DELAWARE

SUMMARY

On the basis of its solvency in five separate categories, Delaware ranks 44th among the US states for fiscal health. Delaware has between 1.34 and 1.98 times the cash needed to cover short-term obligations. Revenues only cover 96 percent of expenses, with a worsening net position of −$377 per capita.

In the long run, Delaware has a net asset ratio of −0.15. Long-term liabilities are higher than the national average in per capita terms at $7,537 per capita, but slightly lower than the national average when measured as a percentage of total assets. Total unfunded pension liabilities that are guaranteed to be paid are $13.75 billion, or 30 percent of state personal income. OPEB are $7.73 billion, or 17 percent of state personal income.

2016 TOTAL LONG-TERM OBLIGATIONS

<table>
<thead>
<tr>
<th>STATE DEBT</th>
<th>General obligation bonds</th>
<th>Total primary government debt</th>
<th>State personal income</th>
<th>Ratio of debt to state personal income</th>
<th>Total primary debt per capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delaware</td>
<td>$2.12 billion</td>
<td>$3.27 billion</td>
<td>$46.36 billion</td>
<td>7.1%</td>
<td>$3,436</td>
</tr>
<tr>
<td>National average</td>
<td>$5.85 billion</td>
<td>$12.65 billion</td>
<td>$319.33 billion</td>
<td>3.7%</td>
<td>$1,830</td>
</tr>
</tbody>
</table>

PENSION LIABILITY

<table>
<thead>
<tr>
<th></th>
<th>Unfunded pension liability</th>
<th>Funded ratio</th>
<th>Market value of unfunded liability</th>
<th>Market value of funded liability ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delaware</td>
<td>$1.10 billion</td>
<td>89%</td>
<td>$13.75 billion</td>
<td>40%</td>
</tr>
<tr>
<td>National average</td>
<td>$23.42 billion</td>
<td>73%</td>
<td>$135.50 billion</td>
<td>32%</td>
</tr>
</tbody>
</table>

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

<table>
<thead>
<tr>
<th></th>
<th>Total unfunded OPEB</th>
<th>Funded ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delaware</td>
<td>$7.73 billion</td>
<td>4%</td>
</tr>
<tr>
<td>National average</td>
<td>$14.51 billion</td>
<td>14%</td>
</tr>
</tbody>
</table>

1. Nebraska
2. South Dakota
3. Tennessee
4. Florida
5. Oklahoma
6. Wyoming
7. Idaho
8. 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
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, 2018 Edition” (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, October 2018).

### UNDERLYING RATIOS

<table>
<thead>
<tr>
<th></th>
<th>Cash ratio</th>
<th>Quick ratio</th>
<th>Current ratio</th>
<th>Operating ratio</th>
<th>Surplus (or deficit) per capita</th>
<th>Net asset ratio</th>
<th>Long-term liability ratio</th>
<th>Long-term liability per capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delaware</td>
<td>1.34</td>
<td>1.95</td>
<td>1.98</td>
<td>0.96</td>
<td>-$377</td>
<td>-0.15</td>
<td>0.61</td>
<td>$7,537</td>
</tr>
<tr>
<td>National average</td>
<td>2.22</td>
<td>2.99</td>
<td>3.22</td>
<td>1.01</td>
<td>-$72</td>
<td>-0.17</td>
<td>0.63</td>
<td>$4,387</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Tax-to-income ratio</th>
<th>Revenue-to-income ratio</th>
<th>Expenses-to-income ratio</th>
<th>Pension-to-income ratio</th>
<th>OPEB-to-income ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delaware</td>
<td>0.09</td>
<td>0.18</td>
<td>0.19</td>
<td>0.30</td>
<td>0.17</td>
</tr>
<tr>
<td>National average</td>
<td>0.06</td>
<td>0.13</td>
<td>0.13</td>
<td>0.43</td>
<td>0.04</td>
</tr>
</tbody>
</table>

### 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 33rd.)

- **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 48th.)

- **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 11th.)