



No. **60**

# Boston Finances Still Struggling

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## The Financial State of Boston

A new analysis of the latest available audited financial report found Boston has a Taxpayer Burden™ of \$12,800, earning it a "D" grade based on Truth in Accounting's grading scale.

Boston's elected officials have made repeated financial decisions that have left the city with a debt burden of \$3.3 billion, according to the analysis. That equates to a \$12,800 burden for every city taxpayer.

Boston's financial problems stem mostly from unfunded retirement obligations that have accumulated over many years. Of the \$7.4 billion in retirement benefits promised, the city has not funded \$1.8 billion in pension and \$2.5 billion in retiree health care benefits.

Here's the truth:



Data included in this report is derived from the city of Boston 2017 audited Comprehensive Annual Financial Report and retirement plans' reports.

# BOSTON

## FINANCIAL BREAKDOWN

### FAST FACTS

- + Boston has \$2.1 billion available in assets to pay \$5.4 billion worth of bills.
- + The outcome is a \$3.3 billion shortfall and a \$12,800 Taxpayer Burden.
- + The city is hiding \$1.7 billion of retiree health care debt from its balance sheet.

### THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$4,439,191,000
Minus: Capital assets	-\$2,173,274,000
Restricted assets	-\$126,787,000
Assets available to pay bills	\$2,139,130,000
Minus: Bills	-\$5,418,365,000
Money needed to pay bills	-\$3,279,235,000
Each taxpayer's share of this debt	-\$12,800

### BILLS THE CITY HAS ACCUMULATED

Bonds	\$1,435,133,000
Other liabilities	\$1,140,983,000
Minus: Debt related to capital assets	-\$1,462,310,000
Unfunded pension benefits	\$1,829,223,000
Unfunded retiree health care	\$2,475,336,000
Bills	\$5,418,365,000

### GRADE: D

Bottom line: Boston does not have enough money to pay its bills, so it has received a "D" for its finances from Truth in Accounting. A "D" grade is given to cities with a Taxpayer Burden between \$5,000 and \$20,000.