

**Wisconsin Taxpayers Alliance**

401 North Lawn Avenue • Madison, WI 53704-5033
www.wistax.org • 608.241.9789 • fax: 608.241.5807

Contact: Todd A. Berry or Dale J. Knapp
608.241.9789 or wistax@wistax.org
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New Census Figures Rank Wisconsin on State-Local Spending**How Can Wisconsin Rank Higher on Taxes than Spending?**

MADISON—New Census figures for fiscal 2007 show that, relative to the size of the state economy, state and local governments in Wisconsin combined to spend 20.91% of personal income—25th highest among the states. In dollar terms, total spending was more than \$40 billion. According to the Wisconsin Taxpayers Alliance (WISTAX), the spending percentage was down from 21.67% of personal income in the prior year.

State-local spending continued to claim a higher share of income here than nationally (20.43%). Alaska (39.6%) and New Mexico (28.2%) were highest in the nation, while New Hampshire (16.1%) and Connecticut (16.0%) were lowest. Wisconsin ranked 25th nationally. In the five-state region, Iowa (22.0% of income, 17th) led, followed by Wisconsin, Michigan (20.9%, 26th), Minnesota (20.3%, 31st), and Illinois (18.3%, 41st).

Relative to total expenditures, Wisconsin devoted the largest share to K-12 education (23.8% of total spending); followed by public welfare (18.2%), which was mainly Medicaid; higher education (12.0%), i.e., universities and technical colleges; and highways (8.0%).

Compared to other states, however, Wisconsin spending ranked highest on corrections (0.7% of income, 11th), followed by interest paid on debt (0.9%, 14th), higher education (2.5%, 15th), and police protection (0.8%, 15th). Other major areas and their ranks were public welfare (3.8%, 17th), highways (1.7%, 18th), and K-12 education (5.0%, 22nd). The Badger State ranked relatively low on fire protection (0.3%, 30th)—in part due to the popularity of volunteer fire departments—and administrative costs (0.9%, 41st).

Another way to compare state-local expenditures is based on population. Because Wisconsin's per capita personal income is below the national average, the state's rankings shift somewhat from those based on personal income. On total state-local spending, Wisconsin ranks 22nd (\$7,204 per capita vs. \$7,517 for the U.S.).

An obvious question these spending figures prompt is: How can Wisconsin rank 12th on taxes paid as a share of personal income and 25th when it comes to expenditures? "By historical accident and political actions," WISTAX President Todd A. Berry observes, "Wisconsin made revenue choices that pushed our tax ranking higher. We have never competed well for federal dollars, and we have consciously chosen not to make heavy use of outside fees and charges (e.g., no tolls, relatively low tuitions). What this means, of course, is that for whatever level of spending Wisconsin chooses, we rely more on state and local taxes to pay for it."

For a free copy of the WISTAX report "How Wisconsin Spending Stacks Up," write WISTAX, 401 North Lawn Ave., Madison, Wisconsin 53704; e-mail wistax@wistax.org; or call 608.241.9789.