

50-State Debt Comparison

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Issue

You asked (1) for a 50-state comparison of state debt as a percent of state gross domestic product (GDP) and revenue and (2) how Connecticut's debt burden based on these measures has changed in the past 10 years.

Summary

For this report, we relied on annual reports issued by Moody's Investors Service, which provide the rating agency's analysis of debt burdens across all 50 states. These reports have historically focused their analysis on net tax-supported debt (NTSD), a commonly used metric that generally includes all debt supported by state taxes and governmental revenue. (Since 2022, they have also analyzed other state long-term liabilities, like pension and other post-employment benefit liabilities.) They measure NTSD by state and use specific metrics to compare debt burdens across states, including NTSD per capita and as a percent of state GDP and own-source revenue.

The most recent report estimated total FY 22 NTSD for all states at \$616.5 billion and Connecticut's NTSD at nearly \$29 billion. State NTSD ranged from \$78 million in Nebraska to \$96 billion in California, with a median of \$5.3 billion. NTSD as a percent of state GDP ranged from 10.1% in Hawaii to 0% in Nebraska. Connecticut ranked second in this metric at 9.4%, compared to a median of 2.0% for all states. NTSD as a percent of own-source revenue ranged from a high of 103.8% for Connecticut to a low of 1% in Nebraska, compared to a median of 24.5% for all states.

Connecticut's rank among other states based on NTSD as a percent of state GDP remained relatively unchanged from 2012 to 2022. Specifically, its NTSD as a percent of state GDP increased from 8.09% in 2012 to 9.11% in 2017 and then decreased to 9.00% in 2022. We were unable to

assess the change in Connecticut’s NTSD as a percent of own-source revenue over this same period because it appears Moody’s has only calculated this metric since 2022.

State Debt Comparison

Table 1 below provides a 50-state comparison of state debt for FY 22, as calculated in the most recent Moody’s Investors Service state debt medians report (“Ability to service long-term liabilities and fixed costs improves,” September 26, 2023, accessed in Vermont’s Capital Debt Affordability Advisory Committee’s [2023 report](#), pdf p. 59). Specifically, it shows each state’s FY 22 (1) NTSD and (2) NTSD calculated per capita and as a percent of each state’s own-source revenue, personal income, and state GDP. NTSD generally includes debt that is supported by state taxes and other governmental revenue and excludes debt that is self-supported from pledged sources other than state taxes or resources, such as utility or local government revenue. Own-source revenue is total revenue minus federal revenue.

As the table shows, Connecticut had the highest NTSD as a percent of own-source revenue at 103.8%, greater than the median of 24.5% for all states. Two other New England states ranked in the top 10 based on this metric: Massachusetts (90.2%) and Rhode Island (55%). The Moody’s report notes that both Connecticut’s and Hawaii’s (95.8%) debt burdens are relatively higher than other states in part because they take on liabilities at the state level that in many states are the responsibility of other levels of government (e.g., school construction costs in Connecticut and public education, hospitals, and jails in Hawaii).

On a per capita basis, Connecticut ranked first at \$7,988, Massachusetts second at \$6,973, and Rhode Island ninth at \$3,103. The median NTSD per capita was \$1,178. Connecticut ranked second in NTSD as a percent of personal income (9.4%) and state GDP (9.0%), coming in behind Hawaii (11.2% and 10.1%, respectively) and ahead of Massachusetts (8.2% and 7.1%, respectively). Across all states, the median NTSD as a percent of personal income was 2.2% and median NTSD as a percent of state GDP was 2.0%.

Table 1: FY 22 State NTSD Metrics

(Ranking based on FY 22 NTSD as a % of Own-Source Revenue)

FY 2022 Rank	State	FY 22 NTSD (thousands)	FY 22 NTSD as % of Own-Source Revenue	FY 22 NTSD Per Capita	FY 22 NTSD as % of Personal Income	FY 22 as % of State GDP
1	Connecticut	\$28,967,901	103.8	\$7,988	9.4	9.0
2	Hawaii	9,904,366	95.8	6,877	11.2	10.1

Table 1 (continued)

FY 2022 Rank	State	FY 22 NTSD (thousands)	FY 22 NTSD as % of Own-Source Revenue	FY 22 NTSD Per Capita	FY 22 NTSD as % of Personal Income	FY 22 as % of State GDP
3	Massachusetts	48,688,111	90.2	6,973	8.2	7.1
4	New Jersey	46,581,821	76.7	5,030	6.4	6.2
5	Washington	25,494,565	69.1	3,275	4.3	3.5
6	Maryland	19,400,505	55.5	3,147	4.4	4.1
7	Rhode Island	3,394,343	55.0	3,103	4.7	4.8
8	Illinois	36,531,110	52.3	2,903	4.2	3.5
9	Mississippi	5,866,806	52.2	1,995	4.3	4.2
10	Delaware	4,344,115	52.1	4,266	6.9	5.0
11	West Virginia	4,709,400	51.6	2,653	5.4	4.9
12	Oregon	11,956,711	51.4	2,820	4.5	4.0
13	Ohio	19,300,823	48.4	1,642	2.8	2.3
14	Louisiana	8,305,730	46.6	1,809	3.3	3.0
15	New York	69,641,000	46.4	3,539	4.5	3.4
16	Virginia	17,774,641	43.7	2,047	3.0	2.7
17	Wisconsin	11,231,419	42.8	1,906	3.1	2.8
18	Pennsylvania	20,302,123	34.9	1,565	2.4	2.2
19	Georgia	12,482,932	34.6	1,144	2.0	1.7
20	Colorado	6,120,137	34.3	1,048	1.4	1.3
21	Kentucky	6,615,245	33.9	1,466	2.8	2.5
22	Alabama	6,005,964	33.3	1,184	2.3	2.2
23	California	96,000,000	32.0	2,460	3.2	2.7
24	Kansas	4,368,456	30.2	1,487	2.5	2.1
25	Minnesota	9,367,023	26.2	1,638	2.4	2.1
26	New Hampshire	1,054,889	22.8	756	1.0	1.0
27	Maine	1,597,295	22.8	1,153	1.9	1.9
28	New Mexico	3,334,490	22.0	1,578	3.1	2.7
29	Florida	14,698,465	21.8	661	1.0	1.1
30	Nevada	2,063,386	20.0	649	1.1	1.0
31	Michigan	8,684,100	19.5	865	1.5	1.4
32	Texas	20,425,440	19.3	680	1.1	0.9
33	Utah	2,795,056	18.4	827	1.4	1.1
34	North Carolina	7,484,377	18.1	700	1.2	1.0
35	Vermont	758,936	15.9	1,173	1.9	1.9
36	Idaho	1,145,336	14.9	591	1.1	1.0

Table 1 (continued)

FY 2022 Rank	State	FY 22 NTSD (thousands)	FY 22 NTSD as % of Own-Source Revenue	FY 22 NTSD Per Capita	FY 22 NTSD as % of Personal Income	FY 22 as % of State GDP
37	Alaska	1,424,266	13.4	1,942	2.8	2.2
38	Missouri	2,333,603	13.2	378	0.7	0.6
39	Oklahoma	1,962,284	12.8	488	0.9	0.8
40	South Carolina	2,347,078	11.4	444	0.8	0.8
41	North Dakota	549,291	10.8	705	1.1	0.7
42	Arizona	2,506,760	10.0	341	0.6	0.5
43	Iowa	1,254,406	9.5	392	0.7	0.5
44	Indiana	2,498,277	9.4	366	0.6	0.5
45	South Dakota	506,431	9.1	557	0.8	0.7
46	Arkansas	1,080,622	8.8	355	0.7	0.7
47	Tennessee	2,076,326	7.6	294	0.5	0.4
48	Wyoming	119,565	6.9	206	0.3	0.3
49	Montana	322,421	6.5	287	0.5	0.5
50	Nebraska	77,989	1.0	40	0.1	0.0
TOTAL		616,456,336	37.5	1,853	2.8	2.5
MEAN		12,329,127	32.8	1,808	2.7	2.4
MEDIAN		5,288,103	24.5	1,178	2.2	2.0

Source: Moody's Investors Service, "Ability to service long-term liabilities and fixed costs improves," September 26, 2023, p. 13.

The Moody's reports do not calculate the long-term change in these metrics. (It appears that the report has only been calculating NTSD as a percent of own-source revenue since 2022. Previously, it included each state's debt service ratio instead, which is a measure of debt service as a share of own-source revenue.) However, we compiled Moody's historical calculations for NTSD as a percent of state GDP to examine how this metric may have changed in the past 10 years.

As Table 2 below shows, Connecticut's rank among other states remained relatively unchanged from 2012 to 2022. Across all states, the median NTSD as a percent of state GDP decreased from 2.47% in 2012 to 2.18% in 2017 and 2.00% in 2022. Over the same period, Connecticut's increased from 8.09% in 2012 to 9.11% in 2017 and then decreased to 9.00% in 2022.

Table 2: State NTSD as a Percent of State GDP: 2012, 2017, and 2022

State	2012 NTSD as a % of 2011 State GDP	2017 NTSD as a % of 2015 State GDP	FY 22 NTSD as a % of State GDP*	2012 Rank	2022 Rank
Alabama	2.42	2.16	2.20	27	23
Alaska	1.78	2.35	2.20	35	22
Arizona	2.29	1.65	0.50	28	44
Arkansas	1.13	1.47	0.70	41	40
California	4.98	3.47	2.70	9	16
Colorado	1.03	0.62	1.30	42	30
Connecticut	8.09	9.11	9.00	3	2
Delaware	3.54	3.48	5.00	14	5
Florida	2.78	2.23	1.10	19	31
Georgia	2.51	2.02	1.70	23	28
Hawaii	8.83	8.77	10.10	1	1
Idaho	1.42	1.08	1.00	39	35
Illinois	4.85	4.14	3.50	10	11
Indiana	1.00	0.61	0.50	43	45
Iowa	0.59	0.40	0.50	47	47
Kansas	2.45	3.03	2.10	26	24
Kentucky	5.31	4.76	2.50	7	19
Louisiana	2.62	3.14	3.00	21	14
Maine	2.10	2.06	1.90	30	26
Maryland	3.52	3.43	4.10	15	9
Massachusetts	8.43	8.33	7.10	2	3
Michigan	2.05	1.45	1.40	31	29
Minnesota	2.51	2.49	2.10	22	25
Mississippi	5.30	5.19	4.20	8	8
Missouri	1.69	1.20	0.60	36	43
Montana	0.82	0.47	0.50	45	46
Nebraska	0.03	0.03	0.00	50	50
Nevada	1.55	1.22	1.00	37	34
New Hampshire	1.79	1.36	1.00	34	33
New Jersey	7.32	6.98	6.20	4	4
New Mexico	3.46	2.82	2.70	16	18
New York	5.36	4.15	3.40	6	13
North Carolina	1.89	1.33	1.00	33	36

Table 2 (continued)

State	2012 NTSD as a % of 2011 State GDP	2017 NTSD as a % of 2015 State GDP	FY 22 NTSD as a % of State GDP*	2012 Rank	2022 Rank
North Dakota	0.51	0.20	0.70	48	42
Ohio	2.50	2.06	2.30	25	20
Oklahoma	1.49	0.65	0.80	38	39
Oregon	3.90	3.46	4.00	13	10
Pennsylvania	2.66	2.41	2.20	20	21
Rhode Island	4.37	4.03	4.80	11	7
South Carolina	2.22	1.38	0.80	29	38
South Dakota	0.74	1.13	0.70	46	41
Tennessee	0.83	0.68	0.40	44	48
Texas	1.16	0.66	0.90	40	37
Utah	2.92	1.69	1.10	18	32
Vermont	1.96	2.20	1.90	32	27
Virginia	2.51	2.60	2.70	24	17
Washington	5.47	4.38	3.50	5	12
West Virginia	3.10	2.83	4.90	17	6
Wisconsin	4.21	3.30	2.80	12	15
Wyoming	0.09	0.06	0.30	49	49
MEAN	2.92	2.61	2.40	-	-
MEDIAN	2.47	2.18	2.00	-	-

*Report does not specify which year of state GDP data was used; Moody's changed its approach to calculating states' long-term liabilities and fixed costs beginning in 2022.

Sources: Moody's Investors Service, "2013 State Debt Medians Report," May 29, 2013, accessed in Vermont's Capital Debt Affordability Advisory Committee's [2013 report](#), pdf p. 48; Moody's Investors Service, "Medians – State debt continues slow growth trend," April 24, 2018, accessed in Vermont's Capital Debt Affordability Advisory Committee's [2018 report](#), pdf p. 65; Moody's Investors Service, "Ability to service long-term liabilities and fixed costs improves," September 26, 2023.

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