Mass. sends more funding to the feds than any other state

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Massachusetts sends more money per capita to the <u>federal</u> government than any other state, a recent analysis found.

Mass. is the leader of only 13 U.S. states that send more money to federal coffers than they receive.

Why it matters: The Trump administration's <u>push</u> for states to be more financially independent brushes up against the reality that many depend on federal money for everything from disaster relief to food aid.

Driving the news: Massachusetts (-\$4,846), New Jersey (-\$4,344) and Washington (-\$3,494) had the lowest balance of payments per capita as of 2022, discounting COVID-19 relief spending, according to a 2024 Rockefeller Institute of Government <u>report</u>.

New Mexico (\$14,781), Maryland (\$12,265) and Virginia (\$11,577) had the highest.

How it works: Each state's balance of payments reflect how much federal money is distributed there (in the form of programs like Medicaid and SNAP, for example) versus how much money residents and businesses send to the federal government (via income or employment taxes, for instance).

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A negative figure means a state sends more to the federal government than it receives, while a positive figure means it gets more than it gives.

Between the lines: "States with large defense-contracting sectors and more military bases receive more federal defense spending, while federal wages are disproportionately concentrated within states with a large federal employee presence," the report notes.

That at least partially explains the results in states like Virginia and Maryland, which are both relatively high-income but have lots of federal workers, contractors and agency offices, owing to their proximity to Washington, D.C.

What we're watching: How President Trump's quest to trim federal spending actually plays out at the state level could shake up these figures in unpredictable ways.