



THE TRUTH

Money Needed to Pay Bills

\$17.2 Billion

Taxpayer Burden™

\$33,300

Financial Grade

F

Ranking

47 out of 50

Hawaii Ranked In Bottom Five for Its Fiscal Health



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Financial State of Hawaii

Reporting on Hawaii's financial state is difficult. The Hawaiian government has not reported its pension and other post-retirement benefit data for 2021. Thus, the state's financial information and our report should be considered limited in its use given the lack of complete information. Based upon the limited information available the state needed \$17.2 billion to pay the bills it had accumulated. The resulting Taxpayer Burden™ was \$33,300, which represents each taxpayer's share of the state's debt. Therefore, the state earned an "F" grade from Truth in Accounting.

In previous reports, Hawaii's financial problems stemmed mostly from unfunded retirement obligations. Hawaii has not released its pension and post retirement data, but record gains in the stock market in 2021 may indicate funding-levels of the state's pension system are healthier than in 2020, but much of that improvement is fading. Markets have lost an average of 14% value in 2022. Any increase Hawaii may report is only on paper. Until the pension investments are sold, these liability decreases are not real. Even with Covid relief funding, Hawaii's financial condition did not improve significantly.

Hawaii had only set aside 54 cents for every dollar of promised pension benefits and 26 cents for every dollar of promised retiree health care benefits. If benefits and funding are not changed, future taxpayers will be burdened with paying the under-funded retirement promises.

The data included in this report is derived from the State of Hawaii's 2021 audited Annual Comprehensive Financial Report and retirement plans' reports. To compare state financial, demographic and economic information go to Data-Z.org.



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Hawaii's Financial Breakdown

Fast Facts

- Hawaii had \$8.9 billion available to pay \$26.1 billion worth of bills.
- The outcome was a \$17.2 billion shortfall, which breaks down to a burden of \$33,300 per taxpayer.
- Hawaii's overall financial condition improved only slightly in 2021. Despite federal Covid funding, Hawaii's money to pay bills increased only by \$700 million, far less than most states.

THE STATE'S BILLS EXCEEDED ITS ASSETS

Total assets	\$33,072,242,000
Minus: Capital assets	-\$18,276,628,000
Restricted assets	-\$5,864,922,000
Assets available to pay bills	\$8,930,692,000
Minus: Total bills*	-\$26,084,458,000
Money needed to pay bills	\$17,153,766,000
Each taxpayer's share of this burden	\$33,300

* BREAKDOWN OF TOTAL BILLS

Bonds	\$12,662,792,000
Other liabilities	\$5,907,994,000
Minus: Debt related to capital assets	-\$11,739,637,000
Unfunded pension benefits	\$10,436,308,000
Unfunded retiree health care benefits	\$8,817,001,000
Total bills	\$26,084,458,000

Grade:

F

Bottom line: Hawaii would need \$33,300 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"

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