Fiscal 50: State Trends and Analysis
Key Indicators of Fiscal Health

REVENUE
- Tax Revenue
- Tax Revenue Volatility
- Federal Share of State Revenue

SPENDING
- Change in State Spending
- State Medicaid Spending

ECONOMY AND PEOPLE
- Employment to Population Ratio
- State Personal Income
- Population

LONG-TERM COSTS
- Debt and Unfunded Retirement Costs

FISCAL POLICY
- Reserves and Balances
- Fiscal Balance
Has your state’s tax revenue recovered from the Great Recession?

Tax receipts in 34 states—the most yet—were higher in the fourth quarter of 2017 than before collections fell during the recession, after adjusting for inflation. Collectively, state tax revenue was 9.1 percent above its recession-era peak—a new high.

North Dakota led all states with tax revenue 31.6 percent above its mid-recession high. Alaska’s tax revenue lagged the most, down 88.4 percent.
How has your state’s personal income grown since the recession began?

The economy’s slow recovery from the Great Recession has played out unevenly across states. From the beginning of the recession through the first quarter of 2018, the sum of all residents’ personal income rose by a constant annual rate of less than 1 percent in Connecticut to 3.6 percent in North Dakota, after accounting for inflation.

Nationally, state personal income has increased the equivalent of 1.6 percent a year over the past decade, compared with 2.6 percent over the past 30 years.
How much more of each state-generated dollar is being spent on Medicaid?

Nationwide, Medicaid consumed 17.1 cents of every state-generated dollar in fiscal 2016, 4.9 cents more per dollar than in fiscal 2000 and the largest share of any year over the period.

Every state spent a larger share of its own dollars on Medicaid in 2016 than in 2000, but increases varied from less than one cent more per dollar in Hawaii and New York to nearly 14 cents more in Louisiana.

Source: Pew analysis based on data from the Centers for Medicare & Medicaid Services, the National Association of State Budget Officers, and the U.S. Census Bureau
Are your state’s revenue and expenses in fiscal balance?

Thirty-nine states amassed enough revenue between fiscal years 2002 and 2016 to cover expenses. But revenue fell short in 11 states, pushing off some past costs to future taxpayers and jeopardizing long-term fiscal flexibility.

Source: Pew analysis based on data from state Comprehensive Annual Financial Reports
How has your state’s **population** grown over the past 10 years?

Western and Southern states dominated the ranks of the fastest-growing populaces over the decade ending in 2017. Utah led all states with population growth equivalent to 1.79 percent a year.

Just two states saw their populations shrink over the past decade: Michigan and West Virginia.

Source: Pew analysis of U.S. Census Bureau data
What percentage of your state’s revenue comes from federal funds?

The federal government provided 32.6 percent of 50-state revenue in fiscal 2016—the third-largest percentage on record. The share of states’ revenue made up by federal dollars rose for the third year in a row, largely driven by growth in Medicaid.

Mississippi led all states with more than 43 percent of its revenue coming from federal funds.

Source: Pew analysis of data from U.S. Census Bureau, 2016 Annual Survey of State Government Finances
How volatile is your state’s tax revenue?

Alaska had the most volatile tax revenue among all states over the past 20 years. Its collections typically fluctuated 37.6 percentage points above or below its overall growth trend.

Source: Pew analysis of data from the U.S. Census Bureau’s State Government Tax Collections historical data series for 1997 to 2017, and the National Conference of State Legislature’s “State Tax Actions” reports for 1997 to 2017
Has your state’s employment-to-population ratio recovered from the recession?

In 40 states, the estimated share of prime-working-age adults who had a job in 2017 was still below pre-recession rates. The U.S. share also fell short of its 2007 level, despite rising for the seventh consecutive year.

How many days could your state operate using rainy day funds?

Nationwide, states reported enough money in their rainy day funds to cover a median of 20.5 days of operating costs at the end of fiscal 2017, compared with a pre-recession median of 16.6 days.

At least 26 states had more days’ worth of operating costs in their dedicated savings than before the recession. Three states—Kansas, Montana, and New Jersey—reported nothing in their rainy day funds.
What is your state’s largest long-term obligation?

Unfunded pension costs were the largest long-term obligation in 39 states in 2015; unfunded retiree health care costs were largest in six states; and debt was largest in five states.

The 50 states collectively owed more than $1 trillion in unfunded pension liabilities as of 2015, equivalent to 7.0% of state personal income (SPI). Pension plans combined were 71.6 percent funded, the lowest level since 2003.