



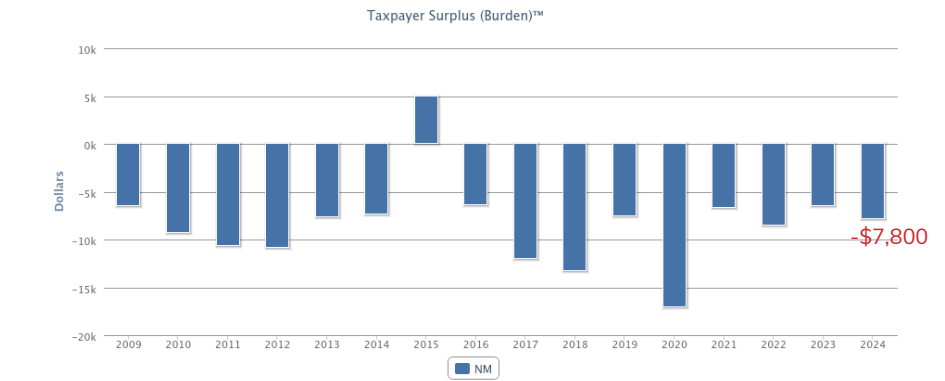


New Mexico's Financial Breakdown

Money Needed to Pay Bills	\$5.1 billion	
Taxpayer Burden	\$7,800	
Ranking (Out of 50)	33	
Financial Grade	D	

New Mexico needed more money to pay its bills in 2024, with the shortfall rising to \$5.1 billion. This resulted in a Taxpayer Burden™ of \$7,800, which led to a “D” grade from Truth in Accounting.

New Mexico's reported revenues significantly exceeded expenses. However, the state's obligation to pay bills increased slightly, primarily due to a substantial rise in restricted assets. These assets are limited in use and do not enhance the state's flexible, spendable resources. Meanwhile, the state's unfunded pension liability also grew, driven largely by salary increases and revised actuarial assumptions, including demographic changes and expectations of longer life spans among future retirees.



Federal funding for New Mexico surged during the pandemic through emergency and short-term programs. As these supports expire and federal budget constraints intensify, the risk of funding returning to pre-pandemic levels grows. This report considers a scenario in which federal grants and contributions return to 2019 levels, adjusted for inflation. If that occurs, New Mexico could lose \$3.4 billion, which is nearly 11 percent of estimated spending for the state's primary government. This loss would place additional strain on a government already facing challenges in meeting its financial obligations.

The data in this report is derived from New Mexico's audited 2024 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](#).

New Mexico's Financial Facts

- FACT #1:**
New Mexico had \$17.3 billion available to pay \$22.4 billion worth of bills.
- FACT #2:**
The outcome was a \$5.1 billion shortfall, which breaks down to a burden of \$7,800 per taxpayer.
- FACT #3:**
New Mexico may lose \$3.4 billion in federal funding (11 percent of expenses) if allocations return to 2019 levels, adjusted only for inflation.

The State's Bills Exceeded Its Assets

Total Assets	\$97,593,071,000
Minus: Capital Assets	-\$12,589,906,000
Restricted Assets	-\$67,656,573,000
Assets Available to Pay Bills	\$17,346,592,000
Minus: Total Bills*	-\$22,432,514,000
Money Needed to Pay Bills	\$5,085,922,000
Each Taxpayer's Share of this Burden	\$7,800

*Breakdown of Total Bills

Bonds	\$6,940,080,000
Other Liabilities	\$10,262,970,000
Minus: Debt Related to Capital Assets	-\$2,492,422,000
Unfunded Pension Benefits	\$6,934,128,000
Unfunded Retiree Health Care Benefits	\$787,758,000
Total Bills	\$22,432,514,000

Grade:
D

Bottom line:
New Mexico would need \$7,800 from each of its taxpayers to pay all of its outstanding bills and received a “D” grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 is given a “D” grade.



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