18th for the prior year.

TABLE 6. Per Capita Expenditures: Top-Five and Bottom-Five States, FFY 2021

(New York included for reference)

Total Spending			Direct Payments		Grants		Contracts		Wages		COVID-19	
State	Level	Difference from US	Level	Difference from US	Level	Difference from US	Level	Difference from US	Level	Difference from US	Level	Difference from US
Virginia	\$32,497	\$12,978	\$9,477	\$912	\$2,134	(\$492)	\$13,604	\$11,508	\$3,058	\$2,132	\$4,224	(\$1,082)
Alaska	\$29,009	\$9,490	\$7,678	(\$888)	\$5,286	\$2,660	\$5,974	\$3,877	\$3,903	\$2,978	\$6,168	\$862
Maryland	\$27,605	\$8,087	\$9,182	\$616	\$2,484	(\$142)	\$7,374	\$5,278	\$3,462	\$2,536	\$5,104	(\$202)
Kentucky	\$26,519	\$7,001	\$9,223	\$658	\$3,929	\$1,303	\$7,670	\$5,573	\$1,089	\$164	\$4,609	(\$697)
New Mexico	\$23,126	\$3,607	\$9,240	\$674	\$4,809	\$2,183	\$2,671	\$575	\$1,514	\$588	\$4,892	(\$414)
New York	\$20,644	\$1,126	\$8,098	(\$468)	\$3,804	\$1,178	\$1,034	(\$1,062)	\$387	(\$538)	\$7,321	\$2,015
United States	\$19,519	\$0	\$8,566	\$0	\$2,626	\$0	\$2,096	\$0	\$925	\$0	\$5,306	\$0
Wisconsin	\$16,891	(\$2,628)	\$8,626	\$60	\$2,150	(\$476)	\$1,303	(\$793)	\$340	(\$585)	\$4,471	(\$834)
Texas	\$16,663	(\$228)	\$7,362	(\$1,264)	\$2,012	(\$138)	\$1,855	\$552	\$752	\$412	\$4,682	\$210
Nebraska	\$16,645	(\$18)	\$8,096	\$734	\$2,150	\$138	\$593	(\$1,262)	\$837	\$85	\$4,969	\$287
Idaho	\$16,101	(\$544)	\$7,844	(\$252)	\$2,208	\$57	\$1,439	\$846	\$649	(\$188)	\$3,962	(\$1,007)
Utah	\$13,155	(\$6,364)	\$6,033	(\$2,533)	\$1,714	(\$912)	\$752	(\$1,344)	\$1,018	\$93	\$3,638	(\$1,668)

NOTE: US total reflects the amount that can be allocated among the 50 states.

SOURCE: Rockefeller Institute of Government.

In FFY 2021, COVID-19 spending represented 27 percent of total allocable Federal expenditures. Composed almost entirely of direct payments and grants, these programs brought the sum of those two categories of spending up to 84.5 percent of total allocable spending for 2021, up from an average of 80.2 percent over the five fiscal years preceding the pandemic. New York saw the highest per capita COVID-19 spending in 2021 accounting for over a third of the \$20,644 in expenditures it received per capita. Three relatively low-population states—North Dakota, Wyoming, and Nevada—and Illinois round out the top five.

Receipts

Table 7 shows per capita Federal receipts in 2021 by major category for the states with the five highest and five lowest per capita receipts.

Individual income taxes are the largest source of receipts paid to the Federal government. Over the five fiscal years preceding 2020, these taxes accounted for an average of 51.1 percent of total Federal revenues. A state's individual income tax obligation has the greatest impact in determining whether it has relatively high or low per capita receipts. However, individual income tax receipts are highly cyclical in nature, its variability is even further exacerbated by the tax's progressive structure. As a result, the share of these taxes as a percentage of total per capita receipts fell 2.2 percentage points to 49.7 percent in 2020 from the prior year as the pandemic ravaged the national labor market but rose to 53.3 percent in 2021. This volatility reflects the remarkable rebound in wages that was taking place, particularly among high-wage workers: income tax receipts grew by 27.1 percent between 2020 and 2021.

TABLE 7. Per Capita Receipts: Top-Five and Bottom-Five States, FFY 2021

State	Total Receipts		Individual Income Taxes		Payroll Taxes		Corporate Income Taxes		Excise and Other Taxes	
	Difference Level	Difference from US	Difference Level	Difference from US	Difference Level	Difference from US	Difference Level	Difference from US	Difference Level	Difference from US
Connecticut	\$17,193	\$5,796	\$10,332	\$4,256	\$4,982	\$1,073	\$1,514	\$406	\$365	\$60
Massachusetts	\$16,945	\$5,548	\$10,048	\$3,972	\$5,098	\$1,189	\$1,493	\$386	\$307	\$2
New Jersey	\$15,012	\$3,615	\$8,377	\$2,301	\$5,061	\$1,152	\$1,251	\$143	\$324	\$19
New York	\$14,842	\$3,445	\$8,585	\$2,510	\$4,495	\$586	\$1,403	\$295	\$359	\$54
Washington	\$14,773	\$3,376	\$8,319	\$2,243	\$4,910	\$1,001	\$1,303	\$195	\$241	(\$64)
United States	\$11,397	\$0	\$6,076	\$0	\$3,909	\$0	\$1,108	\$0	\$305	\$0
Arkansas	\$7,692	(\$3,705)	\$3,573	(\$2,502)	\$2,947	(\$962)	\$852	(\$256)	\$320	\$15
Louisiana	\$7,510	(\$3,887)	\$3,394	(\$2,681)	\$2,949	(\$960)	\$882	(\$226)	\$284	(\$21)
New Mexico	\$7,354	(\$4,043)	\$3,377	(\$2,698)	\$2,880	(\$1,029)	\$760	(\$348)	\$338	\$33
West Virginia	\$6,819	(\$4,579)	\$2,822	(\$3,254)	\$3,081	(\$828)	\$646	(\$461)	\$270	(\$35)
Mississippi	\$6,552	(\$4,845)	\$2,641	(\$3,435)	\$2,880	(\$1,029)	\$662	(\$445)	\$369	\$64

NOTE: US total reflects the amount that can be allocated among the 50 states.

SOURCE: Rockefeller Institute of Government.

Payroll taxes are the next largest source of Federal revenues, accounting for an average of 36.5 percent of total Federal revenues over the 2015 to 2019 period. With virtually flat job growth in FFY 2021 on an annual average basis, payroll tax growth was also flat, increasing by only 0.3 percent. Together these two categories accounted for 87.6 percent of the Federal per capita receipts in 2021. Corporate income, excise, and other taxes accounted for the remaining 12.4 percent of the US total and thus do not greatly affect a state's balance of payments.⁴

From FFY 2015 through FFY 2019, New York's individual income taxes accounted for an average of 56.7 percent of the total per capita payments to the Federal government, 5.6 percentage points above the national average. But as the early epicenter of the COVID-19 pandemic, New York faced a higher rate of job loss and higher rates of unemployment that persisted for a longer period than the nation. In 2020, New York's per capita individual income tax share fell 2.2 percentage points from the prior year to 54.9 percent, with the state's income taxes falling 12.4 percent in the wake of the pandemic on a per capita basis.

While payroll tax receipts grew at a rate of 5.4 percent nationally between 2019 and 2020, New York's expanded at the much slower pace of 0.8 percent. In total, New York's per capita contribution to Federal receipts rose 22.2 percent in 2021, 3.9 percentage points greater than the national average increase, after falling 8.9 percent in 2020, almost three times the national average decline for that year. Consequently, the state's per capita contribution ranking "improved" from fifth for 2020 to fourth for 2021, though that improvement contributed to a deterioration in the state's net per capita payments position from 39 in 2020 to 41 in 2021.

New York's Balance of Payments: Emerging Trends

This report provides seven years of estimates for New York's balance of payments for Federal fiscal years 2015 through 2021 ([Tables 12A](#) and [12B](#)).⁵ New York's position as last in the country in terms of total balance of payments remained unchanged for the first five years, and for each of those years New York's negative balance of payments is almost equal to the sum of the next two (48th and 49th) lowest ranked states. Over the five Federal fiscal years prior to FFY 2020, New York taxpayers gave \$166.2 billion more to the Federal government than they received in Federal spending, the most of any state. Unfortunately, it took a pandemic of epic proportions to at least temporarily reverse this trend.

The Break from the Past Continues into FFY 2021

The COVID-19 pandemic—and the nature of the Federal response to it—engendered an extraordinary transformation in New York's net balance of payments position for both FFY 2020 and FFY 2021. By concentrating an unprecedented volume of relief funding in the form of direct payments to individuals and grants to state and local governments, New York received an amount of aid more commensurate with its level of need and the size of its population than in the past. As a result, the state's net balance of payments position was positive for the first time in the history of this analysis and ranked New York fifth in the nation in 2020 and sixth in 2021.

[Table 8](#) shows the balance of payments, receipts, and expenditures for the most recent five years for which data are available with a focus on New York. New York's per capita Federal tax burden took a precipitous \$1,188 drop in 2020 due to the shock to the state economy caused by the pandemic, but grew by \$2,694 in 2021, the largest year-over-year increase in the history of this analysis. On a national average basis, the Federal government per capita collections from the states fell \$309 in 2020, illustrating the disproportionately large hit to New York, but grew \$1,764 in 2021, about 65 percent of the New York increase. In 2020, New York's excess burden, the difference between New York's per capita balance of payments and the national average, fell to \$1,597 from \$3,514 in the prior year. But in FFY 2021, that measure deteriorated to \$2,319, based on preliminary data, likely presaging future trends.

Four major pieces of legislation were passed by Congress and signed into law during FFY 2020 authorizing pandemic relief spending of up to \$2.273 trillion: the Coronavirus Preparedness and Response Supplemental Appropriations Act (\$8 billion), the Families First Coronavirus Response Act (\$22 billion), Coronavirus Aid, Relief, and Economic Security Act (CARES) (\$1,760 billion), and the Paycheck Protection Program and Health Care Enhancement Act (\$483 billion), while in FFY 2021 the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) authorized the spending of approximately \$991 billion and the American Rescue Plan Act of 2021 an additional \$1,962 billion. The Rockefeller Institute estimates that these authorizations resulted in approximately \$1.5 trillion being disbursed before the end of the 2020 Federal fiscal year and another \$1.8 trillion during 2021.

TABLE 8. New York's Balance of Payments, FFY 2017–21

	2017 (Revised)	2018 (Revised)	2019 (Revised)	2020 (Revised)	2021 (Preliminary)	Five-Year Total	Five-Year Average
Total (\$ millions)							
New York							
Receipts	\$253,572	\$258,906	\$259,568	\$244,285	\$294,728	\$1,311,060	\$262,212
Expenditures	\$220,926	\$224,523	\$238,864	\$390,189	\$409,948	\$1,484,449	\$296,890
Balance of Payments	(\$32,646)	(\$34,384)	(\$20,705)	\$145,904	\$115,220	\$173,389	\$34,678
United States (Average of the States)							
Receipts	\$62,851	\$63,324	\$65,919	\$64,503	\$76,429	\$333,025	\$66,605
Expenditures	\$75,312	\$76,747	\$82,162	\$123,783	\$130,892	\$488,896	\$97,779
Balance of Payments	\$12,462	\$13,423	\$16,243	\$59,280	\$54,463	\$155,871	\$31,174
Per Capita (\$)							
New York							
Receipts	\$12,941	\$13,247	\$13,336	\$12,148	\$14,842	\$66,516	\$13,303
Expenditures	\$11,275	\$11,488	\$12,273	\$19,404	\$20,644	\$75,085	\$15,017
Balance of Payments	(\$1,666)	(\$1,759)	(\$1,064)	\$7,256	\$5,802	\$8,569	\$1,714
United States							
Receipts	\$9,568	\$9,594	\$9,942	\$9,633	\$11,397	\$50,134	\$10,027
Expenditures	\$11,465	\$11,627	\$12,392	\$18,486	\$19,519	\$73,489	\$14,698
Balance of Payments	\$1,897	\$2,034	\$2,450	\$8,853	\$8,122	\$23,355	\$4,671
New York's Excess Burden	(\$3,563)	(\$3,793)	(\$3,514)	(\$1,597)	(\$2,319)	(\$14,786)	(\$2,957)

NOTE: US total reflects the amount that can be allocated among the 50 states.

SOURCE: Rockefeller Institute of Government analysis of data from the *Budget of the U.S. Government, Fiscal Year 2023*, from Federal agencies, and other sources. See methodology appendix for details.

As a result of the disproportionate impact of the pandemic on the state economy, New York received 6.3 percent of Federal expenditures in both 2020 and 2021, substantially up from 5.8 percent for 2019. The lingering impact of the pandemic on the state labor market is most emphatically reflected in New York's share of Federal unemployment insurance programs, which jumped from 7.4 percent in 2019 to 10.2 percent in 2020 and to 13.8 percent in 2021. Of the funding authorized by the six COVID-19 emergency spending bills and disbursed, New York is estimated to have received 7.8 percent in 2020 and 8.2 percent in 2021.

Tables 9A and 9B below shows how Federal COVID-19 emergency spending is estimated to have affected New York's balance of payments, both in total dollars and dollars per capita, as well as the state's ranking among the 50 states. These data show that without the additional Federal emergency COVID-19 spending, New York would have reassumed its pre-pandemic status as a net donor state, with its net BOP position falling to negative \$30.2 billion, the state's rank deteriorating from six (including COVID-19 spending) to 49 (without). On a per capita basis, New York's net BOP position would have fallen to negative \$1,519 in the absence of Federal emergency COVID-19 spending, while the state's rank would have been a more familiar 46, merely one rung above the state's 2019 rank of 47.

TABLE 9A. FFY 2021 Total Balance of Payments with and without Federal Emergency COVID-19 Relief Spending

	Including COVID-19	Excluding COVID-19	COVID-19 Impact
Total (\$ millions)			
United States			
Receipts	\$3,821,444	\$3,821,444	\$0
Expenditures	\$6,544,582	\$4,765,534	\$1,779,048
Balance of Payments	\$2,723,137	\$944,090	\$1,779,048
New York			
Receipts	\$294,728	\$294,728	\$0
Expenditures	\$409,948	\$264,569	\$145,378
Balance of Payments	\$115,220	(\$30,159)	\$145,378
Rank Among 50 States			
New York			
Receipts	3	3	0
Expenditures	4	4	0
Balance of Payments	6	49	-43

SOURCE: Rockefeller Institute of Government.

TABLE 9B. FFY 2021 Per Capita Balance of Payments with and without Federal Emergency COVID-19 Relief Spending

	Including COVID-19	Excluding COVID-19	COVID-19 Impact
In Dollars			
United States			
Receipts	\$11,397	\$11,397	\$0
Expenditures	\$19,519	\$14,213	\$5,306
Balance of Payments	\$8,122	\$2,816	\$5,306
New York			
Receipts	\$14,842	\$14,842	\$0
Expenditures	\$20,644	\$13,323	\$7,321
Balance of Payments	\$5,802	(\$1,519)	\$7,321
Rank Among 50 States			
New York			
Receipts	4	4	0
Expenditures	10	32	-22
Balance of Payments	41	46	-5

SOURCE: Rockefeller Institute of Government.

[Table 10](#) lists per capita expenditures for the largest components of the 2021 Federal emergency COVID-19 spending programs. The Rockefeller Institute estimates that these programs represent over 95 percent of total 2021 pandemic-related expenditures. Spending largely took the form of direct grants to individuals, including economic impact payments, enhanced unemployment insurance benefits, the Payroll Protection Program, and the Economic Injury Disaster Loan program. With direct grants to individuals dominating Federal emergency COVID-19 spending, the dollar value of these benefits is highly correlated with state population. Indeed, net BOP positions for 2021 based on total Federal expenditures exhibit a correlation coefficient of 0.87 percent with state populations. When emergency COVID-19 spending is excluded from Federal expenditures that correlation falls to 0.03 percent.

TABLE 10. FFY 2021 Federal Emergency COVID-19 Spending Disproportionately Benefited New York

Program	US (Per Capita)	New York (Per Capita)	New York Difference from the US
Total	\$5,306	\$7,321	\$2,015
Business Loans			
Paycheck Protection Program	\$883	\$976	\$93
Economic Injury Disaster Loan Program	\$156	\$297	\$141
Other Direct Payments to Individuals			
Federal Pandemic Emergency Unemployment Compensation	\$755	\$1,850	\$1,095
Pandemic Unemployment Assistance	\$236	\$618	\$382
Coronavirus Payments and Credits—Economic Impact Payments	\$1,729	\$1,672	(\$57)
Advanced Child Tax Credit	\$138	\$125	(\$13)
SNAP Pandemic EBT	\$85	\$96	\$12
Grants			
State and Local Fiscal Recovery Fund	\$721	\$872	\$150
Provider Relief Fund	\$57	\$108	\$50
FEMA Disaster Relief Authorization	\$91	\$151	\$60
Emergency Rental Assistance	\$99	\$93	(\$6)
ARP Supplemental Public Transportation	\$34	\$127	\$93
ARP Airport Grants	\$16	\$9	-\$7
Education Funding			
Student Loan Deferrals	\$167	\$158	(\$9)
Education Stabilization Fund	\$138	\$169	\$31

SOURCE: Rockefeller Institute of Government.

[Table 11](#) highlights the relationship between the various components of Federal spending and state population. Direct payments to individuals and grants tend to be highly correlated with state populations, while contracts and wages much less so. These data shed light on the sources of New York's unfavorable per capita ranking prior to the pandemic. In FFY 2021, fully 84 percent of Federal expenditures were distributed on a per capita basis—funding put directly in the hands of individuals—compared to 80 percent in FFY 2019.

TABLE 11. COVID-19 Increased the Correlation Between Spending and Population

Expenditure Categories	FFY 2019		FFY 2020		FFY 2021	
	As a Share of Expenditures	Correlation with Population	As a Share of Expenditures	Correlation with Population	As a Share of Expenditures	Correlation with Population
Direct Payments	62.15%	0.98	47.27%	0.99	43.75%	0.99
Grants	17.32%	0.95	12.83%	0.95	13.59%	0.95
Contracts	13.81%	0.67	10.45%	0.62	10.89%	0.63
Wages	6.72%	0.77	4.67%	0.77	4.71%	0.76
COVID-19	—	—	24.78%	0.98	27.05%	0.98

SOURCE: Rockefeller Institute of Government.

[Tables 12A](#) and [12B](#) provide the balance of payments and per capita values for each state for the most recent seven years. As [Table 12A](#) shows, there were indeed no net donor states in either FFY 2020 or FFY 2021. On a dollar basis, New York's ranking improves from 50th in 2019 to fifth in 2020, falling to sixth in 2021. On a per capita basis, New York does not fare quite as well, its rank improving from 47th in 2019 to 39th in 2020 but falling to 41st in 2021.

TABLE 12A. Balance of Payments Over Time (\$ millions)

State	2015	2016	2017	2018	2019	2020	2021	Seven Year Total	Seven Year Average
Connecticut	(\$16,126)	(\$13,767)	(\$11,118)	(\$10,055)	(\$8,558)	\$15,041	\$3,335	(\$41,246)	(\$5,892)
New Jersey	(\$24,909)	(\$23,763)	(\$20,504)	(\$19,144)	(\$17,128)	\$48,449	\$36,380	(\$20,619)	(\$2,946)
Massachusetts	(\$19,040)	(\$16,995)	(\$16,848)	(\$15,480)	(\$14,870)	\$54,744	\$22,035	(\$6,455)	(\$922)
New Hampshire	(\$679)	(\$765)	(\$503)	\$137	\$199	\$9,658	\$4,960	\$13,008	\$1,858
Wyoming	\$186	\$1,068	\$862	\$1,008	\$978	\$5,581	\$3,961	\$13,644	\$1,949
North Dakota	(\$498)	\$430	\$640	\$824	\$1,133	\$8,017	\$7,446	\$17,992	\$2,570
Utah	(\$308)	(\$527)	\$372	\$58	(\$761)	\$14,097	\$10,268	\$23,199	\$3,314
South Dakota	\$671	\$1,199	\$1,759	\$2,169	\$2,654	\$8,851	\$7,748	\$25,051	\$3,579
Vermont	\$1,703	\$1,989	\$2,186	\$2,395	\$2,341	\$8,945	\$7,286	\$26,847	\$3,835
Nebraska	(\$1,312)	(\$466)	\$459	\$1,116	\$2,230	\$13,412	\$11,910	\$27,349	\$3,907
Washington	(\$4,656)	(\$6,377)	(\$4,794)	(\$7,071)	(\$4,856)	\$37,774	\$24,002	\$34,023	\$4,860
Rhode Island	\$2,138	\$2,174	\$2,577	\$2,791	\$2,602	\$12,487	\$10,171	\$34,939	\$4,991
Delaware	\$2,224	\$2,460	\$3,064	\$3,223	\$3,872	\$11,632	\$9,104	\$35,580	\$5,083
Montana	\$3,167	\$3,865	\$4,503	\$4,848	\$4,281	\$12,268	\$10,835	\$43,766	\$6,252
Colorado	(\$3,523)	(\$1,831)	(\$1,681)	(\$2,362)	(\$2,078)	\$34,343	\$26,802	\$49,670	\$7,096
Idaho	\$5,205	\$5,425	\$5,668	\$6,021	\$6,501	\$15,465	\$13,382	\$57,666	\$8,238
Alaska	\$5,049	\$5,362	\$6,517	\$6,888	\$6,850	\$13,607	\$13,526	\$57,799	\$8,257
Nevada	\$1,539	\$1,943	\$2,739	\$2,415	\$2,341	\$25,830	\$23,402	\$60,210	\$8,601
Maine	\$5,300	\$6,789	\$7,233	\$7,560	\$8,074	\$17,753	\$15,332	\$68,041	\$9,720
Iowa	\$2,529	\$3,631	\$3,806	\$5,207	\$6,449	\$24,577	\$24,409	\$70,608	\$10,087
Kansas	\$1,672	\$3,329	\$6,890	\$6,199	\$7,949	\$24,381	\$22,177	\$72,598	\$10,371
Hawaii	\$7,342	\$7,579	\$7,499	\$7,643	\$8,069	\$19,489	\$18,590	\$76,212	\$10,887
Minnesota	\$3,166	\$4,188	\$6,798	(\$221)	(\$2,292)	\$35,925	\$29,774	\$77,339	\$11,048
New York	(\$44,924)	(\$33,499)	(\$32,647)	(\$34,385)	(\$20,707)	\$145,904	\$115,220	\$94,962	\$13,566
Wisconsin	\$1,518	\$2,798	\$5,040	\$7,289	\$8,457	\$43,578	\$39,317	\$107,996	\$15,428
Oregon	\$8,328	\$7,726	\$9,193	\$9,329	\$10,910	\$36,926	\$32,921	\$115,333	\$16,476
West Virginia	\$12,069	\$13,106	\$13,881	\$13,688	\$14,869	\$25,723	\$24,382	\$117,718	\$16,817
Arkansas	\$13,387	\$14,193	\$14,308	\$15,090	\$16,988	\$32,093	\$31,887	\$137,945	\$19,706
New Mexico	\$17,176	\$17,984	\$17,760	\$19,404	\$18,839	\$31,912	\$33,384	\$156,460	\$22,351
Illinois	(\$14,375)	(\$6,126)	(\$1,359)	(\$485)	\$2,131	\$86,119	\$93,780	\$159,685	\$22,812
Oklahoma	\$12,880	\$16,743	\$17,508	\$18,110	\$22,118	\$44,119	\$44,755	\$176,233	\$25,176
Mississippi	\$18,552	\$18,352	\$20,921	\$20,794	\$23,794	\$38,126	\$40,176	\$180,715	\$25,816
Indiana	\$11,886	\$14,144	\$16,118	\$17,133	\$20,372	\$57,371	\$56,919	\$193,942	\$27,706
Louisiana	\$14,038	\$16,301	\$20,682	\$21,542	\$23,953	\$56,980	\$58,963	\$212,460	\$30,351
South Carolina	\$20,895	\$22,500	\$23,645	\$25,175	\$27,534	\$56,019	\$55,568	\$231,337	\$33,048
Missouri	\$20,497	\$23,365	\$24,606	\$26,119	\$27,781	\$61,668	\$59,052	\$243,088	\$34,727
Tennessee	\$20,276	\$20,546	\$23,161	\$26,462	\$29,242	\$67,070	\$67,237	\$253,994	\$36,285
Georgia	\$18,406	\$20,812	\$20,834	\$23,005	\$24,829	\$87,278	\$92,214	\$287,377	\$41,054
Arizona	\$21,113	\$25,277	\$29,975	\$29,765	\$27,905	\$88,266	\$78,269	\$300,570	\$42,939
Alabama	\$30,072	\$32,781	\$33,004	\$37,025	\$38,352	\$62,071	\$69,014	\$302,319	\$43,188
Michigan	\$19,118	\$20,675	\$23,102	\$23,550	\$29,255	\$102,686	\$89,095	\$307,481	\$43,926
North Carolina	\$28,826	\$29,789	\$33,897	\$35,757	\$38,237	\$93,634	\$90,259	\$350,400	\$50,057
Maryland	\$30,582	\$34,130	\$39,435	\$41,887	\$45,999	\$94,681	\$88,009	\$374,723	\$53,532
California	(\$17,003)	(\$10,265)	(\$9,310)	(\$27,316)	(\$11,954)	\$251,275	\$201,781	\$377,210	\$53,887
Kentucky	\$39,830	\$40,051	\$40,786	\$46,169	\$56,971	\$83,110	\$84,465	\$391,382	\$55,912
Ohio	\$27,555	\$29,820	\$35,047	\$36,642	\$45,466	\$116,515	\$108,241	\$399,286	\$57,041
Pennsylvania	\$19,470	\$28,818	\$32,670	\$35,361	\$42,691	\$134,977	\$122,168	\$416,155	\$59,451
Texas	(\$10,335)	\$14,892	\$1,834	\$18,896	\$25,854	\$194,851	\$183,854	\$429,846	\$61,407
Florida	\$30,986	\$47,256	\$30,099	\$42,164	\$54,156	\$165,106	\$162,900	\$532,667	\$76,095
Virginia	\$79,106	\$83,941	\$87,602	\$93,813	\$105,781	\$166,704	\$173,822	\$790,769	\$112,967

TABLE 12B. Per Capita Balance of Payments Over Time (\$ per capita)

State	2015	2016	2017	2018	2019	2020	2021	Seven Year Total	Seven Year Average
Connecticut	(\$4,494)	(\$3,846)	(\$3,110)	(\$2,813)	(\$2,400)	\$4,181	\$921	(\$11,560)	(\$1,651)
New Jersey	(\$2,808)	(\$2,678)	(\$2,307)	(\$2,153)	(\$1,926)	\$5,225	\$3,925	(\$2,722)	(\$389)
Massachusetts	(\$2,801)	(\$2,489)	(\$2,455)	(\$2,248)	(\$2,157)	\$7,825	\$3,153	(\$1,172)	(\$167)
Washington	(\$650)	(\$874)	(\$645)	(\$939)	(\$638)	\$4,891	\$3,101	\$4,245	\$606
New York	(\$2,285)	(\$1,706)	(\$1,666)	(\$1,759)	(\$1,064)	\$7,256	\$5,802	\$4,578	\$654
Utah	(\$103)	(\$173)	\$120	\$19	(\$238)	\$4,293	\$3,075	\$6,992	\$999
Colorado	(\$646)	(\$330)	(\$299)	(\$415)	(\$361)	\$5,937	\$4,612	\$8,498	\$1,214
New Hampshire	(\$508)	(\$570)	(\$372)	\$101	\$147	\$7,006	\$3,575	\$9,379	\$1,340
California	(\$437)	(\$262)	(\$237)	(\$693)	(\$303)	\$6,361	\$5,155	\$9,584	\$1,369
Illinois	(\$1,118)	(\$478)	(\$106)	(\$38)	\$168	\$6,735	\$7,392	\$12,555	\$1,794
Minnesota	\$577	\$758	\$1,221	(\$39)	(\$406)	\$6,292	\$5,213	\$13,615	\$1,945
Nebraska	(\$694)	(\$245)	\$240	\$579	\$1,154	\$6,834	\$6,066	\$13,934	\$1,991
Texas	(\$376)	\$534	\$65	\$660	\$892	\$6,666	\$6,220	\$14,660	\$2,094
Wisconsin	\$263	\$484	\$870	\$1,255	\$1,452	\$7,391	\$6,686	\$18,402	\$2,629
Nevada	\$536	\$666	\$922	\$797	\$757	\$8,290	\$7,438	\$19,406	\$2,772
Iowa	\$810	\$1,159	\$1,211	\$1,653	\$2,041	\$7,703	\$7,633	\$22,210	\$3,173
North Dakota	(\$659)	\$568	\$846	\$1,085	\$1,483	\$10,284	\$9,572	\$23,179	\$3,311
Wyoming	\$317	\$1,824	\$1,486	\$1,741	\$1,685	\$9,663	\$6,836	\$23,552	\$3,365
Kansas	\$574	\$1,143	\$2,367	\$2,128	\$2,729	\$8,299	\$7,548	\$24,789	\$3,541
Florida	\$1,533	\$2,291	\$1,435	\$1,984	\$2,520	\$7,647	\$7,463	\$24,872	\$3,553
US Average	\$1,304	\$1,703	\$1,897	\$2,033	\$2,450	\$8,853	\$8,122	\$26,363	\$3,766
Georgia	\$1,807	\$2,019	\$2,000	\$2,187	\$2,336	\$8,134	\$8,548	\$27,031	\$3,862
Oregon	\$2,072	\$1,887	\$2,217	\$2,230	\$2,588	\$8,699	\$7,735	\$27,428	\$3,918
South Dakota	\$785	\$1,388	\$2,014	\$2,466	\$2,992	\$9,970	\$8,645	\$28,260	\$4,037
Indiana	\$1,798	\$2,131	\$2,419	\$2,558	\$3,027	\$8,451	\$8,354	\$28,737	\$4,105
Michigan	\$1,924	\$2,077	\$2,316	\$2,358	\$2,930	\$10,198	\$8,876	\$30,679	\$4,383
Idaho	\$3,150	\$3,221	\$3,296	\$3,436	\$3,634	\$8,363	\$7,027	\$32,127	\$4,590
Pennsylvania	\$1,522	\$2,253	\$2,553	\$2,761	\$3,336	\$10,387	\$9,389	\$32,201	\$4,600
Rhode Island	\$2,023	\$2,055	\$2,440	\$2,634	\$2,459	\$11,389	\$9,272	\$32,272	\$4,610
North Carolina	\$2,872	\$2,931	\$3,299	\$3,441	\$3,641	\$8,961	\$8,543	\$33,688	\$4,813
Ohio	\$2,371	\$2,562	\$3,004	\$3,137	\$3,887	\$9,876	\$9,201	\$34,038	\$4,863
Delaware	\$2,361	\$2,590	\$3,199	\$3,333	\$3,964	\$11,725	\$9,061	\$36,232	\$5,176
Tennessee	\$3,074	\$3,089	\$3,449	\$3,904	\$4,281	\$9,684	\$9,649	\$37,131	\$5,304
Missouri	\$3,374	\$3,836	\$4,026	\$4,264	\$4,524	\$10,021	\$9,571	\$39,616	\$5,659
Montana	\$3,070	\$3,709	\$4,273	\$4,565	\$4,000	\$11,285	\$9,794	\$40,697	\$5,814
Arizona	\$3,090	\$3,640	\$4,253	\$4,155	\$3,827	\$12,293	\$10,774	\$42,031	\$6,004
Vermont	\$2,722	\$3,186	\$3,498	\$3,834	\$3,752	\$13,914	\$11,262	\$42,166	\$6,024
Oklahoma	\$3,294	\$4,262	\$4,451	\$4,592	\$5,584	\$11,127	\$11,213	\$44,524	\$6,361
South Carolina	\$4,268	\$4,534	\$4,704	\$4,944	\$5,338	\$10,916	\$10,700	\$45,404	\$6,486
Louisiana	\$3,008	\$3,482	\$4,425	\$4,618	\$5,142	\$12,249	\$12,743	\$45,668	\$6,524
Arkansas	\$4,493	\$4,744	\$4,763	\$5,010	\$5,623	\$10,647	\$10,530	\$45,810	\$6,544
Maine	\$3,988	\$5,096	\$5,415	\$5,641	\$5,999	\$13,020	\$11,132	\$50,291	\$7,184
Hawaii	\$5,160	\$5,304	\$5,260	\$5,371	\$5,700	\$13,431	\$12,846	\$53,072	\$7,582
Mississippi	\$6,204	\$6,137	\$6,995	\$6,971	\$7,989	\$12,889	\$13,621	\$60,806	\$8,687
Alabama	\$6,194	\$6,736	\$6,766	\$7,569	\$7,814	\$12,337	\$13,666	\$61,082	\$8,726
Maryland	\$5,107	\$5,682	\$6,542	\$6,932	\$7,597	\$15,337	\$14,253	\$61,450	\$8,779
West Virginia	\$6,548	\$7,152	\$7,633	\$7,579	\$8,282	\$14,359	\$13,655	\$65,208	\$9,315
New Mexico	\$8,218	\$8,594	\$8,486	\$9,268	\$8,973	\$15,064	\$15,772	\$74,375	\$10,625
Alaska	\$6,837	\$7,221	\$8,795	\$9,351	\$9,338	\$18,565	\$18,423	\$78,530	\$11,219
Kentucky	\$8,993	\$9,020	\$9,154	\$10,342	\$12,739	\$18,438	\$18,743	\$87,428	\$12,490
Virginia	\$9,454	\$9,972	\$10,341	\$11,023	\$12,362	\$19,302	\$20,078	\$92,533	\$13,219

Conclusion

FFY 2020 and FFY 2021 represented an extraordinary break from the recent past. After five consecutive years as the largest net donor state, New York posted the fifth largest net positive balance of payments position in the nation in 2020 and the sixth largest in 2021. Unfortunately, it took a deadly pandemic—and a rapid and resolute Federal response—to turn the tide. Preliminary data indicate that in 2021, New York's resident households and businesses received \$115.2 billion more from the Federal government than it contributed in taxes. Controlling for population, New York's balance of payments was \$5,802 posting a less favorable rank of 41 for 2021, representing a modicum of deterioration from 2020 but still a significant improvement from FFY 2019.

History will likely prove the states' balance of payments during the COVID-19 era to have been an anomaly. Former New York Senator Daniel Patrick Moynihan, who highlighted balance of payment inequities throughout the 1980s and 1990s, pointed to structural issues that in more normal times tend to fuel an imbalance between revenue sent to the Federal government and spending received. Senator Moynihan noted very high incomes among segments of the state's population combined with a progressive Federal tax system that resulted in above-average revenue generated per capita. This is compounded by low Federal spending in New York in several budgetary areas, such as contracts, Federal employee wages, and discretionary spending, that more than outweighed the slightly higher-than-average spending on programs that provide assistance to the poor and the elderly, such as Medicare and Medicaid. Although New York's per capita revenue contribution was the fourth highest in the nation for FFY 2021, the state's resident population is not uniformly affluent. New York's median household income ranked a much lower 15th, while the state also had the 13th highest poverty rate in 2021. Right up until the country was ravaged by the COVID-19 pandemic, the structural issues highlighted by Senator Moynihan continued to worsen for New York more than 30 years later.

As mentioned above, the 2022 Federal fiscal year is likely to be a transitional year for the Federal budget and New York, between a period of very favorable balance of payments to one that takes us back to business as usual. Owing to the strength of the national economic recovery, Federal receipts grew 21.0 percent in FFY 2022, and possibly grew even stronger for New York, based on the state's strong relative wage growth. But with an 8.1 percent decline in Federal budgetary expenditures on the books for 2022 and a 50.4 percent decline in the Federal deficit, spending on those programs that tend to be highly correlated with state population will have likely diminished in size.

In summary, as we continue to recover from the ravages of the pandemic, New York will see its net balance of payments position converge to its traditional spot at or near the bottom, even as the state's economic recovery continues to lag that of the nation. Indeed, we have already seen New York slip one place moving from 2020 to 2021 based on preliminary data, though when IRS Statistics of Income data becomes available for 2021, the state's individual income tax rate could be revised up given the strong growth in wages between the two years. Consequently, once Federal emergency

COVID-19 spending completes its course through the economy—and unless New York can continue to attract a more equitable share of Federal expenditures, commensurate with its contribution and need—the state will likely soon retake its position as one of the nation’s largest net donor states, if not the largest.

Objectives, Scope, and Methodology

This report addresses questions of how Federal revenue and spending are distributed across states and selected other geographies. The analysis is intended to understand how much individual states, through their residents, employers, and private businesses, contributed to the Federal budget through the payment of Federal taxes and other remittances, and how much individuals, governments, and other economic actors receive in Federal spending. A state’s “balance of payments” is Federal spending in a state minus revenue paid to the Federal government. A negative balance means that a state’s residents and economy pay more than they receive.

Overview

A state’s balance of payments is based on Federal receipts and expenditures that are allocated to individual states in a two-step process.

1. Federal receipts and expenditures from the Federal budget are broken down into major categories and subcategories that sum to the Federal budget totals.
2. Amounts are allocated to states and other geographic areas using data on where receipts were actually raised and where expenditures were actually spent. When actual data on the distribution of receipts and expenditures are not available, best available proxies are identified.

The approach ensures that the sum of the amounts allocated to the individual states and other geographic areas, plus a small amount of unallocable receipts or expenditures, equals the Federal budget totals. As a result, all numbers allocated to states are consistent with Federal budget data.

Geographic Scope

The primary focus of this analysis is the 50 states. Adjustments are made to account for receipts and expenditures that occur in the District of Columbia, Puerto Rico, US Territories, and other areas outside of the focus area. Where we had specific data for Puerto Rico and other territories, we used it to allocate a share of Federal spending and receipts to these areas. In cases where data were only available for the 50 states and the District of Columbia, but where we considered it highly likely that a specific revenue source or expenditure category was attributable to such an area, we allocated using the area’s proportionate share of the total population.

Estimates for these other areas are not the focus of our analysis and are not published. The removal of receipts and expenditures from these geographies is the reason the Federal budget data presented in this document do not exactly match the US Federal

Categories of the Federal Budget



Receipts:

- ◊ Personal income tax.
- ◊ Employment taxes, such as Social Security and Medicare.
- ◊ Corporate income tax.
- ◊ Excise taxes, such as those on motor fuel, tobacco, and alcohol.
- ◊ Other taxes, consisting primarily of estate and gift taxes.

Expenditures:

- ◊ Direct payments for individuals, such as Social Security and Medicare.
- ◊ Grants such as Medicaid and grants from the Federal Highway Trust Fund.
- ◊ Contractual and procurement spending.
- ◊ Wages and salaries of Federal workers.
- ◊ COVID-19 relief spending.

Budget numbers.

Step 1: Categorizing the Federal Budget

The primary data source for nationwide Federal spending and receipts is the *Budget of the U.S. Government, Fiscal Year 2023*. The document, published in March 2022, provides the most current data on US spending including final spending amounts for Federal fiscal years 2017, 2018, 2019, 2020, and 2021. The data used in this analysis are taken from the *Analytical Perspectives* volume and the Federal budget database that accompanies the Federal budget.⁶

In Federal fiscal year 2021, the Federal government had receipts of \$4.05 trillion and expenditures of \$6.82 trillion, creating a deficit of \$2.78 trillion (Historical Table 1.1). Using categories generally used in the Federal budget, Federal receipts were broken down to the major categories displayed in [Table 13](#). The categories were disaggregated further as discussed below. The tables show the preliminary amounts for FFY 2021,

TABLE 13. Federal Receipts and Expenditures by Major Category

	FFY 2020 (\$ millions)	FFY 2021 (\$ millions)
Receipts	\$3,421,162	\$4,047,112
Allocable Receipts	\$3,234,865	\$3,832,710
Income and Employment Taxes	\$2,918,616	\$3,358,465
Individual Income Taxes	\$1,608,661	\$2,044,377
Social Insurance and Retirement Receipts	\$1,309,955	\$1,314,088
Corporate Income Taxes	\$211,845	\$371,831
Excise Taxes	\$86,780	\$75,274
Other Allocable Receipts	\$17,624	\$27,140
Unallocable Receipts	\$186,297	\$214,402
Expenditures	\$6,550,396	\$6,822,449
Allocable Expenditures	\$6,229,603	\$6,671,705
Direct Payments to Individuals	\$2,953,575	\$2,865,123
Grants	\$799,290	\$900,454
Contracts	\$641,495	\$825,499
Wages	\$290,945	\$310,551
COVID-19 Relief	\$1,544,298	\$1,770,078
Unallocable Expenditures	\$320,793	\$150,744
Deficit	(\$3,129,234)	(\$2,775,337)
Deficit Reflected in Allocable Numbers	(\$2,994,738)	(\$2,838,995)

which is the primary year of analysis for this report. We also include revised numbers from FFY 2020 as a point of comparison.

Receipts Details

[Table 14](#) and [Table 15](#) show a breakdown of Federal receipts by major category and subcategory. The data come from the “Historical Tables” published as part of the *Analytical Perspectives* volume of the Federal budget for fiscal year 2023. The source table for each receipt is provided. Use of the term “calculated” indicates the value has been constructed from other data in the table.

The bulk of Federal receipts are generated from individual income and employment taxes. Tax expenditures that are embedded in the overall tax system, such as the mortgage interest deduction, are part of the overall tax that is allocated to the states.

A subset of receipts categories are classified as unallocable. These are monies received by the Federal government that cannot be attributed to a specific state or territory. Unallocable Federal receipts include deposits of earnings by the Federal Reserve

TABLE 14. Detailed Breakdown of Federal Receipts

	FFY 2020 (\$ millions)	FFY 2021 (\$ millions)	Source
Receipts	\$3,421,164	\$4,047,112	calculated
Income and Employment Taxes	\$2,918,618	\$3,358,465	calculated
Individual Income Taxes	\$1,608,663	\$2,044,377	hist2.1
Social Insurance and Retirement Receipts	\$1,309,955	\$1,314,088	hist2.1
Employment and General Retirement	\$1,261,651	\$1,251,858	hist2.4
Old-Age, Survivors Insurance, and Disability Insurance	\$965,428	\$952,323	calculated
Old-Age and Survivors Insurance (Off-Budget)	\$825,307	\$814,034	hist2.4
Disability Insurance (Off-Budget)	\$140,121	\$138,289	hist2.4
Hospital Insurance	\$291,778	\$294,818	hist2.4
Railroad Retirement (summed)	\$4,445	\$4,717	hist2.4
Unemployment insurance (Trust Funds)	\$43,104	\$56,602	hist2.4
Other Retirement (Federal Employees and Nonfederal Employees)	\$5,200	\$5,628	hist2.4
Corporate Income Taxes	\$211,845	\$371,831	hist2.1
Excise Taxes	\$86,780	\$75,274	hist2.1
Transportation (Trust Fund)	\$42,764	\$43,464	hist2.4
Tobacco	\$12,354	\$12,136	hist2.4
Airport and Airway	\$9,016	\$8,184	hist2.4
Health Insurance Providers	\$15,316	\$206	hist2.4
Alcohol	\$9,490	\$10,274	hist2.4
Other Excises	(\$2,160)	\$1,010	calculated
Other Allocable Receipts	\$17,624	\$27,140	calculated
Estate and Gift Taxes	\$17,624	\$27,140	hist2.5
Unallocable Receipts	\$186,297	\$214,402	hist2.5
Customs Duties and Fees	\$68,551	\$79,985	hist2.5
Federal Reserve Deposits	\$81,880	\$100,054	hist2.5
All Other Miscellaneous Receipts	\$35,866	\$34,363	hist2.5

TABLE 15. Unallocable Federal Receipts

	FFY 2020 (\$ millions)	FFY 2021 (\$ millions)	Source
Unallocable Receipts	\$186,297	\$214,402	hist2.5
Customs Duties and Fees	\$68,551	\$79,985	hist2.5
Federal Reserve Deposits	\$81,880	\$100,054	hist2.5
All Other Miscellaneous Receipts	\$35,866	\$34,363	hist2.5

System (earnings beyond those needed to fund operations and other requirements) and customs payments. These represented 4.5 percent of the total receipts collected in FFY 2019. This is a standard practice in the calculation of balance of payments.

Overview of Expenditures

For 2021, expenditures were broken down into five large categories: direct payments to individuals, grants, contracts, wages, and COVID-19 relief spending. Again, a subset of expenditure categories were also classified as unallocable, representing 3.4 percent of total expenditures in FFY 2021. Expenditures that could not be allocated to individual states include spending on international assistance programs and interest on Federal debt.

Direct payments include Social Security payments, retirement, and education, housing, food, and other public assistance programs. Tax expenditures are treated as expenditures when they are specifically enumerated in the Federal budget. Under this

TABLE 16. Detailed Breakdown of Federal Direct Payments Expenditures

	FFY 2020 COVID-19 (\$ millions)	FFY 2020 Adjusted (\$ millions)	FFY 2021 COVID-19 (\$ millions)	FFY 2021 Adjusted (\$ millions)	Source
Direct Payments for Individuals	\$3,605,845	\$2,953,575	\$3,936,699	\$2,911,244	hist11.3
Social Security and Railroad Retirement	\$1,100,045	\$1,100,045	\$1,139,490	\$1,139,490	hist11.3
Social Security: Old-Age and Survivors Insurance	\$945,065	\$945,065	\$987,378	\$987,378	hist11.3
Social Security: Disability Insurance	\$144,327	\$144,327	\$140,847	\$140,847	hist11.3
Railroad Retirement (excluding Social Security)	\$10,653	\$10,653	\$11,265	\$11,265	hist11.3
Federal Employees Retirement and Insurance	\$263,087	\$263,087	\$272,014	\$272,014	hist11.3
Civil Service Retirement	\$91,045	\$91,045	\$92,521	\$92,521	hist11.3
Veterans Service-Connected Compensation	\$62,286	\$62,286	\$63,054	\$63,054	hist11.3
Military Retirement	\$105,615	\$105,615	\$112,134	\$112,134	hist11.3
Other	\$4,141	\$4,141	\$4,305	\$4,305	hist11.3
Unemployment Assistance (1)	\$472,102	\$127,609	\$387,726	\$55,329	hist11.3
Medical Care	\$1,071,029	\$1,071,029	\$1,026,324	\$1,026,324	hist11.3
Medicare: SMI Plus HI	\$895,959	\$895,959	\$822,123	\$822,123	calculated
Medicare: Supplementary Medical Insurance	\$500,135	\$500,135	\$495,311	\$495,311	hist11.3
Medicare: Hospital Insurance	\$395,824	\$395,824	\$326,812	\$326,812	hist11.3
Hospital and Medical Care for Veterans	\$87,395	\$87,395	\$98,167	\$98,167	hist11.3
Refundable Premium Tax Credit and Cost Sharing Reductions	\$44,387	\$44,387	\$56,307	\$56,307	hist11.3
Uniformed Services Retiree Health Care Fund (TRICARE)	\$10,571	\$10,571	\$11,196	\$11,196	hist11.3
Medical Care—Other	\$32,717	\$32,717	\$38,531	\$38,531	calculated
Assistance to Students	\$175,653	\$143,244	\$185,407	\$118,360	hist11.3
Student Assistance—Department of Education and Other (2)	\$162,533	\$130,124	\$173,162	\$106,115	hist11.3
Veterans Education Benefits	\$13,120	\$13,120	\$12,245	\$12,245	hist11.3
Housing Assistance	\$16,979	\$16,979	\$15,891	\$15,891	hist11.3
Food and Nutrition Assistance	\$77,629	\$77,629	\$122,295	\$122,295	hist11.3
SNAP (formerly Food Stamps) (including Puerto Rico)	\$77,636	\$77,636	\$122,258	\$122,258	hist11.3
Food and Nutrition Assistance—Other	(\$7)	(\$7)	\$37	\$37	calculated
Public Assistance and Related Programs	\$419,889	\$144,521	\$777,427	\$151,416	hist11.3
Earned income Tax Credit	\$57,577	\$57,577	\$60,757	\$60,757	hist11.3
Supplemental Security Income Program	\$53,848	\$53,848	\$53,420	\$53,420	hist11.3
Child Tax Credit and Child and Dependent Care Tax Credit (3)	\$27,779	\$27,779	\$78,959	\$32,599	hist11.3
Coronavirus Payments and Credits (4)	\$275,368		\$579,651		
Public Assistance—Other	\$5,317	\$5,317	\$4,640	\$4,640	calculated
All Other Payments for Individuals	\$9,432	\$9,432	\$10,125	\$10,125	hist11.3

(1) Unemployment payments made through the Pandemic Unemployment Assistance and Federal Pandemic Unemployment Compensation programs were reclassified as COVID-19 relief.

(2) Student assistance allocated through the Education Stabilization Fund and the Student Loan deferments were reclassified as COVID-19 relief.

(3) The Advanced Child Tax Credit payments were reclassified as COVID-19 relief.

(4) Coronavirus payments and credits were reclassified as COVID-19 relief.

treatment, the portion of tax credits that are direct payments in the Federal budget includes, among others, the refundable Earned Income Tax Credits and the refundable Child Tax Credit.

Step 2: Allocating the Federal Budget to States and Other Geographic Areas

Federal receipts and spending are allocated to individual states using a broad array of data sources. When available, data that directly indicate where Federal receipts originated or where Federal expenditures occurred were used. Federal agency data were considered ideal and were used when available.

TABLE 17. Federal Receipts Allocators

Source	2020	2021
Individual Income Tax	IRS Statistics on Income	Y N-Sub 2020
Old-Age, Survivors Insurance, and Disability Insurance	Social Security Administration OASDI Contributions	N-Sub 2020 N-Sub 2020
Hospital Insurance	Social Security Administration Hospital Insurance Contributions	N-Sub 2019 N-Sub 2019
Railroad Retirement	IRS Gross Collections, Table 5	Y Y
Unemployment Insurance (Trust Funds)	US DOL Unemployment Insurance Financial Transaction Summary	Y Y
Other Retirement	Census Population	Y Y
Corporate Income Tax	BEA Weighted Average of Capital and Wages	Y Y
Transportation (Trust Fund)	FHWA Payments into the FHTF Highway Account	Y Y
Tobacco	Census Population	Y Y
Airport and Airway	Census Population	Y Y
Health Insurance Providers	Oliver Wyman Analysis	Y Y
Alcohol	NIAA Alcohol Consumption	Y N-Sub 2020
Other Excises	Census Population	Y Y

Receipts Allocations

[Table 17](#) summarizes the data used to allocate Federal receipts. It also indicates the availability of the data for each year of analysis.

Individual Income Tax

Income tax receipts were allocated using income tax liability from the Statistics of Income branch of the Internal Revenue Service for the latest tax liability year available, 2020. Final Statistics of Income data are compiled only after all extensions have expired and all returns are collected. Data were collected from “Table 2. Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 2020.”⁷ For total liability, the following variables are summed:

- A06500 Income tax amount;
- A85530 Additional Medicare tax; and
- A85300 Net investment income tax.

This is the total income tax liability, excluding the Federal Insurance Contributions Act and the Self-Employment Contributions Act (SECA) employment taxes, which are accounted for elsewhere. The state shares from 2020 were applied for 2020 and 2021.

Social Insurance and Retirement

Old-age and survivors insurance, disability insurance receipts, and hospital insurance were allocated using Table 2 and Table 4, respectively, from the Social Security Administration: “Earnings and Employment Data for Workers Covered Under Social Security and Medicare, by State and County, 2018.”⁸ Data for 2019 were the most recent information available at the time of the analysis and were applied for FFYs 2019, 2020, and 2021.

Railroad retirement tax was taken from the “Statistics of Income Gross Collections” data. The data have been published for 2021.⁹

Unemployment Insurance

Unemployment insurance receipts were allocated using data from the “Statistics of Income Gross Collections.”

Other Retirement

The “other retirement” category was allocated according to the population data from the US Census Bureau.

Corporate Income Tax

Corporate income tax was allocated based on the assumption that 75 percent of the burden falls on the owner of capital and 25 percent falls on wage earners. These numbers were calculated based on the US Bureau of Economic Analysis (BEA) State and Personal Income dataset. Sensitivity analysis using alternative plausible assumptions did not have a significant impact on conclusions for New York.

Excise Taxes

Receipts for transportation trust fund receipts, primarily gasoline excise taxes, were allocated based on information published by the Federal Highway Administration (FHWA): “Federal Highway Trust Fund Receipts Attributable to Highway Users in Each State.”¹⁰

Receipts for the health insurance provider excise tax were allocated using an August 2018 study by the consulting firm Oliver Wyman, *Analysis of the Impacts of the ACA’s Tax on Health Insurance in 2020 and Later.*¹¹ The study forecasted the tax burden by state.

Alcohol beverage excise taxes were allocated based on analysis of consumption data from the National Institute on Alcohol Abuse and Alcoholism (NIAAA).

Other excise taxes, including tobacco taxes, airport and airway taxes, and a small amount of miscellaneous excise taxes were allocated to states in proportion to their population.

Expenditure Allocations

TABLE 18. Federal Direct Payments Allocators

	Source	2020	2021
Social Security and Retirement			
SSA Old-Age and Survivors Insurance	USASpending.gov	Y	Y
SSA: Disability Insurance	USASpending.gov	Y	Y
Railroad Retirement	BEA State Personal Income	Y	Y
Civil Service Retirement	Office of Personnel Management	Y	Y
Military Retirement	Statistical Report on Military Retirement	Y	Y
Unemployment Assistance			
Unemployment Assistance	US DOL Unemployment Insurance Financial Transaction Summary	Y	Y
Medical Care			
Medicare: SMI Plus HI	BEA State Personal Income	Y	Y
Hospital and Medical Care for Veterans	Geographic Description of Department of Veterans Affairs Expenditures	Y	Y
Refundable Premium Tax Credit and Cost Sharing Reductions	CSR Milliman Report for 2015 and 2016 CMS Effectuated Enrollment Data	Y	Y
Uniformed Services Retiree Health Care Fund (TRICARE)	TRICARE Beneficiaries by Location	Y	Y
Medical Care—Other	Census Population	Y	Y
Assistance to Students			
Department of Education	BEA State Personal Income	Y	Y
Veterans Education Benefits	Geographic Description of Department of Veterans Affairs Expenditures	Y	Y
Housing Assistance			
Housing Assistance	Center on Budget and Policy Priorities	Y	Y
Food and Nutrition Assistance			
Food and Nutrition Assistance	Federal Funds Information for States	Y	Y
Public Assistance and Related Programs			
Earned Income Tax Credit	IRS Statistics on Income	Y	N-Sub 2020
Supplemental Security Income Program	SSA Annual Statistical Supplement, Table 7B	Y	Y
Payment Where Child Credit Exceeds Tax Liability	IRS Statistics on Income	Y	N-Sub 2020

Direct Payments

Allocators for direct programs were developed using agency data when available. When they were not, reliable third-party proxies were identified. [Table 18](#) shows how each direct payment program was allocated to the states and the availability of data for FFY 2020 and FFY 2021.

Social Security and Railroad Retirement

Social Security old-age and survivors insurance and disability insurance were allocated to states in accordance with the corresponding direct payment amounts posted on USASpending.gov. Railroad Retirement and disability benefits were allocated to states in proportion to the corresponding component of personal income from the Bureau of Economic Analysis (Table SA35, Line 2121).

Federal Employees Retirement and Insurance

Civil service retirement expenditures were allocated to states using the table titled “Exhibit R14: Fiscal Year 2021 Annuitants on the Retirement Roll” from the *Statistical Abstracts Fiscal Year 2021, Federal Employee Benefit Programs*, published by the Office of Personnel Management. Data were also collected from the corresponding FFY 2019 and 2020 reports.

Veterans service-connected compensation was allocated to states using Compensation and Pension data from the “Geographic Distribution of the Department of Veterans Affairs Expenditures (GDX) FY 2021” published by the US Department of Veterans Affairs, Office of Policy, Planning and Preparedness, for FFYs 2019, 2020, and 2021.¹²

Military retirement state shares were estimated using (1) number of retired and (2) monthly payment information collected from *Statistical Report on the Military Retirement System—Fiscal Year Ended September 30, 2021* published by Department of Defense, Office of the Actuary, September 2022. Data were also collected from the corresponding FFY 2019 and 2020 reports.¹³

State shares of other Federal employees’ retirement expenditures were allocated using the US Census Bureau population share.

Unemployment Assistance

Key data files and links:¹⁴

- ar2112.csv;
- ETHand401_4th_s02.pdf – documentation, describes data; and
- 4024c6ar2112.pdf- maps variable names to data elements.

The Department of Labor publishes monthly data on Net Unemployment Insurance benefits (variable c54, Line 31). The value is the total of regular unemployment benefits paid to claimants. The total paid is then reduced by any refunds received from claimants and administrative banking costs incurred. Monthly data are summed to calculate annual fiscal year spending.

Medical Care

Medicare Supplementary medical insurance (SMI) plus Hospital insurance (HI) was allocated using Medicare Benefits data from BEA Table SA35, Line 2210. Allocations for Puerto Rico and “Unallocated” were estimated using population share.

Hospital and Medical Care for Veterans state shares were allocated using Medical Care data from the general description of “Geographic Distribution of the Department of Veterans Affairs Expenditures (GDX) FY 2021” published by the US Department of Veterans Affairs, Office of Policy, Planning and Preparedness, for FFYs 2019, 2020, and 2021.¹⁵

The ACA refundable Premium Tax Credits used allocators based on enrollment data published in Tables 3 and 4 in the *Early 2020 Effectuated Enrollment Snapshot* report published by the Centers for Medicaid and Medicare Services (CMS). This source was used to create a weighted state-by-state distribution that was then used to allocate the total in the Federal budget.

The Uniformed Services Retiree Health Care Fund, also known as the US Department of Defense Medicare-Eligible Retiree Health Care Fund or “TRICARE for Life,” was allocated using the number of TRICARE beneficiaries by state.¹⁶ Even though this total includes other TRICARE programs, it is a more appropriate source than the overall Census populations.

Other medical care expenditures were deemed immaterial; in the absence of specific agency information, amounts were allocated using state population data from the US Census Bureau.

Assistance to Students

State shares for Department of Education expenditures were allocated using “Education and training assistance” from BEA Table SA35. Allocations for Puerto Rico and “Unallocated” were estimated using population share.

State shares for Veterans Education Benefits were allocated using Education & Vocational Rehabilitation/Employment data from the “General Description of Geographic Distribution of the Department of Veterans Affairs Expenditures (GDX).”¹⁷

Housing Assistance

Housing assistance expenditures were allocated based on data on Section 8 vouchers provided in the president’s budget, *Analytical Perspectives*, Table 14-39, Section 8 Choice Vouchers (14.871) presents spending by state for FFY 2021.¹⁸ Corresponding tables were downloaded for FFYs 2019 and 2020.

Food and Nutrition Assistance

Food and nutrition assistance was allocated to states using Federal Funds Information for States (FFIS) grant data for CFDA code 10.551, the Supplemental Nutrition Assistance Program.

Public Assistance and Related Programs

The Earned Income Tax Credit was allocated using data from line item A59720 in the “SOI Tax Stats” provided by the Statistics of Income branch of the Internal Revenue Service, 2019.¹⁹ The refundable childcare credits were allocated from the same data set using line item A07220.

Supplemental Security Income Program expenditures were allocated using Federal SSI data from “Table 7.B7 – Total Federally administered payments by state and other area, 2019.”²⁰

State shares for all other payments for individuals were allocated using population.

Grants

Federal grant expenditures were broken down into detailed categories based on categorizations of grants in the public Federal budget database that accompanies the Federal budget (see [Table 19](#)). (“fedbud.db” indicates that we summarized data from the Federal budget database.)

TABLE 19. Detailed Breakdown of Federal Grants Expenditures

	FFY 2020 (\$ millions)	FFY 2020 COVID-19 Adjusted (\$ millions)	FFY 2021 (\$ millions)	FFY 2021 COVID-19 Adjusted (\$ millions)	Source
Grants	\$829,093	\$799,290	\$1,245,280	\$895,612	calculated
HHS_Centers for Medicare and Medicaid Services_Grants to States for Medicaid_Health care services	\$458,468	\$458,468	\$520,588	\$520,588	fedbud.db
DOT_Federal Highway Administration_Federal-aid Highways_Ground transportation	\$46,327	\$46,327	\$43,252	\$43,252	fedbud.db
USDA_Food and Nutrition Service_Child Nutrition Programs_Food and nutrition assistance	\$22,709	\$22,709	\$25,744	\$25,744	fedbud.db
HUD_Public and Indian Housing Programs_Tenant Based Rental Assistance_Housing assistance	\$24,632	\$24,632	\$25,390	\$25,390	fedbud.db
HHS_Administration for Children and Families_Temporary Assistance for Needy Families_Other income security	\$16,551	\$16,551	\$15,380	\$15,380	fedbud.db
ED_Office of Elementary and Secondary Education_Education for the Disadvantaged_Elementary, secondary, and vocational education	\$15,810	\$15,810	\$16,084	\$16,084	fedbud.db
ED_Office of Special Education and Rehabilitative Services_Special Education_Elementary, secondary, and vocational education	\$12,741	\$12,741	\$12,533	\$12,533	fedbud.db
HHS_Administration for Children and Families_Children and Families Services Programs_Social services	\$11,892	\$11,892	\$13,021	\$13,021	fedbud.db
HHS_Centers for Medicare and Medicaid Services_Children's Health Insurance Fund_Health care services	\$16,880	\$16,880	\$16,093	\$16,093	fedbud.db
DOT_Federal Transit Administration_Transit Formula Grants_Ground transportation	\$9,909	\$9,909	\$7,941	\$7,941	fedbud.db
HHS_other	\$7,138	\$7,138	\$23,722	\$23,722	fedbud.db
HHS_Administration for Children and Families_Payments for Foster Care and Permanency_Other income security	\$8,836	\$8,836	\$9,713	\$9,713	fedbud.db
HUD_Community Planning and Development_Community Development Fund_Community development	\$5,235	\$5,235	\$6,759	\$6,759	fedbud.db
USDA_Food and Nutrition Service_Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)_Food and nutrition assistance	\$5,011	\$5,011	\$5,026	\$5,026	fedbud.db
HUD_other	\$5,805	\$5,805	\$11,641	\$11,641	fedbud.db
ED_other(1)	\$6,854	\$6,854	\$29,661		fedbud.db
USDA_Food and Nutrition Service_Supplemental Nutrition Assistance Program_Food and nutrition assistance	\$8,006	\$8,006	\$12,268	\$12,268	fedbud.db
DOI_other	\$5,054	\$5,054	\$5,357	\$5,357	fedbud.db
HUD_Public and Indian Housing Programs_Public Housing Operating Fund_Housing assistance	\$4,580	\$4,580	\$1,620	\$1,620	fedbud.db
DOT_other(2)	\$9,671	\$9,671	\$26,641	\$15,339	fedbud.db
EPA_Environmental Protection Agency_State and Tribal Assistance Grants_Pollution control and abatement	\$4,019	\$4,019	\$3,714	\$3,714	fedbud.db
ED_Office of Elementary and Secondary Education_School Improvement Programs_Elementary, secondary, and vocational education	\$4,591	\$4,591	\$4,622	\$4,622	fedbud.db

TABLE 19. Detailed Breakdown of Federal Grants Expenditures, *continued*

	FFY 2020 (\$ millions)	FFY 2020 COVID-19 Adjusted (\$ millions)	FFY 2021 (\$ millions)	FFY 2021 COVID-19 Adjusted (\$ millions)	Source
HHS_Administration for Children and Families_Payments to States for Child Support Enforcement and Family Support Programs_Other income security	\$4,424	\$4,424	\$4,158	\$4,158	fedbud.db
USDA_other	\$3,959	\$3,959	\$4,858	\$4,858	fedbud.db
other.agency_other	\$4,269	\$4,269	\$3,967	\$3,967	fedbud.db
HHS_Administration for Children and Families_Low Income Home Energy Assistance_Other income security	\$3,812	\$3,812	\$4,413	\$4,413	fedbud.db
ED_Office of Special Education and Rehabilitative Services_Rehabilitation Services_Social services	\$3,039	\$3,039	\$2,834	\$2,834	fedbud.db
DOT_Federal Aviation Administration_Grants-in-aid for Airports (Airport and Airway Trust Fund)_Air transportation(3)	\$3,289	\$3,289	\$8,663	\$8,663	fedbud.db
DHS_Federal Emergency Management Agency_Disaster Relief Fund_Disaster relief and insurance(4)	\$43,317	\$13,514	\$41,334	\$9,832	fedbud.db
DHS_Federal Emergency Management Agency_State and Local Programs_Disaster relief and insurance	\$273	\$273	\$62	\$62	fedbud.db
HHS_Administration for Children and Families_Child Care Entitlement to States_Other income security	\$2,979	\$2,979	\$3,151	\$3,151	fedbud.db
HHS_Substance Abuse and Mental Health Services Administration_Substance Abuse and Mental Health Services Administration_Health care services	\$4,322	\$4,322	\$4,892	\$4,892	fedbud.db
DOL_Employment and Training Administration_Training and Employment Services_Training and employment	\$2,782	\$2,782	\$2,882	\$2,882	fedbud.db
HHS_Health Resources and Services Administration_Health Resources and Services_Health care services	\$2,926	\$2,926	\$2,872	\$2,872	fedbud.db
DOJ_other	\$2,378	\$2,378	\$2,441	\$2,441	fedbud.db
HHS_Administration for Children and Families_Payments to States for the Child Care and Development Block Grant_Other income security	\$7,021	\$7,021	\$12,109	\$12,109	fedbud.db
VA_other	\$2,979	\$2,979	\$2,896	\$2,896	fedbud.db
DOL_other	\$3,729	\$3,729	\$4,319	\$4,319	fedbud.db
FCC_Federal Communications Commission_Universal Service Fund_Other advancement of commerce	\$2,141	\$2,141	\$2,123	\$2,123	fedbud.db
HHS_Administration for Community Living_Aging and Disability Services Programs_Social services	\$2,291	\$2,291	\$2,112	\$2,112	fedbud.db
DOL_Employment and Training Administration_Unemployment Trust Fund_Unemployment compensation	\$964	\$964	\$5,287	\$5,287	fedbud.db
ED_Office of Innovation and Improvement_Innovation and Improvement_Elementary, secondary, and vocational education	\$775	\$775	\$774	\$774	fedbud.db
DOT_Federal Railroad Administration_Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service_Ground transportation	\$8	\$8	\$12	\$12	fedbud.db
DOJ_Office of Justice Programs_Crime Victims Fund_Criminal justice assistance	\$6,533	\$6,533	\$2,589	\$2,589	fedbud.db
Treasury_Other(5)	\$7,809	\$7,809	\$286,775	\$10,028	fedbud.db
DHS_other	\$2,023	\$2,023	\$2,664	\$2,664	fedbud.db
EPA_other	\$332	\$332	\$323	\$323	fedbud.db

(1) The funds dedicated to the Education Stabilization Fund were moved to COVID-19 relief spending.

(2) American Rescue Plan public transit funds were moved to COVID-19 relief spending.

(3) American Rescue Plan airport grants were moved to COVID-19 relief spending.

(4) The COVID-19 relief funding made available through FEMA's Disaster Relief Fund was moved to COVID-19 relief spending.

(5) The funding for the Emergency Rental Assistance program and the State and Local Recovery Fund were moved to COVID-19 relief spending.

Medicaid

Medicaid was allocated to the states based on the Federal share of total Medicaid expenditures reported by the states on Centers for Medicare & Medicaid Services (CMS) Form 64, which reflects all state expenditures. State expenditures were calculated by summing programmatic expenditures, known as “total computable” spending, and administrative reimbursement. Data were available for FFY 2020 and allocators were applied for 2021 as well.

Federal Highway Grants

Federal highway grants were allocated using data from the Federal Funds Information for State (FFIS) for the National Highway Performance Program CFDA 20.205. FFIS data were available for FFYs 2020 and 2021.

Other Grants

Most other grants were allocated based on the most-closely corresponding FFIS grant. Where no single grant appeared to correspond closely, they were allocated based on the average allocation of grants for the Federal agency as a whole.

TABLE 20. Detailed Breakdown of Federal Contracts and Procurements

Contracts (Obligations)	FFY 2020	FFY 2020	FFY 2021	FFY 2021	Source
	COVID-19 (\$ millions)	Adjusted (\$ millions)	COVID-19 (\$ millions)	Adjusted (\$ millions)	
Contracts (Obligations)	\$760,495	\$651,061	\$851,065	\$717,751	calculated
Department of Defense—Military Programs	\$343,481	\$343,481	\$340,873	\$340,873	objclass.tab2
Department of Veterans Affairs	\$49,252	\$49,252	\$55,907	\$55,907	objclass.tab2
Department of Energy	\$29,383	\$29,383	\$31,698	\$31,698	objclass.tab2
Department of Health and Human Services (1)	\$159,785	\$50,351	\$119,149	\$99,974	objclass.tab2
Department of Homeland Security	\$30,866	\$30,866	\$32,871	\$32,871	objclass.tab2
Social Security Administration	\$16,263	\$16,263	\$15,865	\$15,865	objclass.tab2
National Aeronautics and Space Administration	\$18,236	\$18,236	\$17,808	\$17,808	objclass.tab2
Department of Justice	\$15,046	\$15,046	\$15,201	\$15,201	objclass.tab2
Department of Agriculture	\$30,064	\$30,064	\$39,570	\$39,570	objclass.tab2
Other (does not include International Assistance) (2) (3)	\$68,119	\$68,119	\$182,123	\$67,984	calculated

(1) Provider Relief Fund payments were reclassified as COVID-19 relief spending.

(2) Funds designated for the Exchange Stabilization Fund were designated as unallocable.

(3) Emergency Rental Assistance funders were reclassified as COVID-19 relief spending.

Contracts and Procurement

Data from Federal obligations for contracts and procurements from the Federal budget object class data were used to estimate total Federal expenditures for contracts and procurements by agencies. The total agency data were allocated according to agency procurement data from USASpending.gov. USASpending data were available for FFYs 2019, 2020, and 2021.

Wages

Data on Federal obligations for wages and salaries were taken from the object class data accompanying the Federal budget and adjusted to estimate total military and nonmilitary wages.

TABLE 21. Detailed Breakdown of Federal Wages

	FFY 2020 (\$ millions)	FFY 2021 (\$ millions)	Source
Wages (obligations)	\$290,945	\$310,551	calculated
Military	\$109,572	\$115,002	objclass.tab1
Nonmilitary	\$181,373	\$195,549	objclass.tab1

Military Wages

Military wages were allocated to states based on each state's share of military wages as reported by the US Bureau of Economic Analysis Table SA7N. The share for Puerto Rico was estimated based on its population as reported by the US Census Bureau. These data were available for all years of analysis.

Civilian Wages

Civilian wages in the Federal budget exclude wages for the US Postal Service. These wages were allocated to states based upon data from the Full-Time Personnel data files obtained directly from the Office of Personnel Management. Data were available for FFYs 2020 and 2021.²¹

COVID-19 Relief Funding

In FFY 2020, the Federal government passed four appropriations bills that allocated funds to address the public and economic impacts of the COVID-19 pandemic. Together these four pieces of legislation authorized an additional \$2.59 trillion in budgetary resources be made available to Federal agencies. In FFY 2021, the government passed two additional bills allocating an additional \$3.0 trillion to Federal agencies to address the pandemic and recovery. Over the course of FFYs 2020 and 2021, the Federal government is estimated to have disbursed \$1.5 trillion and \$1.8 trillion in COVID-19 relief funds.²²

The funding was distributed to individuals, businesses, healthcare providers, and state and local governments. There were two forms of COVID-19 relief spending. The first was through new programs created explicitly to distribute funds. These programs include the Paycheck Protection Program for small businesses, Economic Impact Payments deposited into bank accounts, and the Coronavirus Relief Fund for state and local governments. COVID-19 also resulted in higher-than-average expenditures for existing programs. The dramatic number of job losses resulted in a record-breaking number of claims filed for unemployment insurance. The increases in Medicare reimbursement rates, resulted in higher-than-normal expenditures for the program. The growth in expenditures in these programs can be attributed to the pandemic, but the portion of spending allocated to COVID-19 relief can be difficult to separate.

TABLE 22. COVID-19 Relief Supplemental Funding, FFY 2020

Legislation	Date Signed	Amount
Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 P.L 116-123	March 6, 2020	\$7.8 billion
Families First Coronavirus Response Act P.L. 116-127	March 18, 2020	\$22.3 billion
Coronavirus Aid, Relief, and Economic Security Act (CARES Act) P.L. 116-136	March 27, 2020	\$1,760 billion
Paycheck Protection Program and Health Care Enhancement Act P.L. 116-139	April 24, 2020	\$483.4 billion
Coronavirus Response and Relief Supplemental Appropriations Act P.L. 116-260	December 27, 2020	\$991.3 billion
American Rescue Plan Act of 2021 P.L. 117-2	March 11, 2021	\$1,961.9 billion

SOURCE: "Funding Overview," Pandemic Oversight, US Pandemic Accountability Committee (PRAC), accessed February 4, 2023, <https://www.pandemicoversight.gov/data-interactive-tools/funding-overview>.

TABLE 23. Detailed Breakdown of COVID-19 Spending

	FFY 2020 (\$ millions)	FFY 2021 (\$ millions)	Source
COVID-19 Relief Spending (Obligated)	\$1,543,348	\$1,782,302	calculated
Business Loans			
Paycheck Protection Program	\$525,012	\$296,304	Treasury Department
Economic Injury Disaster Loan Program	\$45,141	\$52,376	Treasury Department
Other Direct Payments to Individuals			
Federal Pandemic Unemployment Assistance	\$289,446	\$253,108	DOL
Pandemic Unemployment Assistance	\$53,111	\$79,290	DOL
Coronavirus Payments and Credits—Economic Impact Payments	\$275,368	\$579,651	hist11.3
Advance Child Tax Credit payments		\$46,360	IRS
SNAP Pandemic EBT Program	\$11,038	\$28,407	USDA
Grants			
Coronavirus Relief Fund	\$149,466		CARES Act
Provider Relief Fund	\$109,434	\$19,175	HRSA
FEMA Disaster Relief Authorization	\$29,802	\$31,502	CARES Act
State and Local Fiscal Recovery Fund (SLFRF)	\$0	\$243,448	hist12.3
Emergency Rental Assistance	\$0	\$33,299	hist12.3
ARP Supplemental Public Transportation Apportionments and Allocations	\$0	\$11,302	DOT
ARP Airport Grants	\$0	\$5,454	DOT
Education Funding			
Student Loan Deferrals	\$27,027	\$56,209	ed.gov
Education Stabilization Fund	\$28,502	\$46,417	ed.gov

A new category of expenditures was created to account for the new spending programs initiated to provide pandemic relief. While hundreds of programs were created through the six bills signed into law, the bulk of expenditures can be attributed to 16 programs.

Business Loan Programs

The Small Business Administration (SBA) published data on the loans awarded to small businesses through the Paycheck Protection Program²³ and the Economic Impact Disaster Loan program.²⁴ Loans from the two programs were allocated based on a state's share of loans awarded in FFYs 2020 and 2021 as reported by the SBA.

Pandemic Unemployment

Historical table 11.3 of the Federal budget reported \$472.1 billion in total unemployment payments in 2020 and \$387.7 billion in 2021. These payments included payments made through traditional unemployment insurance claims and the supplemental unemployment funding through pandemic specific programs such as the Federal Pandemic Unemployment Assistance and the Pandemic Unemployment Assistance programs.

The monthly dataset published by the US Department of Labor on Net Unemployment Insurance benefits included new variables to account for the pandemic specific programs.²⁵ The total value of the benefits made through the two pandemic unemployment assistance programs in FFYs 2020 and 2021 were calculated and recategorized as COVID-19 relief spending. The same data were used to allocate the distribution to the states.

Coronavirus Payments and Credits

The distribution of Economic Impact Payments by state was taken from Table 8 in "Statistics of Income Gross Collections" data published by the IRS for FFYs 2020 and 2021.²⁶

Advance Child Tax Credit Payments

The distribution of Advanced Child Tax Credit Payments by state was taken from Table 8 in "Statistics of Income Gross Collections" data published by the IRS for FFY 2021.²⁷

SNAP Pandemic EBT Program

Historical table 11.3 of the Federal budget reported \$77.6 billion in total food and nutrition assistance direct payments in 2020 and \$122.3 billion in 2021. The USDA published data on the Pandemic EBT program Participation and Benefits. The total amount spent on Pandemic EBT was removed from the total level of SNAP funding and reclassified as COVID-19 relief spending. The funds were allocated to the states using Federal Funds Information for States (FFIS) grant data for CFDA code 10.551, the Supplemental Nutrition Assistance Program.

Coronavirus Relief Fund and State and Local Fiscal Recovery Fund

Part of the CARES Act, the Coronavirus Relief fund provided payments to state, local, and tribal governments in FFY 2020. The US Department of the Treasury published data on the distribution of the funding by state.²⁸ The ARP also distributed funds to state, local, county, and tribal governments in FFY 2021. The Treasury published the allocations to state, counties, cities, and territories.²⁹

Provider Relief Fund

The Centers for Disease Control and Prevention and the Department of Health and Human Services have maintained a database of all payments made as part of the Provider Relief Fund. These data were aggregated to determine state totals.³⁰

Emergency Rental Assistance

The Emergency Rental Assistance program was funded in the Consolidated Appropriations Act and the American Rescue Plan Act. The US Department of the Treasury provided grants to states, territories, and local governments to be distributed to eligible households. The Treasury published data on the distribution of Rental Assistance funds.³¹

American Rescue Plan Act Transportation Funding

The American Rescue Plan Act designated rescue grants for public transportation and airports to provide relief to airports affected by the COVID-19 pandemic. These funds were allocated using distribution data published by the Federal Transit Administration.³²

Education Relief

The Education Stabilization Fund was created as part of the CARES Act and further funded through the Appropriations and ARP Acts. In total, the fund will provide \$263 billion in relief to higher education institutions and their students, school districts, and state governments. The US Department of Education published funding distributions at their website, which were in turn aggregated by state.³³

The Department of Education's FFY 2020 financial report showed \$27.0 billion in COVID-19 student loan deferrals and \$56.2 billion the following year. This funding was allocated by state using BEA data on education and training assistance.

Unallocable Expenditures

A subset of expenditures categories were classified as unallocable. These are monies spent by the Federal government that cannot be attributed to a specific state. Unallocable Federal expenditures include net interest expenditures and payments for international assistance programs. These represented 5.3 percent of the total expenditures collected in FFY 2021. This is a standard practice in the calculation of balance of payments.

TABLE 24. Unallocable Federal Expenditures

	FFY 2020 (\$ millions)	FFY 2020 COVID-19 Adjusted (\$ millions)	FFY 2021 (\$ millions)	FFY 2020 COVID-19 Adjusted (\$ millions)	Source
Unallocable Expenditures	\$1,409,782	\$324,486	\$1,119,460	\$233,357	calculated
Net Interest Expenditures	\$345,470	\$345,470	\$352,338	\$352,338	hist3.1
International Assistance Programs	\$66,199	\$66,199	\$39,605	\$39,605	objclass.tab2
Undistributed Offsetting Receipts				\$114,139	hist3.1
Exchange Stabilization Fund	(\$106,362)	(\$106,362)	(\$123,860)	(\$123,860)	
Unexplained (S/B Obligations/ Expenditures Difference)	\$1,104,475	\$19,179	\$851,377	(\$148,865)	calc

Revisions to Estimates

The calculation of the balance of payments relies on data from over a dozen agencies and third-party suppliers. Each data set has a unique release and revision cycle. Ideally, the calculation would use final data from each of the sources, but these are not always available. Despite limitations in the availability of some source data, the Rockefeller Institute of Government and the New York State Division of the Budget believe there is value in generating estimates in a timely manner even if these calculations are based on preliminary data or reasonable estimates.

Changes in Allocators

[Tables 17](#) and [18](#) present the allocators used and their availability for each of the Federal fiscal years studied. For datasets in which there were no data available, the values from the next closest year were used. This report utilizes the most recent IRS Statistics of Income data for the 2020 tax year to determine individual income tax liability, released in December 2022. Elements of the FFY 2020 and FFY 2021 balance of payments estimates are based on the distribution of 2020 individual income tax liability across the states.

In addition to the potential lag in allocator data, much of the source data is revised on a regular basis. For example, the US Census Bureau revises state population data annually. Notably, 2020 was a decennial census year but because of delays resulting from the pandemic, the intercensal estimates for the years 2011 through 2019 have not yet been released. Traditionally, these revisions have been relatively minor, but the 2020 census results indicate that New York's 2020 population had been underestimated by an unusually large amount. Thus, it can be inferred that there will be unusually large upward revisions to some of the intercensal year data. The revised population data will be integrated into a future report.

The following labelling conventions have been adopted to refer to the annual revisions to the calculations.

Preliminary estimates—Preliminary estimates are those values calculated for the immediately preceding Federal fiscal year. In this report, preliminary FFY 2021 estimates are presented. Typically, preliminary estimates are calculated based on finalized data released with the Analytical Perspectives volume of the Federal budget for the upcoming Federal fiscal year. Nine of the 14 required receipts allocators will be specific to the study year (FFY 2021); the remaining five are extrapolated from the prior year (FFY 2020). Similarly, 15 of the 22 required expenditures allocators will be specific to the study year, while the remainder are extrapolated from the prior year.

Revised estimates—Revised estimates are updates to preliminary estimates calculated in the previous year. In this report, revised FFY 2020 estimates are presented. These estimates incorporate more recent data from the Census, IRS, CMS, and the Social Security Administration.



- 1 Federal Fiscal Year 2021 started on October 1, 2020 and concluded on September 31, 2021. The final expenditures and receipts values for FFY 2021 used in this report were published in the FFY 2023 president's budget (The White House, *Budget of the U.S. Government: Fiscal Year 2023* (Washington, DC: US Government Publishing Office, March 2022), https://www.whitehouse.gov/wp-content/uploads/2022/03/budget_fy2023.pdf).
- 2 Spending data from Funded Pandemic Relief Programs is based on Treasury Data and was taken from the Federal Pandemic Oversight website: "Funding Overview," Pandemic Oversight, US Pandemic Response Accountability Committee (PRAC), <https://www.pandemicoversight.gov/data-interactive-tools/funding-overview>.
- 3 For the 2020 tax year, 52.7 percent of New York's Federal income tax liability came from individuals with an income \$500,000 or greater as compared to 42.6 percent for the same income categories nationwide.
- 4 These taxes fell as a share of the total in 2018 as a result of the decline in the corporate tax rate effective for the 2018 tax year with the implementation of the Tax Cuts and Jobs Act (TCJA).
- 5 Due to pandemic-related delays, the US Census Bureau has not yet published intercensal population reestimates for 2011 through 2019. Because there were no changes in the raw data, values for 2015 and 2016 were not reestimated for this report. Estimates that appear in this report for 2015 and beyond will be revised once a new set of population estimates become available.
- 6 See "Budget of the United States Government," U.S. Government Publishing Office, <https://www.govinfo.gov/app/collection/budget/2023>, for links to all Federal budget documents.
- 7 "Table 2. Individual Income and Tax Data, by State and Size of Adjusted Gross Income, Tax Year 2020," IRS, Statistics of Income Division, Individual Master File System, December 2022, <https://www.irs.gov/pub/irs-soi/20in55cm.xlsx>.
- 8 *Earnings and Employment Data for Workers Covered Under Social Security and Medicare, by State and County, 2019* (Washington, DC: Research, Statistics & Policy Analysis, US Social Security Administration, December 2021), https://www.ssa.gov/policy/docs/statcomps/eedata_sc/2019/index.html.
- 9 "SOI Tax Stats – Gross Collections, by Type of Tax and State – IRS Data Book Table 5," US Social Security Administration, accessed February 14, 2023, <https://www.irs.gov/statistics/soi-tax-stats-gross-collections-by-type-of-tax-and-state-irs-data-book-table-5>.
- 10 "Highway Statistics 2019," Office of Highway Policy Information, Policy and Government Affairs, US Department of Transportation, Federal Highway Administration, updated February 3, 2022, <https://www.fhwa.dot.gov/policyinformation/statistics/2019/>.
- 11 Chris Carlson, Glenn Giese, and Steven Armstrong, *Analysis of the Impacts of the ACA's Tax on Health Insurance in 2020 and Later* (Milwaukee: Oliver Wyman, August 28, 2018), <https://health.oliverwyman.com/content/dam/oliver-wyman/blog/hls/featured-images/August18/Insurer-Fees-Report-2018.pdf>.
- 12 "Geographic Distribution of VA Expenditures (GDX) FY 2021," National Center for Veterans Analysis and Statistics, US Department of Veteran Affairs, May 2022, https://www.va.gov/vetdata/docs/GDX/GDX_FY21.xlsx.
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- 14 "Data Downloads," US Department of Labor, accessed February 14, 2023, <https://oui.dolleta.gov/unemploy/DataDownloads.asp>.
- 15 "Geographic Distribution of VA Expenditures (GDX) FY 2021."

- 16 Collected from the annual report titled *Evaluation of the TRICARE Program: Fiscal Year 2022 Report to Congress* (Washington, DC: Defense Health Agency, Analytics and Evaluation Division, US Office of the Assistant Secretary of Defense, February 28, 2022), <https://health.mil/Military-Health-Topics/Access-Cost-Quality-and-Safety/Health-Care-Program-Evaluation/Annual-Evaluation-of-the-TRICARE-Program>.
- 17 "FY20 Summary of Expenditures by State," National Center for Veterans Analysis and Statistics, US Department of Veterans Affairs, June 2021, https://www.va.gov/vetdata/docs/GDX/GDX_FY20.xlsx.
- 18 See "Budget of the United States Government."
- 19 "20in55cmcsv.csv," IRS, December 14, 2022, <https://www.irs.gov/pub/irs-soi/20in55cmcsv.csv>.
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- 27 Ibid.
- 28 "Payments to States and Eligible Units of Local Government," US Department of the Treasury, accessed February 14, 2023, <https://home.treasury.gov/system/files/136/Payments-to-States-and-Units-of-Local-Government.pdf>.
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ACKNOWLEDGMENTS

The authors wish to thank Patrick Schumacher for his research assistance.

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