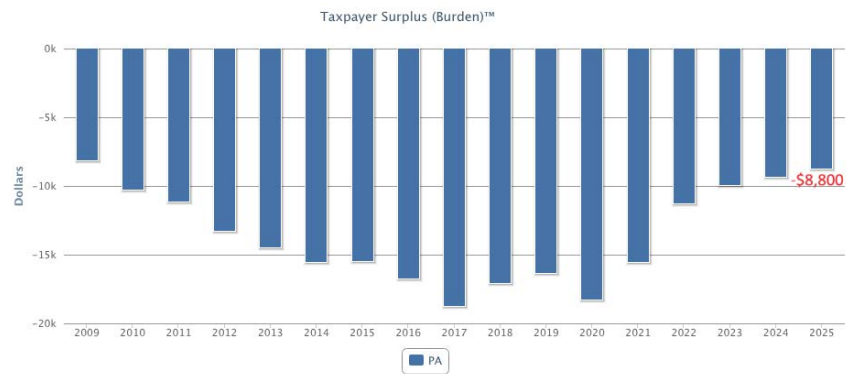


PENNSYLVANIA'S FINANCIAL BREAKDOWN

Money Needed to Pay Bills	\$40.5 billion	Ranking (Out of 50)	39
Taxpayer Burden™	\$8,800	Financial Grade	D

In 2025, Pennsylvania's financial situation improved, but it still didn't have enough money to pay all of its bills and needed \$40.5 billion to fill the gap. That means each taxpayer would have to contribute \$8,800 to help pay off the state's debt. As a result, Pennsylvania earned a "D" grade from Truth in Accounting.

Revenues exceeded expenses, primarily due to strong tax collections and favorable investment returns. Investment performance also reduced net pension and retiree health care liabilities. Although retiree health care benefits did not decrease, the estimated liability declined due to a higher discount rate used to calculate the present value of future benefit payments. Favorable market conditions supported reallocating funds to long-term investments. Capital assets also increased significantly, largely reflecting highway infrastructure funding for



Pennsylvania received approximately \$50.5 billion in federal grants, which represented 40 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. Pennsylvania's audit found problems with financial oversight, computer security, late and inaccurate reporting, staff shortages, outdated systems, and monitoring of organizations receiving federal funds. Agencies also did not consistently resolve previous audit issues or follow federal grant requirements and established procedures.

The data in this report is derived from Pennsylvania'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.

PENNSYLVANIA'S FINANCIAL FACTS

- FACT #1:**
Pennsylvania had \$64.9 billion available to pay \$105.4 billion worth of bills.
- FACT #2:**
The outcome was a \$40.5 billion shortfall, which breaks down to a burden of \$8,800 per taxpayer.
- FACT #3:**
Pennsylvania received 40 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

\$144,811,840,000	→	Total Assets
- \$60,802,980,000	→	Minus: Capital Assets
- \$19,094,465,000	→	Minus: Restricted Assets
= \$64,914,395,000	→	Assets Available to Pay Bills
- \$105,407,918,000	→	Minus: Total Bills*
= \$40,493,523,000	→	Money Needed to Pay Bills
/ Divide by the estimated number of taxpayers		
= \$8,800	→	Each Taxpayer's Share of This Burden

*BREAKDOWN OF TOTAL BILLS

\$42,646,623,000	→	Bonds
+ \$29,947,513,000	→	Other Liabilities
- \$18,814,615,000	→	Minus: Debt Related to Capital Assets
+ \$38,163,676,000	→	Unfunded Pension Benefits
+ \$13,464,721,000	→	Unfunded Retiree Health Care Benefits
= \$105,407,918,000	→	Total Bills



Bottom line:
Pennsylvania would need \$8,800 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.