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Your State is Getting Rich Off the Inflation That is Making You Poorer.

State governments emerging from the coronavirus pandemic built historic cash surpluses as inflation in prices and wages drove up sales and income tax collections.

Now many states are reaping another reward: banking millions of dollars off those surpluses as the Federal Reserve fights inflation with higher interest rates.

“We’re catching both ends of it,” said Missouri Treasurer Scott Fitzpatrick, a Republican.

First, “we received a lot of extra money,” he said. “Now, nominally, we’re benefiting from the increase in interest rates from the Fed.”

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