



HOW MUCH DOES
TEXAS ACTUALLY
RELY ON THE
FEDERAL
GOVERNMENT?

- or -

HOW WILL TEXAS
MAKE IT AS AN
INDEPENDENT
NATION?

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INTRODUCTION

Fellow Texan,

As support has grown for Texas independence, so have the number of people questioning how Texas will be able to operate without the Federal Government.

- *"Texas couldn't survive without the money that it gets from the Federal government."*
- *"If Texas gets its independence then retirees will lose their Social Security."*
- *"What about veterans benefits?"*
- *"Texas won't be able to defend itself without the U.S. military."*

These issues, and more, are often met by our opposition with fear-mongering answers that ignore the reality of the relationship between Texas and the rest of the Union.

We have compiled this guide using actual data from State and Federal sources to address these issues. This guide uses facts to combat the misinformation and propaganda.

In it you will find the answers to all of your questions like those above, but more than that, you will have a greater understanding of how Texas staying in the Union is harming you right now.

Daniel Miller
President
Texas Nationalist Movement



WHERE DID WE GET OUR INFORMATION?

data sources

The information in this report is compiled from publicly available State and Federal sources as well as private studies conducted by noted research groups and institutions.

Office of the Texas Comptroller, Office of Management & Budget, United States Census Bureau, Department of Defense Atlas, Department of Defense National Budget Estimates, Government Accountability Office, Bloomberg Government, Texas Legislative Council, U.S. Bureau of Economic Analysis, Texas Legislative Budget Board, Internal Revenue Service

KEY CONCEPT

FAIR COMPARISONS

To begin analyzing how Federal Government spending impacts Texas and how Texas would fare as an independent nation, it is important to set the criteria for an accurate comparison.

- All of the figures and conclusions in this report are based on current values of the U.S. dollar (2015) and the most recent available figures.
- This reports assumes the continuance of all existing programs and services.
- Where possible we have untangled the numbers to provide the most accurate figures. However, there are times when the Federal Government combines separate spending items. There are also instances where the numbers reported by different Federal agencies on the same items do not agree.
- In instances where Federal programs are administered by the State of Texas and matching funds are required in the State budget, these figures have been listed as a State expenditure only.
- Regarding direct Federal payments to the State of Texas, those figures have been included as Federal spending only. Although they are included in the State budget, there is a 100% pass-through requirement. Therefore, including those figures in both Federal spending and State spending would count the same dollars twice.

Although the Federal revenue obtained from Texas and Federal spending in Texas are shown, the methods of taxation and the spending priorities used by the Federal Government are not an indication of how an independent Texas would raise or spend revenue nor does it address the benefits of a non-inflationary currency in an independent Texas.

KEY CONCEPT

IT'S ALL ABOUT MATH

Aside from questions of policy, the real question of how Texas would fare without the Federal Government, its spending and its programs depends on two simple questions.

How much money can Texans pay?

This amount comes from tallying the amount currently paid by Texans. It is a function of all Federal taxes paid by Texans plus all taxes & fees paid to the State.

- then we subtract -

How much does it cost?

This amount comes from calculating the *total amount of spending in Texas* by both the Federal and State governments . This covers all existing programs and services at both levels.

This simple formula determines the ability of Texans to fund a government at the same level that Texans are currently accustomed.

KEY CONCEPT

WHERE DOES FEDERAL MONEY COME FROM?



Every dollar that the Federal Government spends in Texas first comes from *your* pocket.

The Federal Government reports 9 different sources of its revenue.



- Individual income tax & FICA
- Self Employment tax
- Business income taxes
- Unemployment insurance tax
- Railroad retirement tax
- Estate and trust income tax
- Estate tax
- Gift tax
- Excise taxes

IMPORTANT DATA

HOW MUCH DO TEXANS PAY FOR GOVERNMENT?

TEXANS PAY TO THE FEDERAL GOVERNMENT

\$265,336,183,000

TEXANS PAY TO THE STATE GOVERNMENT

\$70,676,251,035

TOTAL PAID BY TEXANS
\$336,012,434,035

This represents the total amount of revenue readily available to an independent Texas *without* increasing the financial burden on Texans.

KEY CONCEPT

FEDERAL SPENDING IN TEXAS

Federal spending in Texas is split among 5 general categories.

RETIREMENT BENEFITS

Retirement benefits payments to individuals include Social Security retirement, survivor, and disability payments; veterans benefits; and other federal retirement and disability payments. These programs are Federal obligations to individuals and not obligations of the State of Texas.

NON-RETIREMENT BENEFITS

Nonretirement benefits payments to individuals include Medicare benefits, food assistance, unemployment insurance payments, student financial aid, and other assistance payments. Medicare accounts for nearly two-thirds of these payments.

GRANTS & DIRECT PAYMENTS

Grants include funding to state and local governments for a variety of program areas such as health care, transportation, education, and housing, as well as funding for individuals and other nonfederal entities, such as research grants. Medicaid grants to states account for about half of all federal grants.

CONTRACTS

Contracts for purchases of goods and services, from military and medical equipment to information technology and catering services.

SALARIES & WAGES

Salaries and wages for federal employees in Texas including military and civilian personnel.

All defense spending in Texas is included in these categories.

KEY CONCEPT

FEDERAL OBLIGATIONS TO INDIVIDUALS

Federal spending that is classified as "retirement benefits" is solely an obligation of the Federal Government.

Programs in to which you have paid or have been promised for service to the Federal Government are obligations that the Federal Government directly owes you, regardless of whether or not Texas stays in the Union.

- **Social Security Retirement**
- **Social Security Survivor**
- **Social Security Disability**
- **Veterans Benefits**
- **All Federal disability & retirement benefits**

IMPORTANT DATA

FEDERAL EMPLOYEES IN TEXAS

- Air Force (civilian) - 16,338
- Army (civilian) - 28,643
- Dept Of Agriculture - 4,236
- Dept Of Commerce - 1,009
- Dept Of Defense - 3,768
- Dept Of Education - 129
- Dept Of Energy - 216
- Dept Of Homeland Security - 26,153
- Dept Of Justice - 6,082
- Dept Of Labor - 917
- Dept Of The Interior - 1,174
- Dept Of The Treasury - 11,875
- Dept Of Transportation - 4,385
- Dept Of Veterans Affairs - 23,329
- Environmental Protection Agency - 873
- General Services Administration - 1,037
- Health and Human Services - 1,254
- HUD - 481
- NASA - 3,046
- Navy (civilian) - 1,504
- Social Security Administration - 3,205
- State Department - 181

QUICK FACT

Total Employment in Texas is 11,155,100.

Total Federal Employment in Texas is 139,835 or 1.25% of the Texas workforce.

This is smaller than any other segment of the Texas workforce.

IMPORTANT DATA

HOW MUCH IS SPENT FOR GOVERNMENT IN TEXAS?

TOTAL FEDERAL GOVERNMENT EXPENDITURES

\$162,104,000,000

TOTAL STATE GOVERNMENT EXPENDITURES

\$65,782,957,116

TOTAL SPENT IN TEXAS
\$227,886,957,116

This represents the total amount of expenditure required to maintain every program, every job (both civilian and military), every department, every facility (including military bases) and every function (including current Federal contract spending to Texas companies) provided by the Federal & State governments.

KEY CONCEPT

TEXAS IS A DONOR STATE

Texans pay a disproportionate amount into the Federal system. We pay more than we receive across all measures.

TOTAL FEDERAL GOVERNMENT REVENUE FROM TEXAS

\$265,336,183,000

- minus -

TOTAL FEDERAL GOVERNMENT EXPENDITURES IN TEXAS

\$162,104,000,000

\$103,232,183,000
OVERPAYMENT



For every dollar that Texans send to the Federal Government, at best we receive \$.61 of value.

CONCLUSION

WHAT COULD AN INDEPENDENT TEXAS DO?

At the current level that Texans are paying to both the Federal Government and the State Government, an independent Texas could preserve and maintain

- every program
- every job
- current military enlistment
- every department
- every facility
- every military base
- every function
- every contract

with no reductions.

In addition, Texans would enjoy a massive surplus of revenue that is currently feeding the Federal coffers which could now be used to fund additional national functions or to give significant tax relief to Texans.

Texas Annual Surplus
\$108,125,476,919

WHAT IF THE FEDERAL GOVERNMENT REFUSES TO PAY RETIREMENT BENEFITS THEY OWE?

Retirement benefits payments to individuals include Social Security retirement, survivor, and disability payments; veterans benefits; and other federal retirement and disability payments.

These programs are Federal obligations to individuals and not obligations of the State of Texas and account for \$72 billion a year.

If the Federal Government refused to pay Texans what is owed or, in the more likely event, the Federal retirement benefits system becomes insolvent, then an independent Texas could easily step in and meet the obligation from the \$108 billion surplus.

HOW WILL AN INDEPENDENT TEXAS PAY FOR NATIONAL DEFENSE?

The current Federal military expenditure in Texas is \$42.1 billion. This figure is 12.5% of the \$336 billion per year of revenue currently paid by Texans.

This includes all personnel (active duty, reserve & civilian), military base expenditures, military contracts and operations costs.

This would place Texas military expenditures 10th in the world, on par with Germany, Japan and India and roughly twice the spending of Israel, Italy and Australia. This is also 6 times the military spending of Mexico.



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