



Research Brief

The Commonwealth's Official Source for Population and Economic Statistics

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Pennsylvania Receives \$90 Billion in Government Outlays, 5th Highest in Nation

MIDDLETOWN, Pa –The Pennsylvania State Data Center at Penn State Harrisburg reports that of the \$2.1 trillion spent by the federal government in 2003, \$90 billion was directed to Pennsylvania, or 4.4 percent of the federal total. This data is from two reports released by the U.S. Census Bureau. The *Consolidated Federal Funds Report for Fiscal Year 2003 (State and County Areas)* covers benefits, subsidies, grants, goods and services and salaries and wages. A companion report, *Federal Aid to States for Fiscal Year 2003*, contains federal agency and program-level data on grants to state and local governments.

These reports provide data at the state and county level and cover federal domestic spending. The reports do not cover interest on national debt because there is no meaningful way to assign payments on the national debt to a particular geography. The report also does not cover intelligence spending. The CIA and other intelligence agencies do not report geographical locations where they are spending their budgets. The Department of Homeland Security was created on January 24, 2003, and this report will be the first to cover activities of this office.

Of the \$90 billion distributed to Pennsylvania, \$32 billion, or 35.5 percent of the total, went to Retirement and Disability Programs, \$25 billion (27.8 percent) went to Other Direct Payments Programs, \$18 billion went for Grants, \$8 billion for Procurement Programs and \$6 billion went for Salaries and Wages.

Table 1: Summary of Federal Government Expenditures, Pennsylvania: Fiscal Year 2003*

| Program | Amount | Percent of Total |
|---------------------------|-----------------|------------------|
| Pennsylvania | \$90,350 | 100.0 |
| Retirement and Disability | 32,072 | 35.5 |
| Other Direct Payments | 25,156 | 27.8 |
| Grants | 18,624 | 20.6 |
| Procurement | 8,137 | 9.0 |
| Salaries and Wages | 6,363 | 7.0 |

*In million dollars: detail may not add due to rounding

A detailed analysis of Retirement and Disability monies given to Pennsylvania shows that of the over \$32 billion provided to Pennsylvania, \$16.6 billion went to retirement insurance payments, \$5.2 billion went to survivors insurance payments, \$3.6 billion went to disability insurance payments and \$1.5 billion was for supplemental security income payments. Additionally, a little over \$1 billion was spent on Veterans benefits. Data provided also show that:



- Of the \$25 billion for Other Direct Payments, \$16.8 billion was spent on Medicare benefits and \$3.5 billion was spent on Unemployment Compensation.
- In terms of grants, Pennsylvania received \$1.3 billion for the Department of Education, \$11.6 billion went to the Department of Health and Human Services, \$1.4 billion went to the Department of Housing and Urban Development and \$80 million went to the Department of Homeland Security.
- Of the \$8 billion in Procurement Contracts, \$5.6 billion went to the Department of Defense.

Looking at expenditures by the government on a per capita basis, Pennsylvania received \$7,306.68 for each person living in the commonwealth. Table 2 shows a per capita breakout of expenditures by major category for Pennsylvania in 2003. Please note that the July 1, 2003, estimated population of 12,365,455 was used for these calculations. Pennsylvania ranked 19th nationally in per capita expenditures in 2003.

Table 2: Per Capita Amounts of Federal Government Expenditures by Major Category, Pennsylvania: Fiscal Year 2003*

| Program | Amount | Per Capita |
|---------------------------|-----------------|-------------------|
| Pennsylvania | \$90,350 | \$7,306.68 |
| Retirement and Disability | 32,072 | 2,593.69 |
| Other Direct Payments | 25,156 | 2,034.35 |
| Grants | 18,624 | 1,506.09 |
| Procurement | 8,137 | 658.02 |
| Salaries and Wages | 6,363 | 514.54 |

The \$90,350 billion provided to Pennsylvania in 2003 is a 5.5 percent increase from the \$85,602 for Pennsylvania in 2002 and a 50.5 percent increase since 1994 when Pennsylvania received \$60,051 billion. Nationally, the percent increase from 2002 to 2003 was 6.4 percent.

Information for Pennsylvania's counties is available in *Consolidated Federal Funds Report for Fiscal Year 2003*. Philadelphia County received over \$16.2 billion of the money distributed to Pennsylvania, the most of any county and 17.9 percent of the state's total. Allegheny County received the second highest amount, \$11.4 billion.

Additional information on *Consolidated Federal Funds Report for Fiscal Year 2003* and *Federal Aid to States for Fiscal Year 2003* may be obtained by contacting the Pennsylvania State Data Center.

A copy of *Consolidated Federal Funds Report for Fiscal Year 2003* may be downloaded at:

<http://www.census.gov/prod/2004pubs/03cfr.pdf>

A copy of *Federal Aid to States for Fiscal Year 2003* may be downloaded at:

<http://www.census.gov/prod/2004pubs/03fas.pdf>

The Pennsylvania State Data Center is the commonwealth's official source for population and economic statistics. It is based at Penn State Harrisburg's Institute of State and Regional Affairs. The Pennsylvania State Data Center is part of the U.S. Census Bureau's National State Data Center Program.

Editors: For additional data, contact the Pennsylvania State Data Center's State Capital Office at 717.772.2710 or for faculty comment on this topic, contact Penn State Harrisburg's Public Information Office at 717.948.6029.