RANK

RHODE ISLAND

SUMMARY

On the basis of its fiscal solvency in five separate categories, Rhode Island ranks 37th among the US states and Puerto Rico for its fiscal health. On a cash basis, Rhode Island has between 0.86 and 1.73 times the cash needed to cover short-term liabilities. Revenues exceed expenses by 4 percent, for a surplus of \$276 per capita. Rhode Island has a negative asset ratio of -0.11, and total liabilities are 48 percent of total assets. Total debt is \$2.67 billion. Unfunded pension liabilities are \$14.97 billion on a guaranteed-to-be paid basis, and other postemployment benefits (OPEB) are \$714 million. These three liabilities are equal to 35 percent of state personal income.

2014 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
Rhode Island	\$1.07 billion	\$2.67 billion	\$51.03 billion	5.2%	\$2,530
National average	\$6.60 billion	\$13.76 billion	\$288.25 billion	6.0%	\$2,144

PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
Rhode Island	\$4.61 billion	63%	\$14.97 billion	34%
National average	\$20.46 billion	74%	\$86.85 billion	40%

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio	
Rhode Island	\$0.71 billion	8%	
National average	\$11.14 billion	12%	

- 1. Alaska
- 2. Nebraska
- 3. Wyoming
- 4. North Dakota
- 5. South Dakota
- 6. Florida
- 7. Utah
- 8. Oklahoma
- 9. Tennessee
- 10. Montana
- 11. Ohio
- 12. Idaho
- 13. Nevada
- 14. Missouri
- 15. Alabama
- 16. Texas
- 17. Indiana
- 18. South Carolina
- 19. Virginia
- 20. New Hampshire
- 21. North Carolina
- 22. Colorado
- 23. Georgia
- 24. Washington
- 25. Iowa
- 26. Minnesota
- 27. Kansas
- 28. Arkansas
- 29. Wisconsin
- 30. Oregon
- 31. Arizona
- 32. Mississippi
- 33. Louisiana
- 34. New Mexico
- 35. Michigan
- 36. Vermont

37. Rhode Island

- 38. Delaware
- 39. Pennsylvania
- 40. West Virginia
- 41. Maryland
- 42. New York
- 43. Maine
- 44. California
- 45. Hawaii
- 46. Kentucky
- 47. Illinois
- 48. New Jersey
- 49. Massachusetts
- 50. Connecticut 51. Puerto Rico



distance from US average (in standard deviations)

2.0

1.0

UNDERLYING RATIOS

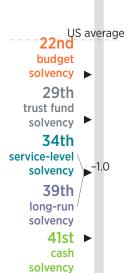
Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-teri liability ratio	
0.86	1.49	1.73	1.04	\$276	-0.11	0.48	\$2,659
2.40	3.18	3.54	1.06	\$448	-0.03	0.47	\$3,069
Tax-to-incor ratio							Primary debt- to-income ratio
	0.86 2.40 Tax-to-incor	0.86 1.49 2.40 3.18 Tax-to-income Revenu	Cash ratio Quick ratio ratio 0.86 1.49 1.73 2.40 3.18 3.54 Tax-to-income Revenue-to- E	Cash ratio Quick ratio ratio ratio 0.86 1.49 1.73 1.04 2.40 3.18 3.54 1.06 Tax-to-income Revenue-to- Expenses-to-	Cash ratio Quick ratio ratio ratio capita 0.86 1.49 1.73 1.04 \$276 2.40 3.18 3.54 1.06 \$448 Tax-to-income Revenue-to- Expenses-to- Pension-to	Cash ratio Quick ratio ratio ratio capita ratio 0.86 1.49 1.73 1.04 \$276 -0.11 2.40 3.18 3.54 1.06 \$448 -0.03 Tax-to-income Revenue-to- Expenses-to- Pension-to- OPE	Cash ratio Quick ratio ratio ratio capita ratio ratio 0.86 1.49 1.73 1.04 \$276 -0.11 0.48 2.40 3.18 3.54 1.06 \$448 -0.03 0.47 Tax-to-income Revenue-to- Expenses-to- Pension-to- OPEB-to-

	Tax-to-income ratio	Revenue-to- income ratio	Expenses-to- income ratio	Pension-to- income ratio	OPEB-to- income ratio	Primary debt- to-income ratio
Rhode Island	0.06	0.15	0.14	0.29	0.01	0.05
National average	0.06	0.14	0.13	0.31	0.03	0.06

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. (Rhode Island ranks 41st.)
- Budget solvency measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Rhode Island ranks 22nd.)
- **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? (Rhode Island ranks 39th.)
- **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? (Rhode Island ranks 34th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities, OPEB liabilities, and state debt compared to the state personal income? (Rhode Island ranks 29th.)

For a complete explanation of the methodology used to calculate Rhode Island's fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, "Ranking the States by Fiscal Condition," 2016 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, June 2016).



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