

States with the most government benefits

Politicians Marco Rubio and Paul Ryan recently introduced a plan to fight poverty by transferring more responsibility to the states. While the federal government offers various assistance programs to U.S. residents in need — anything from unemployment benefits to food stamps — the states provide additional services and benefits.

Right now, the states already bear a substantial burden. They pay for public pension plans, unemployment insurance, education, Medicaid, and the Temporary Assistance for Needy Families program (TANF), among other benefits. However, while most states fund many of these social programs, the amounts and levels they spend vary widely. [24/7 Wall St.](#) identified the states that guaranteed the most benefits in these five categories, and the states that guaranteed the least.

For the most part, states that spent the most in one program tend to spend the most overall. Rhode Island, which ranked as the top-spending state this year, spent in the top 15 in all five measures we considered. Similarly, states that were close to the bottom of our list for doling out benefits and services spent less than average in nearly every spending category.

However, this was not always the case. States like New York, which spent the most in the country on education per pupil and second-most in the country on Medicaid per enrollee, paid the fourth-lowest weekly unemployment benefits relative to lost wages.

The reasons some states spend more than others on benefits and programs is complicated. One factor that seems to be consistently true across the top and bottom spenders is the political climate. Of the 10 states that ranked as the most generous, nine voted Democratic in the last presidential election, with Alaska as the exceptions. Of the 10 states that spent the least on their social programs, all but one — Florida — voted Republican.

The political climate can also influence how much a state collects in taxes, with Democratic states collecting more than Republican states. States that spent more on benefits were also more likely to have higher median incomes, which mean that tax bases were also higher. In fact, all five of the states with the highest median income are among the top spenders on social programs. Most of the least generous states have among the lowest median incomes in the country.

There does not appear to be a relationship between the relative needs of a state's residents for social programs and the state's spending. Of the states that spent the most on weekly TANF cash assistance, for

example, the vast majority had among the lowest poverty rates in the country.

In an interview with [24/7 Wall St](#), Michael Leachman, director of state fiscal research at the Center on Budget and Policy Priorities (CBPP), explained that it's hard to explain why states that have a greater need for public assistance spend less, while states with better-off populations spend more on benefits. "You wonder if it isn't to some extent a case of chicken-and-egg," he said. "In the states that have urban, higher income populations... there's money there, and the politics have evolved to encourage spending on public programs. But it is a difficult question to answer."

In order to assess how much or how little a state guarantees in benefits and services, 24/7 Wall St. examined spending by each state on a number of different programs. We considered average pension benefit payments per beneficiary as well as per pupil spending, both published by the Census Bureau for the 2011 fiscal year. Pension benefits include both state and local pensions, while per pupil spending reflects the total from all sources of funding.

The Department of Labor's Employment & Training Administration provided unemployment insurance figures, calculated over a 12-month period ending in the third quarter of 2013. Information on TANF figures is from the CBPP. Medicaid payments per enrollee for fiscal 2010 are from the Kaiser Family Foundation. While states receive partial federal funding for TANF and Medicaid, they have considerable discretion over how to implement these programs. All data used were for the most recent available year.

10. Vermont

- > Average pension benefits: \$15,802 (6th lowest)
- > Total per pupil spending: \$15,925 (4th highest)
- > Medicaid payments per enrollee: \$6,158 (18th highest)
- > Tax collections per capita: \$4,293 (4th highest)

Vermont collected more taxes per resident in fiscal 2011 than all but three other states. At \$8,988 per capita, the high tax revenue may help explain the state's generous benefit programs that year. High state tax revenue — \$8,988 per capita — may have helped account for Vermont's generous benefit programs that year. In 2012, just 6.5% of Vermont's population didn't have health insurance, less than half the national rate. And with Vermont officials pushing for universal coverage, health coverage in the state may improve even more. In 2011, Governor Peter Shumlin signed into law Green Mountain Healthcare, a single-payer plan. The plan is expected to be fully implemented by 2017.

9. Hawaii

- > Average pension benefits: \$23,457 (16th highest)
- > Total per pupil spending: \$12,004 (13th highest)
- > Medicaid payments per enrollee: \$5,132 (13th lowest)
- > Tax collections per capita: \$3,548 (7th highest)

Hawaii's unemployment insurance system was the most generous in the country. Unemployed workers received an average benefit of nearly \$423, or 52.5% of the average weekly wage, as of the third quarter of 2013 — both more than any other state. By either measure this was more than any other state. Hawaii also has a two-tiered system of TANF benefit levels, depending on the ability of a family member to work. Even the lower benefit level places Hawaii among the most generous states. Last year, the state also eliminated its asset limit, which had previously left many families unqualified for TANF due to their savings and other assets. Opponents of asset limit believe this discourages saving for emergencies.

8. Maryland

- > Average pension benefits: \$22,173 (18th highest)
- > Total per pupil spending: \$13,871 (8th highest)
- > Medicaid payments per enrollee: \$7,046 (10th highest)
- > Tax collections per capita: \$2,756 (15th highest)

Maryland was one of the wealthiest states in the nation in 2012, when a typical household earned more than \$71,000, the highest of any state. That year, just 10.8% of residents lived below the poverty line, less than in all but four other states. Like most states, Maryland's pension program took a hit during the recession, losing 20% of its value in 2009. As of the middle of last year, however, the fund had recovered substantially, exceeding \$40 billion in value.

7. Pennsylvania

- > Average pension benefits: \$24,360 (14th highest)
- > Total per pupil spending: \$13,467 (10th highest)
- > Medicaid payments per enrollee: \$7,288 (8th highest)
- > Tax collections per capita: \$2,541 (20th highest)

Beneficiaries of Pennsylvania's unemployment insurance program received more than \$357 per week on average in 2013, among the most in the country. Since the start of 2014, Pennsylvania's unemployed may have a rough time because federally funded unemployment compensation is ending for nearly 90,000 Pennsylvania residents. Pennsylvania was also a top spender on education as of fiscal 2011. Total per pupil spending was \$13,467 that year, nearly \$3,000 more than the national average spending.

6. New Jersey

- > Average pension benefits: \$29,425 (8th highest)
- > Total per pupil spending: \$15,968 (3rd highest)
- > Medicaid payments per enrollee: \$8,309 (3rd highest)
- > Tax collections per capita: \$3,085 (12th highest)

New Jersey was among the nation's highest spenders on education as of fiscal 2011, spending close to \$16,000 per pupil. This was more than \$6,000 per student above the national rate. On a per-student basis, the state was also among the highest spenders on both teachers and school system workers. That same year, the average state or local pension beneficiary received more than \$29,000 per year, one of the largest average benefits in the U.S. During his tenure, Governor Chris Christie has pushed through reforms in both teacher tenure and pension spending. Christie recently began his second term as governor with a "State of the State" speech, in which he pushed further reforms to both education and state pensions. New Jersey was also a leader in Medicaid spending per enrollee, ranking third in the nation in fiscal 2010.

5. Alaska

- > Average pension benefits: \$23,795 (15th highest)
- > Total per pupil spending: \$16,674 (2nd highest)
- > Medicaid payments per enrollee: \$9,310 (the highest)
- > Tax collections per capita: \$7,708 (the highest)

Alaskans paid more state taxes than any other state in 2011. Considering their high incomes and the state's low poverty rate, Alaska residents may have been able to afford it. Median household income in the state was \$67,712 in 2012, higher than all but two other states. Due in part to high taxes, the state's revenue in 2011 was \$17,630 per capita, by far the highest in the nation that year. During the 12 months through the third quarter of last year, however, Alaska's unemployed received \$250 per week, on average, relatively small compared to the rest of the U.S. Additionally, more than one in five people in Alaska did not have health insurance in 2012, more than nearly any other state. Overall, however, Alaskans have access to very generous benefits. For families living in poverty, the federal food stamp program, together with Alaska's welfare system, can cover families for more than 80% of the federal poverty level and the highest combined benefit as of 2013.

4. Massachusetts

- > Average pension benefits: \$29,067 (9th highest)

- > Total per pupil spending: \$13,941 (7th highest)
- > Medicaid payments per enrollee: \$6,841 (12th highest)
- > Tax collections per capita: \$3,361 (9th highest)

Massachusetts had \$6,832 per person in state revenue as of fiscal 2011, more than all but eight other states. Much of this likely went to support the state's various social safety net programs. Per pupil spending on K-12 schools was the seventh highest in the nation that year, while the average annual benefit payment to state and local pension beneficiaries was ninth-highest in the U.S. The state was also a high spender on Medicaid, paying \$6,841 per enrollee as of fiscal 2010, 12th most in the nation. However, this may have been in part due to the high cost of health care in the state. As of the most recent quarter, only care in Alaska was more expensive, according to MERIC. Despite the high health care costs, just 3.9% of the state's population did not have health insurance in 2012, the lowest percentage of any state. The state's 2006 health care reforms, often considered a model for the ACA, are likely the reason for the high coverage rates in the state.

3. Connecticut

- > Average pension benefits: \$35,079 (the highest)
- > Total per pupil spending: \$15,600 (6th highest)
- > Medicaid payments per enrollee: \$7,561 (7th highest)
- > Tax collections per capita: \$3,754 (5th highest)

Connecticut pension beneficiaries received generous payments in 2011 of more than \$35,000 on average — the highest in the country. Connecticut was among the highest spenders on education in 2011, spending more than \$5,000 more per pupil than the national average. Teacher salaries and benefits were among the highest at that time as well. Connecticut residents were also among the wealthiest in the nation as of 2012, with more than 11% earning \$200,000 or more per year, the highest proportion nationally.

2. New York

- > Average pension benefits: \$30,871 (5th highest)
- > Total per pupil spending: \$19,076 (the highest)
- > Medicaid payments per enrollee: \$8,910 (2nd highest)
- > Tax collections per capita: \$3,497 (8th highest)

New York was one of the top benefit spenders in the nation on a wide range of state programs. New York spent \$8,910 per Medicaid enrollee in fiscal 2010, trailing only Alaska. In 2012, Governor Andrew Cuomo petitioned the federal government to allow the state to keep some of the billions of dollars its Medicaid

redesign saved. However, a decision on whether to allow the state to reinvest this money within its own health system is pending. In addition to its high Medicaid expenses, New York also led the nation in per pupil spending as of fiscal 2011, at more than \$19,000. TANF benefit levels were among the highest in the nation as well last year, due in part to a state program that includes a number of different components, including a variable amount for rent that well exceeds what some states give in TANF benefits. Of course, New York must also raise enough taxes to be able to provide these services. The state collected \$3,500 in fiscal 2011, eighth-most in the U.S.

1. Rhode Island

- > Average pension benefits: \$31,548 (3rd highest)
- > Total per pupil spending: \$13,815 (9th highest)
- > Medicaid payments per enrollee: \$8,229 (5th highest)
- > Tax collections per capita: \$2,603 (18th highest)

Rhode Island was one of just six states to pay pension beneficiaries more than \$30,000 in fiscal year 2011; the state paid \$31,548 on average. In November 2011, state legislators enacted the Retirement Security Act, which introduced considerable reforms to the state's pension program. The act was designed to lower the state's overall pension liabilities, which were projected to increase under the previous system. Rhode Islanders received another relatively generous benefit. The jobless received unemployment checks worth nearly 40% of the typical weekly wage on average over the 12 months through the third quarter of last year, among the best compensation nationally.

CLICK HERE: [for a list of the 10 states with the least government benefits](#)

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