Financial State of Houston

Money Needed to Pay Bills	**$3.5 billion**	
Taxpayer Burden™	**$4,800**	
Ranking (Out of 5)	**2nd**	
Grade	**C**	

Houston's financial condition improved in 2024, but the city still needed $3.5 billion. Based upon the city's latest audited financial report for fiscal year 2024, it had a Taxpayer Burden of $4,800, earning it a "C" grade from Truth in Accounting.

Taxpayer Surplus (Burden)™

-$4,800
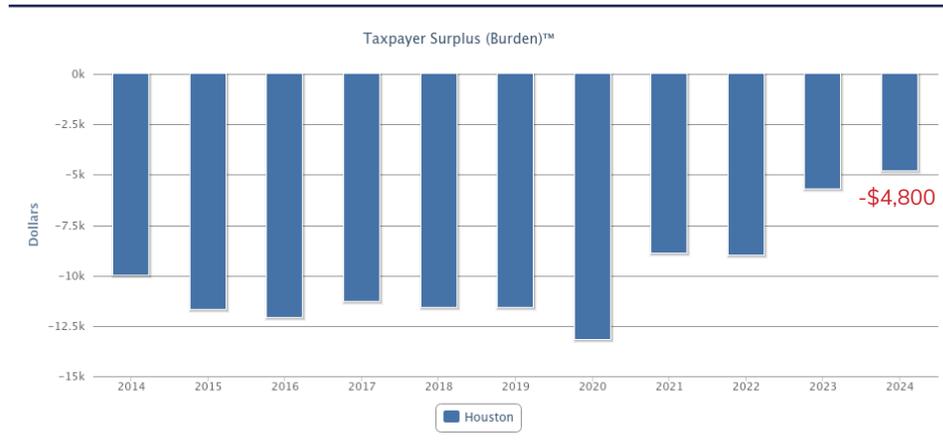
Revenues exceeded expenses during the year, and reported investment gains helped improve the city's results. However, rising costs, including public safety expenses, and ongoing long-term obligations continue to strain the city's finances, leaving Houston short of the funds needed to pay all of its bills.

Houston's municipal employees' and police officers' pension systems reported unrealized investment gains of nearly 10 percent, increasing the reported value of investments held largely in private equity, real estate, private credit, and hedge funds. These gains will not be realized until assets are sold. If investment values decline when benefits are paid, the city may need to make additional contributions, leaving promised pension and other retirement benefits partially unfunded and increasing long-term financial risk.

Houston's Financial Facts

FACT #1:
Houston had $7.3 billion available to pay $10.8 billion worth of bills.

FACT #2:
The outcome was a $3.5 billion shortfall, which breaks down to a burden of $4,800 per taxpayer.

FACT #3:
Houston's finances are stronger, but pensions rely on paper gains that may not materialize, meaning future contributions could increase.

The City's Bills Exceeded Its Assets

Total Assets	$33,574,067,000
Minus: Capital Assets	-$23,855,649,000
Restricted Assets	-$2,418,734,000
Assets Available to Pay Bills	$7,299,684,000
Minus: Total Bills*	-$10,780,577,000
Money Needed to Pay Bills	$3,480,893,000
Each Taxpayer's Share of this Burden	$4,800

*Breakdown of Total Bills

Bonds	$14,216,159,000
Other Liabilities	$5,328,188,000
Minus: Debt Related to Capital Assets	-$12,336,633,000
Unfunded Pension Benefits	$1,826,519,000
Unfunded Retiree Health Care Benefits	$1,746,344,000
Total Bills	$10,780,577,000

Grade: C

Bottom line:
Houston, TX would need $4,800 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.