49 CONNECTICUT

SUMMARY

On the basis of its solvency in five separate categories, Connecticut ranks 49th among the US states for fiscal health. Connecticut has between 0.42 and 1.05 times the cash needed to cover short-term obligations, well below the US average. Revenues only cover 92 percent of expenses, with a worsening net position of -\$693 per capita. In the long run, Connecticut's negative net asset ratio of 1.71 points to the use of debt and large unfunded obligations. Long-term liabilities are higher than the national average, at 230 percent of total assets, or \$17,418 per capita. Total unfunded pension liabilities that are guaranteed to be paid are \$121.65 billion, or 48 percent of state personal income. OPEB are \$21.89 billion, or 9 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
Connecticut	\$17.39 billion	\$23.55 billion	\$254.05 billion	9.3%	\$6,584
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
Connecticut	\$35.37 billion	47%	\$121.65 billion	21%
National average	\$23.43 billion	73%	\$135.50 billion	32%

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio	
Connecticut	\$21.89 billion	1%	
National average	\$14.51 billion	14%	

- 1. Nebraska
- 2. South Dakota
- 3. Tennessee
- 4. Florida
- 5. Oklahoma
- 6. Wyoming
- . vvyorr
- 7. Idaho 8. Utah
 - Utah
- 9. North Carolina
- 10. Nevada
- 11. Alaska
- 12. New Hampshire
- 13. Virginia
- 14. Alabama
- 15. Missouri
- 16. Montana
- 17. Kansas
- 18. Georgia
- 19. North Dakota
- 20. South Carolina
- 21. Indiana
- 22. Texas
- 23. Ohio
- 24. Minnesota
- 25. Arkansas
- 26. Wisconsin
- 27. Arizona
- 28. Colorado
- 29. Iowa
- 30. Washington
- 31. Oregon
- 32. Michigan
- 33. Maryland
- 34. Maine
- 35. Pennsylvania
- 36. Mississippi
- 37. Louisiana
- 38. Hawaii
- 39. Vermont
- 40. Rhode Island
- 41. New York
- 42. California
- 43. West Virginia
- 44. Delaware
- 45. New Mexico
- 46. Kentucky
- 47. Massachusetts48. New Jersev
- 49. Connecticut
- 50. Illinois



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
Connecticut	0.42	1.00	1.05	0.92	-\$693	-1.71	2.30	\$17,418
National average	2.22	2.99	3.22	1.01	-\$72	-0.17	0.63	\$4,387
	Tax-to-inc ratio		Revenue-to- income ratio		ises-to- ne ratio	Pension-to-inc ratio	ome OPEE	3-to-income ratio
Connecticut	0.06		0.12	0.	.13	0.48		0.09
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 shortterm bills, which include accounts payable, vouchers, warrants, and shortterm debt. (Connecticut ranks 50th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Connecticut ranks 48th.)
- **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? (Connecticut ranks 47th.)
- **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? (Connecticut ranks 27th.)
- **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? (Connecticut ranks 36th.)

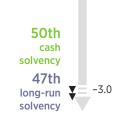
For a complete explanation of the methodology used to calculate Connecticut's fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, "Ranking the States by Fiscal Condition, 2018 Edition" (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, October 2018).



3.0

2.0

1.0



distance from US average (in standard deviations)