



Research Brief

The Commonwealth's Official Source for Population and Economic Statistics

February 9, 2006

Pennsylvania Spent More Than \$4,000 per Resident in 2004

MIDDLETOWN, Pa – Pennsylvania spent \$4,627.54 per resident in 2004, 26th in the nation, according to newly released data from the 2004 Annual Survey of Government Finances. Alaska led the nation with per capita expenditures of \$12,293.68, and state government per capita spending averaged \$4,797.08. The commonwealth ranked 6th nationally in both total revenue (\$69.2 billion) and expenditures (\$57.4 billion).

Revenue

Most of Pennsylvania's revenue sources in 2004 were classified as general revenue (\$50 billion, or 72.3 percent of the total revenue). Under this category, intergovernmental and tax revenue made up 22.1 and 36.6 percent of the total revenue, respectively. The largest sources of tax revenue were the general sales (\$7.8 billion), individual income (\$7.3 billion) and selective sales (\$4.8 billion) taxes. In addition to general revenue, insurance trust revenue accounted for a significant portion of the monies collected by the state in 2004 (\$18.1 billion, or 26.1 percent of the total revenue). (Table 1)

Lottery funds also constituted an important source of revenue for Pennsylvania. In 2004, the commonwealth took in \$2.2 billion in ticket sales (excluding commissions) and gave away \$1.3 billion in prize money. Proceeds available from ticket sales netted \$837 million, 6th best nationally.

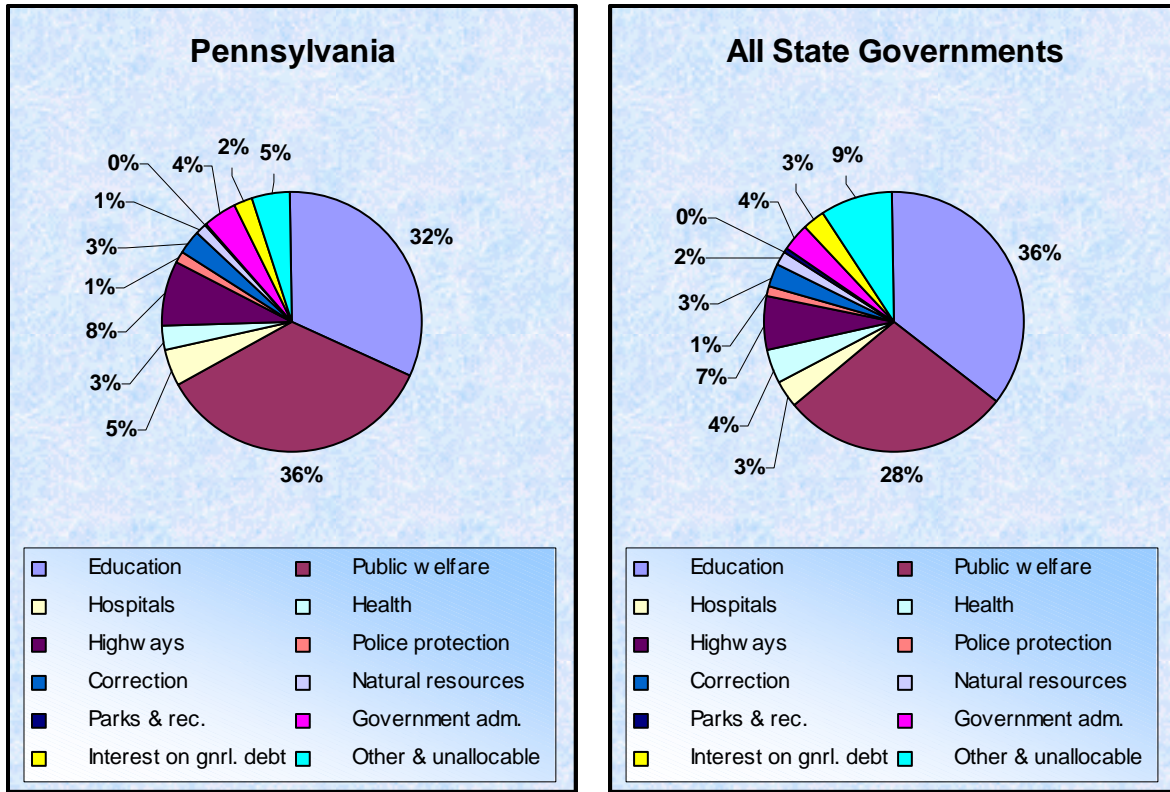
Expenditures

The majority of Pennsylvania's outlays were classified as general expenditures (\$48.2 billion, or 84.1 percent of total expenditures). The largest proportion of general expenditures by function went to public welfare (\$16.8 billion) and education (\$15.4 billion). These categories also accounted for the highest per capita spending, \$1,353.27 and \$1,241.84, respectively. Highways (\$4 billion), hospitals (\$2.2 billion), and government administration (\$2.1 billion) were also significant expenditures in 2004.

In a per capita comparison with average state government expenditures, Pennsylvania spent \$222.97 less per resident on education, but \$195.29 more on public welfare. The commonwealth also spent less per resident on health care (-\$50.39), corrections (-\$14.04), natural resources (-\$12.69) and parks and recreation (-\$6.36); but more on hospitals (+\$39.71), highways (+\$29.99), police (+\$12.01), and government administration (+\$14.42).

Of other expenditures, \$8 billion, or 14 percent of the total was spent on insurance trusts. At the end of the 2004 fiscal year, Pennsylvania had \$26 billion in debt and \$104.5 billion in cash and securities.

Allocation of General Expenditures, Pennsylvania and All State Governments



Item	Amount (\$1,000)	Per Capita (Dollars)
Total Revenue	69,212,674	5,584.37
General revenue	50,028,732	4,036.53
Intergovernmental revenue	15,298,110	1,234.32
Taxes	25,346,879	2,045.09
General sales	7,773,133	627.17
Selective sales	4,756,518	383.78
License taxes	2,547,850	205.57
Individual income tax	7,323,364	590.88
Corporate income tax	1,677,998	135.39
Other taxes	1,268,016	102.31
Current charges	5,706,808	460.45
Miscellaneous general revenue	3,676,935	296.67
Utility revenue	-	-
Liquor store revenue	1,109,204	89.50
Insurance trust revenue	18,074,738	1,458.35

Table 1: Pennsylvania Government Finances: 2004 (Continued)		
Item	Amount (\$1,000)	Per Capita (Dollars)
Total expenditure	57,353,773	4,627.54
Intergovernmental expenditure	12,156,969	980.88
Direct expenditure	45,196,804	3,646.67
Current operation	31,408,588	2,534.18
Capital outlay	3,361,917	271.25
Insurance benefits and repayments	8,044,411	649.06
Assistance and subsidies	1,258,487	101.54
Interest on debt	1,123,401	90.64
<i>Exhibit: Salaries and wages</i>	<i>7,457,562</i>	<i>601.71</i>
Total expenditure	57,353,773	4,627.54
General expenditure	48,242,901	3,892.44
Intergovernmental expenditure	12,156,969	980.88
Direct expenditure	36,085,932	2,911.56
General expenditures, by function:		
Education	15,391,363	1,241.84
Public welfare	16,772,449	1,353.27
Hospitals	2,201,565	177.63
Health	1,471,027	118.69
Highways	4,026,416	324.87
Police protection	604,141	48.74
Correction	1,488,414	120.09
Natural resources	631,347	50.94
Parks and recreation	168,300	13.58
Government administration	2,068,165	166.87
Interest on general debt	1,123,401	90.64
Other and unallocable	2,296,313	185.28
Utility expenditure	48,285	3.90
Liquor store expenditure	1,018,176	82.15
Insurance trust expenditure	8,044,411	649.06
Debt at end of fiscal year	25,995,752	2,097.45
Cash and security holdings	104,532,372	8,434.11

Abbreviations and symbols: - zero or rounds to zero; (NA) not available; (X) not applicable

Source: U.S. Census Bureau, Governments Division, 2004 Survey of State Government Finances, January 2006

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.

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