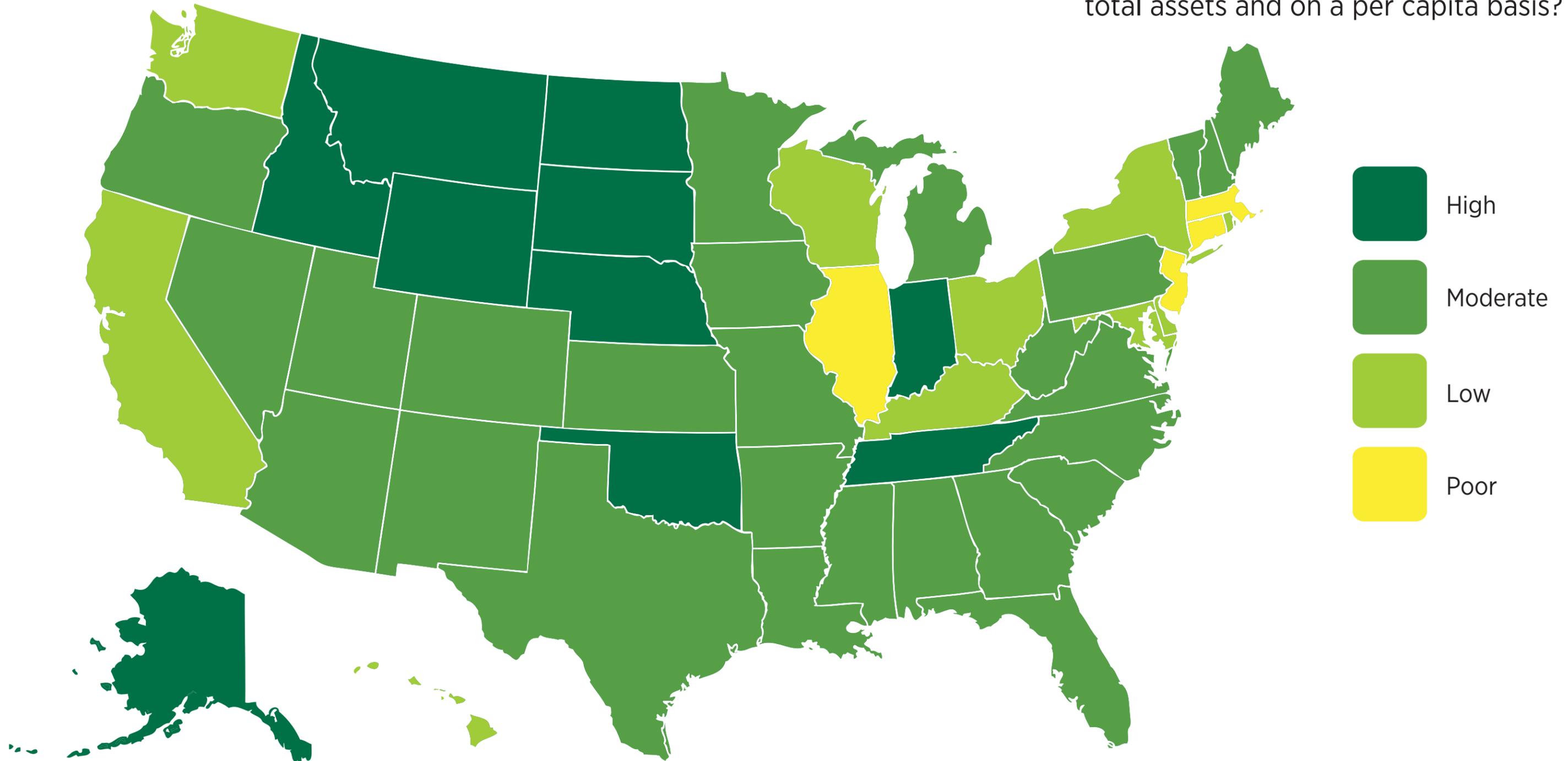


LONG-RUN SOLVENCY

How large are long-term liabilities relative to total assets and on a per capita basis?



LONG-RUN SOLVENCY

Definitions: *high*, net asset ratio greater than 20% and long-term liability ratio less than 15%; *moderate*, net asset ratio less than 20% or long-term liability ratio greater than 16% and less than 40%; *low*, net asset ratio less than 10% and long-term liability ratio greater than or equal to 40% and less than 90%; and *poor*, negative net asset ratio and long-term liabilities ratio greater than 100% (i.e., liabilities exceed assets).

Exceptions: TN is ranked 4th for long-run solvency and is included in the high cluster, though it has a net asset ratio of 13%, which is not as strong as the other states in this grouping. WI is ranked 38th for long-run solvency and is included in the low cluster, though it has a long-term liability ratio of 38%, which is slightly lower than the other states in this grouping.