

Government Receipts and Expenditures

Fourth Quarter of 2019

By Kelly Ramey

Net government saving, the difference between current receipts and current expenditures in the federal government and state and local governments, was $-\$1,463.7$ billion in the fourth quarter of 2019, decreasing $\$11.1$ billion from $-\$1,452.6$ billion in the third quarter of 2019 (charts 1 and 2 and table 1).

“Net lending or net borrowing (-)” is an alternative measure of the government fiscal position. Net borrowing is the financing requirement of the government sector, and it is derived as net government saving plus the consumption of fixed capital and net capital transfers received less gross investment and net purchases of nonproduced assets.

Net borrowing was $\$1,619.4$ billion in the fourth quarter, increasing $\$21.8$ billion from $\$1,597.6$ billion in the third quarter (charts 3 and 4 and table 1).

Chart 1. Current Receipts and Expenditures: Change from Preceding Quarter

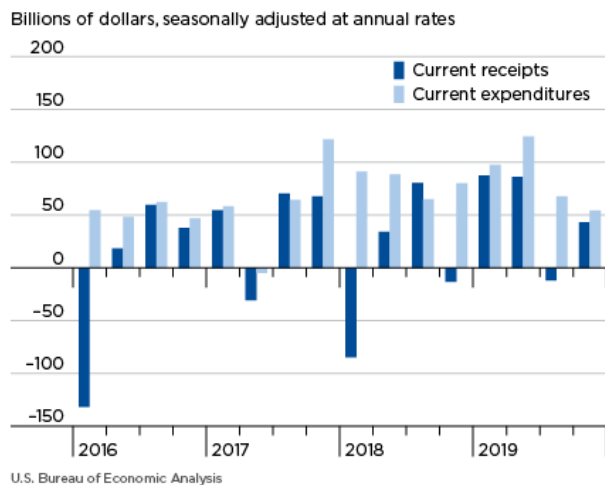
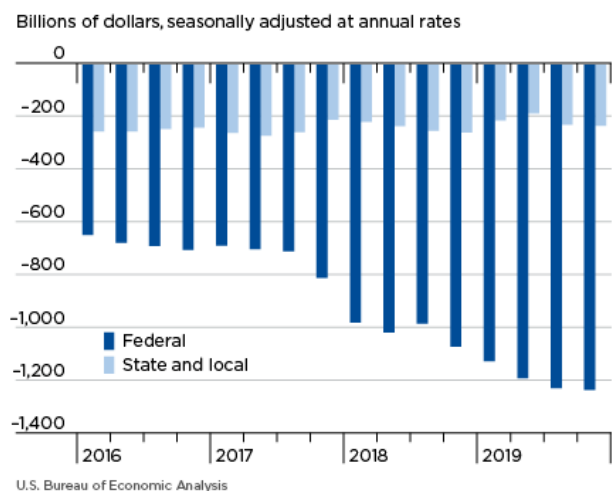


Chart 2. Net Saving



**Chart 3. Total Receipts and Expenditures:
Change from Preceding Quarter**

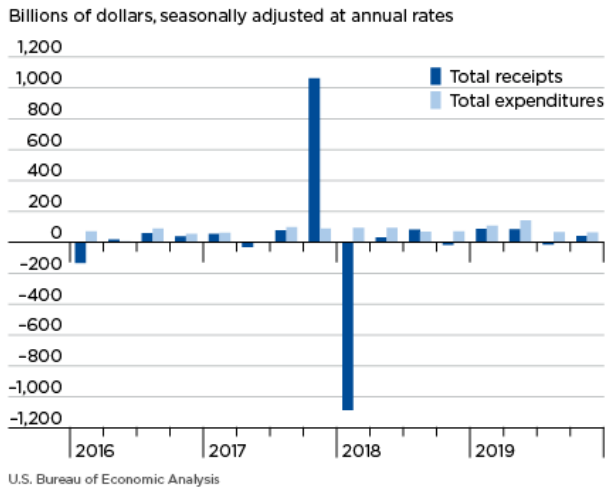


Chart 4. Net Lending or Net Borrowing

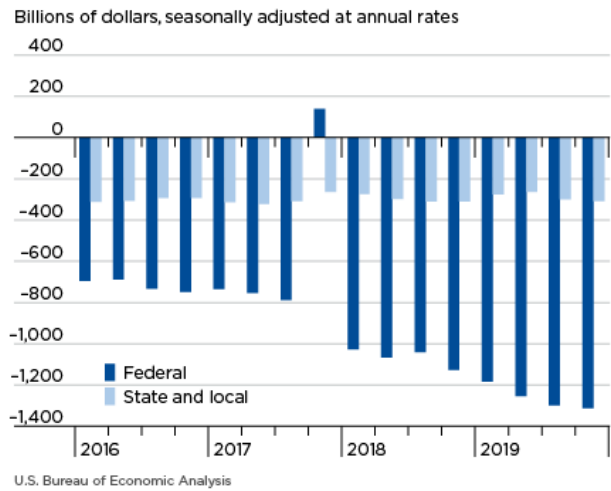


Table 1. Net Government Saving and Net Lending or Net Borrowing
(Billions of dollars, seasonally adjusted at annual rates)

Line		Level	Change from preceding quarter			
		2019	2019	2019	2019	2019
		IV	I	II	III	IV
1	Current receipts	5,781.2	87.3	86.1	-11.8	43.0
2	Current expenditures	7,245.0	97.5	124.5	67.7	54.3
3	Net government saving	-1,463.7	-10.2	-38.3	-79.6	-11.1
4	Federal	-1,232.1	-55.3	-65.1	-37.2	-6.9
5	State and local	-231.7	45.1	26.7	-42.4	-4.3
6	Net lending or net borrowing (-)	-1,619.4	-21.1	-58.6	-80.3	-21.8
7	Federal	-1,312.0	-55.9	-70.7	-44.5	-13.4
8	State and local	-307.5	34.8	12.1	-35.8	-8.5

Federal Government

Net federal government saving was $-\$1,232.1$ billion in the fourth quarter, decreasing $\$6.9$ billion from $-\$1,225.2$ billion in the third quarter (table 2). In the fourth quarter, both current receipts and current expenditures accelerated.

Federal government net borrowing was $\$1,312.0$ billion in the fourth quarter, increasing $\$13.4$ billion from $\$1,298.6$ billion in the third quarter.

- Personal current taxes (line 3) accelerated in the fourth quarter, reflecting the pattern of wages.
- Taxes on production and imports (line 4) decelerated in the fourth quarter. Customs duties decelerated in the fourth quarter, reflecting a continued, but decelerating, expansion in tariff rates on imports from China.
- Taxes on corporate income (line 5) turned up in the fourth quarter, reflecting an upturn in corporate profits.
- Income receipts on assets (line 8) turned up in the fourth quarter, reflecting an upturn in dividends from the regional Federal Reserve Banks.
- Current transfer receipts (line 9) turned down in the fourth quarter. Third-quarter receipts had been boosted by a $\$5.0$ billion ($\$20.0$ billion at an annual rate) settlement with Facebook for data privacy violations.
- Government social benefits to persons (line 17) accelerated in the fourth quarter, reflecting an acceleration in Social Security benefits.
- Grants-in-aid to state and local governments (line 20) accelerated in the fourth quarter, reflecting an upturn in welfare and social service grants.
- Other current transfer payments to the rest of the world (line 21) accelerated in the fourth quarter.
- Interest payments (line 22) decelerated in the fourth quarter, reflecting a deceleration in interest paid on Treasury Inflation-Protected Securities.
- Subsidies (line 23) turned down in the fourth quarter, reflecting a downturn in agricultural subsidies from the U.S. Department of Agriculture's Market Facilitation Program, which provides relief from tariffs for certain farm products.

Table 2. Federal Government Current Receipts and Expenditures
(Billions of dollars, seasonally adjusted at annual rates)

Line		Level	Change from preceding quarter			
		2019	2019	2019	2019	2019
		IV	I	II	III	IV
1	Current receipts	3,641.7	47.7	29.6	2.0	33.4
2	Current tax receipts	2,065.4	30.7	9.0	0.8	37.0
3	Personal current taxes	1,718.9	54.1	3.3	7.1	20.5
4	Taxes on production and imports	177.1	-14.2	-4.4	9.8	5.6
5	Taxes on corporate income	140.7	-8.3	9.4	-15.9	10.6
6	Taxes from the rest of the world	28.7	-0.9	0.6	-0.1	0.2
7	Contributions for government social insurance	1,415.4	39.0	8.8	4.8	11.4
8	Income receipts on assets	104.6	-18.7	13.4	-22.0	6.9
9	Current transfer receipts	63.5	-1.8	-0.3	18.1	-22.8
10	Current surplus of government enterprises	-7.2	-1.6	-1.1	0.2	0.9
11	Current expenditures	4,873.8	103.0	94.6	39.3	40.3
12	Consumption expenditures	1,132.8	18.5	18.9	10.6	11.7
13	National defense	687.6	14.8	10.3	3.3	7.4
14	Nondefense	445.1	3.7	8.6	7.3	4.2
15	Current transfer payments	3,079.7	111.4	24.7	28.3	34.0
16	Government social benefits	2,401.9	97.3	23.5	23.4	24.6
17	To persons	2,377.6	96.5	23.1	23.0	24.5
18	To the rest of the world	24.2	0.7	0.3	0.5	0.0
19	Other current transfer payments	677.8	14.1	1.2	4.8	9.5
20	Grants-in-aid to state and local governments	616.6	15.9	13.6	0.2	2.3
21	To the rest of the world	61.2	-1.8	-12.4	4.7	7.1
22	Interest payments	580.0	-18.0	61.7	-20.3	-4.8
23	Subsidies	81.4	-8.7	-10.7	20.7	-0.6
24	Net federal government saving	-1,232.1	-55.3	-65.1	-37.2	-6.9
25	Social insurance funds	-454.1	-22.0	-17.6	-19.4	-11.2
26	Other	-777.9	-33.3	-47.4	-17.9	4.4
	Addenda:					
27	Total receipts	3,659.1	46.8	27.8	0.7	32.5
28	Current receipts	3,641.7	47.7	29.6	2.0	33.4
29	Capital transfer receipts	17.4	-0.9	-1.7	-1.4	-0.9
30	Total expenditures	4,971.1	102.7	98.6	45.1	45.9
31	Current expenditures	4,873.8	103.0	94.6	39.3	40.3
32	Gross government investment	317.1	4.4	1.6	6.5	5.9
33	Capital transfer payments	78.4	2.6	-1.5	1.7	0.7
34	Net purchases of nonproduced assets	-0.9	-4.4	4.5	0.1	1.3
35	Less: Consumption of fixed capital	297.3	2.9	0.7	2.5	2.2
36	Net lending or net borrowing (-)	-1,312.0	-55.9	-70.7	-44.5	-13.4

Source Data and Other Information About 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 available monthly in National Income and Product Accounts (NIPA) table 3.2. Detailed annual estimates of these transactions by component are available in NIPA tables 3.4, 3.5, 3.6, 3.7, 3.8, 3.12, and 3.13, and quarterly estimates for selected series are available in NIPA [underlying detail](#) tables.

Each year, BEA translates the information in the federal budget into a NIPA framework.¹ For a historical time series of reconciliations of the NIPA estimates with the federal budget, see NIPA table 3.18b.

1. See Mark S. Ludwick and Brendan I. Brankin, “[NIPA Translation of the Fiscal Year 2020 Federal Budget](#),” *Survey of Current Business* 99 (May 2019).

State and Local Government

Net state and local government saving was $-\$231.7$ billion in the fourth quarter, decreasing $\$4.3$ billion from $-\$227.4$ billion in the third quarter. In the fourth quarter, current receipts turned up, and current expenditures decelerated (table 3).

State and local government net borrowing was $\$307.5$ billion, increasing $\$8.5$ billion from $\$299.0$ billion in the third quarter.

- Personal current taxes (line 3) decreased less in the fourth quarter, reflecting a smaller decrease in personal income taxes.
- Taxes on production and imports (line 4) decelerated in the fourth quarter, reflecting a deceleration in insurance receipts taxes as well as a deceleration in motor vehicle license and other taxes.
- Taxes on corporate income (line 5) accelerated in the fourth quarter, reflecting an upturn in corporate profits.
- Federal grants-in-aid (line 9) turned up in the fourth quarter, reflecting an upturn in welfare and social service grants.
- Consumption expenditures (line 13) accelerated in the fourth quarter, reflecting an upturn in spending on nondurable goods, specifically petroleum.
- Government social benefits (line 14) turned down in the fourth quarter, reflecting a downturn in Medicaid combined benefits.
- Gross government investment (line 25) turned up in the fourth quarter, reflecting accelerations in investment for structures and equipment.

Table 3. State and Local Government Current Receipts and Expenditures

(Billions of dollars, seasonally adjusted at annual rates)

Line		Level	Change from preceding quarter			
		2019	2019	2019	2019	2019
		IV	I	II	III	IV
1	Current receipts	2,756.1	55.5	70.1	-13.7	12.0
2	Current tax receipts	1,889.3	42.1	53.5	-13.3	9.6
3	Personal current taxes	476.9	25.3	39.9	-31.8	-0.1
4	Taxes on production and imports	1,342.9	11.4	11.4	18.5	6.8
5	Taxes on corporate income	69.5	5.3	2.3	0.0	2.9
6	Contributions for government social insurance	23.1	0.0	0.1	0.2	0.3
7	Income receipts on assets	94.7	1.0	0.3	0.4	0.5
8	Current transfer receipts	753.7	12.3	16.6	-1.0	1.7
9	Federal grants-in-aid	616.6	15.9	13.6	0.2	2.3
10	Other	137.1	-3.5	2.9	-1.2	-0.6
11	Current surplus of government enterprises	-4.5	0.0	-0.3	0.0	0.1
12	Current expenditures	2,987.8	10.3	43.5	28.6	16.3
13	Consumption expenditures	1,930.4	0.1	21.5	15.3	17.2
14	Government social benefits	787.7	13.2	22.3	14.0	-0.3
15	Interest payments	269.0	-3.0	-0.4	-0.6	-0.7
16	Subsidies	0.6	0.0	0.0	0.0	0.0
17	Net state and local government saving	-231.7	45.1	26.7	-42.4	-4.3
18	Social insurance funds	5.7	-0.1	-0.1	0.1	0.2
19	Other	-237.3	45.2	26.8	-42.4	-4.5
Addenda:						
20	Total receipts	2,832.3	58.2	68.4	-12.0	12.1
21	Current receipts	2,756.1	55.5	70.1	-13.7	12.0
22	Capital transfer receipts	76.1	2.8	-1.7	1.7	0.0
23	Total expenditures	3,139.7	23.3	56.4	23.8	20.5
24	Current expenditures	2,987.8	10.3	43.5	28.6	16.3
25	Gross government investment	433.4	15.3	17.2	-1.8	6.0
26	Capital transfer payments					
27	Net purchases of nonproduced assets	14.7	0.4	0.1	-0.2	-0.5
28	Less: Consumption of fixed capital	296.1	2.8	4.3	2.7	1.4
29	Net lending or net borrowing (-)	-307.5	34.8	12.1	-35.8	-8.5

Source Data and Other Information About 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 in NIPA tables 3.4, 3.5, 3.6, 3.7, 3.8, 3.12, and 3.13, and quarterly estimates for selected series are available in NIPA [underlying detail](#) tables. For a historical time series of reconciliations of the NIPA estimates with the Census Bureau data from Government Finances, see NIPA table 3.19.

Annual estimates of receipts and expenditures of state governments and of local governments are available in NIPA table 3.20 (state government receipts and expenditures) and in NIPA table 3.21 (local government receipts and expenditures).¹

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