



Middle of the Pack: Wisconsin Typical in Government Spending

In contrast to persistent myths about government spending in Wisconsin, new figures released by the Census Bureau show that Wisconsin state and local governments rank close to the national average in spending. This holds true when government spending is measured on a per-person basis and also when it is measured as a share of personal income. The new spending figures are from 2010, before the deep budget cuts in Wisconsin's most recent two-year budget were implemented.

A Significant Drop in Wisconsin's Ranking on Spending

Wisconsin currently ranks near the average in government spending. When total government spending is measured on a per capita basis, Wisconsin is 3.2 percent below the national average, and ranks 24th among the states, as shown in the table below. When state and local government spending is measured relative to income, Wisconsin is 1.0 percent above the average and ranks 22nd.

Another way of comparing spending between states is to use a slightly narrower category called "direct general spending," which excludes categories of spending that not every state has, like spending for public utilities and state-run liquor stores. By that measure, which we think is better for comparative purposes, the Census Bureau figures show that Wisconsin state and local governments were \$114 (1.4 percent) below the national average in per person spending, and 2.9 percent above average in spending relative to income – ranking 23rd nationally.

Wisconsin Ranks High in Taxes, But Near the Middle When Fees are Counted

In government revenue, a narrow look at taxes shows that Wisconsin is among the top states, but a broader look at revenue shows that Wisconsin is closer to the middle of the states.

Total state and local taxes per person in Wisconsin were \$180 more than the national average in 2010, and Wisconsin ranked 15th in that category (down from 8th in 2000). However, because per person income in Wisconsin is 4.2 percent below the national average, Wisconsin ranks higher on many of the measures when revenue is calculated as a percentage of total personal income. In state and local taxes relative to income, Wisconsin ranked 9th among the states, well below Wisconsin's 4th place ranking in 2000.

State residents don't only care about taxes; they generally have the same feelings regarding other revenue sources, such as fees, that come from their pockets. A broader measure of what state and local government collects from its residents includes all state and local revenue except federal aid. On that measure, Wisconsin ranks 20th, with per person revenue \$25 above average. Measured against personal income, Wisconsin's taxes, fees, and miscellaneous income at the state and local level are 4.8 percent above the national average.

Wisconsin continues to rank low in federal revenue. On a per person basis, Wisconsin ranks 34th in federal revenue, 5.8 percent below average.

Table 1 –2010 State and Local Government Revenue and Spending in Wisconsin, Per Person

Revenue Source	Natl. Average	WI	% Difference	Ranking	
				2000	2010
Taxes, fees, miscellaneous revenue, and federal aid	\$8,089	\$7,997	-1.1%	15 th	23 rd
Taxes, fees, and miscellaneous revenue	\$6,072	\$6,097	0.4%	11 th	20 th
Taxes only	\$4,105	\$4,285	4.4%	8 th	15 th
Federal aid only	\$2,016	\$1,900	-5.8%	35 th	34 th
Total spending	\$10,070	\$9,746	-3.2%	13 th	24 th
Spending, excluding trusts and state-owned enterprises	\$8,205	\$8,091	-1.4%	12 th	23 rd
State and local government employees, per 1,000 residents (2011)	52.5	49.6	-5.4%	33 rd	40 th

Table 2 – 2010 State and Local Government Revenue and Spending Relative to Income

Revenue	Natl. Average	WI	% Difference	Ranking	
				2000	2010
Taxes, fees, miscellaneous revenue, and federal aid	21.1%	21.8%	3.2%	18 th	24 th
Taxes, fees, and miscellaneous revenue	15.8%	16.6%	4.8%	13 th	16 th
Taxes only	10.7%	11.7%	9.0%	4 th	9 th
Federal aid only	5.3%	5.2%	-1.6%	35 th	32 nd
Total spending	26.3%	26.5%	1.0%	19 th	22 nd
Spending, excluding trusts and state-owned enterprises	21.4%	22.0%	2.9%	17 th	23 rd

Wisconsin has Fewer Government Employees than All But a Few Other States

One reason that per person government spending in Wisconsin is below the national average is that Wisconsin governments have [fewer employees on their payroll](#), according to Census Bureau figures. In 2011:

- The number of state and local employees per 1,000 state residents in Wisconsin was 5.4% below average, ranking 40th nationally.
- Per capita state and local spending for public employee payrolls was 6.4 percent below the national average and ranked 28^h.

The Effect of Further Cuts in Spending

Wisconsin policymakers who advocate for another round of deep spending cuts, like those made in the most recent budget, should know that Wisconsin governments are already close to the national average in spending. Additional cuts in spending, like the [significant cuts made in state support for education](#), could jeopardize Wisconsin's public investments in our state's high quality education and health care systems, and make it more difficult to invest in public safety and transportation in our communities.

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