

ance contributions, providing a direct subsidy to the health program.

COUNTRIES WITH NATIONAL SYSTEMS

In countries such as the United Kingdom, Norway, and Sweden, where health care programs cover all residents, the unemployed person is entitled to all medical care provided by the program. His employment status is immaterial. Government subsidy is the main source of funds in the United Kingdom; in Sweden it is employer contributions. When a Swedish worker is unemployed, the payroll contribution ceases while he is receiving unemployment benefits. The cost is presumably covered by government subsidy. In Norway, employees, employers, and the government make only one contribution each to the social security system. The collected funds are subsequently distributed to the various programs according to need.

CONCLUSION

The health care coverage of unemployed persons does not appear to have created particular

problems in the industrialized countries of Western Europe. From the point of view of the individual worker, except for cash sickness benefits, theoretically there would be little difference when he is out of work because entitlement continues for him and for his family. In those countries which have cost sharing—the patient pays part of the cost of health care or the patient pays the bill and then is partially reimbursed by the sickness funds—unemployment insurance recipients who encounter difficulties in meeting health care expenses might be impelled to postpone all but essential treatment.

From the overall point of view, government subsidies of health insurance benefits have undoubtedly increased sharply as prolonged unemployment has continued. By making up for the lost premiums of unemployed workers, the governments have kept the health care systems in normal operation, largely unaffected by the recession. In a curious way the recession may even have reduced the cost of some of the social security systems. The jobless worker would no longer be eligible for the cash sickness payments, but would receive the lower (for most countries) unemployment insurance during periods when he is both ill and not working.

Federal Grants to State and Local Governments, Fiscal Year 1974*

During fiscal year 1974 the Federal Government disbursed \$44.9 billion in grants¹ to other levels of

* Prepared by Sophie R. Dales, Division of Retirement and Survivor Studies, Office of Research and Statistics.

¹ Grants data in the accompanying tables are limited to grants for cooperative Federal-State or Federal-local programs administered at the State or local level and to those programs in which the bulk of the funds is channeled through agencies of State and local governments. A fuller definition will be found in Sophie R. Dales, "Federal Grants to State and Local Governments, Fiscal Year 1973," *Social Security Bulletin*, October 1974.

government, \$1.8 billion or 4 percent more than the grants of 1973. Culminating a decade of annually increasing percentages in the high teens and twenties (except for two increases of 9 percent each in fiscal years 1965 and 1969), the 1974 growth can be regarded as a very modest rise.

Of the 1974 total, 63 percent (\$28.2 billion) went for programs of a social welfare nature, 14 percent for general revenue sharing, and 10 percent for highway construction, safety, and beautification. The fiscal year 1973 division was similar: 62 percent for social welfare; 15 percent, revenue sharing; 11 percent, highways. In both years programs dealing with urban affairs, agriculture and

TABLE 1.—Federal grants: Total to State and local governments, by purpose, fiscal years 1930-74

[Amounts in millions]

Fiscal year	All grants ¹	Revenue sharing	Social welfare								Highways		All other		
			Total		Public assistance		Health	Education		Economic opportunity and manpower	Miscellaneous social welfare	Amount		Percent of all grants	
			Amount	Percent of all grants	Amount	Percent of all grants		Amount	Percent of all grants						
1930	\$100		\$23	23 2			(²)	\$22	21 8			\$1	\$75	75 5	\$1
1931	180		25	13 9				24	13 1			1	154	85 2	2
1932	214		26	12 1				24	11 3			2	186	87 1	2
1933	190		25	13 2				23	12 3			2	163	86 0	2
1934	1,803		24	1 4				22	1 2			2	222	12 3	1,557
1935	2,197		28	1 3				26	1 2			3	275	12 5	1,893
1936	1,015		107	10 5	\$28	2 8	\$4	37	3 7			37	224	22 1	684
1937	818		230	28 1	144	17 6	18	38	4 6			30	341	41 6	247
1938	790		365	46 2	216	27 3	15	48	6 1			86	247	31 2	178
1939	1,031		446	43 2	247	24 0	15	50	4 8			194	192	18 6	393
1940	967		531	54 9	271	28 0	22	51	5 2			187	165	17 0	272
1941	915		624	68 2	390	36 0	26	113	12 3			156	171	18 7	120
1942	926		694	74 9	375	40 4	29	151	16 3			139	158	17 1	74
1943	991		691	69 7	398	39 9	30	171	17 2			94	174	17 6	126
1944	983		700	71 3	405	41 2	60	136	13 8			999	144	14 7	138
1945	917		700	76 3	410	44 7	79	103	11 3			108	87	9 5	130
1946	844		701	83 1	439	52 0	71	88	6 8			133	75	8 8	68
1947	1,549		1,302	84 1	614	39 6	63	665	4 2			560	199	12 8	48
1948	1,581		1,229	77 8	718	45 4	55	120	7 6			335	318	20 2	33
1949	1,840		1,366	74 2	928	50 4	67	776	4 2			295	410	22 3	64
1950	2,212		1,731	78 2	1,123	50 8	123	82	3 7			402	429	19 4	53
1951	2,253		1,802	80 0	1,186	52 6	174	93	4 1			350	400	17 8	50
1952	2,329		1,854	79 6	1,178	50 6	187	156	6 7			333	420	18 0	56
1953	2,759		2,162	78 4	1,330	48 2	173	259	9 4			400	517	18 8	80
1954	2,953		2,346	79 3	1,438	48 6	140	248	8 4			518	538	18 2	74
1955	3,096		2,403	77 6	1,427	46 1	119	296	9 6			561	597	19 3	97
1956	3,441		2,615	76 0	1,455	42 3	133	276	8 0			751	740	21 5	85
1957	3,936		2,848	72 4	1,566	39 6	162	280	7 1			848	955	24 3	133
1958	4,794		3,095	64 6	1,795	37 4	176	308	6 4			816	1,519	31 7	151
1959	6,316		3,450	54 6	1,966	31 1	211	376	6 0			897	2,614	41 4	251
1960	6,838		3,610	52 8	2,059	30 1	214	441	6 5			896	2,942	43 0	286
1961	6,921		3,950	57 1	2,167	31 3	240	460	6 6			1,083	2,623	37 9	349
1962	7,703		4,535	58 9	2,432	31 6	263	491	6 4			1,348	2,783	36 1	386
1963	8,324		4,825	58 0	2,790	32 8	292	558	6 7	\$324		912	3,023	36 3	477
1964	9,774		5,382	54 8	2,944	30 1	322	579	5 9	413		1,094	3,644	37 3	778
1965	10,630		5,699	53 3	3,059	28 8	346	702	6 6	527		1,033	4,018	37 8	944
1966	12,519		7,630	61 0	3,528	28 2	365	1,590	12 7	1,131		1,016	3,975	31 8	914
1967	14,820		9,845	66 4	4,175	28 2	436	2,370	16 0	1,610		1,254	4,022	27 1	963
1968	18,168		12,449	68 5	5,319	29 3	823	2,719	15 0	2,050		1,538	4,197	23 1	1,521
1969	19,765		13,802	69 8	6,280	31 8	866	2,666	13 5	2,087		1,004	4,162	21 1	1,801
1970	23,576		16,545	70 2	7,445	31 6	1,043	3,016	12 8	2,565		2,476	4,392	18 6	2,640
1971	29,214		21,087	72 1	9,640	33 0	914	3,540	12 1	2,989		3,985	4,659	15 9	3,488
1972	35,203		26,414	75 0	13,090	37 2	991	4,283	12 2	3,482		4,568	4,677	13 3	4,112
1973	43,121	\$6,636	26,581	61 6	11,891	27 6	1,073	4,348	10 1	3,635		5,635	4,724	11 0	5,179
1974	44,902	6,106	28,155	62 7	12,666	28 2	1,239	4,059	9 0	3,594		6,697	4,517	10 1	6,124

¹ On checks-issued basis, or adjusted to that basis, for most programs includes small amounts of adjustments and undistributed sums, and grants under a few programs to American Samoa, Canal Zone, Guam, and the Trust Territory of the Pacific Islands. For a list of programs in each grants group, see *Annual Statistical Supplement, 1973 to Social Security Bulletin*, page 54 or *Social Security Bulletin*, October 1974, pages 34-36. Subsequent additions of new programs or of programs newly listed separately by the U.S. Treasury source, as well as programs terminated, consolidated reporting of former separate listings, corrections, and other changes follow. *Public assistance* Terminated were old-age assistance, 1936-74; aid to the blind, 1936-74, and aid to the permanently and totally disabled, 1951-74. *Health* Patient care, 1970 and 1972 to date. *Education* Equal education opportunity, 1966-72; and manpower development institutional training, 1969-73. *Economic opportunity and manpower* Comprehensive Manpower Act activities, 1974, consolidation

of programs formerly reported separately includes Neighborhood Youth Corps, 1965-73, institutional training (listed under education grants, 1969-73), concentrated employment, 1971-73, Operation Mainstream, 1971-73, public service careers, 1971-73, and the jobs optional, cooperative area manpower planning, and manpower training services programs included, under manpower development and related programs, 1963-73. *Miscellaneous social welfare* Drug abuse prevention, 1974, as each started. *Miscellaneous* Coastal zone management, and mines and minerals, 1974, and U.S. Travel Service, 1972 to date.

² Promotion of welfare and hygiene of maternity and infancy, \$9,552

Source: *Annual Report of the Secretary of the Treasury Combined Statement of Receipts, Expenditures and Balances of the United States Government*, and agency reports. Beginning with 1969 data, Department of the Treasury, *Federal Aid to States, Fiscal Year*. . . .

natural resources, and a host of miscellaneous areas comprised the remaining 12-13 percent.

In 1972, the last year before general revenue sharing was introduced, social welfare grants constituted 75 percent of all Federal grants to the States and localities; highways, 13 percent; and the three smaller groups together, 12 percent. Table 1 shows the amounts granted in each year back to fiscal year 1930, by purpose, and the pro-

portion of all grants represented by each of the major grants groups. A State distribution of the 1974 grants is seen in table 2, with the States ranked according to average per capita personal income receipt in the immediately preceding 3 years.

Within the major social welfare grouping of \$28.2 billion are the grants for public assistance, health, education, economic opportunity and man-

power, and for a miscellany of other social welfare programs. An additional \$2.1 billion, at least, was spent for identifiable social welfare purposes from general revenue sharing funds during the fiscal year: \$1.4 billion for education, \$477 million for health, and \$262 million for social services for the poor or aged. A glance at table 3, which summarizes data from the fiscal year 1973 and 1974 *Actual Use Reports* of revenue sharing funds, shows other revenue sharing categories that probably account for additional social welfare expenditures, but not on a separable basis.

The Office of Revenue Sharing, itself, cautioned that these categories “. . . are inadequate to describe the broad range of services encompassed. For example, expenditures for environmental protection, such as better sanitary waste disposal facilities may represent a measurable community health benefit. Some governments may report an expenditure for mini-bus services as a social service for the aged or poor, others may report it as a public transportation expenditure, and in a third jurisdiction it may be categorized as a health program.”²

As the State and local governments have 24 months after the end of each entitlement period to appropriate, obligate, or use general revenue sharing receipts, the total amounts they reported as “used”—\$2.8 billion for 1973 and \$6.7 billion for 1974—do not coincide with the amounts actually paid out to them—\$6.6 billion in 1973 and \$6.1 billion in 1974. The percentage distribution of the amounts accounted for, nonetheless, shows that roughly one-third of each year's total was spent for identifiable social welfare purposes. In 1974 education expenditures from revenue sharing slipped from first to second place among all uses as public safety rose from second to first priority; health expenditures and those for social services for the poor or aged each advanced one position, the former to sixth place in the 1974 ranking and the latter to eighth out of the 15 use categories.

With revenue sharing excluded from both years' totals, 1974 grants for the older ongoing programs increased 6 percent from those of 1973 to a total of \$38.8 billion. Not all the grants groups shared the rise.

Public assistance grants rose nearly 7 percent

after a 9-percent drop in 1973, but at \$12.7 billion they were still 3 percent below their 1972 level. The fiscal year 1974 increase of \$0.8 billion took place even though, for half the year, public assistance grants for adult categories were replaced by the new Federal supplemental security income (SSI) program. Largely responsible for the increase was the medical assistance (Medicaid) program that continued to be administered as a public assistance grant. Payments of \$5.8 billion were disbursed under Medicaid in fiscal year 1974, compared with \$4.6 billion in fiscal year 1973. In addition, cash assistance payments only dropped from \$5.7 billion in fiscal year 1973 to \$5.4 billion in fiscal year 1974 because the sole grants-financed cash payments public assistance program after January 1, 1974—aid to families with dependent children—showed a substantial increase in both number of recipients and total payments for 1974.

Grants for miscellaneous social welfare programs were up 17 percent in 1974, largely as a result of expansion in two areas: A 29-percent (\$618 million) increase in the Federal share of the food stamp program brought that program up to \$2.8 billion and a 23-percent (\$150 million) rise in vocational rehabilitation services brought that program to \$815 million. Health grants rose 15 percent in 1974 to \$1.2 billion, the largest increase since the 20-percent increase of 1970 that was followed immediately by a 12-percent decrease and then by two annual increases of 8 percent each.

Decreases were registered for two of the social welfare grants groups. Grants for education were down 7 percent to \$4.1 billion despite significant rises in some of the education grants programs. Together, the major programs of elementary, secondary, and higher education activities lost more than 13 percent (\$264 million) from their 1973 level. Economic opportunity and manpower grants were also reduced—by only 1 percent—but in a \$3.6 billion set of programs this tiny percentage represents a \$41 million loss in 1974.

Highway grants continued their long-range decline in the grants picture. Their \$4.5 billion in 1974 represented an absolute decrease of \$207 million from 1973, and a 1-percentage-point decrease in proportion of total grants.

Four new grants programs were added to the series during the fiscal year. The National Oceanic and Atmospheric Administration began a pro-

² Department of the Treasury, Office of Revenue Sharing, *General Revenue Sharing: Reported Uses, 1973-1974*, February 1975.

TABLE 2.—Federal grants to State and local governments,

[Amounts in

States ranked by 1971-73 average per capita personal income	All grants ¹	Revenue sharing		Social welfare					
		Amount	Percent of all grants	Total		Public assistance		Health	
				Amount	Percent of all grants	Amount	Percent of all grants	Amount	Percent of all grants
Total ²	\$44,901,987	\$6,106,060	13 6	\$28,154,916	62 7	\$12,665,692	28 2	\$1,239,500	2 8
United States ³	44,446,061	6,106,060	13 7	27,766,255	62.5	12,607,373	28 4	1,212,059	2 7
High-income group.....	22,458,878	3,090,751	13 5	14,608,550	65 0	7,634,470	34 0	548,169	2 4
District of Columbia.....	417,109	27,495	6 6	308,367	73 9	94,172	22 6	22,687	5 4
Connecticut.....	665,962	76,446	11 5	343,005	51 5	161,471	24 2	14,965	2 2
New Jersey.....	1,311,232	190,532	14 5	637,284	63 9	390,232	29 8	26,834	2 0
Alaska.....	223,536	7,946	3 6	98,505	44 1	14,506	6 5	5,305	2 4
New York.....	5,216,674	677,899	13 0	3,609,719	89 2	2,232,700	42 8	97,652	1 9
Delaware.....	118,759	18,058	15 2	60,554	51 0	22,636	19 0	4,679	3 9
Nevada.....	123,674	13,472	10 9	59,560	48 2	15,165	12 3	2,915	2 4
Illinois.....	2,260,383	310,504	13 7	1,480,588	65 5	777,569	34 4	35,979	1 6
Hawaii.....	235,886	28,915	11 4	135,129	57 3	49,107	20 8	9,190	3 9
California.....	4,621,390	657,110	14 2	3,230,127	86 9	1,817,538	39 3	94,687	2 0
Maryland.....	747,000	120,769	16 2	439,770	58 9	177,612	23 8	35,108	4 3
Michigan.....	1,809,721	258,088	14 3	1,115,489	61 6	616,338	34 0	39,251	2 2
Massachusetts.....	1,306,229	193,752	14 8	836,306	64 0	442,966	33 9	42,954	3 3
Washington.....	772,390	88,287	11 4	476,505	61 7	198,270	25 7	39,979	4 4
Kansas.....	882,251	58,889	15 4	212,371	55 6	81,126	21 2	12,409	3 2
Ohio.....	1,751,675	240,562	13 7	1,065,041	60 8	417,842	23 9	46,425	2 6
Colorado.....	495,007	64,017	12 9	300,230	60 7	125,320	25 3	26,150	5 3
Middle-income group.....	10,088,090	1,489,458	14 8	5,798,650	57 5	2,853,235	23 3	311,128	8 1
Pennsylvania.....	2,376,878	317,680	13 4	1,404,360	59 1	665,157	28 0	80,579	3 4
Nebraska.....	269,624	44,670	16 6	158,106	58 6	63,134	23 4	8,628	3 2
Rhode Island.....	248,087	27,508	11 1	152,764	61 6	78,189	29 5	3,476	1 4
Minnesota.....	865,099	119,575	13 8	474,365	54 8	236,511	27 3	17,142	2 0
Iowa.....	447,251	86,287	19 3	243,179	54 4	89,863	20 1	14,564	3 3
Florida.....	1,180,709	175,893	15 3	671,221	58 3	190,151	16 5	40,665	3 5
Indiana.....	707,782	129,578	18 3	387,061	54 8	145,840	20 6	17,534	2 5
North Dakota.....	148,833	25,369	17 0	79,746	53 6	26,390	17 1	6,318	4 2
Virginia.....	883,281	120,094	13 6	498,237	56 4	189,117	21 4	20,802	2 4
Missouri.....	847,760	113,513	13 4	510,756	60 2	174,591	20 6	31,184	3 7
Oregon.....	462,235	59,664	12 9	275,723	59 6	104,540	22 7	15,676	5 4
Wisconsin.....	811,789	153,140	18 9	491,782	60 6	274,496	33 8	20,315	2 5
New Hampshire.....	148,155	19,521	13 2	77,343	52 2	32,504	21 9	6,076	3 4
Arizona.....	420,610	61,880	14 7	236,366	56 2	82,153	12 4	16,632	4 0
Wyoming.....	97,124	11,564	11 9	40,726	41 9	8,133	8 4	4,394	4 6
Montana.....	203,093	23,823	11 7	96,027	47 3	28,166	13 9	8,143	4 0
Low-income group.....	11,871,868	1,585,851	13 4	7,340,088	61 8	2,619,667	22 1	362,764	3 0
Texas.....	2,117,538	288,685	13 6	1,351,400	63 8	614,228	24 3	64,868	2 6
Georgia.....	1,118,099	126,240	11 3	716,549	64 1	330,265	29 5	26,555	2 2
South Dakota.....	207,609	27,418	13 2	99,774	48 1	29,816	14 1	11,554	5 6
Oklahoma.....	503,341	67,628	11 4	389,292	65 6	174,376	29 4	15,797	2 7
North Carolina.....	970,469	156,171	16 1	604,831	62 3	207,128	21 3	30,047	3 1
Idaho.....	177,162	25,326	14 3	86,306	48 7	30,144	17 0	3,863	2 2
Vermont.....	149,607	17,285	11 6	82,596	55 2	39,315	23 0	4,971	3 3
Utah.....	269,058	36,394	13 5	139,561	61 9	50,783	18 9	15,223	5 7
Tennessee.....	824,746	113,974	13 8	514,022	62 3	160,203	19 4	27,018	3 3
Maine.....	275,916	37,841	13 7	164,302	59 5	78,333	28 4	9,914	3 6
Kentucky.....	819,403	99,809	12 2	607,677	62 0	165,234	20 2	30,840	3 8
West Virginia.....	578,187	69,661	10 3	237,693	41 1	72,797	12 6	16,541	2 9
Louisiana.....	938,380	140,069	14 9	611,483	65 2	210,656	22 4	17,980	1 9
New Mexico.....	315,111	38,320	12 3	190,839	60 6	53,157	16 9	11,896	3 8
South Carolina.....	556,007	83,117	14 9	356,443	64 1	82,845	14 9	15,193	2 7
Alabama.....	817,921	103,569	12 7	515,437	63 0	178,787	21 9	25,029	3 1
Arkansas.....	465,762	62,838	13 5	316,491	68 0	110,191	23 7	16,495	3 5
Mississippi.....	677,552	100,956	14 9	455,399	67 2	131,909	19 5	18,980	2 8
Outlying areas:									
Puerto Rico.....	404,193			350,543	86 7	54,754	13 5	19,683	4 9
Virgin Islands.....	22,193			17,615	79 4	1,794	8 1	2,492	11 2
Other territories.....	29,510			20,501	69 5	1,770	6 0	5,266	17 8

¹ For list of programs in each grants group, see *Social Security Bulletin*, October 1974, pages 34-36, and footnote 1, table 1.
² Includes (not listed separately) small amounts undistributed, adjust-

ments to checks-issued basis, and grants under a few programs to American Samoa, the Canal Zone, Guam, and the Trust Territory of the Pacific Islands.

gram of coastal zone management grants in 27 States and Puerto Rico with initial year outlays of \$2.4 million. Grants of \$6.1 million were made in 24 States by the Special Action Office for Drug Abuse Prevention, part of the Executive Office of the President. This special office was established

by the Drug Abuse Office and Treatment Act of 1972 (Public Law 92-255) and was scheduled for statutory termination in June 1975 because a "... separate agency for drug abuse prevention in the Executive Office ... is no longer necessary since the major policy and coordination issues in

amount and percent of total grants, by purpose, fiscal year 1974

thousands]

Social welfare—continued						Highways		Urban Affairs	Agriculture and natural resources	Miscellaneous	States ranked by 1971-73 average per capita personal income
Education		Economic opportunity and manpower		Miscellaneous social welfare		Amount	Percent of all grants				
Amount	Percent of all grants	Amount	Percent of all grants	Amount	Percent of all grants	Amount	Percent of all grants				
\$4,058,606	9 0	\$3,594,156	8 0	\$6,596,962	14 7	\$4,517,103	10 1	\$2,351,361	\$350,956	\$3,391,593	Total.
3,994,815	9 0	3,507,474	7 9	6,444,534	14 5	4,508,179	10 1	2,359,572	346,820	3,359,206	United States.
1,614,045	8 1	1,872,560	8 3	2,789,804	12 2	1,646,929	8 2	1,242,499	111,444	1,618,709	High-income group
75,616	18 1	58,981	14 1	66,912	13 6	15,998	3 8	35,396	989	28,563	District of Columbia.
46,166	6 9	53,388	8 0	67,014	10 1	49,419	7 4	140,064	4,721	88,307	Connecticut.
98,187	7 5	138,031	10 5	183,999	14 0	115,471	8 8	68,457	6,301	93,187	New Jersey.
45,207	20 3	18,017	8 1	15,370	6 9	77,407	34 6	4,061	3,488	32,190	Alaska.
394,946	7 8	392,483	7 6	491,938	9 4	233,623	4 5	270,997	13,684	410,732	New York.
10,469	8 8	8,864	7 5	14,015	11 8	20,998	17 7	2,626	2,868	13,640	Delaware.
9,765	7 9	16,693	13 5	15,023	12 1	32,432	26 2	1,478	1,981	14,750	Nevada.
157,058	6 9	156,812	6 9	353,170	15 6	207,647	9 2	117,288	11,546	132,860	Illinois.
84,029	14 4	14,333	6 1	28,469	12 1	40,645	17 2	14,164	1,949	17,185	Hawaii.
351,727	7 6	420,669	9 1	545,506	12 1	323,626	7 0	190,654	17,061	202,912	California.
65,129	8 7	45,112	6 0	119,809	16 0	74,899	10 0	39,043	5,755	66,784	Maryland.
125,148	6 9	149,603	8 3	185,148	10 2	175,354	9 7	93,611	10,285	156,893	Michigan.
102,182	7 8	105,484	8 8	132,721	10 2	86,095	6 6	111,767	4,918	73,380	Massachusetts.
60,691	7 8	80,647	10 4	103,018	13 3	107,531	13 9	27,879	3,855	68,365	Washington.
48,554	12 7	32,003	8 4	38,279	10 0	54,436	14 2	22,169	8,502	25,874	Kansas.
139,166	7 9	135,161	7 7	326,446	18 6	173,035	9 9	113,993	9,229	149,817	Ohio.
50,005	10 1	36,287	7 3	62,467	12 6	60,515	12 2	24,902	4,314	41,030	Colorado.
940,678	9 3	779,490	7 7	1,414,122	14 0	1,292,682	12 8	637,554	97,759	771,981	Middle-income group
201,005	8 5	158,673	6 7	298,947	12 6	212,158	8 9	225,564	14,290	202,656	Pennsylvania.
29,101	10 8	19,844	7 4	37,399	13 9	39,798	14 8	3,842	4,598	18,611	Nebraska.
19,208	7 7	23,031	9 3	33,840	13 6	31,879	12 8	25,834	1,571	8,541	Rhode Island.
61,107	7 1	61,215	7 1	98,389	11 4	111,681	12 9	85,033	5,533	68,912	Minnesota.
48,312	9 7	34,011	7 6	61,428	13 7	49,676	11 1	27,495	8,095	32,519	Iowa.
128,134	10 7	69,616	6 0	247,654	21 5	160,475	13 9	53,988	7,324	82,109	Florida.
62,619	8 8	60,336	8 5	101,732	14 4	93,586	13 2	45,275	6,179	45,173	Indiana.
15,757	10 6	12,625	8 5	19,655	13 2	24,895	16 7	5,118	3,234	10,471	North Dakota.
118,018	13 1	49,937	5 7	122,363	13 9	142,669	16 2	48,446	9,503	64,342	Virginia.
81,592	9 6	80,551	9 5	142,838	16 8	112,186	13 2	40,098	9,519	61,689	Missouri.
34,368	7 4	53,526	11 6	67,294	14 6	61,162	13 2	15,934	5,046	44,707	Oregon.
54,437	6 7	67,226	8 3	75,308	9 3	69,879	8 6	26,235	7,648	63,105	Wisconsin.
15,249	10 3	10,197	6 9	14,317	9 7	21,924	14 8	5,652	2,223	21,493	New Hampshire.
53,407	12 7	48,138	11 4	66,035	15 7	74,315	17 7	19,476	5,457	23,107	Arizona.
9,043	9 3	11,785	12 1	7,420	7 6	33,173	34 2	3,319	2,633	5,689	Wyoming.
21,396	10 5	18,829	9 3	19,494	9 6	53,236	26 2	6,245	4,906	18,857	Montana.
1,241,692	10 5	836,134	7 0	2,289,835	19 3	1,362,038	11 5	479,517	137,615	966,757	Low-income group
214,277	10 1	148,508	7 0	419,122	19 8	220,946	10 4	89,700	21,235	145,571	Texas.
96,478	8 6	60,625	5 4	202,626	18 1	99,422	8 9	62,337	9,065	104,467	Georgia.
21,280	10 2	14,269	6 9	23,365	11 3	38,726	18 6	24,191	3,187	14,313	South Dakota.
71,283	12 0	47,364	8 0	80,471	13 6	63,633	7 8	37,044	12,052	40,692	Oklahoma.
128,520	13 2	63,353	6 5	175,784	18 1	83,688	8 6	42,211	10,225	73,344	North Carolina.
17,473	9 9	17,320	9 8	17,509	9 9	42,431	24 0	4,869	3,401	14,807	Idaho.
11,332	7 6	10,595	7 1	16,383	11 0	25,148	16 8	5,168	2,135	17,275	Vermont.
27,155	10 1	20,912	7 8	25,489	9 5	62,310	23 2	4,876	4,762	21,154	Utah.
102,505	12 4	58,059	6 8	166,286	20 4	75,916	9 2	43,229	7,648	69,957	Tennessee.
18,184	6 6	26,426	9 6	31,445	11 4	27,231	9 9	14,756	3,434	28,352	Maine.
78,906	9 6	58,857	7 2	173,839	21 2	79,027	9 6	22,652	5,684	104,495	Kentucky.
36,162	5 2	41,442	7 2	76,752	13 3	180,875	31 3	9,382	6,294	84,338	West Virginia.
80,180	8 5	61,899	6 6	240,789	25 7	119,868	12 8	21,134	7,151	38,877	Louisiana.
28,515	9 0	30,918	9 8	66,343	21 0	45,331	14 4	14,643	3,680	21,808	New Mexico.
59,256	10 7	43,883	7 9	155,265	27 9	46,102	8 3	14,132	7,368	48,845	South Carolina.
91,448	11 2	51,696	6 3	168,478	20 6	93,895	11 5	36,900	8,633	59,487	Alabama.
51,475	11 1	36,985	7 9	101,346	21 8	82,450	7 0	15,720	8,287	29,978	Arkansas.
113,283	16 7	44,635	6 6	146,593	21 6	42,039	6 2	16,604	13,354	49,109	Mississippi.
55,619	13 8	79,764	19 7	140,724	34 8	8,924	2 2	14,957	3,108	26,631	Outlying areas:
3,908	17 6	3,790	16 1	5,632	25 4			608	381	3,500	Puerto Rico.
4,264	14 4	3,128	10 6	6,073	20 6			6,106	649	2,254	Virgin Islands.
											Other territories

¹ Includes small amounts undistributed, and adjustments to checks-issued basis.

Source: Department of the Treasury, *Federal Aid to States, Fiscal Year 1974*.

drug abuse prevention have been resolved.”³ Elements of the program are to be continued through the Alcohol, Drug Abuse, and Mental Health

Administration of the Department of Health, Education, and Welfare.

In a new grants program instituted by the U.S. Travel Service of the Department of Commerce, \$444,880 of matching grants was disbursed in 19 States for the program under Public Law 91-744

³ *Budget of the U.S. Government, Fiscal Year 1976*, page 132.

TABLE 3.—Revenue sharing: Actual use by recipient governments, fiscal years 1974 and 1973

[Amounts in millions]

Category (ranked by size of expenditures, all years) ¹	Amount		Percentage distribution		Rank order	
	1974	1973	1974	1973	1974	1973
	Total.....	\$6,716.4	\$2,818.1	100	100	-----
Public safety.....	1,534.9	655.2	23	23	1	2
Education.....	1,381.3	687.2	21	24	2	1
Public transportation.....	987.8	416.9	15	15	3	3
General government/multi-purpose.....	638.8	193.7	10	6	4	5
Environmental protection.....	488.5	187.8	7	7	5	4
Health.....	477.1	185.9	7	6	6	7
Recreation and culture.....	307.5	116.7	5	4	7	8
All other uses.....	253.2	177.6	4	6	9	6
Social services for poor or aged.....	261.9	88.1	4	3	8	9
Financial administration.....	186.4	69.9	2	2	10	10
Housing/community development.....	75.3	26.0	1	1	12	11
Libraries.....	82.3	18.5	1	1	11	12
Economic development.....	37.3	11.6	1	(²)	14	14
Corrections.....	43.2	-----	(²)	-----	13	-----
Social development.....	12.8	12.9	1	(²)	15	13

¹ Department of the Treasury, Office of Revenue Sharing, *Second Annual Report, 1975*, Figure 3, page 16.

² Less than 0.5 percent.

Source: David A. Caputo and Richard L. Cole, *Revenue Sharing: The First Actual Use Reports* (prepared for Office of Revenue Sharing); and *General Revenue Sharing Reported Uses 1973-1974* of same agency.

to encourage travel in the United States by residents of foreign countries. (Smaller amounts were also picked up for this program for 1972 and 1973.) In the fourth new grants program, the Bureau of Mines of the Department of the Interior paid out \$4.0 million in 33 States for "mines and minerals" energy research.

RELATION TO OTHER INDICATORS

Federal grants in fiscal year 1974 were the equivalent of 4.2 percent of personal income received in the United States during calendar year 1974—4.0 percent of income in the high-income States, 5.3 percent in the low-income States, but only 3.7 percent of income in the middle-income States. Although the year-to-year changes are fractional, the overall trend is upward: In fiscal year 1964 the grants represented only 2.1 percent of personal income for the country as a whole—1.6 percent in the high-income States, 2.1 percent in the middle group, and 3.5 percent in the low-income States.

Comparison of the relationship of Federal grants to State and local general revenues from all sources (including the grants themselves) also discloses very small year-to-year differences but here, too, the trend continues upward. In table 4,

the grants of fiscal year 1974 are compared with revenues of each State and its localities for the preceding fiscal year, the most recent revenue data available. These ratios will undoubtedly become somewhat smaller when 1974 revenues are available for comparison with 1974 grants. Overall, grants from the Federal Government provide the States and localities with \$23.40 of every \$100 of these revenues. Compared with State and local general revenues from their own tax and other sources, the 1974 grants added \$29.45 to each \$100 raised "at home."

The shift toward greater Federal contributions to State and local income is and has been clear since shortly after World War II. What is relatively new is the acceleration of the rate of supplementation. In 1950, for every \$100 that the States and localities raised from their own sources the Federal Government added grants of \$11.40. For each \$100 raised in the States and localities in 1960, an additional \$15.59 was added by Federal grants. In 1970 each State and local \$100 was supplemented by \$21.44 of these Federal funds, and by 1974 by \$29.45.

The level of governmental services dispensed under many of the federally assisted programs varies widely among the States—usually in direct relation to the average personal income within the State. Much more Federal grant money is required to maintain a lower level of services in the low-income States than is required for the higher level of services in the high-income States. The ratios of Federal grants to State and local general revenues for the United States and for the three income groups of States for the half decade 1970-1974 are shown below (each year's

State income group	Federal grants as percent of direct general revenues				
	1970	1971	1972	1973	1974
United States.....	24.5	26.6	29.6	31.6	29.5
High.....	21.0	23.5	27.1	28.3	26.5
Middle.....	24.4	24.8	26.8	30.4	27.3
Low.....	37.6	41.4	42.5	46.8	40.5

grants in relation to the preceding year's revenues for comparability with 1974). Despite slight annual fluctuations, the widest spread remains between the high- and the low-income groups of States, and it is the heavy supplementation of the low-income group that pulls the national average well above both the other two groups.

TABLE 4.—1974 Federal grants in relation to personal income, to State and local general revenues and direct general revenues, and to population, by State¹

States ranked by 1971-73 average per capita personal income	Total grants as percent of—			Per capita grants								
	Personal income, calendar year 1973	Total State-local general revenues, fiscal year 1973 ²	State-local direct general revenues, fiscal year 1973 ³	Total	Revenue sharing	Public assistance	Health	Education	Economic opportunity and manpower	Miscellaneous social welfare	Highways	All other
Total.....				\$212 58	\$28 91	\$59 06	\$5.87	\$19 21	\$17.02	\$31.23	\$21.39	\$28 99
United States.....	4 2	23 4	29 5	213 58	29 34	60 68	5 82	19 20	16 85	30 97	21 66	29 16
High-income group.....	5 0	21 2	26 5	222 30								
District of Columbia.....	8 8	33 9	68 8	575 32	37 92	129 89	31 29	104 30	81 35	78 50	22 07	90 00
Connecticut.....	3 6	21 8	25 8	216 64	24 87	52 53	4 87	15 02	17 37	21 80	16 08	64 12
New Jersey.....	3 0	19 8	23 5	177 53	25 80	52 83	3 63	13 29	18 69	21 81	15 63	22 74
Alaska.....	11 4	41.5	66 8	716 46	25 47	46 49	17.00	145 21	57 75	49 28	248 10	127 17
New York.....	5 0	21 2	26 6	284 54	36 97	121 73	5 33	21 54	21 41	26 83	12 74	37 98
Delaware.....	3 6	21 1	26 6	210 19	31 96	39 98	8 28	18 53	15 67	24 80	37 16	38 90
Nevada.....	3 9	20 0	24 6	231 60	25 23	28 40	5 48	18 29	31 26	28 13	60 73	34 10
Illinois.....	3 5	22 3	28 1	201 14	27 63	69 10	3 20	13 98	13 95	31 43	18 48	28 28
Hawaii.....	5 1	24 5	32 1	303 98	34 68	63 28	11 84	43 85	15 47	36 69	52 25	42 91
California.....	3 1	19 7	25 1	227 49	32 35	89 47	4 66	17 31	20 71	26 85	15 93	20 21
Maryland.....	3 3	18 8	23 4	184 72	29 86	43 92	7 94	16 10	11 16	29 68	18 52	27 56
Michigan.....	3 6	20 1	25 0	198 27	28 29	67 56	4 30	13 72	16 40	20 29	19 22	28 59
Massachusetts.....	4 3	22 3	27 2	225 68	33 48	75 53	7 42	17 65	19 95	22 98	14 87	32 83
Washington.....	4 4	22 2	28 8	225 85	25 81	57 97	9 94	17 72	23 58	30 12	31 44	29 27
Kansas.....	3 2	20 7	25 4	171 41	26 41	36 88	5 86	21 77	14 35	17 17	24 41	26 86
Ohio.....	3 2	22 4	26 7	162 40	22 30	38 74	4 30	12 90	12 53	30 27	16 04	26 81
Colorado.....	4 0	22 2	28 4	208 16	26 92	62 70	11.00	21 03	15 26	28 27	25 45	29 54
Middle-income group.....	3 7	22 2	27 3	185 30								
Pennsylvania.....	4 0	23 9	29 2	199 19	26 62	55 75	6 75	16 85	13 30	25 05	17 78	37 09
Nebraska.....	3 3	21 7	26 4	176 69	29 27	41 87	5 65	19 07	13 00	24 61	26 08	17 78
Rhode Island.....	5 3	29 0	39 3	261 97	29 05	77 29	3 67	20 28	24 32	35 74	33 66	37 96
Minnesota.....	4 3	21 8	26 7	220 63	30 50	60 32	4 37	15 58	15 61	25 09	28 48	40 67
Iowa.....	2 9	19 3	23 1	154 33	29 77	31 01	5 08	14 95	11 74	21 20	17 14	28 50
Florida.....	3 0	20 0	23 6	156 73	23 92	25 90	5 54	16 77	94 82	33 73	21 86	65 81
Indiana.....	2 7	18 9	22 2	133 29	24 40	27 47	8 80	11 77	11 36	19 16	17 62	18 20
North Dakota.....	4 1	25 7	34 2	238 51	40 66	40 69	10 12	26 25	20 23	31 50	39 00	30 17
Virginia.....	3 8	24 3	30 7	189 71	25 79	40 82	4 47	24 92	10 78	26 28	30 64	26 27
Missouri.....	3 7	24 8	30 9	178 70	23 93	36 80	6 57	17 20	16 98	30 11	23 65	23 46
Oregon.....	4 3	21 9	29 5	208 97	26 97	47 40	7 09	15 55	24 20	30 42	27 65	29 70
Wisconsin.....	3 7	18 3	21 9	178 53	33 68	60 37	4 47	11 97	14 78	16 56	15 37	21 83
New Hampshire.....	4 0	26 4	33 4	190 19	25 06	41 73	6 52	19 58	13 09	18 38	28 14	37 70
Arizona.....	4 4	23 8	29 3	217 03	31 93	26 91	8 58	27 56	24 84	34 07	38 35	24 79
Wyoming.....	5 9	25 2	35 3	280 70	33 48	23 50	12 70	27 26	33 92	21 45	95 88	33 66
Montana.....	6 0	29 8	42 2	281 68	33 04	39 06	11 29	29 68	26 12	27 04	73 84	41 62
Low-income group.....	5 3	30 6	40 5	225 78								
Texas.....	3 9	25 7	32 3	181 61	24 75	44 06	4 70	18 37	12 78	35 93	18 94	21 99
Georgia.....	5 3	30 4	39 9	286 79	26 73	69 94	5 62	20 43	12 84	42 91	21 06	37 25
South Dakota.....	6 4	34.8	47 2	307 11	40 56	43 37	17 09	31 48	21 09	34 56	57 29	61 67
Oklahoma.....	5 1	30 0	40 5	225 52	25 70	66 28	6 00	27 09	18 00	30 59	17 72	34 13
North Carolina.....	4 3	26 9	35 0	187 57	30 18	40 03	5 81	24 84	12 24	33 97	16 17	24 31
Idaho.....	5 2	29 7	39 8	230 38	32 93	39 20	5 02	22 72	22 42	22 77	55 18	30 03
Vermont.....	8 0	31.5	42 4	319 67	36 93	54 01	10 62	24 21	22 64	35 01	53 74	52 52
Utah.....	5 7	27.6	38 2	234 58	31 73	44 27	13 27	23 67	18 23	22 22	54 32	26 85
Tennessee.....	4 9	28 8	38 3	203 69	28 15	39 57	6 67	25 32	13 85	41 55	18 75	29 84
Maine.....	6 6	33 8	44 3	267 62	36 70	75 98	9 62	17 64	25 63	30 60	26 41	45 14
Kentucky.....	6 1	34 3	46 6	248 23	30 25	50 06	9 34	23 90	17 83	52 66	23 94	40 24
West Virginia.....	8 1	41 6	61 6	322 93	33 31	40 65	9 24	16 84	23 14	42 85	100 99	55 82
Louisiana.....	6 3	31 0	40 1	252 80	37 73	56 75	4 84	21 59	16 68	64 87	32 29	18 04
New Mexico.....	7 4	31 3	46 0	294 77	36 31	49 73	11 13	26 67	28 92	62 06	42 41	37 54
South Carolina.....	5 3	29 9	39 6	211 81	31 66	31 56	5 79	22 57	16 72	59 15	17 56	26 80
Alabama.....	6 0	34 6	46 5	233 16	29 52	50 97	7 13	26 07	14 74	48 03	26 77	29 94
Arkansas.....	5 8	36 0	49 8	234 40	31 62	55 48	8 30	25 91	18 61	51 00	16 83	27 17
Mississippi.....	8 4	41.3	57 3	300 47	44 77	58 50	8 42	50 24	19 79	65 01	18 64	35 10
Outlying areas ⁴												
Puerto Rico.....				143 33		19 42	6 06	19 72	26 30	49 90	3 16	15 86
Virgin Islands.....				308 23		24 92	34 61	54 28	52 64	78 22		63 57
Other territories.....				128 31		7 70	22 90	18 54	13 60	26 40		39 17

¹ For list of programs in each grants group, see *Social Security Bulletin*, October 1974, pages 34-36, and footnote 1, table 1.

² Revenues (except trust revenues) from all sources.

³ Revenues (except trust revenues) from own sources.

Source: State and local revenue data from *Government Finances in 1974-75* of the Bureau of the Census. Per capita data are based on Bureau of the Census estimates of the total population, excluding the Armed Forces overseas, as of July 1, 1973.