RANK
28

COLORADO

SUMMARY

On the basis of its solvency in five separate categories, Colorado ranks 28th among the US states for fiscal health. Colorado has between 1.32 and 2.11 times the cash needed to cover short-term obligations. Revenues exceed expenses by 1 percent, with an improving net position of $40 per capita. In the long run, a net asset ratio of –0.02 indicates that Colorado does not have any assets remaining after debts have been paid. Long-term liabilities are lower than the national average, at 48 percent of total assets, or $3,175 per capita. Total unfunded pension liabilities that are guaranteed to be paid are $122.81 billion, or 43 percent of state personal income. OPEB are $1.85 billion, or 1 percent of state personal income.

2016 TOTAL LONG-TERM OBLIGATIONS

STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
Colorado	**$0.00**	**$6.30 billion**	**$288.43 billion**	**2.2%**	**$1,137**
National average	$5.85 billion	$12.65 billion	$319.33 billion	3.7%	$1,830

PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
Colorado	**$31.16 billion**	**58%**	**$122.81 billion**	**26%**
National average	$23.43 billion	73%	$135.50 billion	32%

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
Colorado	**$1.85 billion**	**12%**
National average	$14.51 billion	14%

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UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
Colorado	**1.32**	**1.93**	**2.11**	**1.01**	**$40**	**−0.02**	**0.48**	**$3,175**
National average	2.22	2.99	3.22	1.01	−$72	−0.17	0.63	$4,387

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
Colorado	**0.04**	**0.11**	**0.11**	**0.43**	**0.01**
National average	0.06	0.13	0.13	0.43	0.04

KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Colorado ranks 32nd.)

- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Colorado ranks 32nd.)

- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Colorado ranks 33rd.)

- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough "fiscal slack"? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Colorado ranks 15th.)

- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Colorado ranks 31st.)
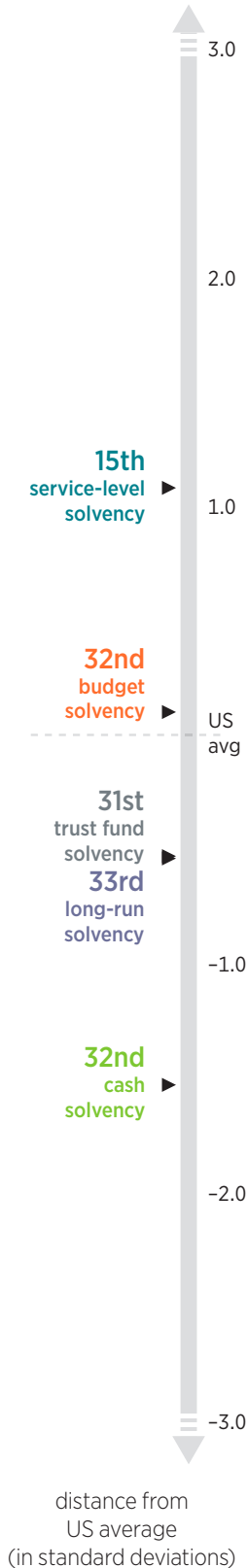
For a complete explanation of the methodology used to calculate Colorado's fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, "Ranking the States by Fiscal Condition, 2018 Edition" (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, October 2018).

3.0

2.0

15th
service-level
solvency ▶
1.0

32nd
budget
solvency ▶
US avg

31st
trust fund
solvency ▶
33rd
long-run
solvency
−1.0

32nd
cash
solvency ▶

−2.0

−3.0

distance from
US average
(in standard deviations)