

Bond Case Briefs

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WSJ: Most States are Good Credit Risks.

Even when hefty pension obligations and unfunded employee health-care liabilities are taken into account, state credit quality generally is strong.

The \$518 billion of state general-obligation bonds and other state-supported debt are probably the best slice of the \$3.7 trillion municipal-bond market. General-obligation bonds are backed by states' full faith and credit.

This [table](#) shows the yield premium, measured in hundredths of a percentage point, of 10-year state general-obligation debt above a triple-A benchmark, now about 2.15%. (Ratings for some states are more indicative than real, because they have little or no debt outstanding.)

Barron's has looked at state financial health for the past three years using data compiled by Eaton Vance. This year's tally differs from last year's because it offers a more comprehensive picture, based on about 10 measures that factor in assets, liabilities and other gauges of economic health.

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