

# Government Receipts and Expenditures

## Third Quarter of 2023

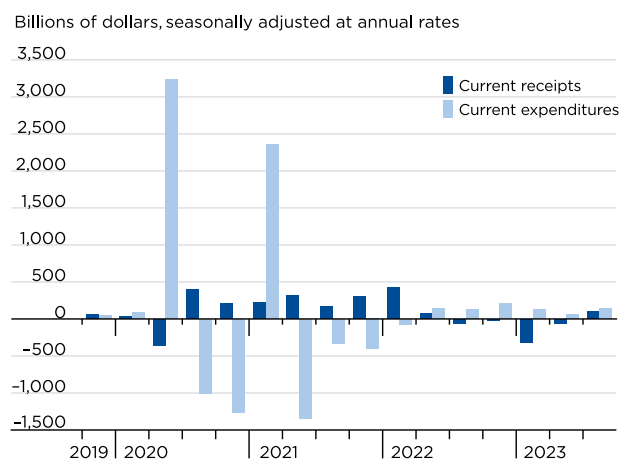
By Adam DelGenio | January 16, 2024

Net government saving, the difference between current receipts and current expenditures in the federal government and state and local governments, was  $-\$1,889.2$  billion in the third quarter of 2023, decreasing  $\$38.8$  billion from  $-\$1,850.4$  billion in the second quarter of 2023 (charts 1 and 2 and table 1).

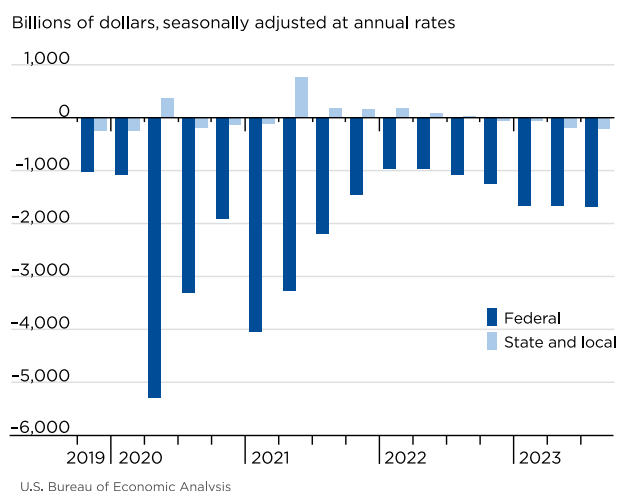
“Net lending or net borrowing (–)” is an alternative measure of the government fiscal position. Net borrowing is the financing requirement of the government sector, and it is derived as net government saving plus the consumption of fixed capital and net capital transfers received less gross investment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

Net borrowing was  $\$2,575.8$  billion in the third quarter, increasing  $\$484.1$  billion from  $\$2,091.7$  billion in the second quarter (charts 3 and 4 and table 1).

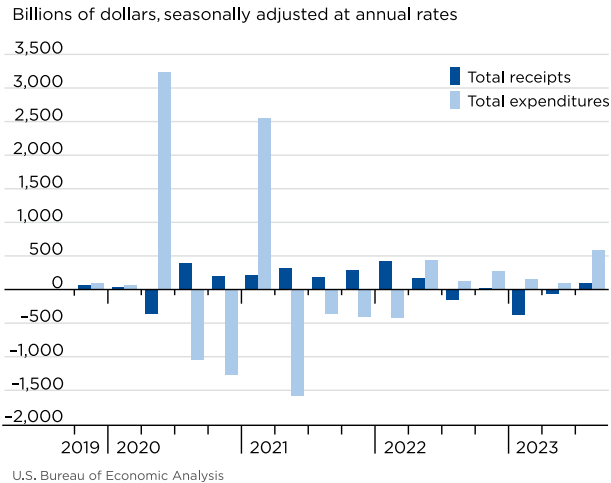
**Chart 1. Current Receipts and Expenditures:  
Change From Preceding Quarter**



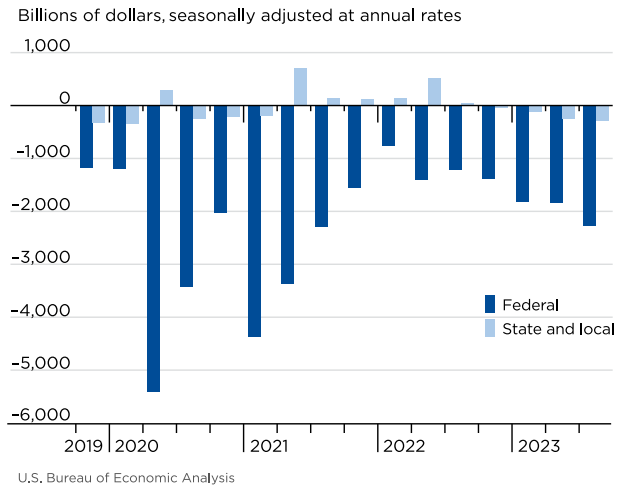
**Chart 2. Net Saving**



**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	Component	Level	Change from preceding quarter			
		2023	2022	2023		
		Q3	Q4	Q1	Q2	Q3
1	Current receipts	7,393.5	-26.2	-312.4	-56.0	102.7
2	Current expenditures	9,282.8	213.1	133.1	57.4	141.5
3	<b>Net government saving</b>	<b>-1,889.2</b>	<b>-239.3</b>	<b>-445.5</b>	<b>-113.3</b>	<b>-38.8</b>
4	Federal	-1,676.0	-168.5	-432.5	8.0	-10.3
5	State and local	-213.2	-70.8	-13.0	-121.3	-28.5
6	<b>Net lending or net borrowing (-)</b>	<b>-2,575.8</b>	<b>-266.9</b>	<b>-518.0</b>	<b>-150.9</b>	<b>-484.1</b>
7	Federal	-2,277.9	-175.1	-437.2	-14.9	-440.5
8	State and local	-298.0	-91.9	-80.8	-136.0	-43.7

## Federal Government

Net federal government saving was –\$1,676.0 billion in the third quarter, decreasing \$10.3 billion from –\$1665.7 billion in the second quarter (table 2). In the third quarter, current receipts and current expenditures accelerated relative to the second quarter.

Federal government net borrowing was \$2,277.9 billion in the third quarter, increasing \$440.5 billion from \$1,837.4 billion in the second quarter.

- Personal current taxes (line 3) turned up in the third quarter, increasing \$4.7 billion after decreasing \$5.9 billion in the second quarter, reflecting a smaller decrease in declarations.
- Income receipts on assets (line 8) turned up in the third quarter, increasing \$5.4 billion after decreasing \$1.1 billion in the second quarter, reflecting the end of a temporary moratorium on the collection of interest on direct student loans originally authorized by the Coronavirus Aid, Relief, and Economic Security Act.
- Consumption expenditures (line 12) accelerated in the third quarter, increasing \$39.1 billion after increasing \$4.2 billion in the second quarter, reflecting an acceleration in national defense consumption expenditures (line 13) and an upturn in nondefense consumption expenditures (line 14). The acceleration in national defense consumption expenditures reflects an acceleration in spending for defense services and an upturn in defense purchases of nondurable goods, specifically petroleum products. The upturn in nondefense consumption expenditures reflects a downturn in sales to other sectors, specifically a decrease in Strategic Petroleum Reserve sales.
- Government social benefits to persons (line 16) turned up in the third quarter, increasing \$0.4 billion after decreasing \$16.1 billion in the second quarter. Supplemental Nutrition Assistance Program (SNAP) benefits decreased less, decreasing \$0.1 billion in the third quarter after decreasing \$27.0 billion in the second quarter. The change in the second quarter reflected a return to normal benefit payments, which exclude emergency supplements that were temporarily authorized by Congress to assist during the pandemic. The Consolidated Appropriations Act, 2023 ended these emergency allotments. Partially offsetting the smaller decrease, social security benefits decelerated, increasing \$7.5 billion in the third quarter after increasing \$13.8 billion in the previous quarter.
- Grants-in-aid to state and local governments (line 20) decreased more in the third quarter, decreasing \$55.6 billion after decreasing \$0.5 billion in the second quarter, reflecting a downturn in Medicaid grants in the third quarter. The change reflects the end of the Medicaid continuous enrollment condition that was put in place during the COVID-19 public health emergency. Most states began the “unwinding process” of disenrolling Medicaid recipients in the third quarter.
- Interest payments (line 22) accelerated in the third quarter, increasing \$71.7 billion after increasing \$35.8 billion in the second quarter. Interest paid on treasury bills and notes accelerated.
- Subsidies (line 23) turned up in the third quarter, increasing \$3.2 billion after decreasing \$1.5 billion in the second quarter, reflecting an upturn in funding for Community Development Financial Institution (CDFI) programs. The additional funding will enhance the ability of CDFIs to help low- and moderate-income communities recover from the pandemic.

- Capital transfer payments (line 33) accelerated in the third quarter, increasing \$428.0 billion after increasing \$17.8 billion in the second quarter, reflecting the cancellation of \$448.0 billion of student loan debt. The \$448.0 billion of loan forgiveness includes forgiveness for borrowers who are eligible through income-driven-repayment plans, Public Service Loan Forgiveness programs, borrowers with a total and permanent disability, and borrowers who were cheated by their schools, saw their institutions precipitously close, or are covered by related court settlements.

**Table 2. Federal Government Current Receipts and Expenditures**

(Billions of dollars, seasonally adjusted at annual rates)

Line	Component	Level	Change from preceding quarter			
		2023	2022	2023		
		Q3	Q4	Q1	Q2	Q3
<b>1</b>	<b>Current receipts</b>	<b>4,724.4</b>	<b>-57.2</b>	<b>-283.4</b>	<b>29.5</b>	<b>43.8</b>
2	Current tax receipts	2,803.8	-53.2	-296.8	7.6	15.1
3	Personal current taxes	2,179.8	-31.8	-309.1	-5.9	4.7
4	Taxes on production and imports	171.6	-11.3	-3.9	-1.6	-3.8
5	Taxes on corporate income	418.0	-10.0	15.0	14.7	14.7
6	Taxes from the rest of the world	34.4	-0.1	1.2	0.4	-0.5
7	Contributions for government social insurance	1,798.4	7.1	41.8	20.2	19.7
8	Income receipts on assets	47.3	-26.4	-13.5	-1.1	5.4
9	Current transfer receipts	67.1	15.2	-15.3	2.7	3.8
10	Current surplus of government enterprises	7.8	0.1	0.3	0.2	-0.2
<b>11</b>	<b>Current expenditures</b>	<b>6,400.4</b>	<b>111.3</b>	<b>149.1</b>	<b>21.5</b>	<b>54.1</b>
12	Consumption expenditures	1,346.3	35.5	35.1	4.2	39.1
13	National defense	789.1	11.8	16.4	4.9	24.2
14	Nondefense	557.2	23.8	18.7	-0.7	14.9
15	Current transfer payments	3,970.5	9.1	77.7	-16.9	-59.9
16	Government social benefits	2,962.4	29.1	51.3	-15.5	0.9
17	To persons	2,930.1	29.3	49.1	-16.1	0.4
18	To the rest of the world	32.2	-0.2	2.2	0.6	0.4
19	Other current transfer payments	1,008.1	-20.0	26.4	-1.5	-60.7
20	Grants-in-aid to state and local governments	918.5	-4.0	28.4	-0.5	-55.6
21	To the rest of the world	89.5	-16.0	-2.0	-0.9	-5.3
22	Interest payments	981.3	75.8	44.2	35.8	71.7
23	Subsidies	102.4	-9.1	-7.9	-1.5	3.2
<b>24</b>	<b>Net federal government saving</b>	<b>-1,676.0</b>	<b>-168.5</b>	<b>-432.5</b>	<b>8.0</b>	<b>-10.3</b>
25	Social insurance funds	-525.0	-12.5	-69.7	-1.7	6.7
26	Other	-1,151.0	-156.1	-362.7	9.7	-17.0
<b>Addenda:</b>						
<b>27</b>	<b>Total receipts</b>	<b>4,753.6</b>	<b>-59.2</b>	<b>-285.2</b>	<b>30.3</b>	<b>42.0</b>
28	Current receipts	4,724.4	-57.2	-283.4	29.5	43.8
29	Capital transfer receipts	29.1	-2.0	-1.8	0.8	-1.9
<b>30</b>	<b>Total expenditures</b>	<b>7,031.4</b>	<b>115.9</b>	<b>152.0</b>	<b>45.2</b>	<b>482.4</b>
31	Current expenditures	6,400.4	111.3	149.1	21.5	54.1
32	Gross government investment	445.7	19.9	3.8	9.5	8.5
33	Capital transfer payments	561.3	-100.9	3.9	17.8	428.0
34	Net purchases of nonproduced assets	-3.5	90.2	0.6	0.1	-3.8
35	Less: Consumption of fixed capital	372.5	4.6	5.3	3.7	4.5
<b>36</b>	<b>Net lending or net borrowing (-)</b>	<b>-2,277.9</b>	<b>-175.1</b>	<b>-437.2</b>	<b>-14.9</b>	<b>-440.5</b>

## Source Data and Other Information About Federal 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 U.S. 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, the Bureau of Economic Analysis translates the information in the federal budget into a NIPA framework.<sup>1</sup> For a historical time series of reconciliations of the NIPA estimates with the federal budget, see NIPA table 3.18B.

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### Footnote

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 -\$213.2 billion in the third quarter, decreasing \$28.5 billion from -\$184.7 billion in the second quarter. In the third quarter, current receipts turned up and current expenditures decelerated relative to the second quarter (table 3).

In the third quarter, net borrowing was \$298.0 billion, increasing \$43.7 billion from \$254.3 billion in the second quarter.

- Personal current taxes (line 3) turned up in the third quarter, increasing \$47.8 billion after decreasing \$53.9 billion, reflecting an upturn in personal income taxes.
- Taxes on production and imports (line 4) turned up in the third quarter, increasing \$13.0 billion after decreasing \$7.9 billion in the second quarter, reflecting an upturn in state excise taxes, an acceleration in state and local sales taxes and a smaller decrease in severance taxes.
- Taxes on corporate income (line 5) decreased less, decreasing \$2.0 billion after decreasing \$21.8 billion.
- Federal grants-in-aid (line 9) decreased more in the third quarter, decreasing \$55.6 billion after decreasing \$0.5 billion in the second quarter, reflecting a downturn in Medicaid grants in the third quarter.
- Consumption expenditures (line 13) turned up in the third quarter, increasing \$55.6 billion after decreasing \$10.8 billion in the second quarter, reflecting an upturn in spending on nondurable goods, specifically petroleum. In addition, spending on compensation of government employees accelerated.
- Government social benefits (line 14) turned down in the third quarter, decreasing \$29.9 billion after increasing \$31.8 billion in the second quarter, reflecting a downturn in Medicaid benefits.

**Table 3. State and Local Government Current Receipts and Expenditures**

(Billions of dollars, seasonally adjusted at annual rates)

Line	Component	Level	Change from preceding quarter			
		2023	2022	2023		
		Q3	Q4	Q1	Q2	Q3
<b>1</b>	<b>Current receipts</b>	<b>3,587.6</b>	<b>27.0</b>	<b>-0.6</b>	<b>-86.0</b>	<b>3.3</b>
2	Current tax receipts	2,384.5	12.6	3.6	-83.7	58.9
3	Personal current taxes	576.6	-9.6	-22.9	-53.9	47.8
4	Taxes on production and imports	1,659.2	7.8	14.5	-7.9	13.0
5	Taxes on corporate income	148.7	14.3	12.0	-21.8	-2.0
6	Contributions for government social insurance	21.9	-0.4	-0.5	-0.1	0.5
7	Income receipts on assets	100.1	1.5	0.3	0.8	-0.5
8	Current transfer receipts	1,100.3	20.3	1.1	0.1	-54.5
9	Federal grants-in-aid	918.5	-4.0	28.4	-0.5	-55.6
10	Other	181.7	24.2	-27.2	0.6	1.0
11	Current surplus of government enterprises	-19.0	-7.0	-5.0	-3.1	-1.0
<b>12</b>	<b>Current expenditures</b>	<b>3,800.8</b>	<b>97.8</b>	<b>12.4</b>	<b>35.3</b>	<b>31.8</b>
13	Consumption expenditures	2,443.9	23.3	12.6	-10.8	55.6
14	Government social benefits	1,057.6	62.7	-22.5	31.8	-29.9
15	Interest payments	298.6	11.7	22.3	14.3	6.1
16	Subsidies	0.7	0.0	0.0	0.0	0.0
<b>17</b>	<b>Net state and local government saving</b>	<b>-213.2</b>	<b>-70.8</b>	<b>-13.0</b>	<b>-121.3</b>	<b>-28.5</b>
18	Social insurance funds	3.4	-0.4	-0.6	-0.2	0.4
19	Other	-216.6	-70.3	-12.5	-121.1	-28.9
<b>Addenda:</b>						
<b>20</b>	<b>Total receipts</b>	<b>3,687.3</b>	<b>6.1</b>	<b>-54.7</b>	<b>-79.4</b>	<b>7.3</b>
21	Current receipts	3,587.6	27.0	-0.6	-86.0	3.3
22	Capital transfer receipts	99.7	-20.9	-54.2	6.7	4.0
<b>23</b>	<b>Total expenditures</b>	<b>3,985.3</b>	<b>98.0</b>	<b>26.0</b>	<b>56.6</b>	<b>51.1</b>
24	Current expenditures	3,800.8	97.8	12.4	35.3	31.8
25	Gross government investment	559.0	15.7	20.1	23.0	21.8
26	Capital transfer payments	...	...	...	...	...
27	Net purchases of nonproduced assets	19.8	0.1	0.2	0.2	0.1
28	Less: Consumption of fixed capital	394.4	5.7	6.6	2.0	2.7
<b>29</b>	<b>Net lending or net borrowing (-)</b>	<b>-298.0</b>	<b>-91.9</b>	<b>-80.8</b>	<b>-136.0</b>	<b>-43.7</b>

... Data not available

## Source Data and Other Information About State and Local Estimates

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 U.S. Census Bureau (Census) 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 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 U.S. 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 National Income and Product Accounts (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 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).<sup>1</sup>

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### Footnote

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



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