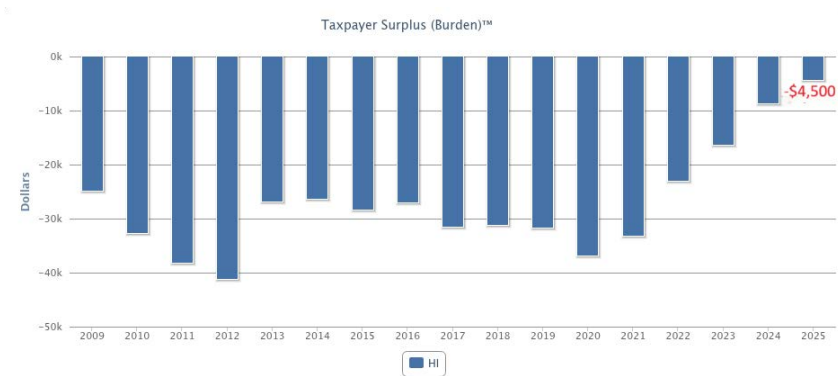


HAWAII'S FINANCIAL BREAKDOWN

Money Needed to Pay Bills	\$2.3 billion	Ranking (Out of 50)	32
Taxpayer Burden™	\$4,500	Financial Grade	C

In 2025, Hawaii's financial situation improved, but it still didn't have enough money to pay all of its bills and needed \$2.3 billion to fill the gap. That means each taxpayer would have to contribute \$4,500 to help pay off the state's debt. As a result, Hawaii earned a "C" grade from Truth in Accounting.

Hawaii's financial position improved significantly in fiscal year 2025, with revenues exceeding expenses. Taxes accounted for 54.2 percent of total revenues, while grants and contributions, including federal aid, represented 27.9 percent. Despite this progress, the state continued to face substantial long-term obligations related to unfunded pension and retiree health care liabilities. The Employees' Retirement System of Hawaii has not released updated 2025 financial reports, limiting transparency and public trust while hindering effective oversight of the state's pension plans.



Hawaii received approximately \$6.6 billion in federal grants, which represented 27 percent of its revenue. The federal government mandates that entities receiving significant federal funds undergo a Single Audit. These audits are intended to be the taxpayers' first line of defense against potential fraud and abuse. Auditors found that Hawaii relies heavily on audit corrections to produce accurate financial statements year over year. The audit also found technology issues, untimely distribution of federal grant money, and staffing shortages—revealing weaknesses in systemic control and coordination across multiple agencies.

The data in this report is derived from Hawaii's audited 2025 Annual Comprehensive Financial Report and its retirement systems' reports. To explore prior years or compare financial, demographic, and economic data across other states and cities, visit Data-Z.org.

HAWAII'S FINANCIAL FACTS

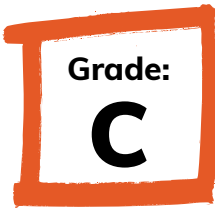
FACT #1: Hawaii had \$19.4 billion available to pay \$21.7 billion worth of bills.	FACT #2: The outcome was a \$2.3 billion shortfall, which breaks down to a burden of \$4,500 per taxpayer.
FACT #3: Hawaii received 27 percent of its revenue from federal grants and was required to undergo a Single Audit, which identified potential fraud and abuse.	

THE STATE'S BILLS EXCEEDED ITS ASSETS

\$44,130,420,000	→	Total Assets
- \$20,476,878,000	→	Minus: Capital Assets
- \$4,243,245,000	→	Minus: Restricted Assets
= \$19,410,297,000	→	Assets Available to Pay Bills
- \$21,678,605,000	→	Minus: Total Bills*
= \$2,268,308,000	→	Money Needed to Pay Bills
/ Divide by the estimated number of taxpayers		
= \$4,500	→	Each Taxpayer's Share of This Burden

*BREAKDOWN OF TOTAL BILLS

\$13,013,932,000	→	Bonds
+ \$5,840,152,000	→	Other Liabilities
- \$12,650,831,000	→	Minus: Debt Related to Capital Assets
+ \$9,859,864,000	→	Unfunded Pension Benefits
+ \$5,615,488,000	→	Unfunded Retiree Health Care Benefits
= \$21,678,605,000	→	Total Bills



Bottom line: Hawaii would need \$4,500 from each of its taxpayers to pay all of its outstanding bills and received a "C" grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden between \$0 and \$4,999 is given a "C" grade.