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Oops! Some U.S. States Forget to Save Despite Growing Economy.

- **State fund balances can cover a median of 31 days: Pew Study**
- **Metric shows whether states are prepared for next recession**

Consumers are taught to save money during good times to prepare for the worst. Lawmakers who run U.S. states apparently haven't learned that lesson.

An analysis by Pew Charitable Trusts found that the financial cushion states have for recessions is wearing thin — despite the U.S. economy enjoying the second-longest expansion on record. States' total balances — including rainy-day fund reserves and general fund money left over at the end of the year — cover a median of 31 days of general fund expenditures as of fiscal 2018 estimates, 10 days less than right before the recession, the report found.

The situation is worse in states like Kentucky, where the rainy-day fund and leftover cash covers only about a third of a day of general fund expenditures, according to an analysis of fiscal 2018 estimates. The data are based on estimates from states before the close of the fiscal year and could change, Barb Rosewicz, project director at Pew, said in an email.

Continue reading.

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By Amanda Albright

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