



RESULTS AMERICA

State Debt & Credit

Wyoming has least the debt, New York the most



Results America is dedicated to presenting information about the states and their policies in the context of their peers. With that in mind this white paper examines the state of state finances, measuring debt (i.e. total state and local debt compared as a percentage of that state's economy or GDP) and the state government's credit rating as measured by Standard's & Poor's. Results-driven government is about recognizing and measuring where a government is and where it's going. Fiscal solvency measures play into that. At a time when the public debt of the federal government has topped 100% of GDP, it is important to understand that this kind of financial situation is not shared by the states.

“Wyoming's debt to GDP ratio is less than 6% of their \$39 billion economy”

Even the most indebted states do not exceed 30% of debt to GDP.

Wyoming, North Dakota, and Idaho hold the coveted positions of being the least indebted states in the union. Wyoming's debt to GDP ratio of less than 6% of their \$39 billion economy. This proportion of debt has remained relatively stable for the previous decade.

North Dakota and Idaho have debt to GDP ratios in the 10% range. North Dakota has declined steadily in recent years, primarily due to recent oil and natural gas discoveries increasing the state's revenue stream. Among the top 10 states, six garner the AAA or Prime credit rating from

HIGHLIGHTS

Wyoming, North Dakota, and Idaho are the states least in debt.

New York has the greatest level of debt with 28.6% total state and local debt in 2012.

Despite high levels of debt, most states maintain high credit ratings.

S&P. This is the highest credit worthiness a government can hold.

New York, Kentucky and South Carolina have the dubious distinction of being the three state's most in debt. Among these bottom states, only Alaska hold a prime credit rating, due in part to their reduction in debt over the years from 29% in 2003 to just shy of 20% in 2013. Most of the states in the bottom 10 hold the AA rating, the notable exception being California with an A- rating. California holds the distinction as the state with lowest credit score and has been featured in the media in recent years for this reason and the state's difficulty securing a balanced budget.

Despite these levels of debt to GDP, this is far less than the amount of debt accrued by the federal government. Despite these lower debt ratios, the states should not become over confident in their fiscal situation. The federal government maintains its credit worthiness despite such high levels of debt due to its ability to issue reserve currency and the overall economic strength of the US on the global stage. The states do not have this envious position and as a result, economic shifts and short-term fiscal decisions can significantly alter a state debt and credit. However, it is important to always be aware of a state's credit when discussing the overall fiscal health of a state government. A

state may be in debt, but so long as a financial institution is willing to lend credit, this problem is somewhat less severe.

Credit rating is about more than debt and debt is about more than government spending. It is often a product of economic conditions, tax structure, and decisions made at all levels of government. So to say a state's financial position is a result of one variable is naive at best and ignorant at worst. Still, it important to look at a state's decisions at they compare to their sister

states in the hopes that the states can learn from each other to improve the lives of their citizens. Results America purpose is to present objective facts for this very reason.

1.	Wyoming	5.92%
2.	North Dakota	10.32%
3.	Idaho	10.43%
4.	North Carolina	11.16%
5.	Nebraska	11.94%
6.	Arkansas	12.01%
7.	Oklahoma	12.04%
8.	Iowa	12.36%
9.	Georgia	12.57%
10.	Delaware	13.25%

41.	New Jersey	20.54%
42.	California	21.05%
43.	Alaska	20.02%
44.	Pennsylvania	20.83%
45.	Illinois	21.76%
46.	Rhode Island	22.97%
47.	Massachusetts	22.55%
48.	South Carolina	23.15%
49.	Kentucky	24.88%
50.	New York	28.57%

References & Data Sources

US Census Bureau
Bureau of Economic Analysis

Results America is a non-partisan, non-profit organization that exists to inspire and enable the spread of results-driven government. Its' sole purpose is to demonstrate how focusing government on results is key to fulfilling the promise of

More information and measures data available at www.resultsamerica.org