



OLR RESEARCH REPORT

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COMPARATIVE STATE DEBT BURDENS

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You asked for a comparison of Connecticut's state debt burden to that of other states, to the United States as a whole, and to that of selected other countries. You were especially interested in Connecticut's debt compared to its state gross domestic product (GDP) and how its debt-to-GDP ratio compares to those of other states and nations.

This report shows Connecticut's relative debt burden using three different measures:

1. the dollar amount of the state debt owed by every state resident (per-capita debt);
2. the percentage of the total income earned by all the state's residents it would take to pay the state's debts (debt as a percentage of personal income); and
3. state debt as a percentage of the total value of the goods and services produced in the state (debt-to-GDP ratio).

The last of these allows Connecticut's debt burden to be compared to that of both the U.S. and other nations.

Connecticut ranks high among states on all three measures, according to Moody's Investors Service. It is first in net tax-supported debt per capita, third in debt as a percentage of 2008 personal income, and third in debt-to-GDP ratio. On the other hand, Connecticut would

rank 125th out of 131 if it were included in the Central Intelligence Agency's ranking of countries based on estimated debt-to-GDP ratios (See Tables 1 to 4, attached).

Moody's notes that debt-to-GDP ratios for governments outside the U.S. are usually higher because debt issuance in other countries is more centralized than in the U.S. Nevertheless, Moody's considers international comparisons useful "now that U.S. state credits are rated on the same scale as sovereign and subsovereign credits" ([2010 State Debt Medians Report](#), Moody's Investors Service, May 2010, p. 3.).

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Table 1: Debt Per-Capita			
Rank	State	Per-Capita Debt	Bond Rating
1	Connecticut	\$4,859	Aa2
2	Massachusetts	4,606	Aa1
3	Hawaii	3,996	Aa1
4	New Jersey	3,669	Aa2
5	New York	3,135	Aa2
6	Delaware	2,489	Aa
7	California	2,362	A1
8	Washington	2,226	Aa1
9	Rhode Island	2,127	Aa2
10	Oregon	1,859	Aa1
11	Illinois	1,856	Aa3
12	Wisconsin	1,720	Aa2
13	Kentucky	1,685	Aa1*
14	Maryland	1,608	Aaa
15	Mississippi	1,478	Aa2
16	New Mexico	1,398	Aaa
17	Alaska	1,345	Aa1
18	Louisiana	1,271	Aa2
19	Kansas	1,140	Aa1*
20	Florida	1,123	Aa1
21	Georgia	1,120	Aaa
22	West Virginia	1,079	Aa2
23	Minnesota	1,037	Aa1
24	Utah	957	Aaa
25	Pennsylvania	938	Aa1
26	Ohio	933	Aa1
27	Nevada	925	Aa1
28	South Carolina	917	Aaa
29	Virginia	895	Aaa
30	Alabama	796	Aa1
31	Missouri	780	Aaa
32	North Carolina	765	Aaa
33	Maine	760	Aa2
34	Michigan	748	Aa2
35	Arizona	736	Aa2
36	Vermont	709	Aaa
37	New Hampshire	665	Aa1
38	Oklahoma	570	Aa2
39	Idaho	538	Aa1*
40	Texas	520	Aaa
41	Indiana	492	Aaa*
42	Colorado	400	Aa1*
43	Montana	358	Aa1*
44	North Dakota	327	Aa1*
45	Tennessee	318	Aaa
46	Arkansas	312	Aa1
47	South Dakota	135	NGO**
48	Wyoming	77	NGO**
49	Iowa	73	AaA*
50	Nebraska	15	NGO**
* Issuer Rating (No general obligation (GO) debt)			
**No GO debt			
Source: 2010 State Debt Medians Report, Moody's Investors Service, May 2010			

Table 2: Debt as a % of 2008 Personal Income		
Rank	State	Debt Percentage
1	Hawaii	9.9%
2	Massachusetts	9.2%
3	Connecticut	8.7%
4	New Jersey	7.2%
5	New York	6.5%
6	Delaware	6.2%
7	California	5.6%
8	Kentucky	5.4%
9	Washington	5.3%
10	Oregon	5.2%
11	Rhode Island	5.2%
12	Mississippi	5.0%
13	Wisconsin	4.6%
14	Illinois	4.4%
15	New Mexico	4.4%
16	Louisiana	3.6%
17	West Virginia	3.5%
18	Maryland	3.4%
19	Georgia	3.3%
20	Alaska	3.2%
21	Utah	3.2%
22	Kansas	3.0%
23	Florida	2.9%
24	South Carolina	2.9%
25	Arizona	2.6%
26	Ohio	2.4%
27	Alabama	2.4%
28	Minnesota	2.4%
29	Pennsylvania	2.3%
30	Nevada	2.3%
31	North Carolina	2.3%
32	Maine	2.2%
33	Missouri	2.2%
34	Michigan	2.1%
35	Virginia	2.1%
36	Vermont	1.8%
37	Idaho	1.7%
38	New Hampshire	1.6%
39	Oklahoma	1.6%
40	Indiana	1.5%
41	Texas	1.4%
42	Montana	1.1%
43	Arkansas	1.0%
44	Colorado	1.0%
45	Tennessee	0.9%
46	North Dakota	0.8%
47	South Dakota	0.4%
48	Iowa	0.2%
49	Wyoming	0.2%
50	Nebraska	0.0%
Source: 2010 State Debt Medians Report, Moody's Investors Service, May 2010		

Table 3: Debt to State GDP Ratio		
Rank	State	Ratio
1	Massachusetts	8.32%
2	Hawaii	8.11%
3	Connecticut	7.91%
4	New Jersey	6.73%
5	New York	5.35%
6	Mississippi	4.75%
7	Rhode Island	4.73%
8	California	4.73%
9	Kentucky	4.65%
10	Washington	4.60%
11	Oregon	4.40%
12	Wisconsin	4.05%
13	Illinois	3.78%
14	Delaware	3.56%
15	New Mexico	3.52%
16	Maryland	3.35%
17	West Virginia	3.18%
18	Florida	2.80%
19	Georgia	2.77%
20	South Carolina	2.68%
21	Kansas	2.62%
22	Louisiana	2.57%
23	Utah	2.43%
24	Ohio	2.28%
25	Arizona	2.24%
26	Alabama	2.20%
27	Pennsylvania	2.14%
28	Minnesota	2.08%
29	Maine	2.02%
30	Missouri	1.96%
31	Alaska	1.96%
32	Michigan	1.95%
33	Nevada	1.86%
34	North Carolina	1.79%
35	Virginia	1.78%
36	Vermont	1.73%
37	Idaho	1.58%
38	New Hampshire	1.47%
39	Oklahoma	1.43%
40	Indiana	1.24%
41	Texas	1.05%
42	Montana	0.97%
43	Arkansas	0.92%
44	Colorado	0.81%
45	Tennessee	0.79%
46	North Dakota	0.68%
47	South Dakota	0.30%
48	Iowa	0.16%
49	Wyoming	0.12%
50	Nebraska	0.03%

Source: 2010 State Debt Medians Report, Moody's Investors Service, May 2010

Table 4: Debt to GDP Ratio, Connecticut & Selected Countries		
Rank (out of 131)	Country	Ratio
1	Zimbabwe	241.6%
2	Japan	196.0%
4	Lebanon	150.7%
5	Greece	144.0%
6	Iceland	123.8%
7	Jamaica	123.2%
8	Italy	118.1%
9	Belgium	102.5%
10	Singapore	102.4%
11	Ireland	98.5%
12	Sudan	94.2%
14	France	83.5%
15	Portugal	83.2%
16	Canada	82.9%
17	Egypt	80.5%
20	Israel	77.3%
21	United Kingdom	76.5%
22	Germany	74.8%
27	Spain	63.4%
31	Brazil	60.8%
36	United States	58.9%
38	World	58.3%
42	India	55.9%
43	Philippines	55.2%
47	Uruguay	52.7%
50	Poland	50.5%
51	Argentina	50.3%
52	Pakistan	49.9%
54	Turkey	48.1%
56	Denmark	46.6%
59	Finland	45.4%
65	Mexico	41.5%
68	Sweden	40.8%
73	Switzerland	39.6%
78	Ukraine	38.4%
80	Serbia	37.8%
84	Cuba	34.4%
85	South Africa	33.2%
87	Taiwan	31.4%
91	Indonesia	26.4%
97	New Zealand	25.5%
102	Peru	23.6%
107	Australia	22.4%
111	Hong Kong	18.2%
112	China	17.5%
117	Iran	16.2%
123	Russia	9.5%
	Connecticut	7.91%
126	Chile	6.2%
131	Libya	3.3%

Source: The World Factbook, Central Intelligence Agency