OHIO

SUMMARY

On the basis of its solvency in five separate categories, Ohio ranks 23rd among the US states for fiscal health. Ohio has between 3.43 and 4.20 times the cash needed to cover short-term obligations, well above the US average. Revenues match expenses, with an improving net position of $63 per capita. In the long run, Ohio has a net asset ratio of 0.07. Long-term liabilities are lower than the national average, at 51 percent of total assets, or $3,243 per capita. Total unfunded pension liabilities that are guaranteed to be paid are $388.98 billion, or 75 percent of state personal income. OPEB are $15.14 billion, or 3 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>Ohio</td>
<td>$9.28 billion</td>
<td>$17.69 billion</td>
<td>$21.21 billion</td>
<td>3.4%</td>
<td>$1,523</td>
</tr>
<tr>
<td>National average</td>
<td>$5.85 billion</td>
<td>$12.65 billion</td>
<td>$19.33 billion</td>
<td>3.7%</td>
<td>$1,830</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PENSION LIABILITY</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>Ohio</td>
<td>$62.50 billion</td>
<td>74%</td>
<td>$388.98 billion</td>
<td>31%</td>
</tr>
<tr>
<td>National average</td>
<td>$23.43 billion</td>
<td>73%</td>
<td>$155.05 billion</td>
<td>32%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OTHER POSTEMPLOYMENT BENEFITS (OPEB)</th>
<th>Total unfunded OPEB</th>
<th>Funded ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ohio</td>
<td>$15.14 billion</td>
<td>52%</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

MERCATUS CENTER
George Mason University
For a complete explanation of the methodology used to calculate Ohio'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>Ohio</td>
<td>3.43</td>
<td>4.05</td>
<td>4.20</td>
<td>1.00</td>
<td>$63</td>
<td>0.07</td>
<td>0.51</td>
<td>$3,243</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>Ohio</td>
<td>0.05</td>
<td>0.12</td>
<td>0.12</td>
<td>0.75</td>
<td>0.03</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. (Ohio ranks 9th.)

- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Ohio ranks 33rd.)

- **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? (Ohio ranks 32nd.)

- **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? (Ohio ranks 25th.)

- **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? (Ohio ranks 48th.)