

Government Spending by Function

A New Presentation

IN government budgets, expenditures are classified according to their purpose—that is, their function—so that comparisons of major activities over time can be made even as underlying programs and agencies change. These functional presentations reveal trends, enable comparisons with the expenditures by other governments, and summarize significant expenditures of government in terms of continuing, common purposes. The national income and product accounts (NIPA's) present government by function tables in an economic framework that is an alternative to the accounting used in government budgets.

As part of the comprehensive revision of the NIPA's, government spending is now presented by 9 functions and 25 subfunctions in a new format in NIPA tables 3.15, 3.16, and 3.17 at the end of this article.¹ These tables replace the previously published functional tables.² The estimates presented in the new tables incorporate the results of the most recent comprehensive revision of the NIPA's.

Changes in presentation

The reformatted tables incorporate four major changes in presentation. First, the presentation is changed by consolidating the previous 21 functions into 9 more useful functions. The function “education” was augmented by adding the subfunction “education” from the function “veterans benefits and services.” Most of the new functions, such as health, were derived from combinations of the previous subfunctions. Law courts, a new subfunction in the function “public order and safety,” was created from parts of the previous subfunctions that made up general public services.

1. See Brent R. Moulton and David F. Sullivan, “A Preview of the 1999 Comprehensive Revision of the National Income and Product Accounts: New and Redesigned Tables,” *Survey of Current Business* 79 (September 1999): 15–28. See also Brent R. Moulton, “Improved Estimates of National Income and Product Accounts for 1929–99: Results of the Comprehensive Revision,” *Survey* 80 (April 2000): 11–16; and Brent R. Moulton, Robert P. Parker, and Eugene P. Seskin, “A Preview of the 1999 Comprehensive Revision of the National Income and Product Accounts: Definitional and Classification Changes,” *Survey* 79 (August 1999): 7–20. For estimates of the effects of these changes, see Eugene P. Seskin, “Improved Estimates of the National Income and Product Accounts for 1959–98: Results of the Comprehensive Revision,” *Survey* 79 (December 1999): 29–30.

2. In order to assist data users in the transition to the new formats, the estimates of government current expenditures and gross investment by function in the previously published formats of tables 3.15, 3.16, and 3.17 are available on request; write to Government Division (BE–57), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230, or E-mail webmaster@bea.doc.gov. The tables were last published in “Annual Revision: Newly Available Tables,” *Survey* 78 (October 1998): 5–9.

Note—This report was prepared by Karl Galbraith.

Second, the 9 new functions were crafted so that they would be comparable with the 10 divisions of the international classifications of the functions of government (COFOG) (see the box “Comparison of Classifications of Government Functions” on page 20).³ The Bureau of Economic Analysis (BEA) is among those agencies in the United States and in other countries that have supported, developed, and adopted many international economic guidelines in the 1993 *System of National Accounts*.

Third, NIPA tables 3.15, 3.16, and 3.17 have been changed so that they are organized first by type of expenditure and then by level of government. For example, the new table 3.15 shows consumption expenditures and gross investment for the three levels of government—total government, Federal Government, and State and local government—and all functions; the former table 3.15 showed current expenditures and gross investment, current expenditures, and gross investment for total government.⁴ The new tables are simpler, with only a single column for each year, compared with multiple columns for each year for different types of expenditures in the previously published format.

3. A final version of COFOG was approved by the United Nations Statistical Commission in March 1999 and published in *Classification of Expenditures According to Purpose*, Statistical Papers, Series M, No. 84 (New York: United Nations). COFOG is one of four functional classifications in the *System of National Accounts, 1993* that were prepared under the auspices of the Inter-Secretariat Working Group on National Accounts, Commission of the European Communities, the Organisation for Economic Co-operation and Development, the International Monetary Fund, the United Nations, and the World Bank.

4. Consumption expenditures and gross investment consists of net purchases of goods, services, and structures from business and from the rest of the world by general government; payments by general government to households in the form of compensation of employees, the consumption of general government fixed capital, which represents the value of current services of fixed assets of general government; net purchases of fixed assets of general government; net purchases of fixed assets by government enterprises; inventory change of government enterprises; and a deduction for general government sales, primarily tuition payments for higher education and charges for medical care.

Current expenditures consists of current-account transactions of consumption expenditures, transfer payments, grants-in-aid to State and local governments, net interest paid, subsidies less current surplus of government enterprises, less wage accruals less disbursements.

Data Availability

The estimates beginning with 1952 for the new NIPA tables 3.15, 3.16, 3.17 are available from BEA's Web site at www.bea.doc.gov; click on “GDP and related data” and look under “Annual Only NIPA Tables.” They are also available from STAT-USA's Web site at www.stat-usa.gov.

Fourth, government consumption expenditures and gross investment, a component of GDP, is now presented in table 3.15. Quarterly estimates for the three levels of government are shown in NIPA tables 1.1 and 3.7.

Shares of government spending by function

In 1998, the largest shares of total government consumption expenditures and gross investment spending were for education, at 28.6 percent, and for national defense, at 22.8 percent (chart 1). National defense accounts for 64.7 percent of Federal Government spending, and education accounts for 43.6 percent of State and local government spending.

The average annual rates of growth of total government spending have generally decelerated since the 1970's (table A). Federal Government spending decelerated in the 1980's, despite a pickup in national defense spending that turned down in the 1990's. State and local government spending grew faster on average than Federal Government spending in the 1990's.

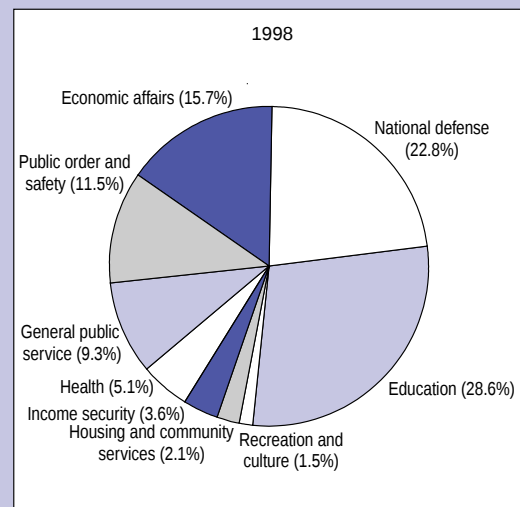
In 1998, the largest shares of government current expenditures were income security (23.4 percent) and health (17.9 percent) (chart 2). Current expenditures for income security are large because they include transfer payments, such as those for social security. Current expenditures for health are large because they include Federal transfer payments for medicare and State-and-local transfer payments for medicaid.

In 1998, education (16.5 percent), general public

service (16.1 percent), and national defense (11.9 percent) also accounted for sizable shares of current expenditures. Current expenditures for general public service includes net interest paid and sizable unallocable expenditures for State and local governments.

CHART 1

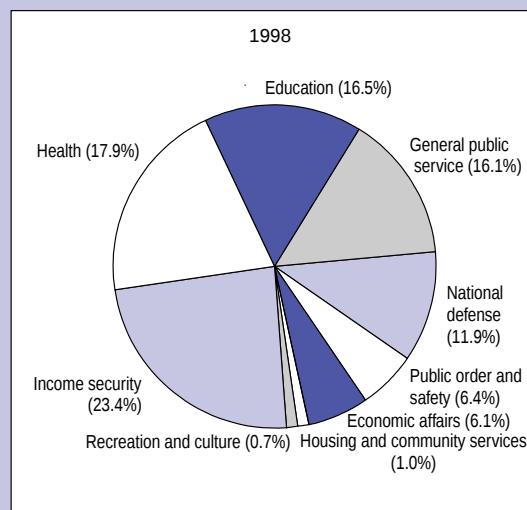
Government Consumption Expenditures and Gross Investment by Function



U.S. Department of Commerce, Bureau of Economic Analysis

CHART 2

Government Current Expenditures by Function



U.S. Department of Commerce, Bureau of Economic Analysis

Table A.—Average Annual Growth Rates in Government Expenditures by Function
[Percent]

	Consumption expenditures and gross investment				Current expenditures			
	1960–70	1970–80	1980–90	1990–98	1960–70	1970–80	1980–90	1990–98
Government	7.6	9.2	7.6	3.3	9.1	11.0	8.2	4.5
General public service	9.7	12.7	7.3	4.7	7.7	12.4	11.5	3.9
National defense	5.1	6.4	8.3	–9	6.3	6.3	7.8	–4
Public order and safety	9.4	12.5	10.4	7.0	9.5	12.4	10.2	7.1
Economic affairs	7.8	9.5	5.7	3.8	10.1	9.7	5.1	2.7
Housing and community services	7.1	10.6	5.4	2.7	13.6	20.2	6.9	4.4
Health	9.4	11.3	6.6	2.8	16.1	14.2	10.3	7.9
Recreation and culture	10.6	11.2	7.8	5.4	10.6	11.9	7.6	5.1
Education	11.1	9.8	7.7	5.2	12.0	10.6	7.4	5.1
Income security	14.3	14.7	7.3	6.7	9.4	13.7	6.5	5.1
Federal	5.9	7.7	7.6	.7	8.8	11.2	7.9	4.2
General public service	7.2	12.2	6.1	3.1	7.0	14.5	11.4	3.4
National defense	5.1	6.4	8.3	–9	6.3	6.4	7.9	–3
Public order and safety	9.5	15.4	11.2	8.9	11.4	15.1	10.0	9.5
Economic affairs	8.7	10.4	5.0	2.7	11.9	9.9	4.0	1.3
Housing and community services	16.9	–14.8	n.m.	n.m.	25.0	16.4	5.8	6.6
Health	10.5	13.7	7.6	5.9	21.0	15.2	10.6	8.6
Recreation and culture	10.3	11.8	2.9	6.9	14.3	14.7	1.1	4.8
Education	15.1	5.0	6.4	9.7	21.0	9.5	3.6	6.4
Income security	11.1	16.7	.7	6.3	9.3	14.2	6.2	5.4
State and local	9.7	10.4	7.6	5.0	10.9	11.1	7.9	5.7
General public service	10.9	12.8	7.7	5.2	9.5	9.8	8.5	5.8
Public order and safety	9.4	12.3	10.3	6.8	9.5	12.1	10.1	7.0
Economic affairs	7.4	8.9	6.0	4.3	8.7	11.6	4.7	4.3
Housing and community services	6.6	11.3	5.4	2.2	9.0	18.2	.8	5.2
Health	8.9	9.7	5.9	–5	13.7	13.1	9.9	8.1
Recreation and culture	10.7	11.1	8.6	5.2	10.0	11.4	8.8	5.2
Education	11.0	9.9	7.7	5.1	11.8	10.5	7.6	5.0
Income security	15.6	14.0	9.2	6.7	10.9	10.1	7.7	3.8

n.m. not meaningful, one value negative

Comparison of Classifications of Government Functions

The classifications that are used in the new NIPA functions are designed to be comparable with the functions used in the international classifications of the functions of government (COFOG). However, the NIPA's have no function for environmental protection because not enough detail existed in the previous NIPA subfunctions. Some of the activities included in environmental protection, such as waste management and waste water management, are included in the NIPA housing and community services function.

The new NIPA functions are also related to those that are used by the Office of Management and Budget (OMB) to prepare the Federal budget and those that are used by the Bureau of the Census to prepare State and local government finance reports.

The OMB currently classifies budget data into 20 functions that are roughly assigned to the 9 NIPA functions for government. Of the 20 budget functions, 17 cover broad areas of national need. The remaining three functions—net interest, undistributed offsetting receipts, and allowances—are included to ensure full coverage of the Federal

budget. The OMB functions give added visibility to major programs, such as medicare and social security, by making them functions that are distinct from the health and income security functions. The NIPA function for health includes medicare, and the NIPA function for income security includes social security. Over 70 OMB subfunctions allow finer relationships to be made to the 25 NIPA subfunctions.

The Census Bureau presents expenditures in *Government Finances* and in the *Census of Governments* in 12 function groups and 39 subgroups that are based on nearly 70 major functions of government. The NIPA estimates for the Federal Government and for State and local governments are based on data from both these sources.¹

1. NIPA table 3.18B shows the relation of Federal Government current expenditures in the NIPA's to budget outlays, and NIPA table 3.19 shows the relation of State and local government current expenditures to total expenditures in *Government Finances*; these tables were published most recently on pages 67 and 68 of the April 2000 Survey. See also "Updated Summary NIPA Methodologies," Survey 78 (September 1998): 14-35; and *Government Transactions*, Methodology Paper No. 5 (1988), which can be found at <www.bea.doc.gov> under "Bureau-wide" and then under "Methodologies."

NIPA	COFOG	OMB	Census Bureau
General public service	General public services	General government plus International affairs plus Net interest plus Allowances	Government administration plus Interest on general debt plus General expenditures not elsewhere classified
National defense	Defence	National defense	National defense and international relations
Public order and safety	Public order and safety	Administration of justice	Public safety
Economic affairs	Economic affairs	Agriculture plus Energy plus Natural resources and environment plus Transportation plus Commerce and housing credit plus General science, space and technology	Transportation plus Utility expenditure plus Liquor store expenditure
(1)	Environmental protection	(2)	(3)
Housing and community services	Housing and community amenities	Community and regional development	Environment and housing
Health	Health	Health plus Medicare plus Veterans benefits and services	(4)
Recreation and culture	Recreation, culture, and religion	(5)	(3)
Education	Education	Education, training, employment, and social services	Education services
Income security	Social protection	Income security plus Social security plus Undistributed offsetting receipts	Social services and income maintenance plus Insurance trust expenditure

1. Contained largely in the housing and community services function and economic affairs function.

2. Contained largely in the natural resources and environment function and community and regional development function.

3. Contained largely in the environment and housing function.

4. Contained largely in the social services and income maintenance function.

5. Contained largely in the natural resources and environment function.

Table 3.15.—Government Consumption Expenditures and Gross Investment by Function
[Billions of dollars]

	Line	1995	1996	1997	1998		Line	1995	1996	1997	1998
Government	1	1,372.0	1,421.9	1,481.0	1,529.7	Water	58	6.5	6.6	6.8	7.3
General public service	2	125.2	125.3	136.0	141.6	Transit and railroad	59	.3	.6	.8	.6
Executive and legislative	3	29.6	27.4	30.8	32.0	Postal service	60	2.9	3.7	4.5	5.1
Tax collection and financial management	4	39.7	40.1	44.0	45.4	Space	61	16.4	17.6	17.8	16.8
Other	5	55.9	57.8	61.3	64.2	Other	62	0	0	0	0
National defense	6	350.6	357.0	352.5	348.6	Housing and community services	63	1.4	1.6	1.7	1.3
Public order and safety	7	142.1	152.8	163.8	175.3	Health	64	40.9	42.4	44.0	46.4
Police	8	53.6	58.9	64.2	69.5	Recreation and culture	65	2.4	2.3	2.9	2.8
Fire	9	18.6	19.4	20.5	21.8	Education	66	4.3	5.0	5.0	5.7
Law courts	10	26.7	28.6	30.7	33.5	Elementary and secondary	67	.6	.6	.5	.6
Prisons	11	43.1	45.9	48.3	50.5	Higher	68	.9	.9	.9	1.0
Economic affairs	12	213.1	220.7	234.6	239.4	Other	69	2.8	3.5	3.5	4.2
General economic and labor affairs	13	18.6	19.4	20.3	21.0	Income security	70	5.9	6.0	6.6	8.3
Agriculture	14	10.6	10.9	13.0	12.8	Disability	71	.5	.4	.5	.5
Energy	15	16.4	13.5	13.4	11.0	Retirement ¹	72	1.3	1.2	1.3	1.6
Natural resources	16	21.8	23.0	23.4	24.9	Welfare and social services	73	3.1	3.3	3.8	4.1
Transportation	17	126.1	132.5	142.0	147.3	Unemployment	74	.1	.1	.1	.1
Highways	18	98.2	103.3	111.6	115.9	Other	75	.9	1.0	.9	1.9
Air	19	12.4	13.0	13.4	14.0	State and local	76	850.5	890.4	943.2	991.0
Water	20	7.5	7.8	7.9	8.4	General public service	77	96.7	99.7	106.8	112.4
Transit and railroad	21	8.0	8.4	9.0	9.1	Executive and legislative	78	13.5	14.3	15.2	16.1
Postal service	22	2.9	3.7	4.5	5.1	Tax collection and financial management	79	27.2	27.7	30.3	32.1
Space	23	16.4	17.6	17.8	16.8	Other ³	80	55.9	57.8	61.3	64.2
Other	24	.3	.3	.3	.4	Public order and safety	81	126.9	135.7	145.6	155.8
Housing and community services	25	27.8	29.4	30.7	31.6	Police	82	46.8	50.8	54.9	59.1
Health	26	72.6	74.9	76.4	78.6	Fire	83	18.5	19.3	20.4	21.7
Recreation and culture	27	18.5	19.3	21.3	22.3	Law courts	84	21.6	23.1	25.2	27.5
Education	28	376.1	395.2	415.5	438.1	Prisons	85	40.0	42.6	45.1	47.5
Elementary and secondary	29	288.8	305.3	322.3	339.6	Economic affairs	86	140.6	146.2	156.8	162.4
Higher	30	69.8	70.9	73.7	77.5	General economic and labor affairs	87	11.6	11.8	12.3	12.8
Libraries	31	5.4	5.8	6.3	6.7	Agriculture	88	4.4	4.5	4.9	5.2
Other	32	12.1	13.2	13.3	14.3	Energy	89	4.0	3.5	3.8	3.3
Income security	33	45.9	47.4	50.2	54.3	Natural resources	90	10.5	10.8	11.2	11.6
Disability	34	2.7	2.8	2.8	2.9	Transportation	91	109.8	115.2	124.4	129.1
Retirement ¹	35	1.3	1.2	1.3	1.6	Highways	92	97.7	102.8	111.1	115.4
Welfare and social services	36	40.8	42.2	45.0	47.8	Air	93	3.3	3.4	3.9	4.1
Unemployment	37	.1	.1	.1	.1	Water	94	1.0	1.2	1.2	1.1
Other	38	.9	1.0	.9	1.9	Transit and railroad	95	7.7	7.8	8.2	8.4
Federal	39	521.5	531.6	537.8	538.7	Other	96	.3	.3	.3	.4
General public service	40	28.6	25.6	29.2	29.1	Housing and community services	97	26.5	27.8	29.0	30.3
Executive and legislative	41	16.1	13.1	15.6	15.9	Water	98	6.9	8.0	8.9	9.2
Tax collection and financial management	42	12.5	12.4	13.6	13.2	Sewerage	99	8.2	8.9	9.1	9.1
Other ²	43	0	0	0	0	Sanitation	100	6.9	7.1	7.6	8.1
National defense	44	350.6	357.0	352.5	348.6	Other	101	4.4	3.7	3.4	3.8
Public order and safety	45	15.2	17.0	18.2	19.5	Health	102	31.7	32.5	32.4	32.2
Police	46	6.9	8.2	9.3	10.4	Recreation and culture	103	16.2	17.0	18.3	19.5
Fire	47	.1	.1	.1	.1	Education	104	371.9	390.1	410.6	432.3
Law courts	48	5.1	5.5	5.6	6.1	Elementary and secondary	105	288.2	304.7	321.8	339.0
Prisons	49	3.1	3.3	3.2	2.9	Higher	106	68.9	70.0	72.7	76.5
Economic affairs	50	72.5	74.6	77.8	77.0	Libraries	107	5.4	5.8	6.3	6.7
General economic and labor affairs	51	7.0	7.6	8.0	8.2	Other	108	9.3	9.7	9.8	10.1
Agriculture	52	6.2	6.3	8.1	7.6	Income security	109	40.0	41.3	43.6	46.1
Energy	53	12.3	10.0	9.6	7.7	Disability	110	2.3	2.4	2.4	2.4
Natural resources	54	11.4	12.2	12.1	13.4	Welfare and social services	111	37.8	38.9	41.2	43.7
Transportation	55	16.3	17.2	17.6	18.2	Other	112	0	0	0	0
Highways	56	.5	.4	.5	.4						
Air	57	9.0	9.5	9.5	9.9						

1. Consists of consumption expenditures to administer social insurance funds including old age and survivors insurance (social security) and railroad retirement. Excludes government employee retirement plans.
2. Consists of consumption expenditures to administer Federal revenue sharing grants to State and local govern-

ments beginning with 1972 and ending with 1987.

3. Consists primarily of unallocable State and local government consumption expenditures and gross investment.

Table 3.16.—Government Current Expenditures by Function

[Billions of dollars]

	Line	1995	1996	1997	1998		Line	1995	1996	1997	1998
Government ¹	1	2,293.7	2,384.5	2,461.8	2,523.1	Air	59	6.2	6.5	6.9	7.1
General public service	2	385.1	394.5	400.8	405.5	Water	60	6.3	6.4	6.4	6.7
Executive and legislative	3	39.0	42.1	41.6	42.9	Transit and railroad	61	1.8	1.6	1.8	1.2
Tax collection and financial management	4	33.9	32.8	35.9	36.6	Postal service	62	1.8	4.1	4.1	3.4
Net interest paid ²	5	267.8	274.1	275.4	276.1	Space	63	12.6	13.1	13.5	13.0
Other ³	6	44.4	45.5	47.8	49.9	Other	64	0	0	0	0
National defense	7	297.1	302.0	304.1	299.5	Housing and community services	65	29.5	30.0	30.5	29.9
Public order and safety	8	132.0	141.9	152.0	162.2	Health	66	319.4	340.2	357.3	364.8
Police	9	50.7	55.5	60.3	65.0	Recreation and culture	67	2.5	2.5	2.9	2.8
Fire	10	17.4	18.1	19.1	20.2	Education	68	32.2	34.1	36.3	37.5
Law courts	11	25.2	26.7	28.6	31.1	Elementary and secondary	69	11.8	13.1	12.8	13.7
Prisons	12	38.7	41.7	44.0	45.8	Higher	70	12.1	11.8	14.0	13.7
Economic affairs	13	137.3	142.5	145.1	152.7	Other	71	8.4	9.2	9.5	10.2
General economic and labor affairs	14	18.9	19.4	20.3	20.9	Income security	72	501.5	521.2	535.9	551.9
Agriculture	15	18.4	19.0	19.5	26.2	Disability	73	62.1	66.0	68.4	71.9
Energy	16	-4	-1.8	-4.2	-6.4	Retirement ⁵	74	297.5	308.4	321.9	333.0
Natural resources	17	17.6	17.9	17.9	18.9	Welfare and social services	75	95.5	95.2	94.1	93.6
Transportation	18	80.7	83.9	88.4	92.2	Unemployment	76	25.0	25.7	23.4	23.3
Highways	19	55.0	57.6	61.0	64.5	Other	77	21.4	25.9	28.1	30.1
Air	20	4.5	4.7	5.0	5.0	State and local	78	902.5	939.0	981.5	1,028.7
Water	21	6.1	6.2	6.1	6.4	General public service	79	83.6	86.0	90.2	93.5
Transit and railroad	22	15.1	15.4	16.2	16.3	Executive and legislative	80	12.4	13.1	13.9	14.7
Postal service	23	1.8	4.1	4.1	3.4	Tax collection and financial management	81	26.5	26.9	29.5	31.2
Space	24	12.1	12.7	13.0	12.1	Net interest paid ²	82	2	6	-9	-2.3
Other ⁴	25	-11.8	-12.7	-13.9	-14.6	Other ⁷	83	44.4	45.5	47.8	49.9
Housing and community services	26	27.4	26.7	28.8	26.2	Public order and safety	84	118.9	127.3	136.3	145.6
Health	27	401.8	426.9	445.9	452.1	Police	85	44.5	48.2	52.0	56.0
Recreation and culture	28	14.6	14.9	16.1	16.8	Fire	86	17.3	18.0	19.0	20.1
Education	29	358.6	375.5	395.9	416.6	Law courts	87	20.6	21.8	23.7	25.9
Elementary and secondary	30	262.2	276.4	291.3	307.2	Prisons	88	36.5	39.3	41.6	43.7
Higher	31	68.7	69.6	74.2	77.0	Economic affairs	89	72.1	74.0	77.4	81.7
Libraries	32	4.7	5.1	5.5	5.9	General economic and labor affairs	90	12.0	12.1	12.6	13.2
Other	33	23.0	24.4	24.9	26.5	Agriculture	91	4.1	4.2	4.5	4.9
Income security	34	539.8	559.6	573.2	591.6	Energy	92	-6.6	-7.1	-7.4	-7.7
Disability	35	73.8	78.0	80.3	83.6	Natural resources	93	8.3	8.5	8.6	9.0
Retirement ⁶	36	297.5	308.4	321.9	333.0	Transportation	94	66.1	69.0	72.9	77.0
Welfare and social services	37	127.7	127.2	125.0	127.1	Highways	95	54.6	57.2	60.6	64.1
Unemployment	38	21.6	22.4	20.3	20.0	Air	96	-1.7	-1.8	-2.0	-2.1
Other	39	19.2	23.5	25.7	27.9	Water	97	-1	-2	-2	-3
Federal	40	1,575.7	1,635.9	1,676.0	1,703.8	Transit and railroad	98	13.3	13.8	14.5	15.1
General public service	41	302.4	310.4	312.6	314.0	Other ⁴	99	-11.8	-12.7	-13.9	-14.6
Executive and legislative	42	27.6	30.9	29.8	30.2	Housing and community services	100	3.7	2.8	5.4	6.6
Tax collection and financial management	43	7.4	5.9	6.4	5.4	Water	101	-3.6	-4.0	-4.2	-4.4
Net interest paid	44	267.5	273.6	276.3	278.4	Sewerage	102	-7	-1.0	-1.2	-1.3
Other ⁶	45	0	0	0	0	Sanitation	103	5.3	5.5	5.9	6.4
National defense	46	299.8	304.8	307.0	302.7	Other	104	2.7	2.3	4.9	6.0
Public order and safety	47	14.3	15.8	17.9	19.3	Health	105	179.6	188.4	193.0	197.9
Police	48	6.5	7.7	9.5	10.7	Recreation and culture	106	12.2	12.7	13.3	14.2
Fire	49	1	1	1	1	Education	107	341.6	358.1	375.8	396.1
Law courts	50	5.1	5.4	5.6	6.1	Elementary and secondary	108	261.2	275.4	290.4	306.2
Prisons	51	2.6	2.5	2.7	2.4	Higher	109	58.1	59.4	61.5	64.6
Economic affairs	52	74.1	76.9	75.6	80.9	Libraries	110	4.7	5.1	5.5	5.9
General economic and labor affairs	53	11.1	11.4	12.0	12.0	Other	111	17.6	18.2	18.4	19.4
Agriculture	54	15.7	16.0	15.8	22.3	Income security	112	90.8	89.6	90.0	93.1
Energy	55	7.2	6.3	4.3	2.3	Disability	113	13.0	13.3	13.3	13.1
Natural resources	56	10.9	11.1	10.3	12.6	Welfare and social services	114	77.8	76.3	76.8	79.9
Transportation	57	14.7	15.0	15.5	15.3	Other	115	0	0	0	0
Highways	58	4	4	4	4						

1. Equals Federal Government current expenditures less grants-in-aid to State and local governments plus State and local government current expenditures.

2. Includes dividends received by government shown separately in tables 3.1 and 3.3 for total government and for State and local government.

3. Equals unallocable State and local government expenditures, less "wage accruals less disbursements" shown in table 3.1; includes Federal revenue sharing grants to State and local governments beginning with 1972 and ending with 1987.

4. Consists of State and local government publicly owned liquor store systems, government-administered lotteries

and parimutuels, and other commercial activities.

5. Consists of social insurance funds including old age and survivors insurance (social security) and railroad retirement. Excludes government employee retirement plans.

6. Consists primarily of Federal revenue sharing grants to State and local governments beginning with 1972 and ending with 1987, less "wage accruals less disbursements" shown in table 3.2.

7. Equals unallocable State and local government expenditures less "wage accruals less disbursements" shown in table 3.3.

Table 3.17.—Selected Government Expenditures by Function

[Billions of dollars]

	Line	1995	1996	1997	1998		Line	1995	1996	1997	1998
Current expenditures ¹						Unemployment	74	3.3	3.3	3.2	3.3
Consumption expenditures:						Other	75	2.3	2.3	2.4	2.3
Government	1	1,133.9	1,171.8	1,222.9	1,261.0	Subsidies less current surplus of government enterprises:					
General public service	2	108.3	107.3	116.2	120.1	Government	76	22.2	22.6	19.0	20.8
National defense	3	297.5	302.4	304.5	299.9	General public service	77	0	0	-1	-3
Public order and safety	4	131.9	141.8	151.9	162.1	National defense	78	-3	-3	-3	-3
Economic affairs	5	133.4	137.5	144.9	147.5	Economic affairs	79	2.1	3.4	-1.5	3.2
Housing and community services	6	6.5	7.0	7.6	7.6	General economic and labor affairs	80	0	0	0	0
Health	7	60.7	61.8	62.3	63.6	Agriculture	81	8.6	9.1	7.8	14.5
Recreation and culture	8	14.2	14.6	15.7	16.4	Energy	82	-8.9	-8.7	-10.8	-11.2
Education	9	336.9	353.6	371.2	391.4	Natural resources	83	.8	.6	.2	.2
Income security	10	44.5	45.8	48.5	52.3	Transportation	84	11.6	11.2	11.6	11.5
Federal	11	439.2	445.3	457.0	453.5	Postal service	85	2.0	3.9	3.6	2.8
General public service	12	25.7	22.8	26.0	25.4	Other ³	86	-11.8	-12.7	-13.9	-14.7
National defense	13	297.5	302.4	304.5	299.9	Housing and community services	87	20.4	19.5	20.9	18.3
Public order and safety	14	13.1	14.6	15.8	16.5	Federal	88	32.4	35.1	30.4	32.1
Economic affairs	15	53.8	54.6	57.7	55.5	General public service	89	0	0	-1	-3
Housing and community services	16	1.3	1.5	1.7	1.2	National defense	90	-3	-3	-3	-3
Health	17	36.5	37.3	38.4	40.0	Economic affairs	91	10.8	13.2	9.4	14.6
Recreation and culture	18	2.0	1.9	2.4	2.3	General economic and labor affairs	92	0	0	0	0
Education	19	3.9	4.6	4.5	5.1	Agriculture	93	8.6	9.1	7.8	14.5
Income security	20	5.5	5.6	6.1	7.5	Energy	94	-2.3	-1.7	-3.4	-3.5
State and local	21	694.7	726.5	765.9	807.5	Natural resources	95	.8	.6	.2	.2
General public service	22	82.6	84.5	90.2	94.7	Transportation	96	1.8	1.3	1.2	.7
Public order and safety	23	118.8	127.2	136.2	145.5	Postal service	97	2.0	3.9	3.6	2.8
Economic affairs	24	79.6	82.9	87.3	92.0	Housing and community services	98	21.9	22.2	21.4	18.1
Housing and community services	25	5.3	5.5	5.9	6.4	State and local	99	-10.2	-12.5	-11.4	-11.3
Health	26	24.3	24.4	23.9	23.6	Economic affairs	100	-8.6	-9.8	-10.9	-11.5
Recreation and culture	27	12.2	12.7	13.3	14.2	Energy	101	-6.6	-7.1	-7.4	-7.7
Education	28	332.9	349.0	366.7	386.3	Transportation	102	9.8	9.9	10.4	10.9
Income security	29	39.0	40.2	42.4	44.8	Other ³	103	-11.8	-12.7	-13.9	-14.7
Transfer payments (net):						Housing and community services	104	-1.6	-2.7	-5	.2
Government	30	869.9	916.0	944.5	965.2	Gross investment					
General public service	31	9.0	13.0	9.3	9.6	Government	105	238.2	250.1	258.1	268.7
Public order and safety	32	.1	.1	.1	.1	General public service	106	18.0	19.2	21.1	23.0
Economic affairs	33	1.8	1.6	1.6	2.0	National defense	107	53.1	54.6	48.0	48.7
Housing and community services	34	.5	.2	.2	.2	Public order and safety	108	9.2	9.8	10.6	11.6
Health	35	341.1	365.1	383.6	388.5	Economic affairs	109	79.7	83.2	89.6	91.9
Recreation and culture	36	.4	.4	.3	.4	Housing and community services	110	21.3	22.4	23.1	24.0
Education	37	21.8	21.8	24.7	25.2	Health	111	11.9	13.1	14.1	15.0
Income security	38	495.3	513.8	524.7	539.3	Recreation and culture	112	4.3	4.8	5.6	5.9
Federal	39	652.1	691.6	716.6	730.4	Education	113	39.3	41.5	44.3	46.6
General public service	40	8.2	12.1	8.3	8.4	Income security	114	1.4	1.5	1.7	2.0
Public order and safety	41	0	0	0	0	Federal	115	82.3	86.3	80.8	85.2
Economic affairs	42	.7	.6	.6	.9	General public service	116	3.8	3.9	4.4	5.3
Housing and community services	43	.5	.2	.2	.2	National defense	117	53.1	54.6	48.0	48.7
Health	44	185.7	201.2	214.5	214.2	Public order and safety	118	1.0	1.2	1.2	1.3
Recreation and culture	45	.4	.4	.3	.4	Economic affairs	119	18.7	20.0	20.1	21.5
Education	46	13.0	12.8	15.5	15.3	Housing and community services	120	.1	.1	0	.1
Income security	47	443.5	464.4	477.1	491.0	Health	121	4.4	5.1	5.6	6.4
State and local	48	217.8	224.3	227.9	234.8	Recreation and culture	122	.4	.5	.6	.5
General public service	49	.8	.9	1.0	1.1	Education	123	.3	.4	.4	.6
Public order and safety	50	.1	.1	.1	.1	Income security	124	.4	.4	.5	.7
Economic affairs	51	1.1	.9	1.0	1.1	State and local	125	155.8	163.8	177.3	183.5
Health	52	155.3	164.0	169.1	174.3	General public service	126	14.1	15.2	16.6	17.7
Education	53	8.7	9.1	9.1	9.8	Public order and safety	127	8.1	8.5	9.4	10.3
Income security	54	51.8	49.4	47.6	48.3	Economic affairs	128	61.0	63.2	69.6	70.3
Grants-in-aid to State and local governments:						Housing and community services	129	21.2	22.4	23.1	23.9
Federal ²	55	184.5	190.4	195.7	209.3	Health	130	7.5	8.0	8.5	8.6
General public service	56	.9	1.9	2.0	2.0	Recreation and culture	131	3.9	4.3	5.0	5.4
National defense	57	2.7	2.8	2.9	3.2	Education	132	38.9	41.1	43.9	46.0
Public order and safety	58	1.2	1.2	2.1	2.7	Income security	133	1.0	1.1	1.2	1.3
Economic affairs	59	8.9	8.5	7.9	9.8	Capital transfers paid					
General economic and labor affairs	60	4.2	4.1	4.3	4.3	Federal ⁴	134	27.6	28.1	29.0	28.8
Agriculture	61	1.5	1.3	.9	.9	General public service ⁵	135	.4	0	.2	0
Energy	62	1.1	1.0	1.1	1.0	Economic affairs	136	24.6	25.6	26.2	26.2
Natural resources	63	1.6	1.7	1.1	2.7	Transportation	137	24.6	25.6	26.2	26.2
Transportation	64	.1	0	0	0	Highways ⁶	138	19.3	20.0	20.7	20.7
Space	65	.5	.4	.6	.9	Air ⁶	139	1.7	1.6	1.5	1.6
Housing and community services	66	5.7	6.1	7.2	10.4	Water ⁷	140	0	0	0	0
Health	67	97.2	101.7	104.3	110.7	Transit and railroad ⁶	141	3.6	3.9	4.0	3.9
Recreation and culture	68	.1	.3	.2	.2	Housing and community services ⁶	142	2.5	2.6	2.6	2.6
Education	69	15.3	16.7	16.2	17.0	Health ⁶	143	0	0	0	0
Income security	70	52.4	51.3	52.7	53.4						
Disability	71	1.2	1.3	1.4	1.4						
Retirement	72	0	0	0	0						
Welfare and social services	73	45.7	44.3	45.8	46.4						

1. Equals consumption expenditures, transfer payments, net interest paid, less dividends received by government, subsidies less current surplus of government enterprises, less "wage accruals less disbursements"; for Federal Government, also includes grants-in-aid to State and local governments. Government, Federal Government, and State and local government current expenditures are shown separately in tables 3.1, 3.2, and 3.3.

2. Federal grants-in-aid to State and local governments are included in Federal current expenditures; because the grants are transactions between levels of government, they are eliminated in the consolidation of the government sector.

3. Consists of publicly owned liquor store systems, government-administered lotteries and parimutuels, and other commercial activities.

4. No State and local government capital transfers have been identified.

5. Consists of forgiveness of debts owed by foreign governments to the U.S. Government.

6. Consists of Federal Government investment grants to State and local governments.

7. Consists of maritime construction subsidies paid to business by the Federal Government.