

# Chicago

## The Truth



Money Needed to Pay Bills  
**\$38.4 billion**



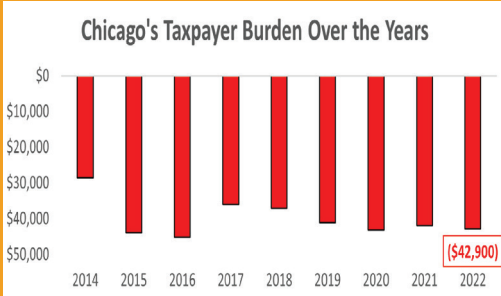
Taxpayer Burden™  
**\$42,900**



Financial Grade  
**F**



Ranking  
**74 out of 75**



## Financial State of Chicago

Chicago's financial condition worsened by \$206.2 million, resulting in a Taxpayer Burden™ of \$42,900 and earning it an "F" grade from Truth in Accounting.

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. Such economic gains were offset by increases in the city's pension liability. Over the past few years, investment market values have swung dramatically. In 2022, this volatility negatively impacted the city's pension investments and its financial condition, which demonstrates the risk to taxpayers when their city offers defined pension benefits to its employees.

Chicago had set aside only 22 cents for every dollar of promised pension benefits and no money set aside for 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 Chicago's financial health further. City officials should try to reduce the Taxpayer Burden by following the recommendations in our 2024 Financial State of the Cities report which would bring greater transparency and accountability to city finances.

# Chicago's Financial Breakdown

## Fast Facts

- Chicago had \$13 billion available to pay \$51.4 billion worth of bills.
- The outcome was a \$38.4 billion shortfall, an increase of \$206.2 million from the prior year, and a burden of \$42,900 per taxpayer.
- While the city received \$2.2 billion in grant funds, Chicago's unfunded pension benefits increased due to weak returns on its pension investments.

## The City's Bills Exceeded Its Assets

|                                      |                   |
|--------------------------------------|-------------------|
| Total Assets                         | \$47,416,591,000  |
| Minus: Capital Assets                | -\$29,419,579,000 |
| Restricted Assets                    | -\$4,965,114,000  |
| Assets Available to Pay Bills        | \$13,031,898,000  |
| Minus: Total Bills*                  | \$51,400,828,000  |
| Money needed to pay bills            | \$38,368,930,000  |
| Each taxpayer's share of this burden | \$42,900          |

## \*Breakdown of Total Bills

|                                       |                   |
|---------------------------------------|-------------------|
| Bonds                                 | \$28,872,146,000  |
| Other Liabilities                     | \$10,725,542,000  |
| Minus: Debt Related to Capital Assets | -\$25,468,505,000 |
| Unfunded Pension Benefits             | \$35,436,606,000  |
| Unfunded Retiree Health Care Benefits | \$1,835,039,000   |
| Total Bills                           | \$51,400,828,000  |

### Grade:

**F**

Bottom line: Chicago would need \$42,900 from each of its taxpayers to pay all of its outstanding bills and received an "F" grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden greater than \$20,000 is given an "F" grade.

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