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## Mountain West States Most Dependent on the Federal Government, 2022

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## MOUNTAIN WEST STATES MOST DEPENDENT ON THE FEDERAL GOVERNMENT, 2022

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### PURPOSE:

This fact sheet synthesizes data from the SmartAsset report, “States Most Dependent on the Federal Government – 2022 Edition.” This fact sheet explores federal government dependency for the following Mountain West states: Arizona, Colorado, Nevada, New Mexico, and Utah.

### ABOUT THE DATA:

The original SmartAsset<sup>1</sup> report authored by Patrick Villanova explores data on all 50 states and their overall rank from least dependent to most dependent on the federal government. Data were retrieved from the U.S. Census Bureau’s 2020 Annual Survey of State Government Finances. To conduct this research, the author analyzed and compared data across several metrics including federal share of state government revenue, ratio of federal funding to income taxes paid, percentage of workers employed by the federal government and the ratio of median earnings for federal workers to median earnings for private workers.<sup>2</sup>

The five Mountain West states examined in this fact sheet (AZ, CO, NV, NM, UT) are compared based on the following metrics: federal share of state government revenue, ratio of federal funding to income taxes paid, and percentage of workers employed by the federal government. Data for these metrics was retrieved from the U.S. Census Bureau’s 2020 Annual Survey of State and Government Finances, IRS tax data from 2019, and the U.S. Census Bureau’s 2020 5-Year American Community Survey.

After finding the average ranking of each state and assigning each metric a full weight, every state was ranked within the metrics. This supplemented the creation of the final score. The state with the highest average ranking received a score of 100. The state with the lowest average ranking received a score of 0.<sup>3</sup>

### KEY FINDINGS:

1. New Mexico is ranked 2<sup>nd</sup> nationally among states most dependent on the federal government.
2. Among Mountain West states, New Mexico has the largest percentage of workers employed by the federal government (6.06%); the federal government supplies the state with 41.80% of its revenue.
3. For Mountain West states, Colorado has the lowest ratio of federal funding to income taxes paid (0.38) compared to New Mexico, which has the highest ratio (1.87).
4. Among Mountain West states, Nevada has the lowest percentage of workers employed by the federal government (2.19%).

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<sup>1</sup> “States Most Dependent on the Federal Government – 2022 Edition.” *SmartAsset*. <https://smartasset.com/data-studies/states-most-dependent-on-the-federal-government-2022>

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

Table 1 displays the Mountain West states most dependent on the federal government in 2022. Among Mountain West states, New Mexico has the largest percentage of workers employed by the federal government (6.06%) and the federal government supplies the state with 41.80% of its revenue. For every \$1 paid in income tax in Colorado, the state takes in 0.38 cents in federal funding. Colorado has the lowest ratio of federal funding to income taxes paid in the Mountain West. New Mexico has the highest ratio, which means for every \$1 paid in income tax in New Mexico, the state takes in \$1.87 in federal funding. Utah has the lowest federal share of state revenue (27.27%), which is the percentage of state government revenue provided by intergovernmental aid. Nevada has the lowest percentage of workers employed by the federal government (2.19%), which is the percentage of the state’s overall workforce employed by the federal government.

**Table 1: Mountain West States Most Dependent on the Federal Government, 2022**

Rank	State	Federal Share of State Revenue	Ratio of Federal Funding to Income Taxes Paid	Percent of Workers Employed by Federal Government
2 <sup>nd</sup>	New Mexico	41.80%	1.87	6.06%
13 <sup>th</sup>	Arizona	47.44%	0.88	2.54%
31 <sup>*</sup>	Utah	27.27%	0.54	2.86%
35 <sup>th</sup>	Nevada	34.27%	0.46	2.19%
37 <sup>th</sup>	Colorado	34.34%	0.38	2.67%

\* Adapted from “States Most Dependent on the Federal Government – 2022 Edition.” *SmartAsset*. <https://smartasset.com/data-studies/states-most-dependent-on-the-federal-government-2022>