

RANK
31

DELAWARE

SUMMARY

On the basis of its fiscal solvency in five separate categories, Delaware is ranked 31st among the US states for its fiscal health, an increase of seven places in its ranking from the previous year. On a short-run basis, Delaware has between 2.30 and 3.36 times the cash needed to cover short-term obligations. Revenues exceed expenses by 1 percent. The state's net position increased by \$58 per capita. On a long-run basis, Delaware has a net asset ratio of -0.14 and long-term liabilities are 58 percent of total assets, resulting in a long-term liability per capita of \$7,018. On a guaranteed-to-be-paid basis, unfunded pension liabilities are \$10.06 billion, or 22 percent of state personal income, and OPEB is 13 percent of state personal income, which is among the highest in the states.

2015 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
Delaware	\$2.07 billion	\$3.06 billion	\$45.09 billion	6.8%	\$3,233
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
Delaware	\$0.81 billion	92%	\$10.06 billion	48%
National average	\$20.62 billion	74%	\$105.50 billion	36%

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
Delaware	\$6.01 billion	5%
National average	\$12.97 billion	12%

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



distance from US average (in standard deviations)

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
Delaware	2.30	3.32	3.36	1.01	\$58	-0.14	0.58	\$7,018
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
Delaware	0.09	0.18	0.18	0.22	0.13
National average	0.06	0.13	0.13	0.35	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. (Delaware ranks 18th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Delaware ranks 42nd.)
- **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? (Delaware ranks 40th.)
- **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? (Delaware ranks 47th.)
- **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? (Delaware ranks 9th.)

For a complete explanation of the methodology used to calculate Delaware’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).