



THE TRUTH

Money Needed to Pay Bills

- \$18 billion

Taxpayer Burden™

- \$37,000

Financial Grade

F

Ranking

46 out of 50

Hawaii's Financial Condition Worsened Despite Federal Funds



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Financial State of Hawaii

Despite receiving support from COVID relief grants and other federal programs, Hawaii's overall financial condition worsened during the onset of the pandemic. Based upon the state's fiscal year 2020 audited financial report, Hawaii had a Taxpayer Burden™ of \$37,000, earning it an "F" grade from Truth in Accounting.

Hawaii's elected officials have repeatedly made financial decisions that left the state with a debt burden of \$18 billion. That burden came to \$37,000 for every state taxpayer. Hawaii's financial problems stem mostly from unfunded retirement obligations that have over the years. The state had only set aside 53 cents for every dollar of promised pension benefits and 21 cents for every dollar of promised retiree health care benefits.

Hawaii did not have enough money set aside to weather the pandemic and the state has been in dire fiscal shape for years. Like all other states, Hawaii received federal assistance from the CARES Act and other COVID-19 related grants which came with stipulations on how the money could be spent. The state has not been properly funding its pension and retiree health care promises for years which has led to its financial condition continuing to deteriorate.

The data included in this report is derived from the state of Hawaii's 2020 audited Annual Comprehensive Financial Report and retirement plans' reports. To compare states' financial information go to Data-Z.org.

Hawaii's Financial Breakdown

Fast Facts

- Hawaii had \$6.5 billion available to pay \$24.5 billion worth of bills.
- The outcome was a \$18 billion shortfall, which breaks down to a burden of \$37,000 per taxpayer.
- Hawaii's overall financial condition worsened by 11 percent during the onset of the pandemic mostly because pension plan liabilities increased faster than investment income.

THE STATE'S BILLS EXCEEDED ITS ASSETS

Total assets	\$29,882,901,000
Minus: Capital assets	-\$18,146,796,000
Restricted assets	-\$5,229,969,000
Assets available to pay bills	\$6,506,136,000
Minus: Total bills	-\$24,458,251,000
Money available (needed) to pay bills	-\$17,952,115,000
Each taxpayer's share of this debt	-\$37,000

BILLS THE STATE ACCUMULATED

Bonds	\$10,551,295,000
Other liabilities	\$4,298,787,000
Minus: Debt related to capital assets	-\$10,248,820,000
Unfunded pension benefits	\$10,436,241,000
Unfunded retiree health care benefits	\$9,420,748,000
Total bills	\$24,458,251,000

Grade:

F

Bottom line: Hawaii would need \$37,000 from each of its taxpayers to pay all of its bills, so it received an "F" for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden greater than \$20,000 receives an "F" grade.

Truth in Accounting is a 501(c)(3) nonprofit organization committed to educating and empowering citizens with understandable, reliable and transparent government financial information. To be knowledgeable participants in their government and its budget process, citizens need truthful and transparent financial information.