



The above chart by Mercatus Center Research Fellow Matt Mitchell compares the actual decline in states' spending from 2009 to 2010 (in blue) and the sustained cut in state and local spending necessary to close the gap between spending and revenues over the next 50 years, known as the 50-year fiscal gap (in red).

Put differently, this chart illustrates the drastic contrast between states' needed budget cuts and the cuts that they have been willing to make thus far.

According to the National Governors Association and the National Association of State Budget Officers, states' general fund expenditures are currently estimated to be \$612.9 billion in 2010, a 6.8% decrease from the 2009 level of \$657.9 billion. However, the Government Accountability Office (GAO) finds that in order to balance the budget through spending cuts, a cut of 12.3% must be taken immediately and be maintained each and every year going forward to balance state budgets in the long-term. This is nearly twice the level of the 2009-2010 spending cut.

Without significant adjustment in states' level of spending, GAO finds that state and local governments' fiscal positions will steadily decline through 2060.

Matt Mitchell charts states' paths to [unsustainable spending levels](#).

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