

FINANCIAL STATE OF AUSTIN



\$3.9 billion

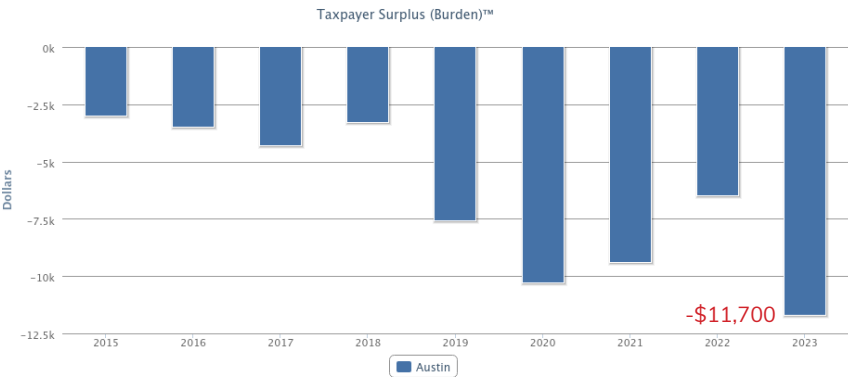
MONEY NEEDED TO PAY
BILLS



\$11,700

TAXPAYER BURDEN™

Austin’s financial condition worsened. Based on our analysis of its audited financial report for fiscal year 2023, its financial hole deepened with a need for \$3.9 billion to cover its bills. This created a Taxpayer Burden™ of \$11,700, earning the city a “D” grade from Truth in Accounting and solidifying its status as a Sinkhole City.



Austin’s investment in capital assets, after accounting for related debt, grew by \$1.3 billion, enhancing the long-term value of public infrastructure and services. However, this increase in capital investment reduced the funds available to address other debts. Simultaneously, the city’s financial challenges worsened as its pension debt rose by \$1.9 billion, primarily driven by unrealized investment losses exceeding 11% as of December 31, 2022, adding significant strain to its finances.

The local housing market slowed significantly, with the median price of an Austin-area home dropping 10.5% to \$450,000 in 2023. This decline could negatively impact property tax revenue, a vital income source for the city. Combined with rising pension debt, the city will need to carefully manage its finances to maintain fiscal stability and address these challenges.

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D
FINANCIAL GRADE



63 out of 75
RANKING

FINANCIAL FACTS

- Austin had \$5.9 billion available to pay \$9.8 billion worth of bills.
- The outcome was a \$3.9 billion shortfall, which breaks down to a burden of \$11,700 per taxpayer.
- Increased capital investments limited available funds for the city’s bills, while a \$1.9 billion rise in pension debt further strained finances.

The City’s Bills Exceeded Its Assets

Total Assets	\$21,756,074,000
Minus: Capital Assets	-\$13,987,296,000
Restricted Assets	-\$1,884,251,000
Assets Available to Pay Bills	\$5,884,527,000
Minus: Total Bills*	-\$9,801,715,000
Money needed to pay bills	\$3,917,188,000
Each taxpayer’s share of this burden	\$11,700

*Breakdown of Total Bills

Bonds	\$7,965,970,000
Other Liabilities	\$2,351,663,000
Minus: Debt Related to Capital Assets	-\$7,830,226,000
Unfunded Pension Benefits	\$3,959,590,000
Unfunded Retiree Health Care Benefits	\$3,354,718,000
Total Bills	\$9,801,715,000

Grade:	Bottom line:
D	Austin would need \$11,700 from each of its taxpayers to pay all of its outstanding bills and received a “D” grade for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 is given a “D” grade.