

## **ABSTRACT**

*This research aims to give empirical evidence and find out the effect of Risk Flexibility, Fiscal Condition, and Long-Term Solvency on slack resources) by considering pooled data. Variable in this research are divide into independent and dependent variable.the independent variable are Risk Flexibility, Fiscal Condition, and Long-Term Solvency and the dependent variable is slack resources.*

*The data used in this research taken from 2007-2009 and Regency / Munificipality Governments recorded in table of Anggaran Pendapatan dan Belanja Daerah (APBD) and income per capita of Regency / Munificipality Governments in Central Java.*

*The research found that the three independent variable have effect on slack resources. If we checked partially, only fiscal condition variable have effect on slack resources.*

**Keywords** : *slack resources, fiscal condition, local government*