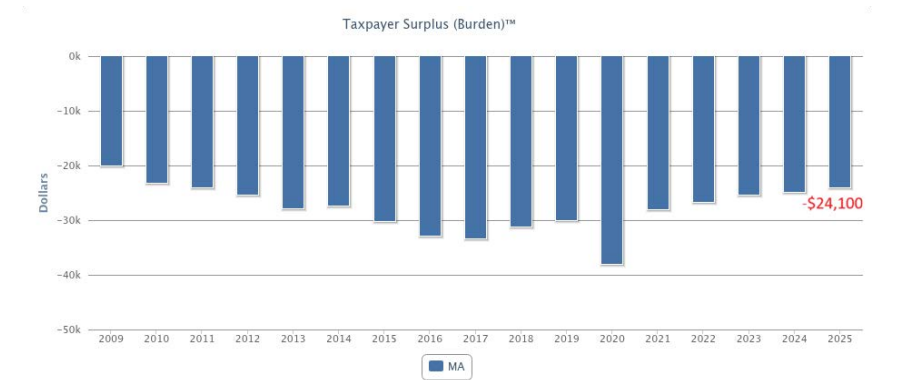


MASSACHUSETTS' FINANCIAL BREAKDOWN

Money Needed to Pay Bills	\$67.4 billion	Ranking (Out of 50)	47
Taxpayer Burden™	\$24,100	Financial Grade	F

In 2025, Massachusetts' financial situation improved, but it still didn't have enough money to pay all of its bills and needed \$67.4 billion to fill the gap. That means each taxpayer would have to contribute \$24,100 to help pay off the state's debt. As a result, Massachusetts earned an "F" grade from Truth in Accounting.

Massachusetts reported an improved financial position, driven by a \$3.5 billion increase in tax revenues. These increases were offset by a reduction in federal operating grants and a correction to tobacco settlement proceeds previously recorded as investment earnings. Tax revenues accounted for 46.4 percent of total governmental revenues, underscoring the state's reliance on this revenue source. This reliance also exposes Massachusetts to changes in federal tax policy,



Massachusetts received approximately \$34.3 billion in federal grants, which represented 31 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 repeated problems with financial reviews, federal grant reporting, and oversight of organizations receiving federal funds. Many of these issues had been identified in previous audits but remained unresolved, increasing the risk of reporting errors, failure to follow federal requirements, and weaker accountability.

The data in this report is derived from Massachusetts' 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](#).

MASSACHUSETTS' FINANCIAL FACTS

- FACT #1:**
Massachusetts had \$48.7 billion available to pay \$116.1 billion worth of bills.
- FACT #2:**
The outcome was a \$67.4 billion shortfall, which breaks down to a burden of \$24,100 per taxpayer.
- FACT #3:**
Massachusetts received 31 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

\$125,344,716,000

→

Total Assets

- \$63,528,170,000

→

Minus: Capital Assets

- \$13,137,039,000

→

Minus: Restricted Assets

= \$48,679,507,000

→

Assets Available to Pay Bills

- \$116,121,820,000

→

Minus: Total Bills*

= \$67,442,313,000

→

Money Needed to Pay Bills

/ Divide by the estimated number of taxpayers

→

= \$24,100

→

Each Taxpayer's Share of This Burden

*BREAKDOWN OF TOTAL BILLS

\$60,786,925,000

→

Bonds

+ \$23,138,922,000

→

Other Liabilities

- \$22,747,987,000

→

Minus: Debt Related to Capital Assets

+ \$39,883,613,000

→

Unfunded Pension Benefits

+ \$15,060,347,000

→

Unfunded Retiree Health Care Benefits

= \$116,121,820,000

→

Total Bills



Bottom line:
Massachusetts would need \$24,100 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.