



NH EXIT NOW

Can New Hampshire Make It?

How much does New Hampshire rely on the federal government, and how would it fare on its own?

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The ledger on one page

Paid by Granite Staters each year, federal and state	\$22.9 billion
Cost of running every government function in New Hampshire	\$13.8 billion
Net capacity, Approach A	+\$9.1 billion
Net capacity, Approach B, the symmetric test	+\$2.5 billion
New Hampshire's share of federal interest, FY2025	\$3.4 billion
New Hampshire's share of new federal borrowing, FY2025	\$6.2 billion
Federal debt lien per resident	\$100,585
Federal spending returned per dollar paid	\$1.00 , against a national average of \$1.34

New Hampshire can fund its own government. It clears on the punishing test as well as the generous one. And while it does so, Granite Staters co-sign roughly \$6.2 billion a year of Washington's new debt, more than half of it pure interest that buys New Hampshire nothing.

PART I

Reading the numbers honestly

Two different questions hide inside every argument about whether a state could stand on its own, and the people who want the argument to end quickly keep fusing them into one.

The first is a **balance of payments** question. Over a year, did more federal money flow into New Hampshire than Granite Staters paid in federal taxes? That is a cash tally, and it is dominated by Social Security checks, Medicare reimbursements, and money Washington borrowed rather than collected.

The second is a **fiscal capacity** question. Could Granite Staters, taxed exactly as they are taxed now, fund the government an independent New Hampshire would actually need to run?

These are different questions and they have different answers. A household can send the IRS more than it gets back and still afford its own groceries. A state can look like a paper recipient and still fund its own government comfortably. Only the second question decides whether New Hampshire could stand on its own.

What comes off the cost side, and why

Social Security, Medicare, veterans' cash compensation, and federal civilian and military retirement are obligations Washington owes to the individuals who paid into them. They are portable. The same Social Security check follows the retiree to Florida or to Portugal, and an independent New Hampshire would no more have to recreate them than Portugal does. Those come off the cost side.

Everything a sovereign New Hampshire would genuinely operate and pay for stays on: defense, federal agency payroll and operations, grants including Medicaid, federal contracts, veterans' medical care, and the entire existing state budget. Medicaid stays in the cost column on purpose, as means-tested welfare the state already administers rather than an earned benefit anybody pre-paid.

The ground rules

Five rules, set before the numbers, so the result cannot be an artifact of how the years were picked.

Average, do not cherry-pick. The ledger runs on the average of the two most recent federal fiscal years for which every source has published, FY2022 and FY2023. The five-year federal series behind it is printed in Appendix A so a reader can watch the result hold.

Strip the one-time COVID money. Emergency pandemic relief was not a permanent cost of governing New Hampshire, and counting it as one would be dishonest in the state's favor on the cost side. New Hampshire's embedded share of the Rockefeller Institute's national COVID relief line comes out.

Never double-count. Federal money that passes through Concord on its way to a New Hampshire program is counted once, on the federal side. State spending means state-funded spending throughout.

Flag every estimate. Every number that decides the direction of the result is published primary data from a federal agency. Where something had to be modeled, it is labeled and the method is in Appendix D.

This is a snapshot, not a prophecy. The ledger measures today's tax flows against today's cost of government. It does not forecast what a post-independence New Hampshire economy would do.

A note on Washington's books

Washington can no longer tell you, in one place, how much of its spending lands in New Hampshire. The Census Bureau killed the Consolidated Federal Funds Report in 2012. Medicare spending by state of residence has not been published since 2020. Payroll taxes are never broken out by state at all. The IRS attaches a disclaimer to its own collections-by-state table warning that it shows where taxes were filed, not where the burden fell.

A government that spends more than seven trillion dollars a year and cannot account for it by state has already answered the question of how accountable it considers itself to the states.

PART II

What Granite Staters pay, and what their government costs

Ledger 1. What they pay

New Hampshire residents and businesses sent the federal government an average of **\$17.5 billion** a year in FY2022 and FY2023, measured by the IRS Data Book's gross collections table. To that add **\$5.5 billion** in state own-source revenue, which is what Concord raises itself once every dollar of federal money is removed.

Total: \$22.9 billion a year.

The composition is worth a moment. New Hampshire raises that state revenue with **no individual income tax and no general sales tax**. When the repeal of the Interest and Dividends Tax took effect on January 1, 2025, under legislation passed in the 2023 session, New Hampshire became the only state in the union with neither an income tax nor a sales tax at the state or local level. Business taxes, the meals and rooms levy, and local property taxes carry the load.

Ledger 2. What governing costs

The Rockefeller Institute of Government publishes the broadest available measure of total federal spending inside each state. For New Hampshire it averaged **\$21.7 billion** across FY2022 and FY2023.

From that, the portable benefits come out.

COST LINE, FY2022 TO FY2023 AVERAGE	\$ BILLIONS
Total federal spending in New Hampshire (Rockefeller)	21.7
less Social Security benefits (BEA)	7.0
less Medicare benefits (BEA)	4.2
less veterans' cash compensation and readjustment (BEA)	0.6
less federal civilian and military retirement (estimated)	0.5
less one-time COVID relief (Rockefeller national line, NH share)	1.3
= Federal cost of governing New Hampshire	8.2
plus state-funded expenditure (Census)	5.6
= Total cost of government in New Hampshire	13.8

Columns are rounded to one decimal and may not sum exactly.

Set the two ledgers side by side. Granite Staters pay **\$22.9 billion**. Running every level of government inside New Hampshire, every base and agency and grant and contract and state service, costs **\$13.8 billion**.

The result, and the harder test

The gap is roughly **\$9.1 billion a year** under Approach A, which keeps federal payroll taxes in the revenue column.

Now the objection a sharp economist raises, and it is a fair one. If Social Security and Medicare come off the cost side, the payroll taxes that fund them should come off the revenue side too. Take the whole social insurance system out of both columns and see what is left.

Doing that costs New Hampshire an estimated **\$6.6 billion** a year in payroll taxes. On that symmetric basis Granite Staters pay **\$16.3 billion** for a government that costs **\$13.8 billion**.

New Hampshire still clears, by about **\$2.5 billion**.

The smaller of the two numbers is the one that carries the argument, and that is deliberate. A large surplus is a number an opponent can argue with. Self-sufficiency under the most punishing accounting available is not. New Hampshire funds its own government on either construction.

Per resident, across 1.41 million people: **\$16,382 paid, \$9,847 to govern**.

PART III

Findings the critics cannot argue away

Finding one. The bill for staying

New Hampshire pays **0.351 percent** of all federal taxes collected in the United States, averaged across FY2019 to FY2024. A third of one percent, set against books Washington keeps to the penny.

Run New Hampshire's share against them.

Net interest on the federal debt came to \$970.4 billion in FY2025, up from \$881.0 billion the year before. New Hampshire's share is **\$3.4 billion a year**, and it builds nothing in the state. Interest on money already spent, and it has more than doubled since FY2019, when the same share came to about \$1.3 billion.

The annual deficit ran \$1.775 trillion in FY2025. New Hampshire's share of that new borrowing is **\$6.2 billion**, co-signed every year, in the name of people who never voted on it.

The accumulated debt stood at \$40.117 trillion on September 2, 2026, of which \$32.421 trillion is held by the public. New Hampshire's share is roughly **\$141 billion**, which works out to **\$100,585 for every man, woman, and child in the state**.

Interest is inside the deficit, not additional to it. The deficit is the primary shortfall plus the interest, and presenting them as a sum would be a fraud on the reader. The decomposition is the point: more than half of what New Hampshire co-signs each year is now the carrying cost of debt already run up.

The ledger of staying. It is not a benefit New Hampshire receives. It is a bill New Hampshire pays.

Finding two. The structure is unsound, and its own auditors say so

The federal balance sheet New Hampshire is chained to is not merely expensive. It is failing, and the verdict comes from Washington's own bookkeepers rather than from anyone arguing for independence.

The Treasury's audited Financial Report of the U.S. Government carries a section headed "An Unsustainable Fiscal Path." The Government Accountability Office signs that audit and calls for urgent and sustained action. When the bookkeeper writes "unsustainable" into the ledger, that is a confession.

The market has returned the same verdict. All three major rating agencies have now stripped the United States of its top rating. Standard and Poor's went first in 2011. Fitch followed in 2023. Moody's, which had held the United States at Aaa since 1917, cut to Aa1 in May 2025. Each cited the same rising debt and interest load with no credible plan behind it.

Then the mechanic. Interest passed all of national defense for the first time in FY2024, and Washington now borrows to pay it. New loans covering the interest on old loans is the defining stage of a Ponzi scheme, and the only thing separating Washington from a private operator running one is the printing press. Printing to pay debt is default by inflation. The Penn Wharton Budget Model uses the word itself, explicitly or implicitly, and puts roughly twenty years on the clock past which no tax increase and no spending cut can walk it back.

New Hampshire holds no vote on any of that borrowing. New Hampshire saves in the dollar and draws its pensions in it. It inherits the reckoning as inflation, benefit cuts, tax increases, or a Treasury market shock, and it inherits it with no say in the decisions that produced it. Independence is the exit taken before the repricing rather than the wreckage sorted out afterward.

Finding three. New Hampshire is at sovereign scale, and its government is small

New Hampshire's economy produced **\$119.3 billion** in 2024. Measured against the World Bank's country tables, an independent New Hampshire would rank roughly **68th among the world's economies**, in the neighborhood of Kenya, Bulgaria, Guatemala, and Oman.

Small, on a world list, and pretending otherwise would make the weaker argument. The stronger one points at the countries that actually govern themselves at that size and below. Iceland runs a complete national government, with a foreign ministry, a central bank, and its own currency, on an economy under a third of New Hampshire's. Estonia, Malta, Cyprus, and Luxembourg all run full sovereign states on less. Small countries govern themselves successfully every day, and nobody argues that Iceland is too small to be a country.

The more telling number is what New Hampshire's government costs against what the state produces. Total government spending inside New Hampshire, federal functions and state functions together, runs about **12.5 percent of the state's economy**. Rich democracies spend between 38 and 44 percent of GDP on all government, Canada near 40.6 percent and Australia near 38 percent.

New Hampshire is not straining under the cost of government. It runs the leanest ledger of any state examined under this framework, with no income tax and no sales tax, at roughly a third of what the developed world spends. Headroom, not strain, and nobody is using it.

Finding four. New Hampshire already runs most of what it needs

Independence would require New Hampshire to stand up a handful of functions Washington currently runs from outside the state: a central bank, a foreign ministry and a diplomatic service, a customs and revenue service, and regulators for aviation, drugs, financial markets, and

communications. Peer nations run those for sums well inside New Hampshire's capacity, and a good deal of it self-funds. Central banks earn seigniorage. Financial and communications regulators run on fees.

Foreign exchange reserves belong in this discussion honestly. Reserves are a one-time balance sheet asset accumulated out of surplus over years, not a recurring annual expense, and any analysis that books them as a yearly cost is padding the bill.

Against that short list, set what New Hampshire already does. The state administers its own Medicaid program, educates its special-needs children, runs its own environmental regulator, builds and maintains its highways, and conducts its own elections. Federal money passing through Concord, roughly **\$4.1 to \$4.4 billion** a year in intergovernmental revenue to the state government, funds programs New Hampshire staff already run. Independence would not invent a government. It would put the narrow slice Washington still controls under the same roof as the government New Hampshire already operates and already pays for.

Finding five. The tax nobody votes on

New Hampshire has no income tax and no sales tax. It still pays a tax every year, and this one is levied without a vote in Concord or anywhere else.

The dollar has lost roughly 97 percent of its purchasing power since 1913, about 88 percent since 1971, and about 22 percent since 2020, measured by the Bureau of Labor Statistics' own price index. The mechanism runs from deficits to money creation to higher prices, and it does not land evenly. Richard Cantillon worked this out in the 1700s. New money reaches banks and government first and ordinary people last, after their wages and savings have already lost value.

Put a number on it for New Hampshire. Economists at the Federal Reserve Bank of St. Louis calculated that inflation destroyed \$1.8 trillion of purchasing power held in American bank deposits in the twelve months ending March 2022. New Hampshire holds **0.274 percent** of the national deposit base, \$47.7 billion across the state's branches according to the FDIC's Summary of Deposits.

New Hampshire's share of that single year's loss: roughly **\$4.9 billion**.

That is close to the entire state government's own-source revenue, taken quietly out of Granite Staters' savings, with no bill filed and no vote taken. Small disciplined countries do not run this way. Switzerland has held inflation near 0.6 percent. Singapore has held it under 1 percent.

PART IV

The accounting illusion

Anyone who has argued about this has met the counter within about ninety seconds. New Hampshire gets back from Washington roughly what it sends, so where is the burden? The Rockefeller Institute's balance-of-payments series is the usual citation, and it is a serious piece of work, so it deserves a serious answer rather than a dismissal.

Here is what it actually says. In FFY2023, New Hampshire sent Washington \$22.0 billion and received \$22.0 billion back. One dollar returned for every dollar paid. In FFY2022 the state received **88 cents** per dollar paid, which made New Hampshire a net donor that year by \$1.87 billion.

Now set that against the national figure. Washington spent **\$1.34 for every dollar it collected** in FY2025, and \$1.37 in FY2024. The gap is not generosity but borrowed money. Take it out and most of those apparent subsidies vanish.

So the comparison that carries meaning is not whether New Hampshire's ratio exceeds one. It is whether New Hampshire's ratio exceeds the national ratio, because that is the line separating the states being subsidized from the states doing the subsidizing. New Hampshire comes in at **\$1.00 against a national \$1.34**, one of the widest gaps below the line in the country.

Strip out the borrowed money and the returning benefits Granite Staters pre-paid, and the direction of dependency reverses. New Hampshire is not a state carried by Washington. It is a state carrying an above-average share of Washington's bill and receiving a below-average share of Washington's borrowed money in return.

PART V

The dismissals, answered

"You cherry-picked by dropping Social Security and Medicare from the cost side."

That objection is answered by running the ledger both ways, which Part II does. Keep the payroll taxes in and New Hampshire clears by \$9.1 billion. Net the entire social insurance system out of both columns and New Hampshire still clears by \$2.5 billion. The finding does not depend on the choice, and the smaller number is the one that carries the argument.

"But the Rockefeller Institute says New Hampshire is not a donor state."

Rockefeller measures a balance of payments. Fiscal capacity is a different measure entirely. Part I sets out why those are different questions, and Part IV shows that New Hampshire's ratio sits far below the national average, which is the comparison that carries meaning in a system where Washington borrows a quarter of what it spends.

"Granite Staters would lose their Social Security."

They would not, and the rule critics quote is a rule for non-citizens. United States citizens collect Social Security anywhere in the world, for life. Roughly thirty totalization agreements exist for the express purpose of keeping benefits flowing across borders, and they work.

Then the harder part. New Hampshire is an older state than most. The median age is 43 against a national 39, and 21.5 percent of Granite Staters are over 65 against 18.0 percent nationally. New Hampshire draws more out of Social Security than its workers pay in, an estimated \$5.3 billion paid against \$7.4 billion received in 2023. New Hampshire pays 0.45 percent of the nation's Social Security taxes and collects 0.55 percent of the benefits.

That runs against New Hampshire, and it is the reason continuity matters more here than in a younger state. The benefits Granite Staters have already earned are pre-paid property and a claim New Hampshire brings to the table, not a liability it carries away. The Treasury's own audited statements put the unfunded 75-year Social Security and Medicare obligation at \$88.4 trillion. New Hampshire's share of that claim, at its benefit share, runs to roughly \$486 billion, well above the \$141 billion debt share in Part III. Those two claims net against each other in any real negotiation.

And the guarantee people imagine they are protecting is thinner than they think. In *Flemming v. Nestor* (1960) the Supreme Court held that no American has a contractual right to a Social Security check. Congress can cut or rewrite benefits at will, and the trust fund is projected to run dry around

2033. The choice is not between a certain benefit and a risky one. It is between a revocable promise already scheduled to break and a negotiated arrangement written down.

"How would New Hampshire pay for defense?"

The Department of Defense spent **\$3.8 billion** in New Hampshire in FY2024, most of it, \$3.4 billion, in contracts rather than payroll. That is 3.2 percent of the state's economy, a higher intensity than the national pattern, and it reflects a real industrial base. BAE Systems runs major electronics operations in Nashua and Hudson, and the New Hampshire Air National Guard flies from Pease.

An independent New Hampshire would not need to replicate a superpower's force structure, and no small country does. What it would need is a defense budget proportionate to a small European state. Estonia, on an economy smaller than New Hampshire's, spends about 3 percent of GDP and fields a credible territorial defense. Iceland maintains no standing army at all and relies on treaty arrangements. The money already moving through New Hampshire for defense purposes exceeds what a country of 1.4 million people would spend defending itself.

"What about Medicare and veterans?"

Medicare is a pre-paid benefit that follows the individual, and Part I explains why it comes off the cost side. Veterans' medical care is different, and it stays in the cost column as a service New Hampshire would continue to provide. Veterans' cash compensation, a portable benefit owed to the individual, comes off. The distinction is drawn on purpose and in the conservative direction.

"The economy would crater."

The serious literature does not say that independence craters an economy. It says that erecting trade barriers costs output. Britain's own Office for Budget Responsibility puts the long-run cost of Brexit near 4 percent of GDP and attributes it largely to new non-tariff barriers. Trade friction is the lever a separating state actually holds. Negotiate free trade with the United States, which would be in Washington's interest as much as New Hampshire's, accede to the World Trade Organization as a separate customs territory, and keep the dollar from day one.

The peaceful separations run one way. Singapore in 1965, Norway from Sweden in 1905, Czechoslovakia in 1993, Slovenia in 1991. Short adjustments, then decades of growth. There is no clean case of a developed democracy separating peacefully and collapsing.

Run the shock anyway, on the punishing basis. Assume a hostile Washington, high trade friction, and independence knocking a full 10 percent off New Hampshire's economy in one blow, more than twice the official Brexit estimate. On the symmetric basis Granite Staters pay \$16.3 billion for a government that costs \$13.8 billion. Take 10 percent off the top and New Hampshire still clears. The break-even point sits at about a **15.5 percent** contraction, and the room to absorb it is fiscal headroom New Hampshire already leaves unused, because it taxes far below the developed-world norm.

"Secession is not even legal."

A legal question, and not the one these ledgers answer. Serious scholars consider the legal question open. What the ledgers establish is narrower and harder to argue with: the money works. Whether the political and legal road is open is a separate argument, and conflating the two is how the fiscal question gets avoided.

"This is just one organization's spin."

Every load-bearing number here comes from the IRS, the Treasury, the Bureau of Economic Analysis, the Census Bureau, the FDIC, the Department of Defense, or the Rockefeller Institute. Each is downloadable in an afternoon, and Appendix C lists every table. This analysis was also run against itself, with the strongest available counter-case made in each direction, and only the claims that survived were kept. That is why the headline is self-sufficiency rather than a larger number that would not have held.

PART VI

What this means for a young Granite Stater

New Hampshire is an older state, and the young people in it are a smaller share of the population than in most places. That makes the arithmetic worse for them, not better.

A twenty-five-year-old in Manchester carries a **\$100,585** share of the federal debt. Not a bill she will be sent. A lien, sitting against her future earnings, growing every day she goes to work, incurred by decisions made before she could vote and without her consent at any point since.

Against that, the same young worker will draw her Social Security from a trust fund the Treasury projects will run dry around 2033, under a program the Supreme Court has already ruled she has no contractual right to.

She pays into a system scheduled to break, and she has co-signed a debt nobody intends to retire. That arrangement is not a matter of opinion. It sits in Washington's own audited statements.

PART VII

Conclusion

New Hampshire funds its own government. It does so on the generous accounting and on the punishing one, at a cost of government running near 12.5 percent of what the state produces, while raising its revenue with no income tax and no sales tax. It sits at a size dozens of sovereign countries manage without difficulty, and it already runs the machinery that matters, from Medicaid to highways to elections.

What it does not run is the ledger it pays for. Granite Staters send Washington \$3.4 billion a year in interest on debt they did not vote for, co-sign \$6.2 billion a year in new borrowing, carry a \$141 billion share of a debt whose own auditors call the path unsustainable, and lose several billion more each year to an inflation nobody in Concord ever voted to levy.

Staying costs more than leaving, and the cost climbs on a schedule Washington has published and cannot meet. Debt held by the public is on course to break its World War II record within a year. Interest already exceeds defense. Every rating agency that once called this the safest credit on earth has marked it down.

The question was never whether New Hampshire can afford to leave.

It is how much longer it can afford to stay.

APPENDIX A

The federal series, FY2019 to FY2023

\$ billions. FY2022 and FY2023 are the years in which every source has published, and they carry the ledger in Part II. The earlier years are shown so a reader can confirm the result does not depend on which years were chosen.

	FY2019	FY2020	FY2021	FY2022	FY2023
Federal taxes paid (IRS gross collections)	12.2	12.1	14.5	17.2	17.7
Total federal spending in NH (Rockefeller)	17.3	26.1	24.5	21.4	22.0
less Social Security	5.4	5.7	6.0	6.6	7.4
less Medicare	3.4	3.5	3.7	4.0	4.4
less veterans' cash	0.5	0.5	0.5	0.5	0.6
less federal retirement (est.)	0.5	0.5	0.5	0.5	0.5
less one-time COVID relief	0.0	6.6	6.6	1.7	0.9
= federal cost of governing	7.6	9.4	7.2	8.2	8.2
memo: estimated payroll taxes	5.2	5.6	5.8	6.3	6.9

State own-source revenue and state-funded expenditure are published by the Census Bureau for 2022 and 2023: \$5.4 billion and \$5.1 billion in 2022, \$5.5 billion and \$6.1 billion in 2023.

Note the shape of the federal cost line. It is flat, between \$7.2 and \$9.4 billion across five years including the pandemic, while federal taxes paid by Granite Staters rose from \$12.2 billion to \$17.7 billion. The gap widened in New Hampshire's favor over the period.

APPENDIX B

New Hampshire against Washington's books

	FY2024	FY2025
Federal receipts	\$4,919B	\$5,235B
Federal outlays	\$6,752B	\$7,010B
Federal deficit	\$1,833B	\$1,775B
Spent per dollar collected	\$1.37	\$1.34
Net interest	\$881B	\$970B
New Hampshire share of net interest	\$3.1B	\$3.4B
New Hampshire share of the deficit	\$6.4B	\$6.2B

Total public debt outstanding on September 2, 2026: **\$40.117 trillion**, of which \$32.421 trillion is held by the public. New Hampshire's share at a 0.351 percent tax share: **\$141 billion gross, \$114 billion of the publicly held portion.**

APPENDIX C

Sources

Federal tax collections by state. IRS Data Book Table 5, gross collections by type of tax and state, FY2019 through FY2025. irs.gov/statistics

Total federal spending by state. Rockefeller Institute of Government, Giving or Getting? New York's Balance of Payments with the Federal Government, annual editions 2021 through 2025, covering FFY2019 through FFY2023. <https://rockinst.org/issue-areas/fiscal-analysis/balance-of-payments-portal/>

Social Security, Medicare, and veterans' benefits by state. Bureau of Economic Analysis, Regional Economic Accounts, SAINC35, personal current transfer receipts. <https://www.bea.gov/data/income-saving/personal-income-by-state>

State GDP, population, and wages. Bureau of Economic Analysis, SAGDP2, SAINC1, and SAINC4.

State government revenue and expenditure. Census Bureau, Annual Survey of State Government Finances, 2022 and 2023 state totals. <https://www.census.gov/programs-surveys/state/data/tables.html>

Federal receipts, outlays, deficit, net interest, and debt. Treasury Fiscal Data, Monthly Treasury Statement Tables 1, 4, and 9, and Debt to the Penny. <https://fiscaldata.treasury.gov/>

Bank deposits by state. FDIC Summary of Deposits, 2024. <https://banks.data.fdic.gov/>

Defense spending by state. Office of Local Defense Community Cooperation, Defense Spending by State, Fiscal Year 2024. <https://oldcc.gov/defense-spending-state-fiscal-year-2024>

Population, age structure, and migration. Census Bureau, Population Estimates Program, vintage 2024. **World economy rankings.** World Bank, GDP in current US dollars, 2024.

Federal fiscal condition. Treasury and GAO, Financial Report of the U.S. Government, section "An Unsustainable Fiscal Path." GAO, The Nation's Fiscal Health. Penn Wharton Budget Model, October 2023.

New Hampshire tax structure. New Hampshire Department of Revenue Administration, notice on the repeal of the Interest and Dividends Tax effective January 1, 2025. revenue.nh.gov

APPENDIX D

What was estimated, and why

Federal civilian and military retirement paid to New Hampshire residents. Washington publishes annuitant counts by state but retirement dollars only nationally. National civil service and military retirement totals come from the Rockefeller Institute's breakdown of federal direct payments. Civil service retirement is allocated to New Hampshire by the state's share of federal civilian employment, military retirement by the state's share of veterans' compensation. The combined figure runs near \$0.5 billion a year and does not affect the direction of the result.

New Hampshire payroll taxes. Payroll taxes are never published by state. National Social Security and Medicare tax receipts come from the Monthly Treasury Statement, and New Hampshire's share is modeled on the state's share of national wages and salaries as published by the BEA. The same method reproduces the published Texas figure within about one percent.

New Hampshire's share of one-time COVID relief. The Rockefeller Institute publishes its national COVID relief line but does not break it out by state. New Hampshire's embedded share is removed using the state's share of national federal expenditures in the same Rockefeller series, which keeps the subtraction consistent with the total it comes out of.

Medicare after 2020. The Centers for Medicare and Medicaid Services stopped publishing state-of-residence Medicare spending after 2020. The BEA's Medicare benefits series is used instead, published by state on a consistent basis through 2024.

APPENDIX E

How this analysis was tested against itself

The framework behind these ledgers was built for the flagship study of Texas and applied to New Hampshire without softening. Before publication the argument was run against the strongest counter-case available in five directions: a hostile economist attacking the accounting, a fact-checker attacking the sources, a lawyer attacking the succession claims, a unionist attacking the premise, and a consistency check across every number in the document.

Claims that did not survive were removed rather than hedged. That is why the headline is self-sufficiency rather than a large surplus, why the phrase "donor state" appears nowhere, and why federal interest is never added to the federal deficit as though the two were separate bills. Interest is inside the deficit. Saying otherwise would produce a bigger number and a weaker argument.

The framework is applied unchanged wherever it is used, including where it returns a harder answer than this one.