

Government Receipts and Expenditures

First Quarter of 2010

NET GOVERNMENT saving, the difference between current receipts and current expenditures of the federal government and state and local governments, was -\$1,335.1 billion in the first quarter of 2010, decreasing \$20.3 billion from -\$1,314.8 billion in the fourth quarter of 2009.

Net federal government saving was -\$1,352.5 billion in the first quarter, decreasing \$38.2 billion from -\$1,314.3 billion in the fourth quarter (see page 12). Current receipts accelerated, and current expenditures turned up.

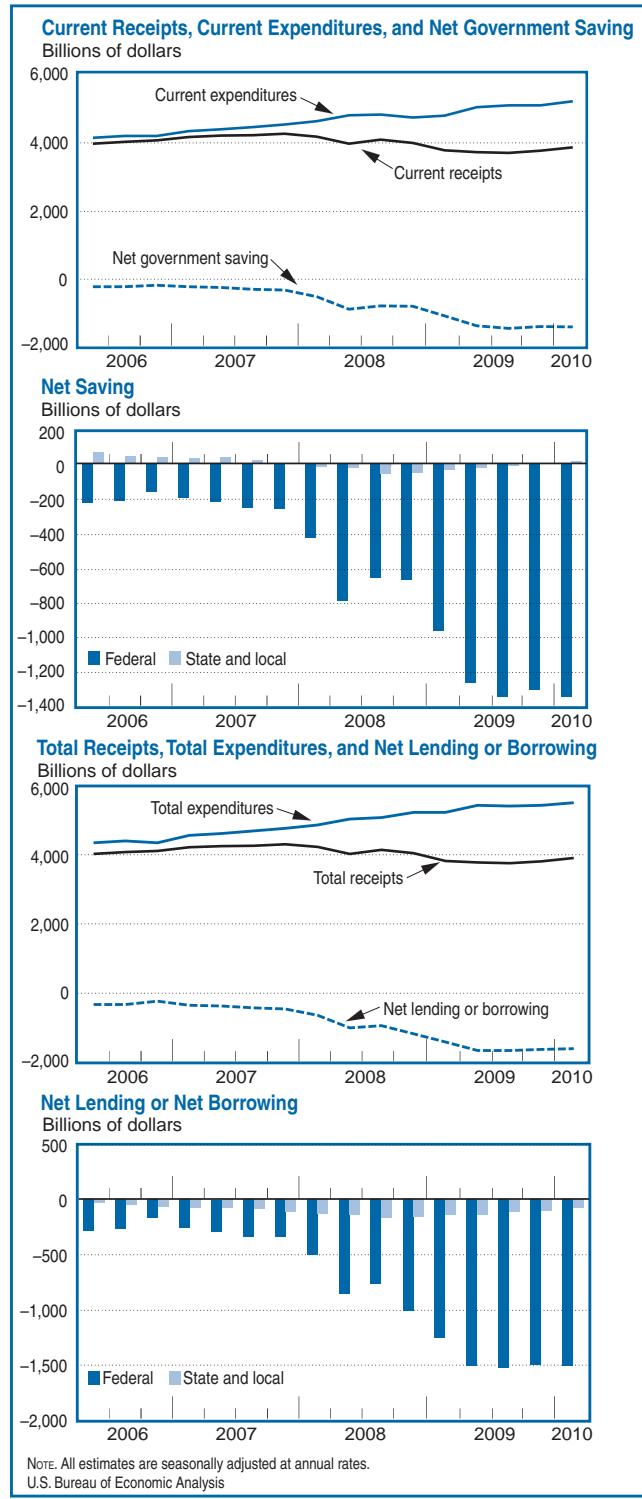
Net state and local government saving was \$17.3 billion in the first quarter, increasing \$17.8 billion from -\$0.5 billion in the fourth quarter (see page 13). Both current receipts and current expenditures accelerated in the first quarter.

Net borrowing was \$1,595.1 billion in the first quarter, decreasing \$14.8 billion from \$1,609.9 billion in the fourth quarter. Federal government net borrowing was \$1,516.3 billion in the first quarter, increasing \$9.8 billion from \$1,506.5 billion in the fourth quarter. State and local government net borrowing was \$78.8 billion, decreasing \$24.6 billion from \$103.4 billion in the fourth quarter.

Tale 1. Net Government Saving and Net Lending or Net Borrowing
[Billions of dollars, seasonally adjusted at annual rates]

	Level		Change from preceding quarter		
	2010		2009		2010
	I	II	III	IV	I
Current receipts.....	3,861.5	-46.6	-19.9	54.5	98.5
Current expenditures.....	5,196.6	241.3	55.1	0.8	118.8
Net government saving	-1,335.1	-287.8	-75.0	53.7	-20.3
Federal.....	-1,352.5	-299.8	-84.7	39.3	-38.2
State and local.....	17.3	12.0	9.7	14.4	17.8
Net lending or net borrowing (-)....	-1,595.1	-248.8	3.1	35.5	14.8
Federal.....	-1,516.3	-252.1	-18.3	22.1	-9.8
State and local.....	-78.8	3.3	21.4	13.4	24.6

Chart 1. Government Fiscal Position



Federal Government

Table 2. Federal Government Current Receipts and Expenditures

[Billions of dollars, seasonally adjusted at annual rates]

	Level	Change from preceding quarter				
		2009		2010		
		I	II	III	IV	I
Current receipts	2,301.1	-14.3	-48.5	34.2	78.4	
Current tax receipts	1,238.7	-34.1	-19.3	32.5	68.1	Personal current taxes turned up in the first quarter of 2010 as a result of an upturn in withheld income taxes.
Personal current taxes.....	807.7	-70.4	-34.1	-7.0	18.9	Contributions for government social insurance turned up in the first quarter, reflecting an upturn in social security, Medicare and unemployment insurance contributions.
Taxes on production and imports	101.6	5.9	1.9	5.0	3.1	
Taxes on corporate income	316.1	31.8	14.3	32.1	45.9	
Taxes from the rest of the world	13.3	-1.4	-1.3	2.3	0.2	
Contributions for government social insurance	963.7	1.3	-8.6	-2.2	20.2	
Income receipts on assets.....	43.7	10.1	-1.3	2.2	-8.0	
Current transfer receipts	58.3	7.1	-21.1	2.4	-2.8	
Current surplus of government enterprises	-3.4	1.4	1.8	-0.7	0.8	
Current expenditures.....	3,653.5	285.6	36.2	-5.1	116.5	Government social benefits to persons accelerated in the first quarter because of an acceleration in benefits funded by the American Recovery and Reinvestment Act and an upturn in spending on unemployment programs.
Consumption expenditures.....	1,026.6	24.9	22.1	9.8	15.6	
National defense	692.5	19.8	16.6	2.4	10.8	
Nondefense.....	334.2	5.1	5.5	7.4	4.9	
Current transfer payments	2,273.9	214.4	-17.5	4.6	91.2	Grants-in-aid to state and local governments accelerated in the first quarter, primarily reflecting an upturn in education grants.
Government social benefits.....	1,715.0	142.0	-5.4	15.7	58.6	
To persons.....	1,699.1	141.1	-5.6	16.0	58.5	
To the rest of the world.....	15.9	0.9	0.2	-0.2	0.0	
Other current transfer payments.....	558.9	72.4	-12.3	-11.1	32.7	
Grants-in-aid to state and local governments	503.0	60.2	-14.2	3.5	15.8	
To the rest of the world.....	55.9	12.2	2.0	-14.7	16.9	Other current transfer payments to the rest of the world turned up in the first quarter, reflecting a payment of \$2.6 billion (\$10.4 billion at an annual rate) to Egypt and Israel for economic support and an increase in Security Forces Funds for Afghanistan.
Interest payments	294.2	46.1	18.9	-12.2	10.1	
Subsidies.....	58.8	0.1	12.8	-7.4	-0.3	
Less: Wage accruals less disbursements.....	0.0	0.0	0.0	0.0	0.0	
Net federal government saving	-1,352.5	-299.8	-84.7	39.3	-38.2	Interest payments turned up in the first quarter, reflecting an upturn in interest paid to persons and business on Treasury Inflation-Protected Securities.
Social insurance funds	-263.7	-46.2	-34.2	-13.8	8.2	
Other.....	-1,088.7	-253.7	-50.5	53.1	-46.3	
Addenda:						
Total receipts	2,323.4	-13.8	-48.0	30.2	78.6	Capital transfer payments turned down in the first quarter, as capital injected into financial companies decreased. About \$455 million (\$1.8 billion at annual rate) was provided to financial companies through the Troubled Asset Relief Program, a decrease of \$23.1 billion at an annual rate. About \$15.3 billion (\$61.2 billion at an annual rate) was provided to Fannie Mae and Freddie Mac, an increase of \$7.2 billion at an annual rate.
Current receipts	2,301.1	-14.3	-48.5	34.2	78.4	
Capital transfer receipts	22.3	0.5	0.5	-4.0	0.2	
Total expenditures.....	3,839.7	238.4	-29.7	8.1	88.4	
Current expenditures.....	3,653.5	285.6	36.2	-5.1	116.5	
Gross government investment	159.7	6.8	3.9	-4.0	0.6	
Capital transfer payments	158.7	-76.7	-72.2	23.3	-26.9	
Net purchases of nonproduced assets	-0.2	24.3	4.4	-2.2	0.2	
Less: Consumption of fixed capital	132.0	1.5	2.1	3.9	2.0	
Net lending or net borrowing (-)	-1,516.3	-252.1	-18.3	22.1	-9.8	

Federal Government Estimates

Estimates of federal government current receipts, current expenditures, and net federal government saving are based on data from the federal budget, from the *Monthly Treasury Statement* and other reports from the Department of the Treasury, and from other federal government agencies. Total receipts, total expenditures, and net lending or net borrowing, which are alternative measures of the federal fiscal position, are based on these same sources.

Quarterly and annual estimates are published monthly in NIPA table 3.2. Detailed annual estimates of these transactions by component are published annually in NIPA tables

3.4–3.8, 3.12, and 3.13. Detailed quarterly estimates are available in underlying NIPA tables at www.bea.gov/national/nipaweb/nipa_underlying/Index.asp.

Each year, BEA translates the information in the federal budget into a NIPA framework.¹ For a historical time series of these estimates, see NIPA table 3.18B, which was published in November 2009.

1. See Mark S. Ludwick and Andrew P. Cairns, “NIPA Translation of the Fiscal Year 2011 Federal Budget,” SURVEY OF CURRENT BUSINESS 90 (March 2010): 11–19.

State and Local Government

Table 3. State and Local Government Current Receipts and Expenditures

[Billions of dollars, seasonally adjusted at annual rates]

	Level	Change from preceding quarter				
		2010		2009		2010
		I	II	III	IV	I
Current receipts.....	2,063.5	27.9	14.3	23.9	36.0	
Current tax receipts.....	1,295.9	-34.1	25.4	15.2	17.2	Personal current taxes turned down in the first quarter of 2010 because of a downturn in income tax receipts.
Personal current taxes.....	275.3	-34.3	22.5	2.1	-2.0	Taxes on corporate income accelerated in the first quarter as a result of an increase in corporate profits.
Taxes on production and imports.....	943.2	-5.0	1.7	5.9	7.6	
Taxes on corporate income.....	77.4	5.2	1.2	7.2	11.6	Federal grants-in-aid accelerated in the first quarter, reflecting an upturn in education grants.
Contributions for government social insurance.....	22.3	-0.1	0.2	0.2	0.2	
Income receipts on assets.....	115.6	-0.1	0.5	0.7	-1.3	
Current transfer receipts.....	631.7	61.7	-12.5	7.2	19.6	Consumption expenditures accelerated because of an acceleration in spending for nondurable goods that was partly offset by a deceleration in compensation of general government employees.
Federal grants-in-aid.....	503.0	60.2	-14.2	3.5	15.8	
Other.....	128.7	1.5	1.8	3.6	3.8	
Current surplus of government enterprises.....	-2.0	0.5	0.6	0.6	0.3	
Current expenditures.....	2,046.1	15.9	4.6	9.5	18.1	
Consumption expenditures.....	1,451.2	5.5	-0.1	8.3	13.1	Government social benefits accelerated in the first quarter, reflecting an upturn in Medicaid expenditures.
Government social benefits.....	484.1	11.8	2.5	0.4	3.7	
Interest payments.....	109.2	-0.6	2.1	0.8	0.9	
Subsidies.....	1.6	-0.8	0.0	0.0	0.4	
Less: Wage accruals less disbursements....	0.0	0.0	0.0	0.0	0.0	
Net state and local government saving....	17.3	12.0	9.7	14.4	17.8	Capital transfer receipts decreased less in the first quarter than in the fourth quarter of 2009 as a result of a smaller decrease in highway capital grants.
Social insurance funds.....	1.7	-0.2	0.0	-0.1	-0.1	
Other.....	15.6	12.2	9.7	14.5	17.9	
Addenda:						
Total receipts.....	2,116.4	33.1	26.6	11.8	27.2	
Current receipts.....	2,063.5	27.9	14.3	23.9	36.0	
Capital transfer receipts.....	53.0	5.1	12.4	-12.1	-8.7	Gross government investment decreased more in the first quarter than in the fourth quarter because of a larger decrease in investment for structures.
Total expenditures.....	2,195.3	29.8	5.2	-1.6	2.7	
Current expenditures.....	2,046.1	15.9	4.6	9.5	18.1	
Gross government investment.....	337.1	13.4	0.0	-10.4	-13.8	
Capital transfer payments.....	
Net purchases of nonproduced assets.....	14.0	0.1	0.3	0.2	0.3	
Less: Consumption of fixed capital.....	202.0	-0.3	-0.4	0.9	2.0	
Net lending or net borrowing (-).....	-78.8	3.3	21.4	13.4	24.6	

Estimates of State and Local Government Receipts and Expenditures

The estimates of state and local government current receipts and expenditures and total receipts and expenditures are mainly based on compilations of data for state and local government finances. The Census Bureau produces the primary source data: the census of governments that is conducted in years that end in a 2 or a 7 and the Government Finances series of surveys for the other years. In addition, other sources of Census Bureau data are from the *Quarterly Summary of State and Local Government Tax Revenue* and the monthly *Value of Construction Put in Place*. Data sources from the Bureau of Labor Statistics include the Quarterly Census of Employment and Wages and the Employment Cost Index.

Quarterly and annual estimates are available monthly in NIPA table 3.3. Detailed annual estimates of state and local government transactions by component are available

annually in NIPA tables 3.4–3.8, 3.12, and 3.13. Detailed quarterly estimates are available in underlying NIPA tables at www.bea.gov/national/nipaweb/nipa_underlying/Index.asp. For a historical time series of reconciliations of the NIPA estimates with the Census Bureau data from Government Finances, see NIPA table 3.19.

BEA also prepares annual estimates of receipts and expenditures of state governments and of local governments.¹ These estimates are available annually in NIPA table 3.20 (state government receipts and expenditures) and in NIPA table 3.21 (local government receipts and expenditures); see “[Newly Available NIPA Tables](#)” in the October 2009 SURVEY.

1. Bruce E. Baker, “[Receipts and Expenditures of State Governments and of Local Governments](#),” SURVEY 85 (October 2005): 5–10.