RANK
1

NEBRASKA

SUMMARY

On the basis of its solvency in five separate categories, Nebraska ranks 1st among the US states for fiscal health. Nebraska has between 2.95 and 3.95 times the cash needed to cover short-term obligations, above the US average. Revenues only cover 99 percent of expenses, and its net position is unchanged from the previous year. In the long run, Nebraska has a net asset ratio of 0.28. Long-term liabilities are lower than the national average, at 4 percent of total assets, or $282 per capita. Total unfunded pension liabilities that are guaranteed to be paid are $20.90 billion, or 22 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
Nebraska	**$0.00**	**$0.03 billion**	**$94.66 billion**	**0.0%**	**$18**
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
Nebraska	**$1.17 billion**	**91%**	**$20.90 billion**	**37%**
National average	$23.43 billion	73%	$135.50 billion	32%

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
Nebraska	**n/a***	**n/a***
National average	$14.51 billion	14%

* Nebraska does not report an OPEB liability.

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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
Nebraska	**2.95**	**3.86**	**3.95**	**0.99**	**$0**	**0.28**	**0.04**	**$282**
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
Nebraska	**0.05**	**0.09**	**0.09**	**0.22**	**0.00**
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. (Nebraska ranks 12th.)

- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Nebraska ranks 37th.)

- **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? (Nebraska ranks 1st.)

- **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? (Nebraska ranks 7th.)

- **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? (Nebraska ranks 4th.)

For a complete explanation of the methodology used to calculate Nebraska'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).

1st long-run solvency — 3.0

7th service-level solvency

4th trust fund solvency — 2.0

12th cash solvency

1.0

US avg

37th budget solvency

–1.0

–2.0

–3.0

distance from US average (in standard deviations)