On the basis of its solvency in five separate categories, New Jersey ranks 48th among the US states for fiscal health. New Jersey has between 0.93 and 2.44 times the cash needed to cover short-term obligations. Revenues only cover 89 percent of expenses, with a worsening net position of –$798 per capita. In the long run, New Jersey’s negative net asset ratio of 2.98 points to the use of debt and large unfunded obligations. Long-term liabilities are higher than the national average, at 388 percent of total assets, or $18,928 per capita. Total unfunded pension liabilities that are guaranteed to be paid are $272.54 billion, or 49 percent of state personal income. OPEB are $85.42 billion, or 15 percent of state personal income.

### 2016 TOTAL LONG-TERM OBLIGATIONS

#### STATE DEBT

<table>
<thead>
<tr>
<th>State</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>New Jersey</td>
<td>$1.99 billion</td>
<td>$42.73 billion</td>
<td>$554.27 billion</td>
<td>7.7%</td>
<td>$4,777</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>State</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>New Jersey</td>
<td>$66.22 billion</td>
<td>57%</td>
<td>$272.54 billion</td>
<td>24%</td>
</tr>
<tr>
<td>National average</td>
<td>$23.43 billion</td>
<td>73%</td>
<td>$135.50 billion</td>
<td>32%</td>
</tr>
</tbody>
</table>

#### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

<table>
<thead>
<tr>
<th>State</th>
<th>Total unfunded OPEB</th>
<th>Funded ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Jersey</td>
<td>$85.42 billion</td>
<td>0%</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  
45. New Mexico  
46. Kentucky  
47. Massachusetts  
48. New Jersey  
49. Connecticut  
50. Illinois
For a complete explanation of the methodology used to calculate New Jersey’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).

<table>
<thead>
<tr>
<th>UNDERLYING RATIOS</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>New Jersey</td>
<td>0.93</td>
<td>2.44</td>
<td>2.44</td>
<td>0.89</td>
<td>-$798</td>
<td>-2.98</td>
<td>3.88</td>
<td>$18,928</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>KEY TERMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• <strong>Cash solvency</strong> measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (New Jersey ranks 30th.)</td>
</tr>
<tr>
<td>• <strong>Budget solvency</strong> measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (New Jersey ranks 49th.)</td>
</tr>
<tr>
<td>• <strong>Long-run solvency</strong> 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? (New Jersey ranks 50th.)</td>
</tr>
<tr>
<td>• <strong>Service-level solvency</strong> 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? (New Jersey ranks 20th.)</td>
</tr>
<tr>
<td>• <strong>Trust fund solvency</strong> measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (New Jersey ranks 38th.)</td>
</tr>
</tbody>
</table>