



THE TRUTH

Money Needed to Pay Bills

- \$189.6 billion

Taxpayer Burden™

- \$57,900

Financial Grade

F

Ranking

50 out of 50

New Jersey's Finances Worst in Nation



September 2020

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Financial State of New Jersey

This report shows that New Jersey went into the coronavirus pandemic in dire fiscal health, and it will probably come out of the crisis even worse. Based upon the state's latest audited financial report, which is dated before the crisis began, New Jersey had a Taxpayer Burden™ of \$57,900, earning it an "F" grade from Truth in Accounting.

New Jersey's elected officials have made repeated financial decisions that left the state with a debt burden of \$189.6 billion. That burden equates to \$57,900 for every state taxpayer. New Jersey's financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$225.6 billion in retirement benefits promised, the state has not funded \$95.7 billion in pension and \$76.8 billion in retiree health care benefits.

New Jersey did not have enough money set aside to weather the current pandemic and fluctuations in the market. According to rough estimates by Truth in Accounting, New Jersey is projected to lose \$14 billion in revenue as a result of this crisis. The uncertainty surrounding this crisis makes it impossible to determine how much will be needed to maintain government services and benefits, but New Jersey's overall debt will most likely increase.

The data included in this report is derived from the state of New Jersey's 2019 audited Comprehensive Annual Financial Report and retirement plans' reports. To compare states' financial information go to Data-Z.org.

New Jersey Financial Breakdown

Fast Facts

- New Jersey had \$24.9 billion available to pay \$214.5 billion worth of bills.
- The outcome was a \$189.6 billion shortfall, which breaks down to a burden of \$57,900 per taxpayer.
- New Jersey's unfunded retiree health care benefits decreased by \$15 billion due changes in health care costs and the elimination of the Affordable Care Act Health Insurer Fee.

THE STATE'S BILLS EXCEEDED ITS ASSETS

Total assets	\$102,532,670,000
Minus: Capital assets	-\$58,423,337,000
Restricted assets	-\$19,249,573,000
Assets available to pay bills	\$24,859,760,000
Minus: Total bills	-\$214,509,020,000
Money available (needed) to pay bills	-\$189,649,260,000
Each taxpayer's share of this debt	-\$57,900

BILLS THE STATE ACCUMULATED

Bonds	\$60,472,183,000
Other liabilities	\$19,530,454,000
Minus: Debt related to capital assets	-\$38,021,476,000
Unfunded pension benefits	\$95,713,013,000
Unfunded retiree health care benefits	\$76,814,846,000
Total bills	\$214,509,020,000

Grade:

F

Bottom line: New Jersey needed \$57,900 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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