

Delaware

From 2002 to 2008, Delaware's spending increased the most in the salaries and wages (111%), welfare (106%), police (60%), and education (58%) categories. The increases in these categories were each among the top 10 in the nation in terms of percentage. The spending categories that saw the least growth were debt service (+6%), parks and recreation (+5%), and hospitals (-7%). The state's overall general spending increase of 55% ranked fifth-highest. The state's high per-capita spending in nearly all categories, with the exception of hospitals, is likely due, in part, to its small size.

Delaware's total revenue growth of 42% ranked 31st for the period. Despite lacking a general sales tax, personal income tax growth was a modest 40% (30th-highest) and corporate income tax

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	202,270	2	280,710	2	0	39%	19
Education	1,433,753	7	2,263,320	5	+2	58%	6
Government Administration	349,326	2	483,562	2	0	38%	24
Health	260,745	2	393,259	3	-1	51%	14
Highways	369,702	10	496,382	5	+5	34%	15
Hospitals	68,578	27	63,435	35	-8	-7%	43
Interest on Debt	255,396	5	269,560	6	-1	6%	45
Natural Resources	69,728	18	94,329	15	+3	35%	16
Parks and Recreation	52,147	1	54,763	3	-2	5%	31
Police Protection	70,807	2	113,596	1	+1	60%	10
Public Welfare	702,892	31	1,451,463	9	+22	106%	2
Salaries and Wages	1,073,747	3	2,267,018	1	+2	111%	2
Direct Expenditures	3,408,548	3	5,389,391	3	0	58%	4
General Expenditures	4,231,092	4	6,561,474	4	0	55%	5
Total Expenditures	4,644,236	6	7,151,941	3	+3	54%	5
Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	716,647	10	1,006,859	13	-3	40%	30
General Sales Tax ²	0	N/A	0	N/A	N/A	N/A	N/A
Corporate Income Tax ³	251,643	2	308,676	3	-1	23%	44
Total Taxes	2,173,600	2	2,930,955	10	-8	35%	42
Total Revenue	4,682,495	2	6,658,241	6	-4	42%	31

¹ Personal income tax per capita rankings are out of 43 since seven states do not collect personal income taxes.

² General sales tax per capita rankings are out of 45 since five states do not collect general sales taxes.

³ Corporate income tax per capita rankings are out of 46 since four states do not collect corporate income taxes.

Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Delaware’s population increased by 8%. This yields a “baseline” growth of 28% for the period. The figure below compares the difference in Delaware’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.

