

A Commission Report

REGIONAL GROWTH

**Flows of Federal Funds,
1952-76**



Advisory Commission on Intergovernmental Relations

WASHINGTON, D.C. 20575

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A-75

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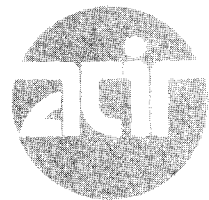
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Preface

Growing public discussion and controversy concerning the implications of uneven patterns of economic growth in different regions of the United States, as well as allegations that federal government taxing and spending policies have contributed to such disparities, prompted the Advisory Commission on Intergovernmental Relations to undertake a series of research studies on the subject. The results of the ACIR investigations will be issued in a three-volume study entitled *Regional Growth*.

The first volume of the study, *Regional Growth: Historic Perspective*, examines the economic growth of the various regions of the United States and points out the importance of the converging growth rates throughout the nation. The third volume will examine the issue of whether interstate tax competition has brought about any significant differential regional growth pattern.

This second volume, *Regional Growth: Flows of Federal Funds, 1952-76*, focuses on the impact of federal financial activities, both spending and taxing, on states and regions. It

presents data covering five selected periods between 1952 and 1976, collected, adjusted, and analyzed by a systematic methodology developed by the author. The most important finding of this study is the convergence: interstate and interregional differences in the ratio of federal expenditures to revenues were considerably narrower in 1974-76 than they were in 1952.

Both the data presented and the explanation of the methodology make a substantial contribution to the discussion of the actual impact of federal activities on regional development by substituting systematic research and data analysis for the more impressionistic analyses which have in the past fueled the controversies concerning the impact of federal expenditures and revenues on states and regions.

Abraham D. Beame
Chairman

Acknowledgments

This report was prepared for the Advisory Commission on Intergovernmental Relations by I. M. Labovitz. Throughout his career, Mr. Labovitz has been an active participant in the study of intergovernmental affairs. At the United States Bureau of the Budget and the Congressional Research Service of the Library of Congress—from which he retired in June 1973—he contributed profound scholarship and valuable insights into the operation of our federal system.

The subject of flows of federal funds has been a particular specialty of Mr. Labovitz. This report builds upon a study by the late Dr. Selma Mushkin, who pioneered in the analysis of the impact of federal expenditures and revenues on states and regions. Bringing together compilations which Mr. Labovitz has prepared over more than two decades, it presents data for selected periods and explains in detail the methodology which he developed. We believe that it will be the benchmark for

future research studies in this field, and we are proud that the ACIR is able to present this study to the research community and the public.

Special acknowledgements are due to the staff of the Regional Economics Measurement Division, Bureau of Economic Analysis, United States Department of Commerce, for tabulations which served as the principal source for the expenditure distribution.

Ruthamae Phillips typed the text and its many tables and prepared the maps. Susannah Calkins also assisted in the final preparation of the manuscript.

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Introduction*

The magnitude and composition of federal expenditures and revenues have changed greatly over the last quarter century. The annual volume of each is now about five times the level of 1952. At that time we were involved in a major conflict in Korea, so that military outlays took 59% of the budget total. By 1974-76, despite the war in Vietnam, national defense expenditures made up barely 26% of federal expenditures.

Trust funds, such as the social insurance funds, were previously outside the budgetary totals; now they are included. Transfer payments, especially Social Security benefits and aids to state and local governments, have become major categories of expenditure.

On the revenue side, payroll taxes and other social insurance contributions are now a major source, having increased from less than 7% of the total in 1952 to 30% in 1974-76.

Understandably, these changes have affected state and regional shares in federal expenditures and contributions to revenues. Indeed, it appears that over the past 25 years differences among states and regions have narrowed steadily because of a faster-than-average rise in personal incomes in some re-

*In tables throughout this study, because numbers are rounded, the sum of amounts or percentages for states in a region may not equal exactly the amount or percentage for the region as a whole.

gions, particularly the Southeast and Southwest.

Because government accounts and fiscal reports do not routinely show state and regional shares in federal government expenditures and revenues,¹ this study undertakes to measure and compare these shares for selected fiscal years during 1952-76. It identifies some of the shifts that have occurred in the geographic impacts of expenditures and the geographic origins of revenues. The data here presented and discussed are:

- 1) sets of estimates of federal expenditures in each state for payments to residents and for goods produced and services rendered in the state, and
- 2) estimates of federal revenues derived from residents of each state.

The numbers are drawn from previously published periodic compilations for 1952 through 1967, supplemented by compilations for 1969-71 and 1974-76 for which details have not been published before.²

The need for special compilations arises from the fact that (1) geographic origins of revenue are often different from the places where taxes or other revenues are received, and (2) the places where the government makes disbursements often are not the states where the particular expenditures have their impacts

upon individuals and the local economy. Taxes borne by the people of one state may be remitted to a government office in another state. The effort here is to associate the taxes with the state where the actual contributors reside. Similarly, federal government expenditures that take the form of payments to individuals are assigned in the estimates to the state where the recipient lives or works. Expenditures in the form of payments to other recipients (such as business firms) are assigned generally to the state where goods are processed or produced, services are rendered, improvements are located, or other relevant activities are performed.

Most of the distributions shown in tables in this report are composites of narrower estimates, each based on particular assumptions and procedures and a considerable measure of subjective judgment.

A study of this kind involves a multitude of assumptions and procedures on which analysts' judgments are likely to differ. A later section of the report gives examples of the particular choices that were made in the studies summarized here.

For brevity, the District of Columbia is treated as though it were a state. References to 51 states or United States mean the 50 states and the District of Columbia.

The states composing each region are identified in *Table 1* and other detailed tables.

FOOTNOTES

¹An exception is a multivolume processed annual compilation of expenditures, issued since 1967 by the Community Services Administration (and its predecessor, the Office of Economic Opportunity) under the title *Federal Outlays* (since 1977 entitled *Geographic Distribution of Federal Funds Report*), Washington, D.C. This is described more fully in *Chapter 9* of this report, in a footnote to the subsection on "Military Outlays." It covers expenditures only.

²The initial study, for the fiscal year 1952, was prepared by Selma Mushkin and issued in 1956 by the U.S. Public Health Service. A compilation for FY 1958 (omitted from this report) was prepared by Raymond E. Manning and I. M. Labovitz of the Legislative Reference Service (now the Congressional Research Service) of the Library of Congress. Labovitz prepared similar compilations for the three-year fiscal period 1959-61 and (with Harriet J. Halper) for 1965-67; these reports also were issued by the Legislative Reference Service. The study for 1965-67, ac-

companied by an analytical review by the Intergovernmental Relations Subcommittee of the House Committee on Government Operations, was published as a Committee Print in 1968. For detailed citations to these sources, see footnotes to *Table 12* in this report.

State ratios of expenditures to revenues for three periods (1974-76, 1965-67, and 1952) and summary percentages, index numbers, and ratios for geographic regions were published by ACIR in I. M. Labovitz, "Federal Expenditures and Revenues in Regions and States," *Intergovernmental Perspective*, Washington, DC, U.S. Government Printing Office, Fall 1978, Vol. 4, No. 4, pp. 16-23. The present report incorporates minor revisions and adjustments of federal wages paid in the District of Columbia, Maryland, and Virginia in 1974-76, described in *Chapter 9* of this report, section on "Special Adjustment for Income Payments in National Capital Area."

For a review of studies and compilations of federal government expenditures by regions and states before 1952, and a list of references, see Mushkin, *Illustrative Estimates*, pp. 84-94 (for a complete citation, see *Table 12*, footnote 7). Additional references are listed in the 1968 Committee Print (mentioned above), p. 44.

Findings

Examination of the statistical series yields the following major generalizations:

- Interstate and interregional differences in the ratio of federal government expenditures to revenues were considerably narrower in 1974-76 than they were in 1952. (See pp. 16 and 23.)
- This convergence results primarily from a trend toward equalization of tax yields relative to population and personal incomes. (See pp. 17, 18, 26, and 27.)
- Convergence is much less evident on the expenditure side, particularly when the comparison is between regions, but it does show up in the data for individual states. Measured by federal expenditures relative to population or to personal income, regional differences were as large in 1974-76 as in 1952—and larger in intermediate periods. Interstate differences, however, diminished appreciably. (See pp. 17, 18, 26, and 27.)
- The tendency for revenue contributions originating in each state to move nearer to the average may be attributed to a long-term trend toward a narrowing of interstate differences in levels of personal income, coupled with the fact that the individual income tax is the primary element in the federal revenue system. The relationship is affected also by the growing im-

portance of payroll taxes in budgetary receipts. (See pp. 19, 22, and 29.)

- Over the whole period, 1952-76, federal revenue origins in states were closely related to the geographic distribution of personal income. In fact, total federal revenues from residents of each state were almost proportionate to personal income in the state. The statistical correlation was close. That is to say, states with high average personal income per capita generally yielded high federal revenues per capita, and states with low average personal income per capita generally yielded low revenues per capita. (See pp. 27-31.)
- The geographic distribution of federal government expenditures also tended to follow personal incomes, but the association—though positive—was much weaker for expenditures than for revenues. (See pp. 17, and 27-31.)
- When states are listed in the order of their

percentage shares of federal expenditures, those with the largest, middle, and smallest shares (taken as separate groups) show no marked change in their collective shares over the years. (See pp. 24-25.)

- As a percentage of total federal revenues, the collective contributions of the residents of the five largest states declined over the period; the share contributed by residents of other states generally increased. (See p. 25.)
- States with the largest percentages of total federal expenditures were in almost every case the states where the largest percentages of federal revenue originated. In most instances, their shares of revenues exceeded their shares of expenditures. (See pp. 25-26.)

These observations and other relationships are elucidated in *Chapter 6, Summary Tables and What They Show*. Additional inferences from the tables are included in *Chapter 9, Details of the Distributions*.

A Cautionary Note

At this point, a cautionary note should be injected to help forestall misinterpretation of the data.

The statistics are intended to measure the initial impacts of federal government fiscal operations, not the ultimate economic effects. Insofar as possible (subject to the validity of the tax incidence assumptions and limitations of available data), the revenue estimates endeavor to focus on the incidence of federal taxes on persons residing in the several states. The expenditure estimates aim to show the sum of payments directly to individuals residing in each state and, for payments to business, the amounts paid for services rendered or goods produced in each state. But this kind of analysis leaves unresolved such questions as the effects of federal fiscal operations on various characteristics such as the following:

- the degree to which federal government outlays provide services primarily of national, regional, or local interest or benefit—in different combinations in different states;
- the application of resources to the public and private sectors in each state;
- the pattern of economic activities carried on within a state by public and private elements;
- the amount and distribution of disposable income within a state; or

- the composition of personal income and gross product.

Each of these areas, taken separately, is a worthy subject of extensive inquiry.¹

Moreover, these statistics do not define goals or policy objectives. Despite evidence of a reduction of geographic differences in the pattern of overall federal expenditure-revenue relationships, it does not follow—at least, it should not be inferred without special analysis and evaluation—that this tendency should be applauded and fostered or should be condemned and opposed. It should, of course, be examined and evaluated.

Uniformity in the geographic shares is not to be expected—unless, perhaps, in a completely egalitarian society. Indeed, such uniformity might run counter to the dominant values of our federal system of government, which allows and adjusts for regional, state, and individual differences in economic status, consumption levels, resource availability, demand for governmental services and activities, and other characteristics. Interstate uniformity in the ratios of federal expenditures to revenues, if it appeared, might attest to some frustration

of national interests and standards. It might signal a perfect equilibrium of logrolling, effected without regard to geographic variations in fiscal needs and abilities.

Differences among states and regions of the kinds shown in these statistics may be expected to persist as long as there are:

- on the revenue side, differences in the levels of personal incomes among states and regions, with resulting differences in tax contributions relative to personal income; and
- on the expenditure side, differences in federal outlays relative to population and personal income, because the outlays must be made where services or support are needed, where entitlements have accumulated (as in the case of Social Security benefits), or where productive personnel, facilities, and other resources are located.

Considering the diverse factors involved, it seems likely that substantial interstate and interregional differences in expenditures per capita or as a percentage of personal income will continue. In the case of revenues, however, interstate and interregional differences in federal taxes as a percentage of personal income were small in 1974-76. Even that narrow spread may be reduced if personal income averages continue to move closer together.

¹In the Mushkin study for 1952, mentioned earlier, some of these issues were addressed. See, for instance, *Illustrative Estimates*, *op. cit.*, pp. 8-11, 13-19, and 59-66.

Structure and Content of the Series

Estimates for each state and region are based on particular assumptions. The assumptions and distribution procedures differ in some details for the several periods (with the greatest differences between 1952 and the later years). The compilation for 1974-76 uses more procedural shortcuts than the earlier studies, as explained in later sections. Nevertheless, the resulting distributions are generally comparable between periods.

Except for 1952, each compilation in the series presents totals or averages for three fiscal years. This helps to reduce fluctuations that might result from special transitory circumstances (such as construction projects). Also, except for 1952, the expenditure estimates combine some calendar year data with fiscal year data; the use of three-year periods reduces distortions that might result from this combination.¹

There are, however, differences in the scope of the distributions, especially between the revenue totals and expenditure totals. Very nearly all the revenues in each fiscal period are credited to the 51 states and very little to other areas. Somewhat lesser percentages of expenditures—as low as 87% of the total in two periods—are allocated to the states; the remainder represents either expenditures abroad or outlays not covered in the distributions. In effect, the geographic distribution of most expenditures is deemed to represent the distribution of all expenditures.²

OBJECTIVES

In all the estimates, the objective is to show the geographic *origins* of federal government revenues and the geographic *impacts* of federal government expenditures (in total for each state and the District of Columbia but not for lesser areas).

The revenue origins are not necessarily the same as the place where collections are made or remittances are received by the government. In fact, for several categories, such as corporation income taxes and for liquor, tobacco, gasoline, and other excises, the amount originating in a state usually differs substantially from the amount collected in that state. In the distribution by origins, these revenues are attributed, insofar as possible, to the state of residence of the ultimate payer. For the excises, this is typically the consumer of the taxed product or service. *Chapter 9 and Appendix B.*

For the expenditure estimates, federal outlays are allocated generally to the state of residence of individual recipients (such as Social Security beneficiaries and pensioners); and to the state where goods are produced or services are rendered in the case of contractors, suppliers, and other corporate recipients. (Expenditures shown as payments to personal incomes include payments to nonprofit institutions.) Salaries and wages paid to federal government employees are a special case. Available data show these payments only by state of employment, and these are the amounts incorporated in the expenditure series. In this instance, judged by salaries and wages from all types of employers, the difference in total payments between the state of residence and the state of employment appears to be substantial only for the District of Columbia, Maryland, and Virginia. For those areas, a special adjustment is made in the compilations for 1974-76.³

REGIONAL GROUPING OF STATES

To facilitate summary comparisons over time and between sections of the country, statistics for individual states are presented in regional groups, with subtotals for each region. States within each region are identified in the detailed tables. These regions follow the pat-

tern used by the Regional Economic Measurement Division, Bureau of Economic Analysis, Department of Commerce in its reports on state personal income.⁴

BASIS FOR COMPARISONS

Because of differences in the scope of the distributions, mentioned earlier, the absolute amounts of expenditures and revenues estimated for each region or state are not directly comparable within fiscal periods or between periods. Also, differing proportions of federal expenditures were financed by borrowing, as discussed below.

To overcome these complications, the share of each state or region is reported in terms of ratios, percentages, and index numbers.

The *percentages* measure the share of each state or region in a nationwide total. For each fiscal period, the total for all 51 states is 100%.

Because of rounding, percentages shown for the several states or regions do not in all cases coincide exactly with the totals. Differences are small and not significant, since almost every figure is an approximation with a margin of uncertainty.

For each period, a pairing of the estimated percentage share in all allocated expenditures and the estimated percentage contribution to all revenues yields a *ratio* which shows whether federal expenditures in any state or region were proportionately greater or less than the share of federal revenues originating there. The ratios assume a nationwide average of 1% of allocated expenditures associated with each 1% of revenues; i.e., on the average, for all the states together, \$1 is expended for each \$1 of revenue. Thus, the nationwide average for any fiscal period is 1.00. A higher ratio indicates that the share in federal expenditures was above the the percentage of revenues originating in the state—and the deviation above 1.00 measures the extent of the variance. A ratio below 1.00 signifies that the state share in federal expenditures was less than the percentage contribution to revenues—and the differences from 1.00 similarly measures the degree of variance.

These ratios permit direct comparison of states or regions in a given fiscal period and between periods.

For each fiscal period, two pairs of *index numbers* are presented—one relating federal expenditures and revenues to population and the other relating them to personal income. For each set of index numbers, the nationwide average is 100.0. An index number above 100.0 signifies that the amount per capita or the amount per \$1,000 of personal income is above average. A number below 100.0 signifies that the amount per capita or the amount per \$1,000 of personal income is below average. The deviation from the base of 100.0 measures the degree to which the estimates for a state is above or below the nationwide average.

Index numbers for amounts per capita are based on Bureau of the Census population estimates, averaged to represent the mid-point of each fiscal period. Index numbers for federal expenditures and revenues in relation to personal income are based on total personal income of residents in each state or region during each fiscal period, as estimated by the Bureau of Economic Analysis. Procedures and sources of data are indicated in *Appendix A*. Population and personal income data by states and regions are set forth in three tables in this appendix.

BUDGETARY DEFICITS

Since aggregate federal expenditures exceeded revenues in each fiscal period,⁵ it

might appear logical to build the deficit into the ratios of expenditures to revenues. Thus, the nationwide average ratio of expenditures to revenue in 1974-76 might be set at 1.14 instead of 1.00, because expenditures in that period were 14% above revenues. The average ratio for each earlier period would be a lesser number, as the following tabulation shows:

Fiscal Period	Budget totals (millions)		Ratio of
	Expenditures	Revenues	Expenditures to Revenues
1952	\$67,721	\$66,204	1.02
1959-61	282,122	266,130	1.06
1965-67	411,336	397,241	1.04
1969-71	592,561	569,919	1.04
1974-76	961,355	845,126	1.14

SOURCE: Office of Management and Budget, *U.S. Budget in Brief, Fiscal Year 1979*, Washington, DC, U.S. Government Printing Office, January 1978, p. 89, Table 9. These totals conform to budgetary concepts current in 1978, which may differ somewhat from the concepts in use when the several geographic distributions were compiled.

Use of these shifting ratios to represent the nationwide average would complicate comparisons between states or regions and between periods without improving their accuracy. Accordingly, this report presents the simpler ratios based on equating 1% of expenditures with 1% of revenues to produce a nationwide average ratio of 1.00 for each fiscal period covered.

FOOTNOTES

¹In the 1952 study, although the incidence illustration of expenditures was "principally based on a single year's operation, in some instances to prevent distortion of amounts shown by the cut-off point of the fiscal year—data readily permitting—the estimates were based on operations over a period of years rather than on the experience of that year alone." Expenditures of the Bureau of Reclamation were cited as the clearest instance of this procedure. "If state estimates were to be prepared annually, these year-to-year differences in program operations would become part of the statistical series; presumably annual information would be used specifically to show the year-to-year differences." Mushkin, *Illustrative Estimates, op. cit.*, p. 27.

²See Chapter 7, *Budgetary Totals*.

³The adjustment is described in Chapter 9 of this report.

⁴See U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, Washington, DC, U.S. Government Printing Office, August 1977, p. 17. This regional grouping differs from that employed by the

Bureau of the Census, Internal Revenue Service, and some other federal agencies. It differs also from the "Standard Federal Regions" promulgated by the Office of Management and Budget and used by that office to show the distribution of federal grants to state and local governments (see, for example, Office of Management and Budget, *Special Analyses, Budget of the United States Government, Fiscal Year 1977*, Washington, DC, U.S. Government Printing Office, January 1976, p. 263, and *ibid.*, *Fiscal Year 1979*, January 1978, p. 183). The Internal Revenue Service reports tax data in terms of its own regions and also for the Standard Federal Regions (see, for example, U.S. Department of the Treasury, Internal Revenue Service, *Statistics of Income, 1974, Individual Income Tax Returns*, Publication 79 (10-77), Washington, DC, U.S. Government Printing Office, 1977, pp. 179, et seq.).

In this report, all statistics from IRS, Census, and other sources have been restated in terms of the regions used for reporting personal income.

⁵In the fiscal periods for which distributions are presented, the federal government had budgetary surpluses in fiscal years 1960 and 1969 but deficits for each of the three-year periods 1959-61 and 1969-71.

Interpreting the Numbers

Clearly the estimates are better indicators of relative positions and magnitudes than of absolute amounts. There is no dependable method for testing the validity of the consolidated distributions for each fiscal period. Some credibility is gained from the fact that the successive compilations exhibit a high degree of consistency in the relative positions of individual states and regions. Of course, this consistency could conceivably be a function of the methods used in compiling the statistics. Yet the rankings and the magnitudes appear to be supported by subjective impressions, anecdotal evidence, and statistics for individual states to an extent that bolsters confidence in the general authenticity of the numerical findings.

In any event, the uses and interpretations of the data should be limited to broad comparisons and judgments—a qualification that needs to be especially emphasized because the distributions are based on selected assumptions about revenue origins and expenditure impacts, and there is no assured agreement on these assumptions. The quantitative expression of results gives them an appearance of much greater precision than can reasonably be claimed.

Summary Tables and What They Show

Highlights of this report appear in maps and in two groups of summary tables. *Tables 1-11 and 38-44.** These are reviewed in this chapter.

Table 1 presents *ratios* of federal expenditure shares to revenue contributions for each of five fiscal periods during 1952-76. *Table 2* summarizes these ratios in terms of a frequency distribution. *Maps 1 and 2* indicate how the state ratios for 1974-76 compare with those for 1952.

Tables 3 and 4 present *percentages* for each of the five fiscal periods. These are summarized in frequency distributions in *Table 5*.

Index numbers in *Tables 6 and 7* show comparative shares of expenditures and revenues per capita of the population, with frequency distributions in *Table 8*. Index numbers in *Tables 9 and 10* represent expenditures and revenues as proportions of personal income, and *Table 11* gives a frequency distribution for these index numbers. *Maps 3 and 4* show for 1974-76 how the numbers for expenditures relative to personal income compare with those for revenues.

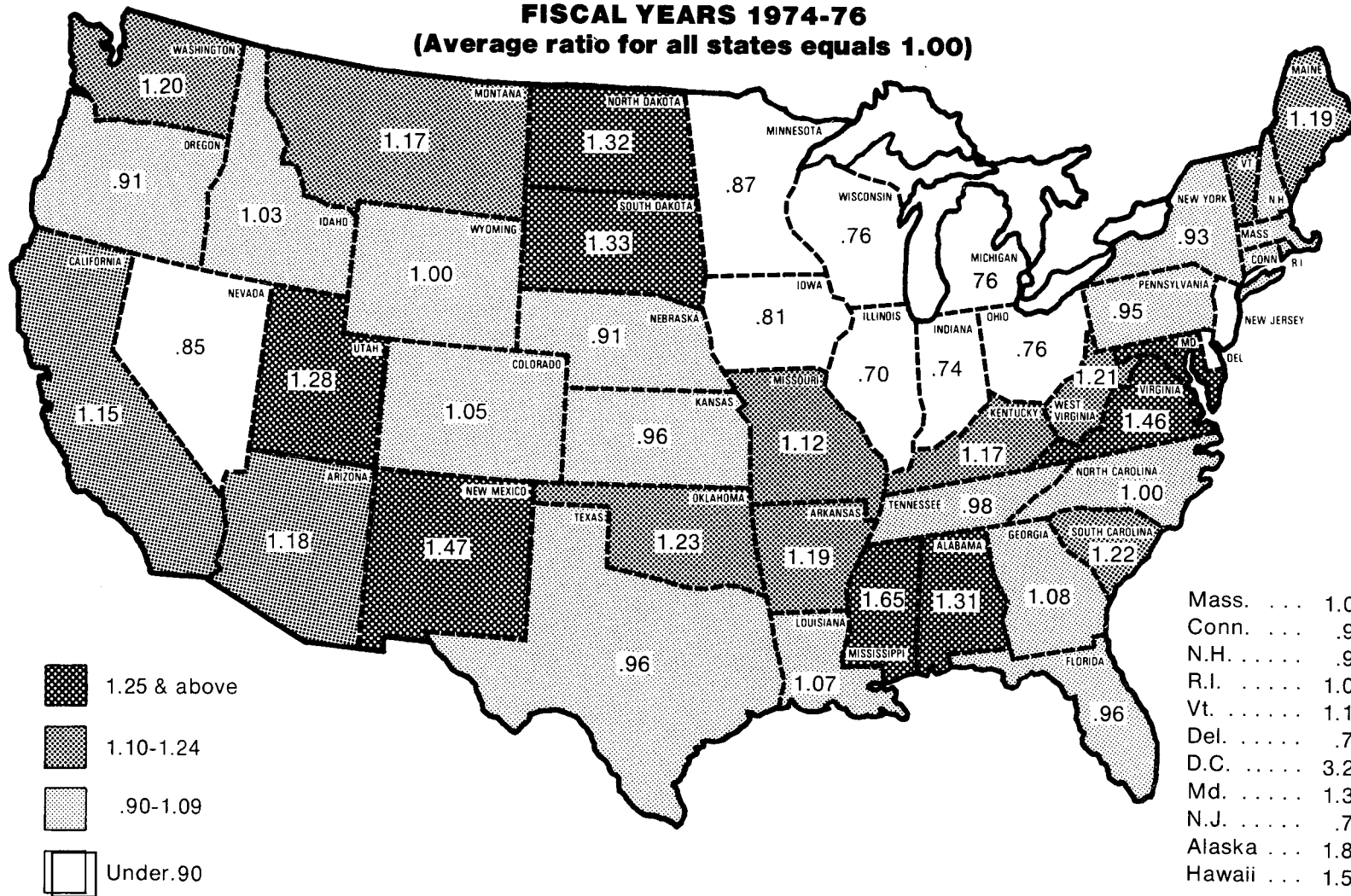
The state data in each of the major tables (*Tables 1, 3, 4, 6, 7, 9, and 10*) are arrayed in rank order in *Tables 38-44*.

The next two sections review the ratios, percentages, and index numbers (1) for the regions and (2) for the individual states.

*Tables begin on page 55.

Map VI-1

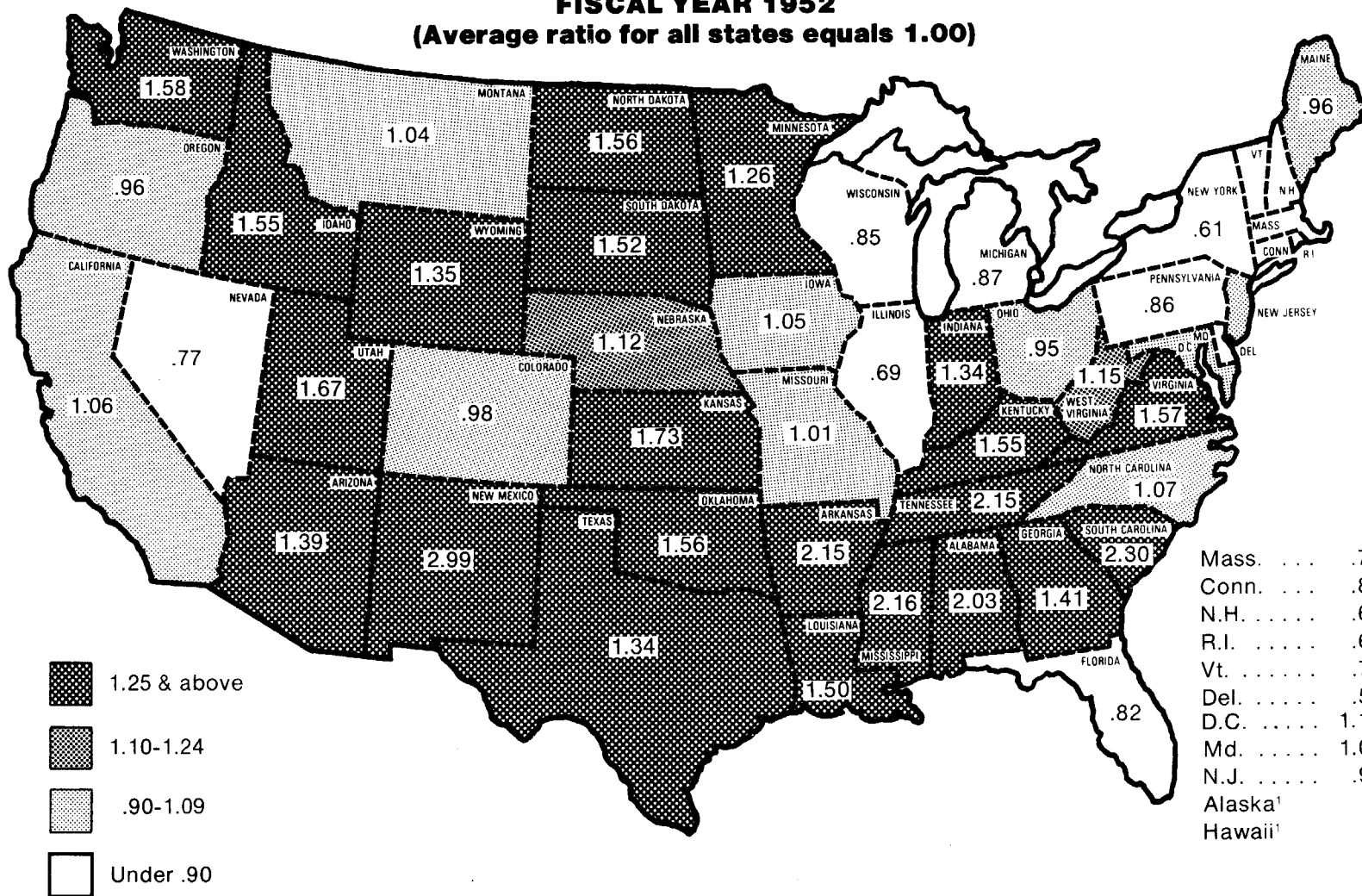
**RATIO OF ESTIMATED FEDERAL GOVERNMENT EXPENDITURES IN EACH STATE
TO ESTIMATED FEDERAL REVENUES FROM RESIDENTS OF THE STATE,
FISCAL YEARS 1974-76**
(Average ratio for all states equals 1.00)



SOURCE: Tables 1 and 38.

Map VI-2

**RATIO OF ESTIMATED FEDERAL GOVERNMENT EXPENDITURES IN EACH STATE
TO ESTIMATED FEDERAL REVENUES FROM RESIDENTS OF THE STATE,
FISCAL YEAR 1952**
(Average ratio for all states equals 1.00)



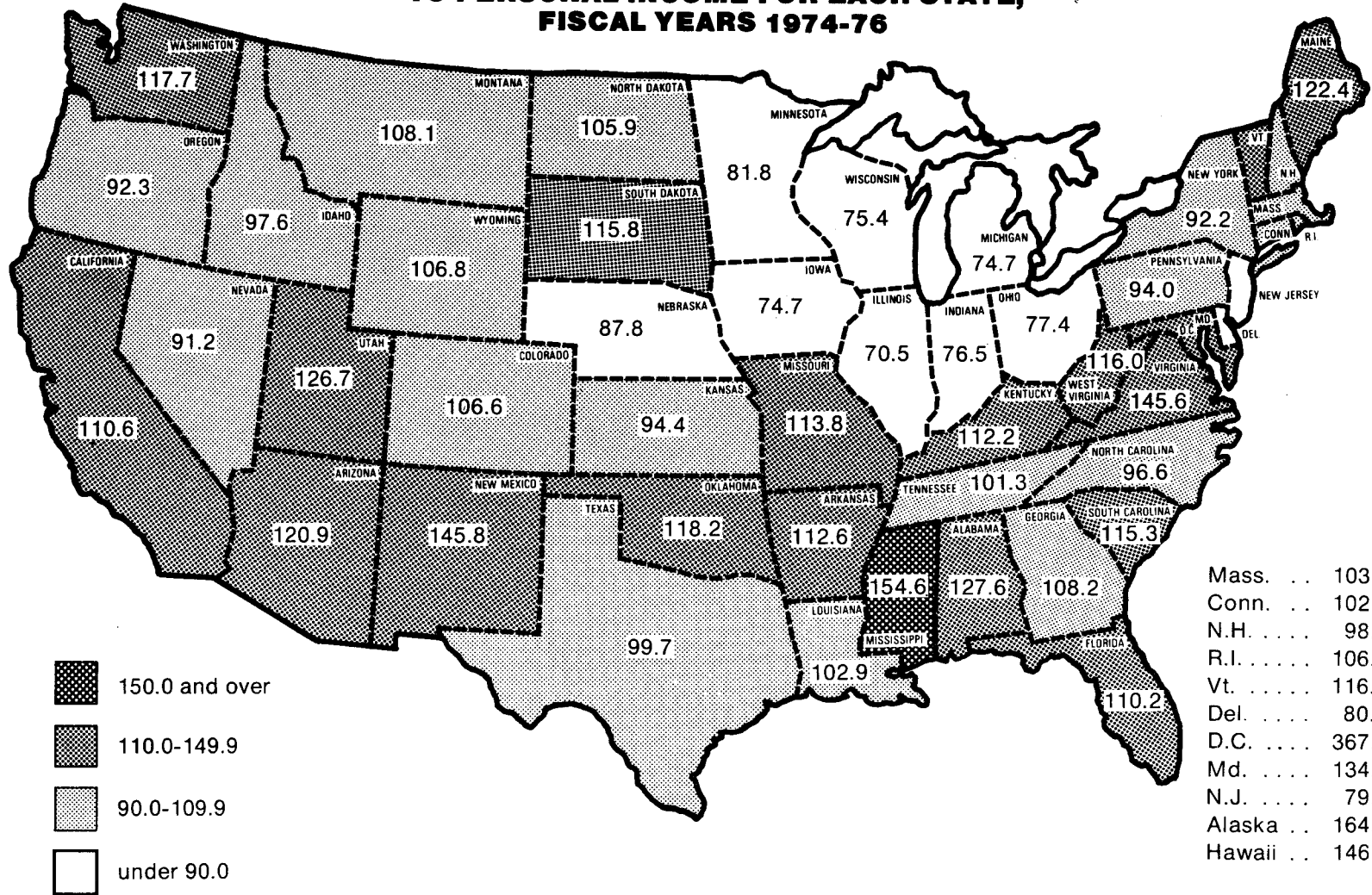
SOURCE: Tables 1 and 38.

Mass.	.74
Conn.	.86
N.H.	.64
R.I.	.68
Vt.	.74
Del.	.53
D.C.	1.10
Md.	1.09
N.J.	.90
Alaska ¹	
Hawaii ¹	

¹Were territories in 1952.

Map VI-3

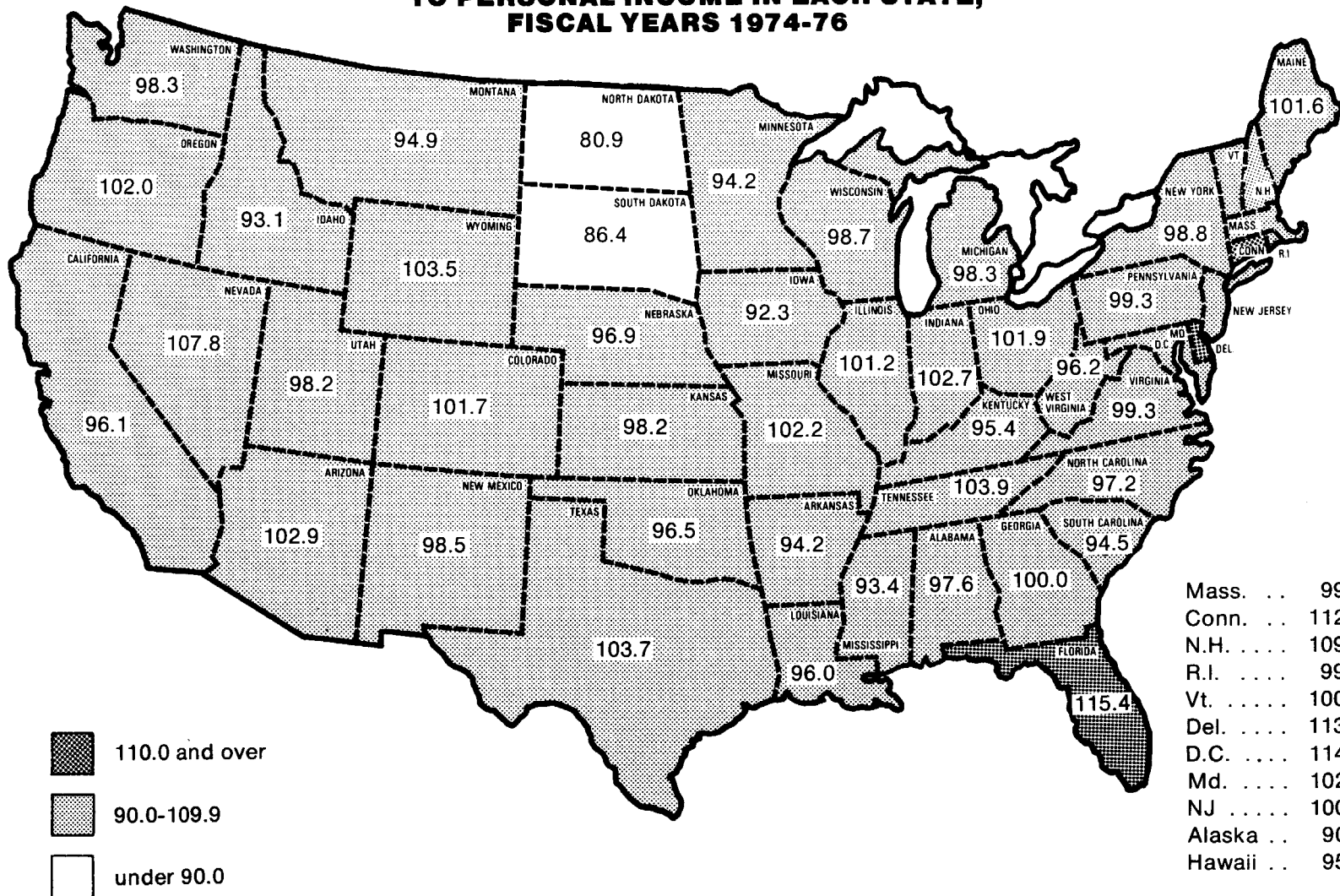
STATE INDEX NUMBERS FOR FEDERAL GOVERNMENT EXPENDITURES IN RELATION TO PERSONAL INCOME FOR EACH STATE, FISCAL YEARS 1974-76



SOURCE: Tables 9 and 43.

Map VI-4

STATE INDEX NUMBERS FOR FEDERAL GOVERNMENT REVENUES IN RELATION TO PERSONAL INCOME IN EACH STATE, FISCAL YEARS 1974-76



SOURCE: Tables 10 and 44.

REGIONAL COMPARISONS

Ratios of Expenditures to Revenues

Examination of the regional ratios in *Table 1* (omitting Alaska and Hawaii, which are not included within the eight geographic regions defined in the table) brings out these main points:

1. The spread between regions was considerably less in 1974-76 than in any of the preceding periods.
2. In general, the regions maintained their relative positions throughout the quarter-century, but there were some notable shifts.

Apart from the Great Lakes, all regions had ratios in 1974-76 within the very narrow limits of .98 to 1.14, against a spread from .75 to 1.51 in 1952 and .75 to 1.37 in 1965-67. (These ratios may be translated as representing, for 1974-76, a range from \$0.98 to \$1.14 of federal expenditures for each \$1 of revenue originated in the region, and similarly for the other numbers.)

Among five regions which had expenditure shares in excess of their revenue shares in 1952, four continued their above-average ratios throughout the later periods. Among three regions which had revenue shares in excess of their expenditure shares in 1952, two maintained this relationship through 1974-76.

The Southeast, Southwest, Rocky Mountain, and Far West were the four regions which had expenditure shares exceeding their revenue shares in all periods studied. For the Great Lakes and Mideast regions, contributions to revenues exceeded their shares of expenditures in all periods (though the Mideast ratio was practically at the nationwide average in 1974-76). The Plains and New England were mostly at, or near, the average.

Among the eight regions, the Southeast group of 12 states held either first or second rank in the ratio of federal expenditures to revenue origins, although the regional ratio declined sharply from 1.51 in 1952 to 1.14 in 1974-76. Before 1974-76, the Southwest region (comprising four states, of which Texas is

largest) was second highest when the Southeast was first, and first when the Southeast was second. The Southwest ratio went from 1.46 in 1952 to 1.24 in 1959-61 (the same as the adjacent Rocky Mountain region), 1.37 in 1965-76, and 1.32 in 1969-71. But in 1974-76, the ratio for the Southwest was down to 1.05.

The Great Lakes region held the lowest rank in every period except 1952. The regional ratio of .87 in 1952 was higher than for New England and the Mideast. But it dropped to .74 in 1959-61 and .64 in 1969-71, then recovered to .68 in 1969-71 and .74 again in 1974-76.

The Plains states recorded approximately a breakeven ratio in three of five periods—in 1959-61, 1969-71, and 1974-76. The ratios for this region were above average for 1952 and 1965-67.

The Mideast was lowest in 1952 and next to lowest in three other periods. Nevertheless, as noted above, its ratio in 1974-76 was .99—practically the national average.

New England was seventh in 1952 and either fifth or sixth in each later period. Its ratio rose from .78 for 1952 to 1.07 for 1959-61, dropped to .95 for the next two periods, and then stood at 1.01, approximately average, for 1974-76.

The Far West, dominated by California, was fifth in 1952 in the ratio of expenditures to revenues, fourth in each of the next three periods, and second in 1974-76. Yet the ratio for the Far West changed only a little, except for 1965-67. From 1.12 in 1952, it advanced to 1.16 in 1959-61, jumped to 1.27 in 1965-67, fell to 1.18 in 1969-71, and was back at 1.13 in 1974-76.

Percentages of Expenditures and Revenues

The ratios just discussed are derived by dividing the regional percentage of federal government expenditures by the percentage of federal revenues for the same period.¹ It may be useful to separate the two elements.

As the ratios indicate, two regions consistently contributed a larger share of revenues than their shares of expenditures—the populous Mideast and Great Lakes regions. Lumped

together, these two regions supplied nearly 53% of revenues in 1952 and shared 38% of expenditures. By 1974-76 they were much nearer a balance. Their combined contributions to revenues declined gradually to 42% in 1974-76, while their combined shares of expenditures rose to 41% (after a drop to 33% in 1965-67).

In percentage of revenues, the Mideast was first in every period. In percentage of expenditures, this region was first in 1952, 1959-61, and again in 1969-71. The Southeast was first and the Mideast second in 1965-67 and 1974-76. The Great Lakes region was second in percentage of revenues in every period; in expenditures, it was in third or fourth place but advancing.

At the other end of the scale, the more sparsely populated Rocky Mountain region had the smallest percentages of both expenditures and revenues in all periods. The regional share of revenues rose from 1.9% in 1952 to 2.5% in 1974-76. The share of expenditures rose from 2.3% to 2.7%.

The Far West was fourth among the regions in 1952 and again in 1974-76, and third in the intervening periods, in the percentage of expenditures. It was fourth in every period in the percentage of revenues. As noted in reviewing the ratios, the spread between expenditures and revenue percentages was about the same in 1974-76 as in the other periods studied, except for 1965-67, when the excess of expenditures was considerably greater.

Index Numbers Related to Population

In *Tables 6 and 7*, regional and state shares of federal government expenditures and revenues are measured in terms of amounts per capita of the population, expressed as index numbers for which the national average serves as a base of 100.0.

When the highest and lowest regional index numbers are compared, the following inferences may be drawn:

1. Over the quarter-century 1952-76, federal expenditures per capita in the Far West were regularly from one-and-one-half to two times the amount in the region with

the lowest average (the Southeast in 1952 and the Great Lakes in the other periods). The successive differences, expressed as a percentage of the amount for the lowest ranking region, were as follows:²

1952	58%
1959-61	74
1965-67	102
1969-71	75
1974-76	55

2. In the same period, federal revenues per capita from the region with the highest amount, the Mideast, declined from two-and-one-half times to one-and-one-quarter times the amount from the region with the lowest average, the Southeast. Regional differences in revenues per capita were as follows (also expressed as a percentage of the amount for the lowest ranking region):³

1952	151%
1959-61	85
1965-67	67
1969-71	52
1974-76	25

3. Thus, interregional differences in the amount of federal revenues per capita were greatly reduced over the years. On the expenditure side, the interregional differences increased at first and then receded, without much net change from 1952 to 1976.

Only two regions had index numbers for expenditures per capita above the average for all five periods: the Far West and New England. However, two others were above average for four periods and practically average for the fifth: the Rocky Mountain area and the Southwest. The Mideast also was above average for four periods but not for 1965-67. Only the Southeast and Great Lakes regions were below average for all five periods—and the Southeast was close to the average for 1974-76 and 1965-67.

On the expenditure side, the Far West regularly held first place, as noted above. The regional index number rose from 131.0 in 1952 to 140.9 for 1965-67, then receded to 119.8 for 1974-76—still 20% above the national average.

New England was second in three of the five periods. Its regional index number of 108.3 for 1974-76 was lower than in earlier periods other than 1952. Only the Great Lakes and Southeast regions were below average for expenditures per capita in all periods, but their long-term trends diverged. The Great Lakes index declined from 96.0 for 1952 to 69.9 for 1965-67, then recovered to 77.4 for 1974-76. The Southeast index number rose from 83.0 for 1952 to 98.5 for 1965-67 and 99.1 for 1974-76. The Southwest region was above average for four periods, with an index above 111.0 for 1965-67 and 1969-71, but fell just below average for 1974-76. The Plains states as a group were barely below average for 1952 and slightly above for 1965-67, but below average in the other three periods.

For revenues per capita, four regions had index numbers above the national average for all five periods. These were the Mideast, New England, Far West, and Great Lakes. The other four regions were below average for all periods. The index number for the Mideast declined from 138.0 for 1952 to 108.9 for 1974-76. New England was second highest for all periods except 1959-61; the index number for this region was 133.0 for 1952, held at 116.0 to 118.0 for the next three periods, and then dropped to 107.1 for 1974-76. The Southeast regularly had the lowest index number for revenues per capita, but this rose steadily from 55.0 in 1952 to 87.2 in 1974-76. The index number for the Far West declined from 117.0 to 106.0.

Index Numbers Related to Personal Income

Tables 9 and 10 relate regional and state shares of federal government expenditures and revenues to personal income of the resident population. Again, the comparative magnitudes are expressed as index numbers, with the national average at 100.0.

When the highest and lowest regional index numbers on this basis are compared, broad relationships on the expenditure side appear generally similar to those shown by the index numbers for expenditures per capita, but the revenue side presents a contrasting picture:

1. Expressed as a proportion of personal income for each of the selected periods during 1952-76, federal expenditures in the region with the highest index number varied from one-and-one-half to two times the amount in the region with the lowest index number. The successive differences, stated as a percentage of the index number for the lowest ranking region, were as follows:⁴

1952	43%
1959-61	64
1965-67	104
1969-71	81
1974-76	55

In the comparison, the lowest ranking region was the Southwest for 1952, 1965-67, and 1969-71, and the Southeast for 1959-61 and 1974-76.

2. Over the same span of years, federal revenues from the region providing the highest average amount in relation to personal income dropped from one-and-one-half times the amount for the region with the lowest index number to a level only slightly above that of the low ranking region. The differences in this case were as follows:

1952	57%
1959-61	15
1965-67	13
1969-71	15
1974-76	8

Regions involved in this comparison were not consistently the same as for revenues per capita. In this case, New England was highest for 1952, 1969-71, and 1974-76, and the Mideast for the other two periods. The Southeast was lowest for 1952, 1959-61, and 1965-67, joined by the Plains region with an equivalent index number for 1965-67. The Plains was lowest for 1969-71 and 1974-76.

3. Interregional differences in the amount of federal revenue as a proportion of personal income were comparatively small after 1952, and about half as great for 1974-76 as for the three preceding periods. For expenditures, however, the indicated

differences were somewhat greater in 1974-76 than they were in 1952, though the spread was less than in intervening periods.

In these index numbers for expenditures, four regions were above average for all periods studied—the Southwest, Southeast, Far West, and Rocky Mountain regions. The Rocky Mountain area, however, was barely above average for 1952. The Southwest and Southeast, as already noted, ranked highest in successive periods (except that the Southwest dropped to fourth rank for 1974-76); and the Great Lakes region ranked lowest in all periods. The index for the Southwest rose from 122.0 for 1952 to 131.3 for 1965-67, then receded to 107.4 for 1974-76. The Southeast number rose from 119.6 for 1952 to 128.4 for 1965-67, then declined to 115.1 for 1974-76. The Far West was in third or fourth place in each period until 1974-76, with its index number moving up from 108.0 for 1952 to 122.5 for 1965-67, but advanced to second rank for 1974-76 despite a drop to 109.7. New England was above average for all periods except 1952—though by a narrow margin for 1965-67. The Plains region was above average for 1952 and 1965-67 and below average for the other three periods. Only the Great Lakes and Mideast stood below average for all periods—and the Mideast index number was practically at the average for 1974-76.

The parallel index numbers for revenues relative to personal income for each period exhibit a much narrower dispersion than expenditures. The highest index numbers were registered for New England for 1952, 1969-71, and 1974-76, and for the Mideast for 1959-61 and 1965-67. These two regions were, in fact, the only ones above 100.0 for all periods—and the Mideast was down to 100.1 for 1974-76. The Southeast rose from 79.1 for 1952 to 101.2 for 1974-76, and the Southwest from 83.4 to 102.3. The Great Lakes area rose from 97.7 for 1952 to 101.9 for 1969-71, then receded slightly to 100.6. The Plains states, Rocky Mountain states, and Far West were below average for all periods, but the index number for the Rocky Mountain area, at 99.1, was practically average for 1974-76, and the other two regions were close behind.

The regional index numbers gloss over interstate differences within regions, as well as wider differences between individual states in different regions. Nevertheless, they provide a rough measure of major relationships. Thus, comparison of the index numbers for revenues per capita (*Table 7*) and personal income per capita (*Appendix Table A-2*) makes it evident that there is a close positive association between the two series for all five fiscal periods. In short, these regional indexes attest that the federal government revenue system, increasingly dominated by the combination of individual income tax and payroll taxes, came quite near to drawing revenues in proportion to the personal income of the residents of the several regions.

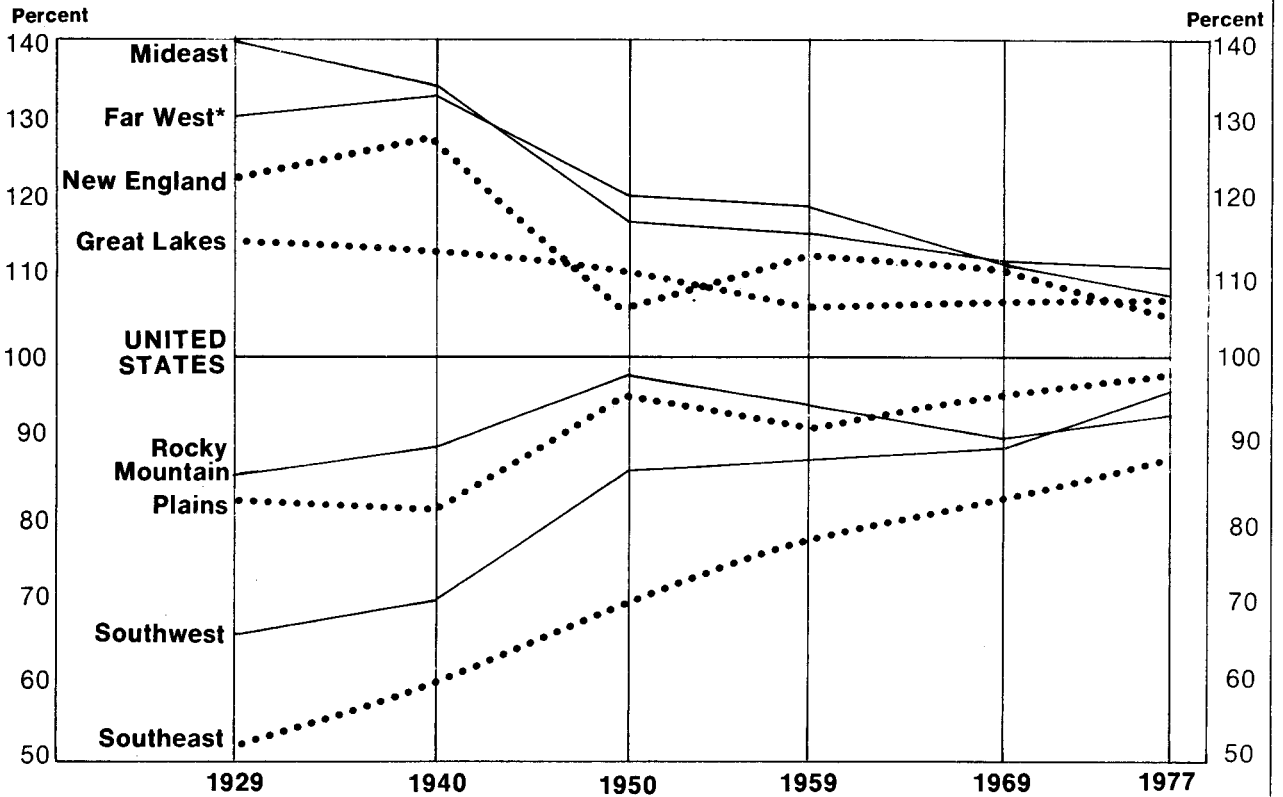
The relationship was close in 1952; it apparently became even closer in subsequent years. This is evident in the regional index numbers in *Table 10*. For revenues in relation to personal income, the highest index number in 1952 was 124.4 (New England) and the lowest, 79.1 (Southeast). By 1965-67 the range was much narrower, with both extremes nearer the center: the high, 107.1 (Mideast), and the low, 94.6 (Plains and Southeast). In 1974-76, the highest regional number was 103.8 (New England), and the lowest, 96.0 (Plains).

During these years, regional disparities in personal income diminished considerably, continuing a long-term trend shown graphically for the period 1929 to 1977 in a Commerce Department chart reproduced as *Chart 1*. In 1950 the region with the highest level of personal income per capita was the Far West, at 120.4 (20.4% above the 49-state average); and the region with the lowest level was the Southeast, at 68.3 (31.7% below the 49-state average). The same regions continued in first and last places, but by 1965-67 the range had narrowed to 115.0 to 76.7; and by 1974-76 it was still narrower, 109.2 to 86.1. (These index numbers are from *Appendix Table A-2*. In the map, the Far West includes Alaska and Hawaii, whereas the regional index numbers in the table omit these states.) No doubt this convergence of personal incomes was a major force in the convergence of regional contributions to federal revenues.

A more tenuous relationship is observed

Chart 1

**PER CAPITA INCOME
AS A PERCENT OF THE NATIONAL AVERAGE
BY REGIONS: SELECTED YEARS, 1929-77**



*Including Alaska and Hawaii.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, October 1978, p. 27.

when the index numbers for expenditures per capita (*Table 6*) are compared with those for personal income per capita. They show some positive connection between the relative levels of total federal expenditures in a region and the level of personal income in that region—that is, expenditures tended to be greatest per capita in geographic regions with the highest personal income per capita. But the association is not a strong one.

For the Far West and New England, where personal income per capita was above average in all periods, federal expenditures per capita also were above average in all periods. The Far West ranked highest in personal income per capita for all periods except 1969-71 and highest in federal expenditures per capita for all periods. New England was third or fourth in personal income per capita and second or fourth in expenditures per capita. The Southeast, with the lowest personal income level in all periods, was lowest in federal expenditures only in 1952. The Great Lakes region was lowest in expenditures per capita in all periods but 1952; it ranked third highest in personal income in 1952 and 1974-76 and fourth in the intervening periods. The Southwest region, which ranked seventh in personal income in all periods, was second in expenditures per capita in 1952, third in 1965-67 and 1969-71, and fifth in 1959-61 and 1974-76.

Composition of Expenditures and Revenues

All the preceding regional comparisons relate to allocable expenditures for all purposes and revenues from all sources, without differentiation. The tables in this report do not provide details of federal expenditures and revenues over the quarter-century, but they do permit rough comparisons of major categories for 1974-76 and 1969-71.

On the expenditure side, the important categories nationwide in both periods were transfer payments to personal income, pay of personnel, military outlays other than pay of personnel, and aid to state and local governments. In both periods, payments to personal incomes (including salaries and wages) were well above half of all distributable expenditures. In 1969-71, military outlays (excluding

pay of personnel) were about one-and-one-half times as much as aid to state and local governments. By 1974-76, as the Vietnam War wound down, military outlays had declined somewhat. Meanwhile, aid to state and local governments had more than doubled in amount, so that it was some 43% above military outlays. *Table 13.*

As a proportion of personal income, federal transfer payments were higher in the Southeast than in any other region in both 1974-76 and 1969-71. They increased faster than personal income during the interval, from an index of 113.0 for 1969-71 to 118.3 five years later. The only other region where these payments were above average relative to personal income in both periods was New England, where transfers were 1.7% above average in 1969-71 and 4.9% above average in 1974-76. In the Southwest, the index number advanced from 98.9 to 100.4—barely above average. Transfer payments received in the Great Lakes region were farthest below the national average as a proportion of personal income; here the index number declined from 90.5 for 1969-71 to 87.4 for 1974-76. For the Far West, also, transfers declined slightly in relative importance. In the Mideast region, they rose slightly. *Tables 27 and 36.*⁵

Salary and wage payments to federal personnel, civilian and military, as a proportion of personal income, were considerably above average in four regions. They were considerably below average in the other four regions in 1969-71 and in three of them in 1974-76.⁶ There was no change in regional rankings between the two periods, but the difference between the highest and lowest narrowed somewhat. In both periods, the Rocky Mountain region was highest, the Southeast second, and the Southwest third—each with a substantially higher-than-average level of military pay relative to personal income (at least for 1974-76). In both periods, also, the Great Lakes region was lowest and New England next lowest for total salaries and wages. These two regions were far below average for military pay relative to personal income (although the Mideast fell below New England by this measure, at least in 1974-76).

For military contract expenditures relative to personal income, three regions were above

average and five below in both periods. For this category, too, the Great Lakes region was lowest in both periods, but there were changes in the rankings of the other regions. The Southwest moved from first to third place; New England, from second to first; and the Far West, from third to second. The difference between the highest and lowest regional index numbers was greater in 1974-76 than in 1969-71. The index number for the Southwest, especially, registered a 30% decline from 159.5 to 112.3; that of the Great Lakes area dropped 20%, from 60.2 to 47.8.

Regional index numbers relating aid to state and local governments to personal income in each state showed considerable convergence between 1969-71 and 1974-76. For 1969-71, the highest regional number was more than double the lowest (147.3 for the Rocky Mountain region, 69.3 for the Great Lakes). In 1974-76, the highest was less than one-and-one-half times the lowest (119.8 and 82.0 for the same two areas). Regions above the national average in 1969-71 were the Rocky Mountain, Southeast, Southwest, and Far West. Five years later the regions above average were the Rocky Mountain, Southeast, Mideast, and New England. This was a period in which General Revenue Sharing was introduced and grants for income security, health and education, training, employment, and social services were increased; whereas grants for commerce and transportation and for community and regional development increased at a lesser rate, so that they diminished in relative importance as categories of federal fiscal assistance to states and their subdivisions.

In summary, the following relationships stand out in this comparison of index numbers for expenditures in 1969-71 and 1974-76:

The Great Lakes region was not only lowest in total federal expenditures relative to personal income in both periods (and in the three earlier periods). It was also lowest in each major category of federal expenditures in both periods.

In 1969-71, the Southwest had the highest regional index number for total federal expenditures relative to personal income, but in 1974-76 this area was in fourth place. It ranked highest in military

procurement expenditures in 1969-71, but third or lower in each of the other categories in both periods.

The Southeast, highest in total expenditures relative to personal income in 1974-76, was highest for transfer payments in both periods but sixth in military contract expenditures. Within expenditures for the pay of personnel, the Southeast ranked highest for military pay and second for civilian pay in 1974-76. Except for military contract outlays, the Southeast index numbers were all above the national average for both periods.

The Far West region advanced from fourth rank to second in total expenditures relative to personal income but was fourth in total personnel payments in both periods. For military contract expenditures, this region moved from third place to second, considerably above average in both periods; and for transfer payments, from sixth place to fifth, somewhat below average in both periods. In aid to state and local governments, the Far West region dropped from fourth place to fifth—and from above average to somewhat below average.

For revenues, similar comparisons between 1969-71 and 1974-76 may be made using regional index numbers for the individual income tax, employment taxes, and the corporation income tax relative to personal income. *Tables 21 and 31.*

The range of regional differences for the major revenue source, the individual income tax, as a proportion of personal income narrowed considerably between 1969-71 and 1974-76. In the earlier period, the highest regional index number was 26% above the lowest (New England, 109.9; Rocky Mountain, 87.4); five years later the highest region was 14% above the lowest (Great Lakes, 106.1; Plains, 93.4). There was also some shifting of regional rankings, with only two regions retaining their earlier positions—third for the Mideast, sixth for the Southeast. Although New England had the highest regional index number for total federal revenues in both periods (*Table 10*), it was in second place in 1974-76 for the individual income tax.

For employment taxes, the Southwest had the lowest regional index number in 1969-71 and the highest in 1974-76. The Mideast, on the other hand, was highest in 1969-71 and lowest in 1974-76. The other regions shifted about somewhat. The range of regional variations was about the same in both periods—only about 13% difference between the highest and the lowest regions.

The corporation income tax exhibited a wider range of regional differences, with the index number for the highest ranking region about one-third above the lowest in both periods. New England was highest in 1969-71 and 1974-76; the Far West was lowest in 1969-71 and the Plains was lowest in 1974-76. In the earlier period, only New England and the Mideast had index numbers above the national average; in 1974-76, they were joined by the Southeast. A change in the method of estimating state origins of the corporate income tax may have affected the rankings for 1974-76.⁷

STATE COMPARISONS

The foregoing section on regional comparisons provides a broad picture of geographic relationships and tendencies but, as has been said, it unavoidably ignores differences between states both within and across regional boundaries. To observe these more localized variations, it is necessary to inspect data for individual states. *Tables 38-44* facilitate this closer scrutiny.⁸

Ratios of Expenditures to Revenues

Table 38 is a rank-order array of the state ratios which appear in regional groups in *Table 1*. The principal relationships evident in this table parallel or modify those drawn earlier from the regional data:

1. The spread between states was less in 1974-76 than in any preceding period in this study.
2. There were noteworthy changes in the rank-order positions of individual states, but nine of them shifted no more than five steps up or down between any two

consecutive periods. At least 20 states held close to the same relative rankings during most of 1952-76.

3. Six states each ranked among the top ten and six states each ranked among the lowest ten in at least four of the five periods studied. In contrast, only one state (California) was in the middle quintile as many as four times.

The median state ratio was above the national average of 100.00 in all periods. The 1952 median was 1.10 (District of Columbia); for 1959-61, it was 1.19 (North Carolina); and for 1965-67, 1.24 (Washington). The median then receded to 1.10 for 1969-71 (Wyoming); and 1.07 for 1974-76 (Louisiana).

The highest ratios registered were for Alaska and Hawaii in their first few years of statehood and for the District of Columbia in all periods except 1952. Excluding these three areas which received special treatment in federal expenditures, the spread between states with the highest and lowest ratios narrowed by more than half. For 1952, the highest ranking state (New Mexico) had a ratio of \$2.99 of federal expenditures for each \$1 of revenue originating there; and the lowest, Delaware, had \$0.53 in expenditures for each \$1 of revenues. By 1974-76 the range was from \$1.65 (Mississippi) to \$0.70 (Illinois) for each \$1 of revenue.

States which held rather closely to their rank-order ratings during at least four periods—and their successive rankings in chronological sequence—are named on page 24.

The list includes the six states which were among the top ten at least four times, namely, Alaska, Hawaii, the District of Columbia, Mississippi, New Mexico, and Virginia. Only New Mexico and Mississippi ranked among the ten highest states in all five periods.

The list includes also the six states with ratios among the lowest ten at least four times. These are Delaware, Illinois, Ohio, Michigan, Wisconsin, and New York. Among these states, Illinois, Delaware, and Wisconsin ranked among the ten lowest in all five periods.

Like the high ratio states, those with the lowest ratios tended to hold their positions. Delaware was among the lowest five states in

State	Successive Rankings				
	1952	1959-61	1965-67	1969-71	1974-76
No single shift of more than five places:					
Alaska	0	1	1	2	2
Hawaii	0	2	2	7	4
New Mexico	1	5	7	5	5
Mississippi	3	7	6	3	3
Oklahoma	12	14	15	11	12
Kentucky	13	16	21	24	19
Connecticut	38	41	38	39	38
Illinois	45	46	49	49	51
Delaware	49	51	51	51	50
Three shifts of four places or less:					
Tennessee	5	32	32	32	32
Alabama	6	12	11	9	9
Virginia	10	4	5	4	6
District of Columbia	25	3	3	1	1
North Carolina	27	26	27	33	30
Oregon	34	44	42	41	40
Ohio	35	43	46	46	48
New Jersey	36	39	44	45	45
Michigan	37	50	50	50	47
Wisconsin	40	49	47	48	46
New York	48	48	48	44	37

every period. Illinois and Michigan were among the lowest five in four periods for each; and New York and Wisconsin in three periods for each. Delaware, Illinois, and Wisconsin were among the lowest ten states in every period; and Michigan, Ohio, and New York in four periods for each. Over the years, the low ratio states moved somewhat, though not decisively, nearer the national average. Thus, the Delaware ratio, always lowest prior to 1974, registered .53 in 1952, .56, .54, .60, and .71 in subsequent periods. The minimum for 1974-76 was .70 for Illinois.

Among noteworthy shifts in individual state rankings, the outstanding one may have been that of the District of Columbia ratio, from median position (25th) in 1952 to highest in 1969-71 and 1974-76. The Maryland ratio was 26th in 1952; it was tenth in the latest two periods. Rhode Island moved up from 46th place to 17th, then dropped back near the median position. Texas dropped to 33rd in 1974-76, from 12th in 1969-71, 16th in 1965-67, 27th in 1959-61, and 21st in 1952. The

North Dakota ratio fluctuated, going from 11th place in 1952 to 21st in 1959-61, then to fourth, and finally to eighth rank in 1969-71 and 1974-76. Its neighbor, Minnesota, dropped from 22nd in 1952 to 47th in 1959-61, moved up to 37th and 38th in the next two periods, and dropped back to 42nd in 1974-76. The other neighbor, South Dakota, was among the top ten states three times. Indiana ranked 20th in 1952 but dropped to 40th, 43rd, and 49th in later periods. New Hampshire was 47th in 1952, jumped to 23rd in 1959-61, then dropped to 41st, 34th, and again 41st.

Percentages of Expenditures and Revenues

Tables 39 and 40 show separately the percentages used to determine the ratios in Table 38. They exhibit considerable stability in both the respective rankings and the percentage shares of the several states.

The arrays of percentages permit easy calculation of the relative shares of groups of

	1974-76	1969-71	1965-67	1959-61	1952
Top five states	35.79%	37.67%	36.53%	36.81%	36.42%
Top ten states	53.67	54.93	53.05	54.92	55.15
Middle 11 states	14.79	13.96	14.75	13.86	15.84
Lowest ten states	3.01	2.79	3.39	3.28	2.91
Lowest five states	1.25	1.11	1.26	1.20	1.01

consecutive states, as shown above for federal expenditures.

Evidently there were no marked changes in the percentage shares of these groups of states in federal expenditures.

The five top states drew slightly more than one-third of all expenditures in each period, and the top ten states collectively drew more than one-half. Seven of the top ten states were in this group in all five periods—namely, California, New York, Pennsylvania, New Jersey, Ohio, Illinois, and Texas; and Virginia was in this bracket for four periods. California, New York, Pennsylvania, and Texas were among the top five in every period.

The middle 11 states together drew from 14% to 16% of all federal expenditures in each period. Three states were in this group in all five periods: Kentucky, Oklahoma, and South Carolina. Seven others were in the group for four periods; these were the District of Columbia, Wisconsin, Minnesota, Louisiana, Colorado, Mississippi, and Kansas.

The five states with the least federal expenditures shared about 1% of the total in each period—barely 1.0% in 1952 and less than 1.3% in 1965-67 and 1974-76. The next five states, on an ascending scale, added 2% or less, so that the ten lowest states together had 2.91% of expenditures in 1952 and 3.01% in 1974-76, with a peak of 3.39% in 1965-67. Nine states were constant members of this group: Wyoming, Vermont, Delaware, Nevada, South Dakota, New Hampshire, Montana, North Dakota, and Idaho.

Summary percentages of revenues from *Table 40*, comparable to those given above for expenditures are shown below.

	1974-76	1969-71	1965-67	1959-61	1952
Top five states	37.20%	40.09%	41.47%	42.87%	45.50%
Top ten states	57.91	60.37	61.13	62.05	64.77
Middle 11 states	13.32	11.73	11.43	11.39	11.40
Lowest ten states	2.77	2.49	2.49	2.46	2.53
Lowest five states	1.09	.94	.95	.92	1.04

The revenue percentages indicate a definite decline over the quarter-century in the percentage of federal revenues paid by residents of states with the largest shares. Interestingly, the decline was only in the top five states—from 45.50% in 1952 to 37.20% in 1974-76. The five states next in rank increased their contributions somewhat, from 19.27% to 20.71% of the total. Of the top-ranking five states, four were in this group in every period: New York, California, Illinois, and Pennsylvania. These four states and five others—Texas, Ohio, Michigan, New Jersey, and Massachusetts—were in the top ten throughout 1952-76. Florida also was among the top ten in each period after 1952.

The middle 11 states and the groups of five or ten states with the lowest percentages all show some rise in 1974-76, compared with earlier periods, in their collective shares of contributions to federal revenues.

Details in *Table 40* show that in 1952, New York State ranked highest in revenue origins, at 15.85%, and California second at 9.00%. New York held first place through 1969-71, though its percentage of the revenue total declined steadily. In 1974-76, California moved ahead, originating 10.58% of federal revenues in that period, and New York was second, with 9.37%. Illinois held third rank throughout, with its share declining from 7.56% to 6.11%.

Two points stand out in the expenditure and revenue percentages on this page and the details in *Tables 39* and *40*:

1. With a single exception, states that were at, or near, the top of the list of high per-

centages of federal expenditures were also high on the list of revenues.

2. Generally, the revenue contributions from these larger states were greater than their respective shares of expenditures, but with at least one important departure.

The exception for the first point is Virginia, which was among the ten states with the highest expenditure percentages in all periods after 1952 but was not among the top ten states for revenues in any period.

As to the second point, among ten states making the largest contributions to revenues, six had smaller shares of expenditures in all five fiscal periods. These were New York, Illinois, Pennsylvania, Ohio, Michigan, and New Jersey. One state—California—had a greater share in expenditures than in revenues in every period.

For Texas, the expenditure percentages consistently exceeded the revenue percentages until 1974-76. In that period, revenues surpassed expenditures for this state.

Massachusetts, which was among the top-ranking ten states for revenues in all periods and for expenditures in four periods, fluctuated somewhat more. Its share of revenues was more than its share of expenditures in 1952, 1965-67, and 1969-71, but was less than its share of expenditures in 1959-61 and again in 1974-76.

The numbers for Florida were mixed also. For this state, the percentage of revenues was higher in 1952 and 1974-76; the two percentages were equal in 1959-61; and expenditures were higher in 1965-67 and 1969-71.

Index Numbers Related to Population

In *Tables 41* and *42*, federal expenditures and revenues per capita of the population of each state and region are expressed in index numbers, based on a 51-state average of 100.0 and ranked from highest to lowest for each period. The state index numbers indicate that:

1. The spread between federal expenditures in the state with the highest amount per capita and the state with the lowest di-

minished appreciably during 1952-76, especially after 1952—provided that expenditures in the District of Columbia, Alaska, and Hawaii are disregarded as somewhat special cases. This convergence is not evident in regional index numbers.

2. For federal revenues per capita, the 1952 divergence between the highest and lowest states was much greater than for expenditures. It diminished at a faster rate, so that in 1974-76 the difference was about the same as for expenditures.

With the District of Columbia and the outlying states omitted, the differences between the highest and lowest ranking states, expressed as percentages of the lowest index numbers, were as follows:⁹

	Expenditures	Revenues
1952	223%	721%
1959-61	163	340
1965-67	144	297
1969-71	134	180
1974-76	102	100

When the District of Columbia, Alaska, and Hawaii are included in the calculations, the convergence of the highest and lowest index numbers for expenditures per capita disappears. The percentage difference between the top and bottom states for 1952 becomes 295 (instead of 223) and for 1974-76, 539 (instead of 102). In fact, the relative spread was less in 1952 than in any later period. The convergence of revenues still shows up, however, with the percentage for 1952 unaffected and that for 1974-76 changed to 120 (instead of 100).

In the index numbers for expenditures per capita (*Table 41*), the District of Columbia, Alaska, and Hawaii were the top three areas in all periods after 1952—and in 1952 (when Alaska and Hawaii were still territories), the District of Columbia outranked all the states. Maryland was in seventh rank in 1952 and steadily in fourth rank thereafter. California fluctuated between fifth and seventh places. Virginia moved up from 15th place in 1952 to fifth in each later period except 1965-67, when it was in sixth rank.

Only the District, Maryland, and California were among the top ten states in all five peri-

ods. Alaska and Hawaii were in this group in all periods after they became states. Virginia and Connecticut also were among the top ten states in four periods for each.

The median state index number for expenditures per capita was slightly below the national average in all periods except 1965-67. For 1952, the median index number was 98.0 for Colorado, and in 1959-61, 98.2 for New York. For 1965-67, it was 103.6 for Massachusetts, reduced for 1969-71 to 95.4 for Montana, and then advanced to 99.2, also for Montana. There was, however, no pattern of adherence to the middle ranks—only New York was among the middle 11 as many as four times, and only six other states were in the group in as many as three periods for each state.

At the lower end of the scale of expenditures per capita, no state was among the bottom five in all five periods, and only Wisconsin was among the lowest ten in every period. Michigan was among the lowest five in all four periods after 1952, though it had been 30th in that year. Indiana, Iowa, North Carolina, and Tennessee also were among the lowest ten states in four of the five periods; and Illinois, Arkansas, and West Virginia were each in this group three times.

Index numbers for revenues per capita show a stronger tendency for states to hold to their relative rankings. Four states were among the top five at least five times for each (District of Columbia, Connecticut, Delaware, and Nevada). Those states and New York, New Jersey, and Illinois were among the highest ranking ten in each of the five periods. Three others were among the top ten in four periods for each: Maryland, Massachusetts, and California.

Five states were consistently among the middle 11 for revenues per capita—Minnesota, Wisconsin, Indiana, Nebraska, and Arizona. Texas was in this group in four periods, and Virginia and Vermont in three periods for each.

Mississippi, Arkansas, and Alabama were consistently among the lowest five states in all periods for the index numbers for revenues. In addition, Kentucky, South Carolina, and South Dakota were regularly among the lowest ten states. West Virginia was in this quintile in all periods after 1952.

Index Numbers Related to Personal Income

Tables 43 and 44 present index numbers in which federal expenditures and revenues in each state or region are related to personal income of residents. Again, the 51-state average is 100.0 and states are ranked from highest to lowest for each fiscal period.

Comparisons of the numbers based on personal income show the following:

1. The spread between federal expenditures in the state with the highest amount relative to personal income and the state with the lowest amount was of about the same proportions in 1952 as for index numbers based on expenditures per capita. This differential diminished appreciably in later fiscal periods, especially in 1974-76—though not quite as much as in the index numbers related to population. The diminution is much less pronounced when the District, Alaska, and Hawaii are included in the comparisons.
2. For federal revenues relative to personal income, the difference between the highest and lowest states in 1952 was somewhat less than for expenditures. The spread narrowed more rapidly than for expenditures, so that by 1974-76 the difference was considerably less than for expenditures. This convergence for revenues is evident whether or not the District, Alaska, and Hawaii are included.

Omitting those three areas, the differences between the highest and lowest ranking states, expressed as percentages of the lowest index numbers were as follows:¹⁰

	Expenditures	Revenues
1952	224%	211%
1959-61	187	69
1965-67	201	96
1969-71	157	59
1974-76	119	43

For federal expenditures relative to personal income, the District of Columbia was the only area which ranked among the top five states in all five fiscal periods. It moved from third place in 1952 to second in the next two fiscal

periods and top rank in the last two periods. Only the District and New Mexico were among the top ten states in each of the five periods. In all periods after 1952, Alaska was in the top five and Hawaii in the top ten.

The median was appreciably above the 51-state average in all fiscal periods. Indiana, with an index of 105.2, was the middle state in 1952. In 1959-61, the median state was Massachusetts at 115.2, and in 1965-67 it was Nebraska at 116.7. The median then declined, to 106.6 for Louisiana in 1969-71 and 106.8 for Wyoming in 1974-76. For these index numbers, too, there was no pattern of adherence to the middle ranks—no state was among the middle 11 in more than three fiscal periods, though six states—California, Montana, Colorado, Missouri, Louisiana, and Connecticut—were each among the middle 11 in three different periods.

The lower ranks showed slightly more stability, though Wisconsin alone was among the bottom five states in all fiscal periods. Illinois, Iowa, and Michigan were each in this group four times. Illinois and Michigan, in fact, were among the lowest ten states in all five periods; and Iowa, New York, Delaware, and Ohio were in this quintile four times for each state.

The index numbers for revenues relative to personal income, like those for revenues per capita, show a stronger tendency for individual states to hold to their relative rank-order positions. In each of the five periods, the District of Columbia, Delaware, and Connecticut were among the top-ranking five states; and New Hampshire, and Nevada joined them among the top ten. New York was also among the top ten in all periods before 1974-76 (when it dropped to the median position), and Florida was among the top ten in four periods, having moved from 13th position in 1952 to top rank in 1974-76.

The median for the revenue series was below the national average of 100.0 in all periods. For 1952, the median was 85.3, for Texas; it rose in 1959-61 to 96.5 for Texas and Oregon. In 1965-67, it was at 95.6 for Montana; in 1969-71, 98.1 for West Virginia; and, in 1974-76, 98.8 for New York. No state was in the middle 11 group in all five periods; and only

four states were in that group as many as four times for each.

Similarly, no single state was among the lowest five in all periods, but four were consistently among the lowest ten: Mississippi, South Dakota, Arkansas, and South Carolina. Mississippi had the lowest index number in 1952, was next to lowest in the next three periods, and moved up to sixth lowest in 1974-76.

Index numbers for several states exhibit considerable instability from one period to another, especially for expenditures relative to personal income. This is especially noticeable for New England. New Hampshire advanced from 49th state in 1952 to 13th in 1959-61, then dropped back below the middle ranks. Vermont ascended from 42nd in 1952 to 11th place in 1959-61, then dropped back nearer the middle. Maine rose from 26th in 1952 to 14th in 1959-61 and tenth in 1974-76. Connecticut was 20th in 1952, 37th in 1959-61, and 24th in 1969-71. Massachusetts moved within narrower limits, from 34th in 1952 to 26th in 1959-61 and 29th in 1974-76.

Among the Plains states, Minnesota dropped from 16th in 1952 to 49th in 1959-61, and finally to 44th in 1974-76. North Dakota shifted from 13th in 1952 to 24th in 1959-61, rose to fourth in 1965-67, and dropped to 26th place in 1974-76. South Dakota advanced from 23rd to tenth, dropped back to 30th, and rose again to 16th. Texas dropped from 11th in 1969-71 to 33rd in 1974-76. Florida stood 38th in 1952 but was 20th in 1965-67, and 17th in 1969-71. The state of Washington was fifth in 1952, dropped to 30th in 1965-67, and moved up again to 13th rank in 1974-76. West Virginia advanced from 40th place in 1959-61 to 15th in 1974-76.

There were few marked shifts in revenues relative to personal income, and these were chiefly single-period departures from usual rankings. Thus, New York State stood 26th in 1974-76 after ranking third to eighth in each earlier period. Texas was eighth in 1974-76, after three periods in 25th and one in 28th position. Michigan rose to ninth rank in 1969-71 from 18th in earlier periods, then fell back to 29th in 1974-76. Washington was generally near the middle but dropped to 38th

in 1965-67. Arizona advanced from 31st in 1952 to 13th in 1959-61 and tenth in 1974-76.

Some other interesting relationships appear in these rank-order tables relating federal expenditures and revenues to personal incomes. Delaware was among the ten top ranking states for revenues in all five periods and New York for four periods. These two states were each among the ten lowest ranking states for expenditures in four of the five periods. The District of Columbia was among the ten highest ranking states for both revenues and expenditures in every period. Alaska was among the top ten states for expenditures and the bottom ten states for revenues in each of the four periods after 1952.

Personal Income Trends

Interstate variations in personal income, like interregional variations, were greatly reduced during 1950-76. Throughout the period, Mississippi had the lowest average personal income per capita, but the Mississippi amount advanced from 50.5% of the national average in 1950 to 69.8% in 1973-76. *Appendix Table A-2*. Alaska was highest in 1950, though then a territory, and highest again in 1973-76 as a state, although it ranked lower in the intervening years. Until 1973-76, the District of Columbia stood higher than any state in average personal income; its index number declined from 148.5% of the national average in 1950 to 128.1% in 1970 (and 125.0% in 1973-76). The Alaska number in 1973-76 was 145.8% of the national average. Omitting Alaska, the percentage differences between the highest and lowest ranking states were as follows (expressed as a percentage of the lowest index number):¹¹

1950	194%
1960	144
1965-67	126
1970	94
1973-76	79

With Alaska included, the difference for 1973-76 was 109%. The other numbers are not affected.

Undoubtedly, this lessening of interstate differences in personal income, in conjunction with the continued dominance of the individual income tax and the rising volume of

payroll taxes in the federal revenue system, was the major force in the decided reduction of variations among states in their residents' contributions to federal revenues. This reduction of differences is evident whether revenues are measured in proportion to population or in proportion to personal income.

The changing geographic distribution of personal income apparently had a lesser influence on the distribution of federal expenditures during 1952-76—though it is quite possibly a part of the reason for that reduction which was observed in the range of interstate differences in federal expenditures relative to population and personal income.

Linear Regression

In the review of regional index numbers related to personal income, it was observed that the federal government revenue system, increasingly dominated by the individual income tax and payroll taxes, came quite near to drawing revenues in proportion to the personal income of the residents of the several regions.¹²

The data for individual states support this generalization. They show, for revenues, a consistently close—and very nearly a straight-line—relationship between revenue origins and personal income.

Even a casual inspection of the paired series makes this evident. For 1974-76, for example, 38 states had index numbers for revenues per capita which differed by no more than four points from their index numbers for personal income per capita. For the other 13 states, the differences averaged 11.7 points. The differences for these states were as follows:

INDEX NUMBER FOR PERSONAL INCOME EXCEEDS INDEX NUMBER FOR FEDERAL REVENUES

	Difference
North Dakota	20.0
Alaska	14.6
South Dakota	11.9
Iowa	7.7
Idaho	6.2
Minnesota	5.8
Hawaii	5.5

**INDEX NUMBER FOR FEDERAL REVENUES
EXCEEDS INDEX NUMBER FOR
PERSONAL INCOME**

District of Columbia	18.3
Delaware	15.0
Florida	14.9
Connecticut	14.0
New Hampshire	9.1
Nevada	8.9

The coefficient of correlation (r) for revenues per capita and personal income per capita is not only positive but high. This measure rose from .88 for 1952 and 1959-61 and .90 for 1965-67 to .95 for 1969-71. It then receded to .91 for 1974-76.¹³

Expenditures per capita in the several

states also are positively associated with personal income per capita, but a straight line does not fit closely the paired data for any period. The coefficient of correlation (r) held comparatively steady over the years. It was highest in 1952, at .55, declined to .47 for 1959-61 and to .37 for 1965-67, and advanced again to .47 for 1969-71 and .49 for 1974-76.¹⁴

In short, federal revenue origins in the states during 1952-76 were closely related to the geographic distribution of personal income and were almost proportionate to the relative levels of personal income. The geographic distribution of federal expenditures likewise tended to follow personal incomes, but the degree of association was much less for expenditures than for revenues.

FOOTNOTES

¹In some instances, ratios calculated from percentages in *Tables 3 and 4* differ from those in *Table 1* because the numbers in *Table 1* were calculated from percentages carried to additional decimal places. Only a few differences exceed 0.02 of 1%. The only sizeable cases are for 1959-61, for which percentages in *Tables 3 and 4* yield ratios of 7.20 for Alaska and 2.83 for Hawaii, whereas *Table 1* shows 7.53 and 2.75.

²These percentages differences are derived by dividing for each period the highest regional index number per capita by the lowest such number, multiplying by 100, and deducting 100. For expenditures, this is the Far West index number for all periods compared with the Southeast index number for 1952 and the Great Lakes number for all later periods. The index numbers are from *Table 6*.

³The calculation is as described in the preceding footnote. The index numbers are from *Table 7*.

⁴The calculation is as described in footnote 2. The index numbers are from *Table 9* for expenditures, *Table 10* for revenues.

⁵The categories compared for the two periods differ somewhat. The data for 1974-76 in *Table 27* are limited to transfer payments to persons. The data for 1969-71 in *Table 36* include other payments to personal incomes, excluding only pay of personnel. However, most of these expenditures were for transfer payments.

⁶The 1974-76 index numbers in *Table 27* are separate for civilian and military personnel. Those for 1969-71 in *Table 36* combine civilian and military pay. Comparable regional index numbers for pay of all personnel, civilian and military, are as follows:

Region	1974-76	1969-71
New England	64.8	69.1
Mideast	96.9	86.0
Great Lakes	49.0	46.2
Plains	77.8	75.5
Southeast	139.3	151.4
Southwest	133.9	149.4
Rocky Mountain	156.7	167.1
Far West	112.2	118.1

⁷See *Appendix B*.

⁸In the rank-order arrays in these tables, wherever two or more states have the same number (ratio, percentage, or index number) they are listed in the geographical sequence used in the regional groupings. However, in assessing changes in rank order, they are counted as holding identical positions.

⁹Calculated by dividing for each period the highest state index number per capita by the lowest such number, multiplying by 100, and deducting 100. For expenditures, this is the New Mexico number for 1952 and the Maryland number for all later periods, compared with North Carolina for 1952, West Virginia for 1959-61, and Wisconsin for later periods. For revenues, it is Delaware for 1952, 1959-61 and 1965-67, and Connecticut for later periods, compared with Mississippi for all periods. The index numbers are from *Tables 41 and 42*.

¹⁰With the District, Alaska, and Hawaii omitted, the highest ranking state for expenditures relative to personal income was New Mexico in 1952, Virginia in 1959-61 and 1969-71, North Dakota in 1965-67, and Mississippi in 1974-76. The lowest was New Hampshire in 1952, Michigan in 1959-61, 1965-67, and 1969-71, and Illinois in 1974-76. For revenues Delaware was the high state in each period except 1974-76, when Florida was

highest; and the low state was Mississippi in 1952, 1959-61, and 1965-67, South Dakota in 1969-71, and North Dakota in 1974-76.

However, if all states are included, Alaska ranked highest for expenditures relative to personal income in 1959-61 and 1965-67, and the District for 1969-71 and 1974-76. For revenues, Alaska was the lowest ranking

state for 1959-61 and 1965-67. Other rankings are not affected.

The index numbers and rankings are from *Tables 43 and 44*.

¹¹The index numbers of personal income per capita are listed in *Appendix Table A-2*.

¹²See "Regional Comparisons: Index Numbers Related to Personal Income."

¹³The calculations associated index numbers for federal revenues per capita (*y*) from *Table 7* with index numbers for personal income per capita (*x*) from *Appendix Table A-2*. The following relationships were derived for revenues:

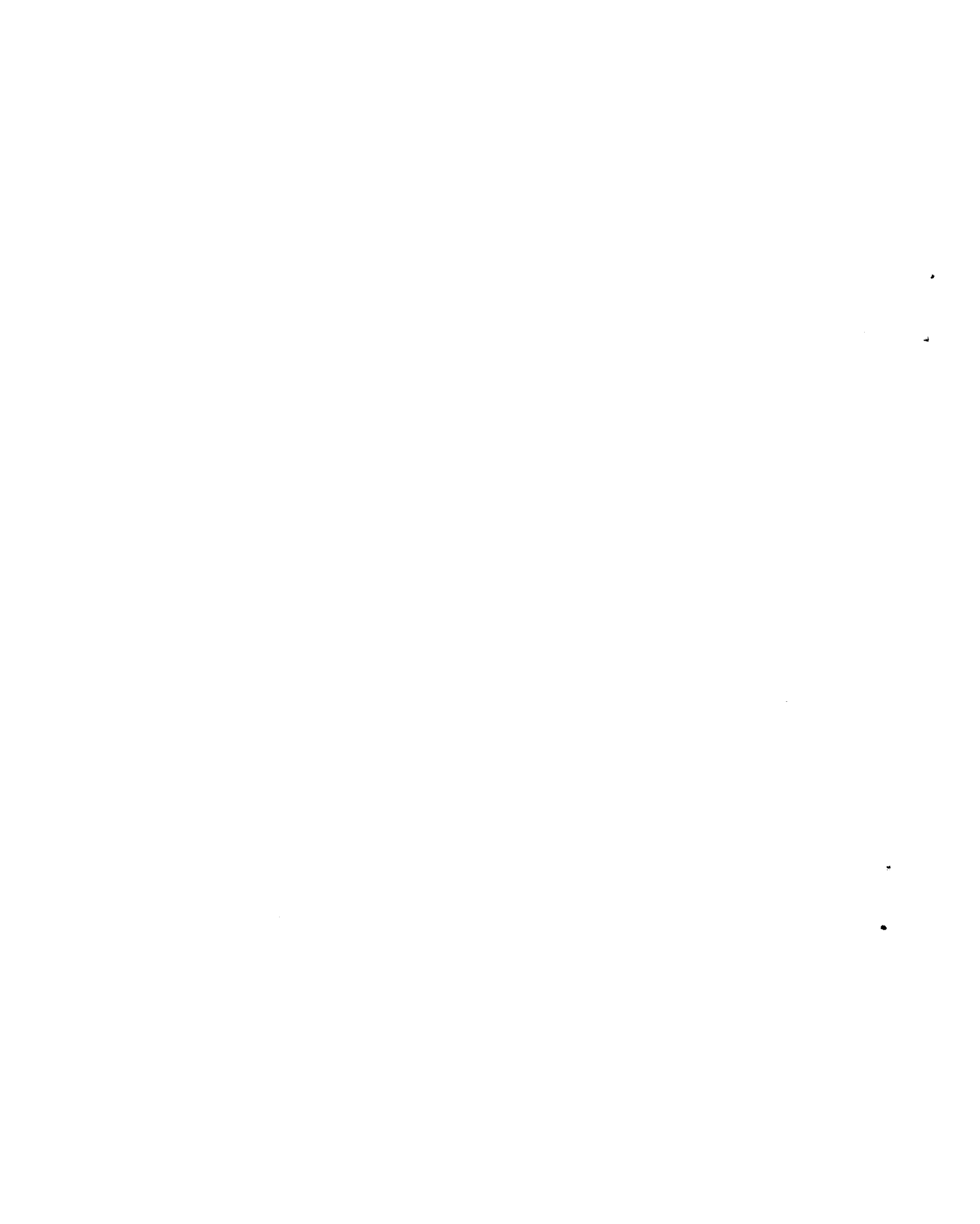
Fiscal Period	Equation of Linear Regression	Arithmetic Mean		Coefficient of Correlation (r)	Standard Deviation	
		y	x		s _y	s _x
1952	$y = 1.70x - 68.85$	92.02	94.63	.88	42.07	21.84
1959	$y = 1.31x - 30.95$	92.79	94.57	.88	28.44	19.14
1965-67	$y = 1.39x - 37.73$	93.69	94.34	.90	26.18	16.94
1969-71	$y = 1.39x - 38.53$	93.58	94.90	.95	22.08	15.00
1974-76	$y = 1.08x - 8.37$	96.85	97.27	.91	16.48	13.93

In the calculations for the fiscal year 1952, the personal income data were for the calendar year 1950 rather than for 1951-52.

¹⁴In these calculations, index numbers for federal expenditures per capita in each state (*y*), from *Table 6*, were associated with index numbers for personal income per capita (*x*) from *Appendix Table A-2*. The relationships for expenditures are as follows:

Fiscal Period	Equation of Linear Regression	Arithmetic Mean		Coefficient of Correlation (r)	Standard Deviation	
		y	x		s _y	s _x
1952	$y = .75x + 31.08$	101.76	94.63	.55	29.40	21.84
1959-61	$y = 1.98x - 70.92$	116.66	94.57	.47	80.35	19.14
1965-67	$y = 1.36x - 13.60$	114.87	94.34	.37	62.28	16.94
1969-71	$y = 1.86x - 68.01$	108.04	94.90	.47	59.67	15.00
1974-76	$y = 1.99x - 83.36$	109.78	97.27	.49	56.67	13.93

In these calculations for 1952, as for revenues, the personal income data were for the calendar year 1950.



Budgetary Totals

In general, amounts distributed geographically in this study are based on—though not always identical with—expenditure and revenue totals and category subtotals drawn from official budget tables. The sums to which they relate are the actual (rather than estimated) amounts for a given fiscal period, as reported in the President's budget for a later fiscal year. Original and revised budgetary totals and the amounts distributed geographically are summarized in *Table 12*.

The distributions have not been altered to reflect changes in official budget concepts over the quarter-century from 1952 through 1976. Consequently, distributions for the earlier years may not constitute the same proportions of subsequently revised budget totals as they did of the original (contemporaneous) budget totals. For example, for 1965-67, the totals were drawn from the first federal budget to use the concept of a "unified budget," as recommended in 1967 by a Presidential commission. This was preceded (in the 1952 and 1959-61 compilations) by a "consolidated cash statement," which measured total "receipts from, and payments to, the public"—a concept not markedly different from the "unified budget" but not quite as inclusive. The "consolidated-cash" approach was used as a means of adding trust fund transactions to the traditional "administrative budget" without including interagency transfers and other intragovernmental transactions.¹ The "unified budget" itself has been modified in some

details from time to time. For example, total actual outlays in the fiscal year 1974 were reported in the budget for 1976 as \$268,392 million; three years later they were shown in the historical table as \$269,620 million because of the addition of certain housing expenditures which had been counted previously in the outlays of "off-budget federal entities."

As the final column of *Table 12* attests, the geographic distributions comprise from 87% to 97% of federal expenditures and 99% of federal revenues in the several fiscal periods. The parts that are not distributed comprise (a) expenditures in, and revenues from, areas outside the 50 states and the District of Columbia, and (b) items omitted from the distributions because they cannot be allocated geographically or are quantitatively unimportant.

Federal revenues derived from areas outside the 50 states and D.C. are a negligible fraction of all revenues. Nevertheless, it may be that the revenue distributions (especially for 1965-67) attribute to states some revenues which actually originated in Puerto Rico, the Virgin Islands, Guam, other territories, and foreign countries.

A larger—but still comparatively small—proportion of federal government expenditures takes place in those other areas. Examples are wage and subsistence payments to military personnel and their dependents stationed abroad; expenses of diplomatic missions; and Social Security, veterans, and retirement benefits paid to residents of other countries. Other substantial expenditures for national defense and international assistance also are made outside the United States.

Some receipts and expenditures within the United States also are omitted from the geographic distributions. Examples are various

proprietary receipts and the related expenditures. In budget compilations for fiscal years after 1966, proprietary receipts are offset against related outlays, regardless of the structure of the accounting funds involved, whereas in earlier budgets such receipts were deducted from expenditures only in selected circumstances. The change forestalls distribution for some items of both receipts and expenditures. Government contributions to cover the postal service deficit also are generally omitted, although the compilation for 1965-67 included gross postal receipts and expenditures in the adjusted budget totals and the geographic distribution.² Similarly, outlays that represent net lending by the government are not included in the allocated expenditures.³ Military assistance expenditures, although they involve considerable procurement within the United States, also are wholly omitted from distribution; this category, too, is subject to a netting process in budget accounts and therefore poses special difficulties for a geographic distribution.

The distributed portion of expenditures is a composite built up from available series of data—and the scope of the available series varies from period to period, as do their weights in the final distributions. Those components which can be distributed geographically are such a large part of the total that they are assumed to represent the proportionate distribution of all expenditures made in the 50 states and D.C.

Since there is no independent means of ascertaining precisely the correct totals of expenditures made and revenues originating in the 50 states and D.C., the emphasis throughout is on percentages, index numbers, and ratios—that is, on relative magnitudes rather than absolute dollar amounts.

FOOTNOTES

¹Cf. Mushkin, *Illustrative Estimates*, *op. cit.*, pp. 26 and 53.

²Wages of postal employees are included in federal payments to civilian personnel in all the fiscal periods, including those since formation of the quasi-independent Postal Service. On the distribution of Post Office Department receipts and expenditures in the adjustment of budget totals for 1965-67 and in the geographic alloca-

tions for that period, see U.S. House of Representatives, Committee on Government Operations, Intergovernmental Relations Subcommittee, *Federal Revenue and Expenditure Estimates for States and Regions, Fiscal Years 1965-67*, 90th Cong., 2nd Sess., Washington, DC, U.S. Government Printing Office, October 1968, pp. 16-18, 21-22, 38, and 43.

³In the fiscal years 1969-71, net lending averaged \$1,575 million a year, with the annual average of all outlays, including net lending, at \$197,520 million and the average excluding net lending at \$195,945 million. During the fiscal years 1974-76, the distinction between outlays for net lending and those for all other purposes no longer

appeared in summary tables of the budget. Cf. Office of Management and Budget, *U.S. Budget in Brief, Fiscal Year 1973*, Washington, DC, U.S. Government Printing Office, 1972, pp. 76 and 87, and *ibid.*, 1974, 1973, pp.

62 and 71.

In the compilation for 1952, net lending and negative expenditures were distributed among states and regions. Cf. Mushkin, *Illustrative Estimates, op. cit.*, p. 26.



Major Elements in the Estimates

An increasing proportion of the expenditure distribution is based on personal income compilations for calendar years, prepared by the Department of Commerce. This is evident in *Table 13*. Federal payments to personal incomes rose from 42% of all allocated federal expenditures for 1952 to 51% for 1965-67, 58% for 1969-71, and 67% for 1974-76. This results in large part from the rising volume and proportion of Social Security and other income-support payments directly to individuals. Payments directly to non-profit institutions (counted as disbursements to personal incomes) also rose considerably during 1952-76. The calendar year amounts are translated into fiscal year estimates in a manner explained in *Chapter 9*.

Payments to state and local governments are another growing segment. From 3.5% of allocated federal expenditures in 1952, these rose to 8% in 1959-61, 14% in 1969-71, and nearly 17% in 1974-76. Federal payments for public assistance administered by state and local governments are included among grants to them and not in federal personal income disbursements to individuals. (The final payments to individuals are then counted in personal incomes, but as payments received from state and local governments, not from the federal government.)

On the revenue side, the individual income

tax has stood consistently as the major source, providing from 41% to 47% of federal budgetary revenues in all the periods tabulated. In the geographic distribution by origins, these revenues are attributed, insofar as possible, to the state of residence of the taxpayer.

Employment (payroll) taxes and other social insurance contributions rose substantially—from less than 8% of all allocable revenues for 1952 to 13% for 1959-61, 24% for 1969-71, and 30% for 1974-76. Included in employment taxes and social insurance contributions are payroll taxes (and contributions for state and

local government employees) for old-age, survivors, disability, and health insurance; similar taxes on the self-employed; federal unemployment insurance taxes; and taxes for railroad workers' retirement, disability, and unemployment insurance. Prior to 1969-71, the category did not include state-levied unemployment insurance taxes, although these were deposited in a trust fund in the federal treasury and were counted among federal receipts from the public; for the periods 1969-71 and 1974-76, these state taxes are in the distributions.

Details of the Distributions

REVENUES: ASSUMPTIONS AND PROCEDURES

For each period studied, the estimates are based on a variety of assumptions and procedures applying to particular segments of each distribution. For example, the distributions of employment taxes and other social insurance contributions assume that taxes levied on wage-earners and the self-employed are borne by them in their states of residence, and that payroll taxes levied on employers are paid ultimately by consumers in the prices of goods and services. For the corporation income tax, the basic assumption is that half the tax is borne by stockholders and half by consumers.

For the fiscal periods 1959-61 through 1974-76, assumptions made for various types of taxes were as follows:

1. Individual income taxes are borne by the individuals on whom they are initially imposed.
2. Employment (payroll) taxes levied on employers are shifted to consumers. Employment taxes levied upon employees and the self-employed are borne by them.
3. Corporation income taxes are borne one-half by stockholders and one-half by consumers.

4. Estate and gift taxes are derived from the state of residence of the decedent or donor.
5. Excise taxes levied upon businesses or collected through business enterprises are borne by consumers. Other excise taxes are borne generally by the persons from whom they are collected by the government.
6. Customs duties are borne by consumers.

For each segment of the revenue distribution, these assumptions were applied by selecting as distribution factors various statistical series that came reasonably close to expressing the assumptions numerically. The distributors and their sources are identified in *Appendix B*.

Nontax revenues were subdivided for the geographic distribution in periods before 1974-76. Certain charges were attributed to selected population or business groups or to consumers generally. A few items were prorated in proportion to total population. For 1974-76, the procedure was simplified: all the nontax revenues were prorated in proportion to population.

REVENUE "ORIGINS" COMPARED WITH COLLECTIONS

Statistical distributors applied to the several categories of revenue undoubtedly fail to overcome all the interstate transfers that complicate the measurement of geographic origins. For example, liquor, tobacco, and gasoline consumption statistics based on sales in metropolitan centers may attribute to those areas some federal excises that in fact are borne by consumers and commuters from other states. Some of the estimates might appear implausible to persons familiar with the social and economic structure of a particular state. There is no objective criterion for gauging the validity of the results.

Nevertheless, marked differences between tax origins, as estimated in this report, and actual tax collections reported by the Internal Revenue Service are evident in *Tables 14* and *15* for the fiscal years 1974-76. They suggest that collections in a state may be disproportionately high or low as an index of the con-

tribution made by residents of that state to federal revenues.

Table 14 shows (in percentages of the 51-state totals) the estimated origins and actual collections in each state and region for all taxes and for individual income and employment taxes (which are reported together by the IRS), corporation income taxes, and excise taxes.

Table 15 indicates the number of states with specified differences between origins and collections. The range of differences is less for individual income and employment taxes than for excise taxes. For half the states, the estimate of excise taxes borne by residents is more than double the amount collected in the state. For three states, the estimate of excises borne by residents is less than half the amount collected (i.e., collections in the state exceed by 100% or more the estimate of excises paid by residents of the state).

A similar count of the states, based on the compilation for all taxes in 1965-67, shows a somewhat greater concentration of collections than in 1974-76. For 1965-67, the estimate of taxes originated exceeded collections by 10% or more in 36 states, compared with 30 states in 1974-76. For eight states, the estimate of taxes originated in each state in 1965-67 was at least 10% below the amount of taxes collected there; for 1974-76, nine states were in this group. *Table 16* shows the number of states in each bracket in the two periods.

Because the tables are summary in form, they mask great differences between origins and collections for particular kinds of taxes, such as excise taxes on tobacco, alcohol, and gasoline. A few numerical examples may help to clarify the distinction between "collections" and "geographic origins."

In fiscal year 1976, more than 98% of all federal tobacco tax collections (including 99.9% of all federal cigarette tax collections) occurred in North Carolina, Virginia, and Kentucky, where major factories are located. Of all federal taxes on cigars, 27% were collected in Puerto Rico, outside the 51 states. Similar concentrations of collections were registered in earlier years. Nevertheless, the tax was surely borne in major part, if not wholly, by smokers throughout the country (or the world). The tax is an element in prices

paid by users of these products everywhere. The distribution by origin attributes these revenues to the states of residence of the smokers, rather than the state of manufacture. For 1974-76, the origins are estimated on the basis of total retail sales; for earlier periods, on the basis of reported consumption of tobacco products.

Similarly, the estimates of tax origins include a reallocation of alcoholic beverage taxes collected largely through whisky distilleries or importers in Kentucky, California, Illinois, and Michigan; breweries in Wisconsin, Colorado, and Texas; and wineries in California and New York.

For some taxes, the place of collection has shifted markedly over the years. Close to one-third of all federal gasoline tax collections in 1961 were in New York State, where several oil companies remitted this manufacturers' excise. In 1976, collections in New York were only 1.7% of the 51-state total; by then nearly one-third of the total was collected in Texas and 40% more in four other states.

Two-thirds of all motor vehicle excise taxes were collected in four states in 1976 (33.1% in Michigan).

Much larger in amount, though somewhat less concentrated in collections, are corporate income taxes. Of the total received during fiscal year 1976, 55% were remitted in seven states—more than 40% in New York, Illinois, California, and Texas. These taxes may be derived ultimately from stockholders and customers throughout the United States and other countries.

In addition, many large corporations withhold large amounts of payroll taxes from employees, matching them with employers' taxes. These taxes, like the excise taxes on the products, may be remitted to a single collector of internal revenue and therefore may show up in the collection statistics as taxes received in the headquarters state of the corporation.

REVENUE TOTALS AND CATEGORIES: 1974-76

The revenue distributions by origin for 1974-76 are shown in detail in three pairs of

tables. *Tables 17 to 22.* In each case, the second table is a frequency distribution of states, based on the values listed in the preceding table.

In the first pair, *Table 17* reports the percentage contribution made by residents of each state for each major type of tax (and for miscellaneous receipts). California is credited with the largest total contribution, 10.58%. New York State is second, with 9.37%. *Table 18* shows the number of states with specified percentage contributions.

The total revenue contribution from state residents was 2% or more from one-third of the states (17 states) and less than 0.6% from another one-third (16 states). For the major revenue source, the individual income tax, the number of states contributing 2% or more was smaller—15 states—but the number providing less than 0.6% was again 16.

The second pair, *Tables 19 and 20*, presents index numbers for per capita amounts of revenues originating in each region or state. In these tables, the final column combines estate and gift taxes, excises and customs, and miscellaneous receipts—categories shown separately in *Tables 17 and 18*. All the index numbers are based on a nationwide (51-state) average of 100 for the amount of revenue per capita of the whole population. Total federal revenues (as distributed in this study) for the three years averaged \$1,321 a year per capita nationwide. *Table 19.* As the frequency distribution in *Table 20* shows, for total federal revenues the state index numbers all fell within a range of 60% to 150% of the nationwide average. The highest was 143.3 for the District of Columbia (with Alaska second at 131.2). The lowest was 65.2 for Mississippi. For the individual income tax, taken separately, all states but one were also in the range from 60 to 150; the exception was Mississippi, at 54.2. For payroll taxes (employment taxes and social insurance contributions), the range again was from 60 to 150, except for two states above 150 (Alaska at 162.0 and the District of Columbia at 199.8¹). The corporation income tax per capita ranged from a low index number of 59.6 for Mississippi to 168.9 for Connecticut.

Tables 21 and 22, also in terms of index numbers based on a nationwide average of

100, relate revenue contributions to personal income in each region or state. Here the states cluster much closer to the average. Total federal revenues during 1974-76 (as distributed in this study) averaged 23.3% of total personal income nationwide. *Table 21*. All in all, deviations from this average were within a comparatively narrow range. Total federal revenues originating in 45 states were between 90% and 110% of that average. Four states had slightly higher index numbers: Connecticut, 112.0; Delaware, 113.4; District of Columbia, 114.6; and Florida, 115.4. Two states had numbers below 90; North Dakota, 80.9, and South Dakota, 86.4. Somewhat more variation showed up for the individual income tax—from a high in Connecticut, 117.9, to a low in North Dakota, 76.8. For employment taxes, the range was narrower (as should be expected, since this type of tax is roughly proportional to most individual incomes). The District of Columbia produced an index number of 159.9,² far above the next highest state, which was Utah at 116.9; and the state with the lowest index number was New Jersey, at 88.5. For the corporation income tax, more states had comparatively low index numbers. The range for this tax relative to personal income was from a high index number of 154.1 for Florida (with the next highest state, Connecticut, at 144.9) to a low index number of 55.6 for Alaska (and second lowest, 61.0 for North Dakota), with 19 states under 90.0.

EXPENDITURES: THE MAJOR CATEGORIES

Just as the place of collection is disregarded in estimating the origins of revenues, so the place of disbursement is disregarded in the geographic distribution of expenditures. Federal outlays are allocated insofar as possible to the state of residence of individual recipients (such as Social Security and pension recipients), and to the state where the activities paid for are conducted, goods are produced, or services are rendered by contractors, suppliers, and other business recipients. Distribution procedures vary somewhat from period to period, as is evident in the distribution of military expenditures described in detail in the subsection beginning on p. 43.

This type of distribution is sometimes designated an "incidence" analysis of expenditures, although the concepts involved are not strictly parallel to those employed in measuring tax incidence; that is, the amount of tax ultimately contributed by each individual, after all price and other adjustments in economic relationships affected by the taxes. The expenditure distributions are related more to initial impacts than to final incidence.

Payments to Personal Incomes

As noted in *Chapter 8* and detailed in *Table 13*, an increasing proportion of the expenditure distribution is based on personal income compilations by calendar years, prepared by the Bureau of Economic Analysis of the Department of Commerce. All the explanations and qualifications which the bureau attaches to its annual estimates, insofar as they apply to personal income originating in the federal government sector of the economy, apply to this portion of the expenditure distribution.³

In this report, the calendar year estimates from the Bureau of Economic Analysis are used directly to represent the proportions of federal government payments made to persons in the several states.⁴ Since federal fiscal years through 1976 all ended on June 30, the regional and state percentage shares in each period of three fiscal years were derived by averaging estimates for the four overlapping calendar years, with the first and last years given half the weight of the two middle years. Thus, for the fiscal period 1969-71, which ran from July 1, 1968, through June 30, 1971, the sum of federal payments in each state was estimated by adding one-half of the amounts reported for calendar 1968 and 1971 to the full amounts for calendar 1969 and 1970.

This treatment of the initial and final years reduces substantially but cannot eliminate the uncertain effects of differences between calendar year and fiscal year data, particularly in a period of rapid increase. The aggregate of federal payments to personal incomes was 40% greater in calendar 1971 than in 1968. If, in fact, there was considerable difference in the amount and rate of advance of these outlays in the first and second halves

of calendar 1968 and again in 1971, a fiscal period total derived from the four-calendar year amounts probably understates actual payments during the three fiscal years.⁵ Also, the rate and amount of change could, and probably did, differ among states, so that any deviations from actual payments may not be distributed uniformly in the state estimates. But more precise adjustments would require detailed part-year data which are not available.

For 1974-76, information was less comprehensive, compelling a shortcut in which available components for the three calendar years 1974-76 were summed for each state.⁶ In each instance, the regional or state percentage of the 51-state total for three years is used to measure its share of each category of federal expenditures included in the personal income estimates.⁷ However, the sum distributed among the 51 states was reduced to the estimated total for the three fiscal years for the largest categories—that is, for federal payroll expenditures and for transfer payments to persons.⁸ For other categories of federal payments to personal incomes, the calendar year amounts for 1974-76 were used to represent both the total amounts of federal payments in the fiscal years 1974-76 and the proportionate shares of the several states in those expenditures.⁹

Payments to State and Local Governments

Tabulations published annually by the Department of the Treasury report, by states, the amounts paid to state and local government by way of grants and shared revenues (including, since 1973, General Revenue Sharing).¹⁰ Other than construction grants for private nonprofit hospitals and health, education, and research facilities, these payments are not counted in income disbursed directly to individuals. Accordingly, aids to state and local governments, as shown in this report, are derived from the Treasury reports, and adjusted to eliminate construction aid to private health facilities.¹¹

Military Outlays

As indicated in a preceding subsection, state

estimates of military outlays for pay of personnel are from national income estimates of the Bureau of Economic Analysis, Department of Commerce, and are reported with other federal government payments to personal incomes in *Tables 23-28*. Amounts included represent payments to personnel in the 50 states and the District of Columbia. Payments outside these areas are omitted.

Other military outlays within the states and D.C., also distributed in those tables, are based on Department of Defense reports of contracts for procurement; research, development, testing, and evaluation; construction; and other purposes. Omitted from the basic distribution are contracts to be performed in undisclosed or indeterminate locations.¹² Also omitted are contracts for the civil functions of the department—that is, contracts of the Corps of Engineers. The gross amounts doubtless include some expenditures for procurement and services outside the 51 states, and thus may overstate expenditures to some uncertain degree; but the state proportions are based wholly on contracts awarded for performance within the states.

Distribution procedures differ somewhat for the several fiscal periods covered in this report. The discussion here describes the methods used for 1974-76; this is followed by comments on the major differences for earlier periods.

Budget reports indicate that aggregate Department of Defense outlays were \$255,105 million in the three fiscal years 1974-76, of which \$5,604 million were for civil functions. Of the total, about 77% is allocated among the 51 states in this study.¹³ Reports by the Department of Defense to the Community Services Administration allocate to the states and D.C. more than 90% of the Department's total budgetary outlays in these three years.¹⁴

The distribution of military contract expenditures among the states was estimated in a series of steps, as follows:

- a. For contracts of \$10,000 or more (about 87% of all contracts), payments in each fiscal year were assumed to be spread over contracts awarded in that year and the three immediately preceding years. Thus, contract expenditures during 1974-76 re-

lated to contracts awarded during 1971-76. The sum of weighted contract awards in each state was used to ascertain the percentage share of the state in payments for these contracts.¹⁵ The resulting percentages appear in the second column of *Table 29*.

- b. For contracts of less than \$10,000, payments in each state in any fiscal year were assumed to be proportionate to awards of these contracts in the state during that year.¹⁶
- c. For family housing expenditures by the armed services, expenditures in each state were assumed to be proportionate to military salaries and wages paid during the calendar years 1974-76.
- d. Using the sum of the three foregoing categories for each state and for the 51 states, the composite share of each state in all contracts was calculated. This is the percentage which appears in the first column of *Table 29*.

The distribution of contracts of \$10,000 or more (paragraph a, above) is based on several simplifying assumptions, noted below. Department of Defense publications reporting prime contract awards by states and regions emphasize that these data do not measure directly the volume of actual production work performed in these areas. Although construction contracts are assigned to the state where the work is performed, and most manufacturing contracts to the state where the product will be finally processed and assembled, the fact is that much of the production of raw materials, components, and fixtures may take place in other geographic areas, whether the work is done by the same prime contractor or by subcontractors and suppliers. Also, for some prime contracts with large companies that operate more than one plant, and for contracts with service, wholesale, or other distribution firms, the address of the contractor's main office is often used as the location of the contract. All these considerations affect the geographic distribution.

Simplifying assumptions and procedures (applicable to the distribution for 1969-71 as well as 1974-76) are as follows:

1. In the absence of current comprehensive or authoritative data on differences in the geographic distribution of subcontract and prime contract performance, the estimates assume that the distribution reported for prime contracts may be applied to subcontracts. Sample studies for earlier fiscal periods (1965-67) suggested that about half of the military procurement expenditures were for subcontractors' work and indicated the approximate shares of the several states in subcontract expenditures. But current data of this kind were not available for the present study.¹⁷

2. Outlays for all prime contracts of \$10,000 or more are distributed as a single series, disregarding possible differences between categories of procurement included within the aggregate.

3. The weighting method assumes that the average prime contract was placed in the middle of the fiscal year for which it was reported (i.e., January 1) and took 36 months from award to completion.¹⁸

Besides showing regional and state shares in military prime contract expenditures during 1974-76, *Table 29* gives specific detail for contract awards of \$10,000 or more in 1976. It indicates the net value of contracts in each region and state, the percentage of all contract awards for that year, and the category of product that was financially most important in the region or state. The final columns report what percentage of the production program was covered by contracts in a given area and how much of the value of military contracts in the area was represented by this leading program.

To illustrate: Contractors in New England were awarded approximately one-sixth (16.3%) and those in Missouri nearly one-fifth (19.4%) of the 51-state total of aircraft production contracts. In New England, these aircraft contracts were 35% of all contract awards in the region; they were the leading type of military contract in Connecticut but not in any of the other five states. In Missouri, aircraft production contracts were 81% of the state total for all contracts. Michigan had 42.3% of all 1976 contracts for tanks and automotive

vehicles, and the Great Lakes region as a whole had 64.3%. This was 72.7% of all military procurement contracts for Michigan but only 31.4% for the region.

Table 30 summarizes, in frequency distributions, the state percentages shown in detail in Table 29. It indicates that for the whole three-year period, 1974-76, each of 11 states drew 3% or more of all contract outlays, whereas only nine states won this large a share of contract awards in the single year 1976. For the full three years, each of 25 states had 1% or less of the contract outlays, but 29 states each had 1% or less of the contracts awarded in 1976.

The distributions of military outlays during 1959-61 and 1965-67 comprise separately distributed components for procurement, construction, and operation and maintenance. (For 1965-67, family housing was distributed with operation and maintenance expenditures.)¹⁹

For 1965-67, the estimating procedures were generally similar to those already described for 1974-76 and 1969-71, except that allowance for the effects of subcontracting was included specifically in the calculations for 1965-67,²⁰ and there were no adjustments for time elapsing between contract awards and the resulting expenditures.

Estimating procedures used for 1959-61 were much more detailed than for later years and involved intensive application of information gleaned from the *Census of Manufactures* about the shares of the several states in fabrication of goods that might have a direct or indirect part in national defense production. A composite index was developed combining prime contract awards with detailed data on value added in manufacturing in each state (with extra weight accorded to industries which are most heavily defense related), and this index was used to distribute military procurement expenses by states. The state distribution of contracts was limited to awards during the three fiscal years, without reference to earlier awards that may have been the subject of expenditures during 1959-61. Also, there was no direct adjustment for subcontracting or for the lag between contracting and expenditures.²¹ The extra weight given to value added in manufacturing, particularly

for defense-related industries, was designed to compensate for subcontracting and lags between awards and payments, as well as inadequacies of contract awards as a measure of the place of production.²²

In the study for 1952, other techniques were used. Military expenditures in that fiscal year (comprising major procurement and production; operation and maintenance, excluding civilian payrolls; food, clothing, and subsistence; military public works; and industrial mobilization) were distributed among industries on the basis of estimates of industrial impacts prepared for an earlier (wartime) year by the Bureau of Labor Statistics, Division of Inter-Industry Economics. Industry wage data for the several states, from the Bureau of Employment Security, were applied to the estimated amounts of military procurement for each industry. From these specific estimates were developed composite estimates of the share of each state in military expenditures. The resulting estimated distribution of purchases for military functions of the Department of Defense in 1952 was compared with the distribution of prime contract awards for a longer period (July 1950, through March 1954), and the more general distribution was adopted as an "incidence" illustration of military outlays.²³

Interest on Debt

Aside from federal interest expenditures included in direct payments to personal incomes, substantial amounts are paid to other owners of federal securities—commercial and savings banks, thrift institutions, insurance companies, business corporations, state and local governments, pension and investment funds, and others. The geographic distribution of these payments was estimated from statistics for each major category, using data that indicate approximately the relative amounts of federal government obligations held by each group in each state. Some simplifying assumptions were necessarily involved in these distributions.

For the fiscal years 1974-76, the total of interest paid in the 51 states (including payments to individuals and nonprofit institutions, as tabulated by the Bureau of Economic

Analysis²⁴) was estimated at \$59,681 million. *Table 27. Tables 23 and 25* show the state distribution of the estimated \$34,026 million paid to businesses and state and local governments during the fiscal years 1974-76.

Other Distributed Expenditures

The expenditure allocations for each period include, finally, a selection of miscellaneous expenditure items for which geographic distributions were reported or could be estimated from available data.

This category was proportionately largest in the distributions for 1965-67 and for 1952—more than 8% in each period. For other fiscal periods, the amount was between 1% and 2%. *Table 13.*

For the fiscal years 1974-76, the amount involved is \$11,515 million (*Tables 23 and 25*), comprising National Aeronautics and Space Administration research and development, Department of Defense prime contracts for civil functions, and Veterans Administration hospital and domiciliary construction.²⁵ (In *Table 27*, which uses different categories, the "all other" column is based on a distribution of \$22,797 million, which comprises the same \$11,515 million plus \$11,282 million of "other" payments to personal incomes—that is, military reserve pay, labor income other than salaries and wages, and payments to farmers.)

SPECIAL ADJUSTMENT FOR INCOME PAYMENTS IN NATIONAL CAPITAL AREA

In the expenditure distributions for 1974-76, a special adjustment was made in the estimates for the District of Columbia, Maryland, and Virginia to compensate for an evident overstatement in the initial distributions of salary and wage payments to residents of the District.²⁶ Examination of the data for 1969-71 indicated that a corresponding adjustment for that period was not required.

About two-thirds of all government wages paid in 1975 to civilian workers in the District of Columbia were paid to commuters from the bordering states.²⁷ Similarly, some of the compensation for military personnel who

worked in the District also went to commuters.²⁸ An unspecified but smaller fraction of salaries and wages paid by the federal government to employees who worked in Maryland and Virginia was received by residents of the District.

For the three calendar years 1974-76 combined, personal income estimates for the District of Columbia yield the following comparisons (in millions):²⁹

Net labor and proprietors income by place of work (all industries)	\$24,622
Residence adjustment	-14,716
Net labor and proprietors income by place of residence (all industries)	9,906
Federal government salary and wage payments to civilian and military personnel, by place of work	11,644

Thus, the estimated aggregate income which all District of Columbia residents received in the form of labor and proprietors income from all employers, public and private, was considerably less than the amount paid by the federal government alone for salaries and wages of its employees working in the District. Separate data are not available to determine the amounts of federal government personnel payments by place of residence.

Corresponding totals for the two adjacent states are as follows (in millions):³⁰

	Maryland	Virginia
Net labor and proprietors income, by place of work (all industries)	\$52,288	\$60,486
Residence adjustment	+8,720	+5,731
Net labor and proprietors income by place of residence (all industries)	61,008	66,217
Federal government salary and wage payments to civilian and military personnel, by place of work	7,994	11,627

Residence adjustments in the personal income data for 1974-76 were relatively larger for the District of Columbia, Maryland, and Virginia than for any other state (with partial exceptions for Alaska and New Jersey).³¹

Also, in no other state (except Hawaii) were federal salaries and wages so large a proportion of total wage and salary income by place of work. For all 51 states, the average in 1976 was 7.2% of all salaries and wages. In the District of Columbia, federal employees compensation was 48.7% of all salaries and wages by place of work. In Virginia, it was 20.4%, and in Maryland, 16.2%.³² The average for the District, Maryland, and Virginia together for the three years 1974-76 was 24.8%.

Various adjustments were tested in an effort to approximate the distribution of federal payrolls by place of residence in the capital area. The most plausible results (necessarily evaluated on a subjective basis) were derived by assuming that the areawide average of 24.8% applied in each of the three areas, and there was no net spillover to other states.

This assumption meant that residents of the District were estimated to have received a three-year total of \$6,206 million of federal salaries and wages; residents of Maryland, \$11,984 million; and Virginia, \$13,722 million.³³ The adjustments allow for commuters moving both in and out of each area to their workplaces in other jurisdictions. The net increase for Maryland was \$3,935 million over payments at federal workplaces within the state, and for Virginia, \$2,236 million. The balancing net decrease for the District was \$6,171 million. These amounts were used to adjust the D.C., Maryland, and Virginia estimates of federal government payments to personal incomes as derived from the basic series on personal incomes during 1974-76.

The revisions affect the state percentages of the 51-state total of federal salary and wage payments as follows:

	Unadjusted	Adjusted
District of Columbia	6.59%	3.31%
Maryland	4.29	6.38
Virginia	6.12	7.31
Area total	17.00	17.00

Tables in this report that are affected by this adjustment carry a footnote, "Revised and adjusted (November 1978)," in which the word "adjusted" refers to the modified estimates for the national capital area.³⁴

In the distribution of salaries and wages as part of federal payments to personal incomes during 1969-71, the area total for the District of Columbia, Maryland, and Virginia was 16.79% of the 51-state aggregate—not greatly different from the 17.0% share for 1974-76. The District of Columbia had 2.82% of all federal salaries and wages; Maryland, 6.44%; and Virginia, 7.53%.

In relation to all wages and salaries from all types of employment in each state, the data indicated that 44.7% of all salaries and wages in the District during 1969-71 came from the federal government; in Virginia, 26.6%; and in Maryland, 22.7%. For the District, Maryland, and Virginia together, the average for 1969-71 was 26.6% of all salaries and wages at the workplace. For all 51 states together, the average was 8.1%, compared with 7.2% for 1976.

Data for 1969-71 were drawn from a Commerce Department compilation which appears to come nearer to showing federal employees' compensation by place of residence than by place of work, although the basis of the estimates is not expressly stated. Amounts of federal employees' pay shown for 1970 and 1971 in the original source differ markedly from those in a tabulation supplied in 1978, in which the payments are expressly for the place of employment. On the other hand, they differ only slightly from amounts for the same years in a 1973 compilation which is described as "residence adjusted."³⁵

In the light of these comparisons, the original distributions for 1969-71 were not altered.

OTHER EXPENDITURE REVISIONS, 1974-76

Another kind of revision in the expenditure distribution for 1974-76 affected the data for nearly every state—though most of the changes from an earlier publication were negligible.³⁶ In the initial compilations, calendar year totals of federal government payments to personal incomes were incorporated directly, without proportionate adjustments to actual budgetary outlays during the fiscal years 1974-76. The result was an allocation of slightly more than the actual total of fed-

eral government expenditures during the period (an excess of 0.8%) and—more important—some overweighting of personal income payments as components of government expenditures.³⁷

In this report, tables affected by this overstatement have been revised to give appropriate modified weights to the personal income payments and to bring the total distribution within the budgetary totals in *Table 12*. Tables affected by the recalculations carry a footnote, "Revised and adjusted (November 1978)," in which the word "revised" refers to these changes made in entries for 1974-76 since their initial publication.

DATA FOR 1969-71

Because the estimates for 1969-71 have not been published previously, they are presented in some detail in *Tables 31-37* in this report. These tables generally follow the same pattern as those for 1974-76. However, they are abbreviated to save space. They omit some categories of revenues and index numbers based on amounts per capita for both expenditures and revenues. *Table 31* also omits percentages and index numbers for the total of allocated revenues by the state of origin; these data appear in the 1969-71 columns of *Tables 4* and *10*. *Tables 34* and *36* differ from the comparable tables for 1974-76 (*Tables 23* and *27*) because some of the categorical subdivisions are presented differently for the two periods.

Frequency Distribution of Percentages

Comparison of *Table 35* with *Table 24* indicates that the frequency distribution of states with specified percentages of all expenditures was very nearly the same in the two periods. In both periods, four states—California, New York, Texas, and Pennsylvania—each had 5% or more of allocated expenditures; together they had about one-third of the 51-state total (33.6% in 1969-71, and 31.5% in 1974-76). In 1974-76, there were 12 states with 2% to 5% of all allocated expenditures, compared with ten states in 1969-71.

Conversely, seven states each had from 0.4% to 0.8% of allocated expenditures in 1974-

76, against nine states in 1969-71. The nine states (in descending order of percentage share) were Arkansas, West Virginia, Utah, Hawaii, Nebraska, New Mexico, Rhode Island, Maine, and Alaska, with a collective share of 5.1% of all federal expenditures. By 1974-76, the first two of these states were each above 0.8%, and the collective share of the nine states was now 5.6% of all expenditures. *Table 39*.

For nine other states, the respective shares of expenditures were under 0.4% in both periods, and their collective share rose from 2.4% to 2.6%. The nine (in descending order for 1969-71) were New Hampshire, Montana, North Dakota, South Dakota, Idaho, Delaware, Nevada, Vermont, and Wyoming. Shifts in their rankings were negligible: Idaho moved up a step ahead of South Dakota, and Nevada a step ahead of Delaware.

Examination of the separate categories shows some variations in patterns of change. The distribution of federal payments to personal incomes was altered somewhat between 1969-71 and 1974-76, but not markedly. The group with 2% to 3% of total federal payments to personal incomes went from five to four states; the group with 1% to 2% went from 14 to 18 states; and those with 0.6% to 1% went from ten to six states. Nevertheless, the total number with from 0.6% to 2% was 24 states in each period. The number of states with very small shares—under 0.4%—went from nine to ten (as Alaska dropped from .44% to .37%). The collective share of the ten states was 3.0% in both periods.

Within payments to personal incomes, the pay of federal personnel (civil and military combined) held to practically the same distribution pattern in the two periods. The top four states (in descending order) were California, Virginia, Texas, and Maryland—each above 5% of the national total. Their combined shares were 34.0% in 1969-71 and 32.7% in 1974-76. No other state had as much as 5%. (The District of Columbia was at 2.82% in 1969-71 and 3.31% in 1974-76.) The bottom ten states in 1969-71, each under 0.4%, were (in descending order) North Dakota, Montana, Nevada, New Hampshire, West Virginia, South Dakota, Idaho, Delaware, Wyoming, and Vermont. By 1974-76, North

Dakota and Montana had risen to 0.4% or more but Rhode Island had slipped below. The total for the nine states now in the group was 2.7%, against 2.5% for the same states in 1969-71.

Military contract outlays were perhaps slightly more diffused among the states in 1969-71 than in the later period. Three states—California, Texas, and New York—each had 5% or more of the total in 1969-71, with an aggregate of 36.7% of the nationwide total. In 1974-76, these three states together had 34.4%, but Connecticut also was above 5%. In both periods, 26 states each had less than 1% of the aggregate; their combined share rose from 9.1% in 1969-71 to 10.3% in 1974-76.

Aid to state and local governments changed more than other categories, except for the smallest states. The same three large states were at the top in both periods: California, New York, and Pennsylvania, each with more than 5% of the nationwide total and a collective share which dipped slightly from 27.7% in 1969-71 to 27.2% in 1974-76. (California declined from 12.0% to 10.2%; New York rose from 10.6% to 11.5%; and Pennsylvania rose from 5.1% to 5.4%.) The number of states with 2% to 5% shares declined from 14 to ten; the number with 1% to 2% rose from 16 to 20. For six states, each with shares less than 0.4% in both periods, the collective share was 1.9% in each period. These six states (in descending order for 1969-71) were North Dakota, Wyoming, Vermont, New Hampshire, Nevada, and Delaware. Except for Vermont and Delaware, their rank orders changed between the two periods.

On the revenue side, comparison of *Tables 18* and *32* suggests that between 1969-71 and 1974-76 there was considerable shifting in the percentage of total federal revenues originating in individual states. Five large states, with shares of over 5% each in 1969-71—New York, California, Illinois, Pennsylvania, and Ohio—were joined in 1974-76 by a sixth, Texas. The collective percentage for the six states declined from 44.8% in 1969-71 to 42.3% in 1974-76. *Table 40*. New York ranked highest and California second in 1969-71. Five years later, they had traded positions, with the New York share cut from 11.4% to 9.4% of the U.S. total and California down from 10.8% to 10.6%.

The Texas share rose from 4.8% to 5.6%. For each of the other three states, the percentage of federal revenues declined somewhat in the five-year interval.

In the middle range, 15 states each supplied from 1% to 3% of all federal revenues in 1969-71; the number rose to 21 states five years later. There were 26 states each supplying less than 1% of federal revenues in 1969-71; in 1974-76, there were 21. Half of these provided under 0.4% each in 1969-71, and their collective share was 3.7%. Five years later the same 13 states provided 4.1% of federal revenues.

For the dominant category, the individual income tax, shifts in state percentages were somewhat less numerous. Nevertheless, the change in the middle range, in which each state supplied 1% to 3% of the 51-state total, was about the same as for all revenues, from 15 states in 1969-71 to 20 states in 1974-76. The number of states providing less than 0.6% each declined from 18 to 16.

For employment taxes and Social Security insurance contributions, the number of states credited with 1% to 3% of the total rose from 20 to 22. The number credited with less than 0.8% declined from 20 to 18; among these, the number with less than 0.4% dropped from 13 to 9.

Despite a change in the series used to measure state origins, the corporate income tax underwent roughly similar shifts of state positions in the middle brackets. The 1% to 3% range rose from 15 to 20 states. The group with 0.8% dropped from five states to two, and the group with under 0.4% declined from 12 states to ten.

When the comparison is between the expenditure and revenue distributions in the single period, 1969-71 (*Tables 32* and *35*), it becomes evident that the federal system tends to redistribute resources from the larger states to the smaller ones. Thus, 26 states were each credited with originating less than 1% of federal revenues and 25 states with 1% or more; but 30 states had 1% or more of the expenditures. The top five states for revenues originated 40.1% of all revenues and drew 35.5% of all expenditures. Among them, only California had a larger share of expenditures than of revenues (13.3% against 10.8%). New York,

Illinois, Pennsylvania, and Ohio together supplied 29.3% of revenues and drew 22.2% of expenditures. Texas (which ranked seventh for revenues) contributed 4.8% of revenues and drew 6.2% of expenditures.

In the middle range, 15 states each originated 1% to 3% of all revenues; 20 states each drew 1% to 3% of all expenditures. Nine states each had less than 0.4% of expenditures, but 13 states each supplied less than this percentage of revenues. The median share of expenditures was 1.3% (Kentucky); the median share of revenues was just under 1.0% (Oklahoma). (State details are from *Tables 3* and *4*. See also *Tables 39* and *40*.)

Index Numbers Related to Personal Income

Tables 28 and *37* present frequency distributions of states with specified index numbers of federal expenditures relative to personal income. For total expenditures relative to personal income, the major difference between 1969-71 and 1974-76 was that fewer states were substantially below average in the later period. In 1969-71, 14 states had index numbers of 60 to 90; in 1974-76, this group had lost four states, and the group with approximately average numbers (90 to 110) had gained four states. The highest index number had risen from 333.0 to 367.7 (District of Columbia), but the next highest had declined from 240.1 to 164.9 (Alaska). The lowest index number had advanced from 63.0 (Michigan) to 70.5 (Illinois). The index number for the median state, at just below 107, was unchanged—but Wyoming had replaced Louisiana as the median. Louisiana had moved nearer the national average, to 102.9. (Detail for individual states is from *Tables 27*, *36*, and *43*. See also *Table 9*.)

On the revenue side, frequency distributions in *Tables 22* and *33* show that many more states were near the nationwide average in both periods. The clustering was more pro-

nounced in 1974-76 than in 1969-71. For 1969-71, 39 states had index numbers of 90 to 110 for total federal revenues relative to personal income, eight states had lower index numbers, and four had higher numbers. Five years later, 45 states were in the 90-110 bracket, only two were lower, and four were higher. The four with the highest amounts of federal revenue relative to personal income in 1969-71 were Delaware, Connecticut, the District of Columbia, and Nevada. By 1974-76, Florida was in top rank, and Nevada was down to 107.8. The lowest index number was 80.9 in both years (South Dakota in 1969-71, and North Dakota in 1974-76), but the highest fell from 128.7 for Delaware in 1969-71 to 115.4 for Florida five years later. The median number was 98.1 (West Virginia) in 1969-71; it was 98.8 (New York) in 1974-76. (Detail for individual states is from *Tables 10*, *21*, and *44*.)

There were wider differences among states in the separate major categories of revenues, but these also were reduced somewhat in the later period. Index numbers for individual income tax relative to personal income ranged from 66.2 (Mississippi) to 128.6 (Connecticut) in 1969-71, compared with 76.8 (North Dakota) to 117.9 (Connecticut) in 1974-76. The median number in 1969-71 was 94.0 for West Virginia; in 1974-76 it was 96.1 for Nebraska, and the West Virginia number had declined slightly, to 92.9. The top states—above 110.0—in 1969-71 were Connecticut, Nevada, Delaware, Maryland, and Illinois (in descending order). Five years later six states were in this bracket—Connecticut, Delaware, Maryland, Nevada, Illinois, and New Jersey. The California and New York index numbers declined slightly—California from 97.2 to 94.6; New York from 104.1 to 102.1. (Detail for individual states is from *Tables 21* and *31*.)

For employment taxes and corporate income taxes also the differences in state index numbers narrowed perceptibly between 1969-71 and 1974-76.

FOOTNOTES

¹Employment taxes were attributed to each state one-half in proportion to total retail sales and one-half in proportion to personal contributions for federal programs of social insurance. The personal contributions

are as tabulated for three calendar years, 1974-76, by the Bureau of Economic Analysis in its series on personal income by states. The data for contributions to federal programs only, as used here, are from a special tabulation for 1974-76, September 1977. The estimates apparently represent contributions at the place of work,

at least for employees as distinguished from the self-employed. This may result in overstatement of contributions from residents of the District of Columbia, for which the part based on personal contributions (1.4% of the 51-state total) is much higher than the part based on retail sales (0.31%). For Alaska, also, the components differ considerably (0.32% and 0.22% respectively). For no other state is the difference as substantial.

²See the preceding footnote.

³The state estimates for calendar years are published annually, usually in the August issue of the *Survey of Current Business* (U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, Washington, DC, U.S. Government Printing Office). (In 1978, however, only summary tables were in the August *Survey*; detailed estimates for 1975-77 were published in the October issue.) The estimates are prepared by the Regional Economic Measurement Division of the Bureau of Economic Analysis.

In the annual series, Tables 4-63 show for each region and state the calendar-year amount of personal income by industry sources, with adjustments to bridge the differences between personal income from all sources by place of work and personal income from all sources by place of residence. The only federal government components identified in the tables are for wage and salary income designated "federal, civilian," and "federal, military." These are shown for the state of employment, not the state of residence. In earlier periods (before 1974-76) the *Survey* tables regularly included Table 69 on "broad industrial sources of personal income," which reported, among other items, the latest yearly aggregate of federal government income disbursements directly to persons (including nonprofit institutions) in each state or region. This aggregate comprised wages and salaries (net of employee contributions for social insurance), other labor income, interest, and transfer payments. (See, for example, *Survey of Current Business*, August 1973, p. 49.) These yearly totals of federal income disbursements directly to persons in each state were available for each calendar year from 1948 through 1971 (tabulations supplied December 4, 1972).

For the geographic distributions of federal expenditures in this report, federal wage payments to civilian and military personnel were deducted from the aggregate of federal payments to personal income in each state. The remainder represented all federal nonwage payments in the state. For 1974-76, however, this method was no longer available. Federal nonwage payments in each state were therefore approximated from special tabulations of unpublished data supplied by the Regional Economic Measurement Division. See below in this section.

⁴Subject to an adjustment for the District of Columbia, Maryland, and Virginia for 1974-76, explained in a later section.

⁵For all federal government payments to personal incomes, a straight four-calendar year average for 1968-71 is only 0.6% higher than the average giving half-weight to the first and last years.

⁶As indicated in footnote 3, for the period 1974-76 the total amount of federal payments directly to personal incomes was no longer published by the Bureau of Economic Analysis. Calendar-year totals derived from special tabulations supplied by the BEA (October 1977) comprised the following series:

Salaries and wages;
Transfer payments financed from federal funds

only (including state unemployment insurance but omitting other items that may have been financed from combined federal-state-local government funds);

Military reserve pay (from combined federal-state-local government funds, but primarily federal);

"Other" labor income originating from federal funds only (other labor income, as used here, comprises federal compensation to prisoners, judicial fees, and employer contributions to pension, health, and welfare funds);

Monetary interest paid to individuals (including interest accrued on unredeemed E and H bonds);

U.S. Department of Agriculture payments to farmers (including corporate farmers).

⁷Amounts for each category of payments in each state in calendar years 1974-76 are as tabulated by the Bureau of Economic Analysis in June and October 1977. The amounts shown for federal payrolls (civilian and military) differ from those shown in the *Survey of Current Business*, *op. cit.*, August 1977, where it is noted that state estimates of personal income for 1971-76 had been revised "to achieve conceptual and statistical conformity with the benchmark revisions of the national income and product accounts and to incorporate new and improved data sources" (p. 17, footnote). In that issue of the *Survey*, estimates by industry sources for 1974 are based on the 1967 Standard Industrial Classification and those for 1975 and 1976 are based on the 1972 SIC. (Presumably the June 1977, tabulations of payrolls are all based on the 1967 SIC, though this was not specified.) Further minor revisions of the estimates for 1975 and 1976 appear in data published in the *Survey of Current Business*, October 1978. These recur in a special tabulation supplied by the BEA in October 1978, in which the 1974 totals for the 51 states are the same as in the *Survey* of August 1977.

For the three calendar years, 1974-76, the sum of the reported amounts for the 51 states varies as follows (in millions):

Source	Total Federal Payroll	Civilian Pay	Military Pay
Special tabulation, June 1977	\$187,746	\$126,401	\$61,345
SCB, August 1977	178,878	124,918	53,960
SCB, October 1978, and special tabulation, October 1978	178,934	125,034	53,900

Revisions are largely in the amounts shown for military pay.

⁸Federal compensation of employees is estimated quarterly in the national income and product accounts (for the nation as a whole, but not for state areas). These payments were at an annual average rate of \$56.9 billion during the fiscal years 1974-76. (Amounts for 11 quarters from the fourth quarter of 1973 through the second quarter of 1976 are from the *Survey of Current Business*, *op. cit.*, July 1977, p. 33, Table 3.7. The third quarter of 1973 was added from *ibid.*, January 1976, p. 63, Table 1.7, federal sector of gross national product.) This yields an estimate of \$170.8 billion for federal payrolls in the three fiscal years (three times \$56.9 billion). This was rounded to \$170.0 billion for the distribution among regions and states and distributed in proportion to the share of each region or state in the aggregate of \$187,746 million of federal payrolls shown

in the detailed state estimates for the calendar years 1974-76.

The sum of transfer payments, \$419,273 million for the three calendar years in the Bureau of Economic Analysis distribution, was reduced to \$385,650 million for the three fiscal years. The budget reports "domestic transfers to persons" in these three years as follows:

Fiscal Year	Amount (billions)
1974	\$101.7
1975	131.1
1976	153.9
Three-year total	\$386.7

(*Special Analyses, Budget of the U.S. Government, 1979, op. cit.*, January 1978, p. 68, Table B-11.) Payments outside the 51 states were assumed to be slightly above \$1 billion.

For the period 1969-71, the sum of all federal payments to personal incomes, as included in the distributions, was \$306.0 billion, comprising \$126.4 billion for pay of personnel, military and civilian, and \$179.6 billion for transfers and "all other." Transfer payments were not separated from "all other."

⁹Payments to personal incomes, included in the \$890,171 million of federal expenditures shown in *Table 13* for the fiscal years 1974-76, are as follows (in millions):

Civilian and military pay	\$170,000
Transfers to persons	385,650
Military reserve pay	4,941
"Other" labor income	4,270
Interest to individuals	25,655
Payments to farmers	2,071
Total payments to personal incomes	\$592,587

The same items are included in *Tables 23-28*, but in different combinations of categories.

The remainder of the \$890,171 million consists of military outlays, other than pay of personnel (\$103,436 million), aid to state and local governments (\$148,607 million), interest to other than personal incomes (\$34,026 million), and all other expenditures distributed by states (\$11,515 million for National Aeronautics and Space Administration research and development, Department of Defense civil functions, and Veterans Administration construction). These items are discussed below.

¹⁰The data are published by the U.S. Department of the Treasury, Fiscal Service, Bureau of Government Financial Operations, Division of Government Accounts and Reports in a series of pamphlets entitled, *Federal Aid to States, Fiscal Year . . .*, Washington, DC, U.S. Government Printing Office. Prior to 1969, the pamphlets were reprints of tables included in annual reports of the Secretary of the Treasury.

¹¹Amounts deducted for private nonprofit health facilities are from unpublished worksheets of the Bureau of Economic Analysis, Department of Commerce. This adjustment was not made for 1974-76; the amount involved was a fraction of 1% of total payments to state and local governments.

¹²Omitted from the calculations are contract awards in classified (i.e., secret) locations; contracts for which a location cannot be ascertained for the plant where the greater part of the work is done or management responsibility is centered; and contracts for the civilian health and medical program of the uniformed services (CHAMPUS). Awards of contracts of \$10,000 or more during the fiscal years 1974-76 amounted to \$125.7 billion; of this sum, \$16.8 billion, or 13.4%, were omitted from the

state distributions. The amounts are net of contract cancellations.

The principal publication used as a source for the state distributions is a volume issued annually by the U.S. Department of Defense, Office of the Assistant Secretary of Defense (Comptroller), Directorate for Information Operations and Control, *Military Prime Contract Awards by Region and State*, processed. Each edition customarily covers three fiscal years—e.g., the 1977 publication reported for the fiscal years 1974-76; the volume issued in 1978 dropped 1974 and added 1977. On the omissions and on the criteria for assigning contracts to particular states, see the volume for 1974-76, pp. i and ii.

¹³This estimate assumes that civilian employees of the Department of Defense drew 32.5% of the pay of all federal civilian personnel. The personal income reports of the Bureau of Economic Analysis do not separate payrolls of civilian employees of the Department of Defense from those of other departments and agencies. Annual compilations by the Community Services Administration, based on reports by the departments and agencies, distribute the following Defense Department expenditures to states (and their subdivisions) during the fiscal years 1974-76:

Category	Amount (millions)	Percent of Department Total In CSA	
		Report	In Budget
Military pay, including reserves, National Guard, and retirement pay	\$ 67,104	29.0%	26.3%
Civilian pay	37,192	16.1	14.6
Contracts, military and civil	127,098	54.9	49.8
Total	\$231,394	100.0%	90.7%

The \$37,192 million of outlays for pay of civilians equals 32.5% of the \$114,450 million of all federal civilian payrolls reported by the BEA and distributed in *Table 27*.

The Community Services Administration reports are annual multivolume processed tabulations (one or more volumes for each state, plus a national summary volume), compiled for the Executive Office of the President by the Federal Information Exchange of the Community Services Administration under the title *Federal Outlays*, with each volume for a designated year subtitled either "Summary" or with a state name—e.g., *Federal Outlays—Summary, 1977*, or *Federal Outlays—California, 1977*. Similar compilations were issued by the Office of Economic Opportunity while it existed. The OEO and CSA reports were not used as a principal source for state distributions in this study because the compilations for some important departments and agencies have been incomplete or erratic and often not in terms of the residence of the recipients or the place where goods are produced or services provided.

¹⁴See the table in the preceding footnote.

¹⁵Selection of weights was somewhat arbitrary. E.g., of payments in 1976, about 5% were attributed to 1973 contract awards, 9% for 1974 awards, 51% for 1975 awards, and 35% for 1976 awards. A similar sequence was applied to payments in 1974 and 1975. For all payments during 1974-76, the weights finally used (after rounding) were: 1971 contract awards, 0%; 1972, 5%; 1973, 22%; 1974, 32%; 1975, 28%; and 1976, 13%.

¹⁶Contract awards of less than \$10,000 are as reported by

states in Community Services Administration, *Federal Outlays—Summary, 1974, 1975, and 1976, op. cit.* The 51-state totals for the three years were (in thousands): 1974, \$3,991,980; 1975, \$4,431,818; 1976, \$4,528,744; three-year total, \$12,952,542. The annual *Federal Outlays* compilations assign military contracts of less than \$10,000 to the state of location of the purchasing office (thus 13.2% of these contracts for 1969-71 were assigned to the District of Columbia, 12.0% to California, and 10.2% to New York State).

¹⁷It was not feasible to undertake for the compilations for 1969-71 and 1974-76 an adequate evaluation of the effects of subcontracting. The report for 1965-67 in this series notes (at p. 20) that in the estimates for that period half of defense procurement expenditures were assumed to be for subcontractors' work and were attributed to states in proportion to percentages derived from a subcontract award study by the Department of Defense for 1965 and 1966, as reported by Dr. Roger F. Riefler, "Regional and Industrial Impact of Defense Contracts" (unpublished paper for Western Economic Association, Boulder, CO, August 24, 1967), Table 2.

A later paper by Roger F. Riefler and Paul B. Downing states:

It has often been suggested that even though prime contract awards are regionally concentrated, subcontracting disperses defense work. . . . [Based on a sample study by the Department of Defense], a comparison of the concentrations of the subcontract percent with the concentrations of prime contract employment casts some doubt on the hypothesis that subcontracting tends to reduce the regional concentration of defense-generated employment at the state level. (Roger F. Riefler, and Paul B. Downing, "Regional Effect of Defense Effort on Employment," *Monthly Labor Review*, Vol. 91, No. 7, U.S. Department of Labor, Washington, DC, U.S. Government Printing Office, July 1968, pp. 1-8, at pp. 1, 6.)

An adequate evaluation of the effects of subcontracting should draw upon the analyses by Dr. Riefler and associates and on other related studies and reports. Some help may be derived from a series of reports issued annually by the Industry Division of the Bureau of the Census, *Current Industrial Reports: Shipments of Defense-Oriented Industries* (series MA-175). Like data reported in the Census of Manufacturers, the statistics in this series are obscured in many instances (even at the state level) by the necessity of avoiding disclosures of specific information about particular establishments or companies.

¹⁸The assumptions and weights, as applied for 1969-71, were guided largely by data reported in the following (and other) studies:

Maw Lin Lee, "Impact, Pattern, and Duration of New Orders for Defense Products," working paper 6805, NASA Economic Research Program, St. Louis, MO, Washington University, Department of Economics, April 1968.

Kenneth L. Lay, and Kent L. Jones, "Economic Impact of Defense Procurement," *Survey of Current Business, op. cit.*, September 1971, pp. 21-26, and 31.

Time was not available for an intensive search for more recent studies in connection with the distributions for 1974-76 and the preparation of this report.

The weights applied to defense contract awards of

1972-76 in estimating contract payments during 1974-76 differ (for reasons of convenience) from those applied to contract awards of 1967-71 in estimating payments during 1969-71.

¹⁹The procedures are described in detail in the original reports:

1959-61—I. M. Labovitz, *Federal Revenues and Expenditures in the Several States: Averages for the Fiscal Years 1959-61*, Washington, DC, Library of Congress, Legislative Reference Service, September 19, 1962, multilith, pp. 65-75, 97.

1965-67—U.S. House of Representatives, Committee on Government Operations, Intergovernmental Relations Subcommittee, *Federal Revenue and Expenditure Estimates for States and Regions, Fiscal Years 1965-67, op. cit.*, 90th Cong., 2nd Sess., October 1969, pp. 20-21, 36-37.

²⁰See footnote 17.

²¹The distribution for 1959-61 overstated operation and maintenance expenditures, through an inadvertent duplication of the pay of civilian employees of the Department of Defense. These were included in the operation and maintenance amount and were also counted among federal payments to personal incomes. The likelihood of duplication was noted, but it was not eliminated because data were lacking. See the report for 1959-61, p. 74.

²²A detailed estimating procedure similar to that described for 1959-61 had been employed in an earlier Library of Congress study for the fiscal year 1958 (not included in this report). See *Federal Taxation and Expenditures in the Several States and Selected Economic Data for New York State and the United States*, Washington, DC, The Library of Congress, Legislative Reference Service, July 29, 1959, multilith, p. 31, Table XI, and pp. 35-41, describing procedures and showing results for each state. That distribution, also prepared by I. M. Labovitz, used the following weights (total, 100): military prime contract awards, 40; value added, all manufactures, 20; value added, selected major industries, 10; and value added, industries most heavily defense related, 30.

For 1959-61, the weights were modified to 25 for military prime contract awards and a total of 75 for 12 separate series on value added. The combined weights of the series for the most heavily defense-related industries was more than 1.5 times the weight given the series on prime contract awards. (See the report for 1959-61, p. 71.)

²³Cf. Mushkin, *Statistical Materials, op. cit.*, pp. 22-3; and *Illustrative Estimates, op. cit.*, pp. 75-80.

²⁴The BEA special tabulation (October 1977) showed monetary interest paid to individuals and nonprofit organizations in the 51 states by the federal government as follows (in millions, for calendar years):

1974	\$ 6,733
1975	8,761
1976	<u>10,161</u>
3-year total	\$25,655

These amounts include accruals on unredeemed E and H bonds.

The calendar-year amounts were used for the fiscal years 1974-76 without adjustment. In *Tables 23* and *25*, they are the largest part of the \$36,937 million shown for "all other payments" to personal incomes. In *Table 27*, they are part of the \$59,681 million shown for all interest expense in the 51 states.

²⁵State distribution of NASA research and development outlays (\$7,398.2 million) and DOD civil contract outlays (\$3,688.2 million) are from Community Services Administration, *Federal Outlays, 1974, 1975, and 1976, op. cit.* State distributions of Veterans Administration construction outlays (\$428.4 million) are from annual reports of the Veterans Administration for the same fiscal years.

²⁶The initial distribution, without this adjustment, was published in I. M. Labovitz, "Federal Expenditures and Revenues in Regions and States," *Intergovernmental Perspective, op. cit.*, pp. 16-23.

²⁷See District of Columbia Tax Revision Commission, *Final Report: Financing an Urban Government*, Washington, DC, 1978, p. 7, Table 1-VI, which gives the following totals for government employment (federal civilian and District government, combined) in 1975:

Total employment	250,100
Average wage	\$17,918
Resident employment	68,200
Average wage	\$16,778
Incommuter employment	181,900
Average wage	\$18,346

Corresponding data are not supplied for commuters from the District to employment in Maryland and Virginia.

²⁸Military employment in the District in 1975 was reported as 19,100. (*Ibid.*, p. 5, Table 1-IV, total of 270,000 government employees, minus 250,100 shown at p. 7, Table 1-VI.)

²⁹*Survey of Current Business, op. cit.*, August 1977, p. 20, lines 64, 65, and 69-71.

³⁰*Ibid.*, pp. 20 and 27. Amounts shown here differ somewhat from those in the Bureau of Economic Analysis tapes of June 1977, which were used as the source for federal payments to personal incomes in the detailed distributions for 1974-76. Thus, federal salary and wage payments (civilian and military) compared as follows in the two tabulations (in millions):

	BEA Tape June 1977	SCB August 1977
District of Columbia	\$12,377	\$11,644
Maryland	8,049	7,994
Virginia	11,486	11,627
Area total	\$31,912	\$31,265

See footnote 7 on BEA revisions of the state estimates of personal income.

³¹As a percentage of net labor and proprietors income from all industries, by place of work, the residence adjustments for 1976 were as follows:

District of Columbia	-61.0%
Maryland	+17.0
Virginia	+9.9
Alaska	-21.7
New Jersey	+12.1

Ibid., pp. 20 and 27.

Comparable regional adjustments for 1976 were as follows:

New England	+ 5.3%
Mideast	- 1.6
Great Lakes	+ 0.3
Plains	- 0.9
Southeast	+ 1.2

Southwest	+ 0.3
Rocky Mountain	+ 0.1
Far West	+ 0.3

On the residence adjustment as a factor in reconciling income at the place of work and income at the place of residence, see *Appendix A*.

³²*Survey of Current Business, op. cit.*, August 1977, pp. 18-31. Other states with ratios of 10% or more were as follows:

Hawaii	23.4%
New Mexico	15.4
Alaska	13.9
North Dakota	13.8
South Dakota	12.6
Colorado	11.4
Alabama	11.2
Arizona	10.1
Washington	10.0

The residence adjustment for Hawaii was negligible.

³³The sum of these estimates, \$31,912 million, corresponds to the three-state total shown for the BEA tape in footnote 30.

³⁴The use of the word "revised" is explained on p. 48.

³⁵The year 1969 is omitted from this comparison because it is not included in the 1978 and 1973 compilations. The distribution for 1969-71 is from a special tabulation by the Bureau of Economic Analysis, Dec. 4, 1972. The comparisons are with (a) another special tabulation, October 19, 1978, for 1970-77, showing employee compensation by place of work; and (b) the *Survey of Current Business, op. cit.*, August 1973, pp. 39-52, giving residence-adjusted estimates for 1970-72.

In the 1978 tabulation, the residence adjustments for 1971, as a percentage of net labor and proprietors income by place of work, were as follows: D.C., -53.8%; Maryland, +17.2%; and Virginia, +9.1%.

The amount of the residence adjustment is not reported in the tabulations of December 4, 1972, and August, 1973.

Comparative amounts of federal payments for civilian and military personnel during the two years are as follows:

	BEA Tape December 1972	SCB, August 1973: Residence- Adjusted	BEA Tape October 1978: Place of Work
District of Columbia	\$ 2,546	\$ 2,507	\$ 5,487
Maryland	5,893	5,889	3,908
Virginia	6,820	6,825	5,636
Area total, two years	\$15,259	\$15,221	\$15,031

Percentages reported in the text above are from the tabulation of December 4, 1972, using four calendar years, 1968 through 1971, with weights of 1-2-2-1.

³⁶The earlier publication was in I. M. Labovitz, "Federal Expenditures and Revenues in Regions and States," *Intergovernmental Perspective, op. cit.*, pp. 16-23. In *Table 1* in this report, the ratios for ten states were not affected and those for 21 states were changed by only .01 plus or minus. In *Table 3*, percentages for 14 states were not affected.

³⁷Compare the total amounts of allocated expenditures and of payments to personal incomes, as shown in *ibid.*, p. 21, *Table 9*, with the corresponding entries in *Table 23* in this report.

Table 1
**RATIO OF ESTIMATED FEDERAL GOVERNMENT EXPENDITURES IN
 EACH REGION AND STATE TO ESTIMATED FEDERAL REVENUES FROM
 RESIDENTS OF THAT AREA, SELECTED FISCAL PERIODS, 1952-76**

Region or State	1974- 76 ^a	1969- 71	1965- 67	1959- 61	1952	Region or State	1974- 76 ^a	1969- 71	1965- 67	1959- 61	1952
51 States	1.00										
New England	1.01	.95	.95	1.07	.78	Southeast	1.14	1.24	1.36	1.29	1.51
Connecticut	.92	.88	.92	.83	.86	Alabama	1.31	1.49	1.52	1.41	2.03
Maine	1.19	1.04	1.14	1.37	.96	Arkansas	1.19	1.20	1.29	1.30	2.15
Massachusetts	1.04	.95	.90	1.13	.74	Florida	.96	1.09	1.15	1.00	.82
New Hampshire	.90	.97	.83	1.24	.64	Georgia	1.08	1.29	1.52	1.41	1.41
Rhode Island	1.07	1.14	1.17	1.33	.68	Kentucky	1.17	1.14	1.32	1.34	1.55
Vermont	1.16	1.02	1.11	.94	.74	Louisiana	1.07	1.19	1.33	.95	1.50
						Mississippi	1.65	1.73	1.68	1.64	2.16
Midwest	.99	.89	.75	.83	.75	North Carolina	1.00	.99	1.21	1.19	1.07
Delaware	.71	.60	.54	.56	.53	South Carolina	1.22	1.25	1.58	1.67	2.30
District of Columbia	3.23	2.99	2.16	2.04	1.10	Tennessee	.98	1.01	1.12	1.03	2.15
Maryland	1.31	1.39	1.34	1.51	1.09	Virginia	1.46	1.68	1.73	1.97	1.57
New Jersey	.79	.75	.71	.87	.90	West Virginia	1.21	1.09	1.02	.90	1.15
New York	.93	.78	.62	.70	.61						
Pennsylvania	.95	.85	.71	.75	.86	Southwest	1.05	1.32	1.37	1.24	1.46
						Arizona	1.18	1.19	1.33	1.22	1.39
Great Lakes	.74	.68	.64	.74	.87	New Mexico	1.47	1.67	1.68	1.75	2.99
Illinois	.70	.63	.59	.75	.69	Oklahoma	1.23	1.35	1.36	1.39	1.56
Indiana	.74	.81	.75	.85	1.34	Texas	.96	1.31	1.35	1.17	1.34
Michigan	.76	.61	.58	.65	.87						
Ohio	.76	.75	.70	.79	.95	Rocky Mountain	1.10	1.23	1.34	1.24	1.20
Wisconsin	.76	.71	.67	.69	.85	Colorado	1.05	1.24	1.33	1.26	.98
						Idaho	1.03	.96	1.15	1.07	1.55
Plains	.98	1.01	1.15	1.00	1.20	Montana	1.17	1.18	1.53	1.20	1.04
Iowa	.81	.83	1.00	.81	1.05	Utah	1.28	1.53	1.32	1.30	1.67
Kansas	.96	1.14	1.44	1.62	1.73	Wyoming	1.00	1.10	1.50	1.33	1.35
Minnesota	.87	.89	.93	.74	1.26						
Missouri	1.12	1.10	1.09	.92	1.01	Far West	1.13	1.18	1.27	1.16	1.12
Nebraska	.91	.91	1.26	1.09	1.12	California	1.15	1.24	1.32	1.14	1.06
North Dakota	1.32	1.51	2.04	1.29	1.56	Nevada	.85	.75	.86	.95	.77
South Dakota	1.33	1.26	1.67	1.60	1.52	Oregon	.91	.84	.80	.77	.96
						Washington	1.20	1.10	1.24	1.53	1.58
						Alaska	1.82	2.76	4.54	7.53	^b
						Hawaii	1.56	1.53	2.27	2.75	^b

Note: The ratios are derived by dividing for each state or region its estimated percentage of all allocated federal government expenditures by the estimated percentage of federal government revenues contributed by its residents.

^aRevised and adjusted (November 1978).

^bOmits Alaska and Hawaii (which were territories in 1952).

Table 2

**NUMBER OF STATES WITH SPECIFIED RATIOS OF
FEDERAL GOVERNMENT EXPENDITURES TO FEDERAL REVENUES,
SELECTED FISCAL PERIODS, 1952-76**

Ratio	1974-76 ^a	1969-71	1965-67	1959-61	1952
1.25 and Above	11 ^b	15 ^b	25 ^b	22 ^b	22 ^b
1.10-1.24	12	12	8	7	3
.90-1.09	18	10	6	9	11
Under .90	10	14	12	13	13

^aRevised and adjusted (November 1978).

^bIncludes District of Columbia. Alaska and Hawaii are in the top bracket in all periods after 1952 but are omitted from the count for 1952 because they were territories at that time.

SOURCE: Tables 1 and 38.

Table 3

**REGIONAL AND STATE PERCENTAGES OF
TOTAL FEDERAL GOVERNMENT EXPENDITURES ALLOCATED BY
RESIDENCE OF RECIPIENT OR LOCATION OF ACTIVITY,
SELECTED FISCAL PERIODS, 1952-76**

Region or State	1974- 76 ^a	1969- 71	1965- 67	1959- 61	1952 ^b	Region or State	1974- 76 ^a	1969- 71	1965- 67	1959- 61	1952 ^b
51 States	100.00%										
New England	6.21	6.54	6.36	7.24	6.28	Southeast	22.13	20.74	21.45	18.90	18.60
Connecticut	1.74	1.98	1.95	1.67	1.92	Alabama	1.70	1.68	1.67	1.51	1.65
Maine	.50	.42	.49	.59	.50	Arkansas	.86	.72	.75	.70	.95
Massachusetts	2.94	3.07	2.85	3.74	3.03	Florida	4.12	3.55	3.38	2.68	1.46
New Hampshire	.35	.34	.30	.42	.22	Georgia	2.18	2.37	2.56	2.01	1.73
Rhode Island	.46	.53	.56	.65	.46	Kentucky	1.48	1.30	1.45	1.46	1.70
Vermont	.22	.20	.21	.17	.15	Louisiana	1.50	1.49	1.63	1.25	1.70
Mideast	21.75	22.14	19.46	22.31	23.03	Mississippi	1.19	1.02	.96	.87	.88
Delaware	.24	.24	.27	.27	.27	North Carolina	2.09	1.93	2.14	1.87	1.51
District of Columbia	1.55	1.70	1.38	1.45	1.17	South Carolina	1.22	1.07	1.23	1.17	1.38
Maryland	2.81	2.98	2.82	2.79	2.03	Tennessee	1.66	1.52	1.58	1.32	2.36
New Jersey	3.16	3.20	3.03	3.62	3.62	Virginia	3.34	3.39	3.44	3.42	2.38
New York	8.74	8.89	7.60	9.19	9.66	West Virginia	.81	.70	.66	.64	.90
Pennsylvania	5.24	5.13	4.36	4.99	6.28	Southwest	8.50	9.06	9.00	8.17	8.22
Great Lakes	14.93	14.48	13.80	15.88	19.33	Arizona	1.15	.94	.93	.79	.56
Illinois	4.26	4.11	4.04	5.09	5.21	New Mexico	.63	.57	.64	.70	.85
Indiana	1.85	1.98	1.84	2.00	2.87	Oklahoma	1.34	1.32	1.35	1.36	1.40
Michigan	3.36	2.90	2.76	2.93	4.00	Texas	5.38	6.23	6.08	5.32	5.41
Ohio	3.90	4.05	3.82	4.40	5.51	Rocky Mountain	2.74	2.57	2.81	2.71	2.32
Wisconsin	1.55	1.44	1.35	1.46	1.74	Colorado	1.28	1.20	1.26	1.21	.89
Plains	7.20	7.22	8.44	7.59	9.08	Idaho	.33	.26	.31	.32	.37
Iowa	1.00	.99	1.23	1.04	1.29	Montana	.35	.33	.46	.42	.35
Kansas	1.03	1.07	1.40	1.64	1.62	Utah	.59	.60	.54	.52	.48
Minnesota	1.50	1.54	1.56	1.27	2.12	Wyoming	.19	.18	.24	.24	.23
Missouri	2.39	2.43	2.56	2.18	2.56	Far West	15.47	16.25	17.34	15.63	13.14
Nebraska	.63	.59	.83	.75	.77	California	12.17	13.31	14.45	12.22	9.56
North Dakota	.33	.32	.47	.31	.36	Nevada	.28	.23	.24	.21	.14
South Dakota	.32	.28	.40	.40	.36	Oregon	.96	.82	.78	.75	.96
						Washington	2.06	1.89	1.87	2.45	2.48
						Alaska	.40	.41	.59	.72	^b
						Hawaii	.67	.60	.75	.85	^b

^aRevised and adjusted (November 1978).

^bOmits Alaska and Hawaii (which were territories in 1952).

Table 4
**REGIONAL AND STATE PERCENTAGES OF
TOTAL FEDERAL GOVERNMENT REVENUES FROM
RESIDENTS OF EACH REGION AND STATE,
SELECTED FISCAL PERIODS, 1952-76**

Region or State	1974-76	1969-71	1965-67	1959-61	1952 ^a	Region or State	1974-76	1969-71	1965-67	1959-61	1952 ^a
51 States	100.00%										
New England	6.15	6.87	6.73	6.78	8.08	Southeast	19.47	16.78	15.82	14.68	12.31
Connecticut	1.90	2.24	2.11	2.01	2.23	Alabama	1.30	1.13	1.10	1.07	.82
Maine	.42	.40	.43	.44	.52	Arkansas	.72	.60	.58	.54	.44
Massachusetts	2.82	3.21	3.16	3.32	4.10	Florida	4.31	3.26	2.95	2.68	1.77
New Hampshire	.39	.35	.36	.34	.34	Georgia	2.01	1.83	1.69	1.43	1.23
Rhode Island	.43	.47	.48	.49	.68	Kentucky	1.26	1.14	1.10	1.09	1.10
Vermont	.19	.20	.19	.18	.21	Louisiana	1.40	1.26	1.23	1.32	1.13
						Mississippi	.72	.59	.57	.54	.41
Mideast	21.90	24.75	25.80	26.92	30.58	North Carolina	2.10	1.95	1.77	1.57	1.41
Delaware	.34	.39	.50	.48	.52	South Carolina	1.00	.86	.78	.70	.60
District of Columbia	.48	.57	.65	.71	1.07	Tennessee	1.70	1.50	1.41	1.28	1.10
Maryland	2.15	2.15	2.10	1.85	1.86	Virginia	2.28	2.02	1.99	1.75	1.52
New Jersey	4.02	4.26	4.25	4.15	4.00	West Virginia	.67	.64	.65	.71	.78
New York	9.37	11.37	12.18	13.05	15.85						
Pennsylvania	5.54	6.01	6.12	6.68	7.28	Southwest	8.10	6.87	6.57	6.56	5.62
						Arizona	.98	.79	.70	.65	.41
Great Lakes	20.19	21.21	21.50	21.40	22.16	New Mexico	.43	.34	.38	.40	.28
Illinois	6.11	6.53	6.81	6.81	7.56	Oklahoma	1.09	.98	.99	.98	.89
Indiana	2.49	2.46	2.44	2.36	2.15	Texas	5.60	4.76	4.50	4.53	4.04
Michigan	4.42	4.79	4.80	4.50	4.59						
Ohio	5.14	5.41	5.44	5.61	5.81	Rocky Mountain	2.49	2.07	2.09	2.19	1.94
Wisconsin	2.03	2.02	2.01	2.12	2.05	Colorado	1.22	.97	.95	.96	.90
						Idaho	.32	.27	.27	.30	.24
Plains	7.36	7.14	7.35	7.56	7.55	Montana	.30	.28	.30	.35	.34
Iowa	1.24	1.19	1.23	1.28	1.22	Utah	.46	.39	.41	.40	.29
Kansas	1.07	.94	.97	1.02	.94	Wyoming	.19	.16	.16	.18	.17
Minnesota	1.72	1.72	1.67	1.71	1.69						
Missouri	2.14	2.21	2.35	2.37	2.54	Far West	13.69	13.76	13.68	13.51	11.76
Nebraska	.69	.65	.66	.69	.69	California	10.58	10.77	10.92	10.72	9.00
North Dakota	.25	.21	.23	.24	.23	Nevada	.33	.31	.28	.22	.19
South Dakota	.24	.22	.24	.25	.24	Oregon	1.06	.97	.97	.97	1.00
						Washington	1.72	1.71	1.51	1.60	1.57
						Alaska	.22	.15	.13	.10	a
						Hawaii	.43	.39	.33	.30	a

^aOmits Alaska and Hawaii (which were territories in 1952).

Table 5

**NUMBER OF STATES WITH SPECIFIED PERCENTAGES OF
FEDERAL GOVERNMENT EXPENDITURES AND REVENUES,
SELECTED FISCAL PERIODS, 1952-76**

Percentage	1974-76 ^a	1969-71	1965-67	1959-61	1952 ^b
Expenditures					
5.0% and Over	4	4	3	4	6
3.0%-4.99%	6	6	6	5	3
2.0%-2.99%	6	4	6	7	7
1.0%-1.99%	16	16	15	14	13
0.8%-0.99%	3	3	3	2	6
0.6%-0.79%	3	4	5	8	1
0.4%-0.59%	4	5	7	5	4
Under 0.4%	9	9	6	6	9
Revenues					
5.0% and Over	6	5	5	5	5
3.0%-4.99%	3	5	4	4	4
2.0%-2.99%	8	6	6	5	4
1.0%-1.99%	13	9	10	12	13
0.8%-0.99%	1	5	4	3	4
0.6%-0.79%	4	4	5	5	4
0.4%-0.59%	6	4	6	7	5
Under 0.4%	10	13	11	10	10

^aExpenditures revised and adjusted (November 1978).

^bOmits Alaska and Hawaii (which were territories in 1952).

SOURCE: Tables 3, 4, 39, and 40.

Table 6

**INDEX NUMBERS FOR ESTIMATED
FEDERAL GOVERNMENT EXPENDITURES PER CAPITA
ALLOCATED BY REGION OR STATE OF RESIDENCE OF RECIPIENT OR
LOCATION OF ACTIVITY, SELECTED FISCAL PERIODS, 1952-76**

Region or State	1974- 76 ^a	1969- 71	1965- 67	1959- 61	1952 ^b	Region or State	1974- 76 ^a	1969- 71	1965- 67	1959- 61	1952 ^b
51 States Average:											
Annual Amount											
Per Capita											
\$1,398 \$863 \$590 \$456 \$430											
Index Number											
						100.0					
New England	108.3	112.2	110.8	123.6	103	Southeast	99.1	96.1	98.5	87.5	83
Connecticut	119.6	132.9	132.7	118.4	143	Alabama	100.3	98.7	92.9	82.9	83
Maine	101.1	84.7	98.1	110.7	86	Arkansas	87.2	75.8	75.1	70.4	78
Massachusetts	107.3	109.4	103.6	130.2	99	Florida	106.7	106.6	112.7	97.8	74
New Hampshire	92.0	94.2	86.6	121.9	63	Georgia	94.1	104.9	113.1	91.2	77
Rhode Island	104.3	115.0	122.2	135.3	89	Kentucky	93.0	81.9	88.7	85.9	90
Vermont	97.9	93.3	98.5	79.1	64	Louisiana	84.1	83.2	88.5	69.1	95
						Mississippi	107.9	93.3	80.2	71.7	63
Midwest	108.2	106.0	91.4	103.9	104	North Carolina	82.1	77.3	84.4	73.7	56
Delaware	89.3	87.2	102.1	106.1	125	South Carolina	92.3	84.0	93.6	88.3	99
District of Columbia	459.6	455.0	334.6	339.1	221	Tennessee	84.5	78.6	79.7	66.2	111
Maryland	145.5	154.7	153.9	161.8	126	Virginia	143.3	148.2	150.4	154.3	106
New Jersey	91.5	90.8	86.2	107.0	111	West Virginia	96.1	81.0	71.1	61.6	70
New York	102.6	99.1	81.6	98.2	100						
Pennsylvania	93.8	88.2	73.3	78.9	92	Southwest	99.4	111.4	111.6	103.5	107
						Arizona	112.1	107.8	113.7	108.5	104
Great Lakes	77.4	73.1	69.9	78.5	96	New Mexico	118.5	113.7	124.6	132.9	181
Illinois	80.8	75.0	73.4	90.3	90	Oklahoma	105.1	104.6	106.5	104.4	96
Indiana	74.0	77.6	72.7	76.9	108	Texas	94.1	113.3	111.3	99.5	103
Michigan	78.3	66.5	64.1	67.1	93						
Ohio	77.1	77.2	72.2	81.1	104	Rocky Mountain	103.3	103.7	117.0	112.8	99
Wisconsin	71.9	66.2	63.2	66.2	77	Colorado	107.8	110.4	125.9	124.3	98
						Idaho	87.5	73.9	87.7	84.8	97
Plains	91.6	89.7	103.4	88.3	99	Montana	99.2	95.4	127.7	111.1	92
Iowa	74.5	70.9	87.1	67.3	76	Utah	104.8	113.9	104.0	105.0	103
Kansas	96.0	97.2	120.3	135.5	128	Wyoming	110.6	107.8	142.7	133.0	116
Minnesota	81.2	82.2	85.2	66.6	109						
Missouri	106.1	105.7	110.1	90.3	99	Far West	119.8	127.8	140.9	136.3	131
Nebraska	86.3	80.4	110.9	95.4	88	California	122.8	136.0	151.4	140.1	131
North Dakota	110.9	103.6	141.7	89.0	93	Nevada	102.7	96.8	110.1	133.5	125
South Dakota	101.4	84.1	112.6	102.8	103	Oregon	90.0	79.7	78.4	75.9	94
						Washington	123.7	113.4	120.4	153.9	157
						Alaska	240.3	279.8	435.4	576.3	^b
						Hawaii	164.8	159.1	201.3	238.3	^b

^aRevised and adjusted (November 1978).

^bOmits Alaska and Hawaii (which were territories in 1952).

Table 7

**INDEX NUMBERS FOR ESTIMATED FEDERAL GOVERNMENT REVENUES PER
CAPITA FROM RESIDENTS OF EACH REGION OR STATE, SELECTED FISCAL
PERIODS, 1952-76**

Region or State	1974- 76	1969- 71	1965- 67	1959- 61	1952 ^a	Region or State	1974- 76	1969- 71	1965- 67	1959- 61	1952 ^a
51 States Average:											
Annual Amount	\$1.321	\$929	\$683	\$494	\$435						
Per Capita	100.0										
Index Number											
New England	107.1	117.9	117.2	115.8	133	Southeast	87.2	77.7	72.6	67.9	55
Connecticut	130.6	150.4	144.0	142.5	167	Alabama	76.7	66.2	61.5	58.5	41
Maine	81.4	81.6	84.5	81.2	90	Arkansas	72.9	63.2	57.7	53.6	37
Massachusetts	103.0	114.5	114.7	115.6	134	Florida	111.7	98.1	98.4	97.6	91
New Hampshire	102.2	98.7	103.0	100.2	99	Georgia	87.0	80.9	74.3	65.0	54
Rhode Island	97.2	100.6	104.5	103.0	131	Kentucky	79.0	71.8	67.4	64.4	58
Vermont	84.6	90.0	92.4	82.8	87	Louisiana	78.4	70.0	66.9	72.5	64
						Mississippi	65.2	53.8	48.0	44.1	29
Mideast	108.9	118.4	121.2	125.4	138	North Carolina	82.6	78.0	69.8	61.9	52
Delaware	126.3	143.5	190.6	194.1	238	South Carolina	75.6	67.0	59.0	52.8	43
District of Columbia	143.3	152.4	156.4	166.2	201	Tennessee	86.6	77.2	71.3	64.4	52
Maryland	111.1	111.8	114.7	106.9	116	Virginia	97.8	88.5	87.0	79.0	67
New Jersey	116.3	120.8	121.0	122.9	123	West Virginia	79.7	74.0	70.3	67.8	61
New York	110.0	126.6	130.8	139.5	163						
Pennsylvania	99.1	103.2	103.0	105.5	107	Southwest	94.7	84.6	81.4	83.2	73
						Arizona	95.4	90.8	85.9	90.1	75
Great Lakes	104.8	107.0	108.9	105.9	110	New Mexico	80.1	68.3	74.0	76.1	61
Illinois	116.0	119.4	123.8	121.0	131	Oklahoma	85.8	77.7	77.8	75.7	62
Indiana	99.4	96.3	96.6	90.9	81	Texas	97.9	86.6	82.4	84.8	77
Michigan	103.0	109.8	111.4	103.0	107						
Ohio	101.6	103.1	102.9	103.4	110	Rocky Mountain	93.7	84.0	87.1	90.9	83
Wisconsin	94.2	92.7	94.4	96.2	91	Colorado	102.8	89.8	95.1	98.2	100
						Idaho	83.4	76.9	75.5	80.8	63
Plains	93.7	88.9	90.1	88.1	82	Montana	87.2	80.7	83.5	92.3	88
Iowa	92.1	85.6	87.0	83.4	72	Utah	81.4	74.8	79.3	80.8	62
Kansas	100.0	85.4	83.8	83.6	74	Wyoming	107.2	97.4	97.4	98.6	86
Minnesota	93.4	92.0	91.6	89.9	87						
Missouri	95.3	96.2	100.8	98.2	98	Far West	106.0	108.2	111.0	117.7	117
Nebraska	95.2	89.0	88.7	87.0	79	California	106.7	110.1	114.4	122.7	123
North Dakota	84.7	68.3	68.0	69.0	60	Nevada	121.6	128.7	127.1	136.2	163
South Dakota	75.6	65.6	67.8	66.2	56	Oregon	99.5	94.9	96.8	98.2	98
						Washington	103.4	102.9	97.7	100.4	100
						Alaska	131.2	104.4	93.3	76.8	^a
						Hawaii	106.8	102.6	90.1	86.6	^a

^aOmits Alaska and Hawaii (which were territories in 1952).

Table 8

**NUMBER OF STATES WITH SPECIFIED INDEX NUMBERS FOR
FEDERAL GOVERNMENT EXPENDITURES AND REVENUES PER CAPITA,
SELECTED FISCAL PERIODS, 1952-76**

Index Number	1974-76 ^a	1969-71	1965-67	1959-61	1952 ^b
Expenditures					
200.0 and Over	2	2	3	3	1
150.0-199.9	1	2	3	3	2
110.0-149.9	9	9	17	12	9
90.0-109.9	25	17	8	13	23
60.0- 89.9	14	21	20	20	13
Under 60.0	0	0	0	0	1
Revenues					
200.0 and Over	0	0	0	0	2
150.0-199.9	0	2	2	2	3
110.0-149.9	10	8	9	7	7
90.0-109.9	22	17	16	16	10
60.0- 89.9	19	23	21	22	18
Under 60.0	0	1	3	4	9

^aExpenditures revised and adjusted (November 1978).

^bOmits Alaska and Hawaii (which were territories in 1952).

SOURCE: Tables 6, 7, 41, and 42.

Table 9

**INDEX NUMBERS FOR FEDERAL GOVERNMENT EXPENDITURES
IN RELATION TO PERSONAL INCOME IN EACH REGION OR STATE,
SELECTED FISCAL PERIODS, 1952-76**

Region or State	1974- 76 ^a	1969- 71	1965- 67	1959- 61	1952 ^b	Region or State	1974- 76 ^a	1969- 71	1965- 67	1959- 61	1952 ^b
51 States Average:											
Percentage	24.68%	22.67%	20.6%	21.0%	25.4%						
Index Number	100.0										
New England	105.0	103.1	101.2	111.4	96.8	Southeast	115.1	118.7	128.4	121.0	119.6
Connecticut	102.6	107.0	106.7	91.9	111.2	Alabama	127.6	136.6	133.5	125.7	135.9
Maine	122.4	103.1	117.6	131.0	104.7	Arkansas	112.6	105.7	111.4	117.1	138.3
Massachusetts	103.6	99.1	93.2	115.2	93.2	Florida	110.2	115.9	127.4	108.6	88.5
New Hampshire	98.8	102.2	91.7	132.4	70.7	Georgia	108.2	123.4	142.6	126.7	105.6
Rhode Island	106.9	115.0	119.2	134.8	85.7	Kentucky	112.2	104.8	118.4	122.4	127.7
Vermont	116.0	105.7	114.2	94.8	82.9	Louisiana	102.9	106.6	115.7	93.8	127.2
Midwest	99.4	93.4	80.9	89.1	90.4	Mississippi	154.6	143.6	135.2	136.2	124.3
Delaware	80.2	78.0	84.9	77.6	94.2	North Carolina	96.6	95.2	111.8	105.7	82.6
District of Columbia	367.7	333.0	249.5	251.0	157.2	South Carolina	115.3	112.8	137.5	142.4	149.4
Maryland	134.2	142.7	140.9	150.5	117.4	Tennessee	101.3	100.0	106.9	94.8	165.6
New Jersey	79.0	77.5	73.6	89.0	89.6	Virginia	145.6	161.7	170.8	186.2	125.6
New York	92.2	81.5	68.5	78.1	82.3	West Virginia	116.0	107.0	96.6	81.0	97.2
Pennsylvania	94.0	88.6	73.2	77.1	90.3	Southwest	107.4	126.2	131.3	119.2	122.0
Great Lakes	74.4	69.6	64.3	73.6	85.3	Arizona	120.9	118.5	131.8	121.0	112.2
Illinois	70.5	65.2	61.6	76.2	75.0	New Mexico	145.8	143.2	154.5	161.4	228.8
Indiana	76.5	79.3	70.4	79.0	105.2	Oklahoma	118.2	124.7	128.2	125.2	123.4
Michigan	74.7	63.0	58.4	64.8	82.9	Texas	99.7	126.0	129.8	113.8	114.2
Ohio	77.4	75.8	70.2	77.1	93.4	Rocky Mountain	109.3	116.7	127.7	118.8	100.9
Wisconsin	75.4	70.0	63.4	67.6	76.4	Colorado	106.6	114.1	127.8	120.0	96.4
Plains	93.9	95.2	108.7	94.7	105.8	Idaho	97.6	90.8	103.9	102.9	109.1
Iowa	74.7	75.3	88.3	73.3	79.5	Montana	108.1	112.3	145.2	120.5	86.3
Kansas	94.4	99.6	124.9	144.8	128.6	Utah	126.7	140.1	122.1	121.4	115.4
Minnesota	81.8	84.6	87.8	71.9	117.2	Wyoming	106.8	119.4	153.4	128.1	106.9
Missouri	113.8	111.9	115.1	91.0	104.4	Far West	109.7	115.0	122.5	114.8	108.0
Nebraska	87.8	84.6	116.7	101.4	94.7	California	110.6	119.4	128.5	113.8	104.2
North Dakota	105.9	130.8	175.7	117.1	124.2	Nevada	91.2	82.8	92.1	106.2	91.4
South Dakota	115.8	103.5	142.1	132.9	105.8	Oregon	92.3	83.7	79.1	74.8	87.6
						Washington	117.7	108.8	112.6	147.6	142.3
						Alaska	164.9	240.1	373.5	477.8	b
						Hawaii	146.7	142.3	194.6	241.4	b

^aRevised and adjusted (November 1978).

^bOmits Alaska and Hawaii (which were territories in 1952).

Table 10

**INDEX NUMBERS FOR FEDERAL GOVERNMENT REVENUES IN RELATION
TO PERSONAL INCOME IN EACH REGION OR STATE,
SELECTED FISCAL PERIODS, 1952-76**

Region or State	1974- 76	1969- 71	1965- 67	1959- 61	1952 ^a	Region or State	1974- 76	1969- 71	1965- 67	1959- 61	1952 ^a
51 States Average:											
Percentage	23.32%	24.39%	23.9%	22.8%	25.7%						
Index Number	100.0										
New England	103.8	108.5	106.7	104.0	124.4	Southeast	101.2	95.9	94.6	93.4	79.1
Connecticut	112.0	121.2	115.5	110.1	129.1	Alabama	97.6	91.8	88.3	88.6	67.0
Maine	101.6	99.5	101.3	95.6	109.1	Arkansas	94.2	88.3	85.4	89.0	64.4
Massachusetts	99.3	103.8	102.9	101.8	126.0	Florida	115.4	106.6	110.9	107.9	107.5
New Hampshire	109.8	107.4	108.8	108.8	109.5	Georgia	100.0	95.2	93.7	89.9	75.1
Rhode Island	99.5	100.7	101.7	102.2	125.8	Kentucky	95.4	92.1	90.0	91.7	82.4
Vermont	100.2	102.2	106.7	99.1	111.3	Louisiana	96.0	89.8	87.4	98.2	84.8
Mideast	100.1	104.3	107.1	107.5	120.0	Mississippi	93.4	83.0	80.8	83.8	57.7
Delaware	113.4	128.7	158.2	141.7	179.4	North Carolina	97.2	96.1	92.0	88.6	77.4
District of Columbia	114.6	111.7	116.3	122.8	142.9	South Carolina	94.5	90.1	86.6	85.1	64.8
Maryland	102.5	103.3	105.0	99.1	107.7	Tennessee	103.9	98.6	95.4	91.7	77.2
New Jersey	100.4	103.6	102.9	102.2	99.1	Virginia	99.3	96.6	98.7	95.2	80.0
New York	98.8	104.3	109.6	111.0	135.1	West Virginia	96.2	98.1	95.4	89.0	84.5
Pennsylvania	99.3	103.6	102.5	103.1	104.7	Southwest	102.3	95.8	95.8	95.6	83.4
Great Lakes	100.6	101.9	100.0	99.1	97.7	Arizona	102.9	100.1	99.6	100.4	80.7
Illinois	101.2	103.5	103.8	101.8	108.9	New Mexico	98.5	86.3	91.6	92.1	76.5
Indiana	102.7	98.6	93.3	93.0	78.7	Oklahoma	96.5	92.7	93.7	90.3	79.0
Michigan	98.3	103.9	101.3	99.1	95.1	Texas	103.7	96.6	95.8	96.5	85.3
Ohio	101.9	101.3	100.0	98.2	98.6	Rocky Mountain	99.1	94.4	95.0	95.6	84.3
Wisconsin	98.7	98.4	94.6	98.2	89.8	Colorado	101.7	93.1	96.2	94.7	98.4
Plains	96.0	94.3	94.6	94.3	87.9	Idaho	93.1	94.7	89.1	97.8	70.2
Iowa	92.3	90.9	87.9	90.8	75.5	Montana	94.9	95.1	95.6	99.6	82.7
Kansas	98.2	87.4	86.6	89.0	74.3	Utah	98.2	92.1	92.9	93.0	69.1
Minnesota	94.2	94.9	94.1	96.9	93.3	Wyoming	103.5	108.0	104.2	94.7	78.9
Missouri	102.2	101.9	105.4	98.2	103.5	Far West	97.0	97.4	96.2	99.1	96.6
Nebraska	96.9	93.7	93.3	92.5	85.0	California	96.1	96.6	97.1	99.6	98.1
North Dakota	80.9	86.4	84.1	90.4	79.6	Nevada	107.8	110.5	106.3	107.9	118.8
South Dakota	86.4	80.9	85.4	85.5	69.8	Oregon	102.0	99.8	97.5	96.5	91.1
						Washington	98.3	98.8	91.2	96.0	90.1
						Alaska	90.0	89.8	79.9	63.6	a
						Hawaii	95.1	91.8	87.0	87.3	a

^aOmits Alaska and Hawaii (which were territories in 1952).

Table 11

NUMBER OF STATES WITH SPECIFIED INDEX NUMBERS FOR FEDERAL GOVERNMENT EXPENDITURES AND REVENUES IN RELATION TO PERSONAL INCOME, SELECTED FISCAL PERIODS, 1952-76

Index Number	1974-76 ^a	1969-71	1965-67	1959-61	1952 ^b
Expenditures					
200.0 and Over	1	2	2	3	1
150.0-199.9	2	1	5	3	2
110.0-149.9	19	19	25	22	17
90.0-109.9	19	15	7	10	16
60.0- 89.9	10	14	11	13	13
Under 60.0	0	0	1	0	0
Revenues					
150.0-199.9	0	0	1	0	1
110.0-149.9	4	4	3	4	7
90.0-109.9	45	39	35	36	15
60.0- 89.9	2	8	12	11	25
Under 60.0	0	0	0	0	1

^aExpenditures revised and adjusted (November 1978).

^bOmits Alaska and Hawaii (which were territories in 1952).

SOURCE: Tables 9, 10, 43, and 44.

Table 12

**BUDGETARY BASIS FOR GEOGRAPHIC DISTRIBUTIONS,
SELECTED FISCAL PERIODS, 1952-76^a**
(amounts in millions)

Fiscal Period	Budget Total Using "Unified Budget" Concept ^b	Budget Total Originally Reported (actual) ^c	Original Budget Total, Adjusted ^d	Total in Geographic Distribution to 51 States	Distribution to States as % of Adjusted Original Total
Expenditures					
1952 ^a	\$ 67.721	\$ 68.735 ^e	\$ 67.968 ^f	\$ 65,712 ^g	96.7%
1959-61	282.122	288,633 ^h	280,317 ⁱ	244,353 ^j	87.2
1965-67	411,336	400,693 ^k	395,121 ^k	344,761 ^k	87.3
1969-71	592,561	582,264 ^l	582,264	524,775	90.1
1974-76	961,355	962,191 ^m	962,191	890,171	92.5
Revenues					
1952 ^a	66.204	68,022 ^e	68,022 ^e	67,274	98.9
1959-61	266,130	273,980 ^h	267,123 ⁱ	264,591 ^j	99.1
1965-67	397,241	397,347 ^k	399,842 ^k	398,848 ^k	99.8
1969-71	569,919	569,919	569,919	564,610	99.1
1974-76	845,126	845,934 ^m	845,126	840,765	99.5

^aAmounts for 1952 are for one fiscal year. All others are three-year totals.

^bFrom Office of Management and Budget, *U.S. Budget in Brief, 1979*, Washington, DC, U.S. Government Printing Office, January 1978, p. 89, Table 9.

^cThese are "actual" amounts as shown in the President's budget for the second following year.

^dAdjustments made for the geographic distribution, as explained in footnotes below.

^eUnadjusted "cash budget" total. From Selma Mushkin, *Statistical Materials on the Distribution of Federal Expenditures among the States*, Washington, DC, U.S. Department of Health, Education, and Welfare, Public Health Service, Division of Public Health Methods, 1956, p. 9, Table A-2, and p. 31, Table A-3, for expenditures; and p. 32, Tables A-4 and A-5, and p. 47, Table C-1, for receipts. See also *ibid.*, pp. 53-4, Table C-1, reconciling budget receipts and cash receipts. In Office of Management and Budget, *U.S. Budget in Brief, 1974, op. cit.*, p. 70, the 1952 "consolidated cash" total of expenditures for 1952 is shown as \$67,962 million, and receipts, \$68,011 million. The geographic distribution omits Alaska and Hawaii.

^f"Cash budget" total, adjusted to Daily Treasury Statement basis. Expenditures: Mushkin, *Statistical Materials, op. cit.*, p. 9, Table A-2, and p. 32, Tables A-4 and A-5.

^gMushkin, *Illustrative Estimates of Federal Expenditures and Revenues, by States*, Washington, DC, U.S. Department of Health, Education, and Welfare, Public Health Service, Division of Public Health Methods, 1956, p. 52, Table 3, expenditure incidence, Illustration II; and Mushkin, *Statistical Materials, op. cit.*, p. 62, Table D-2, expenditure incidence. The amount represents cash expenditures to the public, distributed in the continental United States and is comparable to the adjusted budget total of \$67,968 million. However, in expenditure incidence illustration I in Mushkin, *Illustrative Estimates*, p. 36, Table 1, and in Mushkin, *Statistical Materials*, p. 8, Table A-1, the distribution for continental U.S. is shown as \$66,454 million; the comparable cash budget total is not specified. The total of \$66,454 million was used in deriving the estimate of \$430 per capita (*ibid.*, and Table 6 in this report). The distribution is to 48 states and D.C., omitting Alaska and Hawaii.

^h"Consolidated Cash Statement" total (also designated "Receipts from, and Payments to, the Public"). From I. M. Labovitz, *Federal Revenues and Expenditures in the Several States: Averages for the Fiscal Years 1959-61*, Washington, DC, The Library of Congress, Legislative Reference Service, September 19, 1962, processed, p. 2, sum of yearly amounts for "Consolidated Cash Statement."

ⁱ*ibid.*, pp. 19 and 58 (annual averages multiplied by 3).

^j*ibid.*, p. 14, Table 2, "Total U.S." minus "Other Areas" (annual averages multiplied by three). Expenditures for "Other Areas" are here adjusted to \$111 (instead of \$120 million) for the three years because of a revision in the distribution of interest payments.

^kU.S. House of Representatives, Committee on Government Operations, Intergovernmental Relations Subcommittee, *Federal Revenue and Expenditure Estimates for States and Regions, Fiscal Years 1965-67*, 90th Cong., 2nd Sess., Washington, DC, U.S. Government Printing Office, October, 1968, pp. 28 and 30, Tables 4 and 5 (annual totals for 50 states and D.C., multiplied by three).

^lExcludes net lending. Office of Management and Budget, *U.S. Budget for 1973*, Washington, DC, U.S. Government Printing Office, January 1972, p. 543

^mFrom Office of Management and Budget, *Fiscal Year 1978 Budget Revisions*, Washington, DC, U.S. Government Printing Office, February 1977, pp. 93, 98. This was the earliest budget tabulation with actual amounts for the fiscal year 1976. In the *U.S. Budget in Brief, 1979, op. cit.*, p. 89, the yearly totals were revised to include housing for the elderly and handicapped in the unified budget instead of in off-budget entities. The revised amounts yield the three-year sum shown for the unified budget, and this sum is used here for the adjusted original total.

Table 13

**MAJOR CATEGORIES OF FEDERAL GOVERNMENT EXPENDITURES AND REVENUES
AS PERCENTAGES OF TOTAL AMOUNTS DISTRIBUTED BY REGIONS AND STATES,
SELECTED FISCAL PERIODS, 1952-76**

Category	1974-76	1969-71	1965-67	1959-61	1952
Expenditures					
Payments to Personal Income:					
Salaries and Wages	19.1%	24.1%	24.9%	16.7%	19.4%
Transfers and Other Payments	47.5	34.2	26.4	32.3	22.1
Total to Personal Incomes	66.6	58.3	51.3	49.0	41.5
Aid to State and Local Governments	16.7	13.9	10.9	8.2	3.5
Military Outlays, Except Pay of Personnel	11.6	21.1	26.1	35.6	42.5
Interest on Debt, Except to Personal Incomes	3.8	5.0	3.3	5.7	4.1
Other Distributed Expenditures	1.3	1.7	8.3	1.5	8.4 ^a
Total Amount of Expenditures Distributed (millions) ^b	\$890,171	\$524,775	\$344,761	\$244,353	\$65,712
Revenues					
Individual Income Tax	44.2%	46.6%	41.5%	44.8%	45.7% ^c
Employment Taxes and Social Insurance					
Contributions	30.0	23.5	17.0	13.1	7.5
Corporate Income Tax	14.3	17.0	22.4	22.5	31.9
Estate and Gift Taxes	1.8	1.9	2.2	1.8	— ^c
Excise Taxes and Customs	7.3	9.7	11.6	14.3	14.0
Other Receipts Distributed by Origin	2.4	1.2	5.3	3.5	0.9 ^a
Total Amount of Receipts distributed (millions) ^b	\$840,765	\$564,610	\$398,848	\$264,591	\$67,274

^aNot stated separately by Mushkin. The percentage shown here is a residual derived by deducting the preceding items from 100%. Other items shown here are derived from amounts in Mushkin, *Statistical Materials, op. cit.*, pp. 52-55, 71, and 81, and Mushkin, *Illustrative Estimates, op. cit.*, pp. 22-24, and 29.

^bAmounts shown are all three-year totals except for 1952.

^cEstate and gift taxes are presumably included in the 45.7% here designated "individual income tax" but shown in Mushkin, *Statistical Materials, op. cit.*, p. 53, as "direct taxes on individuals."

Table 14

**REGIONAL AND STATE PERCENTAGES OF FEDERAL REVENUES BY STATE OF ORIGIN COMPARED
WITH PERCENTAGES BY STATE OF COLLECTION, FISCAL PERIOD 1974-76**

Region or State	All Taxes ^a		Individual Income and Employment Taxes		Corporate Income Tax		Excise Taxes	
	Origin	IRS Col- lections	Origin	IRS Col- lections	Origin	IRS Col- lections	Origin	IRS Col- lections
51 States	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
New England	6.15	5.67	6.02	5.81	6.91	5.49	5.84	4.31
Connecticut	1.90	2.07	1.83	2.01	2.46	2.28	1.51	2.12
Maine	.42	.24	.39	.26	.51	.20	.48	.06
Massachusetts	2.82	2.61	2.81	2.73	2.89	2.36	2.76	1.86
New Hampshire	.39	.23	.38	.25	.43	.18	.44	.14
Rhode Island	.43	.41	.43	.44	.40	.39	.42	.11
Vermont	.19	.11	.18	.12	.22	.08	.23	.02
Mideast	21.90	26.90	21.95	27.01	23.20	30.45	19.02	18.84
Delaware	.34	.55	.34	.49	.37	.94	.32	.36
District of Columbia ^b	—	—	—	—	—	—	—	—
Maryland ^b	2.63	2.76	2.74	3.03	2.29	1.51	2.27	2.68
New Jersey	4.02	3.79	4.06	3.73	4.28	4.57	3.47	2.75
New York	9.37	13.79	9.27	13.49	10.53	18.40	7.61	7.18
Pennsylvania	5.54	6.02	5.54	6.27	5.72	5.03	5.36	5.87
Great Lakes	20.19	23.24	20.65	23.54	18.69	23.40	19.50	21.45
Illinois	6.11	7.68	6.29	7.66	5.52	8.37	5.62	6.91
Indiana	2.49	2.39	2.55	2.56	2.16	1.63	2.56	2.31
Michigan	4.42	5.32	4.62	5.57	3.71	5.16	4.25	3.95
Ohio	5.14	5.99	5.17	5.94	5.22	6.15	4.94	6.44
Wisconsin	2.03	1.86	2.02	1.81	2.09	2.09	2.13	1.84
Plains	7.36	7.66	7.43	7.81	6.77	7.75	7.53	5.38
Iowa	1.24	.95	1.27	.97	1.05	1.02	1.23	.26
Kansas	1.07	.86	1.08	.88	1.04	.87	1.07	.45
Minnesota	1.72	2.08	1.74	2.18	1.52	2.14	1.80	.98
Missouri	2.14	2.71	2.12	2.68	2.19	2.79	2.20	2.99
Nebraska	.69	.72	.71	.73	.56	.71	.70	.58
North Dakota	.25	.18	.26	.20	.19	.11	.27	.07
South Dakota	.24	.16	.25	.17	.21	.11	.26	.05

Southeast	19.47	14.37	19.18	13.47	19.77	12.99	21.47	26.38
Alabama	1.30	.89	1.30	.90	1.16	.82	1.52	.86
Arkansas	.72	.41	.71	.42	.67	.39	.89	.32
Florida	4.31	2.66	3.97	2.80	5.75	2.16	4.65	1.28
Georgia	2.01	1.60	2.01	1.62	1.91	1.50	2.28	1.91
Kentucky	1.26	1.37	1.26	.85	1.19	1.10	1.37	7.80
Louisiana	1.40	1.07	1.38	1.09	1.35	1.14	1.58	.47
Mississippi	.72	.38	.70	.39	.66	.39	.92	.13
North Carolina	2.10	2.13	2.11	1.65	1.99	2.00	2.28	8.09
South Carolina	1.00	.61	1.01	.65	.87	.61	1.13	.15
Tennessee	1.70	1.17	1.71	1.20	1.54	1.15	1.92	.79
Virginia	2.28	1.69	2.34	1.53	2.08	1.24	2.21	4.43
West Virginia	.67	.38	.68	.37	.61	.49	.72	.14
Southwest	8.10	7.40	7.99	6.94	7.88	8.06	9.16	10.33
Arizona	.98	.57	.95	.65	1.07	.38	1.13	.09
New Mexico	.43	.23	.41	.26	.45	.14	.53	.08
Oklahoma	1.09	1.12	1.08	.93	1.00	1.52	1.28	2.23
Texas	5.60	5.48	5.55	5.10	5.36	6.02	6.22	7.93
Rocky Mountain	2.49	2.47	2.48	2.73	2.39	1.52	2.77	1.85
Colorado	1.22	1.61	1.22	1.81	1.22	.78	1.33	1.52
Idaho	.32	.29	.31	.31	.29	.27	.36	.04
Montana	.30	.16	.30	.18	.30	.10	.34	.04
Utah	.46	.29	.46	.32	.39	.28	.56	.09
Wyoming	.19	.11	.19	.11	.19	.09	.18	.16
Far West	13.69	11.79	13.61	12.15	13.85	9.88	14.05	11.30
California	10.58	9.29	10.42	9.53	11.06	7.59	10.87	9.75
Nevada	.33	.23	.34	.24	.30	.20	.35	.06
Oregon	1.06	.87	1.09	.91	.96	.92	1.11	.35
Washington	1.72	1.40	1.76	1.47	1.53	1.17	1.73	1.14
Alaska	.22	.17	.24	.20	.14	.09	.22	.06
Hawaii	.43	.32	.45	.34	.40	.37	.44	.09

^aTotal includes estate and gift taxes, not shown in other columns.

^bDistrict of Columbia and Maryland are combined in IRS reports; therefore they are combined here.

Table 15

NUMBER OF STATES WITH SPECIFIED RATIOS OF FEDERAL GOVERNMENT TAXES ORIGINATING IN THE STATE TO FEDERAL TAXES COLLECTED THERE, BY TYPE OF TAX, FISCAL PERIOD 1974-76

Ratio	All Taxes ^a	Individual Income and Employment Taxes	Corporate Income Tax	Excise Taxes
Taxes Originating in State Exceed				
Collections in State by:				
100% or More	0	0	8	25
50.0%-99.9%	15	11	8	2
10.0%-49.9%	15	20	14	8
Difference is Less Than 10% of				
Collections in State				
	11	9	10	3
Collections in State Exceed Taxes				
Originating in State by:				
10.0%-49.9%	8	10	9	8
50.0%-99.9%	1	0	0	1
100.0% or More	0	0	1	3

^aThis column includes estate and gift taxes, which are not shown separately in the table.

Note: In this table, Maryland and the District of Columbia are counted as a single state because collections are reported only for the two areas together. The percentage differences between estimated tax origins and collections are based in all cases on collections in the state.

SOURCE: Table 14.

Table 16

NUMBER OF STATES WITH SPECIFIED RATIOS OF TOTAL FEDERAL GOVERNMENT TAXES ORIGINATING IN THE STATE TO TOTAL FEDERAL TAXES COLLECTED THERE, FISCAL PERIODS 1974-76 AND 1965-67

Ratio	1974-76	1965-67
Taxes Originating in State Exceed		
Collections in State by:		
100% or More	0	5
50.0%-99.9%	15	15
10.0%-49.9%	15	16
Difference is Less Than 10% of		
Collections in State		
	11	6
Taxes Collected in State Exceed Taxes		
Originating in State by:		
10.0%-49.9%	8	7
50.0%-99.9%	1	1

Note: See note for Table 15.

Table 17

**REGIONAL AND STATE PERCENTAGES FOR MAJOR CATEGORIES OF FEDERAL GOVERNMENT
REVENUES BY STATE OF ORIGIN, FISCAL PERIOD 1974-76**

Region or State	Total of Allocated Revenues	Individual Income Tax	Employment Taxes and Insurance Contri- butions	Corporate Income Tax	Estate and Gift Taxes	Excise Taxes and Customs	Miscel- laneous Receipts
51 States	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
New England	6.15	6.22	5.73	6.91	6.66	5.84	5.74
Connecticut	1.90	2.00	1.58	2.46	2.59	1.51	1.46
Maine	.42	.36	.44	.51	.38	.48	.50
Massachusetts	2.82	2.91	2.67	2.89	2.74	2.76	2.74
New Hampshire	.39	.36	.41	.43	.34	.44	.38
Rhode Island	.43	.43	.43	.40	.46	.42	.44
Vermont	.19	.16	.20	.22	.15	.23	.22
Mideast	21.90	22.81	20.69	23.20	23.41	19.02	20.10
Delaware	.34	.35	.33	.37	.51	.32	.27
District of Columbia	.48	.40	.67	.45	.38 ^a	.31	.34
Maryland	2.15	2.39	2.00	1.84	2.22 ^a	1.96	1.94
New Jersey	4.02	4.40	3.54	4.28	3.19	3.47	3.45
New York	9.37	9.69	8.67	10.53	12.57	7.61	8.52
Pennsylvania	5.54	5.58	5.48	5.72	4.54	5.36	5.58
Great Lakes	20.19	21.31	19.69	18.69	17.48	19.50	19.29
Illinois	6.11	6.69	5.70	5.52	6.65	5.62	5.27
Indiana	2.49	2.55	2.55	2.16	2.22	2.56	2.50
Michigan	4.42	4.80	4.36	3.71	2.85	4.25	4.30
Ohio	5.14	5.32	4.95	5.22	4.23	4.94	5.06
Wisconsin	2.03	1.95	2.13	2.09	1.53	2.13	2.16
Plains	7.36	7.16	7.80	6.77	8.56	7.53	7.86
Iowa	1.24	1.26	1.28	1.05	1.52	1.23	1.35
Kansas	1.07	1.05	1.11	1.04	1.16	1.07	1.07
Minnesota	1.72	1.64	1.89	1.52	2.19	1.80	1.84
Missouri	2.14	2.06	2.22	2.19	2.19	2.20	2.25
Nebraska	.69	.69	.74	.56	.99	.70	.73
North Dakota	.25	.24	.29	.19	.28	.27	.30
South Dakota	.24	.22	.28	.21	.23	.26	.32

Southeast	19.47	18.28	20.48	19.77	17.14	21.47	22.32
Alabama	1.30	1.17	1.50	1.16	.92	1.52	1.69
Arkansas	.72	.63	.82	.67	.47	.89	.98
Florida	4.31	3.96	3.98	5.75	6.25	4.65	3.86
Georgia	2.01	1.88	2.19	1.91	1.47	2.28	2.31
Kentucky	1.26	1.19	1.36	1.19	.88	1.37	1.59
Louisiana	1.40	1.32	1.47	1.35	1.16	1.58	1.78
Mississippi	.72	.60	.86	.66	.55	.92	1.10
North Carolina	2.10	1.96	2.33	1.99	1.55	2.28	2.55
South Carolina	1.00	.93	1.12	.87	.61	1.13	1.32
Tennessee	1.70	1.59	1.88	1.54	1.21	1.92	1.96
Virginia	2.28	2.40	2.25	2.08	1.63	2.21	2.33
West Virginia	.67	.65	.72	.61	.44	.72	.84
Southwest	8.10	7.64	8.53	7.88	9.07	9.16	8.55
Arizona	.98	.91	1.01	1.07	.89	1.13	1.03
New Mexico	.43	.37	.48	.45	.30	.53	.53
Oklahoma	1.09	1.00	1.21	1.00	1.13	1.28	1.27
Texas	5.60	5.36	5.83	5.36	6.75	6.22	5.72
Rocky Mountain	2.49	2.37	2.65	2.39	1.90	2.77	2.65
Colorado	1.22	1.22	1.23	1.22	.94	1.33	1.19
Idaho	.32	.28	.36	.29	.26	.36	.38
Montana	.30	.28	.33	.30	.29	.34	.35
Utah	.46	.41	.54	.39	.22	.56	.56
Wyoming	.19	.18	.19	.19	.19	.18	.17
Far West	13.69	13.54	13.70	13.85	15.52	14.05	12.92
California	10.58	10.42	10.43	11.06	12.78	10.87	9.91
Nevada	.33	.34	.33	.30	.43	.35	.27
Oregon	1.06	1.04	1.15	.96	.91	1.11	1.07
Washington	1.72	1.74	1.79	1.53	1.40	1.73	1.66
Alaska	.22	.22	.27	.14	.03	.22	.17
Hawaii	.43	.45	.45	.40	.24	.44	.41
51 States:							
Three-Year Total (millions)	\$840,765	\$371,756	\$252,000	\$120,225	\$14,809	\$61,446	\$20,529
Percent in Each Category	100.0%	44.2%	30.0%	14.3%	1.8%	7.3%	2.4%

^aIn Internal Revenue Service reports of collections, the District of Columbia and Maryland are combined. In these estimates of origins, estate and gift taxes are attributed to states in proportion to IRS collections; their division between the District and Maryland is proportionate to population, January 1, 1975.

Table 18

NUMBER OF STATES PROVIDING SPECIFIED PERCENTAGES OF FEDERAL GOVERNMENT REVENUES, BY MAJOR CATEGORIES, FISCAL PERIOD 1974-76

Percentages	Total Revenues Allocated by Origin	Individual Tax	Employment Taxes and Insurance Contributions	Corporate Income Tax	Estate and Gift Taxes	Excise Taxes and Customs	Miscellaneous Receipts
5.0% and Over	6	6	5	7	5	5	6
3.0%-4.99%	3	3	4	2	3	4	3
2.0%-2.99%	8	6	8	6	7	7	7
1.0%-1.99%	13	14	14	14	10	15	16
0.8%-0.99%	1	2	2	2	6	2	2
0.6%-0.79%	4	4	3	3	1	2	1
0.4%-0.59%	6	4	6	7	6	6	5
Under 0.4%	10	12	9	10	13	10	11

SOURCE: Table 17.

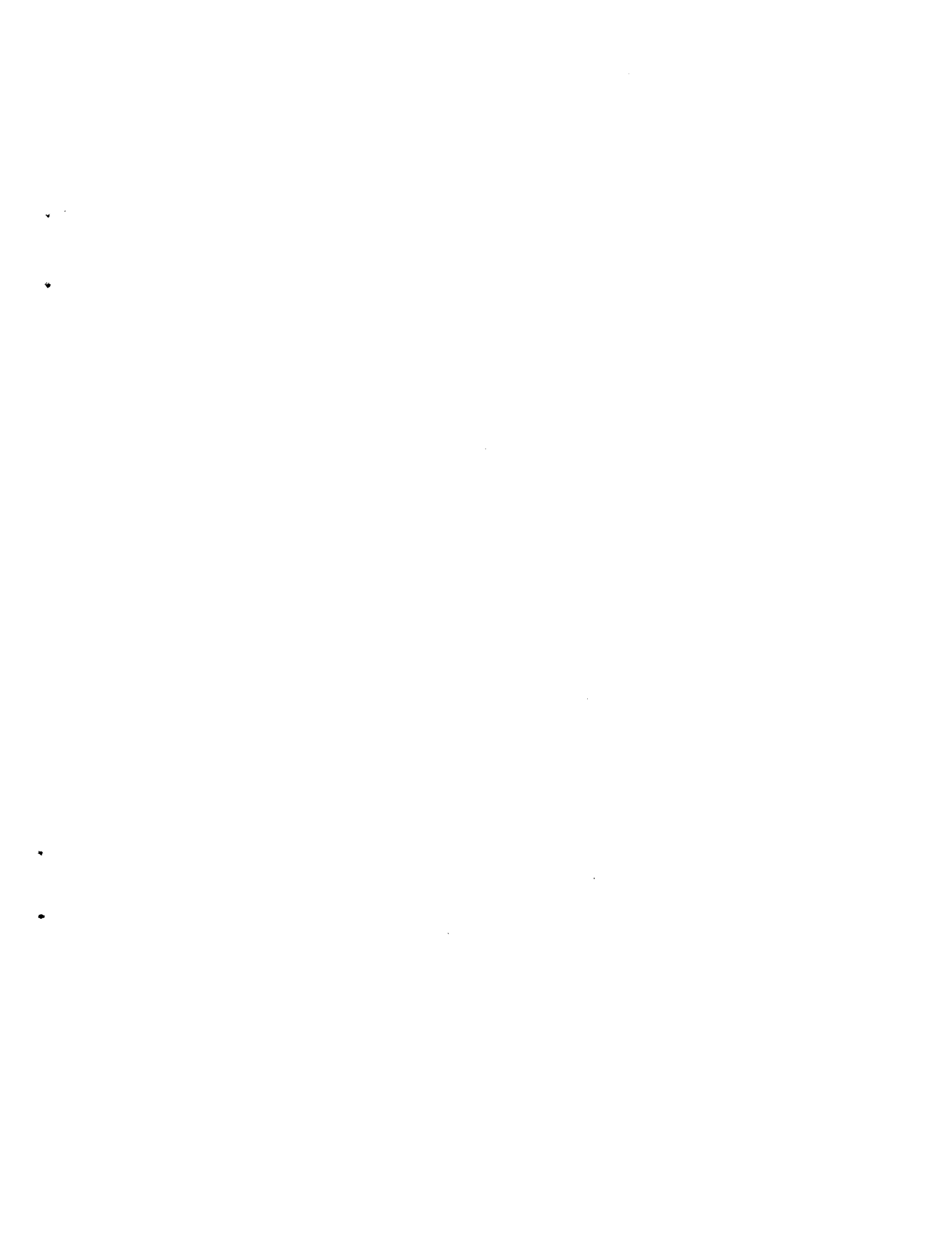


Table 19

**INDEX NUMBERS FOR MAJOR CATEGORIES OF FEDERAL GOVERNMENT REVENUES PER CAPITA
FROM RESIDENTS OF EACH REGION OR STATE, FISCAL PERIOD 1974-76**

Region or State	All Revenues	Individual Income Tax	Employment Taxes and Insurance Contributions	Corporate Income Tax	Other Taxes and Other Revenue
51 States	100.0	100.0	100.0	100.0	100.0
New England	107.1	108.6	100.0	120.5	103.5
Connecticut	130.6	137.4	108.8	168.9	114.0
Maine	83.9	72.4	88.2	101.8	94.1
Massachusetts	103.0	106.5	97.4	105.7	100.6
New Hampshire	102.2	93.3	107.8	113.5	107.6
Rhode Island	97.2	98.1	98.6	91.2	96.9
Vermont	84.6	72.6	90.3	98.8	98.0
Mideast	108.9	113.5	102.9	115.4	99.1
Delaware	126.3	127.8	120.2	136.8	123.7
District of Columbia	143.3	120.0	199.8	133.4	97.8
Maryland	111.1	123.5	103.4	95.3	103.0
New Jersey	116.3	127.6	102.6	124.1	99.1
New York	110.0	113.6	101.7	123.5	100.4
Pennsylvania	99.1	99.9	98.1	102.5	94.5
Great Lakes	104.7	110.4	102.1	96.9	99.3
Illinois	116.0	127.0	108.3	104.6	108.3
Indiana	99.4	101.8	102.0	86.1	99.5
Michigan	103.0	111.7	101.5	86.5	94.3
Ohio	101.6	105.0	97.9	103.1	96.0
Wisconsin	94.2	90.2	98.7	96.7	94.7
Plains	93.7	91.2	99.2	86.1	98.7
Iowa	92.1	93.8	94.7	77.6	96.5
Kansas	100.0	98.2	103.2	97.4	101.1
Minnesota	93.4	88.9	102.3	82.6	101.3
Missouri	95.3	91.6	98.6	97.4	98.2
Nebraska	95.2	94.4	102.1	77.6	102.8
North Dakota	84.7	80.4	97.9	63.9	93.2
South Dakota	75.6	69.8	86.1	64.6	84.4

Southeast	87.2	81.9	91.7	88.6	94.1
Alabama	76.7	69.0	88.3	68.6	86.6
Arkansas	72.9	64.1	83.2	68.1	86.2
Florida	111.7	102.5	103.3	149.1	122.6
Georgia	87.0	81.5	94.7	82.4	93.6
Kentucky	79.0	74.7	85.4	74.8	84.6
Louisiana	78.4	74.2	82.4	75.9	87.5
Mississippi	65.2	54.2	77.7	59.6	81.8
North Carolina	82.6	76.9	91.5	78.0	87.3
South Carolina	75.6	70.9	84.6	65.6	82.7
Tennessee	86.6	81.2	96.0	78.5	93.0
Virginia	97.8	103.0	96.7	89.1	92.1
West Virginia	79.7	77.0	85.9	72.4	83.5
Southwest	94.7	89.3	99.7	92.1	105.5
Arizona	95.4	88.4	98.4	104.3	103.9
New Mexico	80.1	69.2	89.1	84.5	92.7
Oklahoma	85.8	78.5	95.2	78.4	98.7
Texas	97.9	93.8	102.0	93.7	108.3
Rocky Mountain	93.7	89.4	100.0	90.0	98.7
Colorado	102.8	102.4	103.2	102.0	104.2
Idaho	83.4	75.2	94.6	77.6	92.7
Montana	87.2	79.8	94.7	87.0	96.0
Utah	81.4	72.3	96.8	69.4	91.0
Wyoming	107.2	105.2	111.2	107.1	105.2
Far West	106.0	104.8	106.0	107.3	108.5
California	106.7	105.1	105.2	111.5	110.5
Nevada	121.6	125.5	119.9	109.8	125.4
Oregon	99.5	97.3	107.2	89.5	100.0
Washington	103.4	104.7	108.0	92.3	100.0
Alaska	131.2	132.3	162.0	81.0	109.4
Hawaii	106.8	109.6	110.1	97.8	98.4
51 States:					
Three-Year Per Capita Average	\$3,962	\$1,752	\$1,188	\$567	\$456
Annual Per Capita Average	\$1,321	\$584	\$396	\$189	\$152
Three-Year Total (millions)	\$840.765	\$371.756	\$252.000	\$120.225	\$96.784
Percent in Each Category	100.0%	44.2%	30.0%	14.3%	11.5%

Table 20

**NUMBER OF STATES WITH SPECIFIED INDEX NUMBERS FOR MAJOR CATEGORIES
OF FEDERAL GOVERNMENT REVENUES PER CAPITA,
FISCAL PERIOD 1974-76**

Index Number	Total Revenues Allocated by Origin	Individual Income Tax	Employment Taxes and Insurance Contributions	Corporate Income Tax	Other Taxes and Other Revenues
150.0-199.9	0	0	2	1	0
110.0-149.9	10	10	4	7	5
90.0-109.9	22	20	35	18	37
60.0- 89.9	19	20	10	24	9
Under 60.0	0	1	0	1	0

SOURCE: Table 19.



Table 21

**INDEX NUMBERS FOR MAJOR CATEGORIES OF FEDERAL GOVERNMENT REVENUES FROM RESIDENTS
OF EACH REGION OR STATE IN RELATION TO THEIR PERSONAL INCOME, FISCAL PERIOD 1974-76**

Region or State	All Revenues	Individual Income Tax	Employment Taxes and Insurance Contributions	Corporate Income Tax	Other Taxes and Other Revenue
51 States	100.0	100.0	100.0	100.0	100.0
New England	103.8	105.2	97.0	116.9	100.4
Connecticut	112.0	117.9	93.4	144.9	97.9
Maine	101.6	87.7	106.9	123.4	113.9
Massachusetts	99.3	102.7	94.0	102.0	97.1
New Hampshire	109.8	100.3	115.8	122.0	115.6
Rhode Island	99.5	100.5	101.0	93.5	99.2
Vermont	100.2	86.0	107.0	117.2	116.1
Mideast	100.1	104.3	94.6	106.1	91.0
Delaware	113.4	114.8	108.0	122.9	111.2
District of Columbia	114.6	96.0	159.9	106.8	78.3
Maryland	102.5	114.0	95.4	87.9	95.0
New Jersey	100.4	110.0	88.5	107.1	85.6
New York	98.8	102.1	91.4	111.0	90.2
Pennsylvania	99.3	100.2	98.4	102.8	94.8
Great Lakes	100.6	106.1	98.1	93.1	95.4
Illinois	101.2	110.7	94.4	91.2	94.4
Indiana	102.7	105.3	105.5	89.1	103.0
Michigan	98.3	106.6	96.8	82.6	90.1
Ohio	101.9	105.3	98.1	103.4	96.3
Wisconsin	98.7	94.5	103.4	101.3	99.2
Plains	96.0	93.4	101.6	88.2	101.1
Iowa	92.3	94.1	94.9	77.8	96.6
Kansas	98.2	96.5	101.4	95.7	99.2
Minnesota	94.2	89.6	103.1	83.3	102.1
Missouri	102.2	98.2	105.7	104.5	105.3
Nebraska	96.9	96.1	103.9	79.0	104.6
North Dakota	80.9	76.8	93.4	61.0	88.9
South Dakota	86.4	79.7	98.4	73.8	96.4

Southeast	101.2	95.1	106.5	102.9	109.2
Alabama	97.6	87.7	112.3	87.4	110.2
Arkansas	94.2	82.8	107.5	88.0	111.3
Florida	115.4	105.9	106.8	154.1	126.7
Georgia	100.0	93.7	108.9	94.8	107.7
Kentucky	95.4	90.1	103.0	90.3	102.1
Louisiana	96.0	90.8	100.8	92.9	107.1
Mississippi	93.4	77.6	111.3	85.6	117.1
North Carolina	97.2	90.5	107.6	91.8	102.7
South Carolina	94.5	88.6	105.8	82.1	103.5
Tennessee	103.9	97.3	115.1	94.2	111.5
Virginia	99.3	104.6	98.2	90.5	93.5
West Virginia	96.2	92.9	103.7	87.4	100.9
Southwest	102.3	96.5	107.7	99.5	113.9
Arizona	102.9	95.3	106.1	112.5	112.2
New Mexico	98.5	85.1	109.6	104.0	114.1
Oklahoma	96.5	88.3	107.1	88.1	110.9
Texas	103.7	99.4	108.0	99.3	114.8
Rocky Mountain	99.1	94.6	105.8	95.2	104.3
Colorado	101.7	101.2	102.1	100.9	103.0
Idaho	93.1	84.0	105.5	86.7	103.5
Montana	94.9	86.9	103.1	94.7	104.6
Utah	98.2	87.4	116.9	83.8	109.9
Wyoming	103.5	101.6	107.3	103.4	101.6
Far West	97.0	96.0	97.1	98.3	99.4
California	96.1	94.6	94.7	100.5	99.5
Nevada	107.8	111.4	106.4	97.5	111.3
Oregon	102.0	99.8	109.9	91.8	102.5
Washington	98.3	99.6	102.7	87.8	95.1
Alaska	90.0	90.7	111.2	55.6	75.0
Hawaii	95.1	97.7	98.0	87.1	87.7
51 State Annual Average:					
Federal Revenues as					
Percent of Personal Income	23.29%	10.30%	6.98%	3.33%	2.68%

Table 22

**NUMBER OF STATES WITH SPECIFIED INDEX NUMBERS FOR MAJOR CATEGORIES OF
FEDERAL GOVERNMENT REVENUES FROM RESIDENTS IN RELATION TO THEIR
PERSONAL INCOME, FISCAL PERIOD 1974-76**

Index Number	Total Revenues Allocated by Origin	Individual Income Tax	Employment Taxes and Insurance Contributions	Corporate Income Tax	Other Taxes and Other Revenues
150.0-199.9	0	0	1	1	0
110.0-149.9	4	6	6	9	14
90.0-109.9	45	31	43	22	32
60.0- 89.9	2	14	1	18	5
Under 60.0	0	0	0	1	0

SOURCE: Table 21.



Table 23

**REGIONAL AND STATE PERCENTAGES OF MAJOR CATEGORIES OF FEDERAL GOVERNMENT
EXPENDITURES, FISCAL PERIOD 1974-76**

Region or State	All Expenditures Allocated	Federal Payments to Personal Incomes				Military Outlays, Except Pay of Personnel	Aid to State and Local Governments	Interest on Debt, Other Than to Personal Incomes	All Other
		Total	Pay of Personnel (civil and military) ^a	Transfer Payments	All Other ^b				
51 States	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
New England	6.21	5.49	3.83	6.20	5.68	10.83	6.31	5.39	2.81
Connecticut	1.74	1.26	.78	1.44	1.61	5.16	1.37	1.62	.86
Maine	.50	.53	.51	.54	.43	.29	.63	.32	.04
Massachusetts	2.94	2.67	1.78	3.07	2.62	4.52	3.09	2.51	1.76
New Hampshire	.35	.35	.26	.38	.35	.40	.36	.34	.09
Rhode Island	.46	.49	.37	.55	.44	.25	.54	.36	.02
Vermont	.22	.19	.12	.22	.23	.21	.32	.24	.04
Mideast	21.75	21.36	20.83 ^a	21.48	22.62	21.02	23.60	25.57	12.78
Delaware	.24	.25	.23	.25	.29	.14	.27	.43	.07
District of Columbia	1.55	1.43	3.31 ^a	.60	1.44	2.93	1.38	.51	.77
Maryland	2.81	3.15	6.38 ^a	1.84	2.02	2.39	1.87	1.60	4.99
New Jersey	3.16	3.26	2.38	3.61	3.64	2.74	3.10	3.58	1.42
New York	8.74	7.91	4.90	9.08	9.52	8.57	11.54	13.58	2.69
Pennsylvania	5.24	5.36	3.63	6.10	5.71	4.25	5.44	5.87	2.84
Great Lakes	14.93	15.40	9.84	17.54	18.84	9.59	16.46	19.33	5.46
Illinois	4.26	4.50	3.26	4.91	5.83	1.58	4.79	6.86	1.48
Indiana	1.85	1.86	1.25	2.10	2.22	2.02	1.67	2.32	.85
Michigan	3.36	3.37	1.70	4.05	4.07	2.08	4.35	3.68	.60
Ohio	3.90	4.07	2.89	4.54	4.62	3.22	3.71	4.48	2.18
Wisconsin	1.55	1.60	.74	1.93	2.10	.69	1.94	1.99	.35
Plains	7.20	7.24	5.96	7.48	10.57	7.15	7.22	7.54	4.46
Iowa	1.00	1.07	.51	1.24	1.92	.44	1.11	1.23	.61
Kansas	1.03	1.07	1.09	1.02	1.44	1.05	.90	1.02	.55
Minnesota	1.50	1.45	.84	1.66	2.00	1.16	1.91	1.89	.53
Missouri	2.39	2.28	2.09	2.34	2.55	3.85	1.85	2.16	2.26
Nebraska	.63	.70	.64	.67	1.26	.22	.67	.58	.25
North Dakota	.33	.33	.43	.26	.58	.36	.35	.28	.18
South Dakota	.32	.34	.36	.29	.82	.07	.43	.38	.08

Southeast	22.13	23.59	26.77 ^a	22.74	17.81	16.20	21.30	18.88	20.41
Alabama	1.70	1.78	2.07	1.70	1.31	1.22	1.74	1.01	3.12
Arkansas	.86	.93	.85	1.07	.80	.28	1.03	.50	1.11
Florida	4.12	4.68	3.61	5.24	3.85	2.65	2.61	5.35	3.89
Georgia	2.18	2.25	2.76	2.08	1.69	1.67	2.46	1.54	1.01
Kentucky	1.48	1.56	1.59	1.59	1.16	.55	1.74	1.77	1.24
Louisiana	1.50	1.42	1.25	1.51	1.20	1.03	1.90	1.48	4.81
Mississippi	1.19	1.01	.97	1.04	.86	2.16	1.36	.56	1.31
North Carolina	2.09	2.28	2.66	2.17	1.62	1.25	2.18	1.51	.57
South Carolina	1.22	1.36	1.85	1.18	.95	.65	1.17	.96	.25
Tennessee	1.66	1.77	1.66	1.84	1.53	.99	1.86	1.15	.55
Virginia	3.34	3.74	7.31 ^a	2.32	2.15	3.57	2.05	1.87	1.86
West Virginia	.81	.81	.39	1.00	.69	.18	1.20	1.18	.69
Southwest	8.50	8.73	10.60	7.95	8.24	8.89	7.55	7.77	7.81
Arizona	1.15	1.17	1.29	1.14	1.01	1.51	.94	.93	.48
New Mexico	.63	.65	.92	.54	.57	.39	.76	.54	.44
Oklahoma	1.34	1.44	1.72	1.33	1.36	.81	1.33	1.20	.87
Texas	5.38	5.46	6.67	4.94	5.30	6.18	4.52	5.10	6.02
Rocky Mountain	2.74	2.82	3.93	2.32	2.94	1.81	3.01	2.21	5.22
Colorado	1.28	1.34	1.98	1.06	1.21	.98	1.18	1.05	3.41
Idaho	.33	.35	.37	.34	.40	.06	.44	.22	.60
Montana	.35	.36	.40	.33	.51	.05	.49	.34	.53
Utah	.59	.60	.94	.45	.58	.56	.62	.35	.64
Wyoming	.19	.17	.24	.14	.24	.16	.28	.25	.04
Far West	15.47	14.28	15.82	13.76	12.54	23.25	13.48	12.86	40.55
California	12.17	10.96	12.33	10.50	9.46	19.74	10.18	10.50	37.19
Nevada	.28	.31	.38	.28	.28	.12	.31	.27	.07
Oregon	.96	1.03	.76	1.15	1.06	.16	1.30	.65	1.16
Washington	2.06	1.98	2.35	1.83	1.73	3.23	1.69	1.44	2.13
Alaska	.40	.37	.88	.15	.21	.47	.54	.18	.37
Hawaii	.67	.72	1.52	.38	.55	.79	.53	.27	.13

51 States:

Three-Year Total (millions)	\$890,171	\$592,587	\$170,000	\$385,650	\$36,937	\$103,436	\$148,607	\$34,026	\$11,515
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Percent in Each Category	100.0%	66.6%	19.1%	43.3%	4.2%	11.6%	16.7%	3.8%	1.3%
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^aDistrict of Columbia, Maryland, and Virginia data have been adjusted to approximate the place of residence for wages and salaries. For other states, the underlying amounts are for the state of employment.

^bComprises (in millions) pay of military reserves (partly from state and local governments), \$4,941; labor income other than salaries and wages, \$4,269; Department of Agriculture payments to farmers (including some corporate farms), \$2,071; and interest to personal incomes, \$25,655.

Table 24

NUMBER OF STATES WITH SPECIFIED PERCENTAGES OF FEDERAL GOVERNMENT EXPENDITURES, BY MAJOR CATEGORIES, FISCAL PERIOD 1974-76

Percentage	All Expenditures	Federal Payments to Personal Incomes			Military, Except Personnel	Aid to State-Local Governments	Interest, Except to Individuals	All Other	
		Total	Pay of Personnel	Transfer Payments					Other
5.0% and Over	4	4	4	4	5	4	3	6	2
3.0%-4.99%	6	7	5	5	4	6	6	3	5
2.0%-2.99%	6	4	7	6	7	7	4	3	5
1.0%-1.99%	16	18	12	19	16	8	20	17	9
0.8%-0.99%	3	2	5	0	4	3	2	2	3
0.6%-0.79%	3	4	5	2	1	3	4	2	6
0.4%-0.59%	4	2	4	4	8	5	6	10	7
Under 0.4%	9	10	9	11	6	15	6	8	14

SOURCE: Table 23.



Table 25

**INDEX NUMBERS FOR MAJOR CATEGORIES OF FEDERAL GOVERNMENT EXPENDITURES
PER CAPITA, FISCAL PERIOD 1974-76**

Region or State	All Ex- penditures Allocated	Federal Payments to Personal Incomes				Military Outlays, Except Pay of Personnel	Aid to State and Local Govern- ments	Interest on Debt, Other Than to Personal Incomes	All Other ^b
		Total	Pay of Personnel (civil and military) ^a	Trans- fer Pay- ments	All Other				
51 States	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New England	108.3	95.8	66.9	108.2	99.1	188.7	110.0	94.0	49.0
Connecticut	119.6	86.7	53.6	99.1	110.7	353.8	94.3	111.4	58.9
Maine	101.1	105.9	103.1	109.0	87.1	58.2	127.4	63.8	7.3
Massachusetts	107.3	97.6	65.2	112.1	95.5	165.2	112.8	91.7	64.3
New Hampshire	92.0	90.9	69.2	100.4	90.9	104.1	94.1	88.5	23.9
Rhode Island	104.3	111.3	84.1	124.3	100.8	57.6	121.9	82.3	5.1
Vermont	97.9	88.0	55.3	100.7	106.0	93.1	144.6	107.2	19.6
Mideast	108.2	106.2	103.6 ^a	106.8	112.5	104.6	117.4	127.2	63.6
Delaware	89.3	91.0	85.8	91.8	106.9	50.1	98.6	158.3	25.8
District of Columbia	459.6	422.7	979.7 ^a	176.9	425.7	869.1	410.2	151.3	228.0
Maryland	145.5	163.0	329.9 ^a	95.1	104.2	123.4	96.4	82.8	258.0
New Jersey	91.5	94.3	68.8	104.6	105.3	79.3	89.8	103.8	41.0
New York	102.6	92.8	57.5	106.5	101.7	100.6	135.4	159.3	31.5
Pennsylvania	93.8	96.1	65.0	109.2	102.2	76.2	97.5	105.0	51.0
Great Lakes	77.4	75.9	51.0	90.9	97.7	49.7	85.3	100.3	28.3
Illinois	80.8	85.4	61.9	93.3	110.7	30.0	90.9	130.2	28.1
Indiana	74.0	74.4	49.8	83.9	88.6	80.6	66.5	92.7	33.9
Michigan	78.3	78.6	39.5	94.2	94.8	48.5	101.3	85.6	14.1
Ohio	77.1	80.5	57.1	89.8	91.2	63.6	73.2	88.6	43.2
Wisconsin	71.9	74.3	34.4	89.7	97.5	32.1	89.9	92.4	16.1
Plains	91.6	92.1	75.9	95.2	134.6	91.0	91.9	96.1	56.7
Iowa	74.5	79.5	37.8	91.8	142.4	33.0	82.0	91.4	45.1
Kansas	96.0	99.5	102.1	95.1	134.3	98.0	84.3	95.7	51.6
Minnesota	81.2	78.6	45.6	90.3	108.4	62.7	103.3	102.6	28.6
Missouri	106.1	101.5	93.1	104.0	113.6	171.1	82.2	96.2	100.6
Nebraska	86.3	96.0	88.2	91.9	174.0	30.3	92.3	79.4	34.3
North Dakota	110.9	109.5	142.9	86.9	192.0	120.6	117.6	94.6	59.1
South Dakota	101.4	107.3	111.9	90.9	256.8	22.1	135.3	117.1	24.9

Southeast	99.1	105.7	119.9 ^a	101.9	79.8	72.6	95.4	84.6	91.4
Alabama	100.3	105.4	122.2	100.6	77.3	72.0	102.6	59.5	183.9
Arkansas	87.2	94.6	66.3	108.3	81.5	28.0	105.2	50.6	112.3
Florida	106.7	121.4	93.6	135.7	99.7	68.7	67.6	138.7	100.8
Georgia	94.1	97.3	119.4	89.9	73.2	72.4	106.5	66.5	43.9
Kentucky	93.0	98.2	99.9	99.9	72.7	34.6	109.4	111.8	78.0
Louisiana	84.1	79.4	70.0	84.8	67.0	57.8	106.7	83.2	269.9
Mississippi	107.9	91.5	88.4	94.2	78.1	196.2	123.8	50.7	119.3
North Carolina	82.1	89.4	104.5	85.2	63.5	49.1	85.7	59.2	22.4
South Carolina	92.3	103.2	140.2	89.9	72.3	49.4	88.7	73.0	18.7
Tennessee	84.5	90.4	84.9	94.0	78.1	50.6	94.8	58.4	28.0
Virginia	143.3	160.4	313.6 ^a	99.4	92.4	153.1	87.8	80.2	79.8
West Virginia	96.1	95.4	45.9	118.6	82.0	21.5	141.6	139.5	82.0
Southwest	99.4	102.1	124.0	93.0	96.4	104.0	88.3	90.8	91.4
Arizona	112.1	113.8	125.3	110.3	98.0	146.8	91.3	90.0	46.5
New Mexico	118.5	122.3	173.2	101.2	107.4	72.7	141.9	101.9	82.7
Oklahoma	105.1	113.6	134.9	104.9	106.9	63.9	104.9	94.5	68.2
Texas	94.1	95.5	116.8	86.4	92.8	108.1	79.1	89.1	105.5
Rocky Mountain	103.3	106.2	148.2	87.3	110.7	68.6	113.3	83.1	196.6
Colorado	107.8	112.1	166.4	89.2	101.3	82.5	98.8	88.1	286.1
Idaho	87.5	92.8	97.8	89.5	104.6	15.9	117.0	58.1	159.3
Montana	99.2	103.0	115.6	93.4	145.4	14.6	139.6	97.0	151.3
Utah	104.8	106.6	167.2	80.1	104.0	100.4	110.3	61.6	114.0
Wyoming	110.6	100.6	137.2	80.6	140.0	94.0	161.1	144.8	22.0
Far West	119.8	110.5	122.5	106.6	97.1	179.9	104.3	99.5	313.9
California	122.8	110.6	124.4	105.9	95.5	199.1	102.7	105.9	375.1
Nevada	102.7	112.2	140.0	100.8	103.3	44.7	112.3	98.9	24.7
Oregon	90.0	96.7	70.8	108.0	98.8	14.7	121.0	60.4	108.9
Washington	123.7	118.9	141.5	110.3	104.4	194.2	101.9	86.8	128.1
Alaska	240.3	219.7	529.6	92.0	127.6	280.7	326.2	108.3	219.8
Hawaii	164.8	176.5	374.3	93.2	135.7	193.7	130.5	66.6	32.1
51 States:									
Three-Year Total (millions)	\$890,171	\$592,587	\$170,000	\$385,650	\$36,937	\$103,400	\$148,607	\$34,026	\$11,515
Annual Per Capital Average	\$1,398	\$931	\$267	\$606	\$58	\$162	\$233	\$53	\$18
Percent in Each Category	100.0%	66.6%	19.1%	43.3%	4.2%	11.6%	16.7%	3.8%	1.3%

^aDistrict of Columbia, Maryland, and Virginia data have been adjusted to approximate the place of residence for wages and salaries. For other states, the underlying amounts are for the state of employment.

^bComprises (in millions) National Aeronautics and Space Administration research and development, \$7,398.20; Department of Defense civil functions prime contracts, \$3,688.20; and Veterans Administration hospital and domiciliary construction, \$428.40.

Table 26

NUMBER OF STATES WITH SPECIFIED INDEX NUMBERS FOR MAJOR CATEGORIES OF FEDERAL GOVERNMENT EXPENDITURES PER CAPITA, FISCAL PERIOD 1974-76

Index Number	All Expenditures	Federal Payments to Personal Incomes				Military, Except Personnel	Aid to State and Local Governments	Interest, Except to Individuals	All Other
		Total	Pay of Personnel	Transfer Payments	Other				
200.0 and Over	2	2	5	0	2	3	2	0	6
150.0-199.9	1	3	3	1	2	7	1	2	3
110.0-149.9	9	9	13	6	9	3	16	8	4
90.0-109.9	25	26	7	31	26	7	20	18	4
60.0- 89.9	14	11	13	13	12	11	12	17	6
Under 60.0	0	0	10	0	0	20	0	6	28

SOURCE: Table 25.

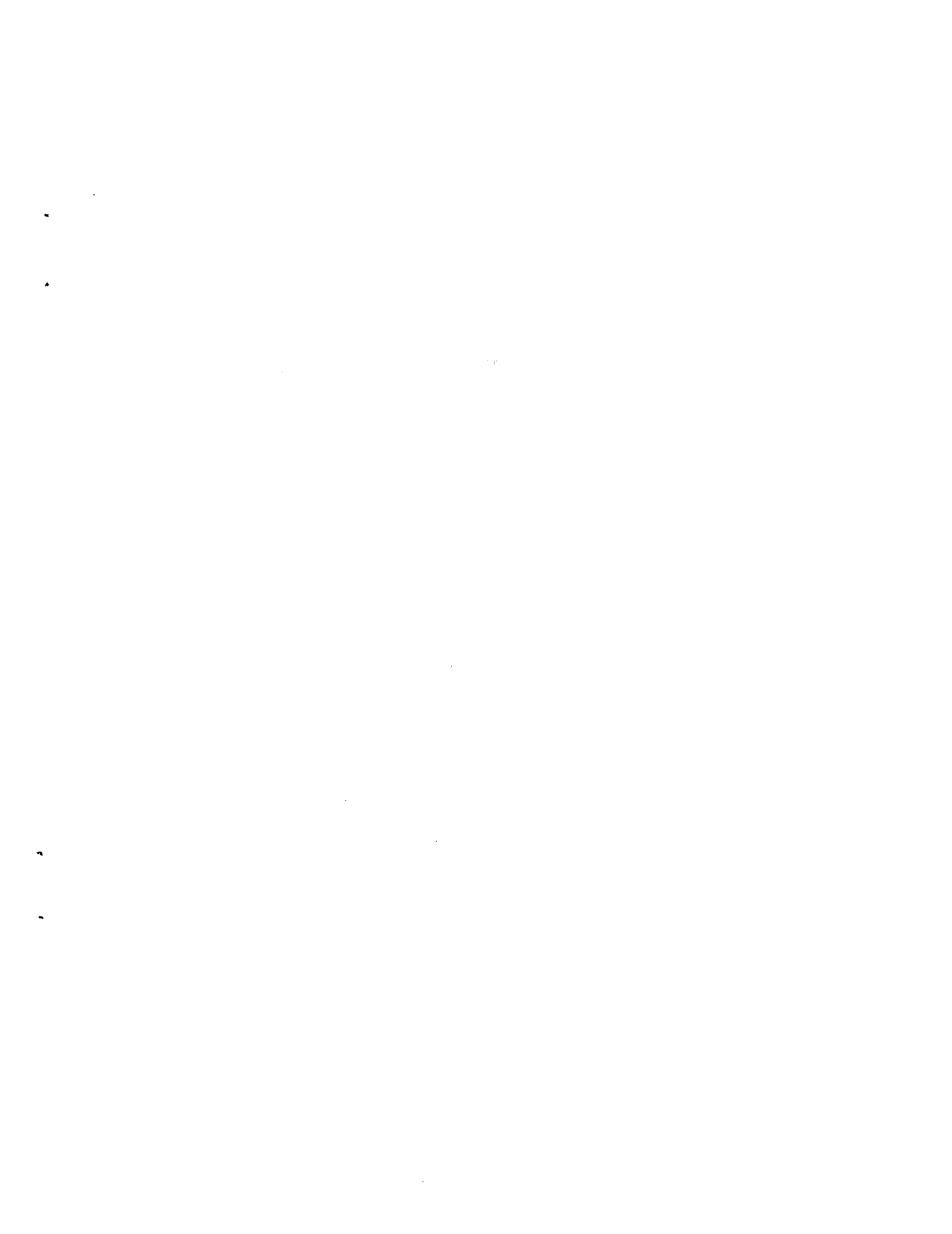


Table 27

**INDEX NUMBERS FOR MAJOR CATEGORIES OF FEDERAL GOVERNMENT EXPENDITURES IN RELATION
TO PERSONAL INCOME IN EACH REGION OR STATE, FISCAL PERIOD 1974-76**

Region or State	Total	Transfer Pay- ments to Persons	Aid to State and Local Govern- ments	Military Outlays, Except Pay of Personnel	Military Personnel	Civilian Personnel	Interest on Debt	All Other Allocated Expenditures
51 States	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New England	105.0	104.9	106.6	182.9	57.0	68.6	97.0	61.6
Connecticut	102.6	85.0	80.9	303.5	50.5	43.8	103.0	52.4
Maine	122.4	132.0	154.3	70.5	135.2	119.8	84.2	70.6
Massachusetts	103.6	108.1	108.8	159.4	42.0	73.1	94.9	64.4
New Hampshire	98.8	107.9	101.0	111.9	89.2	67.2	95.8	63.0
Rhode Island	106.9	127.3	124.8	59.0	83.4	87.4	93.6	51.0
Vermont	116.0	119.3	171.4	110.2	48.2	73.9	113.0	110.3
Mideast	99.4	98.2	107.9	96.1	46.7	118.7	115.3	69.5
Delaware	80.2	82.5	88.6	45.0	110.5	61.1	123.3	56.4
District of Columbia	367.7	141.6	328.2	695.4	142.6	1,095.1	145.4	444.2
Maryland	134.2	87.7	89.0	113.9	152.4	378.1	78.8	183.9
New Jersey	79.0	90.3	77.5	68.5	45.2	66.3	96.1	47.3
New York	92.2	95.7	121.7	90.4	27.8	63.2	133.0	42.4
Pennsylvania	94.0	109.5	97.8	76.3	29.6	82.5	110.0	61.0
Great Lakes	74.4	87.4	82.0	47.8	34.9	55.9	100.6	46.3
Illinois	70.5	81.3	79.3	26.2	42.4	59.6	113.1	42.0
Indiana	76.5	86.8	68.8	83.3	43.3	55.5	96.7	56.2
Michigan	74.7	89.9	96.7	46.3	28.6	42.1	92.1	34.5
Ohio	77.4	90.0	73.4	63.8	32.6	69.2	94.3	55.9
Wisconsin	75.4	93.9	94.2	33.6	22.2	42.7	102.8	49.6
Plains	93.9	97.5	94.1	93.2	77.3	78.0	108.4	115.6
Iowa	74.7	92.0	82.2	33.1	20.8	46.2	114.7	90.1
Kansas	94.4	93.4	82.8	96.3	150.2	76.0	101.3	114.6
Minnesota	81.8	91.0	104.1	63.2	24.8	56.2	102.8	76.7
Missouri	113.8	111.5	88.2	183.4	77.7	110.6	109.1	120.3
Nebraska	87.8	93.5	93.9	30.9	115.2	77.3	111.0	134.5
North Dakota	105.9	82.9	112.3	115.2	225.9	93.0	102.5	191.4
South Dakota	115.8	103.8	154.5	25.1	141.0	121.3	139.0	326.3

Southeast	115.1	118.3	110.8	84.3	174.3	122.2	91.0	112.0
Alabama	127.6	128.0	130.6	91.6	136.7	164.6	71.2	203.9
Arkansas	112.6	139.9	135.9	36.2	98.5	79.6	71.9	152.5
Florida	110.2	140.2	69.9	71.0	135.9	77.7	132.2	87.3
Georgia	108.2	103.4	122.5	83.2	146.6	132.8	73.9	82.7
Kentucky	112.2	120.6	132.0	41.7	177.2	93.0	111.9	98.0
Louisiana	102.9	103.7	130.6	70.7	112.8	72.5	88.1	220.9
Mississippi	154.6	134.9	177.4	281.1	172.3	104.4	67.5	199.6
North Carolina	96.6	100.3	100.9	57.7	238.1	67.1	68.3	59.8
South Carolina	115.3	112.2	110.9	61.8	322.4	103.8	81.2	82.0
Tennessee	101.3	112.7	113.7	60.7	64.8	119.8	71.0	87.5
Virginia	145.6	100.9	89.2	155.5	339.1	308.5	79.9	105.3
West Virginia	116.0	143.1	170.9	26.0	32.2	66.6	139.4	97.2
Southwest	107.4	100.4	95.4	112.3	172.6	115.2	93.2	121.2
Arizona	120.9	118.9	98.5	158.3	166.1	120.2	98.8	83.1
New Mexico	145.8	124.5	174.5	89.4	212.6	213.2	107.8	173.0
Oklahoma	118.2	118.0	118.0	71.9	159.4	147.9	101.2	127.3
Texas	99.7	91.5	83.8	114.5	173.3	99.6	89.3	122.6
Rocky Mountain	109.3	92.3	119.8	72.5	157.3	156.5	88.6	193.8
Colorado	106.6	88.2	97.7	81.5	212.8	141.1	86.5	208.3
Idaho	97.6	99.9	130.6	17.7	110.3	108.6	70.1	192.5
Montana	108.1	101.7	151.9	16.0	120.0	129.0	113.2	200.8
Utah	126.7	96.7	133.3	121.3	77.9	262.2	78.6	178.5
Wyoming	106.8	77.9	155.4	90.7	146.9	125.6	120.9	121.8
Far West	109.7	97.6	95.6	164.8	131.9	102.6	91.8	185.0
California	110.6	95.4	92.5	179.4	135.3	100.8	93.6	207.4
Nevada	91.2	89.5	99.7	39.7	162.6	105.8	86.2	63.9
Oregon	92.3	110.7	124.1	15.1	35.6	90.5	78.1	108.9
Washington	117.7	105.0	97.0	184.8	162.8	120.9	89.6	111.0
Alaska	164.9	63.1	223.7	192.6	526.4	284.3	62.5	168.2
Hawaii	146.7	83.1	116.3	172.6	540.2	232.9	73.2	106.9
51 States:								
Three-Year Total (millions)	\$890,171	\$385,650	\$148,607	\$103,436	\$55,550	\$114,450	\$59,681	\$22,797
Percent in Each Category	100.0%	43.3%	16.7%	11.6%	6.2%	12.9%	6.7%	2.6%
Annual Per Capita Average	\$1,398.28	\$605.78	\$233.43	\$162.48	\$87.26	\$179.78	\$93.75	\$35.81
Percent of Personal Income	24.7%	10.7%	4.1%	2.9%	1.5%	3.2%	1.7%	0.6%

Note: Several categories in this table differ from Tables 23-26. In this table, "all other" payments to personal income are included in part in the column for "interest" and in part in the column for "all other allocated expenditures." "Pay of personnel" is subdivided into two columns in this table.

Table 28

**NUMBER OF STATES WITH SPECIFIED INDEX NUMBERS FOR MAJOR CATEGORIES OF
FEDERAL GOVERNMENT EXPENDITURES IN RELATION TO PERSONAL INCOME,
FISCAL PERIOD 1974-76**

Index Number	All Expendi- tures	Transfer Pay- ments to Persons	Aid to State and Local Govern- ments	Military, Except Personnel	Military Personnel	Civilian Personnel	Interest on Debt	All Other
200.0 and Over	1	0	2	3	8	7	0	7
150.0-199.9	2	0	8	8	9	1	0	8
110.0-149.9	19	17	15	6	13	11	14	8
90.0-109.9	19	23	13	4	1	9	17	6
60.0- 89.9	10	11	13	14	5	16	20	11
Under 60.0	0	0	0	16	15	7	0	11

SOURCE: Table 27. See the note on that table regarding the categories used here.



Table 29

MILITARY PROCUREMENT OUTLAYS IN FISCAL PERIOD 1974-76 AND CONTRACT AWARDS IN FISCAL YEAR 1976, BY REGION AND STATE

Region or State	Outlays During 1974-76: Percent Estimated in this Study		Prime Contracts Awards of \$10,000 or More During Fiscal Year 1976 ^c				
	All Con- tracts ^a	Con- tracts of \$10,000 or More ^b	Net Value of Con- tracts (millions)	Percent of 51-State Total	Largest Procurement Program in Region or State Program	Percent of 51-State Total for this Program	Percent of Regional or State Total for all Con- tracts
51 States	100.0%	100.0%	\$38,949	100.0%	Aircraft ^d	100.0%	24.7%
New England	11.1	12.3	\$ 4,524	11.6	Aircraft	16.3	34.7
Connecticut	5.3	6.0	1,913	4.9	Aircraft	11.8	25.0
Maine	.3	.3	284	.7	Ships	5.9	88.9
Massachusetts	4.6	5.1	1,956	5.0	Missile and space systems	12.4	35.8
New Hampshire	.4	.4	147	.4	Electronics & communications equipment	1.9	62.9
Rhode Island	.3	.3	94	.2	Electronics & communications equipment	.9	47.9
Vermont	.2	.2	129	.3	Weapons	12.8	57.5
Mideast	21.4	19.9	6,962	17.9	Aircraft	15.0	20.7
Delaware	.1	.1	37	.1	Petroleum	.7	36.0
District of Columbia	3.0	1.3	412	1.1	Ships	3.8	10.6
Maryland	2.4	2.3	982	2.5	Electronics & communications equipment	5.6	28.7
New Jersey	2.8	2.9	975	2.5	Electronics & communications equipment	5.5	28.2
New York	8.8	9.7	3,304	8.5	Aircraft	12.3	35.9
Pennsylvania	4.3	3.5	1,252	3.2	Tanks and automotive vehicles ^e	12.6	16.7
Great Lakes	9.7	9.5	3,397	8.7	Tanks and automotive vehicles	64.3	31.4
Illinois	1.6	1.4	474	1.2	Electronics & communications equipment	1.8	18.9
Indiana	2.0	2.2	785	2.0	Aircraft	2.2	26.5
Michigan	2.1	2.2	965	2.5	Tanks and automotive vehicles	42.3	72.7
Ohio	3.3	2.9	921	2.4	Aircraft	3.6	38.1
Wisconsin	.7	.8	251	.6	Ships	1.4	23.8
Plains	7.2	7.7	3,735	9.6	Aircraft	21.4	55.3
Iowa	.4	.5	230	.6	Electronics & communications equipment	1.8	38.8
Kansas	1.0	1.1	307	.8	Aircraft	1.9	58.6
Minnesota	1.2	1.3	691	1.8	Missile and space systems	3.5	28.6
Missouri	3.9	4.3	2,295	5.9	Aircraft	19.4	81.2
Nebraska	.2	.2	44	.1	Electronics & communications equipment	.2	23.5
North Dakota	.4	.3	155	.4	Missile and space systems	2.0	72.2
South Dakota	.1	.0	14	— ^g	Tanks and automotive vehicles	.4	43.0

^aSum of federal government outlays in fiscal years 1974, 1975, and 1976, for military supply contracts (\$66,426 million); research, development, testing, and evaluation contracts (\$29,428 million); and construction contracts (\$4,245 million). The distribution by regions and states is proportionate to a composite distribution derived from data for construction awards for which a location was reported. See text of this report for details.

^bThe distribution is proportionate to a weighted distribution for contracts of \$10,000 or more awarded in each state during the fiscal years 1972-76. See text of this report for details.

^cSupply contracts of \$10,000 or more (including contracts for construction and for research, development, testing, and evaluation) awarded during the fiscal year 1976, net of cancellations. In general, regional and state amounts are based on the location of the plant where the product will be finally processed or assembled, or where the greater part of the work is to be done,

or where management responsibility is centered. State distributions of contract awards do not necessarily measure the total amount of defense work done in a state because (1) the series does not reflect interstate flows that result from subcontracting and (2) some contracts are omitted from the distribution. About half the amount of prime contracts for major hard goods and unknown proportions of the other types of procurement are subcontracted by the prime contractor. Amounts not distributed by state total \$5.7 billion for the fiscal year. These are (a) principally contracts and purchases below \$10,000 each, but include also (b) contracts for which the location is not reported for security reasons, and (c) contracts for the civilian health and medical program of the uniformed services (CHAMPUS). SOURCE: Directorate for Information Operations and Control, Office of the Assistant Secretary of Defense (Comptroller), Department of Defense, *Military Prime Contract Awards by Region and State, Fiscal Years 1974*.

Table 29—continued

MILITARY PROCUREMENT OUTLAYS IN FISCAL PERIOD 1974-76 AND CONTRACT AWARDS IN FISCAL YEAR 1976, BY REGION AND STATE

Region or State	Outlays During 1974-76: Percent Estimated in this Study		Prime Contracts Awards of \$10,000 or More During Fiscal Year 1976 ^c				
	All Con- tracts ^a	Con- tracts of \$10,000 or More ^b	Net Value of Con- tracts (millions)	Percent of 51-State Total	Largest Procurement Program in Region or State		Percent of Regional or State Total for all Con- tracts
					Program	Percent of 51-State Total for this Program	
Southeast	15.7	14.9	5,909	15.2	Ships	40.2	29.1
Alabama	1.2	1.1	418	1.1	Textiles, clothing, equipage	12.4	17.1
Arkansas	.3	.2	77	.2	Construction ^f	1.0	27.3
Florida	2.6	2.6	972	2.5	Missile and space systems	5.0	29.0
Georgia	1.6	1.4	477	1.2	Aircraft	2.2	45.3
Kentucky	.5	.4	188	.5	Construction ^f	3.3	38.3
Louisiana	1.0	.9	303	.8	Petroleum	5.8	35.0
Mississippi	2.2	2.3	935	2.4	Ships	18.6	85.1
North Carolina	1.1	1.1	347	.9	Construction ^f	3.6	22.6
South Carolina	.6	.4	157	.4	Textiles, clothing, equipage	7.9	29.2
Tennessee	1.0	1.1	342	.9	Services	2.2	24.4
Virginia	3.4	3.2	1,608	4.1	Ships	19.2	51.2
West Virginia	.2	.2	85	.2	Construction ^f	1.1	28.1
Southwest	8.7	8.4	3,089	7.9	Aircraft	8.5	26.6
Arizona	1.5	1.5	614	1.6	Missile and space systems	6.3	57.7
New Mexico	.4	.3	125	.3	Services	1.0	29.4
Oklahoma	.8	.6	255	.7	Construction ^f	2.8	24.4
Texas	6.1	6.0	2,095	5.4	Aircraft	9.1	34.1
Rocky Mountain	1.8	1.4	517	1.3	Missile and space systems	3.0	32.8
Colorado	.9	.8	311	.8	Missile and space systems	2.0	36.3
Idaho	.1	—9	17	—9	Construction ^f	.4	50.0
Montana	—9	—9	23	.1	Services	.3	51.4
Utah	.6	.5	145	.4	Missile and space systems	1.0	38.8
Wyoming	.2	.1	21	.1	Petroleum	.7	57.2
Far West	23.4	24.9	10,309	26.5	Missile and space systems	47.0	25.8
California	19.9	21.2	8,949	23.0	Missile and space systems	42.4	26.8
Nevada	.1	.1	19	—9	Construction ^f	.4	45.5
Oregon	.2	.2	52	.1	Ships	.4	32.5
Washington	3.2	3.4	1,289	3.3	Electronics & communications equipment	9.3	35.9
Alaska	.4	.4	145	.4	Services	1.6	41.5
Hawaii	.7	.7	363	.9	Construction ^f	6.7	40.8
Total, 51 States (millions)	\$100,099	\$88,870^h	\$38,949				

1975, 1976 (n.d., 1977?)

^dThe aircraft program comprises airframes and related assemblies and spares, aircraft engines and related spares, and other aircraft equipment and supplies. Each of these subcategories is reported separately in the state tables in the Department of Defense compilation.

^eThe "tank-automotive" program comprises combat vehicles and noncombat vehicles, which are reported separately in the Department of Defense tables for states.

^fAside from construction contracts, the largest program in this state and the applicable percentages were as follows:

	Percent of This Program	Percent of All Con- tracts in State
Arkansas—Textiles, clothing, equipage	2.0%	15.1%

Hawaii—Petroleum 7.8 38.8

Kentucky—"All other" supplies

and equipment 2.4 13.6

Nevada—Services .2 30.8

North Carolina—Electronics and

communication equipment 1.6 22.5

Oklahoma—Petroleum 2.9 21.0

West Virginia—Missile and space

systems .4 24.5

^gLess than 0.05%.

^hEstimated outlays during 1974-76 for contracts of \$10,000 or more using weighted contract awards of the period 1972-76. (On this basis, contracts of \$10,000 or more comprised 86.7% of the net value of all contracts.)

Table 30

**NUMBER OF STATES WITH SPECIFIED PERCENTAGES OF MILITARY
CONTRACT OUTLAYS IN THE FISCAL PERIOD 1974-76 AND CONTRACT AWARDS
IN FISCAL YEAR 1976**

Percentage	Outlays for Procurement Contracts, 1974-76	Net Value of Prime Contract Awards, 1976
6.0% and Over	3	2
3.0%-5.99%	8	7
1.0%-2.99%	15	13
0.5%-0.99%	7	11
Under 0.5%	18	18

SOURCE: Table 29.

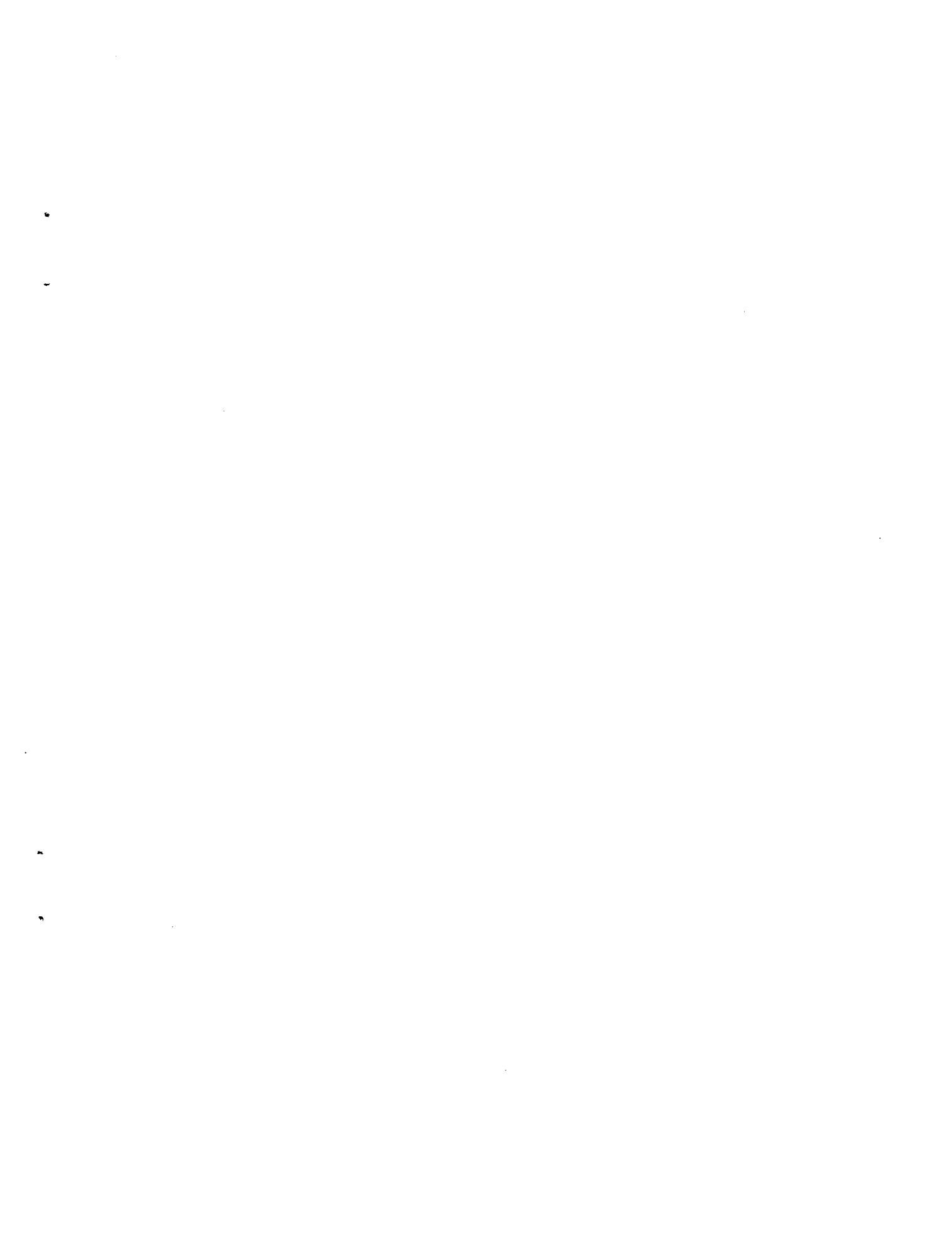


Table 31

**REGIONAL AND STATE DISTRIBUTIONS (PERCENTAGES AND INDEX NUMBERS) OF MAJOR
CATEGORIES OF FEDERAL GOVERNMENT REVENUES BY STATE OF ORIGIN,
FISCAL PERIOD 1969-71**

Region or State	Percentage Distribution ^a			Index Numbers, Relative to Personal Income ^b		
	Employment Taxes			Employment Taxes		
	Individual Income Tax	and Insurance Contributions ^c	Corporate Income Tax	Individual Income Tax	and Insurance Contributions ^c	Corporate Income Tax
51 States	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
New England	6.96	6.21	7.89	109.9	98.1	124.5
Connecticut	2.38	1.79	2.79	128.6	96.7	150.5
Maine	.36	.38	.49	89.4	94.9	120.3
Massachusetts	3.27	2.98	3.55	105.8	96.4	114.9
New Hampshire	.33	.35	.37	99.1	106.0	112.6
Rhode Island	.45	.52	.45	96.9	111.2	96.9
Vermont	.17	.19	.24	88.4	100.6	124.8
Mideast	24.96	24.88	26.10	105.3	105.0	110.1
Delaware	.34	.31	.60	113.9	102.0	201.7
District of Columbia	.44	.80	.57	86.2	156.1	111.6
Maryland	2.36	2.00	1.97	113.1	96.1	94.5
New Jersey	4.50	4.10	4.28	109.4	99.8	103.9
New York	11.34	11.35	12.51	104.0	104.1	114.8
Pennsylvania	5.98	6.32	6.17	103.2	109.0	106.4
Great Lakes	22.33	21.02	19.77	107.3	101.0	95.0
Illinois	7.07	6.05	6.24	112.0	95.9	98.9
Indiana	2.51	2.66	2.15	100.6	106.6	86.2
Michigan	5.03	4.95	4.37	109.1	107.2	94.8
Ohio	5.75	5.23	5.07	107.7	98.0	94.9
Wisconsin	1.97	2.13	1.94	96.2	104.2	94.8
Plains	6.82	7.49	7.08	90.0	98.8	93.4
Iowa	1.14	1.29	1.12	86.9	98.1	85.8
Kansas	.92	.98	.89	85.2	91.0	82.0
Minnesota	1.65	1.82	1.70	91.0	100.6	94.1
Missouri	2.13	2.27	2.27	98.1	104.4	104.4
Nebraska	.61	.66	.69	87.5	94.9	98.2
North Dakota	.18	.24	.20	74.3	99.5	82.5
South Dakota	.19	.23	.21	71.0	86.0	80.5

Southeast	15.74	17.27	16.99	90.1	98.8	97.1
Alabama	1.04	1.34	.97	84.6	109.3	78.9
Arkansas	.52	.69	.56	76.9	101.2	82.5
Florida	3.05	2.61	4.40	99.7	85.1	143.8
Georgia	1.78	1.88	1.71	92.7	97.9	89.4
Kentucky	1.08	1.20	1.08	87.0	96.4	86.6
Louisiana	1.21	1.27	1.17	86.6	90.5	83.3
Mississippi	.47	.70	.58	66.2	99.2	81.7
North Carolina	1.73	2.14	1.94	85.4	105.3	95.6
South Carolina	.76	1.00	.76	80.0	105.6	79.5
Tennessee	1.41	1.73	1.35	92.9	113.9	89.0
Virginia	2.08	1.97	1.90	99.4	94.3	90.6
West Virginia	.61	.74	.57	94.0	113.3	87.5
Southwest	6.76	6.67	6.63	94.3	93.0	92.3
Arizona	.72	.77	.92	91.2	97.8	116.5
New Mexico	.32	.34	.31	80.8	85.6	77.1
Oklahoma	.93	1.00	.92	88.3	94.8	87.0
Texas	4.79	4.56	4.48	97.2	92.4	90.8
Rocky Mountain	1.92	2.16	2.16	87.4	98.8	98.3
Colorado	.96	.89	1.04	91.7	85.4	99.3
Idaho	.22	.34	.28	77.0	119.4	98.1
Montana	.25	.30	.28	85.4	101.7	94.0
Utah	.35	.48	.37	82.3	113.8	87.1
Wyoming	.14	.15	.19	94.8	104.7	131.9
Far West	13.92	13.71	12.96	98.5	97.1	91.7
California	10.84	10.64	10.33	97.2	95.5	92.7
Nevada	.35	.23	.24	125.3	83.7	87.8
Oregon	.95	1.06	.90	97.2	108.4	93.9
Washington	1.78	1.78	1.49	103.0	103.1	86.4
Alaska	.17	.18	.08	100.7	107.5	46.5
Hawaii	.40	.39	.36	96.0	92.2	85.8
51 States:						
Three-Year Total (millions)	\$263,231	\$132,869	\$96,069			
Annual Average Percent of Personal Income				11.37%	5.74%	4.15%

^aFor regional and state percentages of all revenues, see Table 4. This table omits estate and gift taxes, excises, customs duties, and miscellaneous revenues.

^bFor regional and state index numbers for all revenues, see Table 10. As noted above, this table omits certain revenues.

^cCombines taxes and social insurance contributions collected by the Internal Revenue Service and those collected by other agencies.

Table 32

NUMBER OF STATES PROVIDING SPECIFIED PERCENTAGES OF FEDERAL GOVERNMENT REVENUES, BY MAJOR CATEGORIES, FISCAL PERIOD 1969-71

Percentage	All Revenues Allocated ^a	Individual Income Tax	Employment Taxes and Contributions	Corporate Income Tax
5.0% and Over	5	6	5	5
3.0%-4.99%	5	4	3	5
2.0%-2.99%	6	5	7	3
1.0%-1.99%	9	10	13	12
0.8%-0.99%	5	4	3	5
0.6%-0.79%	4	4	5	3
0.4%-0.59%	4	5	2	6
Under 0.4%	13	13	13	12

^aPercentages counted in this column include revenues from estate and gift taxes, excises, customs duties, and miscellaneous revenues, as well as the sources shown separately in the other columns.

SOURCE: Tables 5 and 31.

Table 33

**NUMBER OF STATES WITH SPECIFIED INDEX NUMBERS FOR MAJOR CATEGORIES
OF FEDERAL GOVERNMENT REVENUES PROVIDED IN RELATION TO PERSONAL
INCOME, FISCAL PERIOD 1969-71**

Index Number	All Revenues Allocated^a	Individual Income Tax	Employment Taxes and Insurance Contributions	Corporate Income Tax
200.0 and Over	0	0	0	1
150.0-199.9	0	0	1	1
110.0-149.9	4	5	5	9
90.0-109.9	39	26	40	19
60.0- 89.9	8	20	5	20
Under 60.0	0	0	0	1

^aIndex numbers counted in this column include revenues from estate and gift taxes, excises, customs duties, and miscellaneous revenues, as well as the sources shown separately in the other columns.

SOURCE: Tables 11 and 31.

Table 34

**REGIONAL AND STATE PERCENTAGES OF MAJOR CATEGORIES OF FEDERAL GOVERNMENT
EXPENDITURES, FISCAL PERIOD 1969-71**

Region or State	All Expen- ditures Allocated	Payments to Personal Incomes			Military Contracts	NASA Contracts	Aid to State and Local Govern- ments	Interest on Debt, Other Than to Personal Incomes
		Total	Pay of Personnel (civil and military)	Transfers and All Other				
51 States	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
New England	6.54	5.59	4.38	6.44	9.59	5.54	5.93	6.87
Connecticut	1.98	1.19	.68	1.55	4.54	1.42	1.32	2.46
Maine	.42	.49	.42	.54	.17	.21	.51	.42
Massachusetts	3.07	2.74	2.10	3.20	3.99	3.69	2.93	3.06
New Hampshire	.34	.36	.34	.37	.34	.14	.31	.32
Rhode Island	.53	.63	.75	.55	.35	.03	.52	.39
Vermont	.20	.18	.09	.24	.20	.05	.34	.22
Mideast	22.14	21.85	20.39	22.90	21.62	21.81	21.91	28.43
Delaware	.24	.24	.23	.25	.13	.33	.22	.58
District of Columbia	1.70	1.63	2.82	.80	2.13	1.42	1.74	.73
Maryland	2.98	3.64	6.44	1.67	2.25	4.52	1.57	1.78
New Jersey	3.20	3.29	2.74	3.68	3.15	3.28	2.67	3.84
New York	8.89	7.86	4.66	10.12	9.02	9.09	10.59	15.59
Pennsylvania	5.13	5.19	3.50	6.38	4.94	3.17	5.12	5.91
Great Lakes	14.48	15.02	9.61	18.82	12.52	3.38	14.41	20.55
Illinois	4.11	4.49	3.35	5.29	2.54	.36	4.26	7.13
Indiana	1.98	1.85	1.13	2.36	2.75	.19	1.52	2.24
Michigan	2.90	3.09	1.55	4.16	1.90	.93	3.42	4.24
Ohio	4.05	4.06	2.94	4.85	4.30	1.02	3.70	4.90
Wisconsin	1.44	1.53	.63	2.16	1.03	.88	1.52	2.04
Plains	7.22	7.32	5.72	8.44	7.03	3.04	7.31	7.91
Iowa	.99	1.10	.52	1.51	.60	.23	1.06	1.34
Kansas	1.07	1.21	1.21	1.20	.87	.03	.94	1.12
Minnesota	1.54	1.39	.75	1.84	1.72	1.06	1.80	1.92
Missouri	2.43	2.25	1.97	2.44	3.22	1.68	2.13	2.30
Nebraska	.59	.71	.58	.79	.30	.03	.57	.68
North Dakota	.32	.34	.38	.31	.26	— a	.38	.26
South Dakota	.28	.33	.30	.35	.06	— a	.43	.29

Southeast	20.74	22.54	26.46	19.75	15.51	22.01	22.63	16.39
Alabama	1.68	1.71	2.07	1.46	1.16	4.97	2.19	.95
Arkansas	.72	.81	.55	.99	.30	.01	1.15	.46
Florida	3.55	3.89	3.37	4.25	2.69	10.81	2.18	4.43
Georgia	2.37	2.34	3.25	1.70	2.81	.13	2.39	1.59
Kentucky	1.30	1.54	1.57	1.52	.29	.02	2.01	1.28
Louisiana	1.49	1.35	1.24	1.42	1.18	4.60	2.25	1.34
Mississippi	1.02	.92	.87	.94	1.04	.17	1.73	.54
North Carolina	1.93	2.14	2.54	1.86	1.41	.08	2.19	1.60
South Carolina	1.07	1.31	1.79	.98	.53	.01	1.20	.58
Tennessee	1.52	1.56	1.36	1.69	1.27	.07	2.06	1.14
Virginia	3.39	4.23	7.53	1.90	2.62	1.12	1.94	1.71
West Virginia	.70	.74	.32	1.04	.21	.02	1.34	.77
Southwest	9.06	8.58	10.72	7.10	11.44	9.15	8.35	6.32
Arizona	.94	.98	1.13	.88	.91	.48	.94	.74
New Mexico	.57	.60	.84	.44	.33	.35	.92	.27
Oklahoma	1.32	1.52	1.90	1.26	.64	.05	1.70	1.17
Texas	6.23	5.48	6.85	4.52	9.56	8.27	4.79	4.14
Rocky Mountain	2.57	2.81	3.67	2.21	1.49	2.45	3.24	2.25
Colorado	1.20	1.32	1.87	.94	.76	2.36	1.24	1.00
Idaho	.26	.31	.28	.33	.05	— ^a	.40	.26
Montana	.33	.36	.37	.36	.10	— ^a	.57	.37
Utah	.60	.65	.96	.42	.52	.08	.68	.31
Wyoming	.18	.17	.19	.16	.06	.01	.35	.32
Far West	16.25	15.10	16.68	13.98	20.10	32.48	15.21	10.67
California	13.31	11.75	13.21	10.72	18.12	32.03	11.96	8.53
Nevada	.23	.28	.36	.21	.08	.02	.30	.23
Oregon	.82	.94	.65	1.15	.28	.02	1.26	.68
Washington	1.89	2.13	2.46	1.90	1.62	.41	1.69	1.23
Alaska	.41	.44	.94	.09	.33	.02	.52	.32
Hawaii	.60	.74	1.42	.27	.39	.12	.48	.29
51 States:								
Three-Year Total (millions)	\$524,775	\$306,008	\$126,365	\$179,643	\$110,556	\$9,173	\$72,731	\$26,306
Percent in Each Category	100.0%	58.3%	24.1%	34.2%	21.1%	1.7%	13.9%	5.0%

^aLess than .005%.

Table 35

NUMBER OF STATES WITH SPECIFIED PERCENTAGES OF FEDERAL GOVERNMENT EXPENDITURES, BY MAJOR CATEGORIES, FISCAL PERIOD 1969-71

Percentage	All Expenditures Allocated	Federal Payments to Personal Incomes			Military Contracts	NASA Contracts	Aid to State and Local Governments	Interest, Other Than to Personal Incomes
		Total	Pay of Personnel	Transfers and All Other				
5.0% and Over	4	4	4	4	3	4	3	4
3.0%-4.99%	6	7	5	6	6	6	4	6
2.0%-2.99%	4	5	7	3	7	1	10	4
1.0%-1.99%	16	14	12	16	9	6	16	13
0.8%-0.99%	3	4	4	6	2	2	3	1
0.6%-0.79%	4	6	5	1	3	0	1	5
0.4%-0.59%	5	2	4	4	2	2	8	5
Under 0.4%	9	9	10	11	19	30	6	13

SOURCE: Tables 5 and 34.



Table 36

**INDEX NUMBERS FOR MAJOR CATEGORIES OF FEDERAL GOVERNMENT EXPENDITURES IN
RELATION TO PERSONAL INCOME IN EACH REGION OR STATE, FISCAL PERIOD 1969-71**

Region or State	All Expenditures Allocated^a	Pay of Personnel (civil and military)	Transfers and Other Payments to Personal Incomes	Military Contracts	Aid to State and Local Governments
51 States	100.0	100.0	100.0	100.0	100.0
New England	103.1	69.1	101.7	151.3	93.6
Connecticut	107.0	36.5	83.9	245.2	71.5
Maine	103.1	104.2	133.3	41.9	126.6
Massachusetts	99.1	68.0	103.4	129.2	94.8
New Hampshire	102.2	103.1	110.6	100.9	93.2
Rhode Island	115.0	160.6	118.8	75.4	111.2
Vermont	105.7	46.7	122.6	103.4	178.0
Mideast	93.4	86.0	96.6	91.1	92.4
Delaware	78.0	77.9	84.2	42.1	73.0
District of Columbia	333.0	551.7	80.3	416.4	340.7
Maryland	142.7	308.7	156.8	107.7	75.3
New Jersey	77.5	66.6	89.4	76.6	65.0
New York	81.5	42.8	92.8	82.7	96.7
Pennsylvania	88.6	60.4	110.1	85.3	88.4
Great Lakes	69.6	46.2	90.5	60.2	69.3
Illinois	65.2	53.1	83.9	40.3	67.5
Indiana	79.3	45.4	94.4	110.3	60.8
Michigan	63.0	33.7	90.3	41.2	74.1
Ohio	75.8	55.0	90.8	80.6	69.3
Wisconsin	70.0	30.9	105.7	50.4	74.2
Plains	95.2	75.5	111.4	92.7	96.4
Iowa	75.3	39.8	115.5	45.6	80.7
Kansas	99.6	112.2	111.5	80.7	86.8
Minnesota	84.6	41.6	101.5	94.8	99.1
Missouri	111.9	90.8	112.3	148.5	98.3
Nebraska	84.6	83.8	113.5	43.2	82.1
North Dakota	130.8	156.5	126.9	108.6	157.2
South Dakota	103.5	111.7	130.7	20.4	161.0

Southeast	118.7	151.4	113.0	88.7	129.5
Alabama	136.6	168.4	111.6	94.3	177.8
Arkansas	105.7	81.2	145.6	44.5	170.2
Florida	115.9	110.2	138.8	87.9	71.3
Georgia	123.4	169.1	88.3	146.3	124.7
Kentucky	104.8	126.6	119.6	23.1	162.1
Louisiana	106.6	89.0	101.7	84.1	160.7
Mississippi	143.6	123.0	118.8	146.0	243.6
North Carolina	95.2	125.2	92.0	69.4	107.7
South Carolina	112.8	188.2	103.5	55.4	126.4
Tennessee	100.0	89.9	122.7	84.0	135.6
Virginia	161.7	359.9	90.7	125.1	92.4
West Virginia	107.0	48.6	159.2	32.0	205.4
Southwest	126.2	149.4	98.9	159.5	116.5
Arizona	118.5	142.8	110.7	115.2	119.4
New Mexico	143.2	212.9	110.4	83.0	231.4
Oklahoma	124.7	179.8	119.2	60.6	161.1
Texas	126.0	138.9	91.7	193.9	97.2
Rocky Mountain	116.7	167.1	100.7	67.6	147.3
Colorado	114.1	178.5	90.3	72.9	118.6
Idaho	90.8	99.7	114.8	17.5	139.2
Montana	112.3	125.2	122.9	32.8	195.0
Utah	140.1	226.7	99.0	122.3	159.5
Wyoming	119.4	127.6	108.1	37.5	236.0
Far West	115.0	118.1	98.9	142.3	107.7
California	119.4	118.6	96.2	162.6	107.3
Nevada	82.8	130.2	75.9	30.1	108.5
Oregon	83.7	66.8	117.4	28.9	129.4
Washington	108.0	142.0	109.6	93.9	97.5
Alaska	240.1	545.7	50.2	190.9	305.6
Hawaii	142.3	338.1	63.4	92.5	114.3
51 States:					
Three-Year Total (millions)	\$524.775 ^a	\$126.364	\$179.643	\$110.556	\$72.731
Annual Average Percent of Personal Income	22.7% ^a	5.5%	7.8%	4.8%	3.1%

^aTotal includes NASA contracts and interest on debt (other than to personal incomes). These are not shown separately in this table.

Table 37

NUMBER OF STATES WITH SPECIFIED INDEX NUMBERS FOR MAJOR CATEGORIES OF FEDERAL GOVERNMENT EXPENDITURES IN RELATION TO PERSONAL INCOME, FISCAL PERIOD 1969-71

Index Number	All Expenditures Allocated ^a	Pay of Personnel (civil and military)	Transfers and Other Payments to Personal Incomes	Military Contracts	Aid to State and Local Governments
200.0 and Over	2	7	0	2	6
150.0-199.9	1	7	3	3	10
110.0-149.9	19	13	22	8	10
90.0-109.9	15	4	17	8	11
60.0- 89.9	14	9	8	13	14
Under 60.0	0	11	1	17	0

^aIndex numbers counted in this column include payments for NASA contracts and interest on debt (other than to personal incomes). These are not shown separately in this table.

SOURCE: Tables 11 and 36.



Table 38

**RANK ORDER OF STATE RATIOS OF ESTIMATED FEDERAL GOVERNMENT EXPENDITURES
IN EACH STATE TO ESTIMATED FEDERAL REVENUES FROM RESIDENTS OF THE STATE,
SELECTED FISCAL PERIODS, 1952-76**

Rank Order	1974-76		1969-61		1965-67		1959-61		1952 ^a	
1	D.C.	3.23	D.C.	2.99	Alaska	4.54	Alaska	7.53	N.M.	2.99
2	Alaska	1.82	Alaska	2.76	Hawaii	2.27	Hawaii	2.75	S.C.	2.30
3	Miss.	1.65	Miss.	1.73	D.C.	2.16	D.C.	2.04	Miss.	2.16
4	Hawaii	1.56	Va.	1.68	N.D.	2.04	Va.	1.97	Ark.	2.15
5	N.M.	1.47	N.M.	1.67	Va.	1.73	N.M.	1.75	Tenn.	2.15
6	Va.	1.46	Utah	1.53	Miss.	1.68	S.C.	1.67	Ala.	2.03
7	S.D.	1.33	Hawaii	1.53	N.M.	1.68	Miss.	1.64	Kan.	1.73
8	N.D.	1.32	N.D.	1.51	S.D.	1.67	Kan.	1.62	Utah	1.67
9	Ala.	1.31	Ala.	1.49	S.C.	1.58	S.D.	1.60	Wash.	1.58
10	Md.	1.31	Md.	1.39	Mont.	1.53	Wash.	1.53	Va.	1.57
11	Utah	1.28	Okla.	1.35	Ala.	1.52	Md.	1.51	N.D.	1.56
12	Okla.	1.23	Texas	1.31	Ga.	1.52	Ala.	1.41	Okla.	1.56
13	S.C.	1.22	Ga.	1.29	Wyo.	1.50	Ga.	1.41	Ky.	1.55
14	W.Va.	1.21	S.D.	1.26	Kan.	1.44	Okla.	1.39	Idaho	1.55
15	Wash.	1.20	S.C.	1.25	Okla.	1.36	Maine	1.37	S.D.	1.52
16	Maine	1.19	Colo.	1.24	Texas	1.35	Ky.	1.34	La.	1.50
17	Ark.	1.19	Calif.	1.24	Md.	1.34	R.I.	1.33	Ga.	1.41
18	Ariz.	1.18	Ark.	1.20	La.	1.33	Wyo.	1.33	Ariz.	1.39
19	Ky.	1.17	La.	1.19	Ariz.	1.33	Ark.	1.30	Wyo.	1.35
20	Mont.	1.17	Ariz.	1.19	Colo.	1.33	Utah	1.30	Ind.	1.34
21	Vt.	1.16	Mont.	1.18	Ky.	1.32	N.D.	1.29	Texas	1.34
22	Calif.	1.15	R.I.	1.14	Utah	1.32	Colo.	1.26	Minn.	1.26
23	Mo.	1.12	Kan.	1.14	Calif.	1.32	N.H.	1.24	W.Va.	1.15
24	Ga.	1.08	Ky.	1.14	Ark.	1.29	Ariz.	1.22	Neb.	1.12
25	R.I.	1.07 ^b	Mo.	1.10 ^b	Neb.	1.26	Mont.	1.20	D.C.	1.10 ^b

26	La.	1.07 ^b	Wyo.	1.10 ^b	Wash.	1.24 ^b	N.C.	1.19 ^b	Md.	1.09
27	Colo.	1.05	Wash.	1.10	N.C.	1.21	Texas	1.17	N.C.	1.07
28	Mass.	1.04	Fla.	1.09	R.I.	1.17	Calif.	1.14	Calif.	1.06
29	Idaho	1.03	W.Va.	1.09	Fla.	1.15	Mass.	1.13	Iowa	1.05
30	N.C.	1.00	Maine	1.04	Idaho	1.15	Neb.	1.09	Mont.	1.04
31	Wyo.	1.00	Vt.	1.02	Maine	1.14	Idaho	1.07	Mo.	1.01
32	Tenn.	.98	Tenn.	1.01	Tenn.	1.12	Tenn.	1.03	Colo.	.98
33	Texas	.96	N.C.	.99	Vt.	1.11	Fla.	1.00	Maine	.96
34	Fla.	.96	N.H.	.97	Mo.	1.09	La.	.95	Oregon	.96
35	Kan.	.96	Idaho	.96	W.Va.	1.02	Nevada	.95	Ohio	.95
36	Pa.	.95	Mass.	.95	Iowa	1.00	Vt.	.94	N.J.	.90
37	N.Y.	.93	Neb.	.91	Minn.	.93	Mo.	.92	Mich.	.87
38	Conn.	.92	Minn.	.89	Conn.	.92	W.Va.	.90	Conn.	.86
39	Neb.	.91	Conn.	.88	Mass.	.90	N.J.	.87	Pa.	.86
40	Oregon	.91	Pa.	.85	Nevada	.86	Ind.	.85	Wis.	.85
41	N.H.	.90	Oregon	.84	N.H.	.83	Conn.	.83	Fla.	.82
42	Minn.	.87	Iowa	.83	Oregon	.80	Iowa	.81	Nevada	.77
43	Nevada	.85	Ind.	.81	Ind.	.75	Ohio	.79	Mass.	.74
44	Iowa	.81	N.Y.	.78	N.J.	.71	Oregon	.77	Vt.	.74
45	N.J.	.79	N.J.	.75	Pa.	.71	Pa.	.75	Ill.	.69
46	Wis.	.76	Ohio	.75	Ohio	.70	Ill.	.75	R.I.	.68
47	Mich.	.76	Nevada	.75	Wis.	.67	Minn.	.74	N.H.	.64
48	Ohio	.76	Wis.	.71	N.Y.	.62	N.Y.	.70	N.Y.	.61
49	Ind.	.74	Ill.	.63	Ill.	.59	Wis.	.69	Del.	.53
50	Del.	.71	Mich.	.61	Mich.	.58	Mich.	.65	—	
51	Ill.	.70	Del.	.60	Del.	.54	Del.	.56	—	

^aOmits Alaska and Hawaii (which were territories in 1952).

^bMedian ratio.

SOURCE: Table 1.

Table 39

**RANK ORDER OF STATE PERCENTAGES OF TOTAL FEDERAL GOVERNMENT EXPENDITURES
ALLOCATED BY RESIDENCE OF RECIPIENT OR LOCATION OF ACTIVITY,
SELECTED FISCAL PERIODS, 1952-76**

Rank Order	1974-76		1969-71		1965-67		1959-61		1952 ^a	
1	Calif.	12.17%	Calif.	13.31%	Calif.	14.45%	Calif.	12.22%	N.Y.	9.66%
2	N.Y.	8.74	N.Y.	8.89	N.Y.	7.60	N.Y.	9.19	Calif.	9.56
3	Texas	5.38	Texas	6.23	Texas	6.08	Texas	5.32	Pa.	6.28
4	Pa.	5.24	Pa.	5.13	Pa.	4.36	Ill.	5.09	Ohio	5.51
5	Ill.	4.26	Ill.	4.11	Ill.	4.04	Pa.	4.99	Texas	5.41
6	Fla.	4.12	Ohio	4.05	Ohio	3.82	Ohio	4.40	Ill.	5.21
7	Ohio	3.90	Fla.	3.55	Va.	3.44	Mass.	3.74	Mich.	4.00
8	Mich.	3.36	Va.	3.39	Fla.	3.38	N.J.	3.62	N.J.	3.62
9	Va.	3.34	N.J.	3.20	N.J.	3.03	Va.	3.24	Mass.	3.03
10	N.J.	3.16	Mass.	3.07	Mass.	2.85	Mich.	2.93	Ind.	2.87
11	Mass.	2.94	Md.	2.98	Md.	2.82	Md.	2.79	Mo.	2.56
12	Md.	2.81	Mich.	2.90	Mich.	2.76	Fla.	2.68	Wash.	2.48
13	Mo.	2.39	Mo.	2.43	Mo.	2.56	Wash.	2.45	Va.	2.38
14	Ga.	2.18	Ga.	2.37	Ga.	2.56	Mo.	2.18	Tenn.	2.36
15	N.C.	2.09	Conn.	1.98	N.C.	2.14	Ga.	2.01	Minn.	2.12
16	Wash.	2.06	Ind.	1.98	Conn.	1.95	Ind.	2.00	Md.	2.03
17	Ind.	1.85	N.C.	1.93	Wash.	1.87	N.C.	1.87	Conn.	1.92
18	Conn.	1.74	Wash.	1.89	Ind.	1.84	Conn.	1.67	Wis.	1.74
19	Ala.	1.70	D.C.	1.70	Ala.	1.67	Kansas	1.64	Ga.	1.73
20	Tenn.	1.66	Ala.	1.68	La.	1.63	Ala.	1.51	Ky.	1.70
21	D.C.	1.55	Minn.	1.54	Tenn.	1.58	Wis.	1.46	La.	1.70
22	Wis.	1.55	Tenn.	1.52	Minn.	1.56	Ky.	1.46	Ala.	1.65
23	Minn.	1.50	La.	1.49	Ky.	1.45	D.C.	1.45	Kansas	1.62
24	La.	1.50	Wis.	1.44	Kansas	1.40	Okla.	1.36	N.C.	1.51
25	Ky.	1.48	Okla.	1.32	D.C.	1.38	Tenn.	1.32	Fla.	1.46 ^b

26	Okla.	1.34 ^b	Ky.	1.30 ^b	Wis.	1.35 ^b	Minn.	1.27 ^b	Okla.	1.40
27	Colo.	1.28	Colo.	1.20	Okla.	1.35	La.	1.25	S.C.	1.38
28	S.C.	1.22	Kansas	1.07	Colo.	1.26	Colo.	1.21	Iowa	1.29
29	Miss.	1.19	S.C.	1.07	Iowa	1.23	S.C.	1.17	D.C.	1.17
30	Ariz.	1.15	Miss.	1.02	S.C.	1.23	Iowa	1.04	Oregon	.96
31	Kansas	1.03	Iowa	.99	Miss.	.96	Miss.	.87	Ark.	.95
32	Iowa	1.00	Ariz.	.94	Ariz.	.93	Hawaii	.85	W.Va.	.90
33	Oregon	.96	Oregon	.82	Neb.	.83	Ariz.	.79	Colo.	.89
34	Ark.	.86	Ark.	.72	Oregon	.78	Neb.	.75	Miss.	.88
35	W.Va.	.81	W.Va.	.70	Ark.	.75	Oregon	.75	N.M.	.85
36	Hawaii	.67	Utah	.60	Hawaii	.75	Alaska	.72	Neb.	.77
37	Neb.	.63	Hawaii	.60	W.Va.	.66	Ark.	.70	Ariz.	.56
38	N.M.	.63	Neb.	.59	N.M.	.64	N.M.	.70	Maine	.50
39	Utah	.59	N.M.	.57	Alaska	.59	R.I.	.65	Utah	.48
40	Maine	.50	R.I.	.53	R.I.	.56	W.Va.	.64	R.I.	.46
41	R.I.	.46	Maine	.42	Utah	.54	Maine	.59	Idaho	.37
42	Alaska	.40	Alaska	.41	Maine	.49	Utah	.52	N.D.	.36
43	N.H.	.35	N.H.	.34	N.D.	.47	N.H.	.42	S.D.	.36
44	Mont.	.35	Mont.	.33	Mont.	.46	Mont.	.42	Mont.	.35
45	N.D.	.33	N.D.	.32	S.D.	.40	S.D.	.40	Del.	.27
46	Idaho	.33	S.D.	.28	Idaho	.31	Idaho	.32	Wyo.	.23
47	S.D.	.32	Idaho	.26	N.H.	.30	N.D.	.31	N.H.	.22
48	Nevada	.28	Del.	.24	Del.	.27	Del.	.27	Vt.	.15
49	Del.	.24	Nevada	.23	Wyo.	.24	Wyo.	.24	Nevada	.14
50	Vt.	.22	Vt.	.20	Nevada	.24	Nevada	.21	—	—
51	Wyo.	.19	Wyo.	.18	Vt.	.21	Vt.	.17	—	—

^aOmits Alaska and Hawaii (which were territories in 1952).

^bMedian percentage.

SOURCE: Table 3.

Table 40

RANK ORDER OF STATE PERCENTAGES OF TOTAL FEDERAL GOVERNMENT REVENUES FROM RESIDENTS OF EACH STATE, SELECTED FISCAL PERIODS, 1952-76

Rank Order	1974-76		1969-71		1965-67		1959-61		1952 ^a	
1	Calif.	10.58%	N.Y.	11.37%	N.Y.	12.18%	N.Y.	13.05%	N.Y.	15.85%
2	N.Y.	9.37	Calif.	10.77	Calif.	10.92	Calif.	10.72	Calif.	9.00
3	Ill.	6.11	Ill.	6.53	Ill.	6.81	Ill.	6.81	Ill.	7.56
4	Texas	5.60	Pa.	6.01	Pa.	6.12	Pa.	6.68	Pa.	7.28
5	Pa.	5.54	Ohio	5.41	Ohio	5.44	Ohio	5.61	Ohio	5.81
6	Ohio	5.14	Mich.	4.79	Mich.	4.80	Texas	4.53	Mich.	4.59
7	Mich.	4.42	Texas	4.76	Texas	4.50	Mich.	4.50	Mass.	4.10
8	Fla.	4.31	N.J.	4.26	N.J.	4.25	N.J.	4.15	Texas	4.04
9	N.J.	4.02	Fla.	3.26	Mass.	3.16	Mass.	3.32	N.J.	4.00
10	Mass.	2.82	Mass.	3.21	Fla.	2.95	Fla.	2.68	Mo.	2.54
11	Ind.	2.49	Ind.	2.46	Ind.	2.44	Mo.	2.37	Conn.	2.23
12	Va.	2.28	Conn.	2.24	Mo.	2.35	Ind.	2.36	Ind.	2.15
13	Md.	2.15	Mo.	2.21	Conn.	2.11	Wis.	2.12	Wis.	2.05
14	Mo.	2.14	Md.	2.15	Md.	2.10	Conn.	2.01	Md.	1.86
15	N.C.	2.10	Wis.	2.02	Wis.	2.01	Md.	1.85	Fla.	1.77
16	Wis.	2.03	Va.	2.02	Va.	1.99	Va.	1.75	Minn.	1.69
17	Ga.	2.01	N.C.	1.95	N.C.	1.77	Minn.	1.71	Wash.	1.57
18	Conn.	1.90	Ga.	1.83	Ga.	1.69	Wash.	1.60	Va.	1.52
19	Minn.	1.72	Minn.	1.72	Minn.	1.67	N.C.	1.57	N.C.	1.41
20	Wash.	1.72	Wash.	1.71	Wash.	1.51	Ga.	1.43	Ga.	1.23
21	Tenn.	1.70	Tenn.	1.50	Tenn.	1.41	La.	1.32	Iowa	1.22
22	La.	1.40	La.	1.26	Iowa	1.23	Iowa	1.28	La.	1.13
23	Ala.	1.30	Iowa	1.19	La.	1.23	Tenn.	1.28	Ky.	1.10
24	Ky.	1.26	Ky.	1.14	Ala.	1.10	Ky.	1.09	Tenn.	1.10
25	Iowa	1.24	Ala.	1.13	Ky.	1.10	Ala.	1.07	D.C.	1.07 ^b

26	Colo.	1.22 ^b	Okla.	.98 ^b	Okla.	.99 ^b	Kansas	1.02 ^b	Oregon	1.00
27	Okla.	1.09	Colo.	.97	Kansas	.97	Okla.	.98	Kansas	.94
28	Kansas	1.07	Oregon	.97	Oregon	.97	Oregon	.97	Colo.	.90
29	Oregon	1.06	Kansas	.94	Colo.	.95	Colo.	.96	Okla.	.89
30	S.C.	1.00	S.C.	.86	S.C.	.78	D.C.	.71	Ala.	.82
31	Ariz.	.98	Ariz.	.79	Ariz.	.70	W.Va.	.71	W.Va.	.78
32	Ark.	.72	Neb.	.65	Neb.	.66	S.C.	.70	Neb.	.69
33	Miss.	.72	W.Va.	.64	D.C.	.65	Neb.	.69	R.I.	.68
34	Neb.	.69	Ark.	.60	W.Va.	.65	Ariz.	.65	S.C.	.60
35	W.Va.	.67	Miss.	.59	Ark.	.58	Ark.	.54	Maine	.52
36	D.C.	.48	D.C.	.57	Miss.	.57	Miss.	.54	Del.	.52
37	Utah	.46	R.I.	.47	Del.	.50	R.I.	.49	Ark.	.44
38	R.I.	.43	Maine	.40	R.I.	.48	Del.	.48	Miss.	.41
39	N.M.	.43	Del.	.39	Maine	.43	Maine	.44	Ariz.	.41
40	Hawaii	.43	Utah	.39	Utah	.41	N.M.	.40	N.H.	.34
41	Maine	.42	Hawaii	.39	N.M.	.38	Utah	.40	Mont.	.34
42	N.H.	.39	N.H.	.35	N.H.	.36	Mont.	.35	Utah	.29
43	Del.	.34	N.M.	.34	Hawaii	.33	N.H.	.34	N.M.	.28
44	Nevada	.33	Nevada	.31	Mont.	.30	Idaho	.30	S.D.	.24
45	Idaho	.32	Mont.	.28	Nevada	.28	Hawaii	.30	Idaho	.24
46	Mont.	.30	Idaho	.27	Idaho	.27	S.D.	.25	N.D.	.23
47	N.D.	.25	S.D.	.22	S.D.	.24	N.D.	.24	Vt.	.21
48	S.D.	.24	N.D.	.21	N.D.	.23	Nevada	.22	Nevada	.19
49	Alaska	.22	Vt.	.20	Vt.	.19	Vt.	.18	Wyo.	.17
50	Vt.	.19	Wyo.	.16	Wyo.	.16	Wyo.	.18	—	
51	Wyo.	.19	Alaska	.15	Alaska	.13	Alaska	.10	—	

^aOmits Alaska and Hawaii (which were territories in 1952).

^bMedian percentage.

SOURCE Table 4.

Table 41

**RANK ORDER OF STATE INDEX NUMBERS FOR FEDERAL GOVERNMENT EXPENDITURES
PER CAPITA, SELECTED FISCAL PERIODS, 1952-76**

Rank Order	1974-76		1969-71		1965-67		1959-61		1952 ^a	
1	D.C.	459.6	D.C.	455.0	Alaska	435.4	Alaska	576.3	D.C.	221
2	Alaska	240.3	Alaska	279.8	D.C.	334.6	D.C.	339.1	N.M.	181
3	Hawaii	164.8	Hawaii	159.1	Hawaii	201.3	Hawaii	238.3	Wash.	157
4	Md.	145.5	Md.	154.7	Md.	153.9	Md.	161.8	Conn.	143
5	Va.	143.3	Va.	148.2	Calif.	151.4	Va.	154.3	Calif.	131
6	Wash.	123.7	Calif.	136.0	Va.	150.4	Wash.	153.9	Kansas	128
7	Calif.	122.8	Conn.	132.9	Wyo.	142.7	Calif.	140.1	Md.	126
8	Conn.	119.6	R.I.	115.0	N.D.	141.7	Kansas	135.5	Del.	125
9	N.M.	118.5	Utah	113.9	Conn.	132.7	R.I.	135.3	Nevada	125
10	Ariz.	112.1	N.M.	113.7	Mont.	127.7	Nevada	133.5	Wyo.	116
11	N.D.	110.9	Wash.	113.4	Colo.	125.9	Wyo.	133.0	N.J.	111
12	Wyo.	110.6	Texas	113.3	N.M.	124.6	N.M.	132.9	Tenn.	111
13	Miss.	107.9	Colo.	110.4	R.I.	122.2	Mass.	130.2	Minn.	109
14	Colo.	107.8	Mass.	109.4	Wash.	120.4	Colo.	124.3	Ind.	108
15	Mass.	107.3	Ariz.	107.8	Kansas	120.3	N.H.	121.9	Va.	106
16	Fla.	106.7	Wyo.	107.8	Ariz.	113.7	Conn.	118.4	Ohio	104
17	Mo.	106.1	Fla.	106.6	Ga.	113.1	Mont.	111.1	Ariz.	104
18	Okla.	105.1	Mo.	105.7	Fla.	112.7	Maine	110.7	S.D.	103
19	Utah	104.8	Ga.	104.9	S.D.	112.6	Ariz.	108.5	Texas	103
20	R.I.	104.3	Okla.	104.6	Texas	111.3	N.J.	107.0	Utah	103
21	Nevada	102.7	N.D.	103.6	Neb.	110.9	Del.	106.1	N.Y.	100
22	N.Y.	102.6	N.Y.	99.1	Mo.	110.1	Utah	105.0	Mass.	99
23	S.D.	101.4	Ala.	98.7	Nevada	110.1	Okla.	104.4	Mo.	99
24	Maine	101.1	Kansas	97.2	Okla.	106.5	S.D.	102.8	S.C.	99
25	Ala.	100.3	Nevada	96.8	Utah	104.0	Texas	99.5	Colo.	98 ^b

26	Mont.	99.2 ^b	Mont.	95.4 ^b	Mass.	103.6 ^b	N.Y.	98.2 ^b	Idaho	97
27	Vt.	97.9	N.H.	94.2	Del.	102.1	Fla.	97.8	Okla.	96
28	W.Va.	96.1	Vt.	93.3	Vt.	98.5	Neb.	95.4	La.	95
29	Kansas	96.0	Miss.	93.3	Maine	98.1	Ga.	91.2	Oregon	94
30	Ga.	94.1	N.J.	90.8	S.C.	93.6	Ill.	90.3	Mich.	93
31	Texas	94.1	Pa.	88.2	Ala.	92.9	Mo.	90.3	N.D.	93
32	Pa.	93.8	Del.	87.2	Ky.	88.7	N.D.	89.0	Pa.	92
33	Ky.	93.0	Maine	84.7	La.	88.5	S.C.	88.3	Mont.	92
34	S.C.	92.3	S.D.	84.1	Idaho	87.7	Ky.	85.9	Ill.	90
35	N.H.	92.0	S.C.	84.0	Iowa	87.1	Idaho	84.8	Ky.	90
36	N.J.	91.5	La.	83.2	N.H.	86.6	Ala.	82.9	R.I.	89
37	Oregon	90.0	Minn.	82.2	N.J.	86.2	Ohio	81.1	Neb.	88
38	Del.	89.3	Ky.	81.9	Minn.	85.2	Vt.	79.1	Maine	86
39	Idaho	87.5	W.Va.	81.0	N.C.	84.4	Pa.	78.9	Ala.	83
40	Ark.	87.2	Neb.	80.4	N.Y.	81.6	Ind.	76.9	Ark.	78
41	Neb.	86.3	Oregon	79.7	Miss.	80.2	Oregon	75.9	Wis.	77
42	Tenn.	84.5	Tenn.	78.6	Tenn.	79.7	N.C.	73.7	Ga.	77
43	La.	84.1	Ind.	77.6	Oregon	78.4	Miss.	71.7	Iowa	76
44	N.C.	82.1	N.C.	77.3	Ark.	75.1	Ark.	70.4	Fla.	74
45	Minn.	81.2	Ohio	77.2	Ill.	73.4	La.	69.1	W.Va.	70
46	Ill.	80.8	Ark.	75.8	Pa.	73.3	Iowa	67.3	Vt.	64
47	Mich.	78.3	Ill.	75.0	Ind.	72.7	Mich.	67.1	N.H.	63
48	Ohio	77.1	Idaho	73.9	Ohio	72.2	Minn.	66.6	Miss.	63
49	Iowa	74.5	Iowa	70.9	W.Va.	71.1	Wis.	66.2	N.C.	56
50	Ind.	74.0	Mich.	66.5	Mich.	64.1	Tenn.	66.2	—	
51	Wis.	71.9	Wis.	66.2	Wis.	63.2	W.Va.	61.6	—	

^aOmits Alaska and Hawaii (which were territories in 1952).

^bMedian index number. (Index number for national total is 100.0. Arithmetic mean of index numbers is 109.8 for 1974-76, 108.0 for 1969-71, 114.9 for 1965-67, 116.7 for 1959-61, and 102 for 1952.)

SOURCE: Table 6.

Table 42

**RANK ORDER OF STATE INDEX NUMBERS FOR FEDERAL GOVERNMENT REVENUES PER CAPITA
FROM RESIDENTS OF EACH STATE, SELECTED FISCAL PERIODS, 1952-76**

Rank Order	1974-76		1969-71		1965-67		1959-61		1952 ^a	
1	D.C.	143.3	D.C.	152.4	Del.	190.6	Del.	194.1	Del.	238
2	Alaska	131.2	Conn.	150.4	D.C.	156.4	D.C.	166.2	D.C.	201
3	Conn.	130.6	Del.	143.5	Conn.	144.0	Conn.	142.5	Conn.	167
4	Del.	126.3	Nevada	128.7	N.Y.	130.8	N.Y.	139.5	N.Y.	163
5	Nevada	121.6	N.Y.	126.6	Nevada	127.1	Nevada	136.2	Nevada	163
6	N.J.	116.3	N.J.	120.8	Ill.	123.8	N.J.	122.9	Mass.	134
7	Ill.	116.0	Ill.	119.4	N.J.	121.0	Calif.	122.7	R.I.	131
8	Fla.	111.7	Mass.	114.5	Mass.	114.7	Ill.	121.0	Ill.	131
9	Md.	111.1	Md.	111.8	Md.	114.7	Mass.	115.6	N.J.	123
10	N.Y.	110.0	Calif.	110.1	Calif.	114.4	Md.	106.9	Calif.	123
11	Wyo.	107.2	Mich.	109.8	Mich.	111.4	Pa.	105.5	Md.	116
12	Hawaii	106.8	Alaska	104.4	R.I.	104.5	Ohio	103.4	Ohio	110
13	Calif.	106.7	Pa.	103.2	N.H.	103.0	R.I.	103.0	Pa.	107
14	Wash.	103.4	Ohio	103.1	Pa.	103.0	Mich.	103.0	Mich.	107
15	Mass.	103.0	Wash.	102.9	Ohio	120.9	Wash.	100.4	Colo.	100
16	Mich.	103.0	Hawaii	102.6	Mo.	100.8	N.H.	100.2	Wash.	100
17	Colo.	102.8	R.I.	100.6	Fla.	98.4	Wyo.	98.6	N.H.	99
18	N.H.	102.2	N.H.	98.7	Wash.	97.7	Mo.	98.2	Mo.	98
19	Ohio	101.6	Fla.	98.1	Wyo.	97.4	Colo.	98.2	Oregon	98
20	Kansas	100.0	Wyo.	97.4	Oregon	96.8	Oregon	98.2	Wis.	91
21	Oregon	99.5	Ind.	96.3	Ind.	96.6	Fla.	97.6	Fla.	91
22	Ind.	99.4	Mo.	96.2	Colo.	95.1	Wis.	96.2	Maine	90
23	Pa.	99.1	Oregon	94.9	Wis.	94.4	Mont.	92.3	Mont.	88
24	Texas	97.9	Wis.	92.7	Alaska	93.3	Ind.	90.9	Vt.	87 ^b
25	Va.	97.8	Minn.	92.0	Vt.	92.4	Ariz.	90.1	Minn.	87 ^b

26	R.I.	97.2 ^b	Ariz.	90.8 ^b	Minn.	91.6 ^b	Minn.	89.9 ^b	Wyo.	86
27	Ariz.	95.4	Vt.	90.0	Hawaii	90.1	Neb.	87.0	Ind.	81
28	Mo.	95.3	Colo.	89.8	Neb.	88.7	Hawaii	86.6	Neb.	79
29	Neb.	95.2	Neb.	89.0	Iowa	87.0	Texas	84.8	Texas	77
30	Wis.	94.2	Va.	88.5	Va.	87.0	Kansas	83.6	Ariz.	75
31	Minn.	93.4	Texas	86.6	Ariz.	85.9	Iowa	83.4	Kansas	74
32	Iowa	92.1	Iowa	85.6	Maine	84.5	Vt.	82.8	Iowa	72
33	Mont.	87.2	Kansas	85.4	Kansas	83.8	Maine	81.2	Va.	67
34	Ga.	87.0	Maine	81.6	Mont.	83.5	Idaho	80.8	La.	64
35	Tenn.	86.6	Ga.	80.9	Texas	82.4	Utah	80.8	Idaho	63
36	Okla.	85.8	Mont.	80.7	Utah	79.3	Va.	79.0	Okla.	62
37	N.D.	84.7	N.C.	78.0	Okla.	77.8	Alaska	76.8	Utah	62
38	Vt.	84.6	Okla.	77.7	Idaho	75.5	N.M.	76.1	W.Va.	61
39	Idaho	83.4	Tenn.	77.2	Ga.	74.3	Okla.	75.7	N.M.	61
40	N.C.	82.6	Idaho	76.9	N.M.	74.0	La.	72.5	N.D.	60
41	Maine	81.4	Utah	74.8	Tenn.	71.3	N.D.	69.0	Ky.	58
42	Utah	81.4	W.Va.	74.0	W.Va.	70.3	W.Va.	67.8	S.D.	56
43	N.M.	80.1	Ky.	71.8	N.C.	69.8	S.D.	66.2	Ga.	54
44	W.Va.	79.7	La.	70.0	N.D.	68.0	Ga.	65.0	N.C.	52
45	Ky.	79.0	S.C.	67.0	S.D.	67.8	Ky.	64.4	Tenn.	52
46	La.	78.4	N.D.	68.3	Ky.	67.4	Tenn.	64.4	S.C.	43
47	Ala.	76.7	N.M.	68.3	La.	66.9	N.C.	61.9	Ala.	41
48	S.D.	75.6	Ala.	66.2	Ala.	61.5	Ala.	58.5	Ark.	37
49	S.C.	75.6	S.D.	65.6	S.C.	59.0	Ark.	53.6	Miss.	29
50	Ark.	72.9	Ark.	63.2	Ark.	57.7	S.C.	52.8	—	
51	Miss.	65.2	Miss.	53.8	Miss.	48.0	Miss.	44.1	—	

^aOmits Alaska and Hawaii (which were territories in 1952).

^bMedian index number. (Index number for national total is 100.0. Arithmetic mean of index numbers is 96.8 for 1974-76, 93.6 for 1969-71, 93.7 for 1965-67, 92.8 for 1959-61, and 92 for 1952.)

SOURCE: Table 7.

Table 43

**RANK ORDER OF STATE INDEX NUMBERS FOR FEDERAL GOVERNMENT EXPENDITURES
IN RELATION TO PERSONAL INCOME IN EACH STATE,
SELECTED FISCAL PERIODS, 1952-76**

Rank Order	1974-76		1969-71		1965-67		1959-61		1952 ^a	
1	D.C.	367.7	D.C.	333.0	Alaska	373.5	Alaska	477.8	N.M.	228.8
2	Alaska	164.9	Alaska	240.1	D.C.	249.5	D.C.	251.0	Tenn.	165.6
3	Miss.	154.6	Va.	161.7	Hawaii	194.6	Hawaii	241.4	D.C.	157.2
4	Hawaii	146.7	Miss.	143.6	N.D.	175.7	Va.	186.2	S.C.	149.4
5	N.M.	145.8	N.M.	143.2	Va.	170.8	N.M.	161.4	Wash.	142.3
6	Va.	145.6	Md.	142.7	N.M.	154.5	Md.	150.5	Ark.	138.3
7	Md.	134.2	Hawaii	142.3	Wyo.	153.4	Wash.	147.6	Ala.	135.9
8	Ala.	127.6	Utah	140.1	Mont.	145.2	Kansas	144.8	Kansas	128.6
9	Utah	126.7	Ala.	136.6	Ga.	142.6	S.C.	142.4	Ky.	127.7
10	Maine	122.4	N.D.	130.8	S.D.	142.1	Miss.	136.2	La.	127.2
11	Ariz.	120.9	Texas	126.0	Md.	140.9	R.I.	134.8	Va.	125.6
12	Okla.	118.2	Okla.	124.7	S.C.	137.5	S.D.	132.9	Miss.	124.3
13	Wash.	117.7	Ga.	123.4	Miss.	135.2	N.H.	132.4	N.D.	124.2
14	Vt.	116.0	Wyo.	119.4	Ala.	133.5	Maine	131.0	Okla.	123.4
15	W.Va.	116.0	Calif.	119.4	Ariz.	131.8	Wyo.	128.1	Md.	117.4
16	S.D.	115.8	Ariz.	118.5	Texas	129.8	Ga.	126.7	Minn.	117.2
17	S.C.	115.3	Fla.	115.9	Calif.	128.5	Ala.	125.7	Utah	115.4
18	Mo.	113.8	R.I.	115.0	Okla.	128.2	Okla.	125.2	Texas	114.2
19	Ark.	112.6	Colo.	114.1	Colo.	127.8	Ky.	122.4	Ariz.	112.2
20	Ky.	112.2	S.C.	112.8	Fla.	127.4	Utah	121.4	Conn.	111.2
21	Calif.	110.6	Mont.	112.3	Kansas	124.9	Ariz.	121.0	Idaho	109.1
22	Fla.	110.2	Mo.	111.9	Utah	122.1	Mont.	120.5	Wyo.	106.9
23	Ga.	108.2	Wash.	108.8	R.I.	119.2	Colo.	120.0	S.D.	105.8
24	Mont.	108.1	Conn.	107.0	Ky.	118.4	N.D.	117.1	Ga.	105.6
25	R.I.	106.9	W.Va.	107.0	Maine	117.6	Ark.	117.1	Ind.	105.2 ^b

26	Wyo.	106.8 ^b	La.	106.6 ^b	Neb.	116.7 ^b	Mass.	115.2 ^b	Maine	104.7
27	Colo.	106.6	Vt.	105.7	La.	115.7	Texas	113.8	Mo.	104.4
28	N.D.	105.9	Ark.	105.7	Mo.	115.1	Calif.	113.8	Calif.	104.2
29	Mass.	103.6	Ky.	104.8	Vt.	114.2	Fla.	108.6	W.Va.	97.2
30	La.	102.9	S.D.	103.5	Wash.	112.6	Nevada	106.2	Colo.	96.4
31	Conn.	102.6	Maine	103.1	N.C.	111.8	N.C.	105.7	Neb.	94.7
32	Tenn.	101.3	N.H.	102.2	Ark.	111.4	Idaho	102.9	Del.	94.2
33	Texas	99.7	Tenn.	100.0	Tenn.	106.9	Neb.	101.4	Ohio	93.4
34	N.H.	98.8	Kansas	99.6	Conn.	106.7	Vt.	94.8	Mass.	93.2
35	Idaho	97.6	Mass.	99.1	Idaho	103.9	Tenn.	94.8	Nevada	91.4
36	N.C.	96.6	N.C.	95.2	W.Va.	96.6	La.	93.8	Pa.	90.3
37	Kansas	94.4	Idaho	90.8	Mass.	93.2	Conn.	91.9	N.J.	89.6
38	Pa.	94.0	Pa.	88.6	Nevada	92.1	Mo.	91.0	Fla.	88.5
39	Oregon	92.3	Minn.	84.6	N.H.	91.7	N.J.	89.0	Oregon	87.6
40	N.Y.	92.2	Neb.	84.6	Iowa	88.3	W.Va.	81.0	Mont.	86.3
41	Nevada	91.2	Oregon	83.7	Minn.	87.8	Ind.	79.0	R.I.	85.7
42	Neb.	87.8	Nevada	82.8	Del.	84.9	N.Y.	78.1	Vt.	82.9
43	Minn.	81.8	N.Y.	81.5	Oregon	79.1	Del.	77.6	Mich.	82.9
44	Del.	80.2	Ind.	79.3	N.J.	73.6	Pa.	77.1	N.C.	82.6
45	N.J.	79.0	Del.	78.0	Pa.	73.2	Ohio	77.1	N.Y.	82.3
46	Ohio	77.4	N.J.	77.5	Ind.	70.4	Ill.	76.2	Iowa	79.5
47	Ind.	76.5	Ohio	75.8	Ohio	70.2	Oregon	74.8	Wis.	76.4
48	Wis.	75.4	Iowa	75.3	N.Y.	68.5	Iowa	73.3	Ill.	75.0
49	Mich.	74.7	Wis.	70.0	Wis.	63.4	Minn.	71.9	N.H.	70.7
50	Iowa	74.7	Ill.	65.2	Ill.	61.6	Wis.	67.6	—	
51	Ill.	70.5	Mich.	63.0	Mich.	58.4	Mich.	64.8	—	

^aOmits Alaska and Hawaii (which were territories in 1952).

^bMedian index number. Index number for national total is 100.0. Arithmetic mean of index numbers is 112.0 for 1974-76, 112.9 for 1969-71, 121.4 for 1965-67, 122.3 for 1959-61, and 113.3 for 1952.

SOURCE: Table 9.

Table 44

**RANK ORDER OF STATE INDEX NUMBERS FOR FEDERAL GOVERNMENT REVENUES
IN RELATION TO PERSONAL INCOME IN EACH STATE,
SELECTED FISCAL PERIODS, 1952-76**

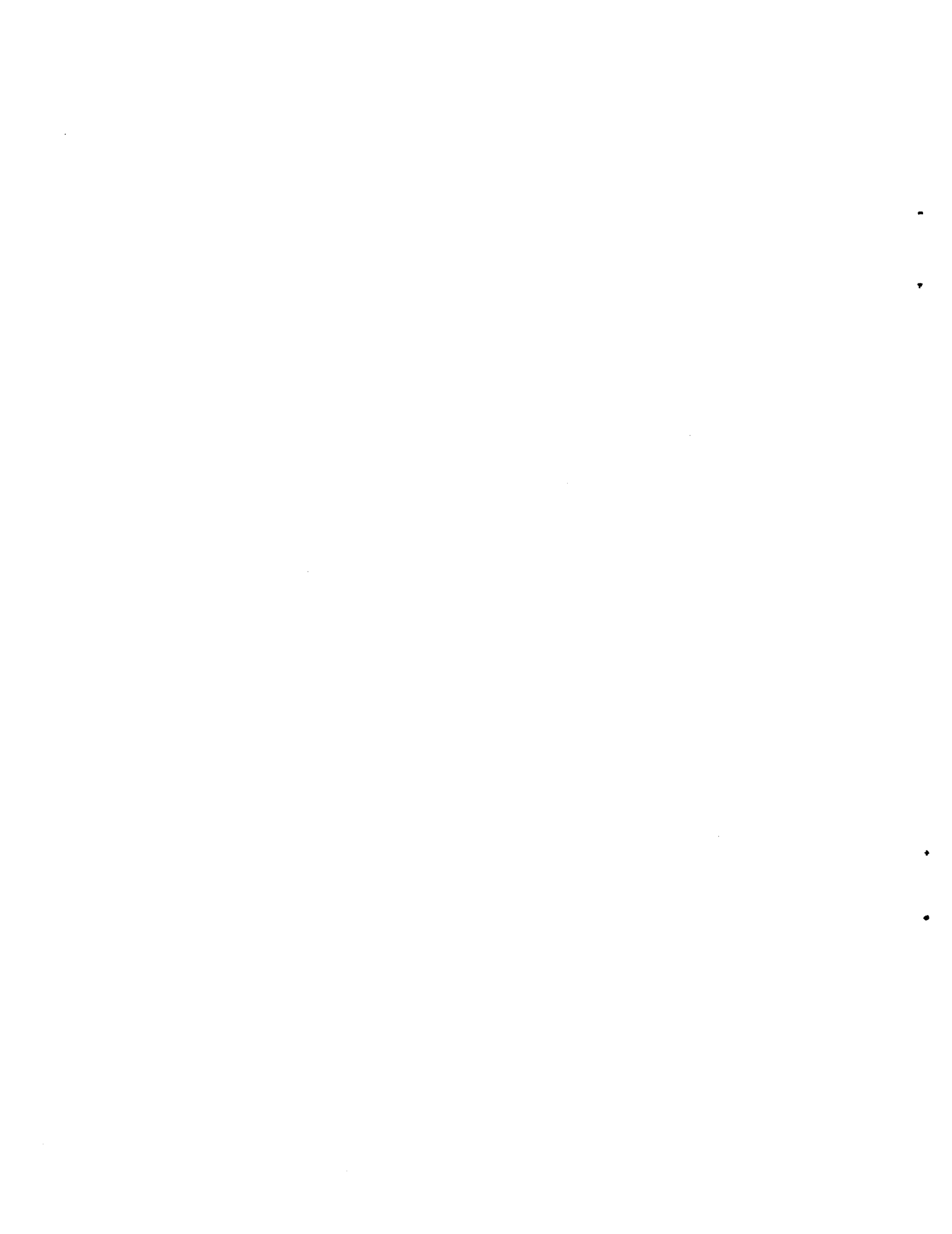
Rank Order	1974-76		1969-71		1965-67		1959-61		1952 ^a	
1	Fla.	115.4	Del.	128.7	Del.	158.2	Del.	141.7	Del.	179.4
2	D.C.	114.6	Conn.	121.2	D.C.	116.3	D.C.	122.8	D.C.	142.9
3	Del.	113.4	D.C.	111.7	Conn.	115.5	N.Y.	111.0	N.Y.	135.1
4	Conn.	112.0	Nevada	110.5	Fla.	110.9	Conn.	110.1	Conn.	129.1
5	N.H.	109.8	Wyo.	108.0	N.Y.	109.6	N.H.	108.8	Mass.	126.0
6	Nevada	107.8	N.H.	107.4	N.H.	108.8	Fla.	107.9	R.I.	125.8
7	Tenn.	103.9	Fla.	106.6	Vt.	106.7	Nevada	107.9	Nevada	118.8
8	Texas	103.7	N.Y.	104.3	Nevada	106.3	Pa.	103.1	Vt.	111.3
9	Wyo.	103.5	Mich.	103.9	Mo.	105.4	R.I.	102.2	N.H.	109.5
10	Ariz.	102.9	Mass.	103.8	Md.	105.0	N.J.	102.2	Maine	109.1
11	Ind.	102.7	N.J.	103.6	Wyo.	104.2	Mass.	101.8	Ill.	108.9
12	Md.	102.5	Pa.	103.6	Ill.	103.8	Ill.	101.8	Md.	107.7
13	Mo.	102.2	Ill.	103.5	Mass.	102.9	Ariz.	100.4	Fla.	107.5
14	Oregon	102.0	Md.	103.3	N.J.	102.9	Mont.	99.6	Pa.	104.7
15	Ohio	101.9	Vt.	102.2	Pa.	102.5	Calif.	99.6	Mo.	103.5
16	Colo.	101.7	Mo.	101.9	R.I.	101.7	Vt.	99.1	N.J.	99.1
17	Maine	101.6	Ohio	101.3	Maine	101.3	Md.	99.1	Ohio	98.6
18	Ill.	101.2	R.I.	100.7	Mich.	101.3	Mich.	99.1	Colo.	98.4
19	N.J.	100.4	Ariz.	100.1	Ohio	100.0	Ohio	98.2	Calif.	98.1
20	Vt.	100.2	Oregon	99.8	Ariz.	99.6	Wis.	98.2	Mich.	95.1
21	Ga.	100.0	Maine	99.5	Va.	98.7	Mo.	98.2	Minn.	93.3
22	R.I.	99.5	Wash.	98.8	Oregon	97.5	La.	98.2	Oregon	91.1
23	Mass.	99.3	Ind.	98.6	Calif.	97.1	Idaho	97.8	Wash.	90.1
24	Pa.	99.3	Tenn.	98.6	Colo.	96.2	Minn.	96.9	Wis.	89.8
25	Va.	99.3	Wis.	98.4	Texas	95.8	Texas	96.5 ^b	Texas	85.3 ^b

26	N.Y.	98.8 ^b	W.Va.	98.1 ^b	Mont.	95.6 ^b	Oregon	96.5 ^b	Neb.	85.0
27	Wis.	98.7	Va.	96.6	Tenn.	95.4	Wash.	96.0	La.	84.8
28	N.M.	98.5	Texas	96.6	W.Va.	95.4	Maine	95.6	W.Va.	84.5
29	Mich.	98.3	Calif.	96.6	Wis.	94.6	Va.	95.2	Mont.	82.7
30	Wash.	98.3	N.C.	96.1	Minn.	94.1	Colo.	94.7	Ky.	82.4
31	Kansas	98.2	Ga.	95.2	Ga.	93.7	Wyo.	94.7	Ariz.	80.7
32	Utah	98.2	Mont.	95.1	Okla.	93.7	Ind.	93.0	Va.	80.0
33	Ala.	97.6	Minn.	94.9	Ind.	93.3	Utah	93.0	N.D.	79.6
34	N.C.	97.2	Idaho	94.7	Neb.	93.3	Neb.	92.5	Okla.	79.0
35	Neb.	96.9	Neb.	93.7	Utah	92.9	N.M.	92.1	Wyo.	78.9
36	Okla.	96.5	Colo.	93.1	N.C.	92.0	Ky.	91.7	Ind.	78.7
37	W.Va.	96.2	Okla.	92.7	N.M.	91.6	Tenn.	91.7	N.C.	77.4
38	Calif.	96.1	Ky.	92.1	Wash.	91.2	Iowa	90.8	Tenn.	77.2
39	La.	96.0	Utah	92.1	Ky.	90.0	N.D.	90.4	N.M.	76.5
40	Ky.	95.4	Ala.	91.8	Idaho	89.1	Okla.	90.3	Iowa	75.5
41	Hawaii	95.1	Hawaii	91.8	Ala.	88.3	Ga.	89.9	Ga.	75.1
42	Mont.	94.9	Iowa	90.9	Iowa	87.9	Kansas	89.0	Kansas	74.3
43	S.C.	94.5	S.C.	90.1	La.	87.4	Ark.	89.0	Idaho	70.2
44	Minn.	94.2	La.	89.8	Hawaii	87.0	W.Va.	89.0	S.D.	69.8
45	Ark.	94.2	Alaska	89.8	Kansas	86.6	Ala.	88.6	Utah	69.1
46	Miss.	93.4	Ark.	88.3	S.C.	86.6	N.C.	88.6	Ala.	67.0
47	Idaho	93.1	Kansas	87.4	S.D.	85.4	Hawaii	87.3	S.C.	64.8
48	Iowa	92.3	N.D.	86.4	Ark.	85.4	S.D.	85.5	Ark.	64.4
49	Alaska	90.0	N.M.	86.3	N.D.	84.1	S.C.	85.1	Miss.	57.7
50	S.D.	86.4	Miss.	83.0	Miss.	80.8	Miss.	83.8	—	
51	N.D.	80.9	S.D.	80.9	Alaska	79.9	Alaska	63.6	—	

^aOmits Alaska and Hawaii (which were territories in 1952).

^bMedian index numbers. Index number for national total is 100.0. Arithmetic mean of index numbers is 99.4 for 1974-76, 98.1 for 1969-71, 97.7 for 1965-67, 96.9 for 1959-61, and 93.3 for 1952.

SOURCE: Table 10.



Derivation of Index Numbers

EXPENDITURES AND REVENUES PER CAPITA

Table A-1 supplies comparative estimates of resident population in the states and regions over the period 1950-76 and identifies sources of the data. The table shows also for each state or region its percentage of total population in the 51 states at each reported date and its rank order in 1975 and 1950.

The mid-point of the three fiscal years 1974-76 was January 1, 1975, and the population estimates for that date were used in calculating federal expenditures and revenues per capita. For earlier fiscal periods, contemporaneous population estimates were used for the calculations. Those estimates appear in *Table A-3* for 1969-71, 1965-67, and 1959-61. Estimates for 1952 are omitted for reasons specified in the source note.

EXPENDITURES AND REVENUES IN RELATION TO PERSONAL INCOME

Table A-2 reports comparative personal income estimates over the period 1950-1976 and notes the sources of these statistics.

For four calendar years, 1973-76, the table reports aggregate personal income as estimated by the Bureau of Economic Analysis by place of employment and by place of resi-

dence. The table shows also for each region and state the average amount of income per capita of the resident population and translates these per capita amounts into index numbers for which the 51-state average is 100. The index number for any state or region measures the degree to which its income per capita exceeded or fell short of the 51-state average.

For periods earlier than 1973-76, *Table A-2* shows the nationwide average amount per capita and index numbers based on that average. The amounts per capita are for income by place of residence, averaged over the resident population. For years after 1959 they include estimates of the effects of interstate commuting patterns developed from the 1970 census of population. Data for 1950 apparently were not adjusted for interstate commuting patterns.¹

Rank-order standings in 1973-76 and in 1950 are shown in *Table A-2*.

Index numbers relating federal expenditures and revenues to personal incomes were derived by dividing average yearly expenditures or revenues for a fiscal period by average annual income in the relevant calendar year or years and expressing the result as an index number based on the 51-state average of 100. The 1973-76 estimates in *Table A-2* were used in deriving such index numbers for the fiscal years 1974-76. For the fiscal periods 1969-71, 1965-67, and 1959-61, similar index number calculations were based on contemporaneous estimates of personal income. These estimates are reported in *Table A-3*. For 1952, the calculations were based on revised personal income estimates supplied by the Bureau of Economic Analysis in 1972. These also appear in *Table A-3*.

¹*Survey of Current Business, op. cit.*, August 1973, p. 39. This source includes (at pp. 42 and 43) data for 1952 as well as 1950 and notes that estimates for 1951 appear in *Survey of Current Business, ibid.*, April 1969, pp. 22 and 26.

PERSONAL INCOME BY PLACE OF WORK AND PLACE OF RESIDENCE

Total personal income by place of work and place of residence is shown in the first two columns of *Table A-2* for the four calendar years 1973-76. The differences between the two series are primarily for income received as dividends, interest, rent, and transfer payments, and for deductions for personal contributions for social insurance. Total income shown for the place of work is the total for labor and proprietors income.

Reconciliation of the four-year amounts is illustrated below for the United States total and the state of California (amounts in millions):

	United States	California
Total labor and proprietors income by place of work	\$3,729,868	\$410,763
Less: Personal contributions for social insurance by place of work	<u>194,292</u>	<u>22,499</u>
Net labor and proprietors income by place of work	3,535,576	388,264
Plus: Residence adjustment	<u>-1,079^a</u>	<u>298</u>
Net labor and proprietors income by place of residence	3,534,497	388,562
Plus: Dividends, interest, and rent	648,493	70,312
Plus: transfer payments	629,377	71,741
Rounding adjustment	<u>0</u>	<u>-3</u>
Personal income by place of residence	4,812,367	530,612

^aAdjustment for income of U.S. residents working across U.S. borders less income of foreign residents working in the U.S.

SOURCE: *Survey of Current Business, op. cit.*, August 1977, pp. 18 and 30.



Table A-1

RESIDENT POPULATION OF REGIONS AND STATES, SELECTED DATES, 1950-76

Region or State	Population (in thousands)					Percentage of Total				Rank Order, Highest to Lowest	
	1976,	1975,	1970,	1960,	1950,	1975, January 1	1970	1960	1950	1975	1950
	July 1	January 1	April 1 Census	April 1 Census	April 1 Census						
51 States	214,659	212,206	203,305	179,323	151,326	100.000	100.00	100.00	100.00	—	—
New England	12,221	12,167	11,848	10,509	9,315	5.734	5.83	5.86	6.15	7 ^a	7 ^a
Connecticut	3,117	3,093	3,032	2,535	2,007	1.458	1.49	1.41	1.33	24	28
Maine	1,070	1,054	994	969	914	.496	.49	.54	.60	38	35
Massachusetts	5,809	5,806	5,689	5,149	4,691	2.736	2.80	2.87	3.10	10	9
New Hampshire	822	810	738	607	533	.382	.36	.34	.35	41	45
Rhode Island	927	934	950	859	792	.440	.47	.48	.52	39	37
Vermont	476	470	445	390	378	.221	.22	.22	.25	49	47
Mideast	42,710	42,665	42,442	38,479	33,626	20.105	20.88	21.46	22.23	2 ^a	2 ^a
Delaware	582	578	548	446	318	.272	.27	.25	.21	48	48
District of Columbia	702	716	757	764	802	.338	.37	.43	.53	44	36
Maryland	4,144	4,106	3,924	3,101	2,343	1.935	1.93	1.73	1.55	18	24
New Jersey	7,336	7,327	7,171	6,067	4,835	3.453	3.53	3.38	3.20	9	8
New York	18,084	18,088	18,241	16,782	14,830	8.524	8.97	9.36	9.80	2	1
Pennsylvania	11,862	11,850	11,801	11,319	10,498	5.584	5.80	6.31	6.94	4	3
Great Lakes	40,934	40,923	40,266	36,224	30,400	19.285	19.81	20.20	20.09	3 ^a	3 ^a
Illinois	11,229	11,178	11,113	10,081	8,712	5.268	5.47	5.62	5.76	5	4
Indiana	5,302	5,313	5,196	4,662	3,934	2.504	2.56	2.60	2.60	12	12
Michigan	9,104	9,114	8,882	7,823	6,372	4.295	4.37	4.36	4.21	7	7
Ohio	10,690	10,740	10,657	9,706	7,947	5.061	5.24	5.41	5.25	6	5
Wisconsin	4,609	4,578	4,418	3,952	3,435	2.157	2.17	2.20	2.27	16	14
Plains	16,805	16,674	16,327	15,395	14,062	7.858	8.03	8.58	9.29	6 ^a	5 ^a
Iowa	2,870	2,859	2,825	2,758	2,621	1.347	1.39	1.54	1.73	25	22
Kansas	2,310	2,273	2,249	2,179	1,905	1.071	1.11	1.22	1.26	30	31
Minnesota	3,965	3,913	3,806	3,414	2,982	1.844	1.87	1.90	1.97	19	18
Missouri	4,778	4,770	4,678	4,320	3,955	2.248	2.30	2.41	2.61	15	11
Nebraska	1,553	1,542	1,485	1,411	1,326	.727	.73	.79	.88	35	33
North Dakota	643	636	618	632	620	.300	.30	.35	.41	46	42
South Dakota	686	681	666	681	653	.321	.33	.38	.43	45	41

Southeast	48,172	47,371	43,825	38,754	33,792	22.323	21.55	21.62	22.32	1 ^a	1 ^a
Alabama	3,665	3,595	3,444	3,267	3,062	1.694	1.69	1.82	2.02	21	17
Arkansas	2,109	2,089	1,923	1,786	1,910	.984	.95	1.00	1.26	33	30
Florida	8,421	8,188	6,791	4,952	2,771	3.859	3.34	2.76	1.83	8	20
Georgia	4,970	4,904	4,588	3,943	3,445	2.311	2.26	2.20	2.28	14	13
Kentucky	3,428	3,370	3,221	3,038	2,945	1.588	1.58	1.69	1.95	23	19
Louisiana	3,841	3,784	3,645	3,257	2,684	1.783	1.79	1.82	1.77	20	21
Mississippi	2,354	2,338	2,217	2,178	2,179	1.102	1.09	1.22	1.44	29	26
North Carolina	5,469	5,408	5,084	4,556	4,062	2.548	2.50	2.54	2.68	11	10
South Carolina	2,848	2,796	2,591	2,383	2,117	1.317	1.27	1.33	1.40	26	27
Tennessee	4,214	4,161	3,926	3,567	3,292	1.961	1.93	1.99	2.17	17	16
Virginia	5,032	4,946	4,651	3,967	3,319	2.331	2.29	2.21	2.19	13	15
West Virginia	1,821	1,792	1,744	1,860	2,006	.844	.86	1.04	1.33	34	29
Southwest	18,691	18,143	16,551	14,161	11,375	8.550	8.14	7.90	7.52	5 ^a	6 ^a
Arizona	2,270	2,186	1,775	1,302	750	1.030	.87	.73	.50	32	38
New Mexico	1,168	1,132	1,017	951	681	.533	.50	.53	.45	37	40
Oklahoma	2,766	2,698	2,560	2,328	2,233	1.271	1.26	1.30	1.48	27	25
Texas	12,487	12,127	11,199	9,580	7,711	5.715	5.51	5.34	5.09	3	6
Rocky Mountain	5,785	5,634	5,008	4,317	3,485	2.655	2.46	2.41	2.31	8 ^a	8 ^a
Colorado	2,583	2,528	2,210	1,754	1,325	1.191	1.09	.98	.88	28	34
Idaho	831	804	713	667	589	.379	.35	.37	.39	42	44
Montana	753	742	694	675	591	.350	.34	.38	.39	43	43
Utah	1,228	1,191	1,059	891	689	.561	.52	.50	.46	36	39
Wyoming	390	369	332	330	291	.174	.16	.18	.19	50	49
Far West	28,071	27,415	25,965	20,624	14,646	12.919	12.77	11.50	9.68	4 ^a	4 ^a
California	21,520	21,037	19,971	15,717	10,586	9.913	9.82	8.76	7.00	1	2
Nevada	610	582	489	285	160	.274	.24	.16	.11	47	50
Oregon	2,329	2,270	2,092	1,769	1,521	1.069	1.03	.99	1.00	31	32
Washington	3,612	3,526	3,413	2,853	2,379	1.662	1.68	1.59	1.57	22	23
Alaska	382	353	303	226	129	.166	.15	.13	.08	51	51
Hawaii	887	861	770	633	500	.406	.38	.35	.33	40	46

^aRegional rank order.

SOURCE: 1976 and 1970 from U.S. Department of Commerce, Bureau of the Census, *Population Estimates and Projections*, series P-25, no. 642, Washington, DC, U.S. Government Printing Office, December 1976, p. 3. The 1970 figures include officially recognized changes in census counts through November 1976. Estimates for January 1, 1975 (mid-point of fiscal years 1974-1976), are arithmetic means of Census Bureau estimates for July 1, 1974, and July 1, 1975. The July 1 estimates for 1975 are from series P-25, no. 642, cited above. Those for 1974 are from U.S. Department of Commerce, Bureau of the Census, *Current Population Reports, Population Characteristics*, series P-20, no. 292, Washington, DC, U.S. Government Printing Office, March 1976, p. 25. Census data for 1960 and 1950 are from Bureau of the Census, *Statistical Abstract of the United States*, 1972, Washington, DC, U.S. Government Printing Office, 1972, p. 12.

Table A-2

PERSONAL INCOMES IN REGIONS AND STATES, SELECTED PERIODS, 1950-76

Region or State	Four Calendar Years, 1973-76			Index of Average Annual Amount Per Capita (Average of 50 States and D.C. Equals 100.0)						
	Total Personal Income (millions)		Average Annual Amount Per Capita,	Four Years 1973-76,				Rank Order, Highest to Lowest		
	By Place of Work	By Place of Residence	By Place of Residence	Place of Residence	Calendar 1970	Calendar 1965-67	Calendar 1960	Calendar 1950	1973-76 1950	
51 States	\$3,729,868	\$4,812,367	\$5,665	\$5,665	\$3,966	\$2,862	\$2,222	\$1,496	—	—
Index Number	—	—	—	100.0	100.0	100.0	100.0	100.0	—	—
New England	211,313	284,777	5,845	103.2	108.4	109.5	109.6	107.0	4 ^a	4 ^a
Connecticut	59,671	81,789	6,603	116.6	124.0	124.3	127.7	125.3	3	5
Maine	14,750	19,740	4,677	82.6	83.3	83.4	83.8	79.3	45	38
Massachusetts	103,110	136,371	5,871	103.6	109.4	111.2	110.8	109.2	15	13
New Hampshire	11,876	17,086	5,272	93.1	94.2	94.4	96.1	88.4	32	31
Rhode Island	15,119	20,793	5,530	97.6	99.8	102.6	99.8	107.3	25	17
Vermont	6,788	8,998	4,780	84.4	87.4	86.3	83.1	74.9	40	41
Mideast	816,487	1,052,947	6,164	108.8	112.7	112.9	115.8	117.4	2 ^a	2 ^a
Delaware	11,909	14,586	6,305	111.3	114.1	120.1	125.3	142.5	9	3
District of Columbia	33,467	20,287	7,080	125.0	128.1	134.1	134.2	148.5	2	2
Maryland	71,451	100,929	6,140	108.4	108.6	109.2	105.4	107.1	11	18
New Jersey	135,790	192,383	6,562	115.8	118.5	117.2	122.7	122.6	4	8
New York	355,856	456,818	6,305	111.3	118.8	119.1	123.3	125.2	8	6
Pennsylvania	208,017	267,945	5,651	99.8	100.1	100.2	102.1	103.0	20	19
Great Lakes	765,153	964,711	5,896	104.1	104.3	108.6	107.7	111.4	3 ^a	3 ^a
Illinois	228,243	290,965	6,499	114.7	113.6	119.2	119.1	122.0	5	9
Indiana	93,730	116,286	5,478	96.7	95.1	103.3	98.0	101.1	28	20
Michigan	172,567	216,079	5,935	104.8	105.4	109.7	106.1	113.7	13	10
Ohio	193,956	242,369	5,649	99.7	101.4	102.9	105.5	108.3	21	15
Wisconsin	76,656	99,012	5,407	95.4	96.1	99.8	98.5	98.7	29	24
Plains	285,574	369,398	5,530	97.6	94.6	95.2	92.5	95.5	5 ^a	6 ^a
Iowa	48,565	64,717	5,652	99.8	94.6	98.6	89.2	99.3	19	23
Kansas	37,744	52,651	5,767	101.8	97.2	96.3	97.2	96.5	17	25
Minnesota	69,952	88,170	5,620	99.2	97.3	97.0	93.4	94.3	22	27
Missouri	80,963	100,840	5,284	93.3	95.3	95.6	95.0	95.7	31	26
Nebraska	26,395	34,363	5,568	98.3	95.5	95.0	95.0	99.6	24	21
North Dakota	11,845	15,127	5,934	104.7	77.8	80.7	76.7	84.4	14	35
South Dakota	10,111	13,530	4,959	87.5	78.7	79.3	80.3	83.0	37	36

Southeast	13	924,314	4,879	86.1	82.1	76.7	73.3	68.3	8 ^a	8 ^a
Alabama	50,048	64,179	4,452	78.6	74.3	69.6	68.4	58.8	49	49
Arkansas	27,136	36,536	4,386	77.4	72.6	67.3	62.6	55.1	50	50
Florida	123,554	178,810	5,482	96.8	94.3	88.5	87.6	85.6	27	34
Georgia	78,009	96,623	4,926	87.0	84.6	79.3	74.3	69.1	38	45
Kentucky	48,888	63,405	4,694	82.9	78.5	74.9	71.4	65.6	42	47
Louisiana	54,648	70,245	4,630	81.7	77.9	76.4	75.1	74.9	46	42
Mississippi	28,578	36,976	3,954	69.8	66.2	59.3	55.0	50.5	51	51
North Carolina	84,225	104,039	4,813	85.0	82.0	75.5	71.6	69.3	39	44
South Carolina	40,173	50,674	4,532	80.0	75.4	68.0	62.9	59.7	48	48
Tennessee	63,124	78,625	4,724	83.4	78.6	74.6	70.9	66.4	41	46
Virginia	81,980	110,439	5,578	98.5	93.6	88.1	83.9	82.1	23	37
West Virginia	25,849	33,763	4,693	82.8	77.2	73.6	73.0	71.2	43	43
Southwest	293,832	381,808	5,244	92.6	89.4	85.0	86.7	86.7	7 ^a	7 ^a
Arizona	34,623	45,916	5,252	92.7	92.4	86.3	90.5	88.9	33	30
New Mexico	15,979	20,907	4,604	81.3	77.6	80.6	82.9	78.7	47	39
Oklahoma	40,274	54,583	5,037	88.9	85.4	83.1	84.4	76.4	36	40
Texas	202,956	260,400	5,349	94.4	90.9	85.7	87.1	90.2	30	29
Rocky Mountain	95,559	120,927	5,356	94.6	90.5	91.6	94.5	97.4	6 ^a	5 ^a
Colorado	46,129	58,048	5,729	101.1	97.2	93.5	101.4	99.4	18	22
Idaho	12,885	16,341	5,076	89.6	83.0	84.4	83.3	86.6	35	33
Montana	11,760	15,432	5,202	91.8	88.2	88.0	91.6	108.4	34	14
Utah	17,950	22,385	4,689	82.8	81.4	85.1	89.1	87.5	44	32
Wyoming	6,832	8,721	5,868	103.6	96.2	93.1	101.1	111.5	16	12
Far West	525,857	679,934	6,185	109.2	110.3	115.0	117.8	120.4	1 ^a	1 ^a
California	410,763	530,612	6,289	111.0	113.3	117.8	121.8	123.8	10	7
Nevada	12,232	14,888	6,382	112.7	115.1	119.6	126.0	134.9	6	4
Oregon	39,199	50,293	5,524	97.5	93.8	99.1	99.9	108.3	26	16
Washington	63,664	84,140	5,954	105.1	102.2	107.0	106.2	111.9	12	11
Alaska	12,566	11,857	8,258	145.8	117.1	116.6	126.4	159.4	1	1
Hawaii	17,314	21,692	6,360	112.3	116.6	103.4	106.6	92.6	7	28

^aRegional rank order.

Note: Alaska and Hawaii are not included in the national average for 1950.

SOURCE *Survey of Current Business*, *op. cit.*, as follows: 1973-76—August 1977, pp. 18-31; 1970 and 1960—August 1976, p. 17; 1950—August 1973, p. 43; 1965-67—April 1968, p. 11, as compiled in *Federal Revenue and Expenditure Estimates for States and Regions*, *Fiscal Years 1965-67*, *op. cit.*, p. 32.

Table A-3

**POPULATION AND PERSONAL INCOME AMOUNTS USED IN CALCULATING INDEX NUMBERS,
SELECTED FISCAL PERIODS, 1952-71**

Region or State	Population (thousands) ^a			Personal Income, Annual Total (millions)			
	1969-71	1965-67	1959-61	1969-71	1965-67	1959-61	1952
51 States	202,670	194,746	178,554	\$771,704	\$557,354	\$387,810	\$261,501 ^b
New England	11,817	11,178	10,463	48,874	35,027	25,224	16,989
Connecticut	3,021	2,856	2,522	14,279	10,161	7,070	4,522
Maine	996	980	966	3,110	2,340	1,775	1,240
Massachusetts	5,681	5,368	5,125	23,845	17,078	12,597	8,510
New Hampshire	734	674	606	2,571	1,820	1,212	813
Rhode Island	941	893	856	3,584	2,622	1,867	1,415
Vermont	443	408	388	1,484	1,006	703	489
Mideast	42,354	41,438	38,334	182,957	133,947	97,068	66,655
Delaware	546	509	444	2,316	1,749	1,318	756
District of Columbia	758	803	764	3,940	3,083	2,242	1,950
Maryland	3,905	3,566	3,084	16,088	11,145	7,193	4,520
New Jersey	7,149	6,844	6,030	31,747	22,959	15,717	10,543
New York	18,202	18,136	16,723	84,151	61,800	45,558	30,703
Pennsylvania	11,794	11,580	11,289	44,715	33,210	25,040	18,184
Great Lakes	40,160	38,467	36,106	160,549	119,605	83,638	59,287
Illinois	11,092	10,714	10,044	48,699	36,560	25,837	18,159
Indiana	5,180	4,919	4,646	19,258	14,541	9,817	7,132
Michigan	8,844	8,384	7,800	35,589	26,320	17,549	12,613
Ohio	10,636	10,300	9,676	41,201	30,335	22,068	15,418
Wisconsin	4,408	4,150	3,940	15,801	11,849	8,367	5,965
Plains	16,291	15,893	15,351	58,511	43,297	31,091	22,464
Iowa	2,822	2,759	2,753	10,121	7,786	5,477	4,232
Kansas	2,240	2,259	2,170	8,336	6,228	4,405	3,301
Minnesota	3,791	3,560	3,402	13,987	9,888	6,834	4,742
Missouri	4,662	4,533	4,308	16,753	12,403	9,317	6,410
Nebraska	1,486	1,451	1,408	5,382	3,946	2,873	2,127
North Dakota	621	646	630	1,868	1,490	1,042	767
South Dakota	668	685	680	2,064	1,555	1,143	885

Southeast	43,739	42,409	35,590	134,893	93,050	60,646	40,665
Alabama	3,454	3,493	3,256	9,492	6,958	4,652	3,182
Arkansas	1,921	1,952	1,784	5,239	3,762	2,329	1,793
Florida	6,740	5,834	4,895	23,614	14,770	9,595	4,301
Georgia	4,575	4,413	3,926	14,812	10,019	6,140	4,284
Kentucky	3,225	3,177	3,030	9,576	6,811	4,612	3,474
Louisiana	3,637	3,582	3,238	10,792	7,833	5,190	3,486
Mississippi	2,220	2,328	2,171	5,483	3,948	2,481	1,852
North Carolina	5,068	4,950	4,532	15,667	10,696	6,854	4,771
South Carolina	2,588	2,568	2,380	7,326	4,999	3,201	2,424
Tennessee	3,924	3,850	3,560	11,710	8,219	5,399	3,728
Virginia	4,635	4,450	3,954	16,153	11,217	7,118	4,956
West Virginia	1,752	1,812	1,864	5,029	3,818	3,075	2,414
Southwest	16,477	15,709	14,081	55,362	38,229	26,552	17,622
Arizona	1,765	1,590	1,286	6,094	3,926	2,503	1,315
New Mexico	1,013	1,006	943	3,055	2,323	1,686	970
Oklahoma	2,555	2,472	2,317	8,159	5,876	4,196	2,962
Texas	11,144	10,641	9,535	38,054	26,104	18,167	12,375
Rocky Mountain	5,004	4,676	4,292	16,962	12,254	8,848	5,995
Colorado	2,198	1,954	1,742	8,079	5,507	3,910	2,405
Idaho	713	694	664	2,204	1,677	1,188	891
Montana	700	702	672	2,259	1,767	1,348	1,062
Utah	1,061	1,000	886	3,280	2,435	1,663	1,085
Wyoming	332	326	328	1,140	868	739	552
Far West	25,767	23,989	20,482	109,030	78,924	52,803	31,824
California	19,830	18,590	15,592	85,983	62,679	41,699	23,985
Nevada	486	432	284	2,156	1,476	775	409
Oregon	2,082	1,949	1,764	7,538	5,529	3,888	2,875
Washington	3,369	3,018	2,842	13,353	9,240	6,441	4,555
Alaska	300	265	224	1,327	884	587	471 ^C
Hawaii	762	722	631	3,240	2,138	1,353	829 ^C

^a 1952 estimates are omitted for reasons indicated in the source note below.

^b Omits Alaska and Hawaii (which were territories in 1952).

^c Not used in calculating index numbers or in other computations in this report.

SOURCE: Population:

1969-71—Arithmetic means of total resident population (including armed forces personnel stationed in area) as estimated by the Bureau of the Census for July 1, 1968, 1969, 1970, and 1971. U.S. Department of Commerce, Bureau of the Census, *Current Population Reports: Population Estimates* series P-25, no. 460, June 1971, p. 8, and no. 468, October 1971, p. 2.

1965-67—Arithmetic means of estimates for July 1, 1964, 1965, 1966, and 1967, from *ibid.*, no. 380, November 1967, pp. 12, 16.

1959-61—Arithmetic means of estimates for July 1, 1959 and 1960, from U.S. Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1961*, Washington, DC, U.S. Government Printing Office, 1961, p. 10.

1952—Not shown in the original report, which used arithmetic means of estimates for July 1, 1951 and 1952, from U.S. Department of Commerce, Bureau of the Census, *Current Population Reports: Population Estimates* series P-25, no. 70, March 1953 (see Mushkin, *Statistical Materials*, *op. cit.*, pp. 8 and 9). Per-capita amounts used in this report are as shown by Mushkin. They indicate that the estimated 49-state population total was between 154,454,000 and 154,701,000. The original Census Bureau publication was not at hand when *Appendix Table A-3* was compiled.

Personal Income:

1969-71—Arithmetic means of quarterly estimates (seasonally adjusted annual rates) for 12 quarters, July 1968, through June, 1971, from *Survey of Current Business*, *op. cit.*, October 1971, p. 18, and April 1972, p. 12.

1965-67—Arithmetic means of estimates for July 1, 1964, 1965, 1966, and 1967, from *ibid.*, no. 380, November 1967, pp. 12, 16.

1959-61—Arithmetic means of fiscal year estimates derived for 1959 by averaging calendar years 1958 and 1959; for 1960, by averaging calendar years 1959 and 1960; and for 1961 by taking two-thirds of the sum of calendar year 1960 and the first six months of the calendar year 1961. Estimates for calendar years 1958, 1959, and 1960 from *Survey of Current Business*, *op. cit.*, August 1961, p. 13, Table 1; for the first six months of 1961, from *Business Week*, New York, NY, McGraw-Hill, Inc., August 26, 1961.

1952—Arithmetic means of estimates for calendar years 1951 and 1952, from U.S. Department of Commerce, Bureau of Economic Analysis, December 4, 1972.



Factors Used to Distribute Revenues by "Origins"

Numerous statistical series were used to estimate the amounts of federal revenues which originated in each state. The procedures and factors were generally similar for all the fiscal periods reviewed in this report, but some distributions were carried out in greater detail than others. The distribution for 1974-76 was fragmented less than those for earlier periods, but even for this period the major categories of revenue were subdivided into numerous subcategories to which different distribution factors were applied.

The following notes identify factors used and sources from which they were derived. The distributions for 1952 are not covered here; they are described extensively in the original publications by Selma Mushkin cited in *Chapter 1* of this report and in footnotes to *Table 12*. For 1965-67 and 1959-61, the statements are limited to page references to the original Library of Congress reports, also cited in footnotes to *Table 12*.

INDIVIDUAL INCOME TAX

Amounts of Internal Revenue Service collections (as distinguished from estimates by "origins") are from Annual Reports of the Commissioner of Internal Revenue, total collections in each state, net of refunds. These reports combine individual income tax and employment taxes as a single category (since

the withholding system of collection results in combined remittances from employers).

1974-76. Budget receipts of \$371,756 million (44.2% of the distributed total of revenue) were attributed to states in proportion to the two-year sum of total income tax by address shown on individual returns for 1973 and 1974, as reported in U.S. Department of the Treasury, Internal Revenue Service, *Statistics of Income, Individual Income Tax Returns, 1973*, Publication 79, Washington, DC, U.S. Government Printing Office, 1976, p. 145, Table 5.1, column 40, and *ibid.*, 1974, p. 185, Table 5.1, col. 42. "Total income tax" is defined as "income tax after credits plus additional tax for tax preferences (minimum tax)." (*Ibid.*, 1974, p. 233.)

1965-67. Similar procedures, using 1965 tax liability after credits. See the report for 1965-67, U.S. House of Representatives, Committee on Government Operations, Intergovernmental Relations Subcommittee, 90th Cong., 2nd Sess., *Federal Revenue and Expenditure Estimates for States and Regions, Fiscal Years 1965-67*, Washington, DC, U.S. Government Printing Office, October 1968, p. 40.

1959-61. Similar procedures, using 1959 tax liability after credits. See the report for 1959-61: I. M. Labovitz, *Federal Revenues and Expenditures in the Several States: Averages for the Fiscal Years 1959-61*, Washington, DC, The Library of Congress, Legislative Reference Service, September 19, 1962, processed, p. 23.

EMPLOYMENT TAXES AND SOCIAL INSURANCE CONTRIBUTIONS

1974-76. A sum of \$252,000 million (30% of the distributed total) was attributed as follows:

- a. Half in proportion to retail sales in 1975 and 1976, as estimated in *Sales and Marketing Management: 1976 Survey of Buying Power*, New York, NY, July 25, 1977, p. B-7, and for 1975 in the *1975 Survey*, July 26, 1976, p. B-7. Sales amounts in

the two years were combined for each state to derive state percentages of the 51-state total.

- b. Half in proportion to the three-year sum of personal contributions for federal social insurance programs, calendar years 1974-76, from U.S. Department of Commerce, Bureau of Economic Analysis, special tabulation by states, September 28, 1977.

1969-71. The final distribution of \$132,870 million (23.5% of the distributed total) represents the sum of (a) separate distributions of Internal Revenue Service collections under the *Federal Insurance Contributions Act*, the *Self-Employed Tax Act*, *Federal Unemployment Tax Act*, and *Railroad Retirement Act*, plus (b) contributions not collected by the Internal Revenue Service, namely, the railroad unemployment tax; deposits by federal, state, and local governments for old-age, survivors, disability, and health insurance; supplemental Medicare insurance premiums; state unemployment taxes deposited in the federal treasury; federal employees retirement contributions; and veterans life insurance premiums.

For \$106,093 million collected by the IRS and \$26,776 million collected by other agencies, distributions were as follows:

FICA—In proportion to 1969 wage and salary contributions, excluding state and local government contributions. Data from U.S. Department of Health, Education, and Welfare, Social Security Administration, Office of Research and Statistics, *Social Security Bulletin, Annual Statistical Supplement, 1969*, Washington, DC, U.S. Government Printing Office, 1970, p. 60, Table 45, "Contributions, Wage and Salary Employment." IRS collections include federal government employer contributions for old-age, survivors, disability, and health insurance trust funds but these intrabudgetary transactions are not specified separately in the annual reports of the IRS Commissioner.

SETA—In proportion to self-employment contributions in 1969. *Ibid.*, "Contributions, Self-Employment."

FUTA—In proportion to total retail sales, 1970, from *Sales Management: 1970 Survey of*

Buying Power, op. cit., July 10, 1971, p. B-6.

Railroad Retirement Act taxes collected by the IRS, plus railroad unemployment tax collected by other agencies, and a sum credited to the health insurance funds—In proportion to the three-year sum of wages and salaries in railroad transportation, calendar years 1968-70, from *Survey of Current Business, op. cit.* August 1971, pp. 32-36.

State unemployment insurance tax deposits—In proportion to state deposits in 1969 and 1970, reported in U.S. Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1970*, Washington, DC, U.S. Government Printing Office, 1970, p. 293, and *ibid.*, 1971, p. 287.

OASDHI deposits by state and local governments—In proportion to their 1969 deposits, as reported in *Social Security Bulletin, Annual Statistical Supplement, 1969, op. cit.* p. 60, Table 45.

Supplemental medical insurance premiums—In proportion to enrollments as reported in Social Security Administration, Division of Research and Statistics, *Health Insurance Statistics*, Washington, DC, U.S. Government Printing Office, October 19, 1971, pp. 16-17.

Federal employees retirement contributions—In proportion to total federal civilian wages and salaries in each state in the three calendar years, 1968-70, as reported in *Survey of Current Business, op. cit.*, August 1971, pp. 32-36.

Veterans life insurance premiums—In proportion to the number of living veterans, June 30, 1970, from *Statistical Abstract of the United States, 1971, op. cit.*, p. 260.

Other retirement contributions (\$90 million)—Attributed entirely to the District of Columbia on the assumption that they comprise employer and employee contributions for covered employees of government-sponsored, privately owned enterprises and the D.C. government. (Cf. U.S. Office of Management and Budget, *Budget of the U.S. Government, 1973, op. cit.*, p. 509, fn. 2.)

1965-67. Similar procedure. See *Federal Revenue and Expenditure Estimates for States and Regions, Fiscal Years 1965-67, op. cit.*, pp. 40-41.

1959-61. Similar procedure. See *Federal Revenues and Expenditures in the Several States: Averages for the Fiscal Years 1959-61, op. cit.*, pp. 23-26.

CORPORATION INCOME TAX

1974-76. A total of \$120,225 million (14.3% of the distributed total) was attributed as follows:

- a. Half in proportion to total retail sales during 1975 and 1976, as estimated in *Sales and Marketing Management: 1976 Survey of Buying Power, op. cit.*, p. B-7, and 1975 Survey, *ibid.*, p. B-7.
- b. One-fourth in proportion to the value of corporate stock owned by top wealth holders in 1972, as indicated in U.S. Department of the Treasury, Internal Revenue Service, *Supplemental Statistics of Income, 1972: Personal Wealth Estimated from Estate Tax Returns*, Washington, DC, U.S. Government Printing Office, 1976 (IRS pub. 482 (3-76)), pp. 51-2, Table 33. "Top wealth holders" were individuals with more than \$60,000 gross assets in 1972—about 6.1% of the total population. (*Ibid.*, p. 1.)
- c. One-fourth in proportion to total dividends received by individuals in 1974, reported in U.S. Department of the Treasury, Internal Revenue Service, *Statistics of Income, Individual Income Tax Returns, 1974, op. cit.*, p. 182, col. 16.

1969-71. A total of \$96,069 million (17.0% of the distributed total of federal government revenues) was distributed as follows:

- a. Half in proportion to total retail sales in 1969 and 1970, as estimated in *Sales Management, 1969 Survey of Buying Power, op. cit.*, June 10, 1970, p. B-4, and 1970 Survey, *ibid.*, July 10, 1971, p. B-6.
- b. Half in proportion to total dividends received by individuals in 1969, reported in U.S. Department of the Treasury, Internal Revenue Service, *Statistics of Income, Individual Income Tax Returns, 1969, op. cit.*, p. 185, col. 14.

1965-67. Similar to 1969-71. See *Federal Revenue and Expenditure Estimates for States and Regions, Fiscal Years 1965-67, op. cit.*, p. 41.

1959-61. Similar to 1969-71. See *Federal Revenues and Expenditures in the Several States: Averages for the Fiscal Years 1959-61, op. cit.*, p. 27.

ESTATE AND GIFT TAXES

1974-76. Of budget receipts of \$14,862 million (net of refunds), \$14,809 million was attributed to the 51 states (1.8% of the distributed total of federal revenues). This sum was distributed in proportion to IRS collections of \$15,046 million in the 51 states, as reported in U.S. Department of the Treasury, Internal Revenue Service, *Annual Report of the Commissioner of Internal Revenue*, Washington, D.C., U.S. Government Printing Office, various years—1974, p. 87; 1975, p. 121; and 1976, p. 131. The division between the District of Columbia and Maryland is proportionate to population January 1, 1975.

1969-71. Similar to 1974-76. The 51-state total (net of refunds) was \$10,825 million (1.9% of distributed total of federal revenues). IRS collections by states are shown in *Annual Report of the Commissioner of Internal Revenue, ibid.* The division between the District and Maryland is proportionate to adjusted gross income on individual income tax returns for 1969, as derived from U.S. Department of the Treasury, Internal Revenue Service, *Statistics of Income, Individual Income Tax, 1969, op. cit.*, p. 250. (The amount of estate and gift tax liabilities shown on tax returns, which was stated separately for D.C. and Maryland in earlier years, was no longer reported in this manner.)

1965-67. Similar procedure. See *Federal Revenue and Expenditure Estimates for States and Regions, Fiscal Years 1965-67, op. cit.*, p. 41. The division between D.C. and Maryland is proportionate to estate tax amounts on returns filed in 1962.

1959-61. Similar procedure. See *Federal Revenues and Expenditures in the Several States: Averages for the Fiscal Years 1959-61, op. cit.*, p. 27. The division between the D.C. and Maryland is proportionate to estate tax amounts on returns filed in 1959.

EXCISE TAXES AND CUSTOMS DUTIES

1974-76. The sum of excise taxes and customs duties attributed to the 51 states was \$61,446 million (7.3% of all distributed federal revenues). This comprises \$11,084 million in customs duties and \$50,362 million in excises. The excises were \$29,760 million in general funds, \$2,740 million in the airports-airway trust fund, and \$17,862 million in the highway trust fund. The whole amount was distributed in proportion to total retail sales during 1975 and 1976, as estimated in *Sales and Marketing Management: 1976 Survey of Buying Power, op. cit.*, p. B-7, and for 1975 in the 1975 Survey, *ibid.*, p. B-7.

1969-71. The total amount distributed was \$54,614 million, comprising \$7,341 million of customs duties and \$47,273 million of excise taxes. This sum (9.7% of the distributed total of federal revenues) was subdivided for the estimates by origin.

Customs duties were distributed in proportion to total retail sales during 1970, as estimated in *Sales Management, 1970 Survey of Buying Power, op. cit.*, July 10, 1971, p. B-6.

Excise taxes were distributed as follows:

Highway Trust Funds—In proportion to estimates of origin, 1970, from U.S. Department of Transportation, Federal Highway Administration, *Highway Statistics, 1970*, Washington, DC, U.S. Government Printing Office, 1971. Taxes included are on gasoline, automobiles and motorcycles, trucks and busses, tires and tubes, lubricating oils, and parts and accessories. The three-year total of highway taxes was \$19,713 million.

Telephone Taxes—Half in proportion to the total number of telephones, 1969, as reported in U.S. Federal Communications Commission, *Statistics of Communications Common Carriers, 1969*, Washington, DC, U.S. Gov-

ernment Printing Office, 1971, p. 9; and half in proportion to total retail sales in 1970.

Alcoholic Beverage Taxes (including related occupational taxes)—Distributed on the basis of statistics indicating consumption or sales in each state. Separate calculations were made for (a) distilled spirits, using data from the *Distilled Spirits Industry Annual Statistical Review, 1970*, Washington, DC, Distilled Spirits Institute, 1971, pp. 44-5, Table 50; (b) beer and other malt beverages, from U.S. Brewers Association, Inc., *Brewers Almanac, 1970*, Washington, DC, U.S. Brewers Association, 1970, p. 56, Table 42; and (c) wine, using 1970 consumption data from the *Wine Institute Bulletin*, San Francisco, CA, The Wine Institute.

Tobacco Taxes—Distributed in proportion to cigarette consumption during 1968-70, as reported by the Federation of Tax Administrators, *Comparative Cigarette Tax Collections, Per Capita Cigarette Tax Collections, Per Capita Cigarette Consumption by States, 1969 and 1968*, Chicago, IL, Federation of Tax Administrators, processed, 1970, p. 15, Table IV; and Federation of Tax Administrators, *Tax Administrators News*, Chicago, IL, August 1971, p. 1.

Other Retailers Excises, Admissions and Documentary Taxes, and Selected Miscellaneous Excises—In proportion to IRS collections of these taxes during the three years.

Other Excises—In proportion to total retail sales, 1970.

1965-67. Procedures similar to those for 1969-71 but with separate calculations for more subcategories. See *Federal Revenue and Expenditure Estimates for States and Regions, Fiscal Years 1965-67*, *op. cit.*, pp. 41-3.

1959-61. Procedures similar to those for

1965-67. See *Federal Revenues and Expenditures in the Several States: Averages for the Fiscal Years 1959-61*, *op. cit.*, pp. 27-34.

MISCELLANEOUS RECEIPTS

1974-76. The total amount distributed was \$20,524 million for the three years (2.4% of the distributed total of federal revenues). This was distributed in proportion to population January 1, 1975.

1969-71. The total amount distributed was \$7,002 million (1.2% of the distributed total of federal revenues). Half was distributed in proportion to average population July 1, 1968-1971, and half in proportion to total retail sales in 1970.

1965-67. Similar to 1969-71. See *Federal Revenue and Expenditure Estimates for States and Regions, Fiscal Years 1965-67*, *op. cit.*, p. 43.

1959-61. The distribution was a summation of several separate distributions each based on population, total retail sales, veterans population, or farm housing loans. See *Federal Revenues and Expenditures in the Several States: Averages for the Fiscal Years 1959-61*, *op. cit.*, pp. 34-6 and 48-9, Table 9. (Federal Reserve System earnings and miscellaneous dividends and earnings of \$2,383 million, which were distributed in proportion to earnings of insured commercial banks, should have been omitted from the distribution, as should expenditures for interest payments to the Federal Reserve System. These items cause an overstatement of distributed expenditures and revenues by about 0.9%.)



What is ACIR?

The Advisory Commission on Intergovernmental Relations (ACIR) was created by the Congress in 1959 to monitor the operation of the American federal system and to recommend improvements. ACIR is a permanent national bipartisan body representing the executive and legislative branches of Federal, state, and local government and the public.

The Commission is composed of 26 members—nine representing the Federal government, 14 representing state and local government, and three representing the public. The President appoints 20—three private citizens and three Federal executive officials directly and four governors, three state legislators, four mayors, and three elected county officials from slates nominated by the National Governors' Conference, the Council of State Governments, the National League of Cities/U.S. Conference of Mayors, and the National Association of Counties. The three Senators are chosen by the President of the Senate and the three Congressmen by the Speaker of the House.

Each Commission member serves a two year term and may be reappointed.

As a continuing body, the Commission approaches its work by addressing itself to specific issues and problems, the resolution of which would produce improved cooperation among the levels of government and more effective functioning of the federal system. In addition to dealing with the all important functional and structural relationships among the various gov-

ernments, the Commission has also extensively studied critical stresses currently being placed on traditional governmental taxing practices. One of the long range efforts of the Commission has been to seek ways to improve Federal, state, and local governmental taxing practices and policies to achieve equitable allocation of resources, increased efficiency in collection and administration, and reduced compliance burdens upon the taxpayers.

Studies undertaken by the Commission have dealt with subjects as diverse as transportation and as specific as state taxation of out-of-state depositories; as wide ranging as substate regionalism to the more specialized issue of local revenue diversification. In selecting items for the work program, the Commission considers the relative importance and urgency of the problem, its manageability from the point of view of finances and staff available to ACIR and the extent to which the Commission can make a fruitful contribution toward the solution of the problem.

After selecting specific intergovernmental issues for investigation, ACIR follows a multistep procedure that assures review and comment by representatives of all points of view, all affected levels of government, technical experts, and interested groups. The Commission then debates each issue and formulates its policy position. Commission findings and recommendations are published and draft bills and executive orders developed to assist in implementing ACIR policies.

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