

Boston

The Truth



Money Needed to Pay Bills
\$2 billion



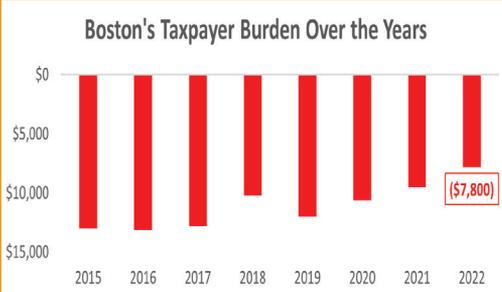
Taxpayer Burden™
\$7,800



Financial Grade
D



Ranking
58 out of 75



Financial State of Boston

Boston's financial condition appeared to improve due in part to increased tax collections and federal COVID relief funds. Despite the good news, they still had a Taxpayer Burden™ of \$7,800, earning it a "D" grade from Truth in Accounting. But the improvement is deceiving because the city used outdated pension data.

According to the city's 2022 financial report, the city continued to spend federal COVID-19 relief funds, and as the U.S. economy reopened the city took in additional tax revenue. The pension debt included in this report and the city's financial report is based using 2021 data when pension investments were performing well. If the city's pension investments experienced the same major decrease that most other cities experienced in 2022, Boston's pension debt would be higher. Over the past few years investment market values have swung dramatically. This volatility demonstrates the risk to taxpayers when their city offers defined pension benefits to its employees.

Boston had set aside only 74 cents for every dollar of promised pension benefits and 26 cents for every dollar of promised retiree health care benefits.

It is important to note that continued market fluctuations, changing investment values, decreased COVID relief funds, and a stabilizing economy that may slow tax collections, could worsen the city's financial health. City officials should continue to try to reduce the Taxpayer Burden by following the recommendations in our 2024 Financial State of the Cities report, which would also bring greater transparency and accountability to city finances.

Boston's Financial Breakdown

Fast Facts

- Boston had \$5.2 billion available to pay \$7.2 billion worth of bills.
- The outcome was a \$2 billion shortfall, a decrease of \$383.1 million from the prior year, and a burden of \$7,800 per taxpayer.
- While this report indicates the city's financial condition improved due in part to COVID relief funds and increased taxes, this might be overly optimistic because the city used outdated pension data.

The City's Bills Exceeded Its Assets

Total Assets	\$8,256,538,000
Minus: Capital Assets	-\$2,827,589,000
Restricted Assets	-\$201,577,000
Assets Available to Pay Bills	\$5,227,372,000
Minus: Total Bills*	\$7,228,758,000
Money needed to pay bills	\$2,001,386,000
Each taxpayer's share of this burden	\$7,800

*Breakdown of Total Bills

Bonds	\$1,693,018,000
Other Liabilities	\$3,715,330,000
Minus: Debt Related to Capital Assets	-\$1,645,157,000
Unfunded Pension Benefits	\$1,077,003,000
Unfunded Retiree Health Care Benefits	\$2,388,564,000
Total Bills	\$7,228,758,000

Grade:

D

Bottom line: Boston would need \$7,800 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.

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