

THE  
**PEW**  
CHARITABLE TRUSTS

# **FISCAL 50**

## State Trends and Analysis

November 14, 2016

# Fiscal 50: State Trends and Analysis

## Key Indicators of Fiscal Health

### REVENUE

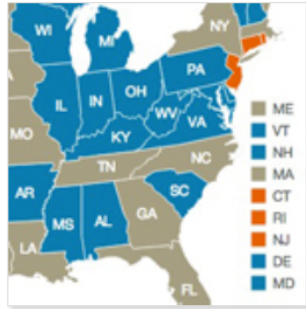


Tax Revenue

Tax Revenue  
Volatility

Federal Share of  
State Revenue

### SPENDING



Change in State  
Spending

State Medicaid  
Spending

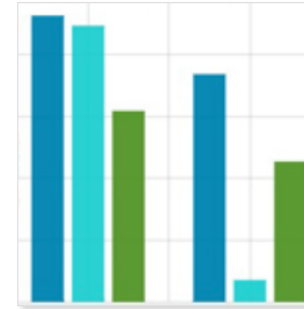
### ECONOMY AND PEOPLE



Employment to  
Population Ratio

State Personal  
Income

### LONG-TERM COSTS



Debt and Unfunded  
Retirement Costs

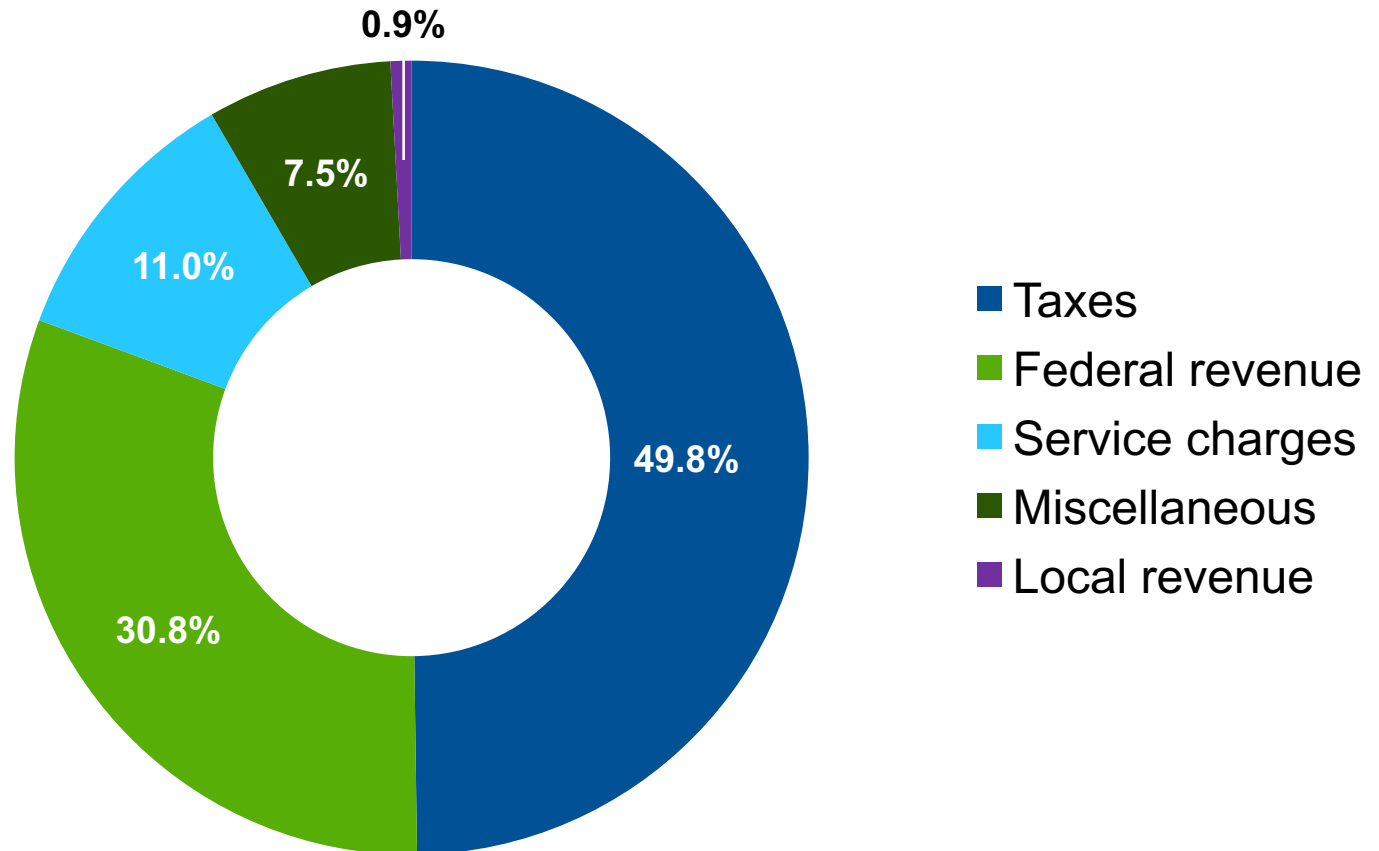
### FISCAL POLICY



Reserves and  
Balances

# Sources of State Government Revenue

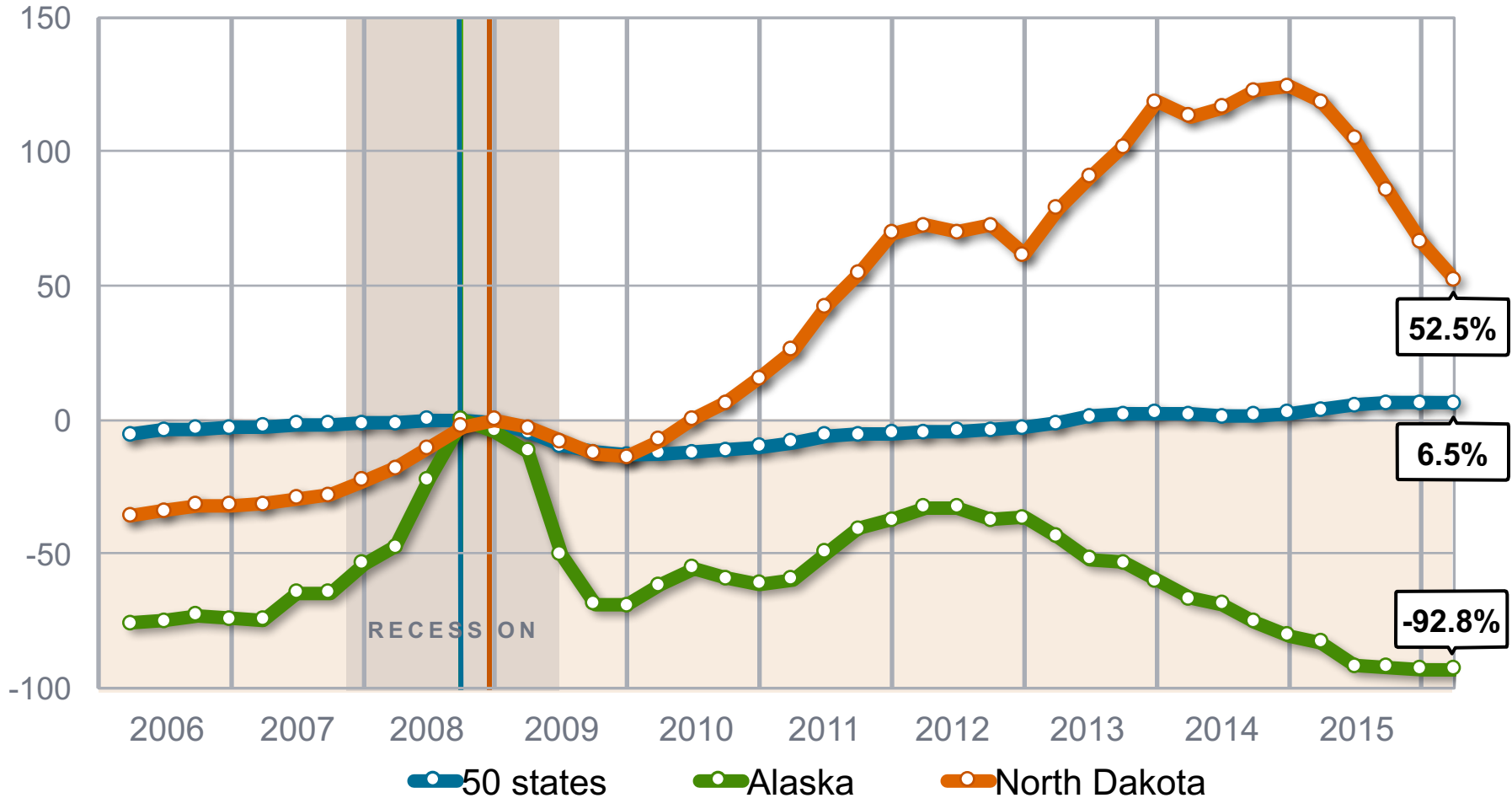
FY 2014



# Change in Tax Revenue from Each State's Peak Quarter, Adjusted for Inflation

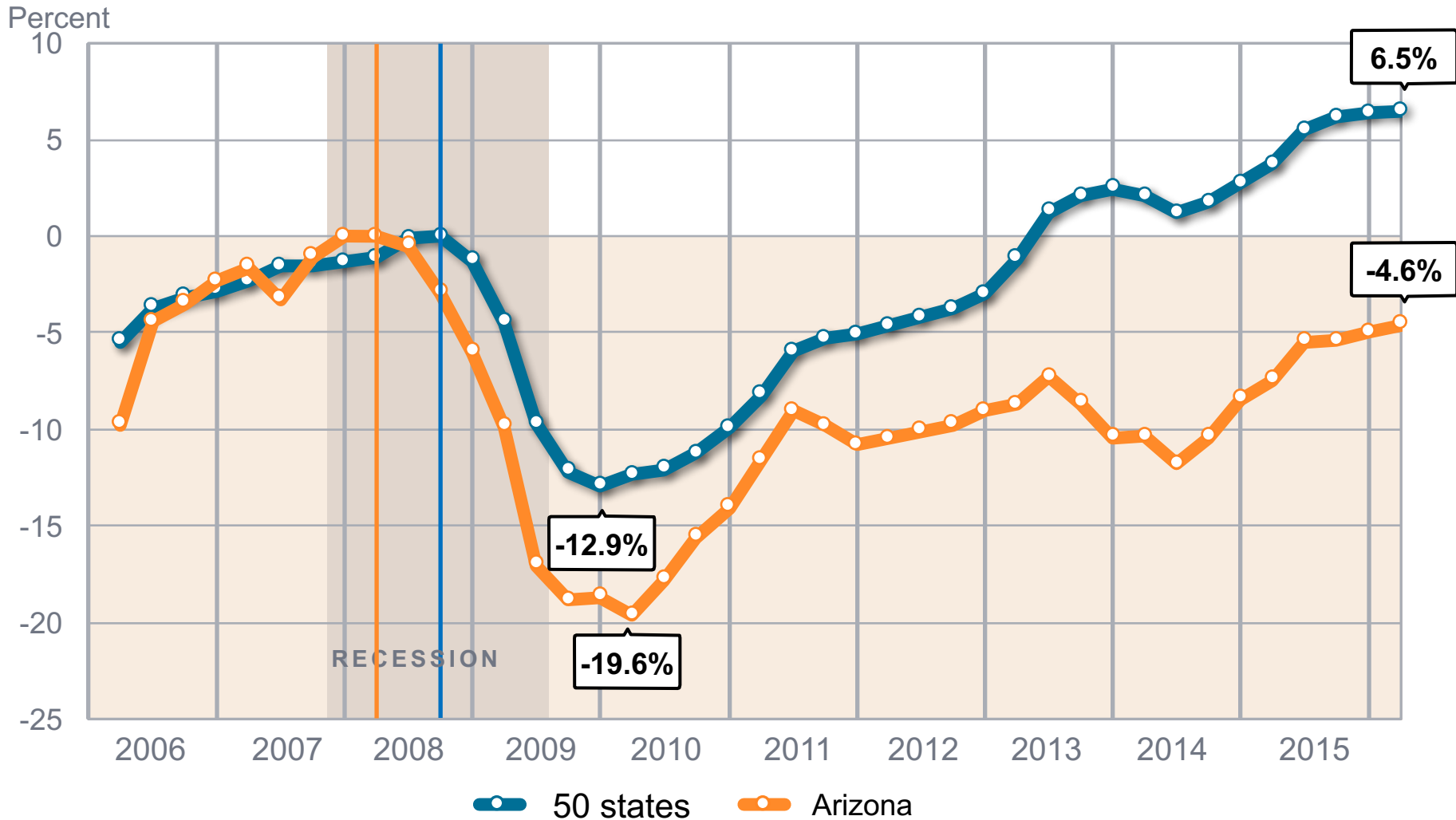
Alaska and North Dakota, 1Q 2016

Percent



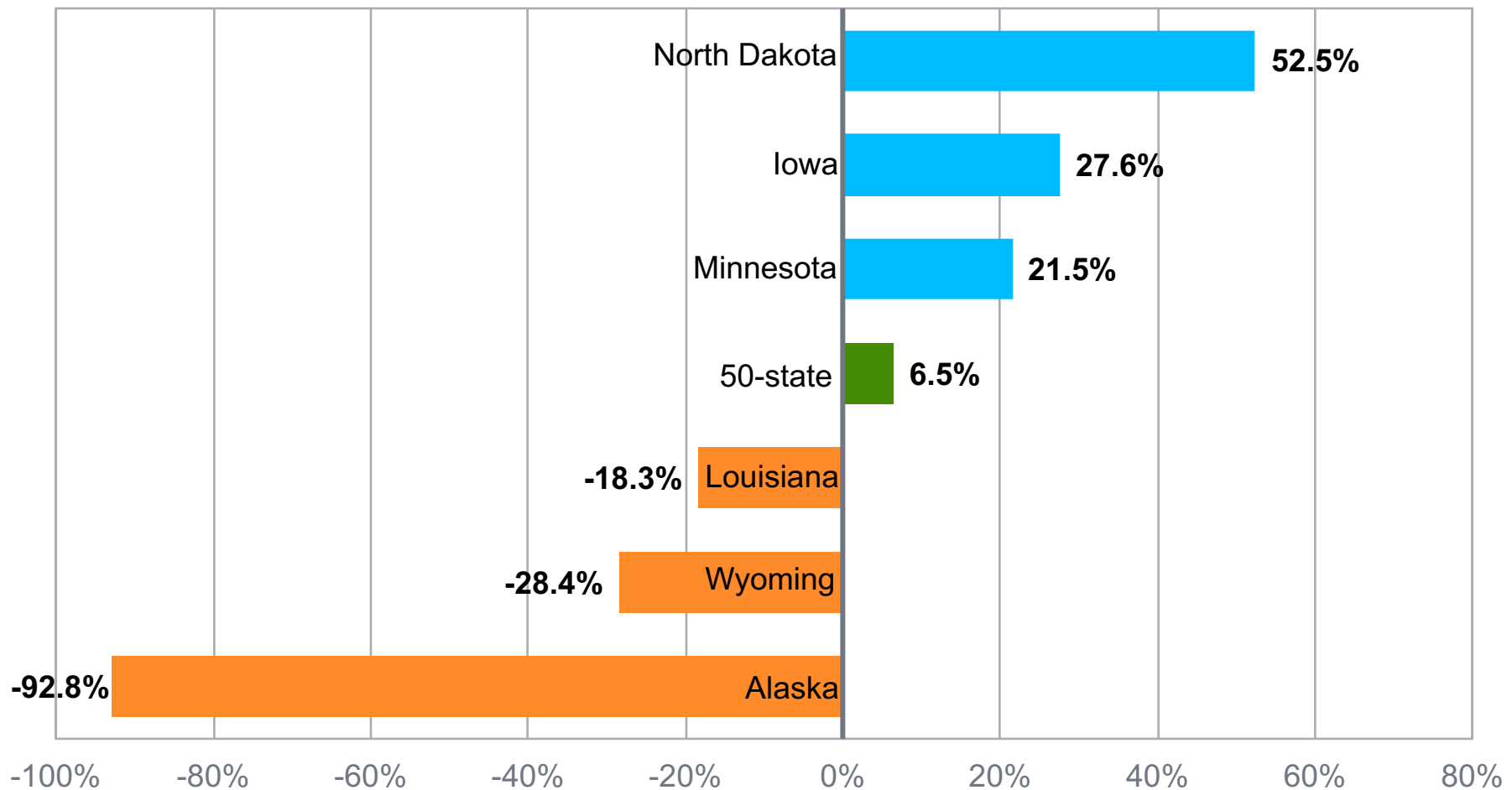
# Change in Tax Revenue from Each State's Peak Quarter, Adjusted for Inflation

Arizona and 50-state total, 1Q 2016



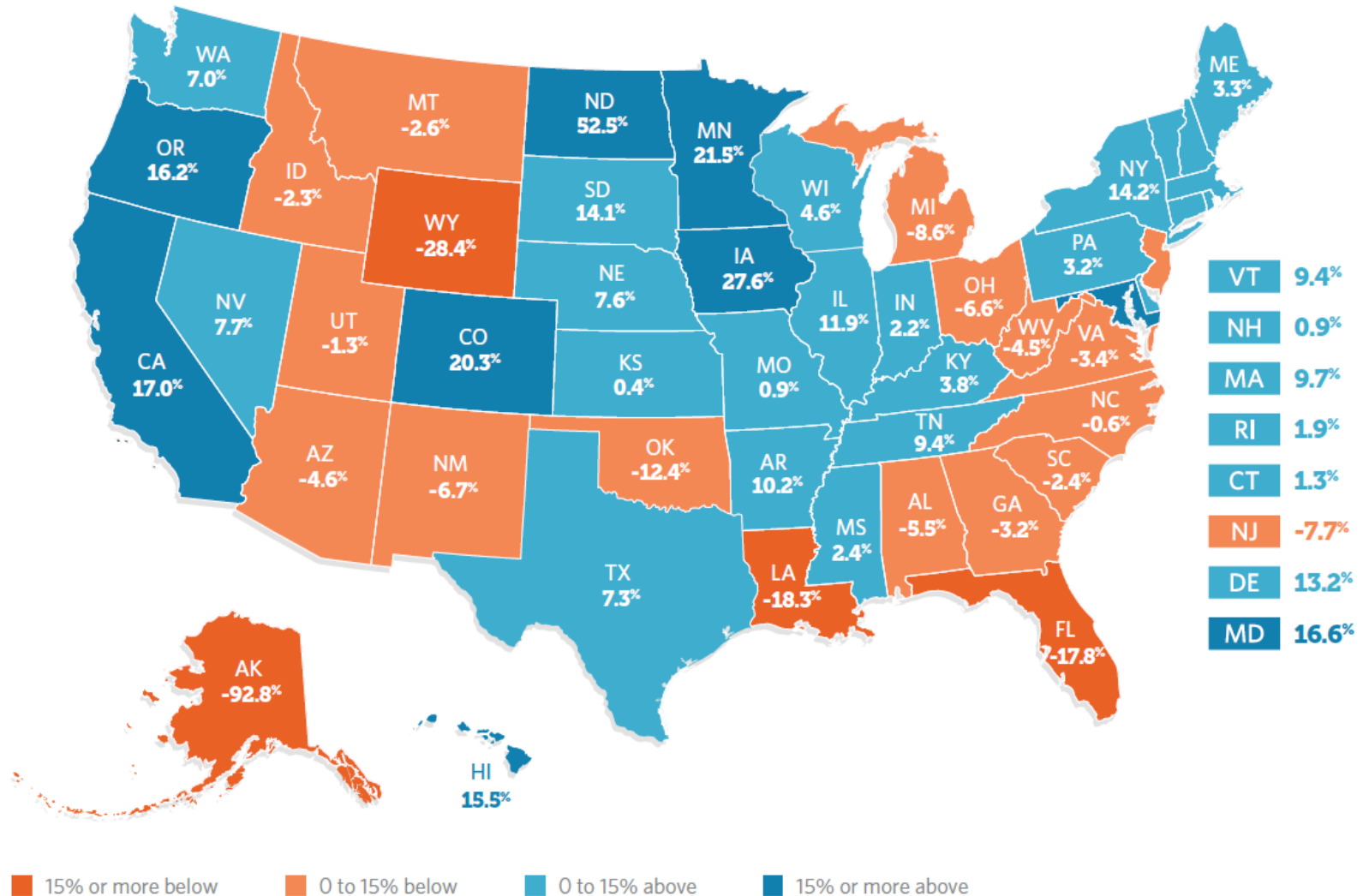
# Highest Above Peak and Lowest Below Peak

Inflation-adjusted, Q1 2016



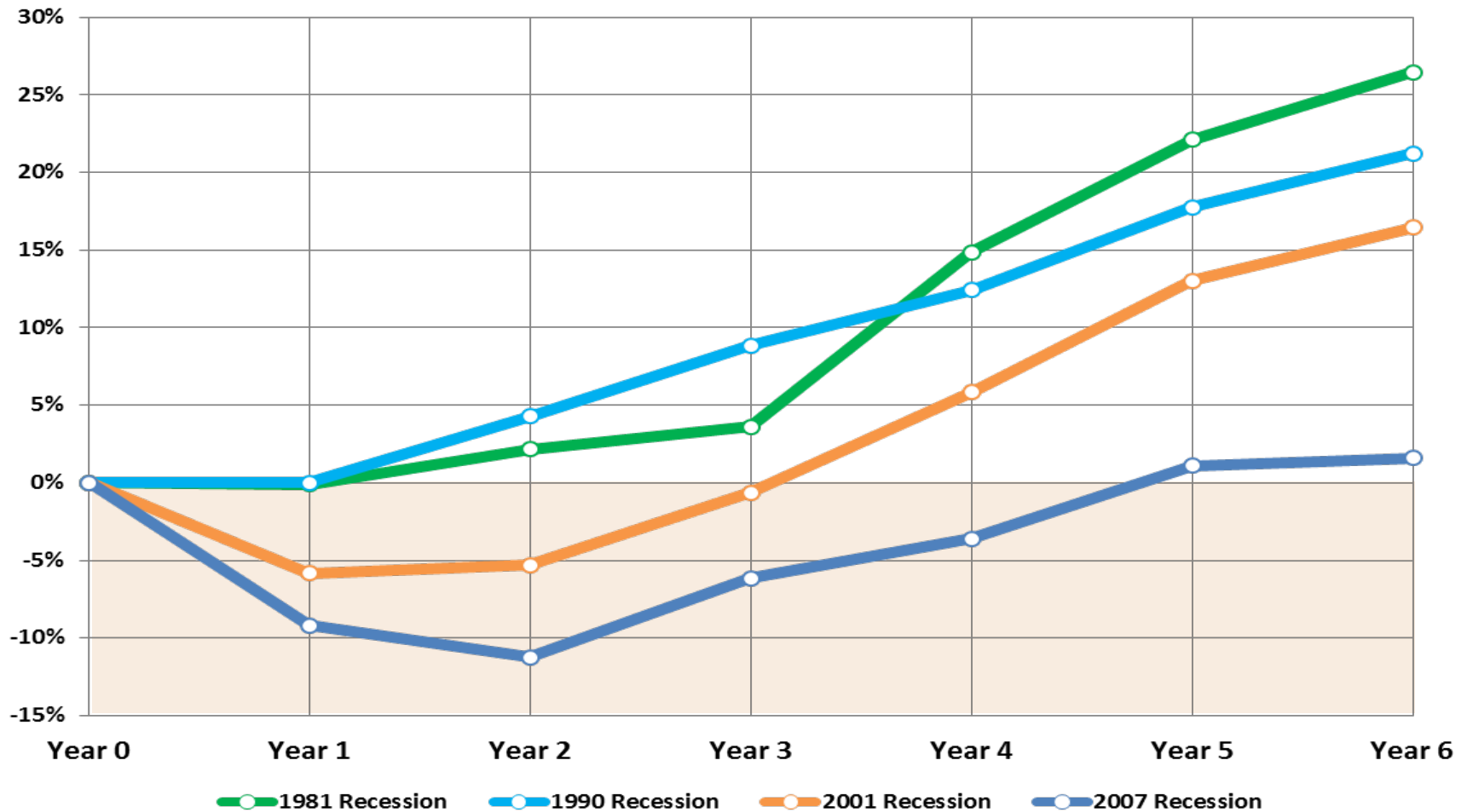
# Real Tax Revenue in 31 States Has Recovered from Recession

Tax collections in 1Q 2016 compared with each state's peak, adjusted for inflation



# Change in State Tax Revenue From Peaks in Recent Recessions

Inflation-adjusted

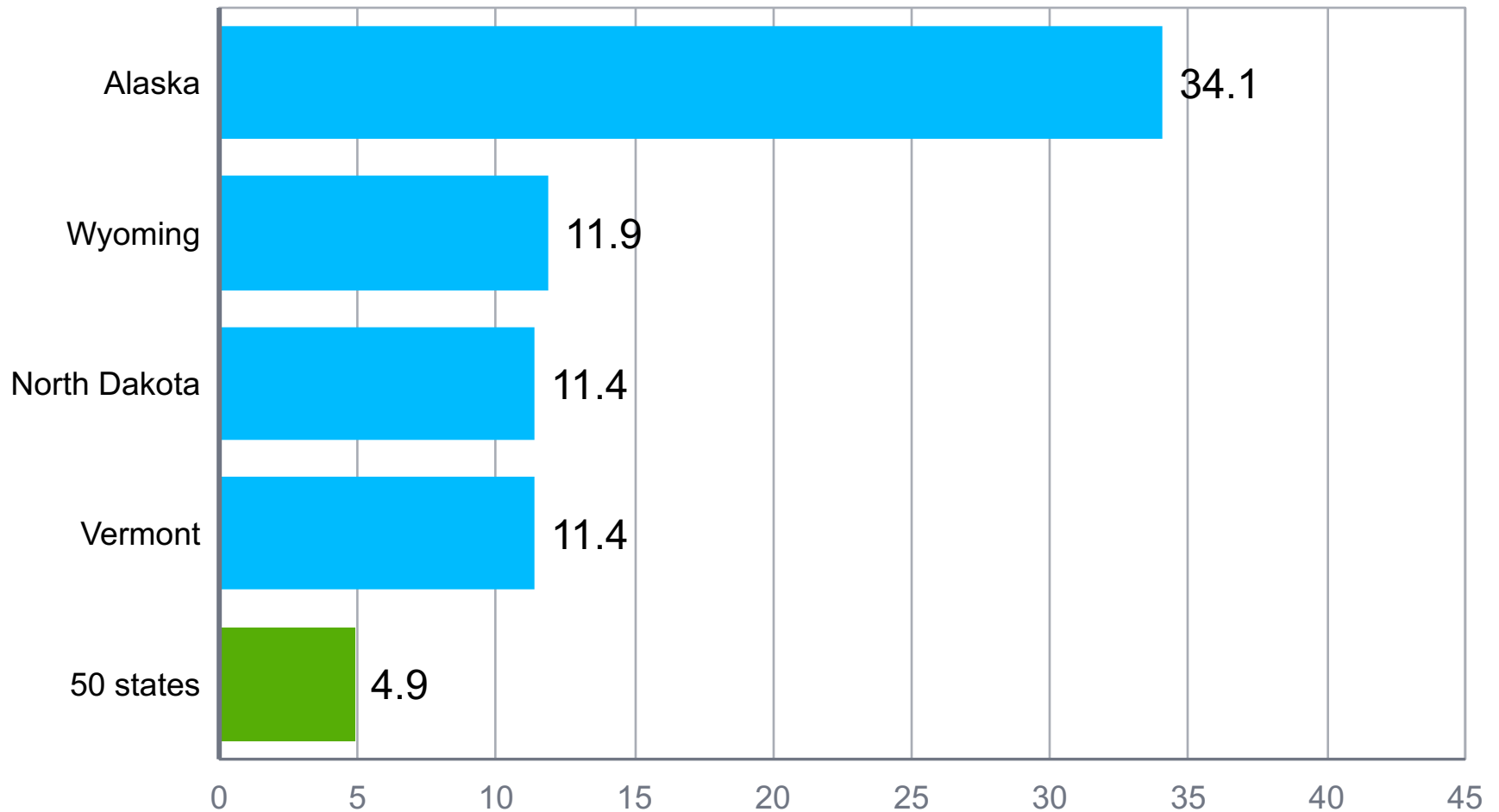




# States with Most Volatile Revenue Fluctuations



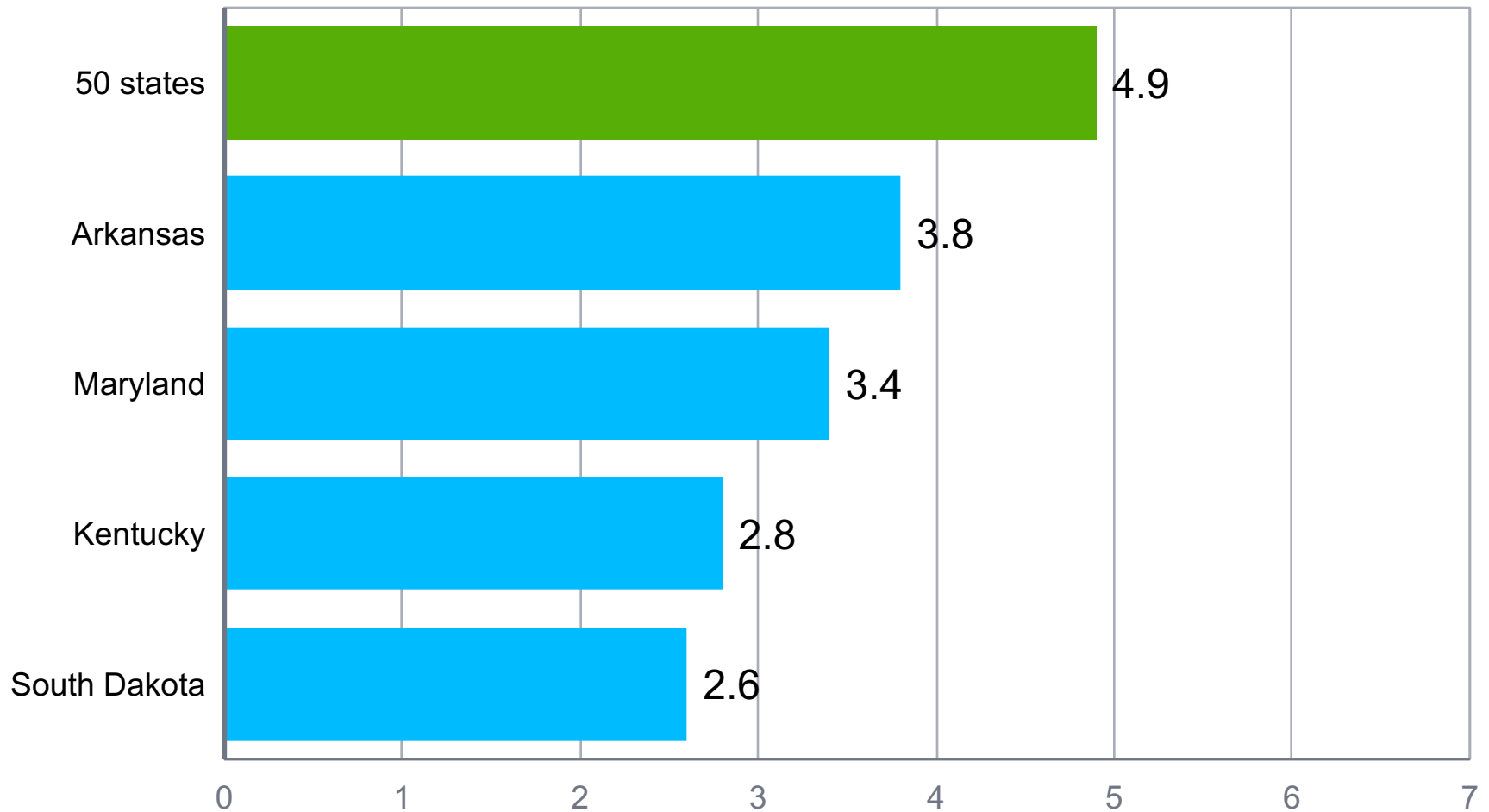
Fiscal years 1995 to 2014



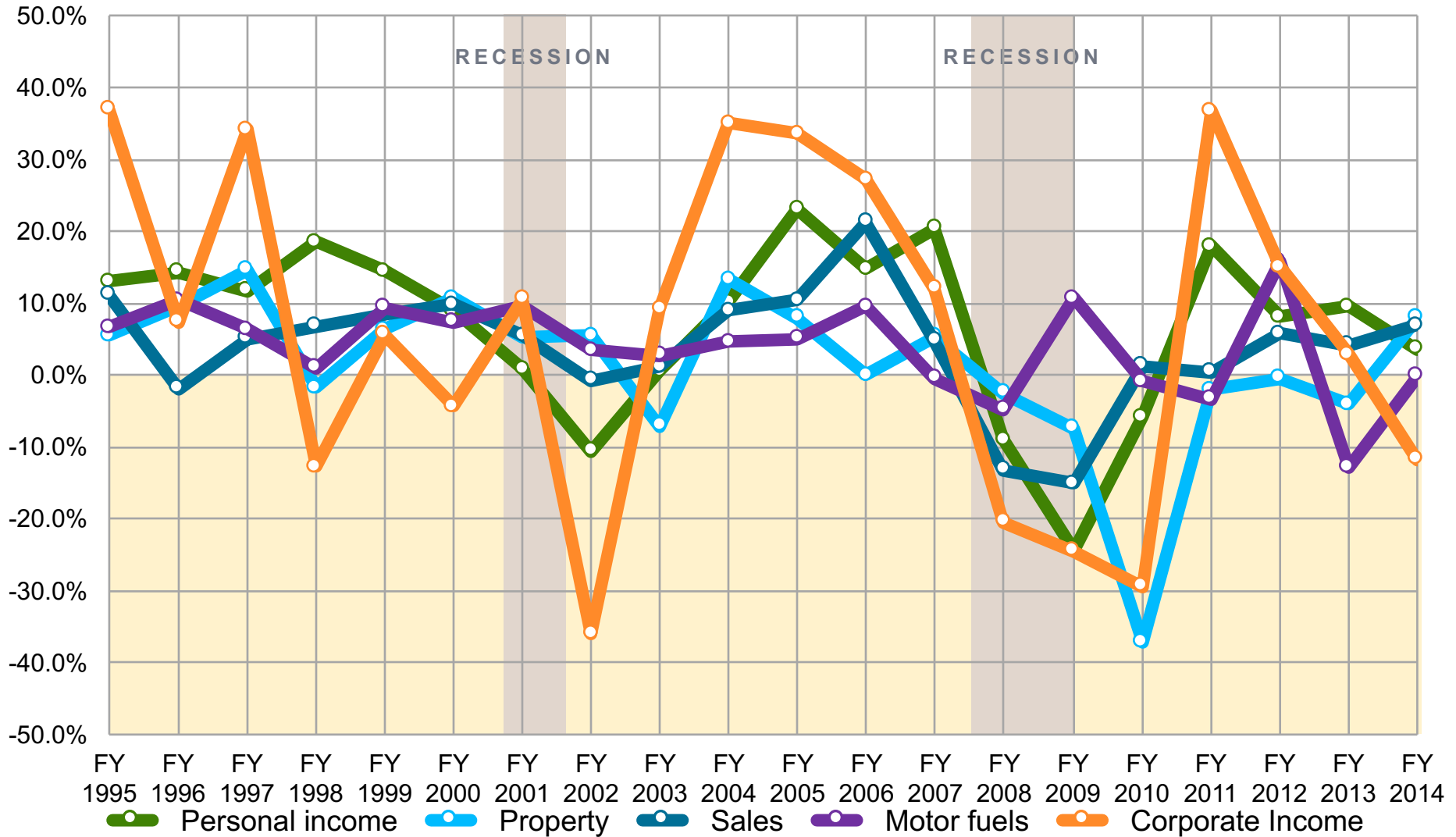
# States with Least Volatile Revenue Fluctuations



Fiscal years 1995 to 2014

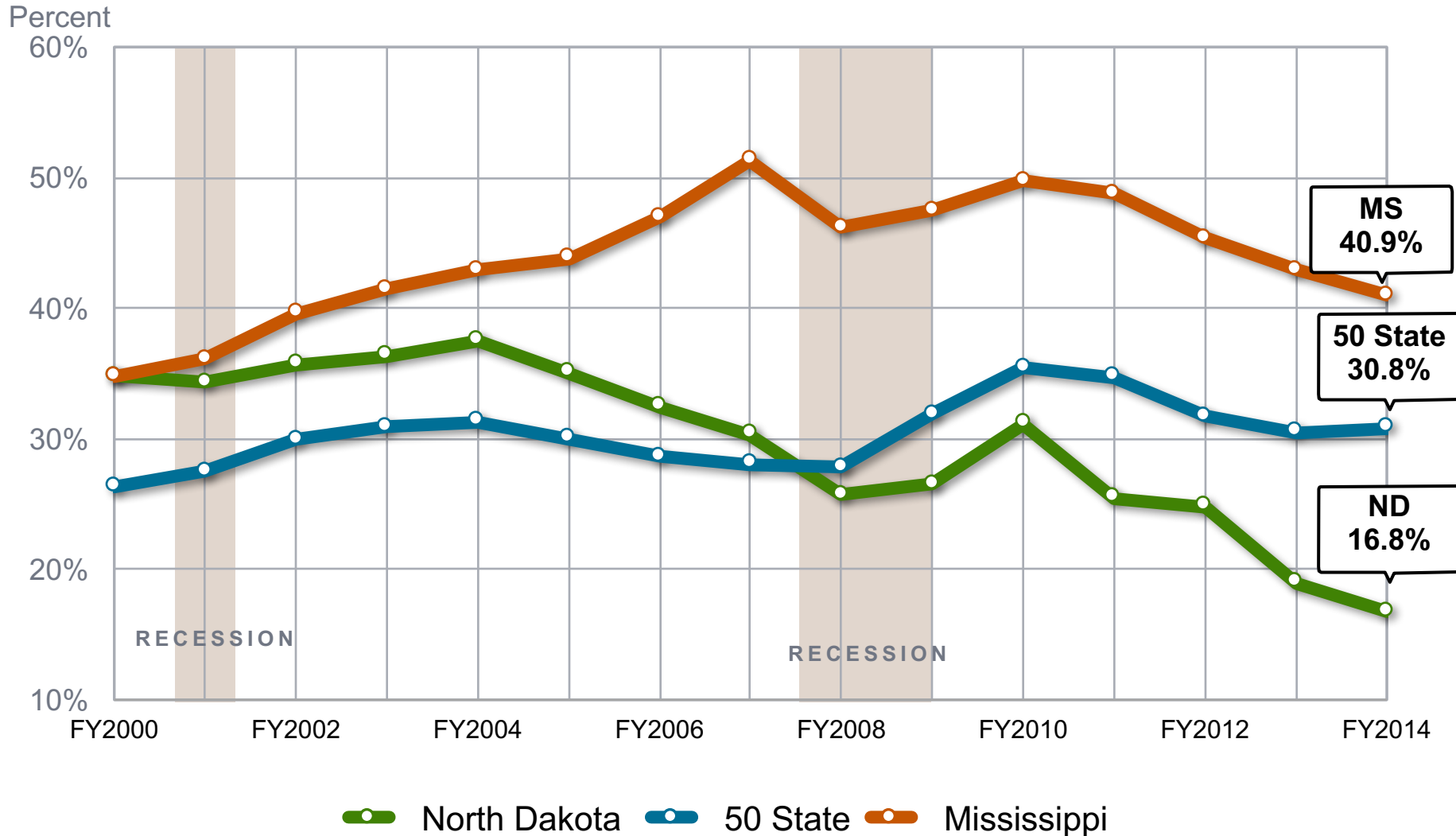


# Arizona: Year-over-Year Percent Change of Major Tax Sources



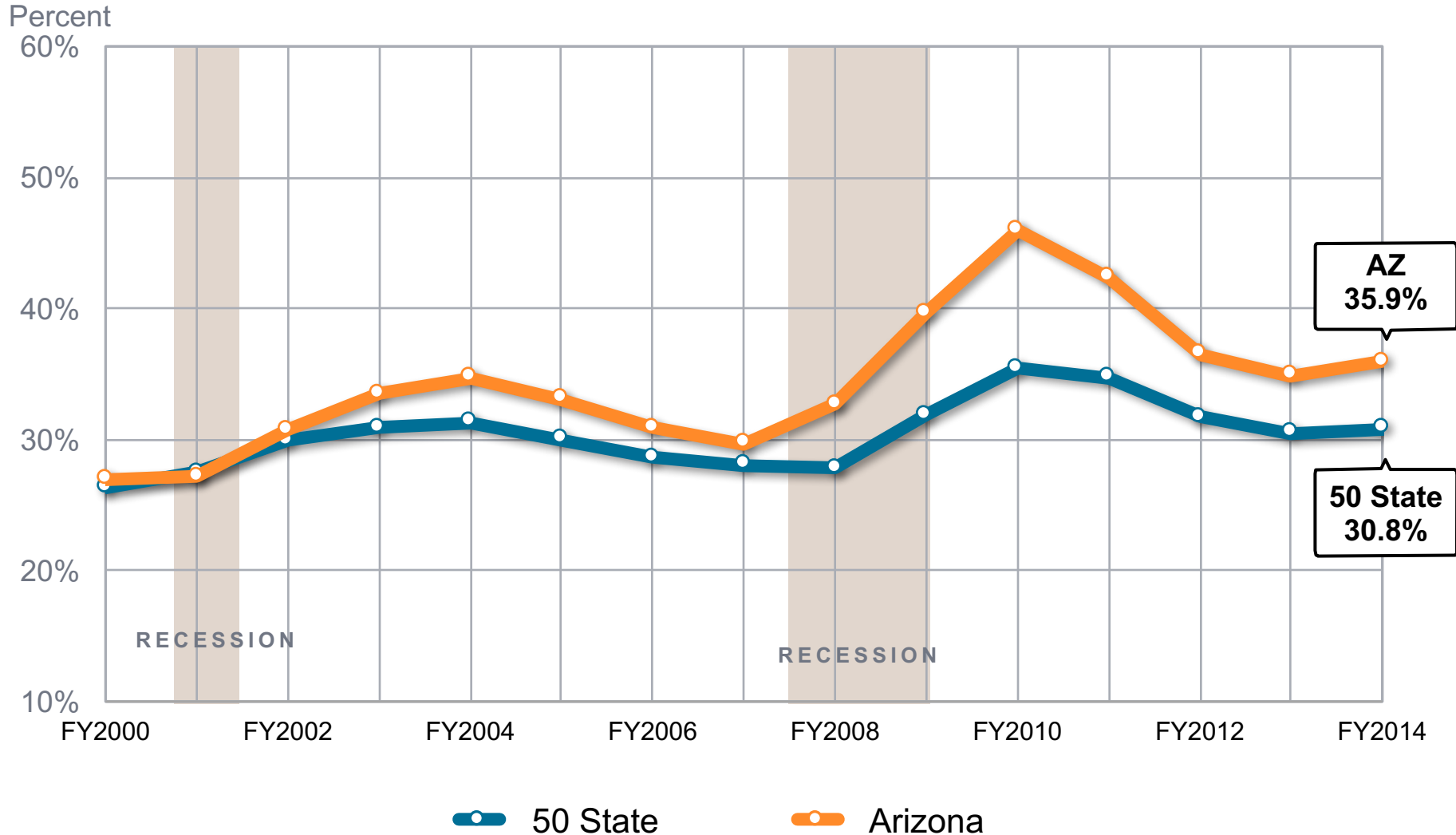
# Greatest and Smallest Shares of State Revenue from Federal Funds

FY 2000-14



# Shares of State Revenue from Federal Funds

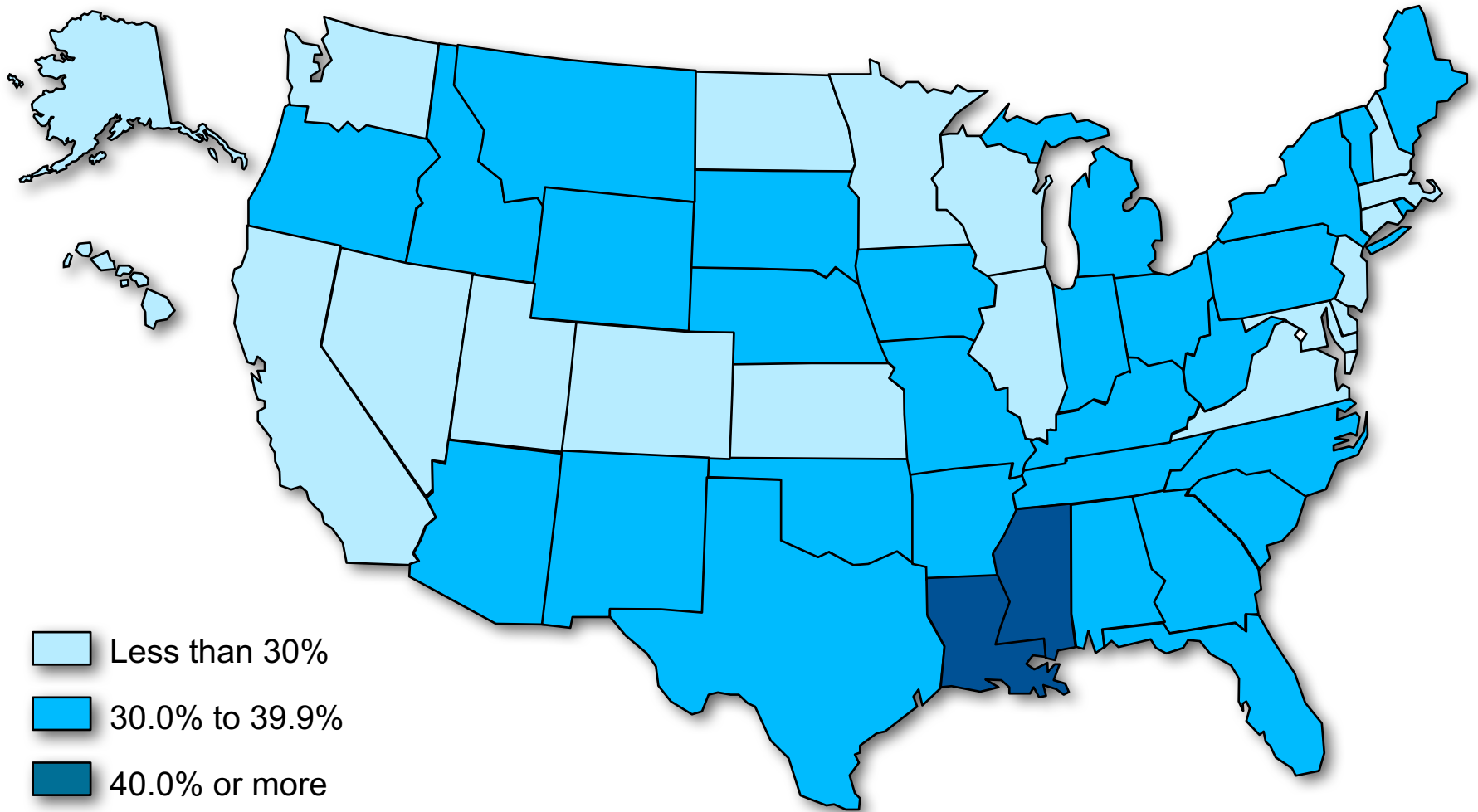
Arizona and 50 State Total, FY 2000-14



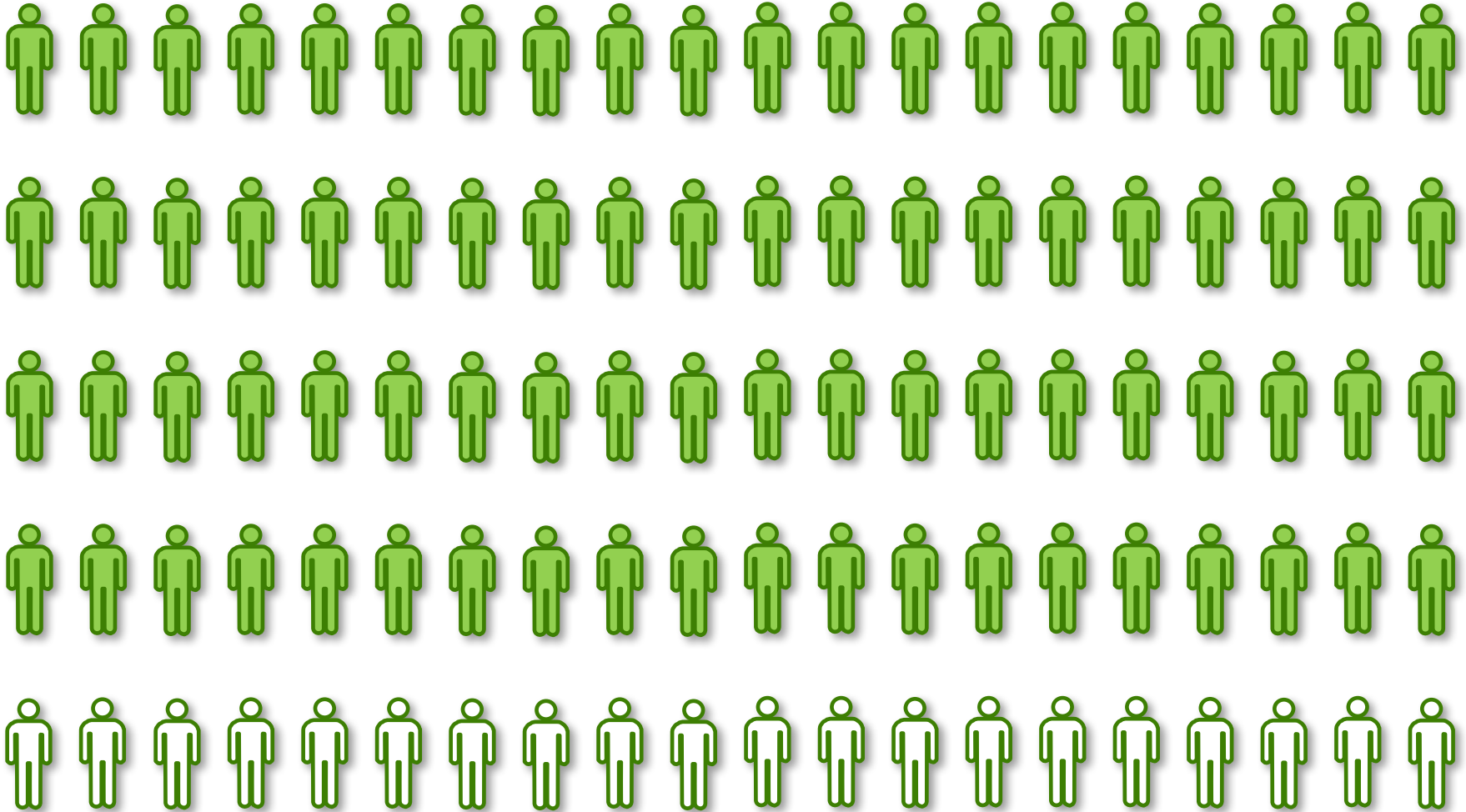
# Federal Funds as a Share of State Revenue



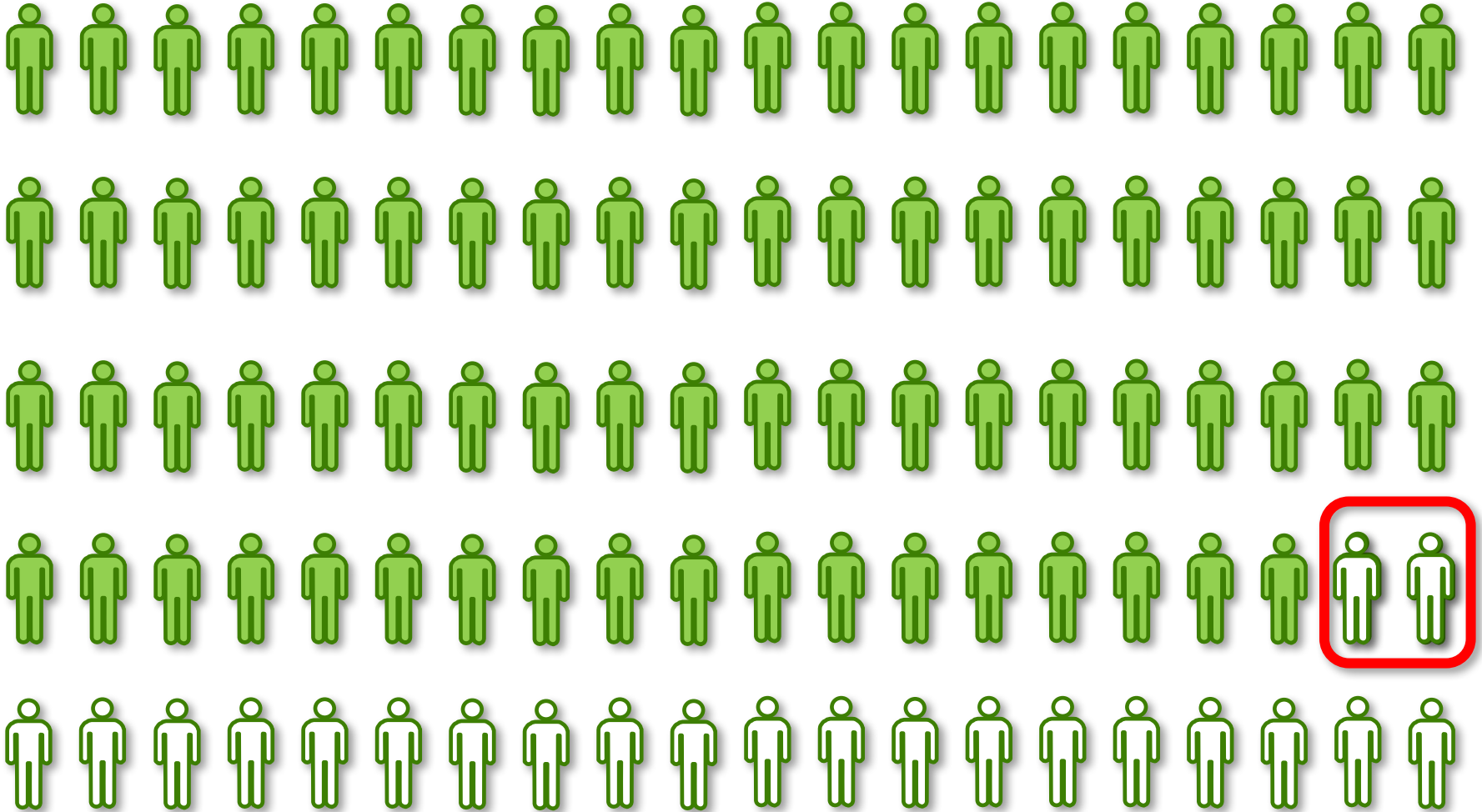
FY 2014



**US:** Before the recession, nearly 80 of every 100 prime-age adults were employed

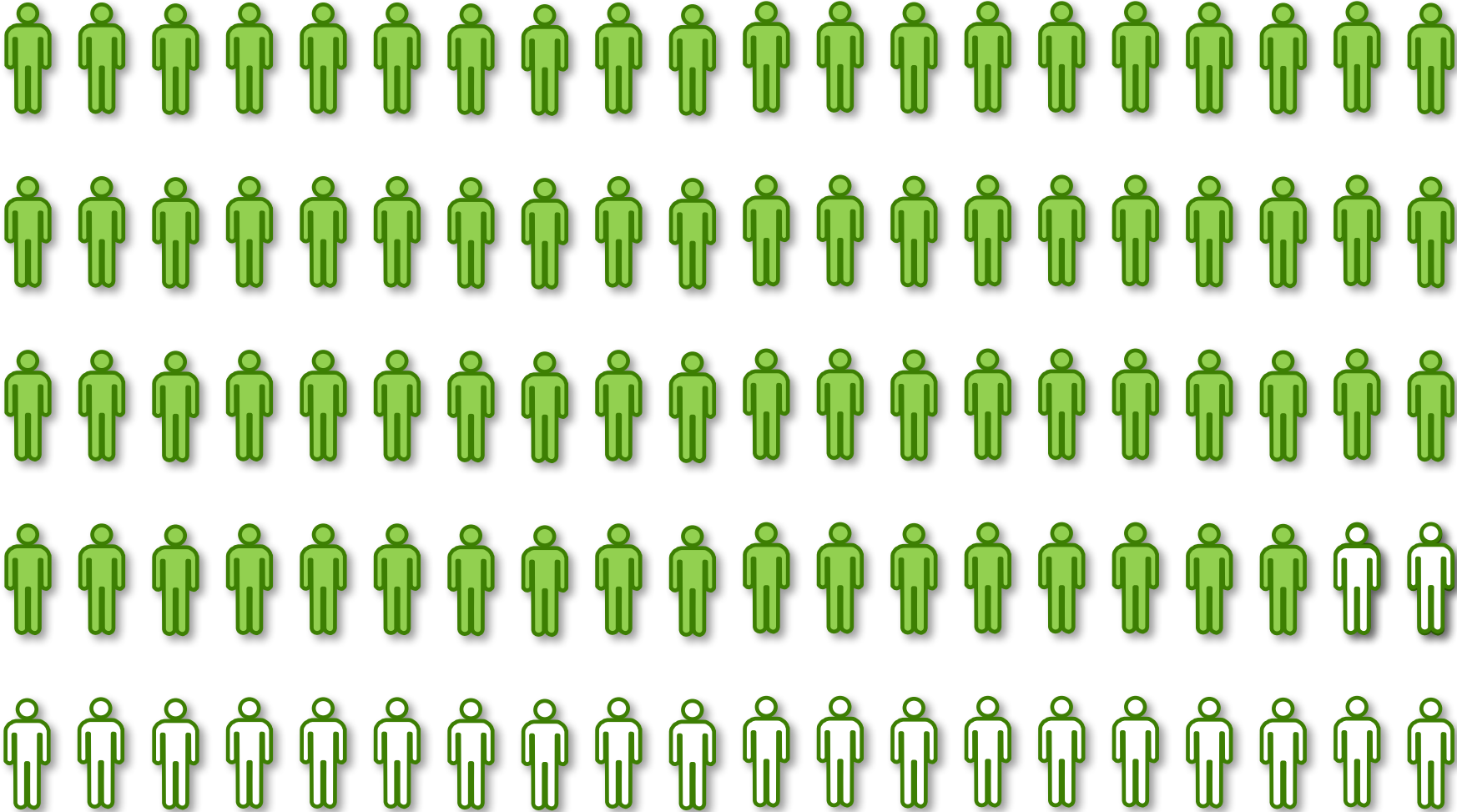


**US:** In 2016, only about 78 of every 100 prime-age adults were employed

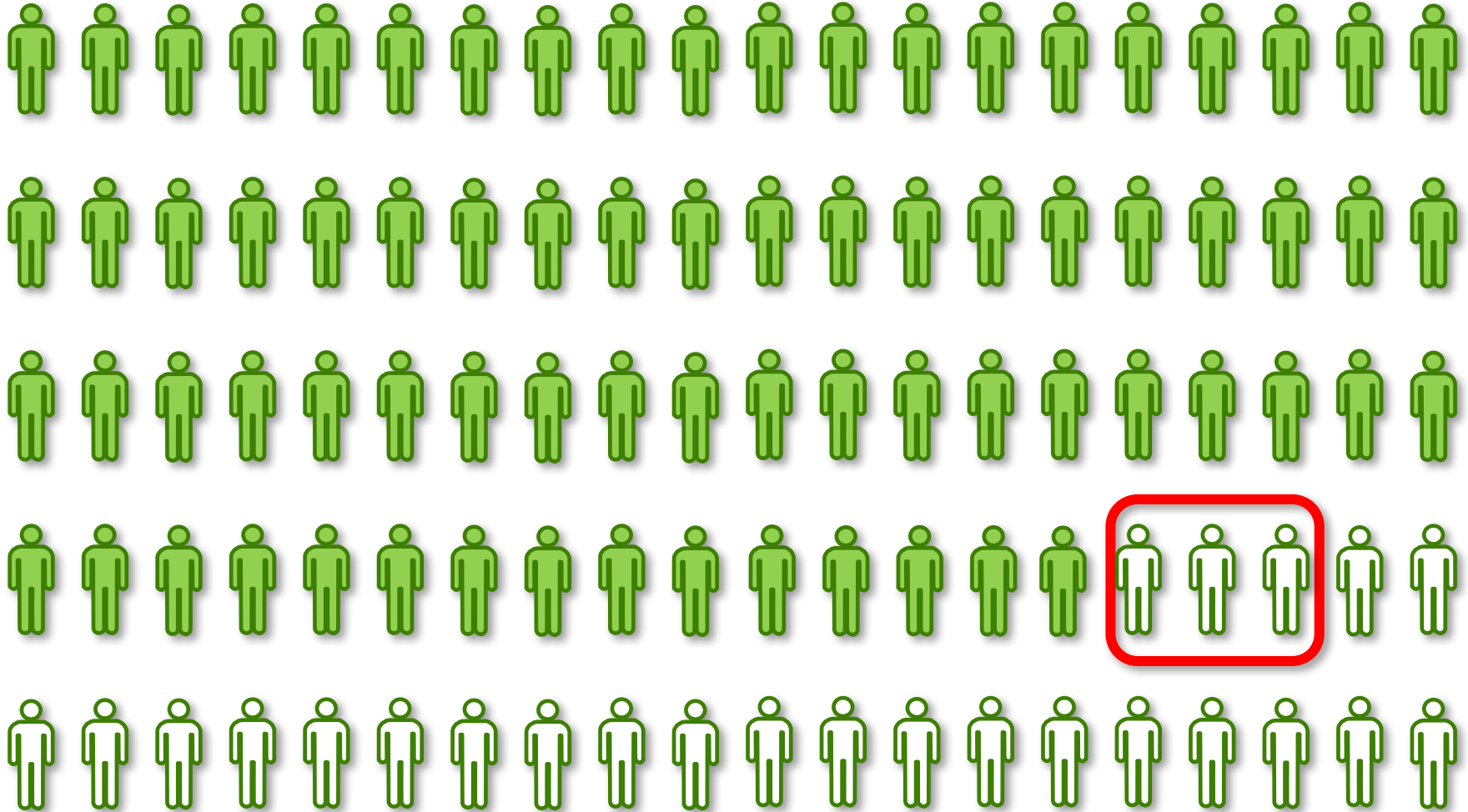




**Arizona:** Before the recession, about 78 of every 100 prime-age adults were employed

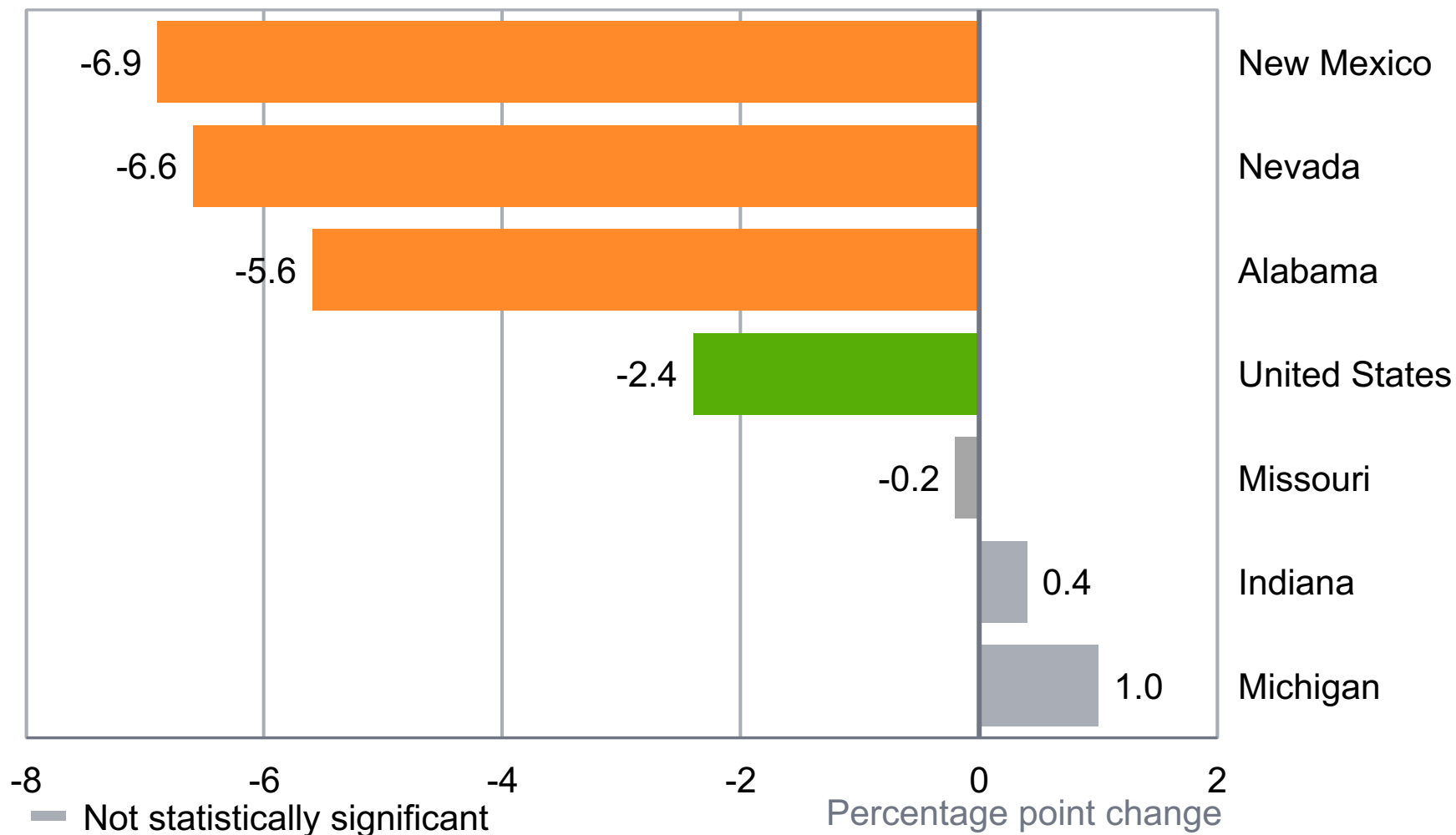


**Arizona:** In 2016, only about 75 of every 100 prime-age adults were employed



# Change in Employment Rate of Prime-age Workers

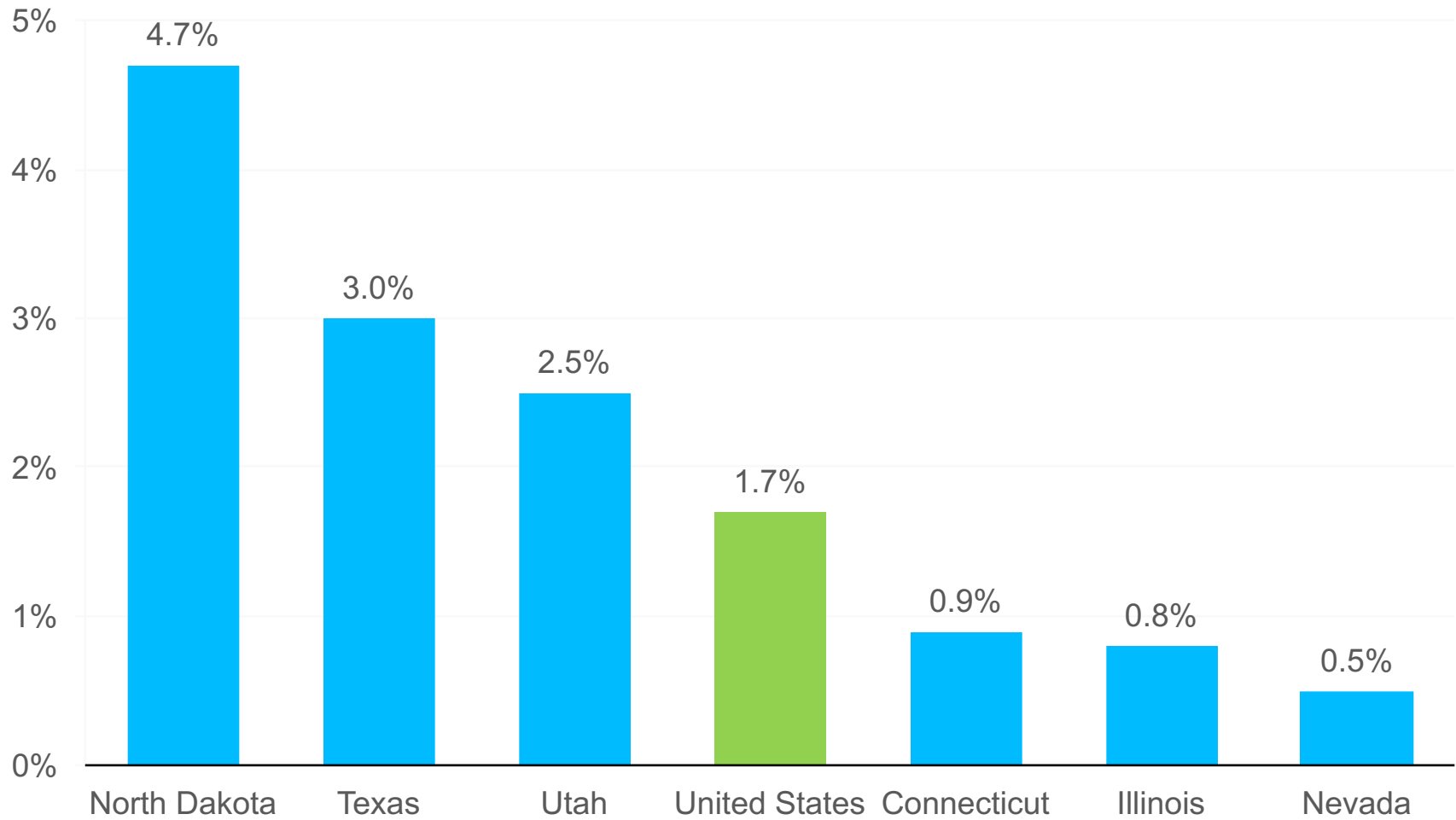
2007 to 2016



# Fastest and Slowest Growth Since Recession in State Personal Income



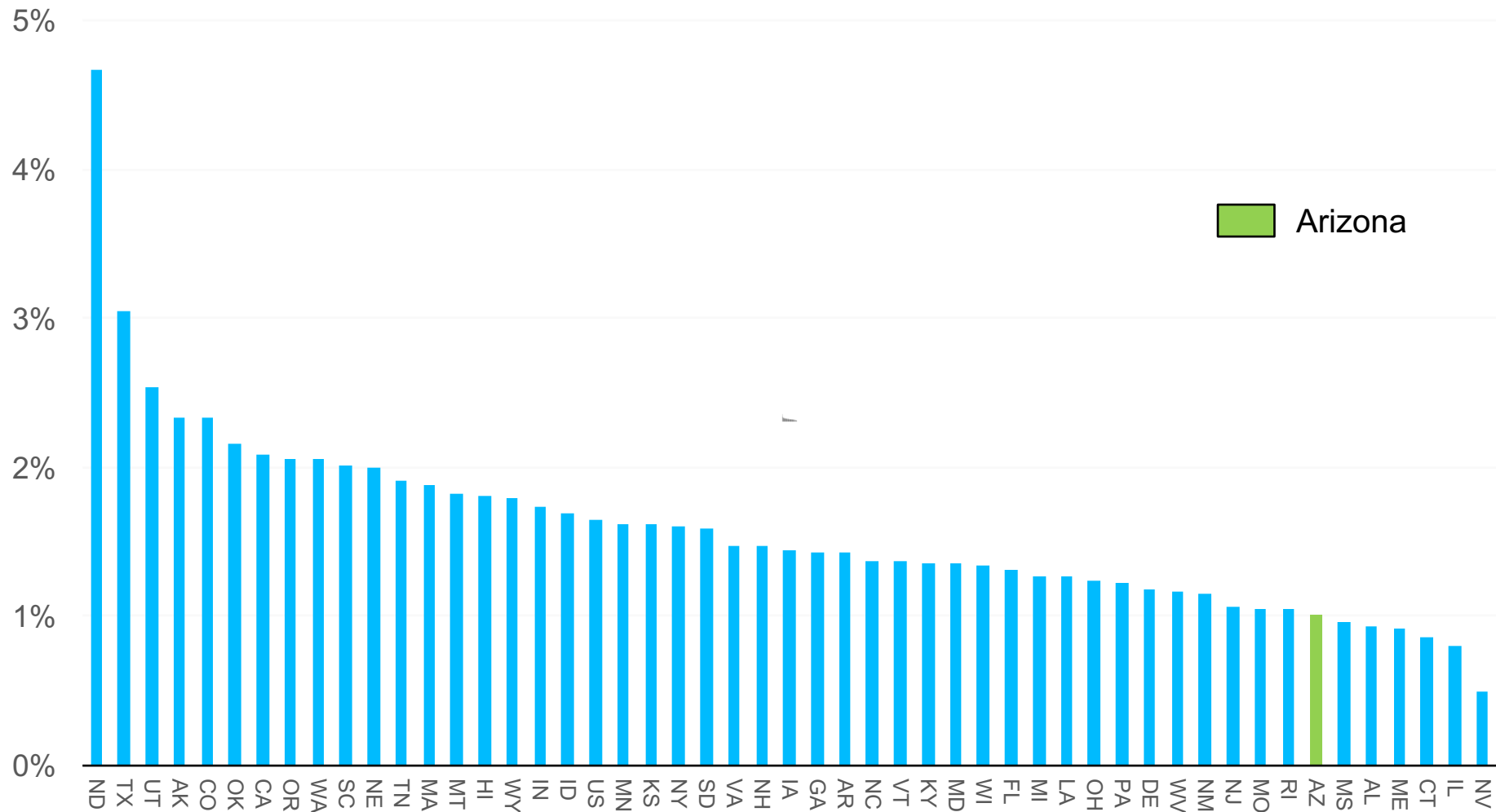
Inflation-adjusted, 4Q 2007 to 2Q 2016



# Growth in State Personal Income Since the Recession

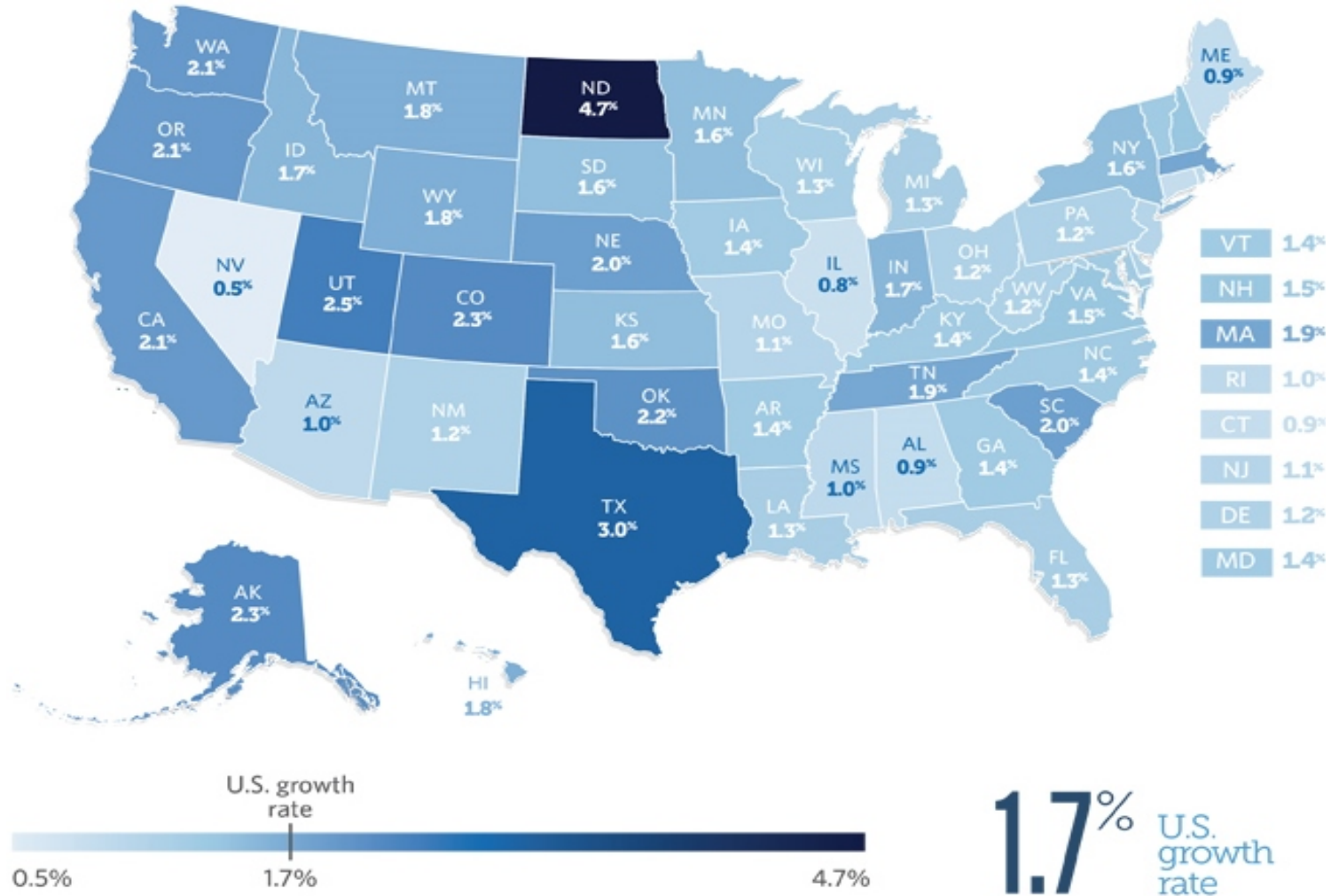


Inflation-adjusted, 4Q 2007 to 2Q 2016



# State Personal Income Growth Since Recession

Inflation-adjusted, Q4 2007 to Q2 2016

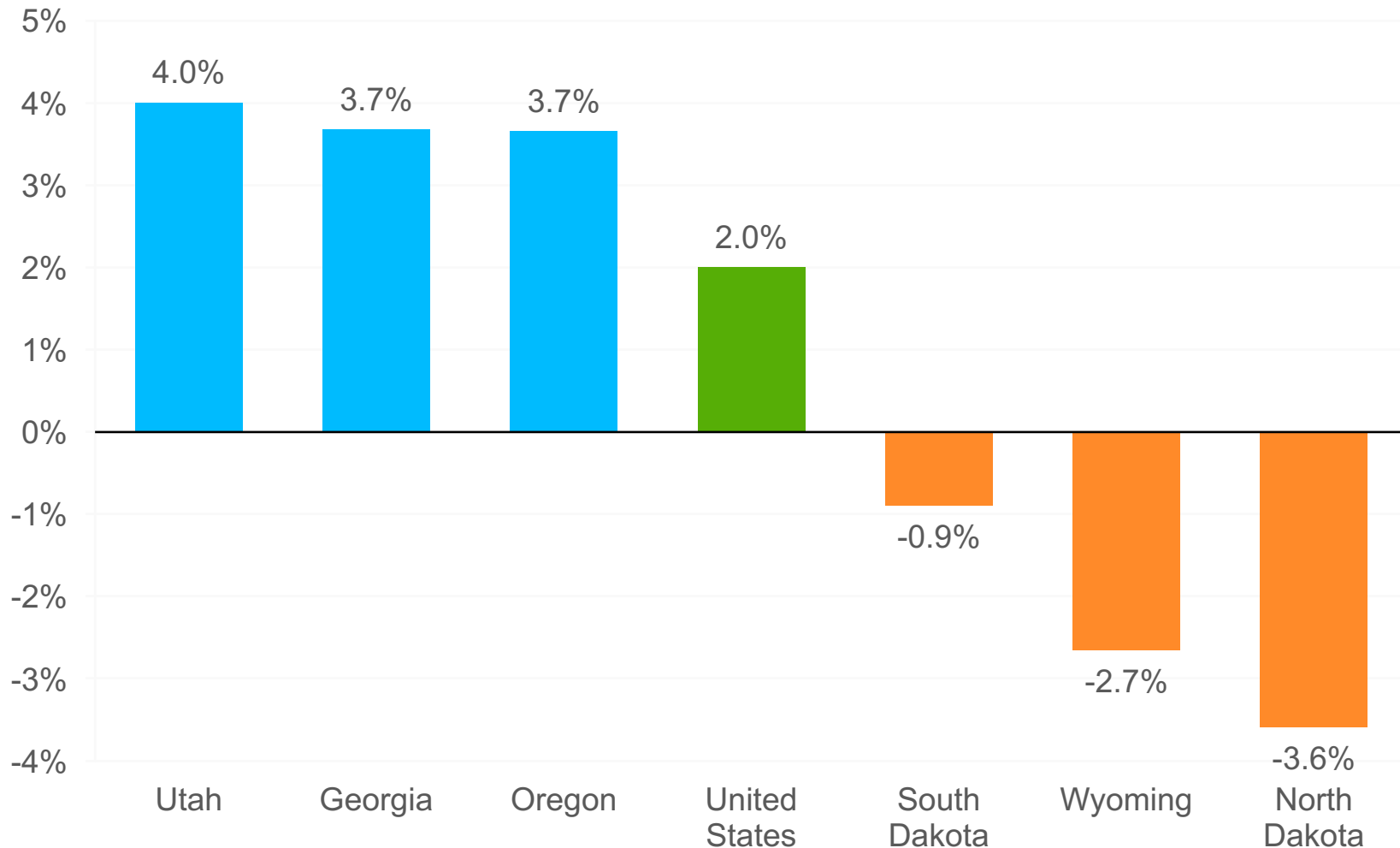


Source: Pew's analysis based on data from the U.S. Bureau of Economic Analysis

# Fastest and Slowest Growth Over Past Year in State Personal Income



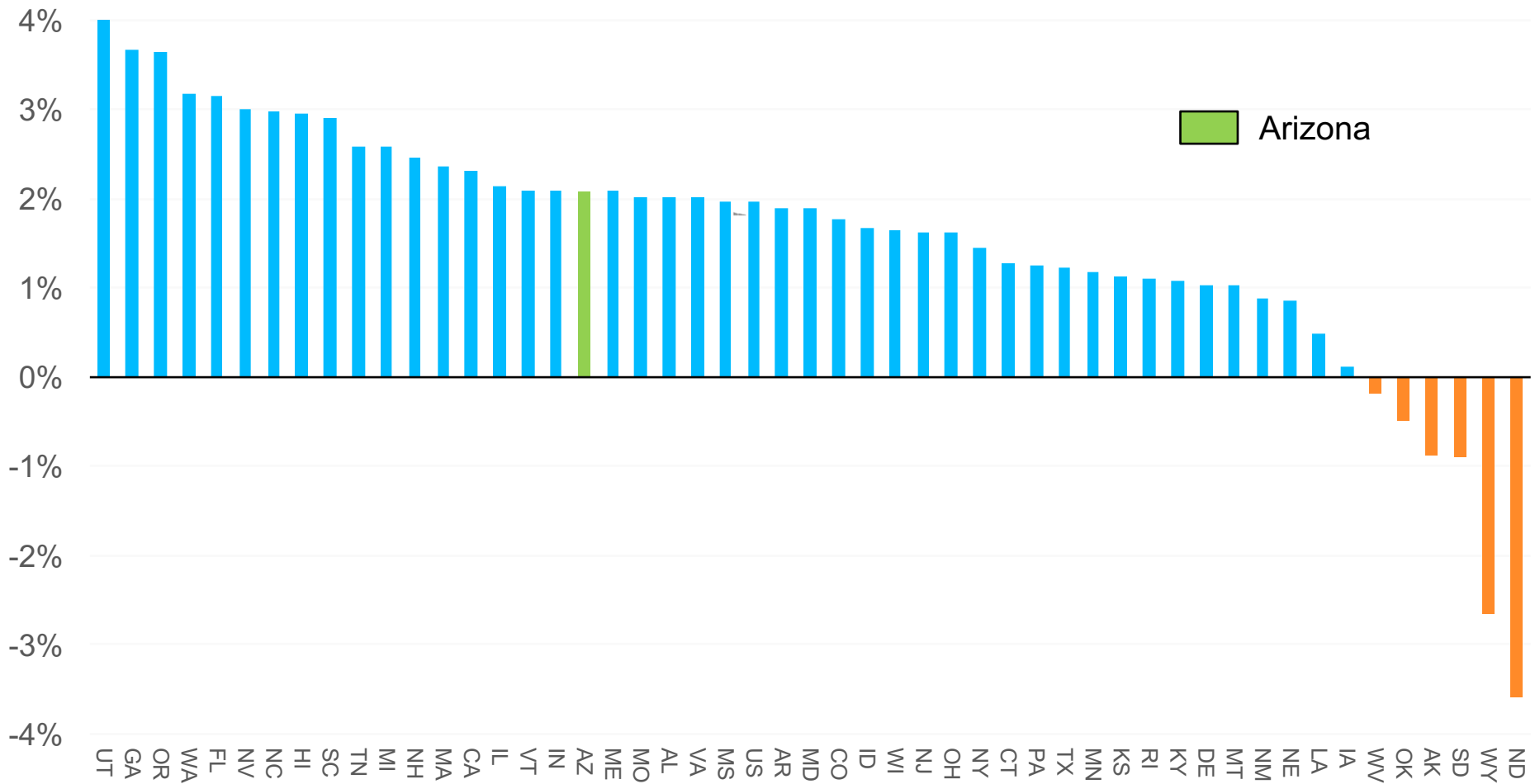
Inflation-adjusted, 2Q 2015 to 2Q 2016



# Growth in State Personal Income Over Past Year



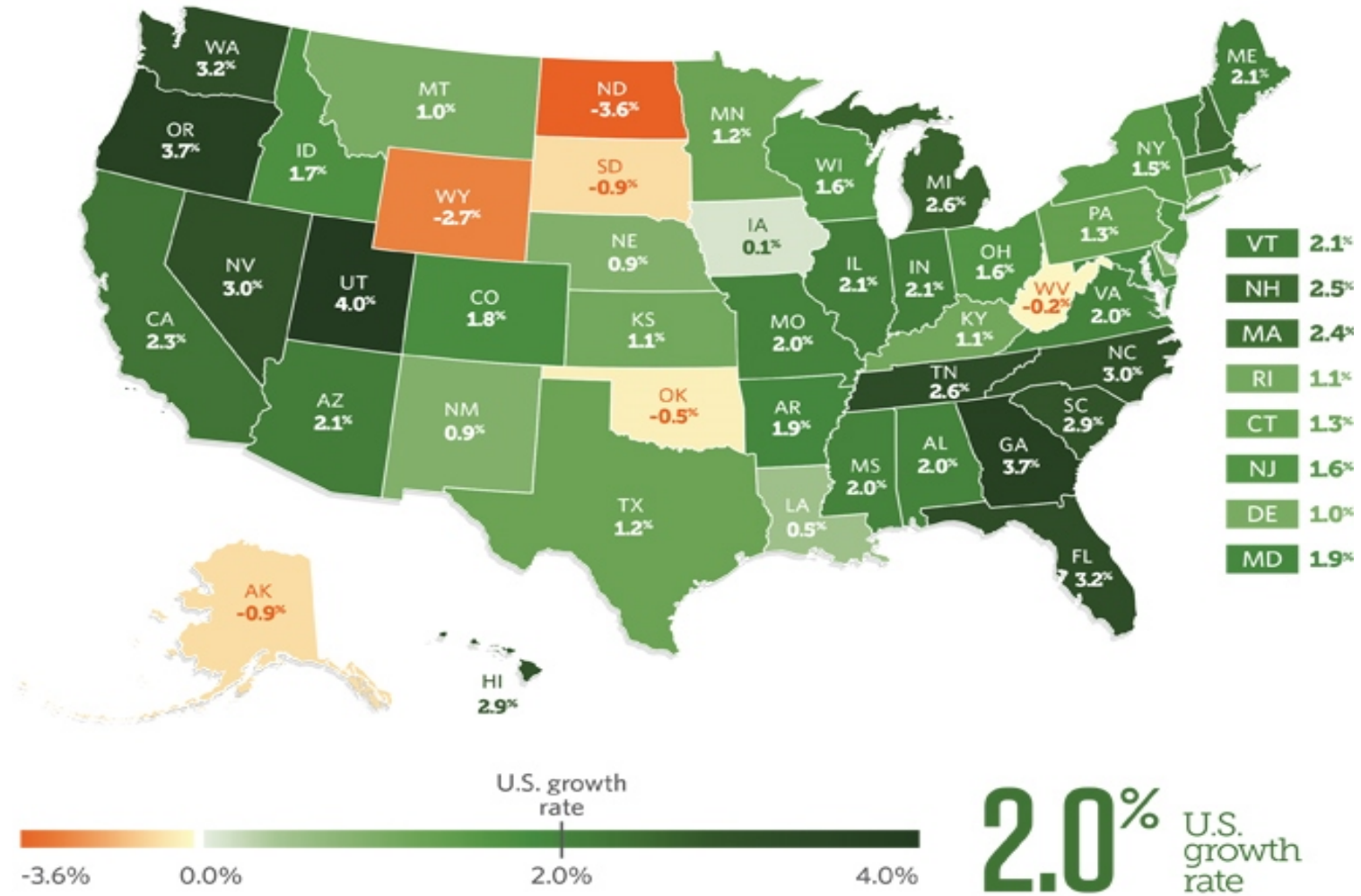
Inflation-adjusted, 2Q 2015 to 2Q 2016





# State Personal Income Growth Rate Over Past Year

Inflation-adjusted, Q2 2015 to Q2 2016



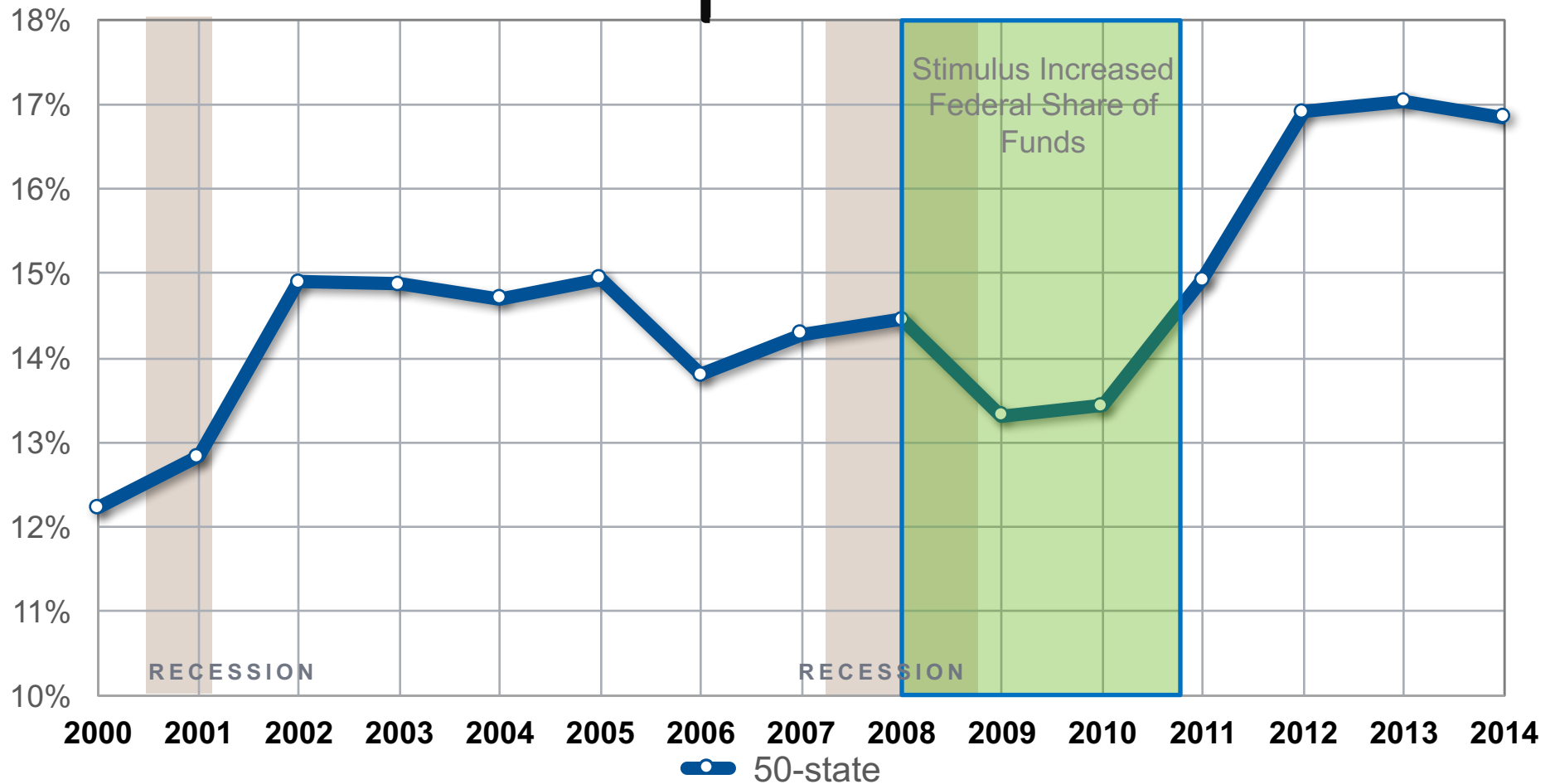
Source: Pew's analysis based on data from the U.S. Bureau of Economic Analysis

# State Medicaid Spending as a Share of Own-Source Revenue, 2000-14



50-State Total

Federal Action Reduces State Rx Spending →

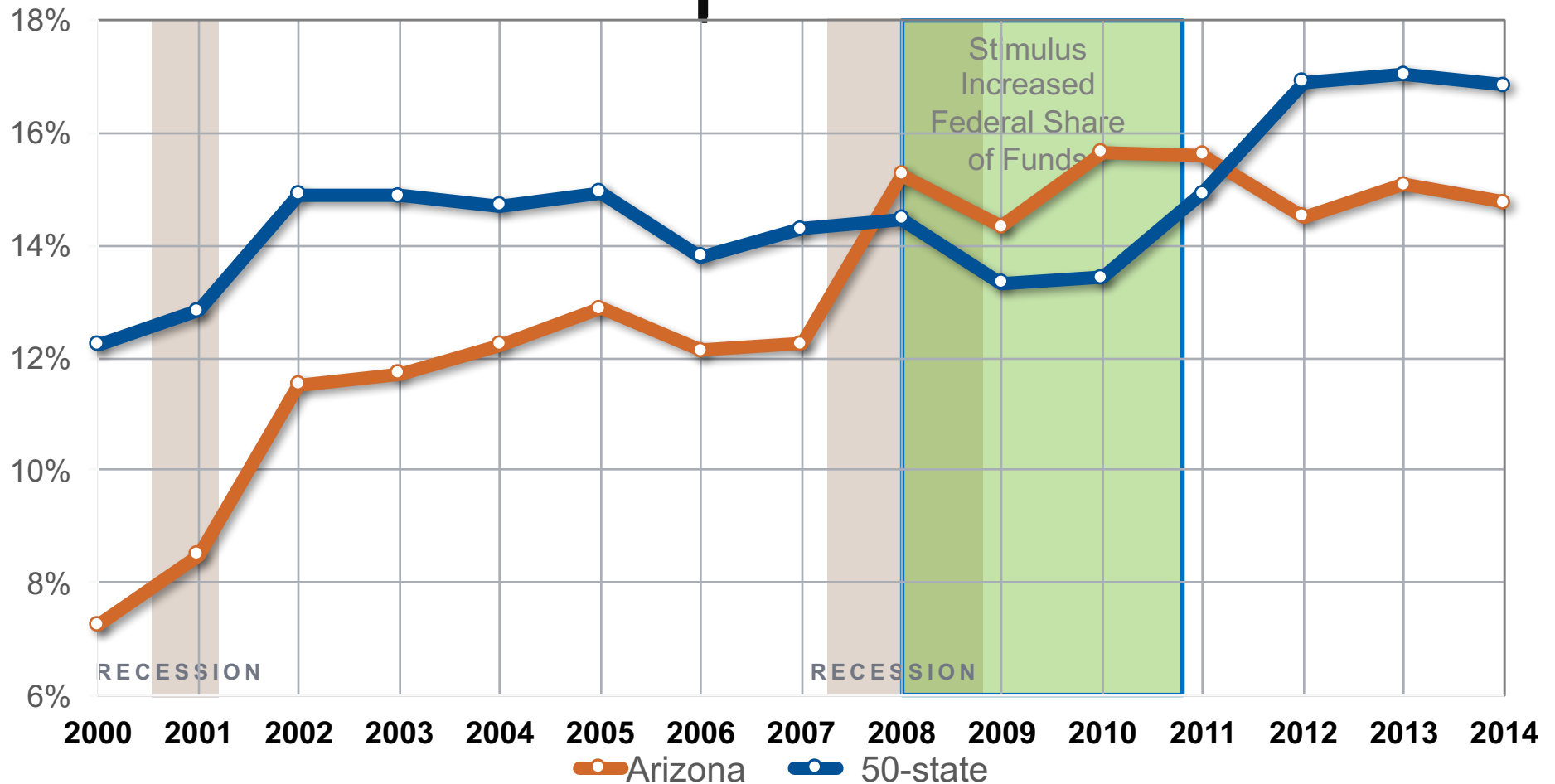


# State Medicaid Spending as a Share of Own-Source Revenue, 2000-14

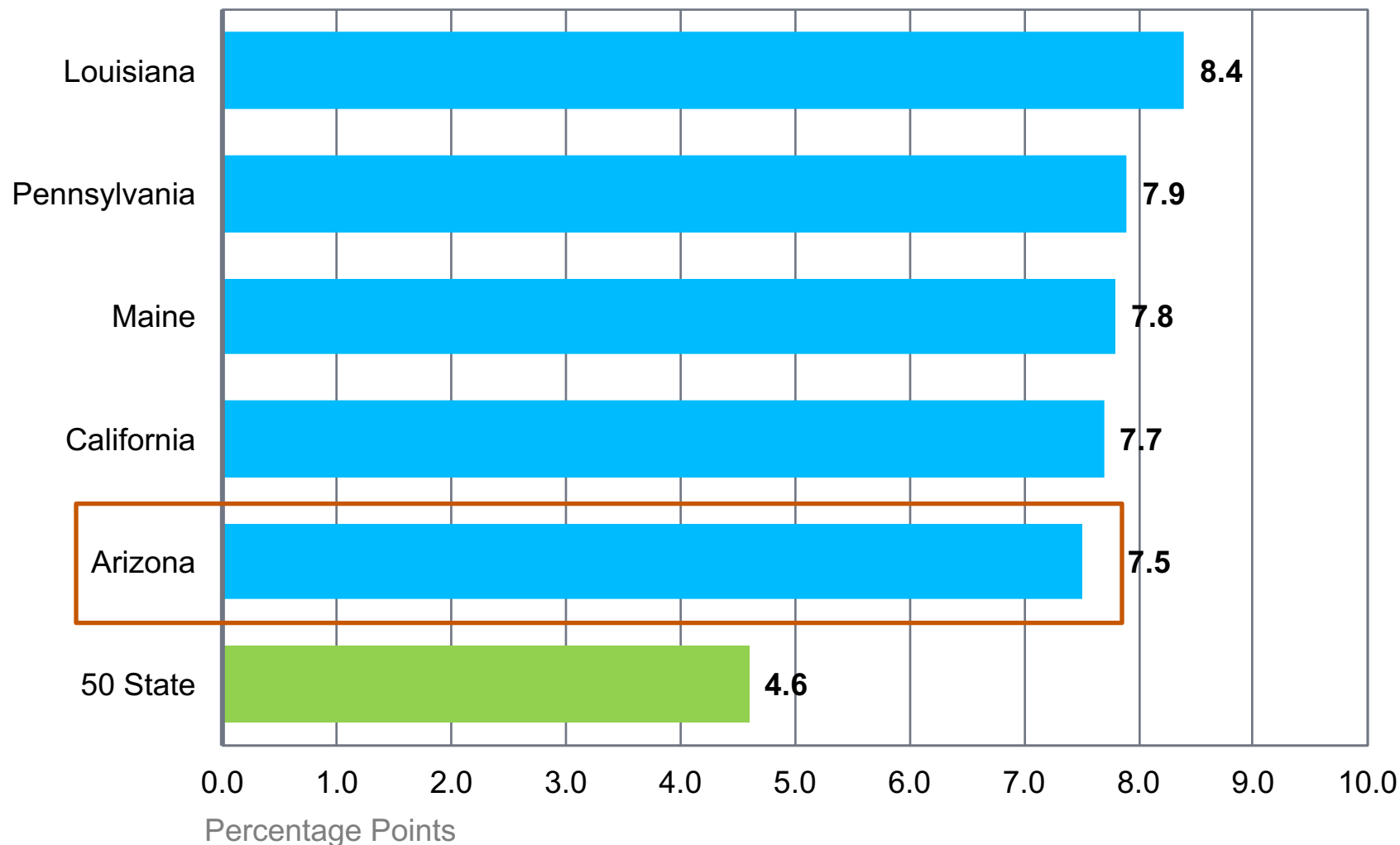


Arizona and 50-State Total

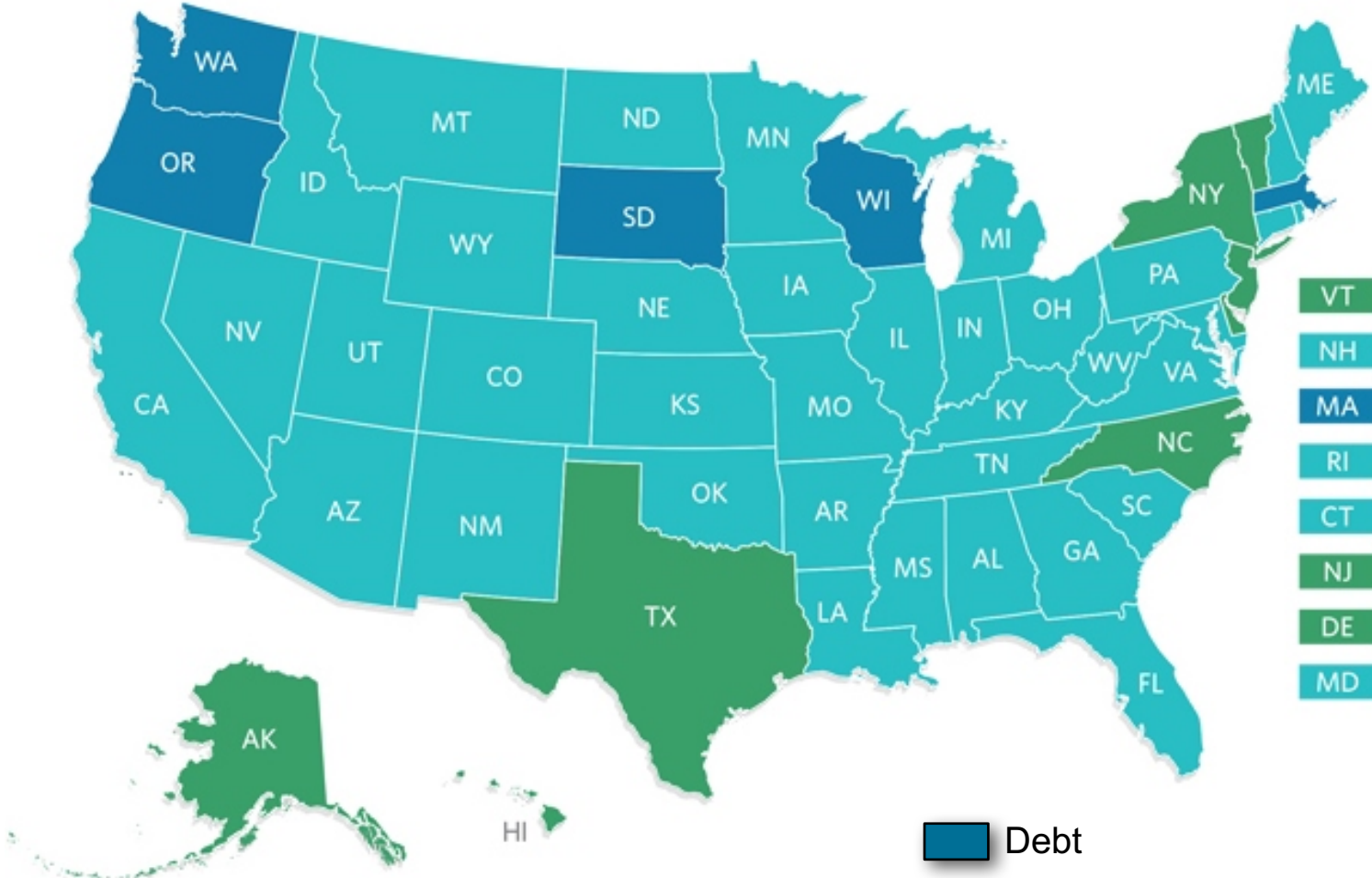
Federal Action Reduces State Rx Spending →



# Five States with Largest Changes in Medicaid Spending as a Share of Own-Source Revenue, 2000-14



# Each State's Largest Future Cost, 2013

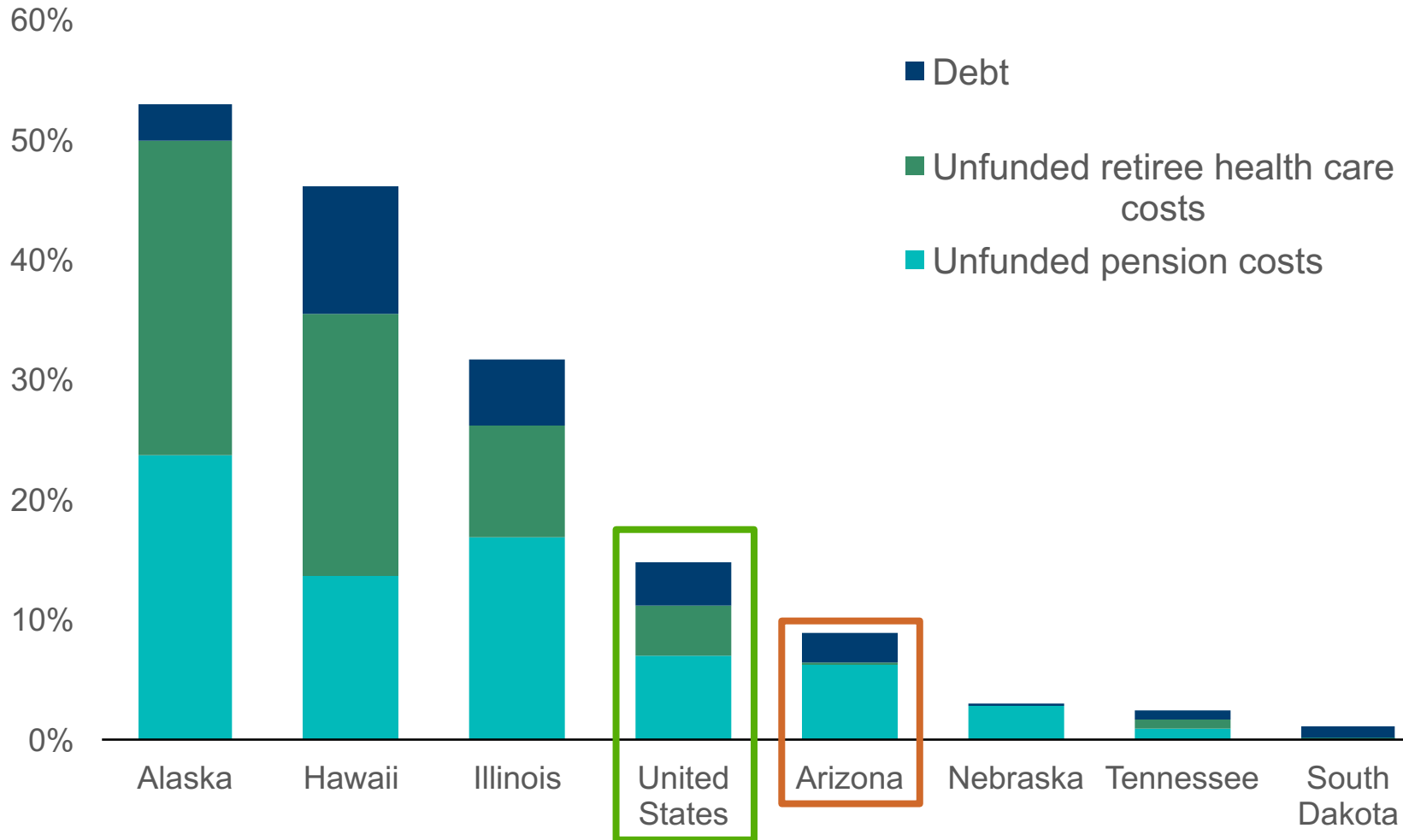


- Dark Blue: Debt
- Green: Unfunded retiree health care costs
- Teal: Unfunded pension costs

# Arizona Ranks 37<sup>th</sup> for Total Long-Term Obligations, 2013



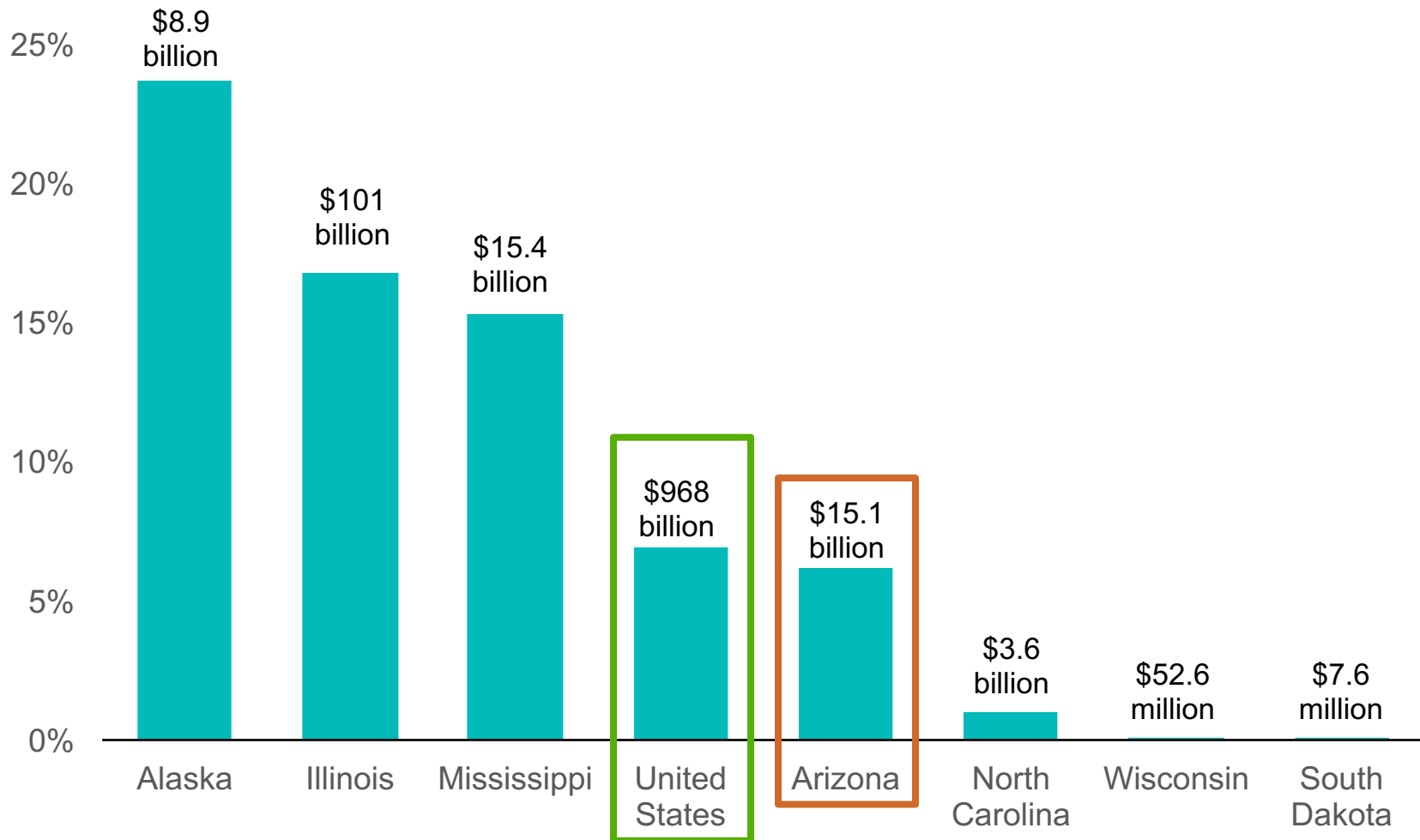
As a Share of State Personal Income



# Arizona Ranks 30<sup>th</sup> for Unfunded Pension Costs, 2013



As a Share of State Personal Income

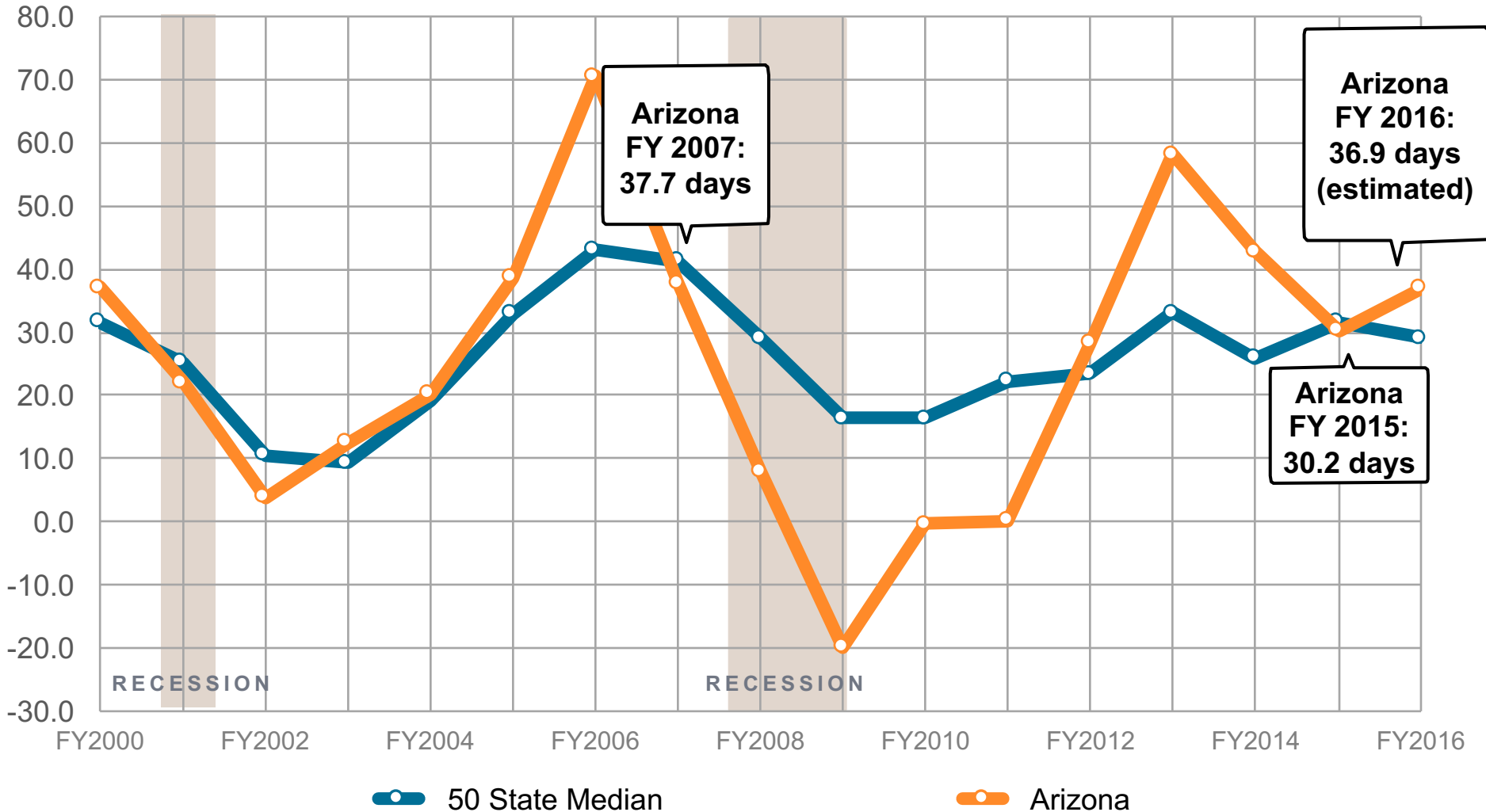


# Days Arizona Could Run on Reserve Funds

FY 2000–16 (estimated)



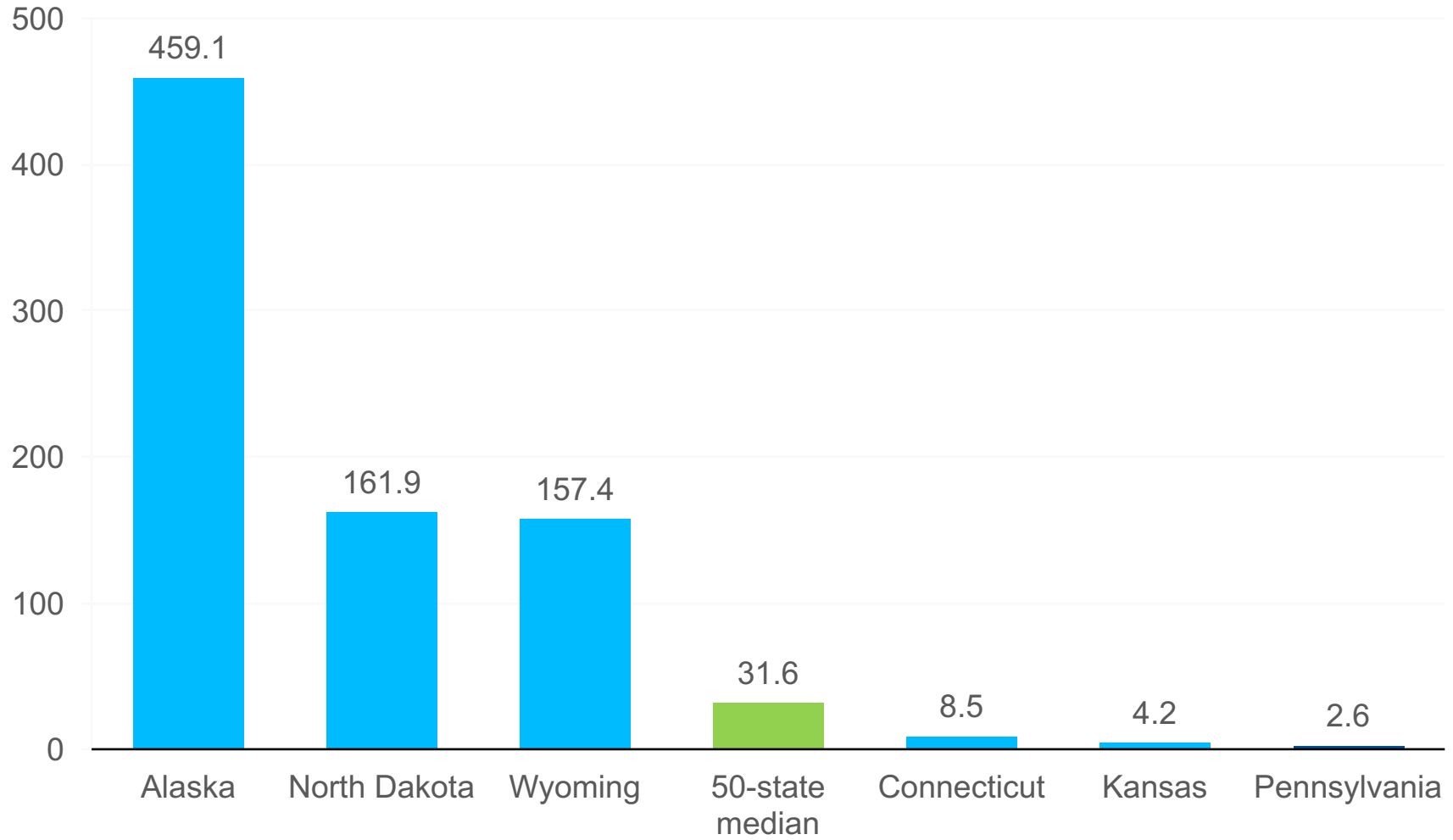
Days





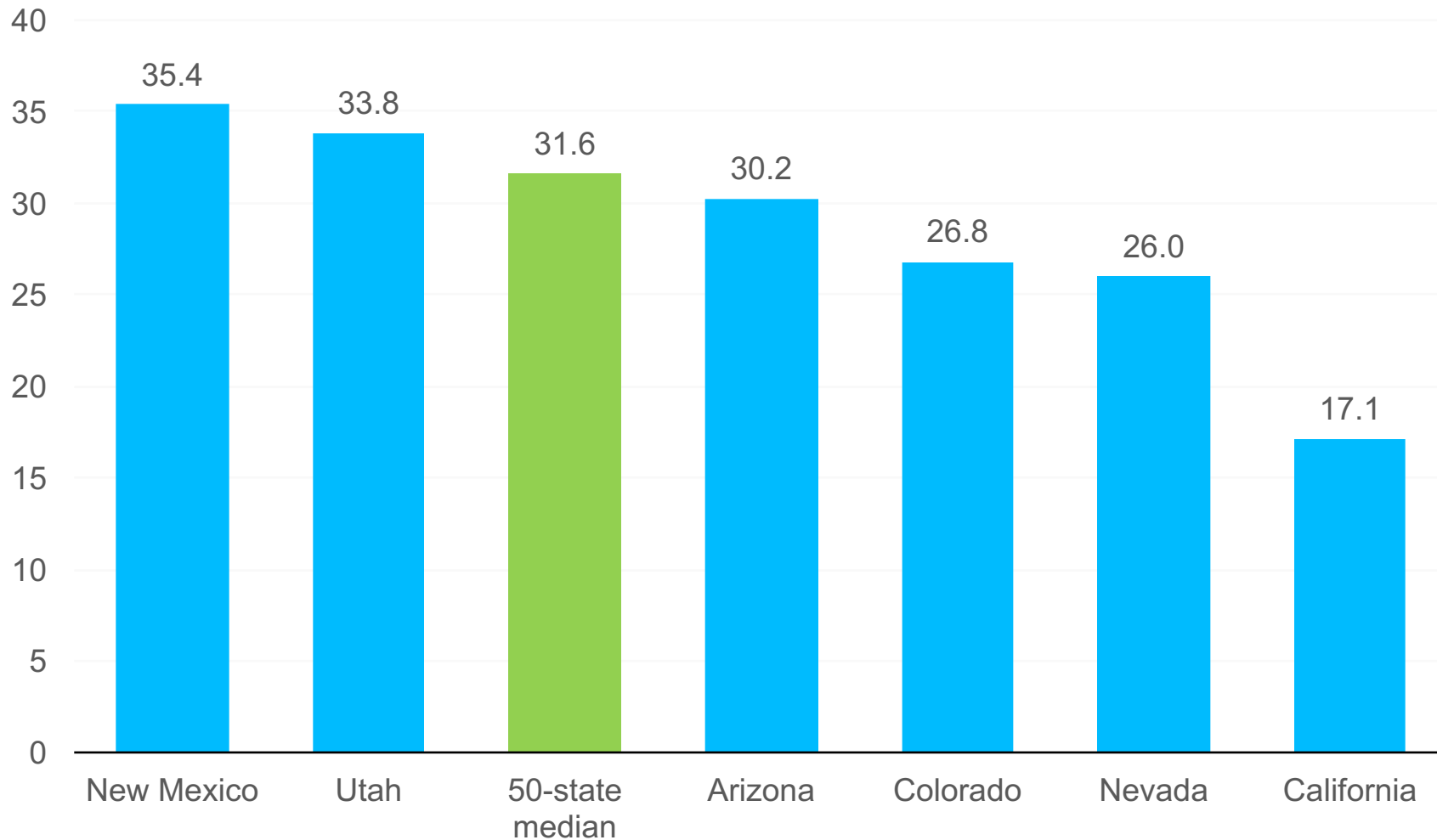
# Days Each State Could Run on Reserve Funds

States with the Most and Least Days' Worth of Reserves, FY 2015



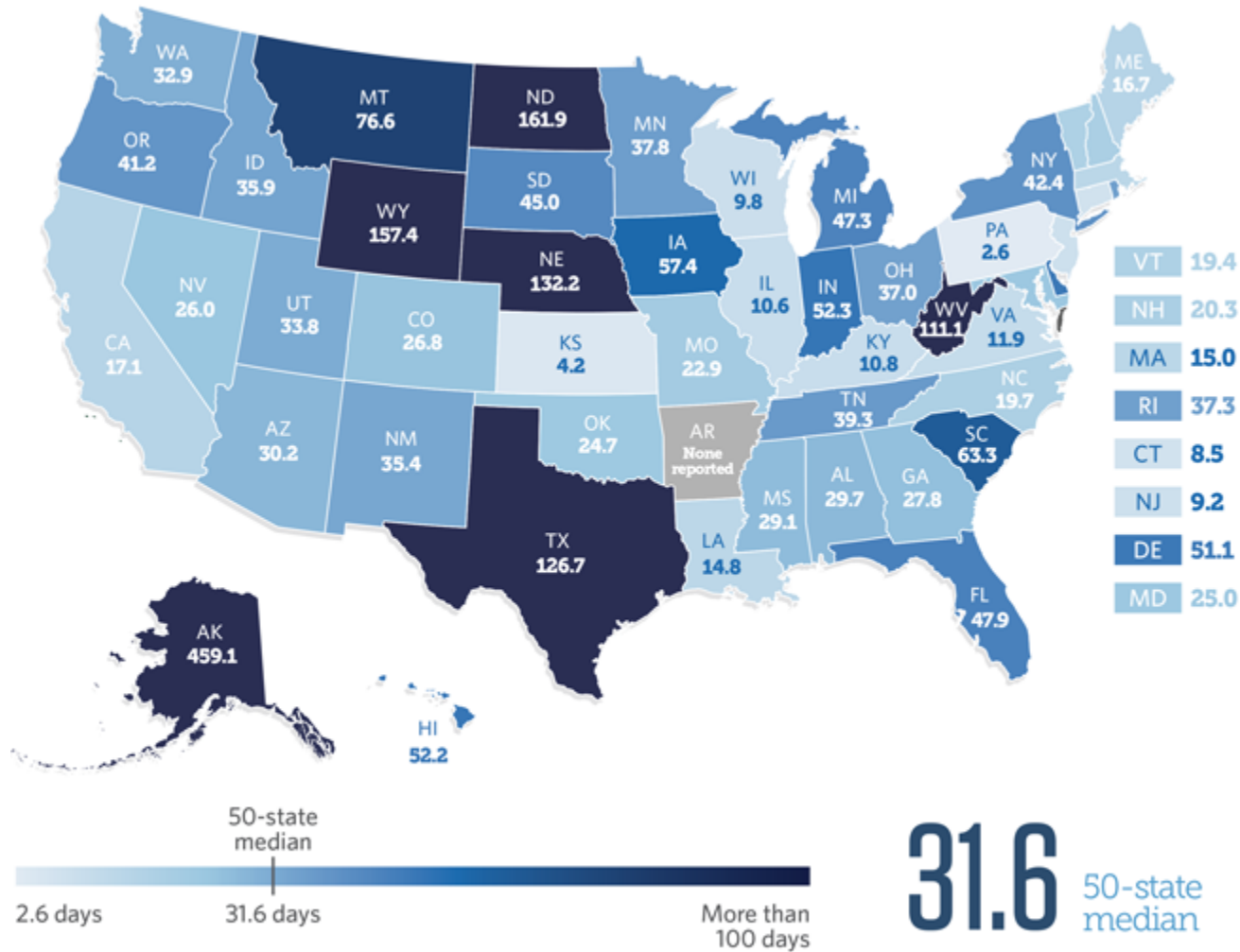
# Days Each State Could Run on Reserve Funds

Southwestern States, FY 2015



# Days Each State Could Run on Reserve Funds

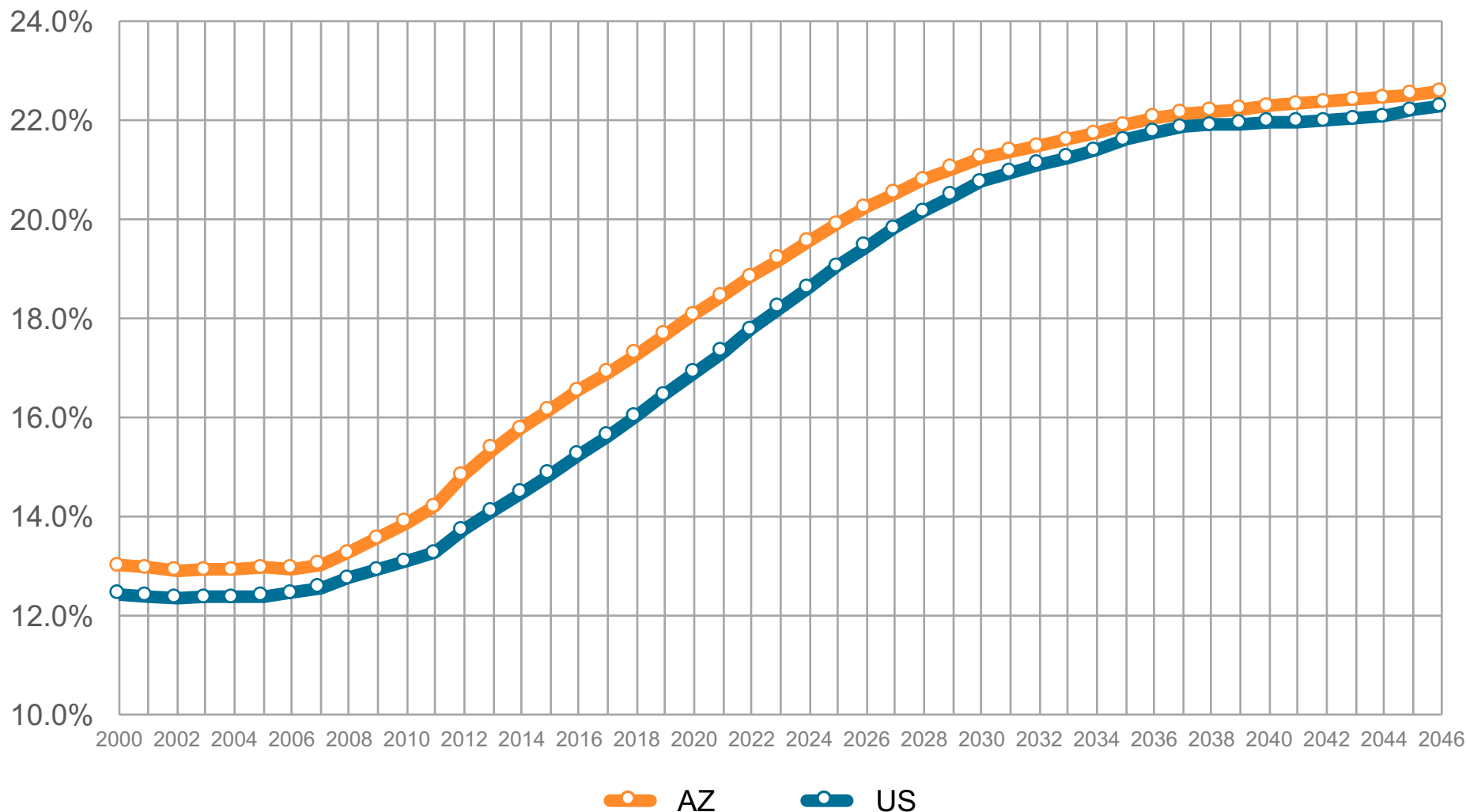
## FY 2015

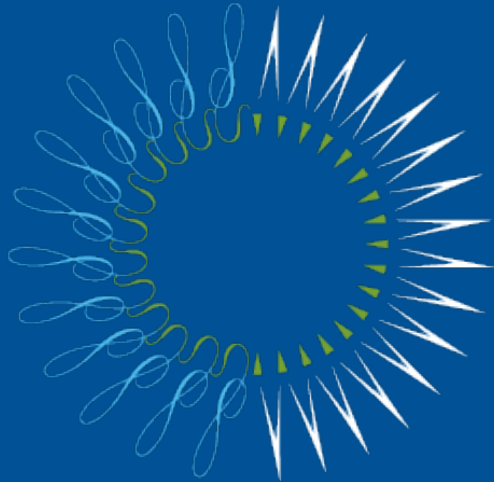


Source: Pew analysis of data from the National Association of State Budget Officers

# An Aging Population: Arizona and the U.S.

Share of Population 65 and Older





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